



# **Wormwood Scrubs Charitable Trust**

## **Trustee's Report and Financial Statements for the year ended 31 March 2024**

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## **A Summary of the Year**

The Wormwood Scrubs Charitable Trust (WSCT) exists to ensure that this much valued area of open space and associated assets in West London are accessible for the purpose of exercise and recreation of Londoners, as stated in the Wormwood Scrubs Act 1879. The WSCT estate sits across 2 planning jurisdictions. That of; The Old Oak and Park Royal Development Corporation (OPDC) to the north, and the London Borough of Hammersmith and Fulham to the south. 2023/24 saw some substantial activity for the WSCT, including:

- Working towards implementation of an Ecological Masterplan for the Scrubs.
- Delivering a financial surplus of £675,347 (exceeding the budgeted surplus of £329,465) as it continues to benefit from increased rental income. A surplus of £426,826 was achieved in 2022/23.
- Approving a financial reserves policy.
- Appointing a Trust Manager, on a permanent basis.
- Facilitating completion of the HS2 Stamford Brook Sewer re-alignment works.
- Securing grant funding from the Urban Challenge Tree Fund for further tree planting.
- Approving a £250,000 contribution towards the cost of re-furbishing facilities at the Linford Christie Stadium.
- Improving estate security by installing a traffic management system at a major thoroughfare.
- Maintaining our 'Green Flag' accreditation.
- Commissioning a pilot outdoor learning education programme.
- Continuing to provide the site for temporary buildings for the Kensington Aldridge Academy school in the aftermath of the Grenfell Tower fire.
- Maintaining grounds and maintenance management of the Scrubs in preservation of the Trust's charitable objective.
- Establishing and enhancing partnerships with local community groups, such as The Hammersmith Scouts group, Royal Society for the Protection of Birds, the Imperial College Healthcare Trust and HMP Wormwood Scrubs.

## **Purpose, Context and Characteristics**

The Wormwood Scrubs Charitable Trust (WSCT) maintains responsibility for 76.8 hectares of open, green space and associated assets in West London. This is one of the largest areas of Metropolitan Open Land in London and has been held in Trust as a public open space since ratification of the Wormwood Scrubs Act 1879. The act defines the charitable objectives of the Trust as holding the Scrubs – 'for the purpose of exercise and recreation for the inhabitants of the metropolis, in perpetuity.' (Wormwood Scrubs Act, 1879).

The Scrubs is the largest open space in the London Borough of Hammersmith and Fulham and borders the London Borough of Ealing to the west and the Royal Borough of Kensington and Chelsea to the east. Thus, regularly hosting a substantial number of users from around the locale and further afield as this is a destination green space.

The Scrubs retains a multitude of ecological features, including some rare, legally protected, and notable species. Habitats include woodland (plantation), scrub, grassland, and meadow.

Among those features are areas designated as 'Sites of Importance for Nature Conservation' and 'Local Nature Reserves,' including Braybrook Woods, Martin Bell's Wood, and the Central Woodland Copse. The Scrubs hosts several animals including common lizards, slow worms, approximately 100 recorded species of bird, and 23 species of butterfly. There are also approximately 250 native plant species which make up one sixth of UK native flora.

The WSCT estate also includes: 2 outdoor gyms areas, 2 children's play areas, a pony riding centre, an athletics stadium, numerous grass sports pitches, grounds maintenance and green waste processing depot, a BMX cycling track and a temporary secondary school site.

## **Corporate Governance, Structure and Management**

The London Borough of Hammersmith and Fulham (the Council) is the sole corporate trustee to the Trust. Responsibility for the management of the Trust rests with the Wormwood Scrubs Charitable Trust Committee (Trust Committee) which is constituted under the Council's constitution. The Committee is charged with managing all the affairs of the Trust, giving strategic direction, 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. The Committee members for 2023/24 were: Councillors Alex Sanderson (Chair), Bora Kwon and Dominic Stanton. There were also two non-voting co-opted members, Sir Stephen Waley Cohen and Faye Thomas, both of whom are also members of the Friends of Wormwood Scrubs.

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 to better carry out their duties as effective members.

As part of the trustee induction process, once elected, voting members are required to sign a council code of conduct as part of their declaration of acceptance. Non-voting co-opted members are required to send written acknowledgement of their acceptance of the committee terms of reference, along with attending their first meeting and accepting their nomination among the board.

The Trust has several related party transactions with the Council. These include the routine grounds maintenance contract, a contribution from the Trust towards the Linford Christie stadium and the provision of managerial, financial and legal services by the Council. This resulted in total expenditure of £482,806 in 2023/24 by the Trust to the Council.

Daily management of the Trust estate is undertaken by the Trust Manager- Osama El-Amin, with senior support provided by the Assistant Director for Parks and Leisure - Simon Ingyon and the Director of Public Realm – Mark Raisbeck, in line with the Committee's scheme of delegation, which also provides tiers of financial delegation enacted by the Committee Chair and senior officers. For 2023/24, the de facto Chief Executive of the Trust was Sharon Lea, the Council's Chief Executive. The Council's Director of Finance, Sukvinder Kalsi, was the Trust's de facto Chief Finance officer.

## **Charitable Objectives and Trust Activities**

The Scrubs is the subject of a charitable trust created by the Wormwood Scrubs Act 1879, amended by a scheme of the charity commission in 2002. The Council 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 charitable objective.

The Trust seeks to encourage sporting and recreational use of the Scrubs through the provision and maintenance of an environment that is conducive to its objective. The Trust is not corporately linked with the prison located nearby but maintains a relationship with the institution.

The Linford Christie stadium is situated on the 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. The stadium hosts several seasonal athletics events, regular sports bookings for schools and community sports clubs and a number of community events. The stadium is also home to Thames Valley Harriers Athletics Club, Kensington Dragons Football club, London Sports Youth Baseball Charity and the free weekly 5km ParkRun.

The Wormwood Scrubs open space also maintains several sports pitches available to residents, including football, Gaelic football, baseball, cricket and cross-country.

The recreational element of service provision on the Scrubs includes, but is not limited to: maintenance of a model aircraft flying zone, one of the only such areas in London; two outdoor gym facilities; two children’s play areas; a BMX cycling track; a pony riding centre for disabled children; delivering regular eco-volunteering activities; running an outdoor learning education programme for local children; hosting seasonal community events; and maintaining access to open space for users of the Scrubs.

The Trust’s main financial provision relates to the maintenance of the Scrubs itself. Since 6 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. A new specific 5-year contract for the Scrubs, with an option of a further five years, was awarded to Idverde UK beginning in February 2022 following a further procurement exercise run by the council. In maintaining this contract, the Trust has ensured the continuation of a site-management regime which facilitates the achievement of the Trust’s charitable objective.

## **Public Benefit**

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.

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.

## **Grant Fundraising**

During the financial year 2023/24, The Trust was successfully awarded 1 grant to undertake tree planting across various locations on site. £8,654 was awarded by the UTCF (Urban Tree Challenge Fund) and used to purchase, plant and maintain several fruit trees located close to main entrances for the benefit of the public.

In addition to the above, partial funds carried forward from 2022/23 were also administered for the improvement of site access, through the GLA growth fund: £5,601 was spent in 2023/24 to further improve site entrances.

Since 2016, the Council (as corporate trustee) has maintained an agreement with HS2 (High Speed Two) Ltd, to undertake a set of Alternative Ecological Mitigation (AEM) Masterplan works on Wormwood Scrubs open space. This agreement was established to offset the impact of constructing the HS2 terminus at Old Oak Common. The sum of funds agreed totals £3,885,657. In 2023/24, the Trust spent £191,823 of that allocation. Further details of that programme are included in the HS2 and the Wormwood Scrubs Charitable Trust section.

## **Community Engagement**

The WSCT maintains strong relationships with a multitude of community, national and institutional stakeholders. In 2023/24, the Trust provided landowners permission to several volunteer groups for activities ranging from, permission to the Hammersmith Scouts Association for a tree planting programme, to access permission for a historical society to conduct a guided-walk event on the history of urban green spaces.

WSCT continues to work closely with the Friends of Wormwood Scrubs (FoWWS) and two members of its trustee board, who are co-opted onto the WSCT Committee as non-voting members. Regular contact has been maintained with the FoWWS throughout the year and periodic meetings to discuss operational matters take place every 6 months. The Trust continue to welcome the valuable contribution made by the FoWWS and their continued commitment to ensuring the Scrubs is maintained for the purpose of the Trust's charitable objectives.

In 2022/23, a consultation exercise looking into the barriers to participation on Wormwood Scrubs was provided to the WSCT by the LDT (London Development Trust). That report recommended a few material improvements to the Trust estate, along with a set of ecological improvements aimed at enhancing the ecological baseline and giving residents better access to nature. Since publication, the Trust has worked with the Imperial College Healthcare Trust, HMP (His Majesty's Prison) Wormwood Scrubs, the Wormwood Scrubs Pony Riding Centre, The Thames Valley Harriers AC, Kensington Dragon's FC and several individual residents to develop plans for the implementation of the HS2 funded AEM Masterplan.

The Trust is committed to enhancing existing partnerships and developing new relationships based on shared prosperity, sustainable development and improving accessibility, in furtherance of the Trust's charitable objectives.

## **High Speed 2 (HS2) and the Wormwood Scrubs Charitable Trust**

### **HS2 Bill – Ecological Improvement Works**

The agreement between HS2 and the Council dated 20 October 2016 secured £3.9m for alternative ecological mitigation (AEM) Master plan works on land managed by the WSCT. As referenced in the grant fundraising section, these works were agreed to offset the impact of the station construction, which are set to be completed in 2030. The AEM Masterplan was agreed as an alternative to the ecological mitigation within the HS2 Bill and forms an appendix to the agreement.

On establishing the AEM agreement, Land Use Consultants (LUC) were recruited via a competitive tendering exercise and have since collated information on the significance and use of the Scrubs. This information has formed the basis of consultation exercises undertaken to develop the principles of ecological mitigation, improved access and long-term management. LUC have developed several iterations of the Masterplan, taking user feedback into account and amending plans accordingly.

Together with a final round of consultation undertaken by the LDT, the sum of those insights has been used to present a final version of the Masterplan to the WSCT committee, who approved that version in March 2023.

Since approval, officers to the Trust have been working with the OPDC to ensure the necessary planning permissions are secured to proceed with tendering for the capital and maintenance works. 2024/25 will see the implementation of these works and will be reported in future annual statements.

### **HS2 Bill – Stamford Brook Sewer (SBS) Realignment**

The construction of the HS2 terminus at Old Oak has necessitated several utility diversions across the vicinity of the HS2 line. As part of those enabling works, the re-alignment of the Stamford Brook Sewer (SBS), which sits on the northern aspect of the Scrubs has now been completed. The planned re-route of the SBS sewer through the northern section of the Scrubs involved digging a trench, amending the structure of the sewer, disturbing the ecology of the Scrubs and temporarily cutting off sections of the Scrubs from public use.

Working with HS2, WSCT has ensured all the necessary planning permits have been granted with the utmost consideration for mitigating residual impacts on the ecology of the Scrubs.

HS2 officers, along with Trust representatives, have worked closely to ensure the site is re-instated for the benefit of local habitats and recreation by the users of the Scrubs. Upon satisfactory completion of the re-instatement works and review by the Trust and trustees of the FoWWS, the site was officially handed back to the Trust in March 2023.

## **HS2 Bill – Compulsory Purchase Orders**

HS2 has served preliminary notices of compulsory purchase for three areas of Wormwood Scrubs open space. These comprise:

- An area of 14.04 square metres (sqm), adjacent to Old Oak Common Lane (OOCL) to accommodate the realignment of OOCL and footpath. Once the work has been completed this would form part of the highway under the responsibility of the London Borough of Ealing.
- The Under Track Crossing (UTX) site, comprising 2,429.81 sqm of land to allow for further utility diversion works, enabling construction of the station.
- A 756.48 sqm area of subsoil directly parallel to the north of the UTX site.

Through various interactions with HS2, the Trust has sought confirmation on the future ownership of these plots of land. The Trust maintains its desire, in line with charity law, that all vested plots of land be returned to the Trust, in lieu of a compensation claim to the Secretary of State. Discussions with HS2 are ongoing, the outcome of which should be reported in the 2024/25 annual report. The Trust will seek to achieve the best possible outcome for local residents and users of the Scrubs.

## **Ecology and Biodiversity**

Building upon work undertaken in 2016 and 2017 to account for the habitats existing on the Scrubs, the WSCT commissioned an Ecology Advisor to produce an updated ecological baseline audit of the Scrubs.

This exercise took place over a calendar year and involved; extended phase 1 habitat surveys, nesting bird surveys, monitoring bat activity, recording migratory bird movements, setting camera traps to monitor hedgehog activity, conducting butterfly transect surveys and setting up refugia surveys to identify the presence of any reptiles.

Over the course of the year, this work highlighted the unique nature of the Scrubs as a hub for migratory birds, a refuge for breeding common lizard populations and a home for one of the largest expanses of dense scrub land in central London.

The insights developed from this exercise have been used to support appraisals of all scheduled capital projects, along with any maintenance schemes undertaken by utility providers holding assets on the Scrubs and more generally recording the history of habitats on-site.

Furthermore, this updated information will support the future implementation of the AEM Masterplan and associated 10-year conservation management plan. This survey work will be maintained in future years as part of the Trust approach to land management.



## **Kensington Aldridge Academy 2 Site (KAA2)**

The Kensington Aldridge Academy is located very close to Grenfell Tower in North Kensington. In the aftermath of the fire in June 2017, it was apparent that the school could not operate from that site. The Department for Education (DfE) had identified the old, redgra military training area on the Scrubs, adjacent to Scrubs Lane as a suitable site for the temporary school buildings and set about seeking the permission of the Trust, the OPDC as 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 Academy pays the Trust a suitable market rent which is greater than the income it would normally receive by renting out the area for short term uses, such as lorry parking for trade shows at Olympia.

It is anticipated that the Academy will remain on the Scrubs for several years and planning permission and rental arrangements are being reviewed and updated on an annual basis. Planning permission is due to expire on 31<sup>st</sup> July 2025.

## **Achievements and Performance**

### **Sport and Recreation**

Currently, the Linford Christie Outdoor Sports Centre (LCOSC) and the 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, a non-turf cricket wicket 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 LCOSC facility is the home of Thames Valley Harriers Athletics Club, who host several seasonal regional and national athletics events throughout the year.

The facility also offers a fully certified athletics track and five all-weather pitches. In 2023/24, the Trust committee has agreed to the partial re-orientation of sports pitches on the Scrubs, designed to facilitate the ecological improvements sought through the AEM agreement, and adhering to the level of demand for those pitches throughout the year. The Trust committee has also approved a contribution toward the cost of re-surfacing the athletics track at Linford Christie and is working with Kensington Dragon's FC to finance re-surfacing of the all-weather artificial pitches. These works are likely to be completed in 2024/25, with further detail provided in our Plans for future periods section.

In 2023/24, several other sporting and recreational events took place on the Scrubs including:

- London Sports Junior Baseball League.
- British Athletics League meetings.
- Weekly ParkRun free 5K run/walk.
- London School Athletics Association Cross-Country Championships.
- South of England Athletics Association Cross-County Relays.
- Extensive school usage including district sports day.
- Kensington Dragons Men's 1<sup>st</sup> XI fixtures.
- Fulham Irish GAA Men's fixtures.
- Multiple school sports events.

- Friends of Wormwood Scrubs annual dog show.
- Eid in the Park.
- Hammersmith Scouts Tree Planting.
- Girl guides eco-volunteering day.
- Several corporate volunteering event days.
- Dawn Chorus walks.
- Urban ecology and landscape management walk by the Linnean Society.

### **Green Flag award**

In 2023/24, the Trust was successful in maintaining a ‘green flag’ accreditation. This scheme recognises and rewards well managed parks and green spaces, setting the benchmark standard for the management of recreational outdoor spaces internationally. Eligibility criteria for the award is defined through 8 categories: 1. Providing a welcoming place. 2. Ensuring a healthy, safe, and secure location. 3. Ensuring the location is clean and well maintained. 4. Delivering effective environmental management. 5. Conserving landscape, heritage and biodiversity. 6. Encouraging community involvement. 7. Communicating and marketing the space. 8. The implementation of a management plan.

Periodic inspections of the site by green flag judges provide a monitoring framework for the continued performance of the space. The Trust is pleased to have its commitment to providing a high-quality green space and sporting and recreational outcomes recognised through this award.

### **Grounds Maintenance and Site Management**

Routine and non-routine grounds maintenance continue to form the largest proportion of Trust expenditure. Officers and the contractor, Idverde UK, have worked hard over the last year to ensure the grounds are maintained to an acceptable standard. This work is reflected in the maintenance of Green Flag status. These operations included many volunteer projects such as; hedge laying, maintaining forest footpaths, scything scrub land, litter picking and bench maintenance. In addition to those volunteer-led activities, several regular tasks undertaken on a routine and reactive basis scheduled below as part of the grounds maintenance contract. Furthermore, the current grounds maintenance contract has been in place for 2 years since commencement in February 2022. Performance of the contract has been steady, with monthly meetings held to maintain standards and manage improvements.

<b>Scope of Grounds Maintenance Activity</b>
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)
Undertaking scrub and bramble management works outside of ground nesting bird season
Attending to fly tips and clearance after illegal encampments
Liaising with site and facility users and borough Law Enforcement Team
Assisting in the preparation of sporting and recreational events
Assisting with Volunteer initiatives

The Scrubs is an extremely popular site attracting a diverse range of users from dog walkers to model aircraft flyers; from ornithologists to those wanting a quiet walk. Movement data ascertained through a digital mapping platform indicates the popularity of certain access routes. This information has been fed to our grounds maintenance contractor and local law enforcement for the purpose of strategic patrols and ensuring adherence to Park byelaws.

### **Community Safety and Security**

The Scrubs continued to be patrolled by the Borough's uniformed Law Enforcement Team (LET), which was established in April 2021, after restructuring and relaunching the former parks police team. Minor infringements were recorded throughout the year, with no major crimes reported. Most incidents involved anti-social behaviour, to which the team were able to respond with dispersal orders and fixed penalty notices.

In 2023/24, a borough-wide public space protection order on responsible dog walking was introduced. LET officers engaged several regular dog walkers including those running dog walking businesses, enjoying access to the Scrubs. A total of 3 fixed penalty notices were issued relating to non-compliance.

In addition to the above, LET officers have conducted regular weapons sweeps, attended and cleared 7 fly-tipping incidents, cleared 10 illegal encampments with sign-posting advice deployed as necessary, conducted 124 anti-social behaviour patrols to high-risk areas, removed 6 abandoned vehicles and conducted over 823 high visibility patrols.

In consultation with the LET team, the Trust has installed new traffic restriction assets at points of vulnerability across the estate, including an electric traffic management system on Scrubs Lane, a height restriction barrier, numerous lockable lifting bollards, re-enforced mesh fencing as well as maintaining existing security equipment. These installations have been largely successful in mitigating illegal incursions, while maintaining access for emergency services.

### **Financial Review**

The Trust is reporting a surplus of £675,347 in 2023/24. This is £345,882 more than budget due to reduced costs and additional income.

The main reason for the surplus is the continued income received from the Kensington Aldridge Academy 2 site (KAA2), for their continued occupation of the site, which was £349,644 in 2023/24 along with planned maintenance expenditure being delayed until 2024/25. The KAA2 site maintains planning consent until July 2025.

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

Summary of Financial Position	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
	£	£	£	£	£	£	£
Total Incoming Resources	1,496,682	1,256,862	1,170,121	1,002,080	1,195,896	1,082,949	1,072,295
Total Resources Expended	(821,335)	-830,036	(1,077,529)	-953,096	-1,048,691	-856,005	-774,332
<b>Net outgoing (-)/Incoming resources</b>	<b>675,347</b>	<b>426,826</b>	<b>92,592</b>	<b>48,984</b>	<b>147,205</b>	<b>226,944</b>	<b>297,963</b>
Total funds brought forward	6,457,795	6,030,969	5,938,378	5,889,393	5,742,188	5,217,280	5,217,280
Total funds carried forward	7,133,142	6,457,795	6,030,970	5,938,378	5,889,393	5,742,189	5,515,244
<b>General unrestricted income funds</b>	<b>2,133,141</b>	<b>1,457,794</b>	<b>1,030,969</b>	<b>938,377</b>	<b>889,392</b>	<b>742,188</b>	<b>515,243</b>

Within total funds brought forward of £6,457,795, the Trust has fixed asset 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 £2,133,141 as of 31 March 2024 (see the Statement of Accounts note 5), an increase of £675,347 during 2023/24.

This 2023/24 surplus of £675,347 exceeded the budget of £329,465 by £345,882, mainly due to investment / infrastructure delays. The main income sources were:

1. The KAA2 site license to occupy.
2. Pay & Display (cashless parking) income from the Wormwood Scrubs car park.
3. Licence income for the Hospital's use of the other car park.
4. Additional income was also achieved from filming, the Park Lodge, utilities licensing and some external grant funding.

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

The Linford Christie stadium is operated by the Council and the Council has, historically, borne most of the 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. The approved 2023/24 contribution was £63,000.

## **Plans for future periods**

The Trust's approved budget for 2024/25 takes account of investment items carried forward from 2023/24 (including contributions to Linford Christie Stadium, both directly and via the Kensington Dragons agreement). Therefore, a deficit budget (£69,228) was set. The Trust's healthy reserves position of £2,133,141 facilitated this low impact budget decision.

The latest 2024/25 forecast predicts a £21,495 surplus, which is £90,723 better than budgeted, due to further investment implementation delays. While other income sources covered costs,

the Kensington Aldridge Academy (KAA2) licence income was the main reason for the Trust's increase in unrestricted funds from 2017/18 to 2021/22. Since February 2022 decreased grounds maintenance costs, following contract re-tender, has also made significant contributions to the improved financial position. The extension of the KAA2 licence to July 2025 and expected further extensions will continue the significant favourable impact on future accounting periods.

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 the Trust's core objectives. The Trust is keen to ensure that any development around the site does not threaten its integrity. The Trust Manager is tasked with producing and implementing an agreed development plan. A contribution to the Council's programme of capital expenditure has been agreed by the Trust, with particular focus paid to addressing maintenance issues at the Linford Christie Stadium.

From 2024/25, the Trust and the Council hope to achieve the following improvements on the WSCT estate:

- Re-surfacing the 8 lane 400m athletics track, associated field events and upgrade the floodlights to more efficient LEDs.
- Re-surfacing and re-orient the layout of all-weather sports pitches at Linford Christie.
- Demolishing the changing room/community block and replace with temporary portacabin units.
- Seeking charity commission advice on a long-term solution to the Linford Christie Stadium.
- Implementing the AEM Masterplan capital works.
- Conducting a programme of footpath and roadway re-surfacing across the estate.
- Co-producing a network of accessible footpaths and signage across agreed locations on the estate.
- Delivering an outdoor learning programme on Wormwood Scrubs open space.
- Providing a café facility on the estate.
- Adding more play equipment and secure the Braybrook play area.

The Trust is seeking ways to ensure steady progress towards continual financial improvement through normal activities. To secure this stable financial position, the Trust is working on optimising the use of its assets and developing events on the Scrubs. It is also beginning to solicit funds from: corporate organisations, trusts and foundations, and institutional bodies. Co-producing outcomes will form a major component of these plans, with due consideration paid to the needs of our stakeholders and the development of the wider public realm.

The Trust aims to maintain an effective Grounds Maintenance (GM) regime. The current contract is due to expire in February 2027. Continuous monitoring and appraisal of performance will form the basis of whether an extension provision is agreed. In line with Council ambitions to be 'ruthlessly financially efficient', penalties for non-compliance will be enacted in line with the performance metrics and agreed deduction protocols.

Future contract delivery will be closely monitored and subject to regular review. This will be managed through the regular management reports to the Committee. Following the delivery of the AEM capital improvements, these will be managed through a 10-year revenue maintenance programme dovetailed with the existing grounds maintenance contract.

## **Reserves and Treasury Management Policy**

### **Definition of Reserves**

The Charity Commission has provided a specific definition for “reserves” as “that part of a charity’s unrestricted funds that is freely available to spend on any of the charity’s purposes. This definition excludes restricted income funds and endowment funds, although holding such funds may influence a charity’s reserves policy. Reserves will also normally exclude tangible fixed assets held for the charity’s use and amounts designated for essential future spending.”

This definition is intended to provide the charity with a way of identifying those reserves that are readily available in relatively liquid form if required by the charity. The free reserves of WSCT for which a policy is needed are represented by unrestricted general funds of the charity and exclude both the fixed asset revaluation reserve and funds that have been designated by the trustee to meet future planned expenditure.

It is recognised that charities are under a general duty to apply charity funds within a reasonable time of their receipt although there are no such requirements in WSCT’s governing documents. Similarly, whilst the Charity Commission requirements only require consideration of free reserves, it would be inappropriate to not apply restricted funds within a reasonable time period. For WSCT, this is not relevant as restricted funds represent funds set aside for major projects which will be utilised during the timeframe of the relevant project.

### **Legal Authority to hold reserves**

The Charity Commission has identified that all charities have legal authority to hold reserves. Specifically, they state: “Trustees of every charity must ensure that the charity’s funds are used appropriately, prudently, lawfully and in accordance with the charity’s purposes for the public benefit. The general principle of trust law is that funds received as income should be spent within a reasonable period of receipt.

The holding of reserves will be authorised either by using an express or implied power to hold reserves. The trustee is justified in exercising its power to hold income reserves, whether express or implied only if, in its considered view, it is necessary in the charity’s best interests.” For WSCT, there is no explicit legal authority to hold reserves set out in its governing documents, but the implied authority is deemed sufficient. Specifically, the charity has no need to formally accumulate reserves.

### **Why does WSCT hold free reserves?**

The charity is required to consider what level of reserves it is appropriate for the charity to hold in order to demonstrate appropriate financial management, stewardship and sustainability. The trustee wishes to do this to provide assurance to all the charity’s stakeholders that the charity is being managed in a prudent manner for the best interests of its beneficiaries. The trustee also wants to provide confidence that there is a strong justification for the reserves held by the charity, and that they wish to be open and transparent on all aspects concerning the charity’s reserves policy. In doing this WSCT has considered the following areas.

## *Working Capital*

Any organisation needs working capital to allow it to meet its liabilities as they arise – this is a key going concern requirement. Cash or other liquid assets are required to meet normal operating expenditure. For WSCT, its cashflow is strong due to the profile of its incoming resources at regular intervals throughout the year.

## *Financial risk management*

All charities are subject to a wide range of risks, many of which have financial implications. “Rainy day” funds are appropriate to be held as mitigation against the effect of such risks. WSCT has a formalised approach to risk management which identifies major risks that it faces, assesses their severity in terms of impact and likelihood, and identifies mitigating actions.

For example, to cover the annual grounds maintenance contract, non-routine maintenance, and employee costs, WSCT is reliant on 3 main sources of unrestricted income – pay & display parking, Hammersmith Hospital car park license and Kensington Aldridge Academy license fees. If one or more of these income sources is significantly reduced or even lost, the charity may need to cover 6-12 months of core operating expenditure while it restructures its operations and seeks to reduce costs.

The financial risks that are mitigated by the holding of reserves include:

- Variability of income – pay & display parking income based on sensitivity analysis of activity levels and condition of car park, termination of existing license agreements, investment income projections based on market rates
- Variability of expenditure – non-routine maintenance of the Scrubs can be hard to predict but the amounts are not usually significant, other areas of expenditure are relatively “fixed” such as the grounds maintenance contract and staff costs, relatively low likelihood of significant unplanned expenditure
- Risks noted in risk register (page 18) – those identified as high or medium risk that have financial significance.

## *Future development*

As part of their strategic planning, the charity Trustee should also consider the need for funds to develop their charity’s activities or to consider new opportunities to assist their beneficiaries. A designated fund has already been set up for future capital maintenance works including the long-term maintenance of the AEM Masterplan and the contribution towards the refurbishment of the Linford Christie stadium.

## Analysis of WSCT Unrestricted Income Funds (Reserves) balances at 31<sup>st</sup> March 2024

The comparison between the target and actual level of reserves at the end of the 2023-24 financial year is outlined below:

<u>Unrestricted income funds @ 31st March 2024</u>	
	£
'Free' reserves	733,141.00
Designated funds - Capital maintenance works	1,400,000.00
<b>Total</b>	<b>2,133,141.00</b>

### Target range based on average core annual operating expenditure between 2017-18 to 2023-24

'Free' reserves target (lower) - 6 months	418,469.00		
'Free' reserves target (upper) - 12 months	836,938.00		

The level of 'free' reserves was £733,141 at 31st March 2024 which is within the target range. The plan is to keep 'Free' reserves within the target range (6-12 months) and then designate any surplus funds to future capital programme works. This programme will include access improvement works, developing on-site facilities, the AEM Masterplan maintenance costs beyond the initial 10-year period and an ongoing contribution to the Linford Christie Stadium.

### **Reserves policy and Going Concern considerations**

The charity's policy for reserves is linked to and part of its formal consideration of the charity's going concern presumption. An appropriate level of reserves underlies the forecasts and cashflow projections that are used by the committee to confirm that WSCT is a going concern and is able to meet its liabilities as they arise.

At the year end, the reserves policy, actual reserves held, and future business planning forecasts are used to confirm the going concern principle applies for at least 12 months from the date that the statutory accounts are approved by the committee.

### **When does the charity consider its reserves policy?**

Monitoring and oversight of the reserves held by the charity is undertaken throughout the year. This is achieved through quarterly management accounts, cashflow monitoring and regular financial forecasts. At least on an annual basis the reserves policy is reviewed formally by the trustee as part of its strategic and business planning process.

### **Treasury Management**

The Trust's cash balances are managed by the Council and held in short-term, liquid deposit accounts. The Council's Treasury Management Strategy governing the investment policy was adopted by the Council in February 2024. The Committee report can be found on the Council's website at the following location:

[Treasury Management Strategy Statement 2024/25](#)



## **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 2023/24

<b>Risk Index No.</b>	<b>AREA OF RISK</b>	<b>IMPACT OF RISK</b>	<b>SEVERITY High/Medium/Low</b>	<b>POTENTIAL High/medium/Low</b>	<b>VALUATION</b>	<b>COMMENT</b>
001	High Speed 2 Railway and the development of Old Oak	Adverse impacts on the ecology of the Scrubs and the charitable 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 and futureproof the space.
002	Pay and Display income level	Fluctuation of income levels, linked to poor maintenance of facilities.	Medium	Medium	Potential loss of income.	Usage fluctuates. 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 requires investigation into the drainage system, as it is underperforming.	High	Low	Significant expenditure.	If investigations indicate that work is required, the current sinking fund held in accordance with the license to the hospital could be used to fund the works.
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.
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. The contribution of the Trust towards capital improvements will make a significant difference in mitigating future risk.

<b>Risk Index No.</b>	<b>AREA OF RISK</b>	<b>IMPACT OF RISK</b>	<b>SEVERITY High/Medium/Low</b>	<b>POTENTIAL High/medium/Low</b>	<b>VALUATION</b>	<b>COMMENT</b>
008	Fraud and financial irregularities	May cast doubt over the Trust's ability to continue as a going concern	High	Low	Cost could be significant	Accounts are independently audited annually.
009	Park Lodge tenanted building	Building condition is deteriorating, with major subsidence and structural issues.	High	High	Significant expenditure	WSCT are working with LBHF Council Housing team to re-house the tenant and raise funds to re-purpose the building.
010	Grounds maintenance depot building	Very poor building condition, damp and mould issues, along with other structural problems.	High	High	Significant expenditure	This depot is used by the borough-wide grounds maintenance contractor. WSCT working with the Council and the contractor to demolish and replace with temporary welfare facilities.

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

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

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

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

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. It also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **Disclosure of Information to Auditors**

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

### **Auditors**

The Trustee appointed MHA during the year to undertake the audit of accounts in this year. The Independent auditor's report to the Trustee of Wormwood Scrubs Charitable Trust follows on page 21.

**For and on Behalf of Wormwood Scrubs Charitable Trust Signed**

**Name: Simon Ingyon Date: 4 December 2024**

## **Independent Auditor's Report to the Trustee**

### **Opinion**

We have audited the financial statements of Wormwood Scrubs Charitable Trust (the 'Charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustee's assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or noncompliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [frc.org.uk/auditorsresponsibilities](http://frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

## **Use of our report**

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

MHA Statutory Auditor

London, United Kingdom

Date:

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.



## **Reference and Administrative details**

<b>Charity Name and Number</b>	Wormwood Scrubs Charitable Trust, Registration No. 1033705
<b>Charity Correspondent</b>	Sukvinder Kalsi Director for Finance Wormwood Scrubs Charitable Trust Hammersmith Town Hall King Street W6 9JU
<b>Trustee</b>	The Council of the London Borough of Hammersmith & Fulham
<b>Email Address</b>	<a href="mailto:sukvinder.kalsi@lbhf.gov.uk">sukvinder.kalsi@lbhf.gov.uk</a>
<b>Governing Document</b>	Wormwood Scrubs Act 1879 As Amended by Scheme of The Charity Commissioners Dated 25 March 2002.
<b>Objects</b>	For recreational use as set out in the Wormwood Scrubs Act 1879
<b>Area of Benefit</b>	Wormwood Scrubs and West London. (Area prescribed by Governing Document)
<b>Area of Operation</b>	Greater London – Hammersmith and Fulham
<b>Registration History</b>	23 Feb 1994 Registered
<b>Auditor Details</b>	MHA 6th Floor, 2 London Wall Place London EC2Y 5AU

# STATEMENT OF ACCOUNTS

## Wormwood Scrubs Charitable Trust

### Statement of Financial Activities (incorporating an income and expenditure account) for Year ended 31 March 2024

		Unrestricted funds	Restricted funds	Total funds	Total funds
		2023/24	2023/24	2023/24	2022/23
Notes		£	£	£	£
	Income and Expenditure				
	Income and endowments from:				
	Income from Charitable activities:				
	Pay and Display Parking Meters	385,986	-	385,986	301,509
	Hammersmith Hospital Car Park Licence	438,757	-	438,757	391,983
2	Other trading activities	379,796	-	379,796	368,945
3	Income from Investments	86,065	-	86,065	22,253
4,5	Income from donations and grants	-	206,078	206,078	246,401
	<b>Total Income and endowments</b>	<b>1,290,604</b>	<b>206,078</b>	<b>1,496,682</b>	<b>1,331,091</b>
	Expenditure on:				
6, 7	Charitable activities:				
8	Contribution to Linford Christie Stadium	(65,817)	-	(65,817)	(64,775)
9	Non Routine Maintenance of Wormwood Scrubs	(122,061)	(5,601)	(127,661)	(345,204)
9	Routine Grounds Maintenance of Wormwood Scrubs	(361,929)	(8,654)	(370,583)	(362,371)
10	Staff costs and employee benefits	(60,350)	-	(60,350)	(37,794)
	Surveys, studies and subscriptions	(5,100)	-	(5,100)	(21,292)
5	Charitable expenditure	-	(191,823)	(191,823)	(72,829)
	<b>Total Expenditure</b>	<b>(615,257)</b>	<b>(206,078)</b>	<b>(821,335)</b>	<b>(904,265)</b>
	<b>Net income/(expenditure)</b>	<b>675,347</b>	<b>-</b>	<b>675,347</b>	<b>426,826</b>
	Reconciliation of Funds				
	Total funds brought forward	6,457,795	-	6,457,795	6,030,969
	<b>Total funds carried forward</b>	<b>7,133,142</b>	<b>-</b>	<b>7,133,142</b>	<b>6,457,795</b>

All activities other than those disclosed in Notes 4 and 5 are unrestricted.

## Wormwood Scrubs Charitable Trust

### Balance Sheet as at 31 March 2024

	2023/24	2022/23
	£	£
Notes		
Fixed Assets		
11 Tangible Assets	5,000,001	5,000,001
<b>Total Fixed Assets</b>	<b>5,000,001</b>	<b>5,000,001</b>
Add: Current Assets		
Cash in Bank	1,898,222	1,219,039
12 Debtors	270,978	272,108
<b>Total Current Assets</b>	<b>2,169,200</b>	<b>1,491,147</b>
Less: Liabilities		
13 Creditors: Amounts falling due within one year	(36,059)	(33,353)
<b>Total Liabilities</b>	<b>(36,059)</b>	<b>(33,353)</b>
<b>Total Net Assets and Liabilities</b>	<b>7,133,142</b>	<b>6,457,795</b>

Approved by the trustee on 4 December 2024 and signed on their behalf by:

**Simon Ingyon**  
Assistant Director – Parks & Leisure

**Wormwood Scrubs Charitable Trust**

**Statement of Cash Flows for Year ended 31 March 2024**

Notes

		2023/24	2022/23
		£	£
Cash flows from operating activities:			
14	<b>Net cash flow from operating activities</b>	<b>593,118</b>	<b>267,322</b>
Cash flows from investing activities:			
	Dividends, interest and rents from investments	86,065	22,253
	<b>Net cash provided by investing activities</b>	<b>86,065</b>	<b>22,253</b>
	<b>Change in cash and cash equivalents in the reporting period</b>	<b>679,183</b>	<b>289,574</b>
	Cash and cash equivalents at the beginning of the reporting period	1,219,039	929,464
	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,898,222</b>	<b>1,219,039</b>

**Wormwood Scrubs Charitable Trust**

**Analysis of Net Debt for Year ended 31 March 2024**

	At 1 April 2023	Cashflows	At 31 March 2024
	£	£	£
Cash at bank and in hand	1,219,039	679,183	1,898,222

## **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 Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) revised October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 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 not any material uncertainties in arriving at this conclusion.

#### **(ii) Accounting Concept**

The accounts have been prepared on an accrual's basis. That is, on the basis of income being due and expenditure being payable in the related financial year. Figures in the accounts are rounded to the nearest pound (£).

#### **(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.

Whilst the Trust undertakes improvement works on the various elements of infrastructure assets on the Wormwood Scrubs, it is deemed that the Council has the ultimate risks and rewards of ownership of the relevant assets. As such, the cost of those improvements is not capitalised and is expensed in the year it is incurred.

#### **(iv) Income Recognition and Incoming Resources**

All income is recognised once the Trust 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 acts independently to attract funding. Whilst the funding is received under the name of the corporate Trustee (London Borough of Hammersmith and Fulham), the income is wholly in control of the Trust and is therefore recognised as income within the Financial Statements.

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

<b>Financial instrument</b>	<b>Measurement on initial recognition</b>
Cash	Cash held
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 Trust
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 Trust

#### **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.

### Other judgements

There is inevitably a degree of estimation uncertainty relating to accounting estimates and judgements.

The Trust has estimated that application of the governance costs is proportional to level of expenditure on 3 charitable activities.

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 2023/24.

### 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.

### (2) Income from Other Trading Activities

	2023/24	2022/23
	£	£
Filming income	1,509	11,099
Other Fees and Charges	7,768	2,158
Other rental income*	370,519	355,688
	<b>379,796</b>	<b>368,945</b>

\*Other rental income predominantly relates to the Kensington Aldridge Academy (KAA) 2 site lease. KAA pays the Trust a suitable market rent for use of an old gravelled military training area in the Scrubs. Total lease income recognised in the 2023/24 accounts is £349,644 (£339,786 in 2022/23). Future minimum receipts associated with the lease due within one year are £89,040 (£85,782 in 2022/23).

Other rental income also includes rental income 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 £10,077 (£13,523 in 2022/23) and this has been recorded as Deferred Income on the Trust's Balance sheet. Event Hire income and rent earned from the park lodge are also included within other rental income.

### (3) Income from investments

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 average rate earned on deposits during the financial year, which increased from 1.975% in 2022/23 to 4.947% in 2023/24.

#### (4) Income from donations and grants

The restricted income from donations and grants relates to 3 separate grants in 2023-24 as set out in the table below.

	2023/24	2022/23
	£	£
<b>Income from grants</b>		
GLA Growth Funding for Access Improvements	5,601	104,691
HS2 funding for the Braybrook Street playground improvements received via the Council	-	68,881
Urban Tree Challenge Fund (UTCF)	8,654	-
HS2 Funding Agreement for Ecological Mitigation for Wormwood Scrubs	191,823	72,829
	<b>206,078</b>	<b>246,401</b>

#### (5) Fund Structure

The Trust's Funds comprise:

##### 2023/24

Fund name	Fund balances brought forward	Income	Expenditure	Fund balances carried forward
	£	£	£	£
General Unrestricted Reserves - 'Free reserves'	1,457,794	(109,396)	(615,257)	733,141
General Unrestricted Reserves - Designated funds	-	1,400,000	-	1,400,000
Fixed Asset Revaluation Reserves	5,000,001	-	-	5,000,001
Restricted Funds - HS2 Funding Agreement for Ecological Mitigation	-	191,823	(191,823)	-
Restricted Funds - Urban Tree Challenge Fund (UTCF)	-	8,654	(8,654)	-
Restricted Funds - GLA Funding for Access Improvements	-	5,601	(5,601)	-
<b>Total funds</b>	<b>6,457,795</b>	<b>1,496,682</b>	<b>(821,335)</b>	<b>7,133,142</b>



Fund name	Fund balances brought forward	Income	Expenditure	Fund balances carried forward
	£	£	£	£
General Unrestricted Reserves	1,030,968	1,084,689	(657,864)	1,457,794
Fixed Asset Revaluation Reserves	5,000,001	-	-	5,000,001
Restricted Funds - HS2 Funding Agreement for Ecological Mitigation	-	72,829	(72,829)	-
Restricted Funds - HS2 Funding for Braybrook Street playground improvements	-	68,881	(68,881)	-
Restricted Funds - GLA Funding for Access Improvements	-	104,691	(104,691)	-
<b>Total funds</b>	<b>6,030,969</b>	<b>1,331,091</b>	<b>(904,265)</b>	<b>6,457,795</b>

Unrestricted funds are solely used for the specific purpose of the Trust. Income and Expenditure which meets this criteria is credited/charged to this fund, together with a fair allocation of management and support costs, as recharged by LBHF. The 'Free reserves' element of General Unrestricted Reserves is held to mitigate against risks around variability in the Trust's income and expenditure in the short term as well as other risks set out in the risk register. The Designated Funds element of General Unrestricted Reserves totalling £1.4m at the end of 2023/24 is earmarked for future planned maintenance works as outlined in the Reserves policy within the Trustee's report. £500k is projected to be spent by the end of the 2026/27 financial year with the timing of the expenditure of the remaining balance still to be confirmed. The 3 grants set out in Note 4 and their associated expenditure are deemed restricted as shown in the SOFA. However, the impact on reserves is immaterial 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.

## (6) 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 Trustee's Annual Report. Support Costs are wholly and exclusively represented by "Governance Costs" which are set out in Note 7.

## (7) Governance costs

The Governance costs associated with the Trust 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 Trust consist of the

	2023/24	2022/23
	£	£
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.	(4,536)	(4,204)
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.	(8,107)	(6,058)
Audit Fees (in accordance with statutory independent audit requirements).	(11,500)	(10,900)
	<b>(24,143)</b>	<b>(21,162)</b>

Allocation of the Governance costs:

Activity	2023/24	2022/23
	£	£
Contribution to Linford Christie Stadium	(2,823)	(1,775)
Non Routine Maintenance of Wormwood Scrubs	(5,426)	(9,459)
Routine Grounds Maintenance of Wormwood Scrubs	(15,894)	(9,929)
	<b>(24,143)</b>	<b>(21,162)</b>

### **(8) Contribution to Linford Christie Stadium**

The Charity contributes to the upkeep 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 Environment Department.

In 2023/24 a contribution of £63,000 (£63,000 in 2022/23) was made to the Linford Christie Stadium. A proportion of governance costs is also added to this figure.

### **(9) 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 2022 for a period of 10 years, with a break clause after 5 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 Environment Department of the Council. The continuation of these services is periodically approved by Cabinet Members. The current Contract started on 1st February 2022.

Routine Grounds Maintenance is undertaken in accordance with a series of schedules that form part of the contract. The fixed element of the contract has increased from £326,121 in 2022/23 to £338,863 in 2023/24. This figure includes an agreed client fee to cover staff costs of the Council's Parks team. Other routine maintenance costs, including additional tree works, are also included in this figure as well as a proportion of governance costs.

Non-routine Grounds Maintenance is typically identified and commissioned on behalf of the Trust by the contractor. The costs in 2023/24 (£127,661) were significantly lower than in 2022/23 (£345,204). This is because there were some bespoke works carried out during 2022-23 relating to access improvements, the installation of a new traffic management system as well as play equipment for the Braybrook Street Play Area.

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

### **(10) Staff Costs**

The Trust's staff costs and employee benefits for 2023/24 are set out below:

	2023/24	2022/23
	£	£
Wages and salaries	(54,135)	(33,838)
Social security costs	(6,215)	(3,956)
	<b>(60,350)</b>	<b>(37,794)</b>

The average head count (number of staff employed) for the Trust was 1 in 2023/24 (1 in 2022/23). There were no employees who received employee benefits of more than £60,000. The Trust manager is employed and paid by the London Borough of Hammersmith and Fulham.

### (11) 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).

### (12) 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.

	<b>2023/24</b>	<b>2022/23</b>
	£	£
Trade debtors	187,943	208,148
Prepayments and accrued income	83,035	63,960
<b>Total</b>	<b>270,978</b>	<b>272,108</b>

### (13) 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.

	<b>2023/24</b>	<b>2022/23</b>
Accruals and deferred income	(36,059)	(33,353)

  

	<b>2023/24</b>	<b>2022/23</b>
	£	£
Of which: Deferred income		
Brought forward balance	(13,523)	(16,126)
Released in the year	3,446	2,603
<b>Year end balance</b>	<b>(10,077)</b>	<b>(13,523)</b>

Deferred income comprises of rental income received in previous years to be recognised over several accounting periods.

#### (14) Net Cash Flow from operating Activities

	2023/24	2022/23
	£	£
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	675,347	426,826
<i>Adjustments for:</i>		
<i>Dividends, interest and rents from investments</i>	(86,065)	(22,253)
<i>(Increase) in debtors</i>	1,130	(97,073)
<i>(Decrease) in creditors and deferred income</i>	2,706	(40,178)
<b><i>Net cash provided by (used in) operating activities</i></b>	<b>593,118</b>	<b>(267,322)</b>

Cash funds are held by the Council on behalf of the Trust.

#### (15) Related Party Transactions

The Council of London Borough of Hammersmith and Fulham (LBHF) is the trustee of the Trust. 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 Trust's ability to meet its objectives.

	2023/24	2022/23
	£	£
<b><u>a) London Borough of Hammersmith and Fulham as transacting party</u></b>		
<i>- LBHF as contractor to the Trust</i>		
Environment Department for the provision of Routine Grounds Maintenance of Wormwood Scrubs (Ref Note 9)	(345,702)	(326,121)
<i>- LBHF as recipient of contribution</i>		
Contribution to Linford Christie Stadium (Ref Note 8)	(63,000)	(63,000)
<i>- LBHF as provider of administrative and management support to the Trust</i>		
Environment Department for management & financial administration services of Wormwood Scrubs	(65,997)	(41,998)
Legal Services for the provision of legal advice required in the management of Wormwood Scrubs	(8,107)	(6,058)
	<b>(482,806)</b>	<b>(437,177)</b>
<i>Amounts due to or from related parties:</i>	-	-

#### (16) 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.

## (17) 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:

Fees payable to the External Auditor with regard to external audit services carried out by the appointed auditor for the year

2023/24	2022/23
£	£
(11,500)	(10,900)
<b>(11,500)</b>	<b>(10,900)</b>