

Committee:	Date:
Finance Committee	19 February 2019
Subject: Report of Action Taken - Public Decision taken under Urgency since the last meeting of the Committee	Public
Report of: Town Clerk	For Information
Report author: John Cater, Town Clerk's Department	

Summary

This report advises Members of urgent action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order No. 41(a) relative to approval of the Bridge House Estates Annual Report and Finance Statements 2017/18.

Recommendation

Members are asked to note the report.

Main report

SUBJECT: Bridge House Estates Annual Report and Financial Statements 2017/18

BACKGROUND

The Annual Report and Financial Statements for Bridge House Estates (BHE) for the year ended 31 March 2018 was presented to Audit & Risk Management and Finance Committees for approval behind the original planned schedule, due to the requirement to reconstitute the endowment fund within these accounts. The external auditor, Moore Stephens LLP, issued an unqualified audit opinion.

The key points to highlight are:

- The funds of the charity have been split between the permanent endowment fund (£831.6m) and unrestricted income funds (£564.2m), with total funds (net assets) held being £1,395.8m – an increase of £54.6m or 4.1% on the previous year;
- The net surplus for the year of £54.6m included gains on financial investments of £10.8m and on property investments of £53.6m;
- Subsequent to the year-end, the charity has sold one of the properties held within its investment portfolio (part of the endowment fund) for £97.1m.

Moore Stephens commenced its audit on 16 July. The financial statements provided for audit did not reflect the endowed nature of the charity, as the valuation of the endowed fund was not available at this time. Detailed research has been undertaken subsequently to confirm the valuation, hence the delay in concluding the audit and seeking approval of the financial statements.

The audit has now been completed. No significant issues have been raised and no material misstatements have been identified within the audit work undertaken. Representatives of the auditors attended the Audit and Risk Management Committee to present their report. The Audit Panel has reported to the Chamberlain that they do not have any concerns related to either the underlying accounting processes within the charity nor in relation to the revisions made regarding the permanent endowment fund.

ACTION TAKEN:

The Town Clerk in consultation with the Chairmen and Deputy Chairmen of Finance Committee

a) considered the contents of the Audit Management Report issued by Moore Stephens LLP; and

b) approved the BHE Annual Report and Financial Statements for the year ended 31 March 2018 taking account of any observations from the Audit and Risk Management Committee; and

agreed that the BHE Annual Report and Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council, being the Trustee of BHE.

REASON FOR URGENCY

Waiting until the FC meeting on 22/01 was a high risk action. Post that meeting there would remain a number of actions to take place prior to submission of the account to the Charity Commission by 31/01. Officers advised against leaving just 7 working days to cover matters such as:

- obtaining signatures and completing final authorisations & review checks with our auditors;
- providing signatures to our designers (not released by MS until they have signed) and undertaking final proof reading;
- online submission – Charity Commission warned charities not to file in the last few days of January due to the high volume of submissions that tend to happen at the point, with the expectation that their system will crash. Officers recommended avoiding leaving this until 30 – 31/01 as there was a high risk that we would not be able to successfully submit.

Due to the above, the recommendation was that Finance Committee approve the annual report under urgency, immediately after endorsement at ARM on 15/01.

Contact:

John Cater

Senior Committee and Member Services Manager, Town Clerk's Department

020 7332 1407