

Wormwood Scrubs Charitable Trust
Trustees Report 2017/18

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:

- For the first time the Trust reported a £297,964 financial surplus as a result of greater rental income.
- We helped in the aftermath of the Grenfell tower fire to provide the site for temporary buildings for the Kensington Aldridge Academy school.
- The Trust recruited a development manager using HS2 funding, which means that for the first time the Trust has an officer who works only on Trust matters.
- We began using the £3.9m of funding agreed with High Speed Two to protect and enhance the natural habitats on the Scrubs.
- The Trust ensured the development of Old Oak and Park Royal does not impact adversely on the Scrubs.
- 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 2016/17 were Councillors Wesley Harcourt, Joe Carlebach and Elaine Chumnerly. Councillors Alexandra Sanderson and Belinda Donovan replaced Councillors Carlebach and Chumnerly after the local government elections in May 2018.

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. Mark Jones, director for finance was the main officer responsible for the day to day running of the Trust in 2017/18.

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.

Objectives

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 met with the Friends committee in May and a walkabout was held with members of the Friends in July. This was a good opportunity for both parties to discuss issues and the proposals.

High Speed 2 (HS2)

HS2 Bill – Environmental Improvement Works

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

The Wormwood Scrubs Development Manager started in January 2018 with responsibility to deliver the Alternative Ecological Mitigation (AEM) works at the Scrubs. Both the works and the Development Manager post are funded by HS2 although the post holder is employed by and accountable to the Council. For the first time the Trust has an officer who works exclusively on Wormwood Scrubs issues.

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.

Contractors managed by HS2 were granted access to carry out ground investigation works in June and July 2018. The location of boreholes were agreed well in advance and an ecologist had a watching brief during the works to protect biodiversity. Access was arranged by a new vehicular barrier from Braybrook Street. This will remain in place until the sewer re-route has been completed.

More ground and sewer investigation works are planned. Thames Water, managed by HS2, plan to carry out site investigation works in August. The works for the re-route of the sewer are currently planned for the summer of 2019.

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 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 projected stages of the OPDC Local Plan production have been updated in light of the [second Regulation 19 consultation](#):

The projected stages of the OPDC Local Plan production:

- **February 2016** - [First draft Local Plan](#) published for consultation
- **June 2017** - [Revised draft Local Plan](#) published for consultation
- **June 2018** - [Second revised draft Local Plan](#) published for consultation
- **October 2018** - Submission of the Local Plan to the Secretary of State for the Ministry of Housing, Communities and Local Government for Independent Examination of the Local Plan
- **Winter 2018/2019** - Independent Examination of the Local Plan
- **Spring 2019** - Local Plan adoption

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 Committee agreed in June for the Council to procure a contract on behalf of the Trust for consultants to design the AEM proposals in more detail. This report will go to the Council cabinet meeting in October 2018 with the aim of appointing consultants in January 2019. The detailed draft proposals they produce might need planning permission and will have to be approved by HS2 before a specification is developed and agreed. We then aim to procure a works contractor to implement the AEM proposals in late 2019.

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. 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. Paths were cut in the bramble in March 2018 to access the knotweed with works to treat the knotweed planned for June. Dry weather delayed this treatment which would have been ineffective in these conditions. Treatment was carried out in early August 2018 after heavy rain. A watching brief by an experienced ecologist was undertaken in all stages of the works to ensure that nesting birds were not disturbed.

Once cabinet has approved the procurement report a communications plan will develop community engagement opportunities to get local groups, residents and schools on board to improve their understanding of the Scrubs.

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 2019 and return to its permanent site from September 2019.

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 a 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 Parkruns
- 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

The Race for Life Hammersmith 5K event on Saturday 23 June 2018 was well received by residents.

Due to the relocation of the Kensington Aldridge Academy (KAA) onto the Redgra following the Grenfell tragedy, the area has not been available for 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. The large scale Grenfell charity concert enquiry has not materialised.

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 have worked hard over the last year to increase the number of volunteers, including from companies seeking to fulfill 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.forestschoolassociation.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 Red Gra 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 Parks Police Service. In 2016-17 they carried out 386 patrols, the majority in uniform, by using vehicles and pedal cycles, and on foot. They dealt with 97 Incidents. No major crimes were reported and the majority of 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 number of small fires broke out, the largest of which affected an area of 50 square metres and was extinguished by the London Fire Brigade.

A number of joint patrols with HM Immigration Service took place and a number of homeless people trying to live on the Scrubs were served with statutory notices or referred to service providers.

No traveller incursions took place and the use of the Red Gra for film unit bases has helped in ensuring the area appears well used and is unattractive for caravans and travelling communities.

Financial Review

The Trust reported a surplus of £297,964 in 2017/18. The main reason for this large surplus is the new income received from the Kensington Aldridge Academy (KAA) for the operation of the school and backdated charging points income UK Power Networks. This significant peak is short term/one-off. However a surplus is expected again in 2018/19 as KAA are negotiating an Licence extension to July 2019.

Summary of Financial Position	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
	£	£	£	£	£	£	£
Total Incoming Resources	1,072,295	698,745	678,572	717,972	638,525	546,201	579,106
Total Resources Expended	-774,332	-736,084	-737,772	-724,506	-717,576	-717,853	-687,501
Net Outgoing Resources	297,963	-37,339	-59,199	-6,534	-79,051	-171,652	-108,395
Total funds brought forward	5,217,280	5,254,619	5,313,818	5,320,353	5,399,404	5,571,056	5,679,451
Total funds carried forward	5,515,243	5,217,280	5,254,619	5,313,818	5,320,353	5,399,404	5,571,056
Cash Balance	251,781	235,356	275,570	360,095	333,051	411,403	584,504

Other than these mentioned temporary income peaks, the main income sources are pay and display income from the four machines in Wormwood Scrubs Car Park and licence income for the use of the car park. Some income was also achieved from filming and events, but not from the Winter Wonderland event.

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 figure in the table in the Income and Expenditure Statement is higher at £32,230 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 designated 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 £217,279 as at 31 March 2017 (see the Statement of Accounts note 11). They significantly increased compared to the previous years, to £515,242, because of the 2017/2018 net incoming resources.

No capital projects were undertaken in 2017/2018.

Plans for future periods

The Committee is determined to bring the financial performance of the Trust to breakeven or better, but expects this to take more than a year to achieve.

In approving the budget for 2017/18 the Committee predicts a loss of £57,189. However this was before the agreement to provide a temporary home for the Kensington Aldridge Academy school which is expected to bring a significant rental income to the Trust in 2017/18. The Trust is also in discussion 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.

The Trust can demonstrate steady progress towards being able to operate at a breakeven position or better. To create a secure financial position in the longer term the Trust is working on optimising the use of its assets by developing events on the Scrubs, and getting the best possible benefits from the development of High Speed 2.

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 £217,279 are in the region of 30% of the turnover of the Trust, 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.

The cash balance (£235,356) has reduced in recent years mainly due to reductions in pay and display parking income, increased grounds maintenance costs due to annual contract inflation and contributions to the running costs for the Linford Christie Stadium. 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. Expenditure is restricted to a few significant budget lines.

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.

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

Under charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period. The trustee has elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustee is required to act in accordance with the trust deed (and the rules) of the charity, within the framework of trust law. It is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 KPMG 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 14.

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

Opinion

We have audited the financial statements of Wormwood Scrubs Charitable Fund ("the charity") for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, and the Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 12, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.¹

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Sayers for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

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

WORMWOOD SCRUBS CHARITABLE TRUST

STATEMENT OF ACCOUNTS 2017/18

Wormwood Scrubs Charitable Trust**Statement of Financial Activities for Year ended 31 March 2018**

Income and Expenditure		2017/18	2016/17
		£	£
Notes	Income and endowments from:		
2	Income from Charitable activities:		
	Pay and Display Parking Meters	(259,674)	(287,012)
	Hammersmith Hospital Car Park Licence	(324,619)	(316,505)
3	Other trading activities	(485,376)	(94,509)
4	Income from Investments	(2,626)	(719)
Total Income and endowments		(1,072,295)	(698,745)
Expenditure on:			
5.8	Charitable activities:		
	Costs of generating Parking Income	-	-
6	Contribution to Linford Christie Stadium	32,330	32,230
	Non Routine Maintenance of Wormwood Scrubs	3,267	19,363
7	Routine Grounds Maintenance of Wormwood Scrubs	706,909	684,160
	Other expenditure	31,826	331
Total Expenditure		774,331	736,084
Net gains/(losses) on investments			
Net (income)/expenditure		(297,964)	37,339
Reconciliation of Funds			
Total funds brought forward		(5,217,280)	(5,254,619)
Total funds carried forward		(5,515,244)	(5,217,280)

All income was unrestricted.

Wormwood Scrubs Charitable Trust**Balance Sheet at 31 March 2018**

	2017/18	2016/17
	£	£
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	251,781	235,356
10 Debtors	273,361	-
Total Current Assets	525,143	235,356
Less: Liabilities		
10 Creditors: Amounts falling due within one year	(9,900)	(18,078)
Total Liabilities	(9,900)	(18,078)
Total Net Assets and Liabilities	5,515,244	5,217,280
The funds of the charity:		
	£	£
Unrestricted income funds	(515,243)	(217,279)
Revaluation reserve	(5,000,001)	(5,000,001)
Total Charity Funds	(5,515,244)	(5,217,280)

Wormwood Scrubs Charitable Trust**Statement of Cash Flows for Year ended 31 March 2018**

	2017/18	2016/17
	£	£
Cash flows from operating activities:		
¹² Net cash provided by (used in) operating activities	13,798	(40,933)
Cash flows from investing activities:		
Dividends, interest and rents from investments	2,626	719
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 (used in) investing activities	2,626	719
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	16,425	(40,214)
Cash and cash equivalents at the beginning of the reporting period	235,356	275,570
Cash and cash equivalents at the end of the reporting period	251,781	235,356

Approval by the Board

For and on Behalf of

The Mayor and Burgesses of the London Borough of Hammersmith and Fulham

Emily Hill

Assistant Director, Corporate Finance

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.

(i) Accounting Concepts

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

	2017/18	2016/17
	£	£
Filming income	(65,897)	(69,809)
Value of costs recharged to outside bodies	(29,970)	-
Other rental income*	(389,509)	(24,700)
	(485,376)	(94,509)

*Other rental income includes £100,000 of other income relating to rental for a piece of land in previous years where the terms of the agreement and rental to be charged were not finalised and signed until April 2017. Consequently in prior years the amount to be received was not known or sufficiently certain to recognise.

(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 0.30% in 2016/17 to 0.42% in 2017/18.

(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.

(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 2017/18 a contribution of £31,500 (£31,500 in 2016/17) 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 expires in 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 £668,655 in 2016/17

to £688,761 in 2017/18 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:

	2017/18	2016/17
	£	£
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.	8,961	6,516
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.	201	258
Audit Fees - It is a statutory requirement that the accounts of the trust should be independently audited.	9,900	9,900
	19,062	16,675

Allocation of the Governance costs:

Activity	2017/18	2016/17
	£	£
Contribution to Linford Christie Stadium	830	730
Non Routine Maintenance of Wormwood Scrubs	84	439
Routine Grounds Maintenance of Wormwood Scrubs	18,148	15,505
	19,062	16,675

(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, which 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

	2017/18	2016/17
	£	£
Trade creditors	-	(8,178)
Accruals and deferred income	(9,900)	(9,900)
	(9,900)	(18,078)

Debtors

	2017/18	2016/17
	£	£
Trade debtors	273,361	-
Prepayments and accrued income	-	-
	273,361	-

(11) Fund Structure:

The Trust's Unrestricted Funds comprise:

	2017/18	2016/17
	£	£
General	(515,243)	(217,279)
Designated - Fixed Asset Revaluation	(5,000,001)	(5,000,001)
	(5,515,244)	(5,217,280)

All Income and Expenditure are Unrestricted funds solely used for the specific purpose of the Trust. Expenditure which meets these 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

	2017/18	2016/17
	£	£
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	297,964	(37,339)
<i>Adjustments for:</i>		
<i>Depreciation charges</i>	-	-
<i>(Gains)/losses on investments</i>	-	-
<i>Dividends, interest and rents from investments</i>	(2,626)	(719)
<i>Loss/(profit) on the sale of fixed assets</i>	-	-
<i>(Increase)/decrease in stocks</i>	-	-
<i>(Increase)/decrease in debtors</i>	(273,361)	40
<i>Increase/(decrease) in creditors</i>	(8,178)	(2,914)
<i>Net cash provided by (used in) operating activities</i>	13,798	(40,933)

(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 directly by the charity.

	2017/18	2016/17
	£	£
<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 6)	688,761	668,655
- 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	8,961	6,516
Legal Services for the provision of legal advice required in the management of Wormwood Scrubs	201	258
	729,423	706,929
<i>Amounts due to or from related parties:</i>	-	-

(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:

	2017/18	2016/17
	£	£
Fees payable to the External Auditor with regard to external audit services carried out by the appointed auditor for the year	9,900	9,900
	9,900	9,900

(16) Post Balance Sheet Events

The Trust has had no material adjusting or non-adjusting events after the balance sheet date of 31 March 2018.

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	KPMG LLP, 15 Canada Square, Canary Wharf London E14 5GL

Risk Assessment Schedule 2017/18

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.

Risk Index No.	AREA OF RISK	IMPACT OF RISK	SEVERITY High/Medium/Low	POTENTIAL High/medium/Low	VALUATION	COMMENT
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