



Barham Park Trust Committee

8 January 2013

Report from Deputy Director of Finance

Accounts and Annual Reports

1.0 Summary

- 1.1 This report presents the annual reports and accounts for the Trust for 2011/12. It also incorporates the prior year reports and accounts for 2006/07, 2008/09 and 2009/10.

2.0 Recommendation

- 2.1 That the Barham Park Trust Committee approves the annual reports and accounts for submission to the Charities Commission.

3.0 Detail

Accounts from 2011/12 and earlier years

- 3.1 In response to complaints it received the Charities Commission reviewed the Council's arrangements for fulfilling its obligations as trustee. With regard to transactions between the Council and the Trust it is recognised that there has not always been a clear separation between the two entities however the Commission's opinion was that "we do not propose to try and unravel the past here especially since it is acknowledged that the council has subsidised the charity's income from its statutory funds"
- 3.2 As reported to the Executive on 12 November 2012 the Council as trustee is required to submit annual returns to the Charity Commission regarding the Trust's finances.
- 3.3 In previous years the Council has submitted the summary financial figures relating to the Trust but the full annual reports and accounts for 2006/07, 2008/09 and 2009/10 are outstanding. In addition the Trust is required to submit the 2011/12 accounts by the deadline of 31 January 2013.

3.4 The annual reports and accounts for the years concerned are set out in the appendix to this report. In considering these statements the Committee should note the following points:

- (a) The reports for the earlier financial years are consistent with the summary financial information already presented to the Commission. That being the case the issues acknowledged by both the Council and Commission around completeness of transactions between the Council and Trust remain. However, as identified by the Commission the effect of seeking to reopen these years would have no impact on the financial position of the Trust as each year the Council effectively subsidises the operation of the Trust.
- (b) The transactions for 2011/12 bring in the receipts from the sale of the 776 and 778 Harrow Road. The receipt of £620k from this sale, along with interest earned, is being ring-fenced for the future development of the Trust.

Accounts for 2012/13 onwards

3.5 The report to Executive in November incorporated the views of the Charity Commission in establishing the future arrangements for the Trust. With regard to the accounts for future years it is proposed that:

- The accounts are produced using distinct cost centres held centrally, outside of individual departments
- Quarterly monitoring reports and annual accounts will be based on returns from Regeneration and Major Projects and Environment and Neighbourhood Services signed off by the relevant Assistant Director. These reports will be compiled by the central finance team.
- The quarterly financial reports will be reported to the Barham Park Trust Management Team
- The annual accounts approved by Barham Park Trust Management Team and Barham Park Trust Committee

4.0 Financial Implications

4.1 As at 31 March 2012 the cash position of the Trust amounted to £636k, comprising the receipt and interest from the sale of 776 and 778 Harrow Road.

5.0 Legal Implications

5.1 The annual reports and accounts are required under the Charities Act 2011.

5.2 The Charity is required to obtain a Charity Commission Scheme of approval to its proposals for expenditure of the receipts and interest from the sale of 776 and 778 Harrow Road.

6.0 Diversity Implications

6.1 None

Background Papers

Executive Report – 12 November 2012, The future administration and governance of Barham Park Trust

Contact Officer

Mick Bowden
Deputy Director of Finance
020 8937 1460