

Wormwood Scrubs Charitable Trust
Trustees Report 2018/19

Overview of the Year

The Wormwood Scrubs Charitable Trust (The Trust) exists to ensure that this much valued area of open space in West London is used for the exercise and recreation of Londoners. In its local plan, the Old Oak and Park Royal Development Corporation describes the Scrubs as ‘... a cherished public open space and important ecological asset ...’.

The last year saw some very significant developments for the Trust:

- The Trust reports a financial surplus, of £232,060 as it continues to benefit from increased rental income, albeit not all of this is expected to recur in future years.
- We continue to help in the aftermath of the Grenfell Tower fire by providing the site for temporary buildings for the Kensington Aldridge Academy school.
- We engaged consultants to develop the plans for improved biodiversity using the £3.9m of funding agreed with High Speed Two.
- The Trust ensured the development of Old Oak and Park Royal does not impact adversely on the Scrubs by engaging in the development of the local plan.
- We continued to work closely with the Friends of Wormwood Scrubs through the two Friends who are co-opted members of the governing committee.

An Oasis of Green Space in West London

Wormwood Scrubs is an open space located in the north-eastern corner of the London Borough of Hammersmith and Fulham in west London. It is the largest open space in the Borough, at 80 ha (200 acres), and is one of the largest areas of common land in London. It has been a public open space since the Wormwood Scrubs Act of 1879.

Wormwood Scrubs includes a Local Nature Reserve and there are also areas designated as Sites of Importance for Nature Conservation. These areas include Braybrook Woods, Martin Bell's Wood and the Central Woodland Copse.

Habitats include woodland (plantation), scrub and grassland. Animals include common lizards, approximately 100 species of bird and 20 species of butterfly. There are also approximately 250 native plant species which make up one sixth of UK native flora.

Structure, Governance and Management

Responsibility for the management of the Trust rests with the Wormwood Scrubs Charitable Trust Committee of the London Borough of Hammersmith and Fulham. This consists of three Councillors and two co-opted members, advised by senior council officers. The Committee is charged with managing all the affairs of the Trust, improving the focus and performance of the Trust and ensuring it achieves its charitable objectives. The Committee members for 2018/19 were Councillors Wesley Harcourt, Alexandra Sanderson and Belinda Donovan.

The two non-voting co-opted members were Miriam Shea and Sir Stephen Waley-Cohen. Both are also members of the Friends of Wormwood Scrubs.

The London Borough of Hammersmith and Fulham (LBHF or ‘The Council’) is the sole corporate trustee for the Trust.

Day to day running of the Trust is undertaken by officers in line with the Committee's scheme of delegation. The de facto chief executive of the Trust is Kim Dero, the Council's chief executive. Mahmood Siddiqi, Bi-borough director for transport and Highways, was the main officer responsible for the day to day running of the Trust in 2018/19.

Hitesh Jolapara, the Council's director of finance and governance is the Trust's chief finance officer but day to day financial management of the Trust is undertaken by Christina Cato, lead head of finance.

As set out in the Council's constitution, the Council's Standards Committee provides advice and training for Councillors. Under the constitution, Councillors are required to accept a personal responsibility to take up such opportunities for training and development that may be provided by the Council in order better to carry out their duties as effective members

Objectives and Activities

Wormwood Scrubs is the subject of a charitable trust created by the Wormwood Scrubs Act 1879. The Council of the London Borough of Hammersmith & Fulham is the sole corporate trustee and holds the land in trust for the "use by the inhabitants of the metropolis for exercise and recreation". This is the Trust's sole objective.

The Trust therefore seeks to encourage sporting and recreational use of Wormwood Scrubs through the provision and maintenance of an environment that is conducive to its objective. The Trust is not linked with the prison located nearby.

The Linford Christie stadium is sited on Wormwood Scrubs and was built by the Greater London Council when that body was responsible for the Scrubs. The stadium is operated by the Council and the Trust makes an annual contribution to its running costs.

In addition to supporting the recreational activities provided by the Council through the Linford Christie stadium, the Trust's main activity relates to the maintenance of the Scrubs itself. Since 6th May 2008 idverde UK (which acquired Quadron Services Ltd in 2016) has provided a grounds maintenance service at Wormwood Scrubs following a procurement exercise run by the Council.

The Trustee has paid due regard to the Charity Commission's public benefit guidance in preparing its annual report. The Trust delivers public benefit in meeting its charitable objective of holding the land in trust in accordance with the 1879 Act.

Working with the Friends of Wormwood Scrubs

The Trust continues to work closely with the Friends of Wormwood Scrubs on a regular basis and two members of the friends are co-opted onto the charitable trust as non-voting members. Regular contact has been maintained with the friends throughout the year and the Trust and those involved in the day-to-day management of the site welcome their updates in terms of things seen but also works required.

The Wormwood Scrubs Development Manager worked with the Friends to submit comments on the local plan to the local planning authority, the Old Oak and Park Royal Development Corporation (OPDC). This was a good opportunity for both parties to discuss issues and the proposals together.

High Speed 2 (HS2)

HS2 Bill – Environmental Improvement Works

The Agreement between HS2 and LBHF dated 20th October 2016 secured £3.9m for alternative ecological mitigation (AEM) works. These works were agreed as an alternative to the ecological mitigation within the HS2 Bill and form an appendix to the agreement.

Land use Consultants were appointed as design consultants for the AEM works on 3rd June 2019 and have been working to develop the proposals through a design board involving the Council, HS2 and the OPDC. A conservation management plan, consultation strategy and preliminary masterplan have been produced for discussion.

Pick Everard were appointed as cost consultants for the project on 10th June 2019. This appointment will give greater cost certainty to the proposals as they develop.

HS2 Bill – Stamford Brook Sewer Realignment

The planned re-route of the Stamford Brook sewer through the northern section of Wormwood Scrubs will involve digging a trench, disturbing ecology and temporarily cutting off sections of the Scrubs for public use.

HS2 have been exploring alternative options to re-route the sewer but do not yet have a solution. If an alternative is not found a legal agreement is in place to provide method statements to protect the ecological habitats in the process.

The works for the re-route of the sewer are currently planned for the summer of 2020 once the final proposals have been agreed.

Old Oak and Park Royal Development Corporation (OPDC)

The OPDC came into existence with full planning powers over the Old Oak and Park Royal regeneration area (including most of Wormwood Scrubs but excluding the Linford Christie stadium) on 1 April 2015.

OPDC Draft Local Plan

The draft Plan contains their land use and spatial strategy over the next 15-20 years and contains policies on housing, community facilities, transport, the environment, and more. These policies will guide future development, and proposals for development will be assessed against the policies contained within the OPDC's Local Plan. The Trust will play a full part in responding to any consultations and formulation of the OPDC's Local Plan.

The Draft Local Plan can be viewed here: www.london.gov.uk/opdclocalplan

OPDC Draft Local Plan – 2nd Round of Regulation 19 Consultation, 2018

The OPDC carried out 2 rounds of Regulation 19 public consultation on their Draft Local Plan. The first round of consultation was carried out in June to September 2017. The WSCT made representations which were considered by the OPDC in reviewing and redrafting their draft Local Plan.

The OPDC then carried out a further 2nd Regulation 19 consultation which ran from 14 June to 30 July. Both WSCT and Friends of Wormwood Scrubs (FOWS) have submitted representations and these will be carefully considered by the OPDC in finalising their Local Plan for submission to the Secretary of State for independent Examination in Public (EIP).

Local Plan Timetable

The Proposed Submission Local Plan must be considered by a formal Independent Examination. This is led by an independent Planning Inspector appointed by the Secretary of State for the Ministry of Housing, Communities and Local Government. In 2019, OPDC's Local Plan underwent its examination hearings. The examination will continue during 2020 and following the conclusion of the examination, the Local Plan will be considered by OPDC's board for adoption.

For more information about the process and what the Planning Inspector assesses and how please go to link <https://www.london.gov.uk/about-us/organisations-we-work/old-oak-and-park-royal-development-corporation-opdc/get-involved-opdc/opdc-local-plan/submission-and-examination/local-plan-examination-process>

Habitat and Ecology

Phase 1 Biodiversity Surveys completed in 2016 and 2017 formed the basis of recommendations for the AEM (Alternative Ecological Mitigation) proposals. These proposals were reaffirmed with HS2 as; removal of Japanese knotweed to create new habitat, woodland management, scrapes and wet woodland, hedge planting, heathland planting and grassland enriched with wildflowers. Further surveys were completed in September to gain a fuller understanding of the scrubs biodiversity.

The AEM proposals will include both a conservation management plan (CMP), to understand the value and use of the Scrubs and a 10-year management and maintenance plan to maximise habitat improvement for wildlife as well as regular surveys to demonstrate improvements to biodiversity. The AEM proposals will not be able to tackle all the issues at the scrubs as the HS2 funding is limited to ecological improvements. Nevertheless, both the CMP and the management and maintenance plan will identify options to address issues with other funding mechanisms.

The proposals for the northern boundary are likely to be the most complex due to the range of habitats and the influence of the Japanese knotweed growing here. This needs to be removed before any other planting can be successful and, as its removal takes at least three years, works to control it have already commenced. A watching brief by an experienced ecologist was undertaken in all stages of the works to ensure that nesting birds were not disturbed.

Kensington Aldridge Academy (KAA)

This school occupies a new building located very close to Grenfell Tower in North Kensington. In the aftermath of the tower fire in June 2017 it was apparent that the school could not operate from that site when the new academic year was due to start in September 2017. It identified

the old gravelled military training area in the Scrubs (sometimes known as the 'Redgra') as a suitable site for temporary school buildings and set about seeking the permission of the Trust, the planning authority and the Ministry of Defence to use the site.

Temporary structures were installed over the summer of 2017 and the school was ready for occupation in September.

The School occupied the site for the whole academic year 2017/18 and paid the Trust a suitable market rent. The Trust was not able to earn the income that it would normally have done by renting out the gravel area for the usual very short term uses, such as lorry parking for trade shows at Olympia.

It is anticipated that the school will remain on the Scrubs until 12 August 2021 and return to its permanent site from September 2021.

Achievements and Performance

Sport

Currently, the Linford Christie Outdoor Sports Centre (LCOSC) and Wormwood Scrubs itself boasts eight full size football pitches, three junior nine-a-side pitches, two junior seven-a-side pitches and two junior five-a-side pitches. In addition, there are two Gaelic football pitches, seasonal baseball pitches and a football pitch in the central area of the athletics track which is the home pitch of the Kensington Dragons Football Club senior team. The facility also offers fully certified athletics track and five all weather pitches.

The facility is the home of Thames Valley Harriers Athletics Club and PHC Chiswick Hockey Club.

A number of other sports activities take place on Wormwood Scrubs. These include,

- Tackle Africa Football Tournament
- London Junior Baseball League
- Race for Life event
- British Athletic League Meetings
- Weekend 5K Park runs
- Extensive school usage including district sports day

There have been ongoing issues at LCOSC with the water supply, which has taken far longer than expected to remedy. This has affected some activities that take place there.

Events

A number of sporting events including; Tackle Africa, Race for life and Pretty Muddy were held on the scrubs without incident and enjoyed by all participants.

Due to the relocation of the Kensington Aldridge Academy (KAA) onto the Redgra following the Grenfell tragedy, the area has not been available for the previously regular film shoots or event/Met Police Carnival parking. Although KAA is moving back to its building in September, the temporary school will remain in situ for at least a further year, in case any issues arise due to Grenfell.

The Trust remains interested in facilitating a small number of larger events and discussions continue with companies that specialise in organising these.

Grounds Maintenance and Site Management

The Scrubs is a highly popular site attracting a diverse range of users from dog walkers to model aircraft flyers to ornithologists to those wanting a quiet walk. The appearance and cleansing of both the grounds and the stadium is very important. Numerous tasks are thus undertaken on a routine and reactive basis to ensure the grounds maintenance of the site is kept at an acceptable standard.

Officers and the contractor, idverde UK, have worked hard over the last year to increase the number of volunteers, including from companies seeking to fulfil their corporate social responsibilities. These groups have assisted with the maintenance of the Scrubs but also undertaken tasks that would not have been possible otherwise.

The Trust is pleased that schools have also been using the site to self-deliver the Forest Schools education programme (www.forestschoollassociation.org).

In the past twelve months the following tasks have been scheduled as part of the grounds maintenance contract:

Activity
Inspecting daily three on-site play areas
Maintaining three on-site play areas
Strimming across the site and Linford Christie Stadium
Grass cutting all non-pitch areas across the site
Grass cutting areas of Linford Christie Stadium
Maintaining all wildlife and copse perimeters
Maintaining and pruning of all shrub bed areas
Pruning and maintenance of all hedges
Low level tree works
Maintaining dog areas
Litter picking across the site
Litter picking within the Linford Christie Stadium
Emptying of litter bins
Emptying of dog bins
Cleansing hard surfaces across the site
Treating of Japanese Knotweed
Cleansing hard surfaces within the Linford Christie Stadium
Cleansing and sweeping synthetic pitch areas within Linford Christie Stadium
Maintenance of the Redgra area
Leaf clearance across the site
Attending to fly tips
Attending to vandalised or damaged equipment, facilities or surfaces
Liaising with site and facility users
Liaising with Parks Constabulary
Assisting in the preparation for large events
Assisting with Groundwork/Volunteer initiatives

Community Safety

Wormwood Scrubs continues to be patrolled by the Borough's uniformed Parks Police Service by using vehicles and pedal cycles, and on foot. They dealt with 797 Incidents in 2019. No major crimes were reported, and most incidents involved anti-social behaviour, such as badly-behaved dogs and their owners, homeless encampments and thefts from unattended motor vehicles.

The number of dogs being walked by professional dog walkers appears to have increased and a number of fixed penalty tickets were issued for having dogs in excess of the permitted total of four dogs. The Royal Parks now charge £300 per annum for licensing professional dog walkers, which may account for the increased numbers on the Scrubs. A proposal to introduce licences for professional dogwalkers is being introduced in this year's Council fees and charges.

One traveller incursion took place and was dealt with through a Section 77 notice enforced by Parks officers with Parks Police support.

Financial Review

The Trust reported a surplus of £226,945 in 2018/19. The main reason for this large surplus is the new income received from the Kensington Aldridge Academy (KAA) for the operation of the school. This significant peak is short term/one-off. However, a surplus is expected again in 2019/20, with a smaller surplus in 2020/21, as the current KAA licence expires in July 2020 and KAA, who is negotiating a Licence extension to July 2021, is expected to return to its permanent site in September 2021.

	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Summary of Financial Position	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Incoming Resources	1,060,142	1,072,295	698,745	678,572	717,972	638,525	546,201
Total Resources Expended	-833,197	-774,332	-736,084	-737,772	-724,506	-717,576	-717,853
Net outgoing (-)/Incoming resources	226,945	297,963	-37,339	-59,199	-6,534	-79,051	-171,652
Total funds brought forward	5,515,244	5,217,280	5,254,619	5,313,818	5,320,353	5,399,404	5,571,056
Total funds carried forward	5,742,189	5,515,244	5,217,280	5,254,619	5,313,818	5,320,353	5,399,404
Unrestricted funds	742,188	515,243	217,279	254,618	313,817	320,352	399,403

Other than the mentioned temporary KAA income peak, the main income sources are pay and display income from the four machines in Wormwood Scrubs Car Park, Cashless parking income and licence income for the use of the car park. Some income was also achieved from the Park Lodge and UKPN.

The Trust contributes to the Linford Christie athletic stadium, and other sports facilities located on the Trust grounds, to promote the objectives of the Trust: to support exercise and recreation. The Linford Christie Stadium cannot operate without a subsidy, and the Council makes a significant contribution to that. From 2014/15 a commitment was made to the Trust that everything would be done to limit the contribution by the Trust, and that was successfully limited to £31,500 in 2016/17, very close to the figure contributed in the previous year. The contribution stated in the Income and Expenditure Statement is higher at £32,356 because the Trust is required to spread council recharges across a number of expenditure headings, rather than accounting for them on a single line, which was the previous practice.

Expenditure incurred by the Trust is in line with the objectives of the Trust.

In total funds brought forward, the Trust has restricted funds of £5,000,001 relating to the valuation of the car park and tangible fixed assets in their existing use. The remaining, unrestricted income funds are solely used for the specific purposes of the Trust. These total £742,188 as at 31 March 2019 (see the Statement of Accounts note 11). They significantly increased since 2017/18 compared to the previous years, because of the 2018/2019 net incoming resources.

No capital projects were undertaken in 2018/2019.

Plans for future periods

In approving the budget for 2018/19 the Committee predicted a conservative surplus of £19,354. However, this was before the extension of the agreement to provide a temporary home for the Kensington Aldridge Academy school (KAA), which has brought a significant rental income to the Trust in 2018/19. Due to a recent licence extension to July 2020, and current negotiations to extend to July 2020/21, this income will also have significant impact on 2019/20 accounts, and some impact on 2020/21 accounts. Further the lump sum credited to

the 2017/18 accounts following the Trust's discussions with UK Power Networks about achieving a fair annual rent for a piece of Trust land that has been used by UKPN for many years, a formal lease is in place and annual income is being received.

A Conservation Management Plan and Community Engagement Strategy are soon to be presented to the Trust for approval and the Committee is determined to bring the financial performance of the Trust to breakeven or better in the absence of exceptional income; but expects this to take more than a year to achieve. The Trust is keen to ensure that development around the site do not threaten its integrity.

The Trust can demonstrate recent surplus outturns and is seeking ways to ensure a steady progress towards being able to operate at a breakeven position or better with normal activities. To create this secure financial position in the longer term the Trust is working on optimising the use of its assets by developing events on the Scrubs once KAA finally vacate and getting the best possible benefits from the development of High Speed 2. The Trust is optimistic of such income as approaches have already been made, e.g. to organisers, including:

- To Secret Cinema to build a temporary set on the Scrubs in 2021 and put on performances over the summer for a 4-week period. The capacity for each show would be approximately 4,000 people.
- To small music festival organisers, attracting audiences of approximately 5,000, to consider the Scrubs as a suitable site in the summer of 2020 and future years. Should interest be forthcoming, consultation will again be conducted with residents and key stakeholders before agreement and terms reached.

Consultation with residents and key stakeholders will commence before final agreement and terms are reached.

Grounds Maintenance (GM) is the Trust main expenditure. (GM) Contract expires in April 2021. We have started the procurement process to agree a new GM contract. The first stage was to approach the market to explore what options are available.

The current proposal being drafted to cabinet is to:

- Extend the existing contract until 1st February 2022 in order to design a new specification and carry out the procurement process.
- Obtain a price and specification for Wormwood Scrubs that can be part of, or separate from the overall contract, depending on the advantages offered by the Contractor in terms of economies of scale.
- The AEM Works will be developing a Biodiversity management plan for the scrubs which will form part of the specification. This is different from traditional grounds maintenance, but many contractors offer an appropriate countryside type service.

Reserves and Treasury Management Policy

The Trust's reserves policy is to consider the level of its balances annually, taking into account;

- Whether the Trust has approved a balanced budget
- The robustness of the assumptions and calculations that have underpinned the budget strategy

- The frequency and effectiveness of in year budget monitoring
- The effectiveness of Risk Management
- The affordability of its commitments in respect of grounds maintenance and support of the Linford Christie Stadium
- The review of, and the opinion on, the Trust's financial statements by the External Auditor
- The condition of the Trust's assets
- The affordability considerations of prudential borrowing

Currently, the Fund's undesignated funds of £742,189 exceed the average annual turnover of the Trust prior to the exceptional income, which is considered prudent given the factors identified above. Despite achieving some improvements, the Trust recognises that balancing its income and expenditure remains a challenge. The Committee established by the Council to run the Trust has a key role in improving financial performance.

Determining an adequate level of balance requires professional judgement in the context of assessing performance against the key criteria listed above. Consequently, it is considered inappropriate to stipulate either a minimum or a maximum level of balances held. It is considered more important that the key criteria are reviewed annually at the time of preparing the annual Revenue Budget and reviewing the previous year's performance.

Pay and display parking income in 2018/19 has increased by £70,223 compared to 2017/18 and is forecasted to be stable in 2019/20. However, increased grounds maintenance costs due to annual contract inflation and contributions to the running costs for the Linford Christie Stadium remain as pressures. The Trust continues to closely monitor and scrutinise its income and expenditure. Council officers are focussing on reducing the net expenditure of the Trust in the short, medium and long term. Increased income is being targeted through initiatives to optimise use of the scrubland.

The Trust's cash balances are managed by the Council. The Council's Treasury Management Strategy Report governing the investment policy adopted, was adopted by the Council in February 2016. The Committee report can be found on the Council's website at the following location:

<http://democracy.lbhf.gov.uk/documents/s74149/TMS%20LBHF%202016-17%20Cabinet%2010116%20Final.pdf>

Risk Management

The Trustee has a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- Establishment of plans to mitigate those risks identified;
- Implementation of steps designed to minimise any potential impact on the charity should those risks materialise.

The work has identified only a few risks and the situation is being monitored. A key element in the management of risk is managing income and expenditure and setting a reserves policy with regular review by the Committee. The full schedule of risks can be found later in this report (Appendix C – Page 25).

Statement of Trustee's Responsibilities in respect of the Trustee's Annual Report and the financial statements

The charity trustee is responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustee to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustee is required to:

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

The trustee is responsible for keeping proper accounting records that 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. It also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Disclosure of Information to Auditors

The Trustee who held office at the date of approval of this Trustee's Report confirms that, so far as it is aware, there is no relevant audit information of which the charity's auditor is unaware; and the Trustee has taken all steps that ought to have been taken as a trustee to make itself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditors

The Trustee appointed Grant Thornton UK LLP during the year to undertake the audit of accounts in this year and in the following year. The Independent auditor's report to the Trustee of Wormwood Scrubs Charitable Trust follows on page 13.

For and on Behalf of Wormwood Scrubs Charitable Trust

Signed

Name: Cllr Wesley Harcourt

Date:

Independent auditor's report to the Trustees of Wormwood Scrubs Charity (Appendix B)

Audit opinion to follow

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WORMWOOD SCRUBS CHARITABLE TRUST

STATEMENT OF ACCOUNTS 2018/19

WORMWOOD SCRUBS CHARITABLE TRUST

STATEMENT OF ACCOUNTS 2018/19

Wormwood Scrubs Charitable Trust

Statement of Financial Activities for Year ended 31 March 2019

		2018/19	2017/18
Notes		£	£
	Income and Expenditure		
	Income and endowments from:		
2	Income from Charitable activities:		
	Pay and Display Parking Meters	(351,834)	(259,674)
	Hammersmith Hospital Car Park Licence	(337,229)	(324,619)
3	Other trading activities	(367,332)	(485,376)
4	Income from Investments	(3,747)	(2,626)
	Total Income and endowments	(1,060,142)	(1,072,295)
	Expenditure on:		
5, 8	Charitable activities:		
	Costs of generating Parking Income	-	-
6	Contribution to Linford Christie Stadium	32,356	32,330
	Non Routine Maintenance of Wormwood Scrubs	25,593	3,267
7	Routine Grounds Maintenance of Wormwood Scrubs	719,895	706,909
	Other expenditure	55,353	31,826
	Total Expenditure	833,197	774,331
	Net (income)/expenditure	(226,945)	(297,964)
	Reconciliation of Funds		
	Total funds brought forward	(5,515,244)	(5,217,280)
	Total funds carried forward	(5,742,189)	(5,515,244)

All income was unrestricted all activities are continuing.

Wormwood Scrubs Charitable Trust**Balance Sheet at 31 March 2019**

	2018/19	2017/18
	£	£
Fixed Assets		
9 Tangible Assets	5,000,001	5,000,001
Total Fixed Assets	5,000,001	5,000,001
Add: Current Assets		
Cash in Bank	703,769	251,781
10 Debtors	83,579	273,361
Total Current Assets	787,348	525,143
Less: Liabilities		
10 Creditors: Amounts falling due within one year	(45,160)	(9,900)
Total Liabilities	(45,160)	(9,900)
Total Net Assets and Liabilities	5,742,189	5,515,244
	£	£
11 The funds of the charity:		
Unrestricted income funds	(742,188)	(515,243)
Revaluation reserve	(5,000,001)	(5,000,001)
Total Charity Funds	(5,742,189)	(5,515,244)

Approved by the trustees on 29th January 2020 and signed on their behalf by:

Cllr. Wesley Harcourt
Chair, Wormwood Scrubs Charitable Trust Committee

Wormwood Scrubs Charitable Trust**Statement of Cash Flows for Year ended 31 March 2019**

	2018/19	2017/18
	£	£
Cash flows from operating activities:		
12 Net cash provided by operating activities	448,241	13,798
Cash flows from investing activities:		
Dividends, interest and rents from investments	3,747	2,626
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	-	-
Proceeds from sale of investments	-	-
Purchase of investments	-	-
Net cash provided by investing activities	3,747	2,626
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the reporting period	451,988	16,425
Cash and cash equivalents at the beginning of the reporting period	251,781	235,356
Cash and cash equivalents at the end of the reporting period	703,769	251,781

Notes to the Accounts

(1) Statement of Accounting Policies

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 the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required relating to the previous year's accounts, however the necessary changes in terms of presentation and disclosures have been made to bring the report in line with new SORP requirements including the addition of the Statement of Cash Flows and the allocation of governance costs across activities. The functional currency is £ sterling.

(i) Accounting Concept

The accounts have been prepared on an accruals basis. That is, on the basis of income being due and expenditure being payable in the related financial year.

The Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to accept the going concern basis of accounting in preparing the financial statements.

(ii) Depreciation

Depreciation has not been charged to tangible fixed assets (the land or the car park). Any changes in value will be reported as gains or losses on revaluations. The Trustee is not aware of any indication that an impairment has occurred.

(iii) Fixed Assets

The Trust has ownership of land, passed under the Wormwood Scrubs Act 1879 for the perpetual use of the inhabitants of London for exercise and recreation. Due to the restrictions on the use of the land and its disposal, it is included in the balance sheet at a fair value at the point of donation, as there are no records of this value a nominal value of £1 is used. This is in line with FRS102. The car park is held at historic value. This was initially established by a valuation in 2004, though the Trust does not operate a policy of revaluation.

(2) Incoming Resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Material income for the Trust includes Pay and Display parking fees and filming income, that would be recognised this way.

The Trust has a licensing agreement with Hammersmith Hospital NHS Trust (HHT), for the use of a limited number of parking spaces within the car park, making use of surplus capacity. The Trustee's consider that the arrangement is consistent with the Trust's objectives, as the arrangement can be terminated at any time.

(3) Income from Other Trading Activities

	2018/19	2017/18
	£	£
Filming income	0	(65,897)
Value of costs recharged to outside bodies	(52,490)	(29,970)
Other rental income*	(314,842)	(389,509)
	(367,332)	(485,376)

*Other rental income includes rental for a piece of land in previous years where the terms of the agreement and rental were finalised and signed in March 2018. Consequently recognised the receipt in advance for £23,659.00

(4) Investment Income

Interest is calculated on an average cash position for the year and is included in the accounts at year end. The interest rate used is the 7 day LIBOR rate, which increased from 0.42% in 2017/18 to 0.72% in 2018/19.

(5) Charitable activities

Resources expended on charitable activities comprise all the resources applied by the charity in undertaking its work to meet its charitable objectives. The Trust's objectives and work are detailed in the Trustees' Annual Report. Support Costs are wholly and exclusively represented by "Governance Costs" which are set out in Note 8.

(6) Contribution to Linford Christie Stadium

The Charity contributes to the up-keep of an athletic stadium located on the Trust grounds, not as a cost apportionment exercise but in furtherance of the objectives of the Trust to support recreation. Linford Christie Stadium is managed by the Environmental Services Department.

On 27 November 2006 a yearly contribution of up to £110,000 to the running costs of the stadium was approved by Cabinet as an ongoing commitment. In 2018/19 a contribution of £31,500 (£31,500 in 2017/18) was made to the Linford Christie Stadium.

(7) Grounds Maintenance

The grounds maintenance work undertaken at Wormwood Scrubs is undertaken by the Council's external contractor under a Grounds Maintenance contract that was tendered in 2008 for a period of 7 years. The award of this contract was considered in the best interest of both the Council and the Trust. Until 2001/02 the Trust was not in a position to fund the entire cost of the works and until this point, the Council only received a contribution. Since this time, the Trust has funded the full cost of grounds maintenance costs at Wormwood Scrubs. Grounds Maintenance services are currently provided by the Environmental Services Department of the Council. The continuation of these services are periodically approved by Cabinet Members. This Contract has been extended until March 2021.

Routine Grounds Maintenance is undertaken in accordance with a series of schedules that form part of the new contract. The fixed element of the contract has increased from £688,761 in 2017/18 to £699,995 in 2018/19 due to a 3.00% inflationary uplift in line with the terms of the contract. The specification included in the new Grounds Maintenance contract represents a significant enhancement to the level of grounds maintenance that currently takes place at Wormwood Scrubs.

Non-routine Grounds Maintenance is identified and commissioned on behalf of the Trust by the contractor.

The Council's Audit Committee formally approved the continuation of the service provided by the Environmental Services Department in June 2009.

(8) Governance costs

The Governance costs associated with the charity are allocated to each of the Charitable Activities (as per FRS102), as a percentage of the gross expenditure.

The resources expended that relate to the governance of the charity consist of the following:

	2018/19	2017/18
	£	£
Financial Administration and Support fees - these costs result from the statutory requirement to prepare accounts. Also included are the costs of the time spent liaising and meeting with auditors, and attending closing of account meetings.	2,902	8,961
Legal Fees - In the management of the Trust during the year legal advice was required. This was provided by Legal Services of LBHF and the charges were based on a staff time basis.	3,481	201
Audit Fees - It is a statutory requirement that the accounts of the trust should be independently audited.	15,015	9,900
	21,398	19,062

Allocation of the Governance costs:

Activity	2018/19	2017/18
	£	£
Contribution to Linford Christie Stadium	856	830
Non Routine Maintenance of Wormwood Scrubs	642	84
Routine Grounds Maintenance of Wormwood Scrubs	19,900	18,148
	21,398	19,062

(9) Tangible Assets

The Trust's Land and Buildings include an Athletics Stadium, Pony Centre, three bedroom cottage and single storey parks depot, all of which are valued as a nominal £1 due to the restrictions placed on the use of the land and its disposal.

The Athletics Stadium was built in 1961 under the Greater London Council (GLC) and prior to the creation of the London Borough of Hammersmith and Fulham, who are now responsible for administering the Trust. There is no available documentation to demonstrate that approval has been gained by the Secretary of State for Defence.

The Pony Centre was given approval to be built by the Secretary of State for Defence.

The car park is included in the accounts at historic cost in line with FRS102. The value included is £5,000,000. To establish a proxy for historic cost the asset was valued on the 31st March 2004. The Trust does not operate a policy of revaluation.

The car park is classified as a functional tangible fixed asset as the use of this land is considered as consistent with the charities objectives.

The Trust does not depreciate its assets as they are all either without a determinable finite useful life (i.e. land) or of a nominal value (i.e. £1)

(10) Debtors & Creditors

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where the exact amount of a debtor or creditor was not known at the time of closing the accounts then an estimated amount has been used.

Creditors

	2018/19	2017/18
	£	£
Trade creditors	(30,145)	0
Accruals and deferred income	(15,015)	(9,900)
	(45,160)	(9,900)

Debtors

	2018/19	2017/18
	£	£
Trade debtors	83,579	273,361
Prepayments and accrued income	-	-
	83,579	273,361

(11) Fund Structure:

The Trust's Unrestricted Funds comprise:

	2018/19	2017/18
	£	£
General	(742,188)	(515,243)
Designated - Fixed Asset Revaluation	(5,000,001)	(5,000,001)
	(5,742,189)	(5,515,244)

All Income and Expenditure are Unrestricted funds solely used for the specific purpose of the Trust. Expenditure which meets this criteria is charged to the fund, together with a fair allocation of management and support costs, as recharged by LBHF.

The Trustees have designated funds relating to the valuation of the car park and tangible fixed assets in their existing use.

(12) Net Cash Flow from operating Activities

	2018/19	2017/18
	£	£
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	226,945	297,964
<i>Adjustments for:</i>		
<i>Dividends, interest and rents from investments</i>	(3,747)	(2,626)
<i>Loss/(profit) on the sale of fixed assets</i>		
<i>(Increase)/decrease in debtors</i>	189,782	(273,361)
<i>Increase/(decrease) in creditors</i>	35,260	(8,178)
<i>Net cash provided by (used in) operating activities</i>	448,241	13,798

(13) Related Party Transactions:

The Council of London Borough of Hammersmith and Fulham (LBHF) is the trustee of the charity. Most expenditure transactions of the Trust are with LBHF and therefore fall under the definition of related party transactions. However, as stated this does not conflict with the charity's ability to meet its objectives. There are no staff employed by the charity.

	2018/19	2017/18
	£	£
<u>a) London Borough of Hammersmith and Fulham as transacting party</u>		
- LBHF as contractor to the Trust		
Environmental Services Department for the provision of Routine Grounds Maintenance of Wormwood Scrubs (Ref Note 7)	699,995	688,761
- LBHF as recipient of contribution		
Contribution to Linford Christie Stadium (Ref Note 6)	31,500	31,500
- LBHF as provider of administrative and management support to the Trust		
Environmental Services Department for management & financial administration services of Wormwood Scrubs	2,902	8,961
Legal Services for the provision of legal advice required in the management of Wormwood Scrubs	3,481	201
	737,878	729,423

Amounts due to or from related parties:

- -

(14) Trustee Remuneration, Benefits and Expenses

The Charities SORP (FRS 102) requires all trustee (or people connected with the charity) remuneration, benefits and expenses to be disclosed, regardless of size. There has been no remuneration, other benefit or expense payments to trustees, or people connected with the charity.

(15) External Audit Costs

The Trust has incurred the following costs in relation to the audit of the Statement of Accounts and statutory inspections provided by the Trust's external auditors:

	2018/19	2017/18
	£	£
Fees payable to the External Auditor with regard to external audit services carried out by the appointed auditor for the year	15,015	9,900
	<u>15,015</u>	<u>9,900</u>

16) Post Balance Sheet Events

The Trust has had no material adjusting or non-adjusting events after the balance sheet date of 31 March 2019.

Reference and Administrative details

Charity Name and Number	Wormwood Scrubs Charitable Trust, Registration No. 1033705
Charity Correspondent	Emily Hill Deputy Director for Finance Wormwood Scrubs Charitable Trust c/o Old Oak Community Centre 76 Braybrook St London W12 0AP
Trustees	The Council of the London Borough of Hammersmith & Fulham
Telephone	020 8753 6700
Email Address	emily.hill@wormwoodscrubstrust.org.uk
Governing Document	Wormwood Scrubs Act 1879 As Amended By Scheme Of The Charity Commissioners Dated 25 March 2002.
Objects	For recreational use as set out in the Wormwood Scrubs Act 1879
Area of Benefit	Wormwood Scrubs and West London. (Area prescribed by Governing Document)
Area of Operation	Greater London – Hammersmith and Fulham
Registration History	23 Feb 1994 Registered
Auditor Details	Grant Thornton UK LLP, 110 Bishopsgate London EC2N 4AY

Appendix D

Risk Assessment Schedule 2018/19 - WSCT

Risk Index No.	AREA OF RISK	IMPACT OF RISK	SEVERITY High/Medium/Low	POTENTIAL High/medium/Low	VALUATION	COMMENT
001	High Speed 2 Railway and the development of Old Oak	Adverse impacts on the Scrubs that are contrary to the objectives of the Trust	High	Medium	May not be a financial loss	Trust is engaging with HS2 and TFL and the Old Oak development Corporation to agree outcomes that do not adversely impact.
002	Pay and Display income level	Lower income levels due to decisions taken about Pay and Display tariffs.	Medium	Medium	Potential loss of income.	Usage fluctuates. Pay & display tariffs are set to match those in nearby streets. The introduction of cashless parking has significantly reduced the theft risk.
003	Hammersmith Hospital Trust car park income	The licensing agreement with Hammersmith Hospital Trust has a three month notice period with a possible impact on the level of income.	High	Medium	Potential loss of income.	The Hospital relies on the car park. The Trust has been successful in securing increased income from this source in recent years.
004	Condition – Wormwood Scrubs car park	Wormwood Scrubs car park is in need of resurfacing.	High	Low	Significant expenditure.	Repair has been agreed as part of the renegotiation of the car park lease with the hospital.
005	Insurance claims against Trust	Liability of trust in case of personal injury claims.	Low	Low	Possible liability of Trust in case of insurance claim.	Wormwood Scrubs would be covered by the Council's insurance.
006	Safety of Artillery Wall	Cost of demolition, collapse could possibly lead to damage or liability of Trust.	Medium	Medium	Cost of demolition or insurance claims.	The condition of the wall is being monitored. The Council are considering demolishing it at no cost to the Trust.
007	Costs of Operating Linford Christie Stadium	Contribution by the Trust varies according to the trading conditions for the Stadium	High	Medium	Expenditure could be significant	In some years this contribution has been small, but it is volatile. The financial performance of the Stadium is monitored closely