



LOWER CENTRAL GARDENS BOURNEMOUTH
ANNUAL REPORT AND STATEMENT OF ACCOUNTS
YEAR ENDED 31 MARCH 2021

Charity number 299739

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The trustee is pleased to present its report together with the financial statements of the charity for the year ending 31st March 2021.

Reference and administrative details

Registered name: Lower Central Gardens Bournemouth
Charity number: 299739
Principal Office: Town Hall, Bourne Avenue, Bournemouth, BH2 6DY
Trustee: Bournemouth, Christchurch & Poole Council (BCP Council) (Cabinet members see <https://democracy.bpcouncil.gov.uk/mgCommitteeDetails.aspx?ID=285>)
Councillor Lawrence Williams
Councillor Simon Bull
Councillor Mike Greene
Councillor Mark Howell (resigned 6 June 2021)
Councillor Andy Hadley (appointed 11 June 2021)
Councillor Stephen Bartlett (appointed 11 June 2021)
Mr Bernard Uzzell (resigned 8 September 2021)
Mr Roger Boon
Chief Executive Officer: Ian Poultney (Michael Rowland left BCP Council August 2021)
Auditor: Grant Thornton UK LLP, 199 Avebury Blvd, Milton Keynes, MK9 1AU

Structure, Governance and Management

The accounts recognise the treatment of the Charity as a separate entity with its own transactions distinct from those of BCP Council.

Governing Document

The Trust was created in 1873 under an Indenture between BCP Council's predecessor body the Bournemouth Commissioners and Sir George Eliot Meyrick Tapps Gervis.

The day to day control and management of the Lower Central Gardens and hence the charity, was varied by s.29 Bournemouth Borough Council Act 1985. This vested in the Council the general power to use, control and manage the Lower Central Gardens.

Governance

BCP Council manages the Charity in its role as trustee. Recommendations from the Council Cabinet on Charity issues are referred to full meetings of the Council acting as trustee for appropriate decisions. There is a separate Charity Board. The composition and remit of the board has been made consistent with the requirements identified in the Maidment tribunal case that addressed a similar open space known as Dartford Central Park.

The board of the Trustee meets periodically and receives reports from operational staff and determines strategy and policy for the Charity. Operational decisions on day to day management of the Charity are the responsibility of the Environment Service Director and Service Managers.

Charity related items are clearly separated and identified in all reports and papers. A clear distinction is drawn between the Council acting in its role as local authority and in its role of trustee of the Lower Central Gardens Trust.

The trustee has considered the risks that the charity is exposed to but do not deem there to be any significant risk arising from its activities.

The Charity's main relationship is with BCP Council who delivers all maintenance and management services to the Charity.

The Council also operates a plant nursery in King's Park, which supplies flowers to the Lower Central Gardens Trust at commercial rates (the Nursery is within the Five Parks Trust land).

Recruitment and appointment of new trustees

The trustee recruitment process is carried out by existing trustees on behalf of Members of the Trust. The trustee vacancy is advertised in the local media and interested parties are then provided with:

- a. Briefing Note
- b. Application Form
- c. Draft Scheme of Management
- d. Master Plan drawing
- e. Lower Gardens summary.

The applicants are then interviewed and appointed using the Charity Commission Operational Guidance, Trustee Act 2000, OG 86 B4 'Power to employ nominees and custodians'. On the appointment the trustees are provided with a copy of the Charity Scheme for the new Trust together with the rules for conflicts of interest.

There are no formal policies or procedures adopted for the induction and training of trustees.

Objectives and Activities

The object of the charity is the provision of open space for the recreation and enjoyment of the public.

During the year it is estimated that over 3.5 million people visited the gardens and used its facilities. The Gardens are Listed Grade II in the Historic England "Register of Parks and Gardens".

The Charity is subject to several strategies that design the way that objectives are being fulfilled. The main document is Lower, Central & Upper Gardens 5-year Management Plan which was drafted in conjunction with:

- Bournemouth 2026 Community Strategy
- Green Space Strategy
- Playground Strategy
- Nature Conservation Strategy

The Management Plan and Lower Gardens Masterplan are providing details of proposals to improve the visitors' experience in the Gardens. The examples of these are:

- to review planting and phase replacement with new water tolerant planting
- to refine and improve Christmas events in Lower Gardens to ensure smooth running
- 4-year plan to renovate all the shrubs/tree borders along Westover Road
- to develop Westover Gardens as an area for the arts and other community events.

Background and Context

The Lower Gardens are Bournemouth's first and most famous public park, they retain much of their original Victorian character and are Listed Grade II. The Lower Central Gardens are renowned for their floral bedding displays throughout the year, which are designed to bring together brilliant colours, subtle textures, height variations and scent. The gardens have the Pine Walk area noted for the aroma of the pine trees and it also has one of the largest municipal rock gardens in the country.

The Pavilion was first opened as a concert hall with reading rooms and cafes, was later enlarged to become a theatre and has undergone numerous alterations and enlargements. It was Grade II listed in 1998.

Current Activities and Performance

Fundraising work continued in partnership with the Bournemouth Parks Foundation (Registered Charity Number 1159939) and Aviary Volunteers to replace the aviary. By late September 2021 £266,225 of funds had been raised or pledged through the Bournemouth Parks Foundation, towards a fundraising target of £200,000 to build a new domed aviary. Construction of the aviary is due to start in September 2021.

Events within the Lower Gardens were under constant review, and because of the virus the Air Festival (August 2020), the Bournemouth Marathon (October 2020) and winter ice rink and Christmas Tree Wonderland (November 2020 - January 2021) were all cancelled. The Arts By The Sea Festival (September 2020) did go ahead through a combination of virtual and ticketed performances that kept to HM Government social distancing guidelines. The concessions in the gardens were all closed impacting on income, however their expenditure was also reduced. The Hedgehog cafe traded with only takeaway food (and removed its seating) in line HM Government guidelines. The mini-golf opening mirrored the guidelines impacting adversely the income received. Grounds maintenance was impacted by the Council re-prioritising work towards the welfare and needs of residents so the gardens' did not enter the South and South East England In Bloom competition. The Gardens did however retain their Green Flag Status once again, which they have held since 1999.

Implications of Covid-19

All events within the Lower Gardens are under constant review because of the ongoing pandemic however the Air Festival took place (September 2021) and currently the Arts by the Sea Festival & the Bournemouth Marathon (October 2021) and winter ice rink and Christmas Tree Wonderland (November 2021 - January 2022) are all expected to happen. All events follow HM Government social distancing guidelines. The concessions in the gardens, the Hedgehog cafe and the mini-golf are now all open again following HM Government social distancing guidelines.

Financial Review

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the charity to achieve breakeven and meet any liabilities as they fall due. This is currently the policy that is expected to continue and so the accounts have been prepared on a going concern basis. The trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern.

The restricted income fund of **£2,370,002** represents change in the fixed assets value and is not used for distribution.

The endowment fund of **£14,835,227** is held on trust to be retained for the benefit of the charity as a capital fund. The trustee must permanently maintain the whole of the fund. The fund consists of assets that are used for the purposes of the charity and cannot be spent as if it were income. The net revenue expenditure supports the objective of the Trust.

Plans for Future Periods

Maintaining and improving the public's access to the Charity's land for use as pleasure gardens will continue to be the main focus in the years ahead.

Public Benefit

The Trustee have taken the Charity Commission's guidance on public benefit into consideration. The Lower Central Gardens are provided for the enjoyment of the public without charge and there continues to be investment in and improvements to the main pleasure garden infrastructure. Furthermore, a series of events have been held that were designed to have broad appeal to the public - both local and visitors alike.

Responsibilities of the trustee

The law requires the trustee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of its net movement in funds for that period.

The charity trustee is responsible for preparing a trustee annual report and financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice).

In preparing those financial statements, the trustee is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities SORP;
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the financial statements comply with the requirements of the Charities Act 2016. They are also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditor

Each of the persons who are a trustee at the time when this Trustee Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the trust's auditor is unaware, and
- the trustee has taken all the steps that ought to have been taken as a trustee in order to make them aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

By Order of the Trustee

Signed

Name

on behalf of trustee

Date

Independent auditor's report to the trustee of the Lower Central Gardens Bournemouth

Opinion

We have audited the financial statements of the Lower Central Gardens Bournemouth (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the charity to cease to continue as a going concern.

In our evaluation of the trustee's conclusions, we considered the inherent risks associated with the charity's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustee and the related disclosures and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independent auditor's report to the trustee of the Lower Central Gardens Bournemouth (cont'd)

The responsibilities of the trustee with respect to going concern are described in the 'Responsibilities of the trustee for the financial statements' section of this report.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee for the financial statements

As explained more fully in the Trustee's Responsibilities Statement set out on pages 6 and 7, the trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report to the trustee of the Lower Central Gardens Bournemouth (cont'd)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (The Charities Act 2011, the Charities SORP and United Kingdom Accounting Standards, including Financial Reporting Standard 102; 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice));

We enquired of management, concerning the charity's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by evaluating incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and fraudulent revenue recognition. We determined that the principal risks were in relation to:

- journals, management estimates and transactions outside the normal course of business; and
- fraudulent revenue recognition, and specifically the occurrence and accuracy of commercial trading and recreational activity income.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place over journals;
- journal entry testing, with a focus on unusual journals made during the year and after the draft accounts stage;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- understanding controls around the monitoring and receipt of income; and
- sample testing of income to supporting records.

Independent auditor's report to the trustee of the Lower Central Gardens Bournemouth (cont'd)

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the sector in which the charity operates
- understanding of the legal and regulatory requirements specific to the charity.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the charity's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
- the charity's control environment, including the policies and procedures implemented by the charity corporate trustee to ensure compliance with the requirements of the financial reporting framework.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature**]**

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

[Date**]**

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

	Note	Year to 31st March 2021				Year to 31st March 2020			
		£	£	£	£	£	£	£	£
		Unrestricted income fund	Restricted Income fund	Endowment fund	Total funds	Unrestricted income fund	Restricted Income fund	Endowment fund	Total funds
Income and endowments from:									
Donations									
Donated services received		252,255	129,043	-	381,297	322,719	129,640	-	452,359
Activities for generating funds:									
Commercial trading operations	2.	200,661	-	-	200,661	559,161	-	-	559,161
		452,916	129,043	-	581,959	881,880	129,640	-	1,011,520
Recreational activity income	3.	129,786	-	-	129,786	218,992	-	-	218,992
Total income and endowments		582,702	129,043	-	711,745	1,100,872	129,640	-	1,230,512
Expenditure on:									
<i>Raising funds</i>									
Commercial trading operations		111,400	-	-	111,400	127,282	-	-	127,282
		111,400	-	-	111,400	127,282	-	-	127,282
<i>Charitable activities</i>	4.								
Maintenance of gardens and public buildings		355,616	129,043	-	484,659	409,582	129,640	-	539,222
Costs of providing recreational activities		103,686	-	-	103,686	552,008	-	-	552,008
Governance cost		12,000	-	-	12,000	12,000	-	-	12,000
		471,302	129,043	-	600,345	973,590	129,640	-	1,103,230
Depreciation	5.	-	21,130	407,459	428,589	-	12,100	478,178	490,278
Total expenditure		582,702	150,173	407,459	1,140,334	1,100,872	141,740	478,178	1,720,791
Net movement in funds		-	(21,130)	(407,459)	(428,589)	-	(12,100)	(478,178)	(490,279)
Total funds brought forward		8,275	2,352,499	16,600,002	18,960,776	3,953	2,444,499	14,600,002	17,048,454
Gains on Revaluation	9.	-	38,633	(1,357,306)	(1,318,673)	-	(79,900)	2,478,178	2,398,278
Transfer to/(from) Unrestricted income fund	7.	(5,768)	-	-	(5,768)	4,322	-	-	4,322
Total funds carried forward	7./ 8. /9.	2,507	2,370,002	14,835,237	17,207,746	8,275	2,352,499	16,600,002	18,960,776

All of the activities are derived from the continuing operations of the charity.

LOWER CENTRAL GARDENS BOURNEMOUTH
BALANCE SHEET
YEAR ENDED 31 MARCH 2021

		<u>As at 31st March</u> 2021	<u>As at 31st March</u> 2020
		£	£
	<u>Note</u>		
Fixed Assets			
Tangible Assets	5.	17,205,239	18,952,501
Stock	6.	2,507	8,275
Net Assets		17,207,746	18,960,776
Funds of the charity			
Unrestricted income fund	7.	2,507	8,275
Restricted Income fund	9.	2,370,002	2,352,499
Endowment fund	8.	14,835,237	16,600,002
Total charity funds		17,207,746	18,960,776

Signed

Name

on behalf of trustee

Date

1. Statement of Accounting Policies

a. Basis of accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102). Section 1A of FRS 102 has been applied and no Statement of Cashflows has been prepared.

The Lower Central Gardens Bournemouth's corporate trustee includes the charity in its consolidated financial statements. The consolidated financial statements are prepared under the International Financial Reporting Standards and are available to the public at:

<https://www.bpcouncil.gov.uk/About-the-council/Budgets-and-finance/Annual-accounts.aspx>

In these financial statements the Lower Central Gardens Bournemouth is considered to be a qualifying entity (for the purpose of this FRS) and has applied exemptions available under FRS 102 in respect of the requirement to present a cashflow statement. Having given regard to Public Benefit Entity guidance the corporate trustee considers the Lower Central Gardens Bournemouth to be a Public Benefit Entity.

Going Concern

Historically the Council, in its role as local authority and corporate trustee, has provided donated services each year sufficient for the charity to achieve breakeven and meet any liabilities as they fall due. This is currently the policy that is expected to continue and so the accounts have been prepared on a going concern basis. The trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern.

The trustee in considering the impact of Covid 19 on the accounts are aware that the income from the refreshments, concessions and the mini-golf will decrease but there will also be a decrease in the level of related expenditure and this will not have a significant impact on the charity as the Council will continue to donate to the charity sufficient for the charity to break even and meet any liabilities as they fall due.

As of 1st April 2019 the Council became part of a new authority Bournemouth, Christchurch & Poole Council (BCP) and the policy of donation has passed to the new authority. This is enshrined in the following two UK Statutory Instruments:

- 2018 No. 648 The Bournemouth, Dorset and Poole (Structural Changes) Order 2018
- 2008 No. 2176 The Local Government (Structural Changes)(Transfer of Functions, Property, Rights and Liabilities) Regulations 2008.

b. Income recognition

Donations and legacies in the form of Donated Services received is recognised in the year that the matching unfunded element of expenditure is incurred. The policy of BCP Council has been to subsidise the charity to the extent each year of its income shortfall.

Whilst this arrangement is likely to continue for the foreseeable future there is no contractual necessity for the Council to provide the subsidy through Donated Services other than the basic maintenance of the pleasure gardens. However, the Council makes no additional payment for its use of the Pavilion building currently on Charity land. The provision of Donated Services is therefore partly a rental payment in kind.

Income from commercial trading activities and recreational activities is recognised at point of sale.

c. Expenditure recognition

Raising funds - there are no directly attributable costs to the income from the concessions element of commercial trading operations. However the Council invests time and resources in negotiating and arranging the concessions. An estimate of the value of this service is reflected in the statement of financial activities on an accrual basis. Costs associated with the Council run café provision are included here.

Charitable activities - Maintenance includes the direct costs of maintaining the pavilion infrastructure, the gardens infrastructure, the cost of the Council staff and the machinery utilised in the landscaping, gardening and horticulture. It also includes the costs of maintaining and running public conveniences. The costs of recreational activities includes the mini-golf and those incurred staging various public events.

Governance costs - these comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to preparing statutory accounts, the statutory audit, legal fees and costs of committee meetings. All of these are met by the Council.

d. Tangible fixed assets

The asset valuations policy treats amounts of less than £1,000 as revenue expenditure and so they are charged to the accounts in the year of expenditure.

Assets are depreciated on a straight line basis over their estimated useful lives as follows: -

Freehold buildings - Pavilion, lower gardens bandstand	50 years
Freehold buildings - lower gardens minor buildings, certain improvements to main buildings	10 - 25 years

Assets are assessed at each year-end (in 2021 this was by the external company Bruton Knowles who hold the Fellow of the Royal Institute of Chartered Surveyors (FRICS) qualification) as to whether there is any indication that they may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and any shortfall is recognised as an impairment loss.

Impairment losses are accounted for in the following ways:

- where there is a balance of revaluation gains for the asset in the Restricted Income fund the carrying amount of the asset is written down against that balance, up to the amount of the accumulated gains;
- where there is no balance in the Restricted Income fund or an insufficient balance the carrying amount of the asset is written down against the expenditure in the Statement of Financial Activities.

Where an impairment loss is subsequently reversed the reversal is credited to the SoFA up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

e. Funds structure

The charity has a single unrestricted income fund that comprises those funds which the trustee is free to use for any purpose in furtherance of the charitable objects.

The endowment fund represents the pavilion asset that was donated to the Charity and is held on trust to be retained for the benefit of the Charity as a capital fund. The fund cannot be spent as if it was income.

The restricted income fund represents total valuations, the cost of any subsequent routine fixed asset additions, any revaluations and any disposals of assets. These assets exclude the pavilion asset.

f. Leases

Where the Charity grants an operating lease over an item of property, plant or equipment the asset is retained in the Balance Sheet. Rental income is credited to Commercial Operations line under Activities for Generating Funds in the Statement of Financial Activities. There are no finance leases where the Charity is the lessee or lessor.

g. Revaluation gains or losses

Any revaluation gains or losses are adjusted through the Statement of Financial Activities and are held in the endowment fund if it is in relation to the pavilion otherwise it is held in the restricted income fund.

2. Analysis of Commercial Trading Operations

Various food concessions have been let to operate attractions in the Lower Gardens. The income from these concessions is treated as earned by the Charity. The cost of the Christmas (2019/20) was covered by income from Bournemouth BID's (Business Improvement Districts), the Council & sponsors.

	£	£
	<u>2020-21</u>	<u>2019-20</u>
Refreshments & concessions	171,281	229,149
Commemorative benches & bandstand	0	200
Ice rink costs reimbursement	0	16,863
Arts by the Sea	29,380	43,886
Christmas Tree Wonderland	0	269,063
	<u>200,661</u>	<u>559,161</u>

3. Analysis of charitable activities

	£	£
	<u>2020-21</u>	<u>2019-20</u>
Mini-Golf	127,680	213,671
Art Exhibition	2,106	5,321
	<u>129,786</u>	<u>218,992</u>

4. Analysis of Expenditure on raising funds	£	£
	2020-21	2019-20
Maintenance of gardens and public buildings		
Direct costs - maintenance and repairs	17,275	29,119
Maintenance team	321,179	320,550
Public conveniences	17,162	59,913
Assets Maintenance	129,043	129,640
	<u>484,659</u>	<u>539,222</u>

The maintenance staff are employed by the Council rather than directly by the Charity and only the proportion of cost relating to the Lower Gardens is recharged. This arrangement is in place as this is considered the most cost effective way for maintenance of the Lower Gardens to be carried out. The actual cost is based on the timesheets records and estimates where the timesheets are not available.

Costs of providing recreational activities	£	£
	2020-21	2019-20
Events		
Art Exhibition	2,527	3,108
Bandstand	754	0
Arts by the Sea	54,650	97,445
Christmas Tree Wonderland	0	385,921
Ice Rink	0	2,599
Events Team	18,489	34,054
	<u>76,421</u>	<u>523,127</u>
Mini-Golf	27,265	28,881
	<u>103,686</u>	<u>552,008</u>

Governance costs incurred are met by BCP Council. Included within these costs are audit fees of £12,000 (2019-20 : £12,000) excluding VAT.

	£	£
	2020-21	2019-20
Governance costs	12,000	12,000

5. Tangible fixed assets

	Freehold land and buildings		Total
	Pavilion	Gardens	
	£	£	£
2019-20			
Asset valuation brought forward	14,600,002	2,444,499	17,044,501
Revaluation (net)	2,478,178	(79,900)	2,398,278
Depreciation charge for year	(478,178)	(12,100)	(490,278)
Net book value carried forward	<u>16,600,002</u>	<u>2,352,499</u>	<u>18,952,501</u>
2020-21			
Asset valuation brought forward	16,600,002	2,352,499	18,952,501
Revaluation (net)	(1,357,306)	38,633	(1,318,673)
Depreciation charge for year	(407,459)	(21,130)	(428,589)
Net book value carried forward	<u>14,835,237</u>	<u>2,370,002</u>	<u>17,205,239</u>

Historically, under an Indenture drawn up in 1873 a trust was created and this was formally registered with the Charity Commissioners.

The effect of the Indenture was to transfer substantially all the risks and rewards of ownership to the Charity and the Council.

The assets of the Charity are treated as comprising the freehold interest (based on the Council as trustee's right to manage) in the land between Bournemouth Square and the seafront laid out as formal public pleasure gardens. The area is approximately six hectares. Furthermore it comprises the Charity's ownership of the Pavilion.

Valuation

The Charity accounts for its unencumbered share of the assets using the same approach to valuation as adopted by the Council's Property Services department when preparing valuations for the Council. The trustee consider this to be a fair, cost effective and pragmatic basis.

In 2021 the valuations were undertaken by the external company Bruton Knowles who hold the FRICS qualification and so are considered to be independent of the Charity.

The following approaches to valuation have been adopted: -

Assets included in the Balance Sheet are re-valued annually.

Pavilion - at the end of 2009-10 the land swap took place giving the Charity full ownership of the building. The value of the asset in the Balance Sheet is based on the full amount of the depreciated replacement cost and is subject to a full depreciation charge. The Pavilion is leased to BCP Council who under the agreement have sub-leased it to BH Live. Both leases are for nil consideration.

Lower Central Gardens - a full share of the existing use valuation based on the concessions. The land not occupied by concessions is carried at nil value. The trustee recognises that there is an intrinsic value to the rest of the gardens but as there is no likelihood of a full or major disposal and because of the costs and difficulty in obtaining a valuation this is carried at £ nil.

6. Stock

	£	£
	<u>2020-21</u>	<u>2019-20</u>
Balance brought forward	8,275	3,953
Movement during the year	(5,768)	4,322
Balance carried forward	<u>2,507</u>	<u>8,275</u>

7. Unrestricted Income fund

	£	£
	<u>2020-21</u>	<u>2019-20</u>
Balance brought forward	8,275	3,953
Movement during the year	(5,768)	4,322
Balance carried forward	<u>2,507</u>	<u>8,275</u>

8. Endowment fund

	£	£
	<u>2020-21</u>	<u>2019-20</u>
Balance brought forward	16,600,002	14,600,002
Donated assets received	0	0
Revaluations	(1,357,306)	2,478,178
Net movement in funds	(407,459)	(478,178)
Balance carried forward	<u>14,835,237</u>	<u>16,600,002</u>

As mentioned in Note 6 above the Pavilion became fully owned by the Charity in 2009-10 and was reflected that year in the accounts as a donated asset and the endowment fund.

This reserve is in the nature of an endowment i.e. it may not be spent as income nor disposed of.

9. Restricted Income fund	£	£
	<u>2020-21</u>	<u>2019-20</u>
Balance brought forward	2,352,499	2,444,499
Revaluations	38,633	(79,900)
Decommissions	0	0
Movement during the year	0	0
Net movement in funds	(21,130)	(12,100)
Balance carried forward	<u>2,370,002</u>	<u>2,352,499</u>

The full amount of total valuations and the cost of any subsequent routine fixed asset additions is credited to the restricted income fund as these assets can only be used for specific purposes. Any revaluations or disposals of assets within these sums is also adjusted through the reserve.

To the extent that the carrying amount of the depreciated assets is reflected in the restricted income fund the relevant amount of the depreciation charge in the statement of financial activities is transferred as a reserves adjustment to the general fund.

10. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible Fixed Assets	0	2,370,002	14,835,237	17,205,239
Current assets	2,507	0	0	2,507
	<u>2,507</u>	<u>2,370,002</u>	<u>14,835,237</u>	<u>17,207,746</u>

Analysis of net assets between funds - prior year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible Fixed Assets	0	2,352,499	16,600,002	18,952,501
Current assets	8,275	0	0	8,275
	<u>8,275</u>	<u>2,352,499</u>	<u>16,600,002</u>	<u>18,960,776</u>

11. Related party transactions

The Lower Central Gardens Bournemouth's corporate trustee includes the charity in its consolidated financial statements. The consolidated financial statements are prepared under International Financial Reporting Standards and are available to the public at

<https://www.bpcouncil.gov.uk/About-the-council/Budgets-and-finance/Documents/Draft-Statement-of-Accounts-2020-21.pdf>

In these financial statements the Lower Central Gardens Bournemouth is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the requirement to present a cashflow statement. Having given regard to Public Benefit Entity guidance the corporate trustee considers the Lower Central Gardens Bournemouth to be a Public Benefit Entity.

The Council acting in its role as trustee of the charitable trust nominates certain Members to act as members of the Trust Board. The Trust Board has a Constitution setting out administration and management arrangements of the trust.

The charity trustee was not paid or reimbursed expenses during the year and did not receive any emolument or payment for professional or other services. There were no transactions involving the trustee and related parties and there were no ex-gratia payments.

As disclosed in the analysis of resources expended, the Council provides staff who maintain the gardens - there are no staff employed by the charity. The Council has historically subsidised the annual deficits of the Charity.

	£	£
	<u>2020-21</u>	<u>2019-20</u>
Donated services received		
Income & expenditure from activities - Unrestricted Income fund	252,255	322,719
Assets Maintenance - Restricted Income fund	129,043	129,640
BCP Council in its role as local authority	<u>381,297</u>	<u>452,359</u>