



Barham Park Trust Committee
26th September 2023

**Report from Director of Environment
and Leisure**

ANNUAL REPORT AND ANNUAL ACCOUNTS 2022-2023

Wards Affected:	Sudbury
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	Three Appendix 1: Annual Report of the Barham Park Trust to the Charity Commission for the 2022/23 financial year; Appendix 2: Accounts of the Barham Park Trust for the 2022/23 financial year; Appendix 3: Independent Examiner's Review of the accounts of the Barham Park Trust for the 2022/23 financial year.
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Jekaterina Popova, Head of Finance, Finance, Finance and Resources Department. E-mail: Jekaterina.Popova@brent.gov.uk Tel: 020 8937 1463

1 Purpose of the Report

- 1.1 This report presents the annual report for the Barham Park Trust for 2022/23. There is a statutory requirement to produce an Annual Report, including the Accounts each financial year.

2 Recommendation

For the Barham Park Committee to:-

- 2.1 Approve the Annual Report and Barham Park Trust's Accounts for 2022/23.
- 2.2 Note the Independent Examiner's Review of Barham Park Trust's Accounts for 2022/23.

- 2.3 Authorise officers to update the Charity Commission with the Annual Report and the Accounts for 2022/23 of Barham Park Trust.
- 2.4 Consider options for the examination of annual accounts in the future and approve to proceed with the recommended Option 1.

3 Detail

Annual Accounts for 2022/23

- 3.1 It has been revealed that the correct up-to-date Charity Commission accounts template has not been used to prepare Barham Park Trust's accounts. An evaluation has also been conducted to assess whether the accruals accounts template or the receipts and payments template is more appropriate for the Trust. The receipts and payments template was deemed to be more appropriate due to its more concise format and the size of the Trust. This template also provides a clear picture of the charity's activities and financial position whilst aiding readability and interpretation. Annual accounts for 2022/23 have therefore been prepared on a receipts and payments basis using the current template provided by the Charity Commission. There was no impact on the Trust's financial position as a result of this change.
- 3.2 The Trust's accounts form part of Brent Council's group accounts and for the purpose of consolidation need to be prepared on accruals basis initially and then adjusted to a receipts and payments basis. The Council's accounts are audited by an external audit firm who provide an assessment of whether the accounts give a true and fair view of the financial position of the Authority.
- 3.3 Officers have also contacted the Charity Commission to obtain confirmation that this approach is satisfactory and that no further actions are required to satisfy the Charity Commission reporting requirements. A response has not been received at the date of despatch of this report.
- 3.4 A number of further improvements are planned for 2023/24 to make financial reporting more efficient and transparent. A new bank account is planned to be opened for the Trust so that its funds are held separately from the Council in an interest-bearing account. Any arrangements and transactions with the Council will be reviewed and actioned via bank transfers.

Examination of Annual Accounts

- 3.5 The Charity Commission has set a threshold below which independent audit of financial statements is not required. For England and Wales this was set at either gross income exceeding £1,000,000 or gross income exceeding £250,000 and gross assets exceeding £3,260,000. As Barham Park Trust falls below this threshold, there is no requirement for the financial statements to be independently audited. The Trust therefore has the option to either:

Option1: Continue with the current arrangement for independent examination by the Head of Audit and Investigation, or

Option 2: Commission an external accountancy firm to carry out the audit. This will attract additional costs that are estimated to be between £3k and £4k.

- 3.6 Taking into account the size of the Trust and process improvements planned for 2023/24 to simplify the accounts and aid their interpretation, it is recommended that Option 1 is agreed.

Annual Report for 2022/23

- 3.7 The annual report is set out for consideration by the Committee. It outlines the work undertaken on behalf of the Trust during the year, which included the repair and improvement works on the park and ongoing work to secure tenants for the various buildings on the site.
- 3.8 As stated in paragraph 3.5, as Barham Park Trust falls below the threshold set by the Charity Commission, there is no requirement for financial statements to be independently audited. Therefore, an Independent Examiner's Report is an accepted way for smaller charities to present their accounts as allowed for by the Charities Act 2011.
- 3.9 The accounts have been subject to an independent examination by the Head of Audit and Investigation. The Independent Examiner's Report is attached to this report and is set out in Appendix 3. There were no recommendations raised.
- 3.10 In 2022/23 the Trust incurred costs of £66,586 on maintenance of the building complex and the park, which was funded from the income generated in-year. The Trust generated £91,607 income from funfairs, rental charges and interest earned, including a £27,092 cash advance from the Council.
- 3.11 As at 31 March 2023, the Trust had a rental debtor of £39,625 and a £12,533 payment that was due but not yet paid. These have been recognised as debtors and creditors on the Council's side and the Council gave a net £27,092 cash advance to the Trust in order to aid the Trust's cashflow position and avoid a detrimental effect of outstanding debt on the Trust's financial position. In 2022/23 the cash advance has been reported on a separate line in the income section to aid transparency. The Council has also paid interest to the Trust on the cash advance. The Trust continues liaising with tenants and expects all arrears to be cleared by March 2024.
- 3.12 The Trust has achieved a surplus of £25,021, net of receipts and payments, and increased its total cash funds. As at 31 March 2023, the Trust had £222k in unrestricted funds and £353k in restricted funds.
- 3.13 Following approval by the Trust Committee, the annual report and accounts for 2022/23 will be submitted to the Charity Commission – the deadline for submission is 31st January 2024. In practice the documents are submitted shortly after the Trust committee meeting.

Comparison between 21/22 and 22/23

- 3.14 Overall expenditure has increased by £5,481 when compared to last year. This is predominantly because additional one-off costs have been incurred to commission a feasibility study to consider the use of the Barham Park building and its condition in the long-term.
- 3.15 Total income shows a reduction of £31,992, which is largely due to rental income received in advance in the previous financial year which related to rental periods in 2022/23.

Restricted funds

3.16 The restricted funds balance as at 31st March 2023 remains at £353,152. In order for the restricted funds to be spent, this expenditure needs to be approved by both the Committee and the Charity Commission. The Committee needs to be satisfied that the proposed use of the restricted funds is in accordance with the terms of the Trust.

4 Financial Considerations

4.1 Financial implications are included in the body of the report.

5 Legal Considerations

5.1 In accordance with the Charities Act, the Trust Committee must ensure that accounting records are kept in respect of the charity which are sufficient to show and explain all the charity's transactions and prepare a statement of accounts.

5.2 If a charity's gross income in any financial year does not exceed £250,000, the charity trustees may, in respect of that year, elect to prepare — (a) a receipts and payments account, and (b) a statement of assets and liabilities, instead of a statement of accounts.

5.3 An independent audit of financial statements is required if the charity's gross income in that year exceeds £1 million, or the charity's gross income in that year exceeds £250,000 (the accounts threshold) and at the end of the year the aggregate value of its assets (before deduction of liabilities) exceeds £3.26 million.

5.4 Where those thresholds do not apply and the Charities gross income in a financial year exceeds £25,000, the accounts of the charity for that year must, be examined by an independent examiner, and that independent person can be someone who is reasonably believed by the trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts.

6 Equality, Diversity and Inclusion Considerations

6.1 None.

7 Consultation with Ward Members and Stakeholders

7.1 None.

8 Human Resource/Property Considerations

8.1 None

Appendix 1: Annual Report of the Barham Park Trust to the Charity Commission for the 2022/23 financial year;

Appendix 2: Accounts of the Barham Park Trust for the 2022/23 financial year;

Appendix 3: Independent Examiner's Review of the accounts of the Barham Park Trust for the 2022/23 financial year.

Report sign off:

Chris Whyte

Director for Environment and Leisure