



Barham Park Trust Committee
4 December 2024

Report from Director of Property and Assets

Annual report and Annual Accounts 2023-2024

Wards Affected:	Wembley Central
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Three Appendix 1: Barham Park Trust Committee Annual Report 2023-24 Appendix 2: Barham Park Accounts 2023-24 Appendix 3: Barham Park Trust - Independent Examination Report 2023-24
Background Papers:	None
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1 Purpose of the Report

- 1.1 This report presents the annual report for the Barham Park Trust for 2023-24. There is a statutory requirement to produce an Annual Report, including the Accounts, each financial year and submit to the Charity Commission by 31 January.

2 Recommendation

For the Barham Park Committee to:

- 2.1 Approve the Annual Report and Barham Park Trust's Accounts for 2023-24.
- 2.2 Note the Independent Examiner's Review of Barham Park Trust's Accounts for 2023-24.
- 2.3 Authorise officers to update the Charity Commission with the Annual Report and the Accounts for 2023-24 of Barham Park Trust.

3 Detail

Annual Accounts for 2023-24

- 3.1 The Annual accounts for 2023-24 have been prepared on a receipts and payments basis using the template provided by the Charity Commission.
- 3.2 The accounts have been subject to an independent examination by the Council's Head of Internal Audit. The Independent Examiner's Report is attached to this report and is set out in Appendix 3. There were no recommendations raised. An independent examination contrasts significantly to that of an 'audit', as an independent examination is a form of external scrutiny that provides a limited check on specific matters. The examination includes a review of the accounting records kept in respect of the Trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations for any such matters. The procedures undertaken as part of the examination do not provide all the evidence that would be required in an audit.
- 3.3 Every year, an interest charge is calculated on the average cash balance held by the Trust and it has previously been agreed at 2%. In some years this rate was higher than the Council obtained but the Council wanted to ensure that the Trust is treated fairly. As a result of considerable fluctuations in interest rates, the interest rate for 2023-24 was calculated using the Council's average prudential borrowing rate for that year, which was 4.96%. In addition, as indicated last year, in order to improve transparency, an application for a new separate bank account to be opened for the Trust has been submitted to the Council's banking services provider, NatWest, 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.
- 3.4 The 2023-24 annual accounts were withdrawn from the Committee meeting held on 10th September 2024, as the Council followed professional advice and sought clarity from the Charities Commission on whether interest earned on restricted funds should be allocated to restricted funds. Although the Trust is not confined by the Charities Statement of Recommended Practice (SORP) FRS 102 due to its size, the guidance from the SORP is considered to be best practice. In reference to the guidance and the advice received from the Commission, interest earned on restricted funds is allowable on expenditure in line with the terms of the Trust. Therefore, no amendments are required to the accounts originally submitted. The categorisation of interest is dependent on the use of the interest received. To enhance transparency, the interest earned on restricted funds has

been recorded under restricted funds. A transfer between funds has then been entered to move this to unrestricted funds to reflect its use on Maintenance and Wardens, in line with the terms of the Trust to which the endowment funds are subject to. The terms of the Trust are “to preserve the same for the recreation of the public in such manner and subject to such regulations in all respects as the Council may from time to time think proper”. Alternatively, the Trust could record a payment in the restricted funds for Maintenance and Wardens in line with the terms set out in the Trust, to offset the income received from the interest allocated to restricted funds. It is important to note that this does not impact the cash funds recorded within each fund at the end of the financial year. It is also the understanding from officers that a restatement of the accounts is not required as the transfer between funds is for presentational purposes only. Further advice has been sought from the Charities Commission on whether prior accounts need to follow the same treatment.

Annual Report for 2023-24

- 3.5 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 repairs and improvement works to the park and ongoing work to secure tenants for the various buildings on the site.
- 3.6 The Charity Commission has set a threshold below which independent audit of financial statements is not required. For England and Wales this was set as either gross income exceeding £1,000,000 or gross income exceeding £250,000 and gross assets exceeding £3,260,000. 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. The independent examination is a form of external scrutiny that provides a limited check on specific matters and it is carried out in accordance with the general directions given by the Charities Commission. It is different from an audit. In 2023-24 the Trust generated £129,118 in receipts and incurred payments of £66,095, with the number of transactions limited to just three payments and receipts from just seven organisations. A cost of an audit will be considerably disproportionate to the size of the charity and the transactions that flow through the accounts each year.
- 3.7 In 2023-24, the Trust incurred costs of £59,670 on maintenance and repairs of the building complex and the park, as well as £3,125 on insurance. An additional £3,300 cost was incurred on consultancy, which consisted of a payment for surveyors fees and a payment on architectural drawings. These payments were funded from the receipts generated in-year.
- 3.8 The Trust generated £65,800 from rental charges, which included a £44,500 cash advance from the Council. It also generated £33,941 from funfair receipts, this was slightly less than 2022-23 as fewer funfair days were booked. The Trust earned £17,516 in interest on their restricted funds and £11,861 on their unrestricted funds.
- 3.9 As at 31 March 2024, there was £44,500 in rental income owed to the Trust in relation to rents for the period between 1 April 2023 and 31 March 2024. The

Council provided a £44,500 cash advance for the Trust in order to aid the Trust's cashflow position and avoid a potential detrimental impact of uncollected receipts on the Trust's financial position. This cash advance has been recognised as debt on the Council's side and debt recovery officers are actively pursuing it. As at 31 October 2024, £23,585 (53%) of the £44,500 rental income due had been collected.

- 3.10 As at 31 March 2023, the rental income owed to the Trust but uncollected for the period between 1 April 2022 and 31 March 2023 was £39,625, of which a net £27,092 (that included a £12,533 payment that was due but not yet paid) cash advance had been provided by the Council. As at 31 March 2024, £23,260 (58.7%) of the £39,625 had been collected. As at 31 October 2024, £36,289 (91.7%) of the £39,625 had been collected. There are no other outstanding rental income due from prior years. In order to recognise uncollected income, that is being pursued by the Council, in the Trust's accounts, for transparency purposes, £60,865 (£44,500 relating to 2023/24 and £16,365 relating to 2022/23) has been entered in Section B against under 'Other Monetary Assets' within the 2023/24 accounts.
- 3.11 As an invoice becomes overdue officers will be actively chasing the outstanding payments. The Trust is working collaboratively with tenants to resolve any arrears through payment plans and negotiation. This approach has been more effective in ensuring that tenants can recover and meet their obligations over time, without the burden of accruing late fees. To prevent significant arrears from arising each tenant has a forfeiture clause as standard within their lease agreements, which can result in an eviction.
- 3.12 The Trust has achieved an overall surplus of £63,023, net of receipts and payments, and increased its total cash funds. As at 31 March 2024, the Trust had £285k in unrestricted funds and £353k in restricted funds.
- 3.13 Following approval by the Trust Committee, the annual report and accounts for 2023/24 will be submitted to the Charity Commission – the deadline for submission is 31st January 2025. In practice the documents are submitted shortly after the Trust committee meeting.

Comparison between 22-23 and 23-24

- 3.14 Overall payments has decreased by £6,916 when compared to last year. This is predominantly because last year there were additional one-off costs 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 receipts show an increase of £37,511. This is partly due to a £19k increase in the interest earned due to higher interest rates applied. In addition, there was a £17k increase in rents, as last year some rents were paid in advance which resulted in a £32k decrease in 2022-23.

Restricted funds

- 3.16 The restricted funds balance as at 31st March 2024 remains at £353,152. In order for the restricted funds to be spent, this 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 Equity, Diversity & Inclusion Implications

- 6.1 None.

7 Consultation with Ward Members and Stakeholders

- 7.1 None.

8 Human Resource/Property Implications (if appropriate)

- 8.1 None

9. Climate Change and Environmental Considerations

- 9.1 None other than those identified within the main report.

10. Communication Considerations

10.1 None other than those identified within the main report.

Report sign off:

Tanveer Ghani

Director for Property and Assets