

Report to:	Trust and Charities Committee	<i>Exempt information paragraph number – if private report:</i>
Report of: Date of Decision:	Director of Finance 23 <sup>rd</sup> September 2015	
SUBJECT:	ANNUAL REPORT AND ACCOUNTS – SIR WHITWORTH WALLIS PERIOD ENDING 31 MARCH 2015	
Key Decision: Yes / No	Relevant Forward Plan Ref: No	
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>	
Relevant Cabinet Member(s):	N/A	
Relevant O&S Chairman:	N/A	
Wards affected:	All	

**1. Purpose of report:**

- 1.1 To present for information the Annual Report and Accounts for Sir Whitworth Wallis for the financial year ending 31 March 2015.

**2. Decision(s) recommended:**

- 2.1 That Committee is receiving this report for information as Custodian Trustee and is asked to note the attached Annual Report and Accounts.

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**3. Consultation**

Consultation should include those that have an interest in the decisions recommended

**3.1 Internal**

The Chairman of the Committee has been consulted in the preparation of this report.

**3.2 External**

N/A

#### **4. Compliance Issues:**

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

N/A

4.2 Financial Implications  
(Will decisions be carried out within existing finance and Resources?)

N/A

4.3 Legal Implications

Management and governance arrangements for Charitable Trusts are set out in the constitution under which they were established. Charity Trustees must also comply with Charities Act 2011, Trustee Act 2000, other relevant legislation and guidance issued by the Charity Commission. The assets of a charity must be used in accordance with charitable law, failing which this will give rise to a breach of trust. Legal sanction can follow from either the beneficiaries of the charitable trust and/or Charity Commission. Decisions made by the charity must be expedient in the interests of the charity at all times. The Committee has empowered officers within the Council to discharge certain functions on its behalf as Council as Trustee.

4.4 Public Sector Equality Duty (see separate guidance note)

None. The statutory functions discharged by the Council as Trustee are subject to a separate and distinct statutory regime underpinned (principally) by the Charities Act 2011, Trustee Act 2000 and relevant Charity Commission guidance. These are non-executive functions and are therefore not subject to the Equalities Act 2010 provisions.

**5. Relevant background/chronology of key events:**

5.1 The City Council acts as Sole Trustee for a number of charitable and non-charitable trusts and has delegated the management of these trusts to the Trusts and Charities Committee. Charitable trusts are governed by charity law and are regulated by the Charity Commission. However, as the Council as Custodian Trustee of the Sir Whitworth Wallis, day to day management decisions are made by a separate and independent group of managing Trustees. This Report is therefore presented to Committee for information only, because it cannot as a matter of law be involved in managing the Charitable Trust. The Council's role is limited to holding legal title to the charity's asset, and nothing more. Committee are of course able to pass on observations to the managing Trustees for them to consider as appropriate.

5.2 The Trust was established under a deed dated 26<sup>th</sup> July 1968 in memory of Sir Whitworth Wallis, the first curator of the Birmingham Art Gallery.

5.3 The objects of the Trust are the promotion and study of paintings by students by offering scholarships, bursarships or prizes.

5.4 For information the trust does not hold any land and buildings. The Trust has an endowment of £36,000 and the investments are managed by Birmingham City Council's Treasury Management Team.

5.5 Each charitable Trust registered with the Charity Commission is required to annually submit an annual Report and Accounts, except where gross annual income is less than £25,000, no later than ten months after the end of each financial year. Below this threshold, external scrutiny is only needed if this is set out in the Charity's governing document. The accounts of such Trusts are required to have been independently examined if gross annual income is between £25,000 and £500,000, and if the income exceeds £500,000 a full audit is required. An audit will also be required if total gross assets exceed £3.26m, and the charity's gross income is more than £250,000.

5.6 For information no independent examination was required as the total annual income for the financial year was £1,300.

**6. Evaluation of alternative option(s):**

6.1 It is a Charity Commission requirement to compile annual accounts.

**7. Reasons for Decision(s):**

7.1 For Committee to approve the accounts.

Signatures	<u>Date</u>
Director of Finance .....	.....
Chairman .....	.....

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<b>List of Background Documents used to compile this Report:</b>
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N/A
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<b>List of Appendices accompanying this Report (if any):</b>
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| 1. 2014-15 Accounts. |
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