



PADDINGTON RECREATION GROUND CHARITABLE TRUST

Report and Financial Statements

Year Ended: 31 March 2023

Charity Number: 295449

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Trustees' Report

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their report along with the financial statements of the Trust for the year ended 31 March 2023. 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 (FRS 102) in the UK and Republic of Ireland effective from January 1 2019. 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

Paddington Recreation Ground was once again awarded the Green Flag Award for 2022/23. 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 achieved an Excellent in the industry specific national Quest Awards.

Capital works for 2022/23 consisted of: tennis court 1-7 resurfacing, pathway patch repairs, replacement of petrol landscaping machinery to electric, repaired benches and changing places facility.

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 the environmental area Forest Garden, extension of Forest School in Blue Bell Glade, pitch fencing works, new bowls pavilion storage, resurfacing of synthetics tennis courts, refurbishment of pavilion changing rooms, pathway works improvement including improved accessibility from carpark, playground safety surfacing and additional accessible equipment, Splash Pad, Reverse Vending Machine to encourage recycling and an upgrade to park signage.

Trustees' Report (continued)

DEVELOPMENTS AND ACTIVITIES

A number of improvements have been delivered across the site in 2022/2023. These include:

- Tennis Courts 1-7 resurfacing was undertaken across 2021/2022 and finished in 2022/23, following a public consultation. The facility offers 4 new synthetic courts and 3 macadam courts which can also be used for netball.
- Ongoing path repairs as part of the planned maintenance improvement works are underway- providing more accessible paths and for recreational users, those with additional needs and runners alike.
- Contributing to the Westminster Fairer Environment there was a replacement of petrol landscaping machinery to electric.
- Benches in the park were repaired and reinstalled to maintain the quality of the space.
- Accessible access to changing facilities implemented through the addition of a new changing places facility.
- Numbers of users and customers continues to increase.

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.

While the COVID-19 pandemic had very significant effects on the Leisure industry as a whole, Paddington Recreation Ground was less affected as the majority of outdoor facilities continued to be available to the public. Indoor facilities were reopened for the majority of the 2021/22 financial year allowing Paddington Recreation Ground to once again deliver its full offer.

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 5 May 2022 and the next is due in May 2026. 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 (2021/22 £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 (2021/22: £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	Amanda Langford Alan Mendoza Caroline Sargent	Marylebone	Barbara Arzymanow Ian Rowley Karen Scarborough
Bayswater	Maggie Carman James Small-Edwards Max Sullivan	Pimlico North	Jim Glen Ed Pitt Ford Jacqui Wilkinson
Church Street	Aicha Less Matt Noble Aziz Toki	Pimlico South	Liza Begum Robert Eagleton Jason Williams
Harrow Road	Ruth Bush Concia Albert Tim Roca	Queen's Park	Cara Sanquest Patricia McAllister Hamza Taouzzale
Hyde Park	Md Shamsed Chowdhury Paul Dimoldenberg Judith Southern	Regent's Park	Ralu Oteh-Osoka Robert Rigby Paul Swaddle
Knightsbridge and Belgravia	Anthony Devenish Elizabeth Hitchcock Rachael Robathan	St James's	Louise Hyams Tim Mitchell Mark Shearer
Lancaster Gate	Laila Cunningham Ryan Jude Ellie Ormsby	Vincent Square	Gillian Arrindell David Harvey Selina Short
Little Venice	Melvyn Caplan Lorraine Dean Sara Hassan	Westbourne	David Boothroyd Adam Hug Angela Piddock
Maida Vale	Geoff Barracough Iman Less Nafsika Butler-Thalassis	West End	Paul Fisher Patrick Lilley Jessica Toale

Trustees' Report (continued)

FINANCIAL REVIEW

The Trust's financial position was a deficit of £216,466 in 2022/23 (£444,172 surplus in 2021/22).

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

Prior to the pandemic the largest item of revenue expenditure was the management fee paid to Sports and Leisure Management Limited (SLM Ltd) for supporting and running Paddington Recreation Ground on behalf of Westminster City Council. The effect of the pandemic on the Leisure industry resulted in that contract being varied such that exposure continued to be shared throughout 2022/23, although initial recovery was better than anticipated and the total expenditure for the year was £52,005 (2021/22 £12,136).

RESERVES POLICY

The Trust holds restricted reserves of £712,000 representing the value of the land of the Recreation Ground, and £4,057,588 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:	Parveen Akhtar, Director of Law, Westminster City Hall, 64 Victoria Street, London, SW1E 6QP
Auditor:	Sumer Audit Co Limited, Chartered Accountants, Statutory Auditor, Piper House, 4 Dukes Court, Bognor Road, Chichester, West Sussex, PO19 8FX

Statement of Trustees' responsibilities for the financial statements

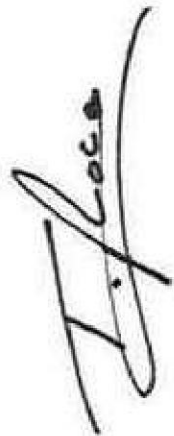
The charity trustees are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Tim Roca,
Deputy Leader and Cabinet Member for Young People,
Culture and Learning,
Westminster City Council

Date: 26/01/24

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 2023 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 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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, except to the extent otherwise explicitly stated in our report we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Report Regulations) 2008 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

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.

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.

IDENTIFICATION AND ASSESSMENT OF IRREGULARITIES INCLUDING FRAUD

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

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

the operations of the association, including The Charities Act 2011.

- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we made enquiries of those charged with governance and management concerning:
 - the risks of fraud;
 - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
- we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

AUDIT RESPONSE TO THE RISK OF IRREGULARITIES INCLUDING FRAUD

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 1H were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- reviewing the correspondence with relevant regulatory bodies.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

CONCLUSIONS REGARDING THE RISKS OF IRREGULARITIES INCLUDING FRAUD

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

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

We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

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 part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jordan Abbott BSc ACA (Senior Statutory Auditor) for and on behalf of:
Sumer Audit
Chartered Accountants and Statutory Auditor
Piper House
4 Dukes Court
Bognor Road, Chichester, West Sussex
PO19 8FX

Date: 29 January 2024

Sumer Audit is a trading name of Sumer audit Co Limited
Sumer Audit Co Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities

(Including Income and Expenditure Account)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2022/23			2021/22		
		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
		£	£	£	£	£	£
Income							
Charitable activities	2	426,551	-	426,551	984,715	-	984,715
Total		426,551	-	426,551	984,715	-	984,715
Expenditure							
Charitable activities	3	(643,017)	-	(643,017)	(540,543)	-	(540,543)
Total		(643,017)	-	(643,017)	(540,543)	-	(540,543)
Net Income/(Expenditure)		(216,466)	-	(216,466)	444,172	-	444,172
Net movement in funds		(216,466)	-	(216,466)	444,172	-	444,172
Reconciliation of funds							
Funds b/f	9	4,274,054	712,000	4,986,054	3,829,882	712,000	4,541,882
Funds c/f		4,057,588	712,000	4,769,588	4,274,054	712,000	4,986,054

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 2023

	Notes	31 March 2023	31 March 2022
		£	£
Fixed assets			
Tangible assets	5	4,733,112	4,954,453
Current Assets			
Cash		-	-
Debtors	6	88,481	31,601
Liabilities			
Creditors due within one year	7	(52,005)	-
Net current Assets/(Liabilities)		36,476	31,601
Total assets less current liabilities		4,769,588	4,986,054
Total net assets		4,769,588	4,986,054
The funds of the charity:			
Restricted income funds	10	712,000	712,000
Unrestricted income funds	10	4,057,588	4,274,054
Total reserves		4,769,588	4,986,054

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

The financial statements were approved by:



Gerald Almeroth
Executive Director of Finance & Resources
Westminster City Council

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



Councilor Tim Roca
Deputy Leader and Cabinet Member for Young People, Culture and Learning
Westminster City Council

Responsible Officer

Trustee

Cash Flow Statement

STATEMENT OF CASHFLOWS AT 31 MARCH 2023

	Notes	2022/23	2021/22
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	12	166,152	810,636
Cash flows from investing activities:			
Purchase of property, plant and equipment	5	(166,152)	(810,636)
Cash flows from financing activities:		-	-
Change in cash & cash equivalents in the reporting period			
Cash & 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

CHARITY INFORMATION

Paddington Recreation Ground Charitable Trust is a charity registered in England governed by its trust deed "Paddington Recreation Ground Act 1893". Its Principal address is Westminster City Hall, 64 Victoria Street, London, SW1E 6QP.

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)" effective 1 January 2019, 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) effective 1 January 2019 rather than the version of the Statement of Recommended Practice,

which is referred to in the regulation, but 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.

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.

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 (2021/22 – £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 primary source of income for charitable activities reported is the financial support from Westminster City Council to the Trust for the 2022/23 financial year of £426,551 (£984,715 in 2021/22). As a result of the variation to the contract with Sports and Leisure Management Limited following the impact of COVID-19 on the Leisure industry, SLM Ltd made a contribution towards operational costs of £32,256 (2021/22 £31,601). The only other income received in year was from Forest School £27,381 (2021/22 nil). The total 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	2022/23	2021/22
SoFA – Expenditure on Charitable Activities		£ 643,017	£ 540,543
Cost of operation	3a	528,195	463,178
Management fees	3b	52,005	12,136
Governance costs	3c	62,817	65,229
Total		643,017	540,543
A) COSTS OF OPERATION			
		2022/23	2021/22
		£	£
Maintenance – Building works		2,245	375
Maintenance – Grounds other		18,396	24,176
Maintenance - Tree works		14,645	15,802
Rents		12,211	12,179
Service charges – Repairs and maintenance		2,900	2,900
Insurance		4,015	2,816
Security & Marketing		7,059	-
Forest School		79,231	-
Capital charges – Depreciation		387,493	378,361
Fixed Assets – loss on derecognition		-	26,569
Total		528,195	463,178

B) MANAGEMENT FEES

Support costs of £52,005 were incurred in the year (£12,136 2021/22), paid to Sports and Leisure Management Limited. This represents a shared exposure position following variation of the original contract, with better than anticipated recovery following the COVID-19 pandemic.

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 £62,817 (£65,229 in 2021/22). Apportioned costs of the SL&AC (Sports, Leisure & Physical Activity) Client Team, based on the estimated time that they spent on overseeing the activities of the Trust, account for £30,917 (£24,279 in 2021/22). The role of the Client Team is primarily contract monitoring and management of capital and revenue improvements/maintenance works. The balance of £25,300 (£25,300 in 2021/22) 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.

	2022/23	2021/22
	£	£
Client Team – Staff costs	25,142	23,993
Client Team – Other running costs	5,775	286
Audit Fees	6,600	15,650
Departmental Support – Finance	-	-
Departmental Support – Other	25,300	25,300
Total	62,817	65,229

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 £6,600 represents the 2022/23 fee for Jones Avens Ltd (£6,600), incurred by the end of the financial year (31 March 2023).

D) STAFFING COSTS

The Trustees received no remuneration during the year (2021/22 £nil). The Trust does not employ any staff directly. No Trustee expenses have been incurred during the year (2021/22 £nil).

Note 4 Net income for the year

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

	2022/23	2021/22
	£	£
Auditor's remuneration	6,600	15,650
Depreciation	387,493	378,361
Loss on disposal of assets	-	26,569
Total	394,093	420,580

The audit fees cost shown above of £6,600 represents the 2022/23 fee for Jones Avens Ltd, incurred by the end of the financial year (31 March 2023).

Note 5 Fixed assets

	Land	Building	Motor Vehicles	Outdoor Recreational Installations	Fixtures, Fittings and Equipment	Total
	£	£	£	£	£	£
Cost						
Balance b/f at 1 April 2022	2,000,000	6,563,454	10,000	3,852,997	750,194	13,176,645
Additions in the year	-	28,679	-	106,545	30,928	166,152
Disposals	-	-	-	-	-	-
Balance c/f at 31 March 2023	2,000,000	6,592,133	10,000	3,959,542	781,122	13,342,797
Depreciation						
Balance b/f at 1 April 2022	(1,288,000)	(5,452,708)	(10,000)	(1,086,449)	(385,035)	(8,222,192)
Depreciation charge in year	-	(113,017)	-	(238,677)	(35,799)	(387,493)
Disposals	-	-	-	-	-	-
Balance c/f at 31 March 2023	(1,288,000)	(5,565,725)	(10,000)	(1,325,126)	(420,834)	(8,609,685)
Net book value						
at 1 April 2022	712,000	1,110,746	-	2,766,548	365,159	4,954,453
at 31 March 2023	712,000	1,026,408	-	2,634,416	360,288	4,733,112

Note 6 Debtors

	2022/23	2021/22
	£	£
Prepayments and Accrued Income	88,481	31,601
Total	88,481	31,601

Note 7 Creditors due within one year

	2022/23	2021/22
	£	£
Accruals	52,005	-
Total	52,005	-

Note 8 Capital Commitments

The Trust had no capital commitments at 31 March 2023 (None in 2021/22).

Note 9 Analysis of net assets between funds

	2022/23					2021/22		
	Creditors	Debtors	Tangible Fixed Assets	Total		Creditors	Debtors	Tangible Fixed Assets
	£	£	£	£		£	£	£
General unrestricted funds	(52,005)	88,481	4,021,112	4,057,588		-	31,601	4,242,453
Restricted funds	-	-	712,000	712,000		-	-	712,000
Net assets	(52,005)	88,481	4,733,112	4,769,588		-	31,601	4,954,453
								4,986,054

Note 10 Movement in funds

2022/23	Fund at 1 April 2022			Income	Expenditure	Fund at 31 March 2023	
	£		£	£		£	£
Unrestricted funds - General Fund	4,274,054		426,551	(643,017)		4,057,588	
Restricted funds	712,000		-	-		712,000	
Total Charity funds	4,986,054		426,551	(643,017)		4,769,588	
2021/22	Fund at 1 April 2021			Income	Expenditure	Fund at 31 March 2022	
	£		£	£		£	£
Unrestricted funds - General Fund	3,829,882		984,715	(540,543)		4,274,054	
Restricted funds	712,000		-	-		712,000	
Total Charity funds	4,541,882		984,715	(540,543)		4,986,054	

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	2022/23	2021/22
		£	£
Net income		(216,466)	444,172
Adjustments for:			
Depreciation charges	5	387,493	378,361
(Decrease)/Increase in creditors	7	52,005	(6,865)
Decrease/ (Increase) in debtors	6	(56,880)	(31,601)
Loss on Disposal of Assets		-	26,569
Net cash provided by operating activities		166,152	810,636