

Wormwood Scrubs Charitable Trust

**Trustee's Report and Financial
Statements for the year ended 31
March 2020 (DRAFT)**

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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 £147,205 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.
- The consultants, (design consultant, Land Use Consultants (LUC) and the cost consultant, Pick Everard) we engaged to develop a £3.9m plan to improve biodiversity funded by HS2 consulted with the Trust and the public on their initial findings and proposals.
- 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 is a Site of Importance for Nature Conservation with areas designated as Local Nature Reserves including; 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

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

Responsibility for the management of the Trust rests with the Wormwood Scrubs Charitable Trust Committee which is constituted under the Council's constitution.

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.

Under the Council's constitution, the Committee consists of three appointed Councillors; the Committee may also co-opt non-voting independent members as appropriate. The Committee members for 2019/20 were Councillors Wesley Harcourt, Alexandra Sanderson and Belinda Donovan. There were also two non-voting co-opted members, Miriam Shea and Sir Stephen Waley-Cohen. Both are also members of the Friends of Wormwood Scrubs.

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. Steve Hollingworth, Assistant Director (Leisure, Sports & Culture), was the main officer responsible for the day to day running of the Trust in 2019/20. The Council's director of finance is the Trust's chief finance officer – the current post holder (as at March 2021) is Emily Hill however the post holder for the year of account 2019/20 was Hitesh Jolapara.

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.

Public Benefit

The Trustee has referred to the Charity Commission's guidance on the public benefit when deciding the activities the charity should undertake. The charity provides public benefit by maintaining an environment to enable sporting and recreational use by the public.

Fundraising

The Trust does not actively fundraise. The Trust does not contact or seek funding from the public or individuals, nor does it work with professional fundraisers.

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 observations and views on works required.

The Wormwood Scrubs Development Manager worked with the Friends to develop proposals for the £3.9m Biodiversity improvement project and in the identification of general management issues on a day to day basis.

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 (LUC) collated information on the significance and use of the Scrubs to produce a Conservation Management Plan (CMP). This was used to inform the public and in consultation help develop design proposals.

Funding from the OPDC was identified and work in partnership at a design team meeting produced potential projects to extend the scope of the improvements at key entrance points.

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 explored alternative options to re-route the sewer but concluded the best route was through the Scrubs. A legal agreement is in place to protect and reinstate the ecological habitats in this process.

The works for the re-route of the sewer are currently planned for the summer of 2021.

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 has played 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

Local Plan Timetable

Modifications were drafted in 2020 and further consultation is expected in early 2021 with the inspector's report published in Summer 2021. The Local Plan will be considered by OPDC's board for adoption.

Habitat and Ecology

Biodiversity Surveys completed in 2016 and 2017 and the CMP formed the basis of recommendations for the AEM (Alternative Ecological Mitigation) proposals presented by LUC. These proposals include 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, the influence of the Japanese knotweed growing here and not least the realignment of the Stamford Brook Sewer along this route.

Kensington Aldridge Academy (KAA)

This Kensington Aldridge Academy is 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 its existing 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 pays the Trust a suitable market rent which is greater than the income it would normally earn by renting out the area for short term uses, such as lorry parking for trade shows at Olympia.

It is anticipated that the school will remain on the Scrubs in the short-term and planning permission and rental arrangements are being reviewed on a year-by-year basis.

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
- Pretty Muddy
- British Athletic League Meetings
- Weekend 5K Park runs
- Extensive school usage including district sports day

There have been ongoing issues at LCOSC with the heating and water supply. This has taken far longer than expected to remedy and has affected some activities that take place here. With the onset of the Covid-19 pandemic all sporting activities were suspended from the 22nd March.

Events

A number of sporting events (above) were held on the scrubs without incident and enjoyed by all participants. The Trust remains interested in facilitating a small number of larger events and discussions continue with companies that specialise in organising these. As a consequence of the Covid-19 pandemic, all events with the exception of filming have been suspended.

Grounds Maintenance and Site Management

Officers and the contractor, idverde UK, have worked hard over the last year to ensure the grounds maintenance of the site is kept at an acceptable standard. This has included a number of volunteer projects such as the creation of a footpath through the Braybrook Woods for use by Schools and Forest School activity groups as well as the tasks undertaken on a routine and reactive basis scheduled below as part of the grounds maintenance contract:

Activity
Maintenance of all grass pitches including within Linford Christie Stadium
Grass cutting all non-pitch areas across the site including play areas and dog area
Strimming across the site and Linford Christie Stadium
Maintaining grass path access through scrub areas allowing access to nature
Pruning and maintenance of hedges and access routes through copses and woodlands
Maintaining and pruning of all shrub bed areas
Low level tree works and reporting defects and further action required
Inspecting daily three on-site play areas reporting defects and further action required
Attending to vandalised or damaged equipment, facilities or surfaces
Emptying of litter/dog waste bins
Cleansing hard surfaces across the site including within the Linford Christie Stadium
Treating of Japanese Knotweed and Giant Hogweed

Cleansing and sweeping synthetic pitch areas within Linford Christie Stadium
Litter picking across the site including within the Linford Christie Stadium
Leaf clearance across parts of the site (leaves in woodland areas are left as mulch)
Attending to fly tips and clearance after illegal encampments
Liaising with site and facility users and Parks Constabulary
Assisting in the preparation for large events
Assisting with Volunteer initiatives

The closure of all LBHF Parks on Sunday 22nd March 2020, due to concerns around failures to observe the Government’s guidelines on social distancing, prompted many to appreciate how valuable public open space is. Further to the Prime Minister’s announcement the following day, LBHF parks were reopened the following week. Support measures were put in place including more patrols and signage on social distancing. Certain facilities, such as playgrounds, ball courts, BMX track and outdoor Gyms initially remained closed and sport activities and events were suspended. As we moved into 2020/21, the operation of these facilities was subsequently guided by the regulations as they were updated.

The Scrubs is a very popular site attracting a diverse range of users from dog walkers to model aircraft flyers; from ornithologists to those wanting a quiet walk. The closure of many indoor recreational facilities has brought more people than usual to the Scrubs with residents seeking an open space for exercise. It is expected that pressure on our open spaces will continue.

Community Safety

Wormwood Scrubs continues to be patrolled by the Borough’s uniformed Parks Police Service by using vehicles, pedal cycles, and on foot. They dealt with 77 Incidents in 2019. No major crimes were reported, and most incidents involved anti-social behaviour. Dealing with homeless people and their encampments was the most common incident type.

The number of dogs being walked by professional dog walkers appears to have increased. 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 £147,205 in 2019/20. The main reason for this surplus is the continued income received from the Kensington Aldridge Academy (KAA) for the operation of the school. The total income from the KAA lease in 2019/20 was £306,460 (following the signing of a new licence). This was against an initially budgeted position of £84,863 which was set at point when it was originally anticipated that the arrangement would be for a shorter term. KAA are now expected to remain on site until at least August 2021.

A summary of the Trust’s financial position, together with the historical position, is below:

	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Summary of Financial Position	£	£	£	£	£	£	£	£
Total Incoming Resources	1,195,896	1,082,949	1,072,295	698,745	678,572	717,972	638,525	546,201
Total Resources Expended	-1,048,691	-856,005	-774,332	-736,084	-737,772	-724,506	-717,576	-717,853
Net outgoing (-)/Incoming resources	147,205	226,944	297,963	-37,339	-59,199	-6,534	-79,051	-171,652
Total funds brought forward	5,742,188	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	5,889,393	5,742,188	5,515,244	5,217,280	5,254,619	5,313,818	5,320,353	5,399,404
Unrestricted funds	889,392	742,187	515,243	217,279	254,618	313,817	320,352	399,403

Other than the temporary KAA income, 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. Additional income was also achieved from filming, the Park Lodge and utilities licensing.

The Linford Christie Stadium is operated by the Council and the Council has, historically, borne the majority of expenditure associated with its operation. The Trust however contributes to the Linford Christie stadium (together with other sports facilities located on the Trust grounds) to promote its objectives to support exercise and recreation.

Since 2016/17 the Trust's contribution has been limited to £31,500 however it was agreed in 2019/20 budgeting process to make an additional contribution of £51,000 to the stadium's changing room boiler repairs. The 2019/20 contribution, therefore, totalled £82,500. The contribution stated in the Income and Expenditure Statement is slightly higher (at £84,205) as this reflects the absorption of governance and recharge costs.

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

Within total funds brought forward the Trust has a revaluation reserve 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 £889,392 as at 31 March 2020 (see the Statement of Accounts note 10), an increase of £147,205 when compared to 2018/19.

No capital projects were undertaken in 2019/2020.

Plans for future periods

In approving the budget for 2019/20 the Committee predicted a small surplus of £15,890. The budget was set before the extension of the KAA licence, which has brought a significant rental income to the Trust in 2019/20. Due to a further licence extension to 2021, this income will also have significant favourable impact on 2020/21 accounts, and some impact on 2021/22 accounts.

Without the income from the KAA licence the Trust would likely be in a deficit position and the Committee is determined to bring the financial performance of the Trust to breakeven or better over the longer-term. This will however need to be balanced against Trust's core objectives and the Trust is keen to ensure that any development around the site does not threaten its integrity.

As part of future plans it has been proposed that a regeneration manager is appointed to act on behalf of the Trust.

The Trust 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 and developing events on the Scrubs. Consultation with residents and key stakeholders will be part of this plan. Prior to the Covid-19 pandemic the Trust was optimistic of such income and approaches to organisers included:

- 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.
- 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.

Grounds Maintenance (GM) is the Trust's main expenditure. The existing contract has been extended until 1st February 2022 in order to design a new specification and carry out the procurement process.

- This procurement will 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 specification will ensure that the Biodiversity management required due to the unique nature of the Scrubs is included and can be part of the 10-year conservation management plan developed as part of the AEM project.

Future plans will be closely monitored and subject to regular review in light of the Covid-19 pandemic. This will be managed through the regular management reports to the Wormwood Scrubs Charitable Trust Committee.

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

The Fund's unrestricted funds of £889,392 represents approximately 85% of the Trust's gross annual expenditure. This is considered prudent and provides a solid base for

operating over the medium term. However, the Trust recognises that recent surpluses are underpinned by temporary income sources and balancing its income and expenditure in the longer-term 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 2019/20 has decreased by £26,889 compared to 2018/19, partially due the impact of Covid-19 restrictions in March 2020 and a significant decrease in forecasted in 2020/21. Added to this pressure is 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.

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 2019. The Committee report can be found on the Council's website at the following location:

<http://democracy.lbhf.gov.uk/documents/s105638/Treasury%20Management%20Strategy%20Statement%202019-20.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 is set out overleaf

Risk Assessment Schedule 2019/20 - 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.

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

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

The Charity's 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 MHA MacIntyre Hudson LLP during the year to undertake the audit of accounts in this year following the council's tender process. The Independent auditor's report to the Trustee of Wormwood Scrubs Charitable Trust follows on page 17.

For and on Behalf of Wormwood Scrubs Charitable Trust

Signed

Name: Stephen Hollingworth

Date: 24 March 2021

DRAFT

Independent auditor's report to the Trustees of Wormwood Scrubs Charity

Audit opinion to follow

DRAFT

Reference and Administrative details

Charity Name and Number	Wormwood Scrubs Charitable Trust, Registration No. 1033705
Charity Correspondent	Emily Hill Director for Finance Wormwood Scrubs Charitable Trust c/o Old Oak Community Centre 76 Braybrook St London W12 0AP
Trustee	The Council of the London Borough of Hammersmith & Fulham
Telephone	020 8753 6700
Email Address	emily.hill@lbhf.gov.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	MHA MacIntyre Hudson 6th Floor, 2 London Wall Place London EC27 5AU

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STATEMENT OF ACCOUNTS

Wormwood Scrubs Charitable Trust

Statement of Financial Activities (incorporating an income and expenditure account) for Year ended 31 March 2020

Income and Expenditure	2019/20	2018/19
	£	£
Income and endowments from:		
Income from Charitable activities:		
Pay and Display Parking Meters	324,946	351,834
Hammersmith Hospital Car Park Licence	346,995	337,229
Other trading activities	315,441	314,842
Income from Investments	6,631	3,747
Income from donations and grants	201,883	75,297
Total Income and endowments	1,195,896	1,082,949
Expenditure on:		
Charitable activities:		
Contribution to Linford Christie Stadium	(84,205)	(32,356)
Non Routine Maintenance of Wormwood Scrubs	(24,235)	(25,593)
Routine Grounds Maintenance of Wormwood Scrubs	(738,368)	(719,895)
Charitable expenditure	(200,395)	(73,178)
Other expenditure	(1,488)	(4,984)
Total Expenditure	(1,048,691)	(856,005)
Net (income)/expenditure	147,205	226,944
Reconciliation of Funds		
Total funds brought forward	5,742,188	5,515,244
Total funds carried forward	5,889,393	5,742,188

All income and expenditure were unrestricted and all activities are continuing. 2018/19 figures have been restated.

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

	2019/20	2018/19
	£	£
Fixed Assets		
Tangible Assets	5,000,001	5,000,001
Total Fixed Assets	5,000,001	5,000,001
Add: Current Assets		
Cash in Bank	630,800	622,902
Debtors	310,723	164,445
Total Current Assets	941,523	787,347
Less: Liabilities		
Creditors: Amounts falling due within one year	(52,131)	(45,160)
Total Liabilities	(52,131)	(45,160)
Total Net Assets and Liabilities	5,889,393	5,742,188
	£	£
The funds of the charity:		
Unrestricted Reserves:		
Unrestricted income funds	(889,392)	(742,187)
Revaluation reserve	(5,000,001)	(5,000,001)
Total Charity Funds	(5,889,393)	(5,742,188)

Approved by the trustee on 24 March 2021 and signed on their behalf by:

Stephen Hollingworth
Assistant Director - Leisure, Sport & Culture

Wormwood Scrubs Charitable Trust

Statement of Cash Flows for Year ended 31 March 2020

	2019/20	2018/19
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	1,267	367,374
Net cash provided by investing activities	1,267	367,374
Cash flows from investing activities:		
Dividends, interest and rents from investments	6,631	3,747
Net cash provided by investing activities	6,631	3,747
Change in cash and cash equivalents in the reporting period	7,898	371,121
Cash and cash equivalents at the beginning of the reporting period	622,902	251,781
Cash and cash equivalents at the end of the reporting period	630,800	622,902

Wormwood Scrubs Charitable Trust

Analysis of Net Debt for Year ended 31 March 2020

	At 1 April 2019	Cashflows	At 31 March 2020
	£	£	£
Cash at bank and in hand	622,902	7,898	630,800
Debt due within 1 year	164,445	146,278	310,723
Debt due after 1 year			
Total Debt (including accruals)	787,347	154,176	941,523

Notes to the Accounts

(1) Statement of Accounting Policies

i) Basis of preparation and assessment of going concern

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 notes 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 trustee has 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. The functional currency is £ sterling.

The trustee has a reasonable expectation, including considerations for any potential disruption and economic impact caused by the Covid-19 pandemic, 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. There were no any material uncertainties exist in arriving at this conclusion.

ii) 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.

iii) Fixed Assets, revaluation and depreciation

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 which has been used as "deemed cost" on transition to FRS 102, though the Trust does not operate a policy of revaluation. Depreciation has not been charged to tangible fixed assets (the land or the car park) as these are considered to have an indefinite useful economic life. The trustee is not aware of any indication that an impairment has occurred. Further exploration of land interest is included within areas of significant judgement and estimates.

iv) Income Recognition and 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 considers that the arrangement is consistent with the Trust's objectives, as the arrangement can be terminated at any time.

v) Expenditure Recognition and Resources Expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

vi) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned proportional to the expenditure on a particular activity. The allocation of support and governance costs is analysed in note 7.

vii) Financial Instruments

The Charity holds only basic financial instruments, comprising cash, trade debtors and trade creditors. These are measured as follows:

Financial instrument	Measurement on initial recognition
Cash	Amortised cost
Debtors – including trade debtors and loans receivable (trade accounts and notes receivable)	Settlement amount after any trade discounts (provided normal credit terms apply) or amount advanced by the charity
Creditors – including trade creditors and loans payable (trade accounts and notes payable)	Settlement amount after any trade discounts (provided normal credit terms apply) or amount advanced to the charity

viii) Areas of significant judgements and estimates

Accounting for land interests and associated economic flows

The land interests at the Scrubs are complex and governed by the Wormwood Scrubs Act 1879 (hereafter “the Act”). Under the Act the land at Wormwood Scrubs is held in trust for “the perpetual use thereof by the inhabitants of the metropolis for exercise and recreation”. The Act identified the Metropolitan Board of Works, and successor bodies, as trustee. Through various local authority re-organisations and subsequent provisions, the London Borough of Hammersmith and Fulham (LBHF) is the current successor body and is sole trustee of the Wormwood Scrubs Charitable Trust.

The land registry records ownership of the land in the name of “*The Mayor and Burgesses of Hammersmith and Fulham*”.

Under the Act, the Scrubs can be reserved for military training (giving the Ministry of Defence certain rights over the land) but outside of this they are reserved for recreational use for the public. This right for the public to enjoy the Scrubs is protected in perpetuity and cannot be taken, nor the land sold, unless the area “ceases to be used by the citizens of London”.

Under the Act, the ability to maintain and improve land rests with the administering authority (i.e. the trustee) and there have been further clarifications in subsequent agreements and memoranda. The MoD cannot build permanent structures on the Scrubs, however the MoD must also consent to any development by the administering authority.

It is the judgement of the trustee that the land at Wormwood Scrubs is controlled by the Trust by virtue of the Wormwood Scrubs Act and as such the land interests at the Scrubs are accounted for within the Trust’s accounts. Any reference in title to LBHF is deemed to be as the trustee of the Trust, not the Council. Under the provisions of the Act, the Trust is judged to be responsible for, and controls the benefit of, the land both in terms of public access for recreation and economic benefits with respect to any income that might be generated relating to the assets.

The trustee has considered the impact of Covid-19 in making these significant judgements and estimates, and the pandemic has not resulted in them changing.

Other judgements

The Trust has estimated that application of the governance costs is proportional to level of expenditure on each charitable activity.

The Trust's policy is not to revalue assets, however, should an impairment indicator come to light assets would be subject to impairment. This is a matter of judgement and as stated, the Trustee is not aware of any indication that an impairment has occurred in 2019/20.

ix) Reserves

The reserves of the Trust are unrestricted under FRS102 insofar as they are not restricted to any particular activity, however the Trust considers the revaluation reserve to be an unusable reserve with regard to decision making given the inherent restrictions placed on asset disposal under the Wormwood Scrubs Act 1879.

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(2) Income from Other Trading Activities

	2019/20	2018/19
	£	£
Filming income	(3,746)	0
Other Fees and Charges	(1,070)	0
Other rental income*	(310,626)	(314,842)
	(315,441)	(314,842)

*Other rental income includes rental for a piece of land which, in previous years, was received annually. Following a new rental agreement signed in March 2018, the Trust received rental in advance in 2018/19. The total money received relating to future years was £20,213 (£23,659 in 2018/19) and this has been recorded as Deferred Income on the Trust's Balance sheet. Other rental income also includes Event Hire income.

(3) 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 decreased from 0.72% in 2018/19 to 0.66% in 2019/20.

(4) 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 7.

(5) 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 2019/20 a contribution of £82,500 (£31,500 in 2018/19) was made to the Linford Christie Stadium.

(6) 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 £699,995 in 2018/19 to £723,535 in 2019/20 due to a 3% 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.

(7) 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:

	2019/20	2018/19
	£	£
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.	4,301	2,902
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.	4,487	5,601
Audit Fees - It is a statutory requirement that the accounts of the trust should be independently audited.	9,750	15,015
	18,538	23,518

Allocation of the Governance costs:

Activity	2019/20	2018/19
	£	£
Contribution to Linford Christie Stadium	1,705	856
Non Routine Maintenance of Wormwood Scrubs	512	642
Routine Grounds Maintenance of Wormwood Scrubs	14,834	19,900
Other Expenditure	1,488	2,120
	18,538	23,518

(8) 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 and this has been treated as deemed cost on transition to FRS 102. 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 charity's 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)

(9) Creditors

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

	2019/20	2018/19
	£	£
Trade creditors	-	(6,486)
Accruals	(31,917)	(15,015)
Total	(31,917)	(21,501)
Deferred income	(20,213)	(23,659)

(10) Debtors

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

	2019/20	2018/19
	£	£
Trade debtors	114,537	164,445
Prepayments and accrued income	196,186	-
Total	310,723	164,445

(11) Fund Structure:

The Trust's Unrestricted Funds comprise:

	2019/20	2018/19
	£	£
General Unrestricted Income Funds	(889,392)	(742,187)
Fixed Asset Revaluation Reserve	(5,000,001)	(5,000,001)
	(5,889,393)	(5,742,188)

All funds are unrestricted funds solely used for the specific purpose of the Trust. Income and Expenditure which meets this criteria is credited /charged to the fund, together with a fair allocation of management and support costs, as recharged by LBHF. The HS2 is deemed restricted. However, the impact on reserves is nil because attributable expenditure is met by funding.

The Trust considers the revaluation reserve to be an unusable reserve with regard to decision making given the inherent restrictions placed on asset disposal under the Wormwood Scrubs Act 1879.

(12) Net Cash Flow from operating Activities

	2019/20	2018/19
	£	£
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	147,205	226,944
<i>Adjustments for:</i>		
<i>Dividends, interest and rents from investments</i>	(6,631)	(3,747)
<i>Loss/(profit) on the sale of fixed assets</i>		
<i>(Increase)/decrease in debtors</i>	(146,278)	108,916
<i>Increase/(decrease) in creditors and deferred income</i>	6,971	35,261
<i>Net cash provided by (used in) operating activities</i>	1,267	367,374

Cash funds are held by the Council on behalf of WSCT

(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.

	2019/20	2018/19
	£	£
a) London Borough of Hammersmith and Fulham as transacting party		
- LBHF as contractor to the Trust		
Environmental Services Department for the provision of Routine Grounds Maintenance of Wormwood Scrubs (Ref Note 6)	723,535	699,995
- LBHF as recipient of contribution		
Contribution to Linford Christie Stadium (Ref Note 5)	82,500	31,500
- LBHF as provider of administrative and management support to the Trust		
Environmental Services Department for management & financial administration services of Wormwood Scrubs	4,301	2,902
Legal Services for the provision of legal advice required in the management of Wormwood Scrubs	4,487	5,601
	814,824	739,998
<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:

	2019/20	2018/19
	£	£
Fees payable to the External Auditor with regard to external audit services carried out by the appointed auditor for the year	9,750	15,015
	<u>9,750</u>	<u>15,015</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 2020. In March 2020 the UK went into a period of 'lockdown' in response to the COVID-19 pandemic with subsequent lockdowns announced in November 2020 and January 2021. The impact of COVID-19 continues to be closely assessed and is likely to have an adverse impact on certain future income streams however although the financial effect cannot be estimated the Trust does not consider this will impact the balance sheet as at 31 March 2020.

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