

PADDINGTON RECREATION GROUND CHARITABLE TRUST

Report and Financial Statements

Year Ended: 31 March 2021

Charity Number: 295449

Contents

1. TRUSTEES' REPORT

Trustees' Report
Page 3

2. KEY STATEMENTS

Trustees Statement of
Responsibilities for the
Financial Statements
Page 8

Independent Auditor's
Report to the Trustees
Page 9

3. CORE FINANCIAL STATEMENTS

Statement of Financial
Activities
Page 13

Balance Sheet
Page 14

Cash Flow Statement
Page 15

4. NOTES TO THE FINANCIAL STATEMENTS

Note 1
Accounting Policies
Page 16

Note 2
Income from Charitable
Activities
Page 18

Note 3
Charitable Activities
Page 18

Note 4
Net Income/ (Expenditure)
Page 20

Note 5
Fixed Assets
Page 21

Note 6
Debtors
Page 22

Note 7
Creditors due within one year
Page 22

Note 8
Capital Commitments
Page 22

Note 9
Analysis of Net Assets
between Funds
Page 23

Note 10
Movement of Funds
Page 23

Note 11
Controlling Party and Related
Party Transactions
Page 24

Note 12
Reconciliation of Net
Movements in Funds to Net
Cashflow from Operating
Activities
Page 24

Trustees' Report

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report along with the financial statements of the Trust for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Trust's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland published on 16 July 2014. The accounts as presented give a true and fair view of the Trust's incoming resources and application of resources during the year and of its state of affairs at the end of the year.

OBJECTIVES AND ACTIVITIES

The purpose of the charity is set out in Section 10 of the Paddington Recreation Ground Act 1893, which stipulated that:

"The Vestry of Paddington shall maintain and preserve in perpetuity the land acquired by them under this Act for the purposes of a recreation ground open to the public free of charge for admission to any part thereof and so that portions of the said grounds may be set apart and maintained for the purpose of cricket, football, lawn tennis and cycling, or other lawful games and the said Vestry may make reasonable charges for the use of the ground for such purposes and apply all moneys received in respect of such charges towards the cost of maintenance of the said recreation ground or as the said Vestry shall otherwise determine".

Westminster City Council, as successor to the Vestry of Paddington, continues to maintain Paddington Recreation Ground in accordance with the objectives set out above. The entire facility is maintained, managed, and operated under contract with Westminster City Council, by Sports and Leisure Management Limited (from 1 July 2016). All expenditure, income and funding bids are conducted through the Council.

AIMS

The main aims of the Trust are:

- **Aim 1** - To increase the number of visitors to the Ground and enhance the visitor experience.
- **Aim 2** - To provide high quality, cost effective and customer responsive leisure and horticultural features.
- **Aim 3** - To ensure equality of access to sporting and recreational opportunities for all people, in particular, removing barriers that prevent participation.
- **Aim 4** - To continue to ensure the park remains safe, clean, and aesthetically pleasing for users.
- **Aim 5** - To increase the Ground's designation from a Site of Local Importance to a Site of Borough Importance for Nature Conservation.

ACHIEVEMENTS AND PERFORMANCE

Due to the global pandemic, it was a difficult year for the industry; however, Paddington Recreation Ground was once again awarded the Green Flag Award for 2020/21. This is a national standard for parks that means the site meets the highest operational and

maintenance standards and is assessed annually by judges appointed by the Green Flag Awards and Keep Britain Tidy organisations. Other awards were London in Bloom, where the site achieved Gold level, and the site retained the industry specific national Quest Awards.

Despite the global pandemic and periods of forced closure to some of the sports facilities the next phase of capital works commenced in 2020/21 and comprised of: the upgrading of the FIH Accredited Hockey pitch, LED floodlight replacements; a new 60m Sprint Track and LED Lighting; a new small-sided AstroTurf pitch with fencing; a new Parkour Park; a new Calisthenics training facility; new container storage facilities track side; refurbished spectator seating; improved landscaping and planting surrounding these facilities; improved water cannons to the new Hockey pitch; and upgrade and renovation of the 400m athletics track surface to match the new 60m sprint track. These works will continue through to Summer 2021.

FUTURE PLANS

The Trust plans continued capital investment and improvement of the structure and facilities to increase usage at Paddington Recreation Ground. This includes further improvements to convert existing Tennis Courts and Cricket Nets floodlighting to energy efficient LED. There are also improvement works planned to both dog exercise areas following a successful bid for funding from the Open Spaces, Greener Places fund by Westminster City Council as well as planned works to replace the pathways and wayfinding/signage throughout the Grounds in 2021/22.

Trustees' Report (continued)

DEVELOPMENTS AND ACTIVITIES

A number of improvements have been delivered across the site in 2020/21 further to the capital improvement works that were completed in 2019/20, which included small-sided and the full size football pitches being completely resurfaced. These include:

- A new small-sided artificial practice pitch within the 'D' of the athletics track was completed and new callisthenics equipment have also been installed in this area which have proved very popular.
- The playground, which was completely remodelled and upgraded in 2019, had some further additional items added due to the overwhelming demand. This included extra swings and extension rope bridges in the trees, a further extension to the playground for younger children - 'Paddington Small World' - and some climbing boulders which have been repurposed from elsewhere in the City.
- Unfortunately, feasibility plans to design and install a new 'CycloPlay' facility to help people learn to cycle safely, ride a bike, and have fun in a dedicated cycling facility were withdrawn. Instead, the underused dog exercise areas will be improved in 2021/22 with funds received from Westminster City Council's successful bid to the Open Spaces, Greener Places fund.
- Further improvements were added to the Forest Garden/environmental area. A small extension to the classroom, alongside improvements to the borehole and the addition of a 'lazy brook' water feature, were all completed in 2020/21. The Forest School programme provides an opportunity for local school children to experience a range of activities and learning opportunities in biodiversity, habitats, conservation and 'grow your own food' outdoor education programmes. Sayers Croft subsidises the schools service and the family provision in the holidays is provided free through sourcing funding.
- The Junior Parkrun has grown into a regular weekly fixture with a dedicated group of attendees.
- Smaller improvements were made to the Cricket Nets, LED Lighting on all pitches and pathways, café drainage works, CCTV additions, and bluebell glade pathway improvements.

STATEMENT OF PUBLIC BENEFIT

The activities of the Trust deliver significant public benefit in terms of providing free to access and low-cost facilities for rest and relaxation as well as opportunities for casual and organised play, physical activity, leisure and/or sport. Trust activities are supported by the Park Management Plan, which is part of an annual management process and is updated each year to reflect that year's priorities and Westminster City Council policies.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. We are confident that Paddington Recreation Ground Charitable Trust meets the public benefit requirement.

Trustees' Report (continued)

RISK MANAGEMENT

The Trustees have examined the major strategic, business, and operational risks the Trust faces which include:

- Service user injury/fatality during a service activity.
- Breach of Child Protection and Vulnerable Adult Procedures/an occurrence of a safeguarding issue.
- Failure to meet the ActiveWestminster strategy and service plan priorities, including capital improvement works.
- Financial performance of the service and failure to maintain/develop income streams.

The Trust confirms that systems have been established to mitigate these risks. These procedures are periodically reviewed to ensure they continue to meet the needs of the Trust. It is recognised that systems can only provide reasonable but not absolute assurances that major risks have been adequately managed.

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The Charity has had minimal financial impact by the pandemic. Although other leisure sites in the City had to close due to the pandemic, because they offer indoor activities, the Outdoor grounds at Paddington Rec were available for the public during this financial year after partial closures of the sports facilities early in the year, the Trustees will continue to monitor this

continuously going forward. Please see the accounting policy on page 16 for further details.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Paddington Recreation Ground Charitable Trust is an unincorporated charitable trust set up under the Paddington Recreation Ground Act 1893 registered with the Charity Commission. Section 10 of the Act provided for the Vestry of Paddington to maintain and preserve in perpetuity the land acquired for the Vestry for use as a recreation ground open to the public free of charge for admission to any parts thereof and *"so that portions of the said ground may be set apart and maintained for the purpose of cricket, football, lawn tennis and cycling or other lawful games and the said Vestry may make reasonable charges for the use of the ground for such purposes"*.

Trusteeship of the charity is vested in Westminster City Council under the London Government Act 1899. Members of the Council are trustees of the Trust. The last Council-wide election took place on 3 May 2018 and the next is due in May 2022. The names of the members of Westminster City Council at the present time, are listed in the table over the page.

KEY MANAGEMENT PERSONNEL

The Trustees received no remuneration during the year (2019/20 £nil). The Trust does not employ any staff directly.

Trustees' Report (continued)

RELATED PARTIES

None of the Councillors in their role as trustees received any remuneration or expenses during the year (2019/20: £nil). Westminster City Council administers the Trust on behalf of the Trustees but makes no charge for the service.

TRUSTEE TRAINING

In their role as Trustees of the Charity, all Members of the Council are required to attend a comprehensive induction programme covering all aspects of the Council and its services, including charity trusteeship. Bespoke training is also provided for Members for specialist functions and services. Training provided is regularly monitored by the Council's Standards Committee to ensure its effectiveness.

WARDS	COUNCILLORS	WARDS	COUNCILLORS
Abbey Road	Lindsey Hall Peter Freeman Judith Warner	Maida Vale	Geoff Barraclough Rita Begum Nafsika Butler-Thalassis
Bayswater	Maggie Carman Richard Elcho Emily Payne	Marylebone High Street	Iain Bott Ian Rowley Karen Scarborough
Bryanston and Dorset Square	Barbara Arzymanow Richard Beddoe Eoghain Murphy	Queen's Park	Paul Dimoldenberg Patricia McAllister Hamza Taouzzale
Church Street	Aicha Less Matt Noble Aziz Toki	Regent's Park	Gotz Mohindra Robert Rigby Paul Swaddle
Churchill	Murad Gassanly Andrea Mann (Resigned May 21) Liza Begum (Appointed May 21) Shamim Talukder	St James's	Louise Hyams Timothy Mitchell Mark Shearer
Harrow Road	Ruth Bush Guthrie McKie Tim Roca	Tachbrook	Jim Glen Angela Harvey James Spencer
Hyde Park	Heather Acton Ian Adams Antonia Cox	Vincent Square	Danny Chalkley David Harvey Selina Short
Knightsbridge and Belgravia	Anthony Devenish Elizabeth Hitchcock Rachael Robathan	Warwick	Nickie Aiken Christabel Flight Jacqui Wilkinson
Lancaster Gate	Susie Burbridge Margot Bright Andrew Smith	Westbourne	David Boothroyd Adam Hug Papya Qureshi
Little Venice	Melvyn Caplan Lorraine Dean Matthew Green	West End	Timothy Barnes Jonathan Glanz Pancho Lewis

Trustees' Report (continued)

FINANCIAL REVIEW

The Trust's financial position improved during the year from a surplus of £841,421 in 2019/20 to a surplus of £1,058,393 in 2020/21.

The Trust relies entirely on Westminster City Council for on-going financial support under the terms of the Act establishing the Trust.

Normally the largest item of revenue expenditure is the management fee paid to Sports and Leisure Management Limited (SLM Ltd) for supporting and running the Paddington Recreation Ground on behalf of Westminster City Council. But this year's COVID pandemic prevented the Council's leisure centres from opening for much of the year, and a contract deed of variation was agreed between the parties including the waiving of the management fee for the entire year. The Council provided support funding of £193,709 to SLM Ltd to enable partial opening of the Paddington Recreation Ground during the first lockdown. Therefore, the total expenditure with SLM Ltd in 2020/21 was £193,709 (2019/20 - £415,106).

RESERVES POLICY

The Trust holds restricted reserves of £712,000 representing the value of the land of the Recreation Ground, and £3,829,882 of unrestricted reserves. The Trust holds no investments nor liquid revenue reserves. Funding from Westminster City Council to the Trust is adjusted during the financial year in line with the projected outturn figures so there is no need for the Trust to hold any revenue reserves or cash.

Reference and administrative details:

Registered Name:	Paddington Recreation Ground Charitable Trust
Registered Charity Number:	295449
Principal Office:	Westminster City Hall, 64 Victoria Street, London, SW1E 6QP
Custodian Trustee:	Westminster City Council
Chief Executive:	Stuart Love (Chief Executive of Westminster City Council)
Solicitor:	Tasnim Shawkat, Director of Law, Westminster City Hall, 64 Victoria Street, London, SW1E 6QP
Auditor:	RSM UK Audit LLP, Registered Auditor, Chartered Accountants, Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL

Statement of Trustees' responsibilities for the financial statements

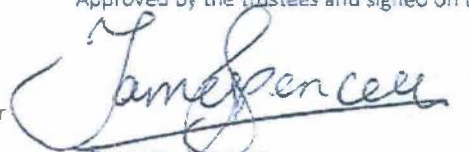
The charity trustees are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each financial year, which give a true and fair view of the Trust and of the incoming resources and application of resources of the Trust for that year. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008, as amended. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



Councillor James Spencer,
Cabinet Member for City Management,
Westminster City Council

Date: 29th September 21



Gerald Almeroth,
Executive Director – Finance & Resources,
Westminster City Council

Date: 29 September 2021

Independent Auditor's Report to the Trustees of Paddington Recreation Ground Charitable Trust

OPINION

We have audited the financial statements of Paddington Recreation Ground Charitable Trust (the 'charity') 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 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 Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charity'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 Trustees of Paddington Recreation Ground Charitable Trust (continued)

OTHER INFORMATION

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities set out on page 8, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Trustees of Paddington Recreation Ground Charitable Trust (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

USE OF OUR REPORT

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

Date: *4 October 2021*

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

Statement of Financial Activities

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds	Restricted Funds	2020/21 Total	2019/20 Total
		£	£	£	£
Income					
Charitable activities	2	1,753,998	-	1,753,998	1,787,296
Total		1,753,998	-	1,753,998	1,787,296
Expenditure					
Charitable activities	3	(695,605)	-	(695,605)	(945,875)
Total		(695,605)	-	(695,605)	(945,875)
Net Income		1,058,393	-	1,058,393	841,421
Net movement in funds		1,058,393	-	1,058,393	841,421
Reconciliation of funds					
Funds b/f	10	2,771,489	712,000	3,483,489	2,642,068
Funds c/f		3,829,882	712,000	4,541,882	3,483,489

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 16 to 24 form part of these financial statements.

Balance Sheet

CHARITY BALANCE SHEET AS AT 31 MARCH 2021

	Notes	31 March 2021	31 March 2020
		£	£
Fixed assets			
Tangible assets	5	4,548,747	3,612,495
Current Assets			
Cash		-	-
Debtors	6	-	1,562
Liabilities			
Creditors due within one year	7	(6,865)	(130,568)
Net current liabilities		(6,865)	(129,006)
Total assets less current liabilities		4,541,882	3,483,489
Total net assets		4,541,882	3,483,489
The funds of the charity:			
Restricted income funds	10	712,000	712,000
Unrestricted income funds	10	3,829,882	2,771,489
Total reserves		4,541,882	3,483,489

The notes on pages 16 to 24 form part of these financial statements.

The financial statements were approved and authorised for issue by the trustees 29th September 2021 and signed on their behalf, by:



Gerald Almeroth
Executive Director – Finance & Resources,
Westminster City Council



Councilor James Spencer
Cabinet member for City Management
Westminster City Council

Cash Flow Statement

STATEMENT OF CASHFLOWS AT 31 MARCH 2021

	Notes	2020/21	2019/20
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	12	1,271,594	1,127,226
Cash flows (used in) financing activities:			
Purchase of property, plant and equipment	5	(1,271,594)	(1,127,226)
Net cash (used in) investing activities		(1,271,594)	(1,127,226)
Cash flows from financing activities:		-	-
Net cash provided by (used in) financing activities		-	-
Change in cash and cash equivalents in the reporting period		-	-
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash and cash equivalents at the end of the reporting period		-	-

The notes on pages 16 to 24 form part of these financial statements.

Note 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

A) BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a "true and fair view" and have departed from the Charities (Accounts and Audit) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2015, which has since been withdrawn.

The financial statements are prepared in sterling, which is the financial currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Trust constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. Having reviewed the circumstances of the Trust it is considered that adequate resources are available to fund the activities of the Trust for the foreseeable future.

The Trust relies entirely on the Westminster City Council for ongoing support under the terms of the Paddington Recreation Ground Act 1893.

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The Charity has had minimal financial impact by the pandemic. Although other leisure sites in the City had to close due to the pandemic, because they offer indoor activities, the Outdoor grounds at Paddington Rec were available for the public during this financial year after partial closures of the sports facilities. Early in the year, the Trustees will continue to monitor this continuously going forward. The Trustees have reviewed the financial conditions of the charity including consideration of any uncertainties arising from the COVID-19 pandemic. Based on this review

the Trustees have a reasonable expectation that the Charity has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

B) FUNDS STRUCTURE

Restricted funds are funds, which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There is a single restricted fund for the land held in perpetuity under the Act, which established the Trust.

Unrestricted income funds comprise of those funds, which the trustees are free to use for any purpose in furtherance of the charitable objectives.

C) INCOME

All income is recognised in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Note 1 Accounting policies (continued)

D) EXPENDITURE

Expenditure is recognised when there is a legal or constructive obligation to make a payment. Direct charitable expenditure includes all expenditure including support costs directly related to the objects of the Trust.

Support costs have been allocated to each charitable expenditure category on the basis of staff utilisation or on an activity basis of total direct expenditure.

Governance costs relate to expenditure incurred in the management of the Trust's assets, organisation administration and compliance with constitutional and statutory requirements.

There were no Trustee expenses incurred during the year (2019/20– £nil).

E) FINANCIAL INSTRUMENTS

Financial instruments are financial assets such as cash, cash equivalents and debtors, and financial liabilities such as creditors. Financial instruments are recognised when the Trust becomes party to the contractual provisions of the instrument.

F) TANGIBLE FIXED ASSETS

Legal ownership of the land and buildings and other assets at the Paddington Recreation Ground resides with Westminster City Council. The Paddington Recreation Ground Charitable Trust has use of the assets in perpetuity to utilise to carry out its charitable objectives. Accordingly, the Trust has capitalised the assets within its financial statements reflecting the position whereby the Trust holds the risks and rewards of those assets over the whole of their useful economic life.

All tangible fixed assets are accounted for on a depreciated historic cost basis, where a full year of depreciation is charged in the year of acquisition and none in the year of disposal.

Depreciation is charged on a straight-line basis for all assets over the following useful economic lives, as per the valuation inspection undertaken in December 2015:

Land	Not depreciated
Buildings / Improvements	15 years
Outdoor recreational installations	15 years
Fixtures, fittings and equipment	15 years
Motor vehicles	5 Years

G) CREDITORS

Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for trade discounts due.

H) JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. They are amended, when necessary, to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. (See Note 5 for the carrying amount of the property plant and equipment and Note 1f for the useful economic lives for each class of assets).

Note 2 Income from charitable activities

The sole source of income for charitable activities reported is the financial support from Westminster City Council to the Trust for the 2020/21 financial year of £1,753,998 (£1,787,296 in 2019/20). The income represents the cost of operating the Recreation Ground, **excluding** depreciation, together with the cost of capital investment incurred in the year. Income is unrestricted in nature in both periods.

Note 3 Charitable activities

All expenditure on charitable activities is unrestricted in both periods.

Reconciliation – Costs of Operation and SoFA Expenditure on Charitable Activities	Note	2020/21	2019/20
		£	£
SoFA – Expenditure on Charitable Activities		695,605	945,875
Cost of operation	3a	444,094	460,873
Management fees	3b	193,709	415,106
Governance costs	3c	57,802	69,896
		695,605	945,874

A) COSTS OF OPERATION

	2020/21	2019/20
	£	£
Maintenance – Building works	11,390	14,716
Maintenance – Grounds other	51,507	71,825
Maintenance - Tree works	27,311	15,887
Rents	13,963	11,336
Service charges – Repairs and maintenance	2,900	2,900
Insurance	1,681	1,681
Capital charges – Depreciation	335,342	246,296
Fixed Assets – loss on derecognition	-	96,232
	444,094	460,873

B) MANAGEMENT FEES

Support costs of £193,709 were incurred in the year, paid to Sports and Leisure Management Limited due to the Covid Pandemic. Please see note in the Financial Review section of the Trustees' Report outlining the waiver of the usual fees in 2020/21 due to the Pandemic £Nil (2019/20 - £415,106). The contractor's obligations include the management and delivery of parks, sport, catering and leisure services and associated site security, administration, and bookings. The contractor is also responsible for site marketing and promotion of the facilities and collects and retains all income from users of the facilities.

Note 3 Charitable activities (continued)

C) GOVERNANCE COSTS

Governance costs totalled £57,802 (£69,896 in 2019/20). Apportioned costs of the PALS (Physical Activity, Leisure & Sport) Client Team, based on the estimated time that they spent on overseeing the activities of the Trust, account for £31,702 (£29,293 in 2019/20). The role of the Client Team is primarily contract monitoring and management of capital and revenue improvements/maintenance works. The balance of £25,300 (£31,600 in 2019/20) relates to other support costs, mainly from central departments, in overseeing the activities of the Trust. A breakdown of the governance costs is shown below.

	2020/21	2019/20
	£	£
PALS Team – Staff costs	25,476	24,703
PALS Team – Other running costs	6,226	4,590
Audit Fees	800	9,003
Departmental Support – Finance	-	-
Departmental Support – Other	25,300	31,600
Total	57,802	69,896

Note: Westminster City Council have adopted a commissioning model for running the Council. This means that some of the Leisure Team costs are now reported as Departmental support.

The audit fees cost shown above of £800 represents the fee of RSM UK Audit LLP, for the audit of the financial statements, incurred by the end of the financial year (31 March 2021). There is a further £9,500 in audit fees, however, this was below Westminster City Council's de minimis and was therefore not accrued for.

D) STAFFING COSTS

The Trustees received no remuneration during the year (2019/20 £nil). The Trust does not employ any staff directly. No Trustee expenses have been incurred during the year (2019/20 £nil).

Note 4 Net income for the year

Net income for the year is stated after charging the amounts detailed below.

	2020/21	2019/20
	£	£
Auditors remuneration	800	9,003
Depreciation	335,342	246,296
Loss on disposal of assets	-	96,232
Total	336,142	351,531

The audit fees cost shown above of £800 represents the fee of RSM UK Audit LLP, for the audit of the financial statements, incurred by the end of the financial year (31 March 2021). There is a further £9,500 in audit fees, however, this was below Westminster City Council's de minimis and was therefore not accrued for.

Note 5 Fixed assets

	Land	Building Improvements	Motor Vehicles	Outdoor Recreational Installations	Fixtures, Fittings and Equipment	Total
	£	£	£	£	£	£
Cost						
Balance b/f at 1 April 2020	2,000,000	6,559,979	10,000	1,998,501	563,528	11,132,009
Additions in the year	-	3,475	-	1,233,518	34,602	1,271,594
Disposals						(279,160)
Balance c/f at 31 March 2021	2,000,000	6,563,454	10,000	3,232,019	598,130	12,403,603
Depreciation						
Balance b/f at 1 April 2020	(1,288,000)	(5,226,708)	(10,000)	(667,206)	(327,600)	(7,519,514)
Depreciation charge in year	-	(113,000)		(196,166)	(26,176)	(335,342)
Disposals						
Balance c/f at 31 March 2021	(1,288,000)	(5,339,708)	(10,000)	(863,372)	(353,776)	(7,854,856)
Net book value						
at 1 April 2020	712,000	1,333,271	-	1,331,295	235,928	3,612,495
at 31 March 2021	712,000	1,223,746	-	2,368,647	244,354	4,548,747

Note 6 Debtors

	2020/21	2019/20
	£	£
Prepayments	-	1,562
Total	-	1,562

Note 7 Creditors due within one year

	2020/21	2019/20
	£	£
Accruals	6,865	130,568
Total	6,865	130,568

Note 8 Capital Commitments

The Trust had no capital commitments at 31 March 2021.

Note 9 Analysis of net assets between funds

2020/21					2019/20				
	£	£	£	£		£	£	£	£
	Creditors	Debtors	Tangible fixed assets	Total		Debtors	Creditors	Tangible fixed assets	Total
General unrestricted funds	(6,865)	-	3,836,747	3,829,882		1,562	(130,568)	2,900,495	2,771,489
Restricted funds			712,000	712,000		-		712,000	712,000
Net assets	(6,865)	-	4,548,747	4,541,882		1,562	(130,568)	3,612,495	3,483,489

Note 10 Movement in funds

2020/21	Fund at 1 April 2020	Income	Expenditure	Fund at 31 March 2021
	£	£	£	£
Unrestricted funds - General Fund	2,771,489	1,753,998	(695,605)	3,829,882
Restricted funds	712,000	-	-	712,000
Total Charity funds	3,483,489	1,753,998	(695,605)	4,541,882

2019/20	Fund at 1 April 2019	Income	Expenditure	Fund at 31 March 2020
	£	£	£	£
Unrestricted funds - General Fund	1,930,068	1,787,296	(945,874)	2,771,489
Restricted funds	712,000	-	-	712,000
Total Charity funds	2,642,068	1,787,296	(945,874)	3,483,489

Restricted funds represent the value of the land vested with the charity under the founding Act.

Note 11 Ultimate controlling party and related party transactions

Westminster City Council members are the Trustees and are deemed the ultimate controlling party of the charity. Income from the Council is disclosed in Note 2 and expenditure from the Council is disclosed in Note 3. There are no further related party transactions to disclose.

Note 12 Reconciliation of net movement in funds to net cashflow from operating activities

	Notes	2020/21	2019/20
		£	£
Net income		1,058,393	841,422
Adjustments for:			
Depreciation charges	5	335,342	246,296
(Decrease) in creditors	7	(123,703)	(55,161)
Decrease/ (Increase) in debtors	6	1,562	(1,562)
Loss on Disposal of Assets		-	96,232
Net cash provided by operating activities		1,271,594	1,127,226