



WESTWAY TRUST

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

REPORT OF THE BOARD OF TRUSTEES

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REPORT OF THE BOARD OF TRUSTEES 2021

Incorporating the Directors' Strategic Report and Administrative Report for Companies Act purposes.

This year, to ensure our reporting of activity and finances over the year is accessible to all, we have produced one primary document, accompanied by a short video presentation outlining our impact, financial position and response to the Covid pandemic.

- The Annual Report and accompanying film are available on our website at www.westway.org/annualreport

The Trustees of Westway Trust present their Annual Report for the year ended 31 March 2021 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

OBJECTIVES AND ACTIVITIES

The objects of the Trust are to promote for the benefit of those living or working in the Royal Borough of Kensington and Chelsea and adjoining London Boroughs, by such exclusively charitable means as the Trustees think fit.

Our objectives and activities fall into three mutually supporting categories – social, environmental and economic wellbeing:

Our strategic objectives

Our charitable objects

Social Wellbeing

- | | |
|---|--|
| <ul style="list-style-type: none"> • People are given opportunities to participate and their voices are heard; • People feel proud of the area its heritage, culture and creativity; and • Where everyone is active and healthy, has the opportunities they need to get the skills and qualifications to get on in life, is engaged in a strong community ecosystem, and has a sense of belonging. | <ul style="list-style-type: none"> • Provision, or assistance in the provision of, facilities for recreation, sporting or other leisure-time occupation; • Advancement of health; • Development of the capacity and skills of members of the local communities; • Advancement of the arts, culture and heritage; • Advancement of amateur sports; • Promotion of civic responsibility; and • Relief of those in need. |
|---|--|

Environmental Wellbeing

- | | |
|---|--|
| <ul style="list-style-type: none"> • An improved public realm, where green space is cherished, protected and enhanced; public consciousness of environmental issues heightened and behaviour modified; • environmental sustainability at the heart of every development along the 23 acres; and • exemplary standards sought at every opportunity. | <ul style="list-style-type: none"> • Maintenance, improvement or provision of public amenities and public art; and • Advancement of environmental protection or improvement provided that such activity is delivered by programmes designed to benefit the public. |
|---|--|

Economic Wellbeing

- A flourishing local economy, where many more local people, including tenants, traders and earners, directly benefit;
 - Local start-ups supported to get on their feet and develop sustainable enterprises, and all tenants playing a part in building a strong and robust local economy; and
 - A sustainable organisation that embraces innovation and entrepreneurship reinvests in the community's asset and operates for the long-term.
 - Advancement of education, including training or retraining, work experience;
 - Provision of financial assistance; and
 - Support of the performing and visual arts.
-

More information is provided in the Trust's Memorandum and Articles of Association, including restrictions applicable to the Trust.

This can be viewed on our website at www.westway.org/constitution or is available by request.

PUBLIC BENEFIT

The Trust's **area of benefit** is widely defined as the Royal Borough of Kensington and Chelsea and adjoining London Boroughs. However, the intention when the Trust was established was to make a local impact in North Kensington. The strategy we launched in 2018 made it explicit that we concentrate our efforts on North Kensington - the local authority wards of Dalgarno, St Helen's, Golborne, Colville and Notting Dale. Full details of our area of benefit can be found on our website at www.westway.org/ourcommunity.

We have referred to the Charity Commission's general guidance on public benefit, including the guidance on 'Public benefit: running a charity' (PB2), and are confident that our objects and activities fulfil these requirements.

TRANSFORMING THE TRUST

In 2020/21, Westway Trust continued on its journey of transformation, as outlined below.

Old Westway	New Westway
Commercial property development	→ A mixed economy of spaces, including community spaces
Culture of telling and doing to	→ Culture of listening and responding; putting the interests of the community at our heart
Community engagement and grant giving	→ Community participation and ownership
Emphasis on the technical	→ Residents feel connected and have affinity to Westway Trust
Tenants are cash	→ Tenants are partners delivering cash and social impact
Staff are workers	→ Colleagues are nurtured and developed – one Westway team

ACHIEVEMENTS AND PERFORMANCE

Independent Review into Institutional Racism at Westway Trust

In 2018, Tutu Foundation UK was commissioned by Westway Trust to conduct an independent review into claims of institutional racism at the charity. The Review was officially launched on 7 November 2018, in a joint event hosted by Westway Trust, Tutu Foundation UK and the independent Community Advisory Group to the Review.

Over the course of the following two years, and under the guidance of the independent Community Advisory Group, the Tutu Foundation UK collected testimony for the Review.

The Review was published in December 2020 at a community and media launch event on the Westway estate. The full report can be viewed at www.westwayreview.com

Grant Making

In the financial year 2020/21, a total of £150,270.88 was distributed in grants to 85 community groups and individuals. These grants include:

- Community Small Grants

- Rapid Response Fund
- Computers for North Kensington
- Young Achievers' participatory grant-making pilot
- Grenfell Response Fund

Community Grants

The aim of the Community Grant Investment programme is to provide small amounts of funding for one off projects to help community organisations deliver meaningful benefits in the areas of economic, social and environmental wellbeing for the area in and around North Kensington.

In 2020/21, we funded 18 organisations through the Community Investment Grant, a total of £60,161.

Rapid Response Fund

The Rapid Response Fund is designed for urgent activities/projects or unexpected circumstances when other funds are not available. 18 Community Groups and individuals received Rapid Response funding in 2020/21. £43,676.88 was awarded in total.

Computers for North Kensington

In 2020/21, Westway Trust provided funding for computers for local children. North Kensington Primary Schools were targeted and stipulated they should go to the children who needed it the most who were North Kensington residents. We did this as the school would be aware of those who needed them most. These were all distributed directly to the schools. Total expenditure on this programme was £18,693.

Young Achievers Participatory Grant-making pilot

Westway Trust is developing a process whereby the community can participate in the decision-making behind Westway's community investment and grant-making activities. We began developing a pilot programme in early 2020.

Participatory Grant-making involves a range of different methods and challenges. At its heart, this approach gives greater decision-making power over grants to the communities impacted by funding decisions.

Throughout 2019 and early 2020, we ran a number of community meetings and events to help us understand the types of programmes or initiatives that local people want funded. Prior to the Coronavirus pandemic we gained this insight by recruiting 14 people including local residents and staff from local charitable organisations, to form a steering group to take

the pilot programme forward. The steering group began co-designing how the fund would work in practice, the application process, and decide how decisions will be made.

Once the nationwide Coronavirus lockdown had begun, the impact suffered within the community meant this pilot had to be re-evaluated. After much deliberation our trustees decided to proceed with a renewed focus on the needs of young people aged 11-18 yrs. After recruiting a new steering group of 10 young people from across North Kensington, this pilot has emerged as an opportunity to provide 11-18 yr. olds in the 5 wards of North Kensington with a chance to be heard, be creative and have fun.

Up to £250 was available for individual applicants. Alternatively, group applications were welcomed. £500 for 2 people in a group. £750 for 3 people in a group.

A total of £11,509 was distributed to 37 young people.

Grenfell Response Fund

As the North Kensington community marked the 3rd anniversary of the tragedy at Grenfell Tower in June 2020, Westway Trust provided financial and in-kind assistance to local community groups holding events to commemorate the anniversary.

A total of £10,325 was distributed to 6 community groups.

Miscellaneous support

In addition to the grants programmes outlined above, a total of £5,906 was distributed to two community groups as one-off financial support for events support.

Bay 20

Westway Trust continued with a Service Level Agreement with North Kensington Hearts and Minds CIC, an independent community-based operator of the Bay 20 Community space. The independent CIC was chosen as the operator for the space by the independent Bay 20 Steering Group, and began managing the space in January 2020.

Following the appointment of the operator, Westway Trust has affirmed its previous commitment to:

- Subsidise Bay 20 for local community groups and to ensure it will remain affordable;
- Ensure the building remains a community asset in perpetuity; and
- Create a community-led steering group to oversee the operation of Bay 20 and the appointment of a community operator.

COVID-19 response

The pandemic had a major impact on Westway Trust in 2020/21.

The Trust's primary source of income is the rent received from tenants across the 23-acre Westway estate. This income is used to maintain the estate, and is put back into the community through grants programmes, capacity building, sports and fitness, events and cultural activities, and programmes aimed at boosting the local economy and creating opportunities for individuals and businesses in North Kensington.

But with the arrival of Covid, this income took a major hit. A significant rise in bad debt leading to a fall in received income has meant that we've had to make some difficult decisions, while attempting to cushion the impact of the Trust's depleted resources on the community.

While dealing with unprecedented financial challenges, the Trust acknowledged the importance of locally-owned small businesses to the economy of the community, and the importance of protecting tenants through this difficult time.

A rent concession panel was established to assess any requests for support from tenants. In making tough decisions on support for tenants, the panel considered things like the services and benefit that our tenants provide to our community, their previous track record on rent payments, access to grant/funding support, as well as their ability to trade remotely and online, any other government restrictions and the impacts of decreased footfall on their business, and the measures that have been necessary to keep themselves and their customers safe.

Prior to the pandemic, the projected rental income for 2020/21 was £5,445,524.46

Throughout the pandemic during the 2020/21, we subsidised the rent of approximately 28% of our tenants, leading to an actual rental income of £4,561,000.

In 2020/21, Westway Trust claimed a total of £385,000 from the government's Job Retention Scheme (JRS), with up to 70% of staff going onto either full or part-time furlough at some point during the pandemic. While the JRS enabled the charity to minimise the losses from diminished revenue, it meant that the service provision of the charity was significantly diminished throughout the past year.

Learning

The majority of the Trust's learning programmes have continued to be delivered throughout the pandemic. This was largely achieved by adapting to new and inventive ways of delivering classes and courses online.

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The Learning team have continued to support the local community in a variety of ways. In the last year they provided:

Pop-up Nursery

- 750 hours of nursery provision for local children.
- 10 nursery parent/carers were supported to access advice and financial support during the pandemic.
- The nursery managed to access seven Educational Health and Care Plans for children with special educational needs. This meant that the children were able to receive additional support to meet their needs.

Adult Learning

- 2060 hours of online tuition to 184 learners (420 enrolments).
- 74% of adult learners live in RBKC.
- Supported learners by carrying out a digital skills audit (providing equipment where available to support learning), implementing robust risk assessments and also providing crèche facilities to support learners with childcare needs.
- Upon completion of courses, 43% of learners started a new job or began volunteering.
- The vast majority of learners reported to feeling more confident (93%) as a result of the course.

Supplementary Schools

- 845 children attended 2042 contact hours of learning.
- 289 contact hours of training – Training included Health and Safety, Safeguarding, Special Education needs & Disability.
- Careers Fair/Training Opportunities for Young People over the summer holidays 30 children attended for a 5 hour session.
- Awards night to celebrate the children's hard work over the year – 16 Schools took part 200 people attended.

Grenfell and Wider Community Support

- 35 hours a week community support which includes 17.5 hours a week supporting the Irish Traveller Community in North Kensington.

- After school club for under-eights on Stable Way Traveller's site every Monday and Thursday term time.
- 27 Items awarded (including white goods and furniture) through applications made to Emergency Essentials - BBC Children in Need - Supporting families living with severe financial, health and social difficulties which affect children's wellbeing.
- £4,528 awarded to 25 individuals through Westway's sports bursaries. Including gym, swimming, karate, dance memberships.
- Referrals for 50 households to receive food packages every week through North Kensington Community Kitchen.
- 21 referrals made to SHELTER where households received professional housing advice, support and legal services.

Westway 50

On 5 February 2021, Westway Trust marked the 50th anniversary of the charity (formerly North Kensington Amenity Trust) with the launch of an anniversary website and an online, live streamed event hosted by Chair Toby Laurent Belson. The website and event video can be viewed at www.westway50.com

Westway Community Street

In March 2020 Westway Trust secured £1,346,000 in funding from the GLA Good Growth Fund to make significant improvements to the estate through a project called Community Street. The funding starts in March 2022, and income and expenditure will be reflected in our accounts from this time.

The Community Street encompasses the Westway estate and will include improvements to lighting, additional greening, tackling poor air quality and improving a number of the Trust's buildings.

Despite unavoidable delays as a result of the pandemic in 2020/21, the project progressed throughout the year and is due for completion at the end of 2022/23.

PLANS FOR THE FUTURE

The previous Westway Trust Strategy was adopted by the then Board of Trustees in 2018.

As we deliver the strategic priorities of this document, we recognise that the operating environment for our charity has changed significantly; not least with the impact of COVID-19 and the appointment of a new CEO who took up post full-time in August 2021.

For the first time, Westway Trust's Board of Trustees has been drawn from the local community. Together, the new leadership of the Trust identified six new strategic priorities that will help set out a path to transform Westway Trust into a charity which is truly community centred.

The strategic priorities, outlined in the diagram below, will form the key pillars of a new strategic document currently in development.

Strategic Goals

- Social, economic and environmental wellbeing and justice for the North Kensington Community .
- Supporting the citizens of North Kensington to empower themselves to address injustice, discrimination, poverty and exclusion especially for the most marginalised groups.

1

BE COMMUNITY-CENTRED IN ALL WE DO

- Decision-making
- Participatory approach
- Transparency
- Clarity



To provide multiple ways the community is involved in decision-making, including:

- in setting and monitoring delivery of the strategy
- in appointing trustees, committees (ensuring significant community membership) and key staff,
- in participatory grant-making and with a more active expanded membership among the community.

2

SECURE A SUSTAINABLE AND DIVERSE INCOME

- protect income received from tenants as best we can through COVID19
- identify new sustainable income streams
- reduce expenditure



To protect our essential reserves by:

- supporting tenants in their ability to conduct their business, thereby securing income
- reducing costs in the short-term
- diversifying income by securing new external funding from government, grant-makers, and corporate partnerships
- wider fundraising

3

A STRONGER VOICE FOR THE COMMUNITY

Learning from the community's remarkable track record in campaigning WT will:

- Support the community to have a stronger voice to influence local, London-wide and national decisions that affect their lives
- Focus on aspects of social environmental and economic justice
- Target systemic change including marginalisation, deprivation and discrimination



The community is supported by Westway Trust to have a stronger voice and influence local, London and national decisions. Thereby improving social economic and environmental well-being and justice.

Campaigning to change systemic injustice and discrimination including land justice.

4

ENHANCE THE SPACE AND ENVIRONMENT

- Support a new community centred programme to target air pollution from the A40
- Enhance community greening projects
- Support local community groups and organisations to have greater control over use of space and a better environment



A community that is empowered to improve a sustainable local environment and tackle air pollution through:

- greening
- grant-making
- campaigning for environmental justice
- delivering projects including the Community Street project which enhance the Westway estate for all users

5

BRING ABOUT AN INTERNAL TRANSFORMATION

- Organisational culture
- Community-centred
- Enabler, empowerer and facilitator



We truly reflect the community we serve through:

- community-centred leadership
- participation and decision making
- radically transforming the internal structures and processes and increasing transparency and accountability

6

PROVIDE A CLEAR PATH FROM THE CURRENT CRISES (SHORT TERM)

- Covid-19, (financial sustainability)
- Covid-19 (wellbeing of our colleagues, partners and community)
- Institutional Racism



- Support the community through the current Covid crisis
- Navigate the crisis to ensure we survive financially
- Engage the community more fully in our work and decisions
- Take on board the Institutional racism review findings and create a realistic action plan through the crisis
- Support staff and trustee wellbeing

FINANCIAL REVIEW

The net free reserves utilised in the year to 31 March 2021 was £200,000 (2020: £141,000 utilised) and is made up as follows:

	2021	2020
	£'000	£'000
Recognised income	5,980	6,055
less: non-cash rental income	(225)	(207)
Cash income	5,755	5,848
Grants and subsidies	(482)	(826)
Community consultation	-	(117)
Expenditure on charitable activities	(2,352)	(3,394)
Expenditure on property management and maintenance	(3,999)	(1,834)
Total expenditure	(6,833)	(6,131)
Net cash operating surplus/(loss)	(1,078)	(283)
Add back: expenditure funded from reserves (net)	885	924
Less: amounts allocated for future property refurbishment and capital maintenance	-	(760)
Less: Funds designated to support community initiatives for the 2nd anniversary of the Grenfell Tower fire	(7)	(22)
Free reserves generated (used) in the year	(200)	(141)

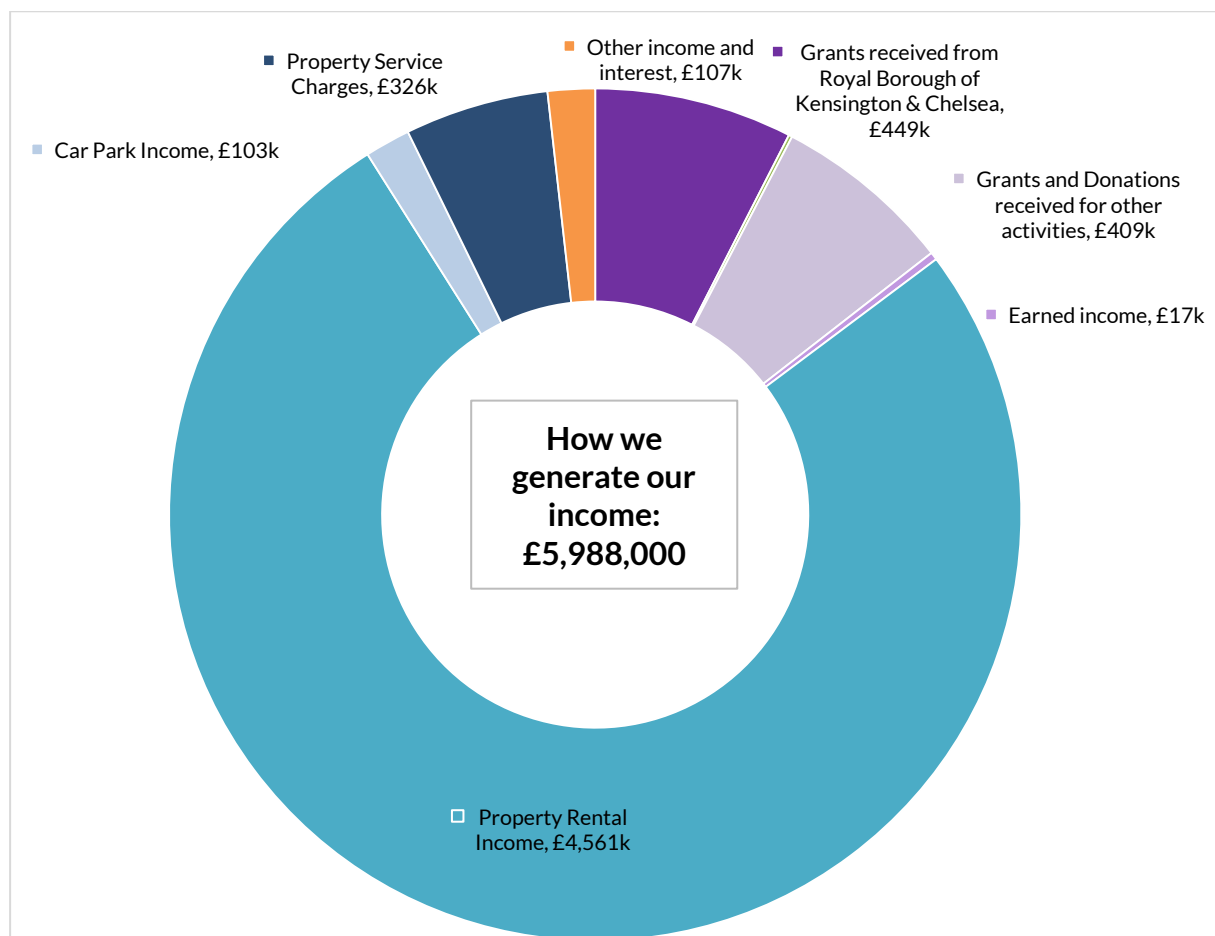
Recognised Income

Recognised Income was £5,980,000 in 2021 (2020: £6,055,000). While this represents a slight reduction on the previous year, it is compounded by a substantial increase in bad debts provisions arising from the Covid 19 Lockdown. In this reporting year 2021 Bad debt provisions of £2,227,000 compared to £469,000 in 2020. The Trust has engaged with tenants in line with government policy offering concessions where it is deemed applicable.

Reserves Cash Income

Reserves Cash income expected for the year was £5,980,000 (2020: £5,848,000). The largest proportion of our income is from property rental (2021: £4,561,000; 2020: £4,740,000). We also received £883,000 in grants and earned income (2019: £503,000).

Cash income: April 2020 to March 2021



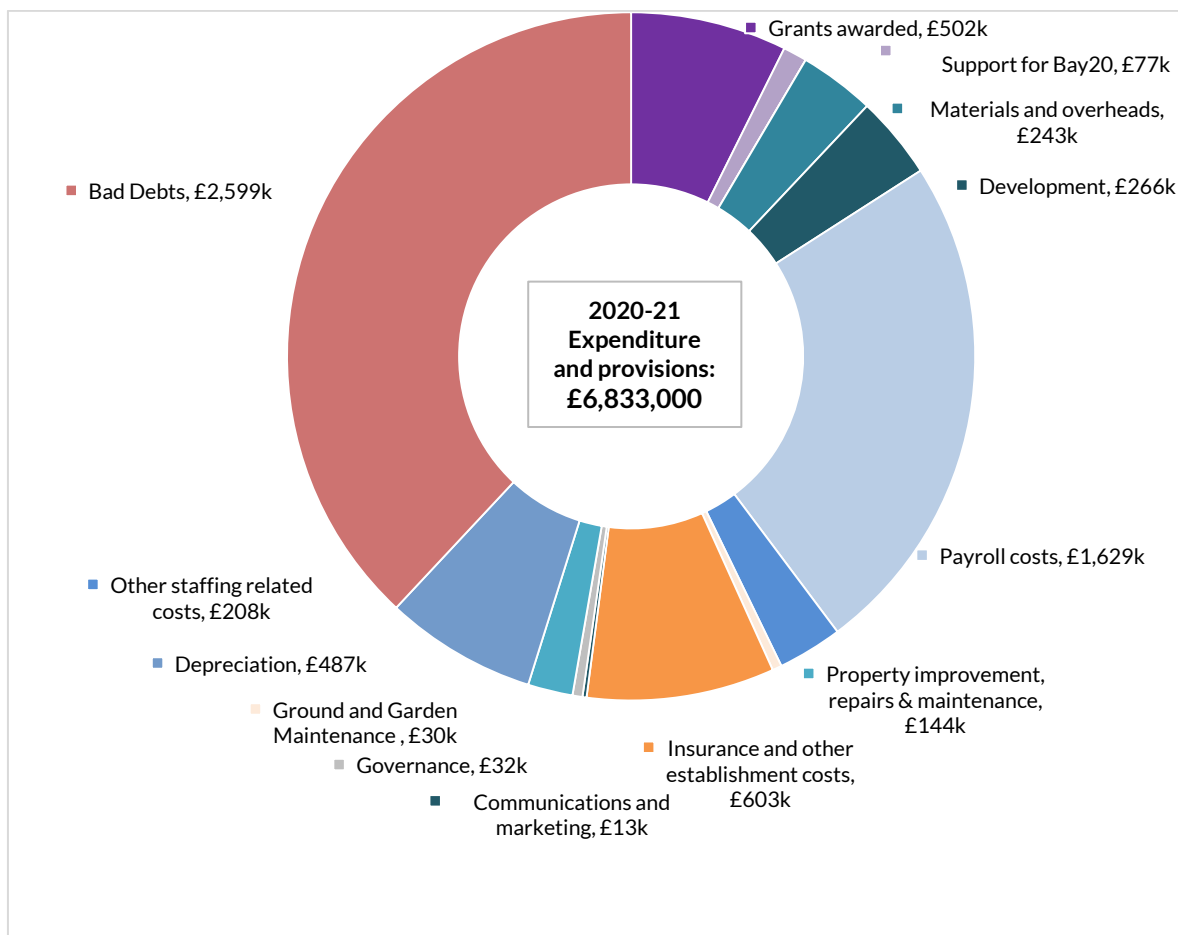
We received £456,900 in grants and crèche fees from the Royal Borough of Kensington and Chelsea (2020: £420,000). This amount funded several learning programmes.

Expenditure

Total expenditure was £6,833,000 (2020: £6,131,000). We spent £702,000 more in 2021 compared to 2020. The main items that make up this amount include:

- Bad debts for the year totalled £2,227,000. This is exceptionally high and is as a result of the challenges of the pandemic faces by Westway Trust tenants.
- £502,000 of grants awarded, a decrease of £435,000 from 2020. The decrease is primarily due to decreased activity levels as a result of the lockdowns due to the Covid 19 pandemic. On pages 6-8 of this document is an outline of grants to groups and individuals as £150,270.88. This figure is included in the total of £502,000, along with other items such as rental subsidies to charitable tenants, grants for projects at Bay 20 and special projects with the supplementary schools we support.
- £77,000 in support of Bay20.
- £144,000 on maintaining and improving the property estate including EPC improvements.
- £30,000 on maintaining the grounds and gardens of the estate to provide usable spaces for the community.

Expenditure: April 2020 to March 2021



STRUCTURE OF GOVERNANCE AND MANAGEMENT

The Trust is a charity that was first set up in 1971. Since 2008, the activities of the Trust have been undertaken through a charitable company, limited by guarantee.

We have a Board of up to 12 trustees:

- Up to three are elected for three-year terms by our Member Organisations;
- Up to three are nominated by the Royal Borough of Kensington and Chelsea; and
- Up to six are openly recruited by the other Trustees against skills-needs and other criteria.

The Nominations and Governance sub-committee of the Board has overseen trustee recruitment. The Chair of the Trust is selected annually by the other trustees from the six openly recruited trustees.

No single person or organisation has the right to appoint Board members or exercise more than 25% of the voting rights in meetings of the Trust. The Royal Borough of Kensington and Chelsea has a right within the Trust's constitution to appoint up to three trustees to the Board, which comprises up to 25% of the voting rights on the Board if the maximum number of trustees have been appointed, or a higher proportion if not all the Board positions are filled.

Trustees can serve up to two, three-year terms of office, although the Board may authorise a third term of office where it is felt that a serving trustee offer skills that are of particular relevance to the Trust.

Trustees are not paid, although reasonable costs incurred on Trust business are reimbursed. Furthermore, with Charity Commission approval, during the year we started to reimburse the loss of earnings incurred by two trustees whilst engaged on Trust business to an extent that was significantly above the level of commitment that could reasonably be expected in the normal course of exercising their responsibilities as a trustee. This arrangement reflected the particular circumstances of the Trust in unprecedented times and will come to an end by February 2022.

New trustees are introduced to the Trust with a formal induction programme. We also provide ongoing training and development opportunities, based on periodic skill assessments.

The names of all those who are currently trustees or who served as a trustee during the year to 31 March 2021 is set out in the section on "Reference and administrative information" at the end of this report. Further information on our current trustees is available on our website at

www.westway.org/trustees.

The Trustees delegate the day-to-day running of the Trust to the Chief Executive. For the first part of the year under review Alex Russell was Joint Chief Executive until her departure with effect from 31 July 2020 (the other Joint Chief Executive, Mark Lockhart, retired on 31 March 2020 and that specific post was left vacant after that date). Mark Lister was appointed Interim Chief Executive with effect from 1 August 2020 and remained in post until 31 January 2021. A recruitment exercise in spring 2021 to recruit a new CEO concluded with the appointment of Venu Dhupa who took up post full-time on 2 August 2021, although she undertook some work in the role on a part-time basis during June and July 2021.

The work of trustees is guided by five sub-committees to the Board, each one chaired by a Trustee. The current set of sub-committees is as follows:

- **Nominations and Governance Committee:** develops and monitors governance, recruits Trustees and is responsible for succession planning.
- **Charitable Purposes Committee:** examines the social impact delivered by the Trust and guides the strategic direction of the Trust's charitable activities. This committee also reviews and provides support for engagement and communications with communities and stakeholders;
- **Property and Place Committee:** guides the strategic use and development of the Westway estate and scrutinises the Trust's estate management land strategy and practice.
- **Finance, Audit and Risk Committee:** oversees the management of risk and finance and supervises the appointment of independent auditors; and
- **People Committee** (replaced the Remuneration Committee and adopted a wider remit): oversees the development and implementation of Westway Trust's People Strategy, ensuring that this supports the Trust's overall ambition to become a truly community focused organisation.

Westway Trust's remuneration policy is as follows:

Westway Trust is committed to ensuring that we pay our staff fairly and in a way that ensures we attract and retain the right skills in order to have the greatest impact in delivering our charitable objectives. Delivery of our charitable vision and purpose is primarily dependent on the performance and efforts of our staff, which is the largest single element of charitable expenditure. We aim to recruit, subject to experience, towards the lower point within a salary band, providing scope to be rewarded for excellence and growth within the role. We do not employ interns without pay. The Trust is an accredited member of the Living Wage Foundation

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and has paid the London Living Wage since 2004. We pay at least the London Living Wage for all our staff other than apprentices and interns. Westway Trust evaluates each post against other posts in the Trust and market comparators to arrive at salary rates based on a consistent and transparent process, designed to offer a fair pay framework for all salary assessments and decisions. The pay structure is reassessed on an annual basis. All staff confirmed in post are subject to regular performance conversations, at least annually but quarterly or more frequently is strongly encouraged.

Our **Member Organisations** are legal members of our limited company. The Member Organisations are active local charities and other organisations. A full list of current Members is available on our website at www.westway.org/members or by request.

The Trust is committed to upholding its organisational culture in line with the seven overarching principles of the Charity Governance Code 2017: Organisational Purpose; Leadership; Integrity; Decision Making and Controls; Board Effectiveness; Diversity; and Openness and Accountability.

RISK AND INTERNAL CONTROLS

The Trustees continue to review the risks facing the Trust, the controls in place and the effectiveness of mitigating actions. The Trust has a risk register which records risks and how they are mitigated, including (but not limited to) our income, assets, management, staff, partners and beneficiaries, reputation, financial controls and governance. The Trustees delegate risk management to the Chief Executive. The risk register is reviewed regularly by the Finance, Audit & Risk Committee and at least annually by the Board.

The Trust has a comprehensive insurance policy, reviewed annually, and currently provided by Zurich Insurance.

The Trustees have considered the nature and extent of any risks and uncertainties that arise as a result in particular of COVID-19. Any material concerns have been included in the following table, which set out the specific areas that give rise to the potential major strategic risks for the next financial year.

Risk	Current mitigating actions
The Trust's reputation with the community is adversely affected by developments, decisions or lack of progress on key issues of importance to the	Communications plan being reviewed and day to day communications being strengthened. Continuing programme to bring demonstrable

community. Community confidence decreases as a result of poor communication by the Trust.	community involvement in decision-making as part of the Trust's move towards putting the community at the heart of everything we do. This includes continuing with community involvement in the selection process for key posts, building on the success of this approach. Offering more touch points around the direction of the Trust, such as community forums about our future plans. Make visible progress on implementing recommendations from the Institutional Racism Review.
Covid-19 pandemic situation deteriorates and leads to further lockdowns. Reduced income continues due to the pandemic impact on the Trust's tenants and their ability to recover.	<p>Capture learnings from first lockdown so we can react quickly. Review budget implications of new lockdown. Active monitoring and account management of key tenants, including through short-term support packages as necessary to help tenants manage through this period. Increase levels of income generation and fundraising, develop Income Generation Plan and find ways of diversifying our income streams.</p> <p>Ensure Covid-safe working environment for staff and ensure also home-working policy in place, backed up by staff having the necessary equipment to work effectively from home.</p>
Risk of ill-health, reduced morale and resignations of staff as a result of staff wellbeing issues, including concerns around capacity or workload not being addressed.	<p>Further development and implementation of Staff Wellbeing Programme, offering a range of activities and other support in response to what staff have said they would find helpful.</p> <p>Ensure system in place to handle matters of staff concern. Press ahead with recruitment into key posts, alongside re-assessing work priorities and capacity levels.</p>
Failure to find balance between maximising commercial income and providing more affordable	Develop an appropriate Asset Management tool and a clear policy. Implement planning and

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spaces for community use and also maximising income.	reporting. Ensure the policy is publicised widely.
Major roadworks on the Westway lead to disruption of Trust activities or to other problems	Ensure good working relationships with TfL. Agree leeway with TfL on the timetable for any works. Be proactive in asking any safety questions of TfL. Agree emergency planning with TfL in case things do go wrong. Lease with TfL has a compensation clause in the event of serious problems from any roadworks

OTHER MATTERS

Going concern

The Trustees have reviewed our financial position and financial forecasts, taking into account the level of reserves and cash, the effects of the COVID-19 pandemic and our systems of financial control and risk management.

COVID-19 has impacted the Trust's rental revenue from its property portfolio, with many tenants being unable to trade due to the lockdown period and suffering from lower turnover when it ended. At 30 September 2021, a bad debt provision of £2,599k was held in the balance sheet to account for revenue that had been invoiced but not yet received. The Trust utilised the Coronavirus Job Retention (JRS) scheme extensively from April – September 2021 as it was unable to provide services to the community due to the impact of the pandemic. This reduced the net cash outflow for payroll that was required and also reduced costs associated with delivering the services. The outcome of this is that at 30 September 2021 the Trust still held a positive accumulated reserves balance of £62.718m of which £199,000 is unrestricted £12.84m is designated and Revaluation reserve of £38.8m. Also, cash deposit balances amounted to £5.576m.

As a result of this and an ongoing review of operational and staffing costs, the Trustees believe that we are well placed to manage operational, financial and COVID-19 risks successfully, that the Trust has adequate resources to continue in operation for the foreseeable future and it is appropriate to adopt the going concern basis of accounting in preparing the annual accounts.

Investment policy

Historically, Trustees have set aside 15% of Trust land, excluding the sports estate, for commercial development to provide shops, offices, light industrial units and other suitable buildings that fit within the Trust's property strategy. At the year end, approximately 13% of the estate was developed for commercial purposes. As the Trust is looking to invest in improvements to its estate, the Trustees do not consider any other form of long-term investment to be relevant and we place surplus cash on deposit, so that it is then available to draw down in the short-term as the need arises. As well as ongoing improvement works, we are now looking to create a policy for longer term investment of the Trust's reserves in order to spread risk and ensure the Trust's financial sustainability.

This policy will be reviewed in future years.

Reserves policy

The Trustees set aside available funds from our income to pay for anticipated costs and for planned refurbishment, development of the estate and environmental improvements. The Trustees also set aside a small amount each year, when rental income is strong, to allow for some flexibility in periods of economic downturn. In this financial year, there were no funds set aside due to the economic downturn brought about by the Covid 19 Pandemic. (2020: £759,000). Capital commitments at the year-end amounted to £nil (2020: nil) see note 21.

In order to protect our charitable projects from the loss of short-term funding, a target for a minimum level of free reserves has been set at three months' grants receipts for project delivery together with three months' expenditure on the Trust's infrastructure and property and estate management functions. Therefore, our general reserves target is £422,320.

However, our free, undesignated reserves amounted to £199,000 as at 31 March 2021. This is below target due to the impact of COVID-19 but £750,000 had been put into designated funds as a contingency in 2019/20 and the Trust will continue to monitor our free reserves level within our financial management process.

Note 19 to the financial statements gives more detail on the purposes of the designated funds and the reasons for holding those funds. This policy is reviewed every year.

Treasury policy

The Trust deposits its cash funds in a pooled deposit fund or with UK-based financial institutions authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority. We only deposit funds in institutions with acceptable credit ratings. We make a variety of instant access, short-term and medium-term deposits to allow funds to be accessed according to the needs of the Trust's forecast cash flow. In order to protect the ordinary activities

of the Trust from unforeseen events while the Trust plans and undertakes estate improvement, we will seek to hold treasury reserves of £500,000 or more at all times.

Funds held as custodian trustee on behalf of others

The Trust asks most of its commercial tenants to pay a refundable deposit. It is our policy not to use the deposits to fund charitable or other activity. At the year-end, tenant deposits amounted to £384k.

Auditors

Our auditors, Moore Kingston Smith LLP, have indicated their willingness to continue in office and it is proposed that they be re-appointed as auditors for the ensuing year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Westway Trust for the purpose 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 Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement; and
- 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 proper accounting records that 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 and the Charities Act 2011 and regulations made thereunder. 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 Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the Trustees



Toby Laurent Belson
Chair
26 January 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWAY TRUST

Opinion

We have audited the financial statements of Westway Trust ('the company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 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 UK, including the FRC'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWAY TRUST

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. 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.

Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWAY TRUST

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 23, 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWAY TRUST

implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWAY TRUST

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 26 January 2022

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor Devonshire House

60 Goswell Road

London

EC1M 7AD

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Note	General funds	Designated funds	Restricted funds	Total 2021	Total 2020 (note 26)
		£'000	£'000	£'000	£'000	£'000
Income						
Income from continuing activities						
<i>Income from charitable activities</i>						
Grants, earned and other income	2	396	-	478	874	478
Miscellaneous income		7	-	2	9	25
Donated asset		-	-	-	-	-
		403	-	480	883	503
<i>Income from investments</i>						
Land and property rentals		4,774	-	-	4,774	4,740
Covid – 19 Concession		(213)	-	-	(213)	-
Car Park income		103	-	-	103	141
Miscellaneous income		-	-	-	-	147
Interest receivable		11	-	-	11	32
<i>Other income</i>						
Property service charges		-	-	326	326	442
Miscellaneous income		96	-	-	96	49
Total income		5,173	-	807	5,980	6,055
Expenditure						
Expenditure on continuing activities						
<i>Expenditure on charitable activities</i>	3	1,933	16	885	2,834	4,297
<i>Investment management costs</i>						
Property management	6	3,649	99	252	4,000	1,834
Total expenditure		5,582	115	1,136	6,833	6,131
Net gain/(loss) on investments	11	-	(370)	-	(370)	1,534
Total net income (expenditure) before transfers		(409)	(485)	(469)	(1,223)	1,458
Transfers between funds	9	5	-	(5)	-	-
Net income (expenditure) after transfers		(404)	(485)	(470)	(1,223)	1,458
Net movement in funds		(404)	(485)	(470)	(1,223)	1,458
<i>Reconciliation of funds</i>						
Balances brought forward at 1 April 2020		603	52,142	11,196	63,941	62,483
Balances carried forward at 31 March 2021	19	199	51,657	10,862	62,718	63,941

All gains and losses recognised in the year are included on the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

BALANCE SHEET AT 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Charitable buildings	10	2,060	2,505
Investment property	11	55,196	55,566
Other tangible fixed assets	12	50	84
Intangible assets	13	10	18
Accrued income	14	1,204	1,429
		58,520	59,602
Current assets			
Debtors	15	670	568
Short term deposits		3,666	4,666
Cash at bank and in hand		1,612	574
		5,948	5,808
Liabilities:			
amounts falling due within one year	16	(1,478)	(1,245)
Net current assets		4,470	4,563
Total assets less current liabilities		62,990	64,165
Liabilities:			
amounts falling due after more than one year	17	(273)	(224)
Net assets		62,718	63,941
Funds	19		
Unrestricted funds			
Accumulated fund		199	603
Revaluation reserve		38,818	39,188
Other designated funds		12,840	12,954
		51,858	52,745
Restricted funds		10,861	11,196
		62,718	63,941

Approved by the Trustees on 20 January 2022 and signed on their behalf



Toby Laurent Belson, Chair

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	24		29		1,010
Interest and servicing of loans					
Bank interest received		9		31	
Other interest received		-		-	
Net interest			9		31
Capital expenditure					
Payments to improve charitable buildings	10	-		-	
Payments to improve investment buildings	11	-		(12)	
Payments to acquire other charity fixed assets	12	-		(31)	
Payments to acquire intangible assets	13	-		-	
Total capital expenditure			-		(43)
Increase/(Decrease) in cash and bank deposits	26		38		998
Represented by:					
Increase/(decrease) in short-term deposits			(1,000)		826
Increase/(decrease) in cash			1,038		172
	25		38		998

1. ACCOUNTING POLICIES

1.1 Form and content of accounts

The accounts are prepared in accordance with the requirements of the Trust's constitution, the Companies Act 2006, the Charities Act 2011, Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) revised by the Charity Commission in 2015 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The order of certain items in the Statement of Financial Activities (SOFA) and their headings have been adapted, as required by SORP, in order to present a true and fair view of the nature and scale of the activities of the Trust. The financial statements are stated in Pounds Sterling, which is the transactional currency of the Trust.

1.2 Cost convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of investment property and the measurement of financial assets and liabilities at fair value.

1.3 Going concern

COVID-19 has impacted the Trusts rental revenue from its property portfolio, with many tenants being unable to trade due to the lockdown period and suffering from lower turnover when it ended. At 31 March 2021, a bad debt provision of £2,599k was held in the balance sheet to account for revenue that had been invoiced but not yet received. The Trust utilised the Coronavirus Job Retention (CJRS) scheme extensively as it was unable to provide services to the community due to the impact of the pandemic. This reduced the net cash outflow for payroll that was required and also reduced costs associated with delivering the services. The outcome of this is that at 31 March 2021 the Trust still held a positive accumulated reserves balance and cash deposit balances in excess of £3m.

Further to this, the Trust is providing support in an attempt to enable Tenants to continue to operate and be able to resume trading when the effects of the pandemic are reduced. It is also reviewing staffing levels required for its future work and reviewing its overall cost base in order to reduce operating expenses and cash outflows. The Trust will also continue to utilise the CJRS in future to further reduce cash outflows while it is unable to operate effectively in the community. Designated reserves are also available that can support the Trust's activities in the medium-term, although these would need to be re-built once the impact of COVID-19 lessens and reduced costs alongside increased revenues enable the Trust to return to an operating surplus.

Although there are risks with this strategy, management has determined that the actions that it has taken are sufficient to mitigate the uncertainty and has therefore prepared the financial statements on a going concern basis as it has a reasonable expectation that the Trust will continue in operational existence for the foreseeable future.

1.4 Critical estimates and judgements

The Trust's significant accounting policies are stated in this note. Not all of these significant accounting policies require the Trustees to make difficult, subjective or complex judgements or estimates. The assets and liabilities of the Trust that are subject to a significant degree of estimation or judgement are: the fair value of the Trust's investment properties; the cumulative amortisation and depreciation of assets; the timing of capitalisation of costs of new developments, dependent on probable planning permission; the assets and liabilities of the defined-benefit pension scheme; and the recoverability of trade debt. The Trustees consider the valuation of investment properties to be critical because of the level of complexity, judgement or estimation involved and its impact on the financial statements. These judgements involve assumptions or estimates in respect of future events. Actual results may differ from these estimates. The valuation of the Trust's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental income. As a result, the valuation the Trustees place on the property portfolio is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market. Other estimates that affect the Statement of Financial Activities comprise the allocation of support costs as detailed in policy 1.10.

1.5 Income

Income other than grant income is recognised at the fair value of the consideration received or receivable for goods and services provided. Fair value takes into account settlement discounts allowed on sales.

1.6 Grants received

Where grants are received for specific purposes they are credited to the restricted funds of the Trust. Grants that are awarded for a specific period are recognised in the SOFA in that period. Capital grants are recognised in the SOFA to the

extent that the Trust has met the conditions for draw-down of those grants. Otherwise, grants are shown as income in the period in which they are received.

1.7 Grants payable

Grants payable as cash are accounted for in the period in which they are approved. Certain properties are set aside for letting to local charitable groups at one-third of market rent. The full commercial rent is shown as investment income and the corresponding two-thirds reduction is shown as grants payable. This is a departure from the standard treatment of rent under FRS102; the Trustees consider this provides a more useful presentation of the deployment of the Trust's resources than a simple statement of the discounted rent. Grants awarded to Member Organisations of the Trust, including grants by way of discounted rent, are identified within Note 5 to the accounts.

1.8 Rents

1.8.1 Rents Receivable

Rental income receivable from tenants under operating leases is recognised on a straight-line, accruals basis over the term of each lease. Where chargeable, Value Added Tax is excluded from all amounts. Income arising as a result of rent reviews is recognised when agreement of the new lease terms is reasonably certain.

Premiums receivable from tenants to surrender their lease obligations are recognised in the SOFA. The cost of any lease incentives, such as rent-free periods and stepped rentals, are spread over the minimum, non-cancellable term of each lease. Rents recognised in the SOFA in advance of becoming payable by the tenant are not available for disbursement on charitable activities and are transferred to a designated accrued income fund and are released as they become payable.

1.8.2 Accrued income

Under FRS102, the Trust must accrue for the average annual rents receivable under property leases irrespective of whether that level of rent is currently due from the tenant, as set out in accounting policy 1.8.1. Accrued income arises when there are significant incentives to enter into a lease, such as a rent-free period at the beginning of a lease or a stepped rental. The accrued rent is not available for disbursement on charitable activities until receivable and is held as a debtor on the balance sheet. The balance represents the excess of income recognised in the Statement of Financial Activities in advance of it being payable by the tenant. The balance is reduced by instalments as the income becomes due from the tenant.

1.9 Property service charges

Income and expenditure arising from the service charge accounts of tenanted buildings are included within these accounts at their gross values. The Trust is accountable to its tenants for the expenditure incurred on maintaining these properties and, under the terms of the leases, the accounting records and vouchers are available for their inspection on demand.

1.10 Basis of allocation of support costs

Staff and other support costs are allocated to the various activities of the Trust based upon the direct staff costs involved in delivering direct charitable activities and on the estimated time devoted to the governance of the Trust.

1.11 Pension costs

1.11.1 Defined benefits pension scheme

The Trust participates in a defined benefits pension scheme under a local government scheme, the assets of which are held wholly independently from those of the Trust. Pension costs in respect of employees who are members of this scheme are charged to the SOFA so as to spread the cost of pensions over the service lives of employees. The current service cost and net return on pension assets are charged to resources expended; actuarial gains and losses are shown separately on the SOFA. Any deficit of scheme liabilities over scheme assets is recognised on the balance sheet and a deficit reserve carried in the designated funds of the Trust as explained within the reserves policy. Net pension assets in excess of amounts that could be recovered through reduced contributions in future years, if any, are not recognised in the balance sheet due to the uncertain nature of such assets and the high level of dependency of the calculation of pension liabilities upon actuarial estimates that cannot be guaranteed.

1.11.2 Defined contributions pension scheme

Employer contributions to the Trust's defined contribution Group Personal Pension Scheme are charged to the SOFA on an accruals basis.

1.12 Value Added Tax

The Trust is partially exempt for VAT purposes. Where input VAT is not recoverable, it is included in the accounts as part of the expenditure on which it was incurred.

1.13 Volunteers

The Trust provides volunteering opportunities in a number of its activities. These are currently concentrated in the Grounds and Gardens and the Learning teams. The work performed by the volunteers is well appreciated and is explained in the Trustees' Report. No financial appraisal of the value of volunteering is included within these accounts.

1.14 Land and buildings

1.14.1 Land: the Trust has a 130-year lease with a total historical cost of £280,000. The land is included in the property valued as an investment asset.

1.14.2 Investment property: the Trust has developed some of its land with commercial building so as to provide a source of income. These buildings and land are carried at open market value as set out in Note 12. Movements on unrealised revaluation surpluses are shown separately on the face of the Statement of Financial Activities and the cumulative unrealised surplus is shown as a designated fund in the balance sheet. Investment property valuation is reduced by the cumulative value of accrued income.

1.14.3 Charitable buildings: buildings occupied by the Trust for its own charitable purposes ("charitable buildings") are shown at cost less depreciation. This has the effect of setting the cost of these buildings against the income of the Trust over the expected useful lives of the buildings. Buildings are maintained in a constant state of sound repair; the amount at which the buildings are carried in the balance sheet is reviewed annually and reduced to the extent that it is considered that there has been an impairment of value.

1.15 Intangible assets

Intangible assets comprise:

1.15.1 Software: the acquisition and configuration costs of software, less amortisation. Software that is no longer in use is written off; and

1.15.2 Social investments: the lower of cost or fair value of investment in social enterprises, where fair value is assessed by the Trustees at the balance sheet date.

1.16 Capitalisation

1.16.1 Property developments: The costs of developments are written-off in the year in which they are incurred until the point that probable planning consent is obtained and the project has a realistic likelihood of being built. Where projects are curtailed, all previously capitalised costs are written-off.

1.16.2 Threshold: Goods acquired are capitalised where they represent an asset of continuing value to the Trust and the cost exceeds £1,000 per item or group of items.

1.17 Depreciation and amortisation

Rates of depreciation and amortisation are designed to write-off assets over their useful economic lives.

1.17.1 Charitable buildings:

- (a) Buildings are depreciated at a rate of 2% per annum on cost.
- (b) Major refurbishments: depreciation is charged annually at the rate of 10% on cost.
- (c) Partitioning to increase short-term office space: depreciation is charged annually at the rate of 20% on cost.

1.17.2 Landscaping and environmental improvements: expenditure is written-off in the year in which it is incurred.

1.17.3 Office furniture and fixtures: depreciation is charged at the rate of 20% p.a. on cost.

1.17.4 Computers and software: depreciation is charged at the rate of 33.3% p.a. on cost.

1.17.5 Intangible assets (software): amortisation is charged at the rate of 33.3% p.a. on cost.

1.18 Bad debts

Provisions are made against monies due to the Trust where the debt is overdue and recovery is in doubt. Debts are written-off according to procedures agreed by the Trustees.

1.19 Other financial instruments

Basic financial instruments are recognised as the amount payable or receivable when the instrument is first recognised together with any subsequent transaction costs, but modified in respect of trade debtors for an assessment of potential bad debt, as set out in policy 1.18.

1.20 Restricted funds

1.20.1 Capital grants: Grants that are received for capital projects are credited to a restricted fund. Subsequent charges for depreciation of those capital assets are charged directly to the fund in the statement of financial activities. The balance of such grants are released to general funds when they are considered to be no longer repayable.

1.20.2 Service charges: Provisions are made in the service charge accounts for tenanted buildings towards the expected costs of building repairs that may be required in the future in accordance with the terms of the relevant leases. Interest on the unexpended balances is credited to those balances. These funds may only be spent on the specific tenanted buildings to which they relate.

1.20.3 Other project grants: Grants that are received for specified purposes are credited to a restricted fund. Expenditure that is attributable to such grants is charged directly to the fund in the statement of financial activities.

1.21 Designated funds

1.21.1 Buildings funds: The balances on the funds represent investment and charity land and buildings. The capital costs of buildings that are met from the Trust's own resources are represented by designated buildings funds. Depreciation is charged directly against the fund in the statement of financial activities.

1.21.2 Revaluation reserve: Unrealised surpluses or deficits arising upon valuation of the Trust's investment property are credited or debited directly to a designated fund to indicate that any surplus is also represented by buildings rather than cash.

1.21.3 Refurbishment fund: Transfers are made into these funds to meet the anticipated costs of renovating depreciating assets at the end of their anticipated lives, such as the playing surfaces of sports facilities and the current commercial rental portfolio. In addition, funds are transferred for capital developments to provide reserves to meet, or contribute, so far as reserves permit, towards the cost of capital expenditure that is not funded by loans or grants.

1.21.4 Development fund: Transfers are made into these funds to provide reserves to meet, or contribute, so far as reserves permit, towards the cost of capital expenditure that is not funded by loans or grants.

1.21.5 Maintenance funds: It is the Trust's policy to set aside an amount of its surplus in years when rental income is strong in order to allow for some flexibility during periods of economic downturn.

1.21.6 Pension reserve: The reserve represents the recognised surplus or deficit, if any, on the Trust's defined benefits pension scheme. Contributions are paid into the scheme in accordance with the recommendations of the scheme actuary and may be made over a number of years to spread the cost of funding the deficit over the future service lives of active scheme members.

2. INCOME FROM CHARITABLE ACTIVITIES

	2021				2020			
	Earned income £'000	Restricted grants £'000	Grenfell Response £'000	Total £'000	<i>Earned income</i> £'000	<i>Restricted grants</i> £'000	<i>Grenfell Response</i> £'000	<i>Total</i> £'000
Social Wellbeing	-	6	8	14	-	5	-	5
Environmental Well being	-	-	-	-	-	-	-	-
Economic Wellbeing	403	466	-	869	21	477	-	498
	403	472	8	883	21	482	-	503

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

2. INCOME FROM CHARITABLE ACTIVITIES (continued)

Source	Programme	2021				2020			
		Earned income £'000	Grants and Restricted Income £'000	Grenfell Response £'000	Total £'000	Earned income £'000	Grants and Restricted Income £'000	Grenfell Response £'000	Total £'000
Royal Borough of Kensington and Chelsea	Adult Learning	-	236	-	236	-	181	-	181
	Supplementary Schools	-	76	-	76	-	76	-	76
	Crèche	4	91	-	96	-	119	-	119
	Parenting	-	28	-	28	-	28	-	28
	Early Years	-	16	-	16	-	16	-	16
	Sport bursary	-	2	-	2	-	-	-	-
	Grenfell Response	-	-	8	8	-	-	-	-
	Other	-	-	-	-	-	-	-	-
	Sub-total RBKC	4	449	8	462	-	420	-	420
John Lyon's Charity	Supplementary Schools	-	8	-	8	-	40	-	40
Private Crèche usage	Crèche	13	-	-	13	-	16	-	16
GLA	Enterprise Pods	-	10	-	10	-	-	-	-
Bay 20 usage	Community Usage	-	-	-	-	21	-	-	21
DWP	CJRS COVID 19 Grants	385	-	-	385	-	-	-	-
Sport England	Go Gen Project	-	5	-	5	-	6	-	6
Total		403	472	8	883	21	482	-	503

3. EXPENDITURE ON CHARITABLE ACTIVITIES

2021	General funds	Allocated Support Costs (Note 7)	Total (including support costs)	Designated funds	Restricted funds	Total Charitable Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Social Wellbeing						
Engagement	90	156	246	-	-	246
Health and wellbeing	-	-	-	-	-	-
Arts, culture and community grants	626	52	678	1	400	1,079
Grenfell response	34	0	34	7	6	47
	750	208	958	8	406	1,372
Environmental Wellbeing	203	157	360	-	-	360
Economic Wellbeing						
Stewardship (including property development)	93	156	249	8	0	257
Economy and Skills	106	260	366	-	479	845
	199	416	615	8	479	1,102
	1,152	781	1,933	16	885	2,834
Made up of:						
Grants awarded	424	-	424	7	71	502
Community consultation	-	-	-	-	-	-
Materials and project costs	3	2	5	-	24	29
Staff Costs	597	302	899	-	316	1,215
Other staff costs	27	113	140	-	5	165
Improvements, repairs and maintenance	26	1	27	8	-	35
Car Park expenditure	-	-	-	-	-	-
Environment projects	6	-	6	-	-	6
Ground and Garden Maintenance	6	-	6	-	-	6
Insurance and other establishment costs	85	37	122	-	36	158
IT costs	-	142	142	-	19	161
Communications and marketing	-	10	10	-	-	10
Governance	-	24	24	-	-	24
Professional fees	11	53	64	-	9	73
Other overheads	(33)	30	(3)	-	5	2
Bank charges	-	2	2	-	-	2
Depreciation	-	65	65	1	400	466
	1,152	781	1,933	16	885	2,834
2020	2,179	992	3,171	200	926	4,297

Comparative figures for 2020 are analysed in Note 27.

4. GRANTS AWARDED

	Supplementary Schools	Small grants to local charities and community groups	Green infrastructure	Bay 20	COVID 19 Support	Young Sports achievers awards	Grants	Grenfell Response	Rent subsidies to charity tenants	Grand Total
2021	£	£	£	£	£	£	£	£	£	£
24 Hearts CIC	-	3,406	-	-	-	-	-	-	-	3,406
ACAVA	-	-	-	-	-	-	-	-	21,750	21,750
Age UK Kensington & Chelsea	-	-	-	-	-	-	-	-	25,477	25,477
An Nisa Empowerment Response	7,572	-	-	-	-	-	-	-	-	7,572
Azza Supplementary School	8,762	-	-	-	-	-	-	-	-	8,762
Baraka Youth Association	6,478	-	-	-	607	650	-	-	-	7,735
Barlby Primary School	-	964	-	-	-	-	-	-	-	964
Bevington Primary School	-	867	-	-	-	-	-	-	-	867
Bike Works CIC	-	-	-	-	-	-	-	-	10,250	10,250
C.A.S.H	-	-	-	-	-	-	-	-	8,140	8,140
Charles Phillips Photography	-	-	-	-	500	-	-	-	-	500
Colville Primary School	-	1,156	-	-	-	-	-	-	-	1,156
Cruse Bereavement Care	-	-	-	-	-	-	-	-	9,600	9,600
Dadihiye Somali Organisation	-	2,500	-	-	-	-	-	-	4,095	6,595
Dalgarno Supplementary School	6,204	-	-	-	150	750	-	-	-	7,104
Dar Al-Arqam / MCWG	3,177	-	-	-	-	-	-	-	-	3,177
Eritrean Parents' & Children's Association	-	-	-	-	-	-	-	-	2,740	2,740
Eritrean Parents & Children Assoc.	5,282	-	-	-	-	-	-	-	-	5,282
Golborne & Maxilla Children's Centre	-	-	2,685	-	-	-	-	-	-	2,685

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021



Grants Awarded (Continued)	Supplementary Schools	Small grants to local charities and community groups	Green infrastructure	Bay 20	COVID 19 Support	Young achievers awards	Sports Grants	Grenfell Response	Rent subsidies to charity tenants	Grand Totals
2021	£	£	£	£	£	£	£	£	£	£
Heath Farm Equine	-	4,920	-	-	1,968	-	-	-	-	6,888
Homemade Teachers CIC	-	5,000	-	-	-	-	-	-	-	5,000
Instituto Español Vicente Cañada Blanch	-	2,280	-	-	-	-	-	-	-	2,280
Isis Amlak (through consultancy)	-	1,250	-	-	-	-	-	-	-	1,250
Just Solutions 123 Limited	-	-	160	-	-	-	-	600	-	760
K & C Mental Health Association (Mind)	-	-	-	-	-	-	-	-	32,280	32,280
Kensington & Chelsea Social Council	-	1,234	-	-	-	-	-	-	-	1,234
Kids On The Green	-	3,569	-	-	-	-	-	-	-	3,569
Lancaster West Residents Association	-	-	19,500	-	-	-	-	-	-	19,500
Making Communities Work & Grow	-	-	-	-	-	900	-	-	6,340	7,240
Metronomes Steel Orchestra	-	-	-	-	4,080	-	-	-	-	4,080
Midaye Somali Development Network	6,750	-	-	-	-	-	-	-	17,020	23,770
Migrants Organise	-	2,500	-	-	-	-	-	-	28,600	31,100
Neighbourhood Doulas	-	3,600	-	-	-	-	-	-	-	3,600
New Maxilla Social Club	-	-	-	-	-	-	-	-	13,550	13,550
North Kensington Hearts and Minds CIC	-	-	-	37,000	-	-	-	-	-	37,000
North Kensington Young Peoples Music Aca	-	-	-	-	1,990	-	-	-	-	1,990
Notting Hill Community Church	-	-	-	-	2,000	-	-	500	-	2,500
Notting Hill Therapy Clinic	-	-	-	-	-	-	-	-	-	-
Outreach CI	-	4,290	-	-	-	-	-	-	-	4,290
Nova New Opportunities	-	-	-	-	-	-	-	-	29,901	29,901

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021



Grants Awarded (Continued)	Adult & Community Learning	Artists Professional Development, training and commissions	Capacity Strengthening	Covid-19 support	Festival Funds	Grenfell Response	Green Infrastructure Fund	Rent subsidies to local charity tenants	Small grants to local charities and community groups	Grand Total
2021	£	£	£	£	£	£	£	£	£	£
Pavilion Hive	—	-	-	-	5,000	-	-	-	-	5,000
Pimento	7,623	-	-	-	-	-	-	-	-	7,623
Portobello Film Festival	-	-	-	-	5,000	-	-	-	-	5,000
Portobello Live Arts	-	5,000	-	-	-	-	-	-	-	5,000
RISE KIDS CIC	-	-	-	-	2,000	-	-	-	-	2,000
Shareefa Energy	-	-	-	-	-	-	-	2,000	-	2,000
Solidarity Sports	—	-	-	-	-	-	-	2,000	-	2,000
Somali Women's Association	5,199	-	-	-	-	-	-	-	-	5,199
St Giles Trust	—	-	-	-	-	-	-	-	6,940	6,940
Streetworker	-	-	-	-	6,430	-	-	-	-	6,430
Sudanese Nubian Association UK	—	-	2,796	-	-	-	-	-	-	2,796
Swinbrook Residents Association	-	20,000	-	-	-	-	-	-	-	20,000
Teit Ethiopia Supplementary School	4,878	4,888	-	-	-	-	-	-	-	9,766
Tendercare Nurseries Ltd	—	-	158	-	-	-	-	-	-	158
The Bevington Trust	-	5,000	-	-	-	-	-	-	-	5,000
The First Georgian Supp School	2,187	-	-	-	-	-	-	-	-	2,187
The Gheez Rite Community Assoc	1,793	-	-	-	-	-	-	-	-	1,793
The Hip-Hop Shakespeare Foundation Ltd	-	-	-	-	-	-	-	-	9,780	9,780
The Kensington and Chelsea Foundation	—	-	-	-	2,000	-	-	-	-	2,000
The SPACE	-	4,960	-	-	-	-	-	-	-	4,960
The Warrior Programme	-	-	-	-	-	-	-	-	5,880	5,880
The West London Turkish School	2,187	-	-	-	-	-	-	-	-	2,187

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021



Grants Awarded (Continued)	Adult & Community Learning	Artists Professional Development, training and commissions	Capacity Strengthening	Covid-19 support	Festival Funds	Grenfell Response	Green Infrastructure Fund	Rent subsidies to local charity tenants	Small grants to local charities and community groups	Grand Total
2021	£	£	£	£	£	£	£	£	£	£
Thomas Jones Primary School	-	578	-	-	-	-	-	-	-	578
Tudor Environmental (UK) Ltd	-	-	27	-	-	-	-	-	-	27
UCAN CIC	-	-	-	-	150	750	-	-	-	900
Volunteer Centre K & C	-	-	-	-	-	-	-	-	13,631	13,631
Walk and Cycle London	-	-	-	-	5,000	-	-	-	-	5,000
Watusi 87	-	-	-	-	-	-	-	1,800	-	1,800
Adult Learning Programme	-	-	-	-	-	-	-	-	13,360	13,360
Women's Association for African N & D	-	-	-	-	4,980	-	-	-	-	4,980
WSHA	2,187	-	-	-	-	-	-	-	-	2,187
Grants to community organisations	70,279	80,758	22,530	37,000	41,855	3,050	-	6,900	259,334	521,706
Adjustments	910	(31,522)			10,996		-			(19,616)
2021	71,189	49,236	22,530	37,000	52,851	3,050	-	6,900	259,334	502,090

2020 Comparative.

	£
Adult and Community Learning	54,814
Artists Professional Development T&C	17,821
Capacity Strengthening	24,030
Covid 19 Support	25,000
Festival Fund	65,768
Grenfell Response	3,944
Green Infrastructure Fund	44,465
Rent subsidies to charity tenants	242,085
Small Grants to local Charities	216,641
Sports Grants	131,437
Total	826,004

5. GOVERNANCE COSTS

	2021 £'000	2020 £'000
Audit services		
Statutory audit	23	17
Attendance and advice to the Trustees	5	5
Tax advisory services	-	-
	28	22
Trustee recruitment and training	-	18
	28	40

6. EXPENDITURE ON INVESTMENT ACTIVITIES – PROPERTY MANAGEMENT

	General funds	Allocated Support Costs (Note 8)	Total including support costs	Designated funds	Restricted funds	Total Property Management
2021	£'000	£'000	£'000	£'000	£'000	£'000
Materials and project costs	-	1	1	-	-	1
Staff costs	310	101	411	-	-	411
Other staff costs	28	38	66	-	-	66
Improvements, repairs and maintenance	54	-	54	98	-	152
Car park expenditure	28	-	28	-	-	28
Ground and garden maintenance	24	-	24	-	-	24
Insurance and other establishment costs	181	12	193	-	252	445
Information technology	-	47	47	-	-	47
Communications and marketing	-	3	3	-	-	3
Governance (note 5)	-	8	8	-	-	8
Professional fees and costs	175	18	193	-	-	193
Other overheads	(10)	10	-	-	-	-
Bank charges	-	1	1	-	-	1
Bad debts	2,227	-	2,227	-	-	2,227
Provisions	372	-	372	-	-	372
Depreciation	-	21	21	-	-	21
	3,389	260	3,649	98	252	4,000
2020	988	330	1,318	47	469	1,834

Comparative figures for 2020 are analysed in Note 28.

7. ALLOCATION OF SUPPORT COSTS

Allocated to:	Charitable activities £'000	Property Management £'000	Total 2021 £'000	Total 2020 £'000
Materials and project costs	2	1	3	3
Staffing, recruitment and training	302	101	403	787
Improvements, repairs and maintenance	1	-	1	15
Insurance and other establishment costs	37	12	49	84
Information technology	142	47	189	155
Communications and marketing	10	3	13	40
Professional fees and costs	53	18	71	63
Depreciation	65	21	85	58
Bank charges	2	1	3	3
Other overheads	30	10	40	73
Governance Costs	24	8	32	40
	781	260	1,040	1,321

These costs are included within the total costs analysed by activity reported in the Statement of Financial Activities.

8. STAFF COSTS

	2021 £'000	2020 £'000
Salaries and wages	1,533	1,859
Social security costs	138	176
Pension costs		
Current service costs		
Defined benefit	-	134
Defined cost	70	81
Other finance costs	-	-
Termination payments	38	6
Movement on holiday and bonus accruals	-	-
	1,779	2,257
Average number of employees	2021	2020
Monthly paid	67	73
Full-time equivalent	37	48

The full-time equivalent number of employees analysed by function:

Economy and Skills	8	14
Health and Wellbeing	2	2
Arts, Heritage and Community	1	2
Environmental	1	4
Stewardship	12	12
Communications and Engagement	3	3
Strategy, governance and resources	10	11
	37	48

10. STAFF COSTS (continued)

Number of employees whose emoluments during the year fell between:

	2021	2020
£60,000 and £69,999	1	-
£80,000 and £89,999		1
£90,000 and £99,999		2

The Key Management Personnel within the £60,000 to £69,999 range received a termination payment of £38,000. Westway Trust is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills in order to have the greatest impact in delivering our charitable objectives. Delivery of our charitable vision and purpose is primarily dependent on the performance and efforts of our staff which is the largest single element of charitable expenditure. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to be rewarded for excellence. We do not employ interns without pay. We pay at least the London Living Wage for all our staff other than apprentices and interns. Westway Trust evaluates each post against other posts in the Trust and market comparators to arrive at salary rates based on a consistent and transparent process, designed to offer a fair pay framework for all salary assessments and decisions. The pay structure is reassessed on an annual basis. All staff confirmed in post are subject to a performance review and an annual performance rating (an assessment of performance and contribution, based on behaviours and delivery of tasks and objectives), in accordance with our procedures in place at the time.

Key management Personnel and Trustees

	Total 2021 £'000	Total 2020 £'000
Total staff remuneration and benefits paid to key management personnel	130	331

Key personnel were the two Joint Chief Executives and one Executive Director of the Trust (2019/20: Two Joint Chief Executives and three Executive Directors). During the year, two Executive Directors left and none joined. During this time and as result of the difficulty, the Chair of the Board of Trustees gave additional support. To facilitate this, we sought permission from the Charity Commission to reimburse loss of earnings. Of the reimbursement amounts there were no Pension contributions paid.

Trustee Remuneration

	Total 2021 £'000	Total 2020 £'000
Toby Laurent Belson	27	-
Eve Wedderburn	3	-
	31	-

Remuneration to Trustees

During the year, the Chair of the Board of Trustees Toby Laurent Belson and trustee Eve Wedderburn were reimbursed with the permission of the Charity Commission for their loss of earnings incurred whilst engaged on Trust business.

Trustee Expenses

No of Trustees

3

Total 2021 £'000	Total 2020 £'000
------------------------	------------------------

4

-

4

-

Trustee Expenses

The expenses include printing and networking costs as well as childcare costs.

Related party transactions

Venture Community Association

C.A.S.H

Portobello Shopping LTD

Huey Walker

Thomas Fitch

Eve Wedderburn

2021 £'000

10

7

6

23

2020 £'000

-

12

-

12

During the year the transactions with entities that have related parties are summarised above. These primarily relate to rental due to charitable entities.

9. TRANSFERS BETWEEN FUNDS

General funds to (from)

£'000

Designated funds to (from)

£'000

Restricted funds to (from)

£'000

Transfer of old project balances

5

-

(5)

5

-

(5)

10. CHARITY BUILDINGS

Buildings occupied for the charity's own purposes £'000

Cost

At 1 April 2020

3,611

Accumulated cost at 31 March 2021

3,611

Depreciation

At 1 April 2020

1107

Charge for the year

444

Accumulated depreciation at 31 March 2021

1,551

Net book value

At 31 March 2021

2,060

At 31 March 2020

2,505

Buildings occupied by the Trust to deliver its charitable activities are stated at cost after depreciation and amount to £2,060,000. The cost of rebuilding was professionally calculated for insurance purposes as at 1 April 2008. Allowing for building cost indexation, the buildings are insured for a reinstatement value of £7,017,000 (including Bay 20 community centre).

11. INVESTMENT PROPERTY

	Land and buildings £'000
Valuation	
At 1 April 2020	55,566
Additions	-
Transfers to charitable buildings	-
Loss on Revaluation	(370)
Net book value	
At 31 March 2021	55,196
At 31 March 2020	55,566

Land

The Trust holds the land under the elevated A40(M) trunk road under leases commencing 1 May 1972 for 130 years from the Royal Borough of Kensington and Chelsea, who in turn lease the land from the freeholders - Transport for London.

Basis of valuation of investment property

The Trustees commissioned an indicative valuation of the Trust's commercial property portfolio as at 31 March 2021 from Cushman & Wakefield LLP. The purpose of that valuation was to inform the Trustees of the existing value within the estate. Cushman & Wakefield LLP's valuation was prepared on a restricted basis and was subject to certain agreed assumptions and considerations with tenancy information provide by the Trust. The valuation complies with the requirements of the RICS Valuation – Professional Standards (the Red Book). The Trustees prepared their own internal valuation of the investment portfolio based on Cushman & Wakefield LLP's indicative valuation.

The valuation of £56,625,000 gave rise to a revaluation loss of £595,000 which nets off against lease incentives in debtors to give overall loss of £370,000.

The valuation was undertaken on the following basis

- Market Value - The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion), and;

Significant assumptions include that:

- all properties are assumed to be leasehold for a term of 130 years from 1972 at a peppercorn and on the basis that the Trust holds a good and marketable title.
- the values are based on existing usage of the specific sites and buildings.
- Where tenants are paying reduced or concessionary rents, this has been disregarded and the valuation assumes that the Trust is in receipt of the full market rent.
- At the valuation date property markets are mostly functioning despite the ongoing pandemic, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which

to base opinions of value. Accordingly, the valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

Fair value at 31 March 2021

	2021 £'000	2020 £'000
Property valuation carried out by Cushman and Wakefield LLP in 2021	56,625	57,220
Less: unamortised lease incentive (Note 15)	(1,429)	(1,654)
Book value at 31 March 2021	55,196	55,566

12. TANGIBLE FIXED ASSETS

	Equipment on the estate £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
As at 1 April 2020	57	236	136	19	447
Additions	-	-	-	-	-
Accumulated cost at 31 March 2021	57	236	136	19	447
Depreciation					
As at 1 April 2020	57	170	117	19	363
Charge for the year	-	23	11	-	34
Accumulated depreciation at 31 March 2021	57	193	128	19	397
Net book value					
At 31 March 2021	-	43	7	-	50
At 31 March 2020	-	65	19	-	84

13. INTANGIBLE FIXED ASSETS

	Software £'000
Cost	
As at 1 April 2020	153
Accumulated cost at 31 March 2021	153
Amortisation of software	
As at 1 April 2020	135
Charge for the year	8

Accumulated amortisation at 31 March 2021	143
Net book value	
At 31 March 2021	10
At 31 March 2020	18

14. ACCRUED INCOME

	2021 £'000	2020 £'000
Accrued income in respect of lease incentives	1,429	1,654
Less: included in trade debtors	(225)	(225)
	1,204	1,429

Lease incentives arise from rent-free periods at the beginning of long-term leases and stepped rentals. Lease incentives are allocated between amounts to be allocated to rental income within one year of the balance sheet date and amounts that will be charged against rental income in subsequent years.

15. DEBTORS

	2021 £'000	2021 £'000
Trade debtors	3,080	549
Bad debt provision	(239)	(217)
Sports and Leisure Management Ltd	(1,988)	(281)
Accrued income in respect of lease incentives	225	225
Grants receivable	-	85
Prepayments and accrued income	70	193
Other debtors	20	14
	298	568

Bad debt provision	Opening provision at 1 April 2020 (Note 31) £'000	Additional provisions £'000	Debts written off £'000	Provisions no longer required £'000	Closing provision at 31 March 2021 £'000
Rental debt	217	239	-	-	737
Sports and Leisure Management Ltd	281	1,707			1,988
Total	498	2,227	-	-	2,725

Bad debt provisions are based upon the debtor balances on individual accounts.

Due to the impact of Coronavirus, a decision was taken by management to assume that the entire unpaid rental debt at 31 March 2020 should be provided for. The provision on Sports and Leisure Management Ltd is as a result of pending agreement as a result of negotiations. £372,000 of funds received during the period was posted to deferred income pending conclusion of the agreement.

16. LIABILITIES: AMOUNTS DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade creditors	248	458
Accruals	227	274
Grants awarded but not paid	68	68
Deferred income	379	7
Tenants' deposits	111	191
Taxes and social security costs	434	234
Other creditors	11	13
	1,478	1,245

17. LIABILITIES: AMOUNTS DUE AFTER ONE YEAR

	2021 £'000	2020 £'000
Tenants' deposits	273	224

18. FINANCIAL INSTRUMENTS

	2021 £'000	2020 £'000
Financial assets that are debt instruments measured at amortised cost	3	150
Financial liabilities that are measured at amortised cost	643	885

19. ANALYSIS OF FUNDS

	At 1 April 2020 (Note 32) £'000	Incoming resources £'000	Resources expended £'000	Transfers, revaluations and unrealised gains (Notes 9) £'000	At 31 March 2021 £'000
Restricted funds					
Investment property	8,505	-	-	-	8,505
Charitable buildings	2,436	-	(400)	-	2,036
Service charges	90	326	(252)	-	165
Project grants	165	480	(485)	(5)	155
	11,196	807	(1,136)	(5)	10,861
Unrestricted funds					
Investment property	9,496	-	-	-	9,496
Charitable buildings	17	-	(1)	-	16
Refurbishment fund	759	-	-	-	759
Development fund	2,086	-	(20)	-	2,066
Maintenance funds	596	-	(86)	-	510
Grenfell Support		-	(7)	-	(7)
	12,954	-	(114)	-	12,840
Revaluation reserve	39,188	-	(370)	-	38,818
General fund	603	5,173	(5,582)	5	199
	52,745	5,173	(6,066)	5	51,858
	63,942	5,980	(7,202)	-	62,718

Restricted funds

Investment property: This fund represents grants given to the Trust to construct buildings that are let and generate income for the Trust. Commonly these grants have been awarded from local and central government and European initiatives for regeneration. Funds continue to be treated as restricted for such time as the Trustees consider there to be an explicit or constructive obligation to keep the underlying asset in use for specified, grant-funded purposes.

Charitable buildings: This fund represents grants given to the Trust to construct buildings that it occupies for the direct delivery of charitable activities. These grants may have been awarded from a variety of initiatives for regeneration or charitable purposes. Funds continue to be treated as restricted for such time as the Trustees consider there to be an explicit or constructive obligation to keep the underlying asset in use for specified, grant-funded purposes, and are reduced to the extent that those assets have been depreciated or reduced due to impairment of value.

Service charges: These funds, commonly referred to as sinking funds, represent monies collected from tenants through the service charges for the maintenance of the investment properties. There are several ring-fenced funds, each for a specified property. The Trust is accountable to its tenants for the income collected, expenditure incurred and refurbishment funds held for each property.

Project grants: These funds represent grants received by the Trust for specified projects and which can only be spent on those projects. Income is recognised when the Trust is entitled to receive the grant and where there is no reasonable expectation that the grant could become repayable. Any unspent funds held at the end of the year are held separately to be spent on the specified project in future years. At 31 March 2021, the funds on hand comprise:

	2021 £'000	2020 £'000
<i>Project grants</i>		
Sports development	16	16
Grenfell Response	17	14
Education	31	45
Animating Thorpe Close	90	90
	154	165

Designated funds

Investment property: This fund represents the money that the Trust has invested from its earnings into buildings that are let commercially to generate further income for the Trust in the future. The original cash asset has already been spent on the buildings.

Charitable buildings: This fund represents the money that the Trust has invested from its earnings into buildings that it occupies for the direct delivery of charitable activities. The fund is reduced to the extent that those assets have been depreciated or reduced due to impairment of value. The original cash asset has already been spent on the buildings.

Refurbishment/Forward Maintenance fund: This fund represents money set aside to meet the anticipated costs of renovating depreciating assets at the end of their anticipated lives, such as the playing surfaces of sports facilities. It also includes monies set aside for identified enhancements to the Trust's sports and fitness facilities. The refurbishment fund will be expended according to a 15-year life cycle plan.

Project funds: This money is set aside in order to ensure targeted charitable projects can be supported where future funding is in doubt. The funds also include amounts set aside to provide flexibility during periods of economic downturn and disruptions that may be encountered on the Estate due to major maintenance works. The long-term nature of property cycles and highway maintenance means that these funds may be built up and expended over a 15-year-period.

Pension reserve: Currently there is no requirement to hold a pension reserve and this item will not appear next year.

Development fund: This fund represents money set aside to meet the anticipated costs of progressing identified capital development opportunities to planning stage, at which point grant or loan funding would become available or development partnerships are established. Development funds are anticipated to be spent over the next five years as the Trust's property development agenda is progressed.

Grenfell reserve: This fund represents monies set aside that were then donated towards the commemoration of the second anniversary of the fire at Grenfell. This fund was established in FY19/20 and at year-end had a value of £7,000.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Accumulated fund	Designated funds	Unrestricted funds	Restricted funds	Total funds 2021
	£'000	£'000	Subtotal £'000	£'000	£'000
Net current assets	215	3,983	4,198	272	4,471
Liabilities due after more than one year	(273)	-	(273)	-	(273)
Working Capital	(58)	3,983	3,925	272	4,198
Investment property	182	46,450	46,632	8,564	55,196
Charitable buildings	15	20	35	2,025	2,060
Tangible fixed assets	50		50		50
Intangible assets	10	-	10	-	10
Accrued income	-	1,204	1,204	-	1,204
Other funds	257	47,675	47,932	10,589	58,520
	199	51,658	51,857	10,861	62,718

See Note 32 for an analysis of net assets between funds as at 31 March 2020.

21. POST BALANCE SHEET EVENTS

	2021 £'000
Amounts recognised in financial year	
Management fee	1,863
	1,863

Due to the lockdown imposed by the Government, Sports and Leisure Management LTD who manage the Westway Sports Centre entered into negotiations to agree concessions to the management fee due to the Trust. As of the date the accounts were being signed these agreements were still awaiting approval from the charities Commission. The current recognised income in the accounts are detailed above with the amounts that would be recognised if the arrangement is approved by the Charity Commission. Any subsequent changes to the management fee will be reflected in line with the correct accounting policies and any need for a prior year adjustment will be considered for any amounts to be applied retrospectively

22. OPERATING LEASES

The Trust as lessor

Future aggregate minimum rentals receivable under non-cancellable operating leases based on contracted rental income at the year-end:

	2021 £'000	2020 £'000
Less than one year	3,531	3,796
Later than one year but not later than five years	12,536	12,397
Later than five years but not later than ten years	5,372	6,970
Later than ten years	1,771	2,412
	23,210	25,575

23. RETIREMENT BENEFITS

The Trust previously operated two pension schemes: a group personal pension scheme operated on behalf of the Trust by Legal and General Pensions Limited; and a final salary pension scheme operated by the Royal Borough of Kensington and Chelsea.

Money purchase scheme

The Trust operates a group personal pension scheme that is compliant with Auto Enrolment legislation. During the year, the personal pension scheme required a minimum level of contribution by the employee of 2%, with no maximum level of contribution outside the legislative thresholds. The Trust contributed between 2% and 8% of salary dependent upon the date of joining and the employee's own contribution level for those members who opt to pay higher contributions. Following changes to the legislative minimum contributions in 2018/19, the minimum contributions from 1 April 2018 have been increased to 4% from both the employee and the Trust, with the Trust matching any additional contributions made by staff members up to a maximum of 8% of salary.

23. RETIREMENT BENEFITS (continued)

Final salary pension scheme

The scheme has now been closed with the retirement of the 1 remaining staff member on the scheme, the detailed FRS102 results given below are the comparatives for prior years. There is currently no need for final salary provisions as no member of staff is within the final salary pension scheme.

The employer's pension contributions paid in the year were:

	2021 £'000	2020 £'000
Final salary scheme	-	134
Money purchase scheme	70	81
	70	215

The total pension contributions due from the Trust to the pension Trustees at the end of the year are included within current liabilities (note 17), represent the last month's contributions and amounted to:

	2021 £'000	2020 £'000
Final salary scheme	-	115
Money purchase scheme	9	12
	9	127

Final salary pension scheme

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 £'000	2020 £'000
Net movement in funds	(1,223)	1,458
Interest receivable	(11)	(31)
Pension service costs net of finance costs	-	-
Contributions to defined benefits pension scheme	-	-
Pension (gains)	-	-
Depreciation and amortisation	487	504
Valuation deficit (surplus)	370	(1,534)
(Decrease) in non-current accrued income	225	208
(Increase) in debtors	270	463
Increase (decrease) in creditors due within one year	(139)	(190)
(Decrease) in creditors due after one year	49	132
Total service costs	29	1,010

25. ANALYSIS IN CHANGES IN NET DEBT

	At 1 April 2020 £'000	Cash flows £'000	Other changes £'000	At 31 March 2021 £'000
Cash at bank and in hand	574	38	1,000	1,612
Short-term deposits	4,666	-	(1,000)	3,666
	5,240	38	-	5,278

26. COMPARATIVE FIGURES: STATEMENT OF FINANCIAL ACTIVITIES 2019/20

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 March 2020

	Note	General funds £'000	Designated funds £'000	Restricted funds £'000	Total 2020 £'000
Income					
Income from continuing activities					
<i>Income from charitable activities</i>					
Grants, earned and other income		-	-	478	478
Miscellaneous income	21	-	-	4	25
Donated asset		-	-	-	-
		21	-	482	503
<i>Income from investments</i>					
Land and property rentals		4,740	-	-	4,740
Car Park income		141	-	-	141
Miscellaneous income		147	-	-	147
Interest receivable		32	-	-	32
<i>Other income</i>					
Property service charges		-	-	443	442
Miscellaneous income		49	-	-	49
Total income		5,130	-	925	6,055
Expenditure					
Expenditure on continuing activities					
<i>Expenditure on charitable activities</i>		3,171	201	925	4,297
<i>Investment management costs</i>					
Property management		1,318	47	469	1,834
Total expenditure		4,489	(248)	1,394	6,131
Net gain/(loss) on investments		-	1,534	-	1,534
Total net income (expenditure) before transfers		641	1,286	(469)	1,458
Transfers between funds		(782)	783	(1)	-
Net income (expenditure) after transfers		(141)	2,069	(470)	1,458
Actuarial gains on defined benefit pension scheme		-	-	-	-
Net movement in funds		(141)	2,069	(470)	1,458
<i>Reconciliation of funds</i>					
Balances brought forward at 1 April 2019		744	50,073	11,666	62,483
Balances carried forward at 31 March 2020		603	52,142	11,196	63,941

27. COMPARATIVE FIGURES: EXPENDITURE ON CHARITABLE ACTIVITIES 2019/20

	General funds	Allocated Support Costs (Note 8)	Total (including support costs)	Designated funds	Restricted funds	Total Charitable Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Social Wellbeing						
Engagement	314	198	512	-	430	942
Health and wellbeing	-	-	-	-	16	16
Arts, culture and community grants	1,113	66	1,179	-	-	1,179
Grenfell response	37	-	37	24	6	67
	1,464	264	1,728	24	452	2,204
Environmental Wellbeing	353	200	553	42	-	595
Economic Wellbeing						
Stewardship (including property development)	215	198	413	135	-	548
Economy and Skills	147	330	477	-	473	950
	362	528	890	135	473	1,498
	2,179	992	3,171	201	925	4,297
Made up of:						
Grants awarded (Note 4)	748	-	748	23	55	826
Materials and project costs	127	2	129	-	46	175
Community consultation	117	-	117	-	-	117
Staff costs	907	515	1,422	-	320	1,742
Other staff costs	71	75	146	-	17	163
Improvements, repairs and maintenance	80	11	91	145	3	239
Environment projects	9	-	9	-	-	9
Ground and Garden maintenance	73	-	73	-	-	73
Insurance and other establishment costs	38	63	101	-	33	134
Information technology	-	116	116	-	2	118
Communications and marketing	17	30	47	-	1	48
Professional fees and costs	16	47	63	14	9	86
Depreciation	-	43	43	18	430	491
Bank charges	-	2	2	-	-	2
Other overheads	(28)	58	30	-	10	40
Internal recharges	4	-	4	-	-	4
Governance Costs (note 5)	-	30	30	-	-	30
	2,179	992	3,171	200	926	4,297

28. COMPARATIVE FIGURES: EXPENDITURE ON PROPERTY MANAGEMENT 2019/20

	General funds	Allocated Support Costs	Total including support costs	Designated funds	Restricted funds	Total Property Management
	£'000	£'000	£'000	£'000	£'000	£'000
Materials and project costs	2	1	3	-	-	3
Staff costs	201	172	373	-	35	408
Other staff costs	17	25	42	-	-	42
Improvements, repairs and maintenance	17	4	21	47	-	68
Car park expenditure	29	-	29	-	-	29
Ground and garden maintenance	12	-	12	-	-	12
Insurance and other establishment costs	208	21	229	-	434	663
Information technology	-	39	39	-	-	39
Communications and marketing	-	10	10	-	-	10
Governance (note 5)	-	10	10	-	-	10
Professional fees and costs	45	16	61	-	-	61
Other overheads	(12)	16	4	-	-	4
Bank charges	-	1	1	-	-	1
Bad debts	469	0	469	-	-	469
Depreciation	-	15	15	-	-	15
	988	330	1,318	47	469	1,834

29. COMPARATIVE FIGURES: TRANSFERS BETWEEN FUNDS 2019/20

	General funds to / (from) £'000	Designated funds to / (from) £'000	Restricted funds to / (from) £'000
Transfers to provide for future activities			
Provisions for reinstatement of sports playing surfaces and facilities	(259)	259	-
Provisions for the maintenance of the estate	(250)	250	-
Funds allocated for development projects in future years	(250)	250	-
Creation of designated fund for Grenfell support	(24)	24	-
Transfer of old project balances	1	-	(1)
	(782)	783	(1)

30. COMPARATIVE FIGURES: MOVEMENT IN PROVISIONS 2019/20

	Opening provision April 2019 £'000	Additional provisions £'000	Debts written off £'000	Provisions no longer required £'000	Closing provision March 2020 £'000
Rental debt	29	469	-	-	498
	29	469	-	-	498

31. COMPARATIVE FIGURES: ANALYSIS OF FUNDS 2019/20

	At 1 April 2019 (Note 32) £'000	Incoming resources £'000	Resources expended £'000	Transfers, revaluations and unrealised gains (Notes 10 and 12) £'000	At 31 March 2020 £'000
Restricted funds					
Investment property	8,505	-	-	-	8,505
Charitable buildings	2,859	-	(423)	-	2,436
Service charges	117	442	(469)	-	90
Project grants	185	483	(502)	(1)	165
	11,666	925	(1,394)	(1)	11,196
Unrestricted funds					
Other designated funds					
Investment property	9,316	-	(1)	-	9,315
Charitable buildings	28	-	(11)	-	17
Refurbishment fund	1,028	-	(13)	259	1,274
Development fund	1,673	-	(170)	250	1,753
Maintenance funds	374	-	(29)	250	595
Grenfell Support	-	-	(24)	24	-
	12,419	-	(248)	783	12,954
Revaluation reserve	37,654	-	-	1,534	39,188
Accumulated fund	744	5,130	(4,489)	(782)	603
	50,817	5,130	(4,737)	2,720	52,745
	62,483	6,055	(6,131)	1,534	63,941

32. COMPARATIVE FIGURES: ANALYSIS OF NET ASSETS BETWEEN FUNDS 2019/20

	Unrestricted funds			Restricted funds	Total funds 2020
	Accumulated fund £'000	Designated funds £'000	Subtotal £'000	£'000	£'000
Net current assets	435	3,873	4,308	255	4,563
Liabilities due after more than one year	(224)	-	(224)	-	(224)
Net liquid funds	211	3,873	4,084	255	4,339
Investment property	241	46,820	47,061	8,505	55,566
Charitable buildings	51	18	69	2,436	2,505
Tangible fixed assets	82	2	84	-	84
Intangible assets	18	-	18	-	18
Accrued income	-	1,429	1,429	-	1,429
Other funds	392	48,269	48,661	10,941	59,602
	603	52,142	52,745	11,196	63,941

REFERENCE AND ADMINISTRATIVE INFORMATION

Governance and management

Trustees

Chair

Toby Laurent Belson (appointed 27 January 2020, appointed Chair 10 February 2020)

Trustees nominated by RBKC:

Cllr Marwan Elnaghi (appointed 26 July 2019)

Cllr Sof McVeigh (resigned 6 August 2020)

Cllr Marie-Therese Rossi (appointed 6 August 2020)

Openly recruited Trustees:

Tom Fitch (appointed 4 November 2019)

Jonathan Kelly (appointed 8 June 2021)

Minal Patel (appointed 15 July 2021)

Eve Wedderburn (appointed 5 February 2020)

Sheraine Williams (appointed 11 February 2020)

Elected Trustees

Alex Korda (appointed 1 February 2021)

Angela Spence (resigned 29 July 2021)

Justin Thomas (appointed 29 July 2021; resigned 18 November 2021)

Huey Walker (appointed 5 February 2020)

Joint Chief Executives

Alex Russell (departed 31 July, 2020)

One post vacant since retirement of previous postholder

Interim Chief Executive

Mark Lister (appointed 1 August, 2020. Departed 31 January 2021)

Chief Executive

Venu Dhupa (in post full-time 2 August 2021)

Company Secretary

Alex Russell (appointed 27 April 2020. Departed 31 July 2020)

No subsequent appointment made.

REFERENCE AND ADMINISTRATIVE INFORMATION

Administrative information

Charity number	1123127
Company number	06475436
Registered office	1 Thorpe Close London W10 XL
Independent auditors	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Principal solicitors	Bates Wells LLP 10 Queen Street Place London EC4R 1BE

Official social media

<u>Website</u>	www.westway.org
<u>Facebook</u>	@WestwayTrust
<u>Twitter</u>	@WestwayTrust
<u>Instagram</u>	@Westway_Trust