

Registered number: 03177802
Charity number: 1055059

THE WINCHESTER PROJECT
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE WINCHESTER PROJECT
(A company limited by guarantee)
CONTENTS

	Page
Reference and administrative details of the Charitable Company, its trustees and advisers	1
Trustees' report	2 - 12
Trustees' responsibilities statement	13
Independent auditor's report	14 - 17
Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21 - 37

THE WINCHESTER PROJECT**(A company limited by guarantee)****REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	A Mason A Stanton H Hartman H H Zimmerman R Broad S Sen OBE, Chair D Moss S Godwin E Stephens
Company registered number	03177802
Charity registered number	1055059
Registered office	21 Winchester Road Swiss Cottage London NW3 3NR
Chief executive officer	R Iqbal
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	NatWest Bank 106 Finchley Road Swiss Cottage London NW3 5JN

THE WINCHESTER PROJECT
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The trustees present their annual report together with the audited financial statements for the year ended 31 March 2021. The trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing documents and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charitable company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

We have referred to the advice in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set and noted below.

Summary of the year

The 'Winch' is the local name for the Winchester Project, a charitable company whose area of benefit is North Camden, London. It is also referred to as the 'charity' in this report. The annual report summarises The Winch's achievements during what has been an unusually challenging period for our beneficiaries and our community.

2020/21 was a year dominated by the wide-ranging and devastating impact of the coronavirus pandemic on our communities. However, as we outline below, this was just one of the many challenges faced by our beneficiaries. The Winch team has been nimble and determined in finding new ways to overcome these difficulties and to support those most in need, whilst safeguarding our staff and beneficiaries as a priority.

We have been humbled by the way in which our community and our partners have stepped up to support our mission, both working with us on the ground and in backing us financially. This collaboration has enabled us to take swift and decisive action with confidence, despite a significant drop off in some of our core income streams, like room hire. Despite Covid restrictions, we found ways to work to continue supporting our beneficiaries. Most service areas saw similar levels of spend to the previous year, even where they were reconfigured to take account of the complex and changing operating environment. In addition, our coronavirus Community Response Hub enabled us to mobilise and invest £89k in direct support to the local community.

Whilst we have acted quickly to address the many short term crises as best we could, we also recognise that the path to recovery will be long and difficult. Across wider society, uncertainty prevails. We have committed to continue to invest in our services and our people to provide a longer-term, adaptive response to the pandemic and the myriad of other challenges our community faces. We are yet to ascertain the full impacts on funding for charities such as ours, but we go into this new era encouraged and motivated by the belief our supporters have in our mission.

This report is structured in three parts. The first section sets out the Winch's objectives and describes how we tailor our activities to meet them. The second section captures highlights of our impact from the past year; these are described in terms of how they meet The Winch's four strategic goals. Finally, we briefly set out our objectives for the year ahead.

Objectives and activities

a. Objectives

The Winch's mission is "to help each child succeed, regardless of their circumstances, by giving them the opportunities and support they need".

Why do children need help to succeed? In 2019-20, there were 4.3 million children living in poverty in the UK. This is equivalent to nine children in a classroom of 30. London has the highest child poverty rate in England.¹ Poverty is more likely to impact specific groups. For example, almost half the children in lone parent families face material hardship. 46% of children from black and racially minoritised groups grow up experiencing poverty². In Camden, an estimated 43% of children will have their ambitions impaired by poverty³.

Jobs no longer guarantee proper protection from poverty. Three quarters of children living in poverty grow up in households where at least one adult works⁴. However, housing and childcare costs take huge chunks out of family budgets. Camden has the second highest pay inequality and some of the least affordable homes in London. A staggering 40% of Camden's children sleep in overcrowded accommodation⁵. Many more face an uphill struggle against the overlapping inequalities that distort our community life.

The pandemic has made things more difficult for disadvantaged children. It disrupted schooling and childcare. It entrenched a digital divide, which made children's access to learning more unequal. It intensified widespread hidden hunger, as essential free school meals were withdrawn. Exams were often thrown into disarray, leading to confusion and disquiet affecting young people's plans for their future. Families felt the pressure of social isolation and uncertainty in their homes, which contributed to increased conflict in their relationships. Children worried for friends and relatives vulnerable to Covid 19. Sadly, some fell ill and were bereaved. As a result, many children and young people's mental health suffered⁶.

The pandemic was not the only major issue that disrupted young people's lives. The murder of George Floyd refocused significant attention on systemic racism in the UK. The Everyone's Invited campaign raised awareness of the endemic sexual harassment and violence young women face in attending school⁷. In addition, the impact of continued climate change, locally and globally, has left some young people feeling more anxious for their future⁸. Increasing poverty, insecure work and a cost of living crisis threatens to overwhelm the precarious promise of progress tomorrow that underpins our intergenerational settlement. No matter how hard young people study and work, it seems that the odds are so often stacked against them. No one can take their success for granted, as we transition further into a volatile and uncertain future.

Since 1973, the Winch has worked across North Camden to improve the life chances of children, young people and families. To achieve this, we address the inequalities and issues that diminish young people's life chances. These issues include poverty, social exclusion, education and employability, homelessness, violence against young people, and the causes and consequences of mental ill health. We deliver services that build strengths, skills and belonging. We create opportunities and advocate for initiatives that can help young people and their families. We work with those most affected by disadvantage and inequality to change the systems that cause or compound this injustice.

¹ The Childhood Trust Child Poverty Report 2021

² Child Poverty Action Group- Facts and Figures (accessed Oct 2021)

³ Camden Giving Child Food Poverty in Camden (accessed Oct 2021)

⁴ Child Poverty Action Group- Facts and Figures (accessed Oct 2021)

⁵ Camden Commission 2015

⁶ Association for Young People's. Health Summarising What We Know So Far About the Impact of Covid-19 On Young People Feb 2021. See also, Public Health England Covid19 Mental Health Surveillance Report July 2021

⁷ <https://www.everyonesinvited.uk/>

⁸ <https://www.bbc.co.uk/news/world-58549373>

Objectives and activities (continued)

b. Activities for achieving our objectives

The Winch provides a cradle to career pipeline of activities, opportunities and support for young people aged 0-25 years and their families. Our suite of services includes:

0 to 5 years - Family Support: we nurture children's critical early development and build communities of peer support with new parents. We deliver open group sessions and targeted support programmes, in partnership with specialist agencies. We promote participants' agency and their economic, social and mental wellbeing.

4 to 12 years - Primary Years: we work with children to develop their skills and strengths, enhancing their education and wellbeing through creativity and play. Our services include an Ofsted Outstanding After School Club and Holiday Play schemes; arts and sports activities; and advocacy and assistance for parents and families.

11 to 19 years - Secondary Years: we support young people through individual and group-based personal development activities, promoting their personal and social development. We help young people in their transition to secondary school. We deliver community-outreach and estates-based youth work, as well as school-based enrichment workshops. Our trained staff deliver intensive 1:1 mentoring and coaching, sports programmes, youth-led projects, and social action and social solidarity campaigns.

18 to 25 years - Post-Secondary: we assist young adults into employment and training, improving their mental and economic well being, and grow their sense of belonging and purpose. We provide mentoring and coaching, helping young adults to create and access new opportunities. We run The Company, our youth enterprise programme.

Across all ages, the Winch delivers Promise Work; intensive, long-term 1:1 support from professionals trained in mental health and trauma-informed practice, who act as personal advocates and key workers. We assist individuals, referred by partners or identified through Winch services, for whom 'the help is no longer helping'. Through the provision of a dedicated, trusted and relatable adult, Promise Work helps young people to secure their personal goals, enhance their relationships and support networks, and better navigate services that can assist them.

North Camden Zone - To help every child succeed, we recognise that we must influence the neighbourhoods in which they live and the systems that shape and determine their life chances. Therefore, we create, support and champion initiatives that improve local collaboration and effect positive change. The Winch hosts the North Camden Zone, a community-led systems change partnership working to improve life outcomes in north Camden.

Belsize Community Library - Since 2012, the Winch has run Belsize Community Library, saving it from closure and being lost as a cherished, local asset. In line with the Winch's mission and strategic objectives, Belsize Community Library champions the importance of reading and creativity, in particular for children and young people. Through its community programme, the library builds local social cohesion, enables access to existing opportunities and works to create new openings that unlock the potential of local residents.

An overview of the services run by the Winch can be found at <https://thewinch.org>.

c. Financial review

Incoming resources increased from £966,123 to £1,216,510 reflecting an increase in donations which significantly offset the decline in other income caused by the effects of the pandemic. Costs fell from £986,137 to £965,618 due to some programmes being curtailed as a result of the various shutdowns in the year. As a result the charity made a surplus of £295,892 compared to a deficit of £20,014 in 2019/20.

THE WINCHESTER PROJECT

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Highlights of our Achievements in 2020/21

The Winch's current three-year plan, 'Opportunity through Community', focuses the delivery of our mission on four strategic goals. The goals address different aspects of the 'ecosystem' of childhood in our areas of benefit. We build the individual's strengths and skills. We nurture and enhance the social support systems that connect us and cultivate belonging. This includes families, friends, partners, communities, networks and neighbourhoods. In fostering local connections, we aim to unlock opportunity and resources. Finally, we organise to change the systems that are critical to helping or hindering our mission to enable children and young people to succeed. Throughout our work, we commit to advancing the participation, agency and influence of children, young people and families facing systemic disadvantage.

In 2020/21, we worked with 1,254 beneficiaries (2,085 in FY 2019/20), excluding those individuals served by Belsize Community Library. This reflects the constraints we encountered in delivering face-to-face work during the pandemic, not all of which could be mitigated by digital delivery or creative adaptation to our provision, as we explain below. It also demonstrates the disruption caused by sequential lockdowns and the ensuing furlough of affected staff.

As a result of Covid restrictions, the charity experienced a reduction in income from trading activity, primarily in room hire and service fees. We secured some associated savings on direct project activity and facilities costs, which under normal conditions underpin our in-person offer. We were able to offset some of these losses through increased fundraising success and through the flexibility and support many of our donors were willing to extend. These movements are reflected in the higher than usual carry forwards of funds committed to specific activities and projects for the advancement of our mission and changes to our expenditure profile. Finally, the establishment of the temporary Covid Response Community Hub also resulted in the charity's overall income rising above £1m in the year. Our budget for FY 2021/22 fully anticipates our income reducing to below the £1m threshold, in line with our historic performance.

We highlight some key achievements against our four strategic goals below.

Goal One: Work alongside children and young people to develop their strengths, skills and sense of purpose

Our Play team has worked tirelessly this year to support primary school children impacted by the pandemic. Government policy constrained us to working in small, consistent 'bubbles' of up to 15 children. The aim of this policy was to reduce the transmission of Covid. As a consequence, we were not able to engage with as many children as usual. Faced with this constraint, we prioritised offering a face-to-face service to children of key workers, frontline health staff and children with social services involvement. We adapted our provision to work across two different sites, relocating one bubble of children and staff to Holy Trinity School, whilst running a parallel bubble at the Winch. As a result, we were able to provide an uninterrupted service to small groups, throughout the peaks and troughs of the pandemic.

We recognised that the challenges of Covid meant that we had to develop a bespoke response for children. Our team focused on strengthening children's physical, social and emotional wellbeing, enabling them to make sense of the changing circumstances and the difficulties their families faced. We introduced yoga and mindfulness exercises, alongside more creative activities to build children's coping strategies. Staff ran friendship huddles, helping friendship groups to communicate constructively and resolve emerging conflicts. Children enjoyed the choice of a range of sports activities, with many showing a real enthusiasm for basketball. As lockdown eased, we introduced a 'return to learn' programme to support children's transition back to in-person schooling and to boost literacy and numeracy skills.

In order to find solutions to the constraints of working in restricted bubbles, the play team developed a complementary digital offer specifically for the children no longer able to attend in person. Thanks to our generous donors, we were able to provide data and tablets to disadvantaged families to enable them to take part, helping reduce the digital divide. The team developed fun, online activities to keep children and families connected in the community. We enhanced the online offer by curating and distributing 239 physical activity packs, containing resources for parents and children to use together.

THE WINCHESTER PROJECT

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Highlights of our Achievements in 2020/21 (continued)

The Winch's Youth team similarly faced the challenge of engaging with young people in the wake of secondary schools shifting to online teaching. We were not able to work with large groups of young people in schools by delivering our onsite curriculum enrichment programme. In addition, the closure of school sites to community groups affected our ability to build relationships with new young people making the transition to secondary schools.

We adapted to this challenge in several ways. We increased our one to one support offer. In the first three days of lockdown alone, youth workers reached out to triage 97 young people most at risk and built a bespoke, personalised support plan with them. Over the course of the following six months, the team made over 1,200 one-to-one contacts with these and other young people, in person and by phone. Secondly, staff reorganised to deliver more community outreach sessions, delivering estate and street-based youth work. This tactical switch helped us maintain a visible, trusted presence that enhanced young people's sense of safety in their local neighbourhood. By working in this way, we were able to initiate 103 new relationships in the autumn lockdown.

Finally, we tested and built different digital offerings, to strengthen young people's wellbeing. We provided a hugely popular online keep fit session, engaging an average 25 young people at a time. This led to one young person going on to complete a Level 2 Gym Instructor qualification. We piloted Instagram Live broadcasts, engaging 38 young people in wide-ranging discussions, and Zoom-based support groups for young women. We also hosted online gaming tournaments, to nurture peer networks and reduce young people's sense of isolation.

Goal Two: Connect people to create a kinder and more resourceful neighbourhood

At the heart of the Winch's approach is a commitment to work collaboratively, to create change for children and families. In April, we established the **Winch's COVID19 Community Response Hub**, in partnership with Camden Council, local organisations and our wider donor network. Our aim was to safeguard the most vulnerable in the community. Through the Hub we recruited, screened and trained 50 new volunteers. The volunteers helped collect, sort and distribute vital food aid, shopping vouchers and medicines to those seeking assistance. Volunteers also befriended isolated residents, checking in on them by phone and in person.

The collaboration underpinning the Hub enabled us to provide sustained support to 320 households. We assisted 56 isolated elderly residents (43 of whom were over 70 years old) and 25 adults vulnerable to Covid, who would not usually be supported by the Winch. Our donors helped create an emergency hardship fund for those who needed more than a food parcel or phone call. We distributed over £6,000 worth of direct financial aid; including dispensing local supermarket vouchers and buying digital devices and data. We issued one-off crisis grants for essential household expenses; including replacing broken fridges and cookers, buying children's clothing, paying for emergency house moving costs, and securing counselling for those unable to access NHS care at critical moments.

Alongside the Hub, we established a series of 'Community Conversations'; conference calls that included the local GP, elected councillors, existing partners and new mutual aid groups to help coordinate a neighbourhood response. On average, 40 partner organisations and community members participated in these events. Through these conversations we were able to disseminate Covid updates and reduce misinformation by working through trusted, local people. We worked to identify and meet gaps in provision, to share useful information, and to connect residents to appropriate assistance where needed.

Many of the families we supported wanted and needed more than just material support. The impact of social isolation on new families, and especially on single parents in temporary accommodation and on under-resourced and overcrowded households, left many craving more in person connections. **Our Family Support and Play teams** responded by creating face to face contact events for parents. Play sessions were provided for their children in separate spaces to provide some much needed moments of respite. From May to July 2020, we delivered 152 one-to-one sessions for 28 parents and 33 children. In retrospect, it is difficult to do justice to the level of intensive planning and mitigation work that went into making these sessions Covid-safe, particularly at a time when almost all other services were closed to face-to-face contact. It is testament to the courage, creativity and commitment of the Winch staff that they went beyond the call of duty to help parents, whilst managing their own concerns about Covid and the increased demands of developing new ways of working.

Highlights of our Achievements in 2020/21 (continued)

We adapted our **Family Support** work in order that we could deliver assistance online, where possible. This online offer couldn't work for all parents. We found that many single parents living in single room accommodation were left without childcare support, resulting in them having to juggle caring for infants and participating in groups. These parents were more likely to benefit from the in-person contact outlined above. We regularly surveyed parents' hopes and needs, and this enabled us to deliver some small group sessions. 10 parents engaged in an 'Introduction to Childcare' course, giving them the skills and qualifications to explore new employment opportunities. 16 parents also attended our Parent to Parent Family learning programme, at which they shared and developed their strengths and skills and built new networks of peer support.

Belsize Community Library usually does so much to connect our community and to create opportunities for creativity and learning. Despite being intermittently suspended by lockdown-enforced closures, which also resulted in staff being placed on furlough, the Library team reengineered much of their provision to deliver it online. The team adapted their 'Author talk' series, running 6 events, and attracting up to 65 attendees for the most popular. Our Open Mic nights were similarly held on line, complemented by a new, additional series of concerts from local musicians, called 'Between the Books'. We continued our Yoga and Story Telling sessions by Zoom to provide consistency and a familiar routine to many local residents.

Belsize Library also brought together new partners to enrich its offer. This included 'Tech to School', which encouraged the community to donate and repurpose their surplus technology to assist students during lockdown. We also built a new relationship with Folklore Publishing to help widen access to poetry and encourage new writing. We were once again blessed by the kindness of local donors, who expanded our book collection by donating the entire Jhalak Prize shortlist. The Jhalak Prize celebrates new writing by Black and racially minoritised writers. This year, we also secured a sizable donation of modern classics from Penguin Books. As our membership continues to grow, we are pleased to bring new ideas, new writing and new learning resources to our local audiences.

Goal Three: Back community-led change

The Winch works across the ecosystem of childhood, from cradle to career. This ecosystem approach means that we don't just focus on the individual child. We also focus on working with the families, peer groups and networks that encompass children and young people. In addition, we pay attention to the society, systems and structures that determine their ability to secure the success they deserve. Goal Three reflects the systemic intention of our work. It informs the approach we take –the 'how' of our work- ensuring it remains anchored to our mission and values. In our Goal Three, we seek systemic change by foregrounding the agency of our 'beneficiaries', resourcing them to effect change they want to see in the world.

North Camden Zone's work this year on Hilgrove estate exemplifies how we deliver our community-driven, systems change ambitions. The Zone employs five Community Organisers resident on the nearby Hilgrove Estate, who have been trained in peer research and in organising approaches. In order to build a consensus around what residents might want to do to improve life on the estate, the Organisers interviewed 52 Hilgrove residents and 21 professionals involved with the estate. The findings of this research were condensed into three main themes; community connectedness and mental health, community safety, and the physical environment, including green spaces. In the financial year 2021/2, the Hilgrove Residents Assembly, developed and facilitated by the Zone's Community Organisers, will fund and prototype several pilot projects led by residents to advance these three themes.

North Camden Zone also delivered the "Humans of Hilgrove". This was a physical and web-based photography exhibition displaying 17 billboards featuring a range of residents and celebrating their skills. The exhibition featured in the Camden New Journal, the Ham and High newspaper and on BBC social media, raising pride in the estate. In parallel with this, The Zone team have continued their existing work on the Chalcots Estate, through the Chalcots Community Action programme. In February and March 2021, we delivered Community Hack events, which revitalised resident-led provision on the estate. As a result of the Hack, residents have been resourced to run social events to build local cohesion, community gardening events to improve mental wellbeing, young people's activities and a photography group.

The Winch's youth team back community-led change through its project **Take Back the Power**. This is a youth-

THE WINCHESTER PROJECT

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Highlights of our Achievements in 2020/21 (continued)

led initiative which aims to secure systemic change through the collective social action of young people. Take Back the Power employs and trains youth organisers; young people, with personal experience of the issues young people tell us are holding them back. This year, the organisers continued their focus on supporting young people of colour affected by violence. The team prototyped and then delivered six Power Circles. Power Circles are a method of providing peer-to-peer support for young people who have experienced poor mental health, and who may feel reluctant to share their experience with adults. Youth Organisers also presented an online workshop to La Sainte Union School students, exploring the links between Take Back the Power's work and the Black Lives Matter movement.

Finally, after 6 years and having invested in and supported 72 new, young adult-led enterprises, we paused **the Company** initiative. The programme's funding ended in the early summer, which coincided with the COVID lockdown and the furlough of the delivery team. Following a review of the provision, we have agreed that we will explore new ideas and developments in our offer for young adults. In March 2021, we committed to working in partnership with the Design Council, to focus on securing systemic changes to Camden Council's young adult employment offer. We have been contracted to redesign the offer, with the Winch managing the youth influencing aspect of the work. We look forward to sharing the results of this work.

Goal Four: Build organisational excellence

A huge collective effort from the Board and the staff team has been required to navigate the challenges thrown up throughout the year, whilst simultaneously furthering the organisation's developmental ambitions. Inevitably, at the start of the year, the leadership team were intensely focused on enacting the business agility and continuity plan, which set out the guiding principles for our initial Covid response. As the year progressed, the standard for 'excellence' implicitly became defined as the ability of the whole organisation to continuously anticipate, learn and adapt to changing circumstances, in order to effectively deliver our goals.

We developed and continuously updated the organisation's extensive Covid protocols, ensuring staff could safeguard the wellbeing of beneficiaries, partners and each other. A number of staff moved to working from home, with the remainder based permanently or rotated into our facilities. We acquired new technology, systems and capabilities, upskilling staff to work together in new ways. Eleven staff were furloughed, with some of the staff choosing to leave and others leaving through programme restructures.

We invested in staff wellbeing initiatives to support the team through the challenges of the year. We brought in our first employee assistance programme and rolled out a new HR management system. We undertook regular structured and informal check-ins, and reworked our meeting patterns to ensure we remained connected and supported. We also commissioned new training opportunities; including trauma-informed practice to better support frontline workers, contextual safeguarding to underpin our detached youth work, and training to strengthen our digital capabilities.

The loss of trading income was significant, as our accounts show. We were unable to raise income from hiring our rooms and selling services, due to the disruption of Covid19. This had a major impact on our unrestricted income, much of which funds the infrastructure and facilities that our frontline work requires to enable it to function well. This loss was offset by effective project management and costs control, with the trustees' finance committee meeting weekly to oversee and rebuild a new budget. We were also able to bring in new resources, thanks to the hard work of our small fundraising team, who galvanised support to meet the emergency, and to our committed network of donors who believe in our mission. To better manage the growing number of local supporters in particular, the team scoped, acquired and rolled out its first customer relationship management (CRM) system. We hope this will better enable us to stay connected to our local community in the years ahead.

Finally, it is worth noting that our plans to move to our new community facility encountered a major delay, as the site developers submitted a request to amend the planning permission for 100 Avenue Road. The request to reduce the amount of affordable rental accommodation provided in the development was refused by Camden Council. The developer has now lodged an appeal, which will be heard at the end of the calendar year. This will delay our intended move by a year, which is incredibly frustrating. After everything the Winch has achieved, under such uniquely testing conditions, just imagine what we could do with a fit-for-purpose facility that enabled us to engage and offer support to more of our community.

THE WINCHESTER PROJECT
(A company limited by guarantee)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Future developments

The charity has set key objectives for the following year to develop its work and deliver its mission, in the context of the uncertainty generated by the pandemic. Our 2019/22 strategy, Opportunity through Community, provides a robust and relevant framework for these key objectives. In the year ahead, we will:

1. Ensure children and young people can succeed by supporting their social and emotional wellbeing, aiding their transition back to in person schooling through the provision of personal development opportunities, one-to-one and group support.
2. Further develop our provision for those children and young people most disproportionately disadvantaged, by seeking to reduce school's exclusions and to tackle violence against young people.
3. Work in partnership with parents to build networks of learning and peer support, helping those facing multiple and complex challenges.
4. Create new opportunities for residents in our local estates to live, study and grow up in healthy, safe and connected places.
5. Build collaboration across our neighbourhoods, creating opportunities for a more connected, community-led renewal.
6. Continue to enhance our organisational effectiveness by supporting our staff wellbeing and professional development.
7. Develop a new 2025 strategy that is informed by our community's aspirations.

Reserves policy

The trustees of The Winch have set the target for free reserves of the charity to be in the range of £176,000 to £220,000 in the financial year 2020-21. Designated funds do not form part of the free reserve. Progress against achieving a position within this range is reviewed every six months. In setting this level, the trustees have firstly given consideration to short term forecast costs for which funding is currently unsecured. Secondly, looking further forward, the trustees have considered the amount and length of funding agreements in place for the charity's programmes, the risk that these agreements may not be renewed or replaced, and the degree to which costs can be adjusted to reflect the level of funding in place. The trustees have taken into account the expiry dates of multi-year funding commitments, with a view to ensuring that all obligations can be met if that funding were not to be renewed or replaced. Additionally, this year, trustees have given consideration to the volatile and uncertain operating conditions, amplified by the Covid pandemic. Free reserves as at 31 March 2021 were £220,000.

The trustees have created designated funds to provide a strategic fund for long term projects, including the development of 100 Avenue Road as a future operational base, and to set up an operational fund to provide contingency funds for service provision and facilities maintenance during the pandemic. Designated funds at 31 March 2021 were £149,645.

Principal funding

Our Thanks

We would like to acknowledge the generosity of our friends, the kindness of our neighbours, and the backing of our donors and supporters, without whom our achievements would not have been possible. It is thanks to their trust and faith in the Winch that we have been gifted the possibility of achieving what we have. A special thanks to our staff, volunteers and our community who have faith in our mission.

THE WINCHESTER PROJECT

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

It is not possible to list all the individuals who have supported or who continue to support our mission. The distinction between funder, donor, partner and supporter can be fluid and can change over time. We thank everyone who has played a part in our endeavours. We appreciate your confidence. Your contributions are essential to children and young people's success. We invite more of you to join us and join each other, in our mission to make Camden a great place to live and grow up in, and as we strive to help each child flourish, regardless of their circumstances.

Funders, Partners & Supporters:

Anna Freud National Centre for Children and Families, American School in London, Arsenal Foundation, Arts Council, BBC Children in Need, BNP Paribas, Belsize Ward Councillors, Camden Giving, The Casey Trust, The Childhood Trust, Citi Foundation, City Bridge Trust, City Harvest, Cranfield Trust, Fitch Rating, Friends of Belsize Library, The Foyle Foundation, The Hall School, Hampstead Wells and Campden Trust, The Henry Smith Charity, Hereward House Prep, Holy Trinity School, The Jack Petchey Foundation, Jhalak Prize, John Lyon's Charity, David Joseph, Joseph Levy Foundation, Kindergifts, Kusuma Trust, Lankelly Chase, Little Village, Lloyds Bank Foundation, London Borough of Camden, London Catalyst, London Youth, Lyndhurst House Prep, Martin Lewis, The Mercers Company, Mikheev Charitable Trust, Victoria Coren Mitchell and David Mitchell, J. Murphy and Sons, The National Lottery Community Foundation, Paul Hamlyn Foundation, Pears Foundation, Penguin Random House, Permira, Progress Foundation, Retroglow Studio, S.A. Charities, Shared Impact, St John's Wood Women's Club, South Hampstead High School, Sport England, Swiss Cottage Ward Councillors, Thunderbird, Trust for London, The Tudor Trust, UBS., UCL Academy, Vild-House of Little, The Village Haberdashery, Vitol, Vovos Foundation, Waitrose, Young Camden Foundation, Young Londoners' Fund.

Structure, governance and management

a. Constitution

The charitable company is registered as a company limited by guarantee, as defined by the Companies Act 2006. Their governing documents are its Memorandum and Articles of Association, and it is a registered charity (number 1055059).

The charitable company has no share capital, but under the terms of the Memorandum of Association, every member is liable to contribute a sum not exceeding £10 in the event of the charitable company being wound up while he or she is a member, or within one year after he or she ceases to be a member, for the payment of the debts and liabilities of the charitable company contracted before he or she ceased to be a member, and the costs, charges and expenses of winding up.

b. Methods of appointment or election of Trustees

Strategic management of the charitable company is the responsibility of the trustees who are elected and coopted under the terms of the Articles of Association. The charitable company typically circulates an invitation to members, service users, team members, volunteers and the general public to attend the Annual General Meeting (AGM). They are advised of retiring trustees and trustees eligible for (re)election and vote accordingly to confirm or renew trustee status. From time to time, the Board also reviews whether there are any additional or specialist skills that would be beneficial to have on the Board; it then seeks to identify potential new trustees who will bring those skills and the Board may then appoint new trustees.

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The charitable company is organised so that the trustees meet quarterly as a Board to review the management of its affairs and to make decisions on strategic direction and other matters of significant value or effect. Finance committee meetings are held between full Board meetings to review performance. Trustees hold strategic review days and convene working groups to support the executive team on specific priorities.

The day to day management of the charitable company is delegated to the Chief Executive Officer, who is a full time employee.

d. Policies adopted for the induction and training of Trustees

New trustees undergo an induction process to introduce them to the organisation, its mission, vision, services, team, impact, financial performance, policies and processes, and the Board and governance activities it undertakes. During the induction they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will assist them in carrying out their role.

e. Pay policy for key management personnel

The goal of the Winch's pay policy is to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and deliver the organisation's aims. We aspire to set target salaries between the 50th and 75th percentiles of market rate (based on the best benchmarks we can find). We want to be up there amongst our peers and be seen to be a serious option by good quality candidates. We do however recognise the tension between market forces and our financial resources and there may be circumstances in which we are unable to meet this level of pay. It has adopted a policy regarding senior management pay of 1:3, meaning that the highest paid member of staff should not earn more than three times that of the lowest paid member of staff on a pro-rata basis.

f. Risk management

The Trustees have a risk management strategy which comprises:

- an annual review of the risks the charity might face.
- the establishment of systems and procedures to mitigate those risks identified in the plan.
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees view the main risks to be:

- achieving income targets.
- adequacy of reserves and cashflow.
- loss of key staff.

g. Fundraising

We are committed to ensuring that we are completely open about our fundraising and spending and follow the Code of Fundraising Practice. We undertake fundraising activity to our supporters via formal applications, direct mail and direct contact at events, which is managed by the CEO. We do not use any third parties to assist with raising funds and have had no complaints during this financial year.

THE WINCHESTER PROJECT

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

h. Safeguarding

The Winch has a comprehensive child protection and safeguarding policy and adult at risk policy, which is reviewed regularly by the Board. All staff and volunteers are trained and inducted in safeguarding practices, appropriate to their role.

Going concern

Based on their review of accounting and other information, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Disclosure of information to auditor

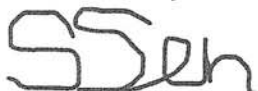
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Blick Rothenberg Audit LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



S Sen
Trustee

Date: 21.12.2021



R Broad
Trustee

21.12.2021

THE WINCHESTER PROJECT
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE WINCHESTER PROJECT
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WINCHESTER PROJECT
FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of The Winchester Project (the 'charitable company') for the year ended 31 March 2021 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

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 charitable company 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.

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 charitable company's ability to continue as a going concern for a period of at least twelve 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.

THE WINCHESTER PROJECT
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WINCHESTER PROJECT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

THE WINCHESTER PROJECT
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WINCHESTER PROJECT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and a review of the appropriate records.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify potential management bias;
- carried out a review of cut off procedures for income and expenses;
- reviewed the allocation of income and expenses between restricted and unrestricted funds
- reviewed the rationale for significant or unusual transactions and
- assessed whether grant and donation income has been correctly recognised.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation.
- enquiring of management as to actual and potential litigation and claims.

THE WINCHESTER PROJECT
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WINCHESTER PROJECT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Hart (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 22.12.2021

THE WINCHESTER PROJECT
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	2	319,412	817,948	1,137,360	763,246
Other trading activities	3	64,043	-	64,043	202,189
Investments	4	224	-	224	688
Other income	5	34,791	25,092	59,883	-
Total income		418,470	843,040	1,261,510	966,123
Expenditure on:					
Raising funds	6	68,574	-	68,574	70,030
Charitable activities	7, 9	133,896	763,148	897,044	916,107
Total expenditure		202,470	763,148	965,618	986,137
Net movement in funds		216,000	79,892	295,892	(20,014)
Reconciliation of funds:					
Total funds brought forward		153,645	87,383	241,028	261,042
Total funds carried forward		369,645	167,275	536,920	241,028

The statement of financial activities includes all gains and losses recognised in the year.

Unrestricted funds include designated funds of £149,645 see note 15.

The notes on pages 21 to 37 form part of these financial statements.

THE WINCHESTER PROJECT
(A company limited by guarantee)

REGISTERED NUMBER: 03177802

BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	7,892	15,594
Current assets			
Debtors	13	17,679	13,608
Cash at bank and in hand		699,257	351,054
		<u>716,936</u>	<u>364,662</u>
Creditors: amounts falling due within one year	14	(187,908)	(139,228)
Net current assets		<u>529,028</u>	<u>225,434</u>
Total net assets		<u><u>536,920</u></u>	<u><u>241,028</u></u>
Charity funds			
Restricted funds	15	167,275	87,383
Unrestricted funds			
Designated funds	15	149,645	-
General funds	15	220,000	153,645
		<u>369,645</u>	<u>153,645</u>
Total unrestricted funds	15	<u>369,645</u>	<u>153,645</u>
Total funds		<u><u>536,920</u></u>	<u><u>241,028</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



R Broad
(Trustee)

Date: 21 DECEMBER 2021

The notes on pages 21 to 37 form part of these financial statements.

THE WINCHESTER PROJECT
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash generated from operating activities	19	347,979	(48,607)
Cash flows from investing activities			
Dividends, interests and rents from investments		224	688
Net cash provided by investing activities		224	688
Change in cash and cash equivalents in the year		348,203	(47,919)
Cash and cash equivalents at the beginning of the year		351,054	398,973
Cash and cash equivalents at the end of the year	20	699,257	351,054

The notes on pages 21 to 37 form part of these financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

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) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Winchester Project meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The charitable company is a company limited by guarantee registered in England and Wales. Its principal place of business is 21 Winchester Road, Swiss Cottage, London, NW3 3NR. The members of the company are the trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charitable company.

1.3 Going concern

Based on their review of accounting and other information, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved and do not believe there are any material uncertainties that impact on this assessment. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. Each restricted fund is set out in the notes to the financial statements.

1.5 Income

Grant and other income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1. Accounting policies (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charitable company's operations, including support costs and costs relating to the governance of the charitable company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets under the cost model are stated at historical costs less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the charitable company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	33% straight line
Motor vehicles	-	25% straight line
Office equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of financial activities.

1. Accounting policies (continued)

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by charitable company; this is normally upon notification of the interest paid or payable by the bank.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

1.11 Financial instruments

The charitable company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities.

The charitable company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances working capital balances and financing, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

1. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. Accounting policies (continued)

1.12 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic have been recognised on a systematic basis over the periods that the change in lease payments is intended to compensate.

1.13 Pension contributions

The charitable company contributes to the Teachers' Pension Scheme for certain employees. The contributions payable are charged to the statement of financial activities in the year in which they arise.

The charitable company also operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Income from donations, grants and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	126,896	53,237	180,133	139,318
Grants	192,516	764,711	957,227	623,928
Total donations, grants and legacies	319,412	817,948	1,137,360	763,246
Total 2020	89,243	674,003	763,246	

Grants include restricted grants, unrestricted grants and general giving. Those over £10,000 included in the above, are as follows:

	2021 £	2020 £
Big Lottery Funding	161,775	154,145
London Borough Camden Play Comm Grant	107,167	84,168
Paul Hamlyn Foundation	75,000	25,000
London Borough of Camden - Community Infrastructure Levy	54,718	-
Progress Foundation	50,000	10,000
Young Londoners' Fund	48,885	45,291
John Lyon's Charity	44,800	40,000
London Borough of Camden Youth Grant	29,911	22,844
Trust for London	27,000	13,500
Power to Change	25,000	-
BBC Children in Need	23,751	-
Permira Foundation	23,200	-
City Bridge Trust	22,287	-
Arts Council	20,449	-
Kusuma Trust	15,000	-
Two Magpies	14,899	-
Dudley and Geoffrey Cox Charitable Trust	14,000	13,000
Lloyds Bank Foundation	11,722	23,713
BNP Paribas	10,000	-
Other	177,663	192,267
	957,227	623,928

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Income from other generating activities

Income from fundraising events

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	33,556	-	33,556	110,299
Centre activities	24,487	-	24,487	80,431
Fundraising events	6,000	-	6,000	11,459
Total 2021	64,043	-	64,043	202,189
Total 2020	183,590	18,599	202,189	

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Deposit account interest	224	224	688
Total 2020	688	688	

5. Other incoming resources

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Furlough income	34,791	25,092	59,883	-

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Fundraising costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bad debts	-	-	-	5
Fundraising costs	5,757	-	5,757	8,449
Wages and salaries	62,817	-	62,817	61,576
Total 2021	68,574	-	68,574	70,030
Total 2020	60,893	9,137	70,030	

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Family Support	-	21,389	21,389	23,366
Belsize Library	-	58,874	58,874	59,912
Primary Years	-	187,711	187,711	194,087
Youth	1,473	257,913	259,386	321,140
North Camden Zone	-	120,570	120,570	115,024
100 Avenue Road	40,426	-	40,426	61,356
Community Hub	5,765	83,194	88,959	-
Management, Facilities and Infrastructure	79,632	26,384	106,016	128,267
Fixed asset funds	-	7,113	7,113	7,555
Governance costs	6,600	-	6,600	5,400
Total 2021	133,896	763,148	897,044	916,107
Total 2020	218,534	697,573	916,107	

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Governance costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditor's remuneration	6,600	6,600	5,400

9.a Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Family Support	17,824	3,565	21,389	23,366
Belsize Library	52,566	6,308	58,874	59,912
Primary years	156,426	31,285	187,711	194,087
Youth	210,459	48,927	259,386	321,140
North Camden Zone	100,475	20,095	120,570	115,024
100 Avenue Road	33,688	6,738	40,426	61,356
Community Hub	80,962	7,997	88,959	-
Management, Facilities and Infrastructure	92,304	13,712	106,016	128,267
Fixed asset funds	7,113	-	7,113	7,555
Governance costs	-	6,600	6,600	5,400
Total 2021	751,817	145,227	897,044	916,107
Total 2020	759,950	156,157	916,107	

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9.b Analysis of charitable expenditure by type

	2021 £	2020 £
Employment costs	689,330	696,006
Service delivery	66,239	70,497
Property costs	50,916	58,718
Facilities and systems	73,964	69,438
Support	2,293	4,692
Depreciation	7,702	11,356
Governance	6,600	5,400
	<u>897,044</u>	<u>916,107</u>

10. Net income/(expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets: -owned by the charity	7,702	11,356
Auditor's remuneration - audit	6,600	5,400
Defined contribution pension costs	<u>21,285</u>	<u>21,697</u>

11. Staff costs

	2021 £	2020 £
Wages and salaries	667,741	673,458
Social security costs	51,953	49,636
Contribution to defined contribution pension schemes	21,285	21,697
	<u>740,979</u>	<u>744,791</u>

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Staff costs (continued)

The average number of persons employed by the charitable company during the year was as follows:

	2021 No.	2020 No.
Family Support part time	2	1
Primary full time	2	2
Primary part time	8	8
Youth full time	2	4
Youth part time	8	7
North Camden Zone full time	1	1
North Camden Zone part time	3	2
Belsize Community Library part time	3	-
Management, Facilities and Infrastructure full time	4	4
Management, Facilities and Infrastructure part time	5	9
	38	38

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
In the band £60,001 - £70,000	1	1

The key management personnel of the charity comprise the trustees (who are unpaid) , the Chief Executive Officer and the Chief Operating Officer. The total remuneration of key management personnel during the year was £101,591. (2020: £88,813). The sums paid rose due to higher hours worked by the COO who works part time for the charity.

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Tangible fixed assets

	Leasehold improve- ments £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 April 2020	38,424	29,500	36,126	104,050
At 31 March 2021	38,424	29,500	36,126	104,050
Depreciation				
At 1 April 2020	37,335	29,500	21,621	88,456
Charge for the year	558	-	7,144	7,702
At 31 March 2021	37,893	29,500	28,765	96,158
Net book value				
At 31 March 2021	531	-	7,361	7,892
At 31 March 2020	1,089	-	14,505	15,594

13. Debtors

	2021 £	2020 £
Trade debtors	1,500	13,593
Other debtors	-	15
Prepayments and accrued income	16,179	-
	17,679	13,608

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	23,996	2,114
Other creditors	14,382	14,997
Accruals and deferred income	149,530	122,117
	<u>187,908</u>	<u>139,228</u>

Grants and donations are deferred to the period in which the charity is entitled to recognise the income. The movement in deferred income during the year is shown below.

	2021 £	2020 £
Deferred income at 1 April 2020	120,713	124,877
Income deferred during the year	138,124	120,713
Amounts released from previous periods	(120,713)	(124,877)
	<u>138,124</u>	<u>120,713</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Strategic	-	-	-	89,645	89,645
Operational	-	-	-	60,000	60,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,645</u>	<u>149,645</u>
General funds					
General Funds - all funds	153,645	418,470	(202,470)	(149,645)	220,000
Total Unrestricted funds	<u>153,645</u>	<u>418,470</u>	<u>(202,470)</u>	<u>-</u>	<u>369,645</u>

THE WINCHESTER PROJECT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Statement of funds (continued)

Restricted funds

Family Support	8,442	25,599	(21,389)	-	12,652
Belsize Library	16,320	61,147	(58,874)	-	18,593
Primary years	477	219,362	(187,711)	-	32,128
Youth	35,108	288,417	(257,913)	-	65,612
North Camden Zone	10,373	130,977	(120,570)	-	20,780
Management, Facilities and Infrastructure	1,658	34,344	(26,384)	-	9,618
Fixed asset funds	15,005	-	(7,113)	-	7,892
Community Hub	-	83,194	(83,194)	-	-
	<u>87,383</u>	<u>843,040</u>	<u>(763,148)</u>	<u>-</u>	<u>167,275</u>
Total of funds	<u><u>241,028</u></u>	<u><u>1,261,510</u></u>	<u><u>(965,618)</u></u>	<u><u>-</u></u>	<u><u>536,920</u></u>

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Unrestricted funds				
General Funds - all funds	<u>159,551</u>	<u>273,521</u>	<u>(279,427)</u>	<u>153,645</u>
Restricted funds				
Family Support	790	31,018	(23,366)	8,442
Belsize Library	3,480	54,915	(42,075)	16,320
Primary years	1,341	160,501	(161,365)	477
Youth	9,549	338,982	(313,423)	35,108
North Camden Zone	62,113	63,284	(115,024)	10,373
100 Avenue Road	-	20,678	(20,678)	-
Management, Facilities and Infrastructure	1,658	23,224	(23,224)	1,658
Fixed asset funds	22,560	-	(7,555)	15,005
	<u>101,491</u>	<u>692,602</u>	<u>(706,710)</u>	<u>87,383</u>
Total of funds	<u><u>261,042</u></u>	<u><u>966,123</u></u>	<u><u>(986,137)</u></u>	<u><u>241,028</u></u>

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Statement of funds (continued)

Restricted funds:

Family Support - support and opportunity for parents and children aged 0-5.

Belsize Community Library - the provision of neighbourhood library services and activities which enable the local community to read, create and to connect

Primary Years - after-school clubs, holiday schemes and parent advocacy for children aged 5-11.

Youth - a programme of youth work initiatives, which support young people and young adults, aged 11-25.

North Camden Zone- a community-led systems change initiative focused on improving the conditions for residents living and growing up in local neighbourhoods.

The trustees hold designated funds for the purposes of investing in the realising of the Winch's mission.

Strategic Designated Funds are unrestricted funds that trustees have set aside for the specific purpose of achieving the Winch's long-term strategic goals. These funds are being built up to enable the charity to deliver its commitment to secure more fit for purpose premises in the future.

Operational Designated Funds are unrestricted funds that trustees allocate for the specific purpose of investing in areas essential for the development and effectiveness of the charity. Trustees consider and agree priorities in advance of the year, as part of the planning and budget setting process.

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	7,892	7,892
Current assets	456,888	260,048	716,936
Creditors due within one year	(87,243)	(100,665)	(187,908)
Total	369,645	167,275	536,920

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	589	15,005	15,594
Current assets	171,871	192,791	364,662
Creditors due within one year	(18,815)	(120,413)	(139,228)
Total	153,645	87,383	241,028

17. Pension commitments

The charity made contributions to The Teacher's Pension Scheme, which is treated as a multi-employer scheme. In addition, the charity makes contributions to a defined contribution scheme. The contributions charged in the year amounted to £21,285 (2020: £21,697).

18. Related party transactions

During the year the charity received total donations from trustees amounting to £12,462 (2020: £7,360).

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	295,892	(20,014)
Adjustments for:		
Depreciation charges	7,702	11,356
Dividends, interests and rents from investments	(224)	(688)
Decrease/(increase) in debtors	(4,071)	21,051
Increase/(decrease) in creditors	48,680	(60,312)
Net cash provided by/(used in) operating activities	347,979	(48,607)

THE WINCHESTER PROJECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	699,257	351,054
	<u><u>699,257</u></u>	<u><u>351,054</u></u>

21. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	351,054	348,203	699,257
	<u><u>351,054</u></u>	<u><u>348,203</u></u>	<u><u>699,257</u></u>

22. Contingent liabilities

The charity has entered into a commitment to pay up to £223,000 as a contribution to the fit out of a new building to be used for charitable purposes. No agreements have yet been made that would trigger this commitment.

23. Operating lease commitments

At 31 March 2021 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	20,000	20,000
Later than 1 year and not later than 5 years	80,000	80,000
Later than 5 years	136,493	156,493
	<u><u>236,493</u></u>	<u><u>256,493</u></u>

The following lease payments and changes in lease payments have been recognised in the statement of financial activities:

	2021 £	2020 £
Operating lease rentals	20,000	10,615
Changes in lease payments arising from COVID-19 related rent concessions	(11,980)	-
	<u><u>(11,980)</u></u>	<u><u>-</u></u>