

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">WORMWOOD SCRUBS CHARITABLE TRUST COMMITTEE</p> <p align="center">24 September 2015</p>
<p align="center">WORMWOOD SCRUBS CHARITABLE TRUST STATEMENT OF ACCOUNTS 2014/15</p>	
<p align="center">Report of the Director for Finance & Resources, Environmental Services</p>	
<p>Open Report</p>	
<p>Classification - For Information</p> <p>Key Decision: No</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara, Strategic Director for Finance</p>	
<p>Report Author: Mark Jones, Director for Finance & Resources, Environmental Services</p>	<p>Contact Details: Tel: 020 (8753 6700) E-mail: (mark.jones@lbhf.gov.uk)</p>

<p>AUTHORISED BY:</p> <p>.....</p> <p>DATE:</p>

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1. EXECUTIVE SUMMARY

- 1.1. This report presents the Wormwood Scrubs Charitable Trust Annual Trustee’s Report which includes the draft 2014/15 financial accounts (Appendix 1).
- 1.2. The external auditors (KPMG LLP) require the Trust to approve a letter of representation, which is at Appendix 2.
- 1.3. The external auditors (KPMG LLP) must report their findings to a properly constituted governance body of the Trust before they can publish their signed and final opinion on the integrity of the Trust’s accounts. Their draft opinion is at Appendix 3.

2. RECOMMENDATIONS

- 2.1. To note the content of the draft 2014/15 financial accounts for Wormwood Scrubs Charitable Trust ("the Trust") as s.
- 2.2. To approve delegation of authority to the Director for Finance & Resources, Environmental Services for the approval of the audited 2014/15 Statement of Accounts and Trustee's report in the event of auditor changes subsequent to this Committee meeting.
- 2.3. To approve the management representation letter (attached as Appendix 2).
- 2.4. To approve the Trustee's Annual Report, attached as Appendix 1.
- 2.5. To note the contents of the annual risk assessment (contained in the Trustee's report on pages 24-25).

3. REASONS FOR DECISION

- 3.1. The external auditors must report their findings to a properly constituted governance body of the Trust before they can publish their signed and final opinion on the integrity of the Trust's accounts.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Wormwood Scrubs Charitable Trust's Statement of Accounts and Trustee's Report have been prepared in accordance with the Charities Statement of Recommended Practice 2005 and Charities Act 2011. The Statement of Accounts and Trustee's Report are provided from page 13 of Appendix 1. These are for approval by the Wormwood Scrubs Charitable Trust Committee.
- 4.2. This report gives a brief overview of the key points arising from the Statement of Accounts and Trustee's Report.
- 4.3. KPMG have remained the auditors of the financial statements for 2014/15.
- 4.4. It should be noted that these accounts remain "unaudited" until final sign-off by KPMG and may therefore be subject to change until that point. However, no further changes are expected. KPMG will consider and complete their final sign-off following the approval of the accounts by the Trust. In the event that changes are subsequently made, then the Director for Finance & Resources, Environmental Services will sign-off the amended accounts (following approval of delegated authority), will advise all Committee members, and report any changes to the next meeting of the Wormwood Scrubs Charitable Trust Committee.

5. STATEMENT OF ACCOUNTS 2014/15

- 5.1. Financial performance for the Wormwood Scrubs Charitable Trust in 2014/15 was an improvement of £72,516 when compared to last year, with the Trust almost breaking even on income and expenditure. Net incoming resources for the year totalled a small loss of £6,534. This improved position was due mainly to the successful renegotiation of the car park lease with the hospital.
- 5.2. The Trust started the year with an opening balance of £5,320,353. With net incoming resources of £(6,534), the year end balance was £5,313,819.
- 5.3. The amount carried forward consists of unrestricted income funds of £313,818 and designated funds relating to the valuation of land and buildings of £5,000,001.
- 5.4. The Trust's land includes the Linford Christie Athletics Stadium, Pony Centre, three bedroom cottage and single storey parks depot, all of which are valued as £1 in total. It also includes the car park valued at £5,000,000 as at 31st March 2015.
- 5.5. The main source of income is achieved through the use of the car parks that append Wormwood Scrubs. This income consists of public pay and display parking income and private car park rental income from the licence to Hammersmith Hospital Trust. These generated 99% (£708,367) of the Trust's £717,972 of incoming resources for 2014/15.
- 5.6. The main source of resources expended are payments in respect of grounds maintenance. These totalled 93% (£671,940) of the £724,506 total resources expended in 2014/15.
- 5.7. Further details on the financial performance of all these elements can be found within the Statement of Accounts and Trustee's report.

6. AUDITOR'S REPORT

- 6.1. The auditor asks the Committee and management for written representations about the financial statements and governance arrangements. To that end Members are asked to consider and approve the draft letter of representation attached as Appendix 2.
- 6.2. KPMG's findings and final opinion on the 2014/15 financial statements will be issued once the letter of representation has been approved.

7. REVIEW OF BALANCES

- 7.1. The Trust's balances have reduced in recent years, mainly due to reductions in pay and display parking income and increased grounds maintenance costs due to annual contract inflation. The Trust continues to

closely monitor and scrutinise its income and expenditure. Council officers are focussing on reducing the net costs of the Trust in the short, medium and long term.

- 7.2. In 2014/15 the car park lease was reviewed and uplifted in line with RPI increases. This has significantly improved the financial performance of the Trust. It is also intended to optimise the use of the scrubland through commercial lets. Expenditure is restricted to a few significant budget lines. Further information regarding reserves and the review of balances can be found within the Statement of Accounts and Trustee's report.

8. RISK MANAGEMENT

- 8.1. As part of the Trustee's risk management strategy, the Trustee completes an annual review of the risks the charity may face. The 2014/15 risk assessment is contained in the Trustee's report on pages 24-25.
- 8.2. The work has identified only a few risks and the situation is being monitored. A key element in the management of risk is managing income and expenditure and setting a reserves policy for regular review by the Trustee. The review of reserves is set out in section 7 above.

9. LEGAL IMPLICATIONS

- 9.1. KPMG LLP are required to report the findings from their audit to a properly constituted governance body of the Trust before their opinion on the accounts is issued.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The financial elements are detailed in the main report.

11. CONSULTATION

- 11.1. Not applicable.

12. EQUALITY IMPLICATIONS

- 12.1. Not applicable.

13. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 13.1. Not applicable.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Charities SORP 2005 Charities Act 2011	Mark Jones 020 8753 6700	Environmental Services Room 316 Pembroke Road

LIST OF APPENDICES:

Appendix 1 – WSCT Annual Trustee’s Report and draft Statement of Accounts 2014/15

Appendix 2 – WSCT Letter of Representation 2014/15

Appendix 3 – Draft Audit Opinion