

Committee(s): HHHWQP	Dated: 21/05/2024
Highgate Wood and Queen's Park Kilburn Charity	
Subject: Review of current designated, unrestricted, and restricted income funds held and proposed changes	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,3
Report of: Interim Executive Director, Environment.	For Information
Report author: Pauline Mouskis, Interim Head of Finance, Chamberlains	

Summary

This report provides the complete list of the current designated, unrestricted, and restricted income funds held for the Highgate Wood and Queen's Park Kilburn charity with the recommended future usage and changes required for these funds, in order to meet charity accounting SORP rules.

Appendix 1 details a full list of current individual income funds held by Highgate Wood and Queen's Park for 2024/25 following movement in the previous financial year 2023/24 balance and recommended usage for each reserve. The report covers:

- A summary of the movement in funds in 2023-24 and the anticipated final balance as at 31st March 2024
- Details and proposed uses of the restricted and designated income funds.

Recommendation(s)

Members are asked to:

- Note the contents of the report.

Main Report

Background

1. As part of the Natural Environment Charities Review scoping exercise a complete review of the charities' restricted and designated income funds has been progressed.
2. Under the Charity Statement of Recommended Practice for accounting and reporting ("SORP") rules, designated income funds remain unrestricted income funds that should be applied within a reasonable time, say 1-2 years for the purposes set aside by the Trustee. This paper identifies where the funds were required to be spent over a longer period, then a clear plan and timeline would need to be in place as to when the funds will be spent. This will

need to be a disclosure in the annual accounts per SORP 7.46, which requires disclosure of the likely timing of expenditure of designated income funds in the annual accounts. When designated income funds are no longer needed, they should be released back to the general unrestricted income fund.

3. All charities have designated income funds equivalent to the fixed and heritage asset values held in the balance sheet. This includes land and buildings, vehicles & plant and equipment and heritage assets. The designated fund balances are adjusted each year end to the holding net book value of the assets on the balance sheet. These are not reviewed in this report.

Current Position – Highgate Wood and Queen’s Park

4. A detailed review of all funds held by Highgate Wood and Queen’s Park has been carried out on the anticipated balances held as at 31st March 2024 and is shown in appendix 1.

Restricted Income Funds

5. Campaign Donations for the Queen’s Park Sandpit and Playground Improvements project represent funds received from the public through donations totalling £14,754 and CIL (Community Infrastructure Levy) funds received from Brent Council totalling £45,000 that were received during the 2023/24 financial year. The project is now almost completed and these funds will be fully utilised on this scheme. Therefore, no changes are recommended to the usage of this restricted income fund.

Unrestricted Funds

6. The unrestricted fund balance of £169,582 is available to be utilised by the committee on behalf of the Trustee in the future. This relates to investments held by the charity in the Charities Pool and should the charity wanted to utilise this reserve, they would need to sell investments in the Charities Pool.

Designated Funds

7. The designated fund has been set aside by the Trustee for the following purposes:
 1. Tangible Fixed Assets This fund is maintained as the total of the fixed assets and heritage asset values held in the balance sheet. This fund is not available to be used for any other purpose.

Proposals

6. Members are asked to note the contents of the report.

Legal implications

7. Under Charity SORP rules designated income funds remain unrestricted income funds that should be applied within a reasonable time, say 1-2 years for the purposes set aside by the Trustee. If the funds were required to be spent over a longer period, then a clear plan and timeline would need to be in place as to when the funds will be spent, and this will need to be a disclosure in the annual accounts per SORP 7.46, which requires disclosure of the likely timing of expenditure of designated income funds in the annual accounts. When funds are not needed, they should be released back to the general fund as free reserves.

Conclusion

8. This report shows the outcome of the details of the designated and restricted income funds of the Highgate Wood and Queen's Park charity. This review has looked at future use and operational staff will review the designated income funds to conduct relevant expenditure in line with the specified purposes over the next two years.

Appendix

- Appendix 1 Review of designated, unrestricted, and restricted reserve funds and proposed changes for Highgate Wood and Queen's Park.

Contact

Pauline Mouskis

Interim Head of Finance

E: pauline.mouskis@cityoflondon.gov.uk

Appendix 1 HHHWQP committee on 21st May 2024 Highgate Wood and Queen's Park

Review of restricted designated reserve fund

Hampstead Heath, Highgate Wood and Queens Park Committee

Highgate Wood and Queen's Park	Opening Balance 2023/24	2023-24		Transfers 2023/24	Anticipated Balance 31/03/2024	
		Income	Expenditure			
Restricted Income Funds:						
Campaign Donations -	14,754	45,000			59,754	a. Sandpit & Playground Improvements.
Unrestricted Income Funds:						
General Funds	169,582				169,582	
Designated (Unrestricted Income Fund):						
Tangible Fixed Assets (Land, Buildings and Infrastructure)	120,059				120,059	Matched to Fixed asset total in balance sheet. Not available to be used
Total Highgate Wood and Queen's Park	304,395	45,000	0	0	349,395	

a Campaign Donations represents funds received from the public and from through donations and CIL funds from Brent Council for the Queen's Park Sandpit and Playground Improvements project. In total £45,000 was received in the year from Brent and the project is underway.