



Enhancing local lives

Trustees' report and accounts
for the year ended 31 March 2013

WESTWAY
DEVELOPMENT TRUST



Enhancing the lives of local people

- Enterprise and Opportunity
- Health and Wellbeing
- Sports and Fitness
- Education and Arts

Westway Development Trust was formed in 1971 to develop for community benefit the 23 acres of derelict land, between Westbourne Park and White City, created by the construction of the A40 Westway flyover. The Trust has created the Portobello Green area of creative businesses, shops and public space, the Portobello Market Tent, Westway Sports Centre, Portobello Green Fitness Club and an extensive portfolio of commercial property and workspace for local charities.

We are involved in urban regeneration, education, arts and sports development – with a focus on access for those most in need. As a community based organisation we work in partnership with the local voluntary sector.

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Chairman's introduction



We proudly carry the Trust's strapline "enhancing local lives" on the cover of this report and in the following pages you will find details of what we are doing to achieve this goal.

Recently we have been asking ourselves how we can better define the difference we can make. The answer has emerged that, in unlocking the potential of people that live, work and play in the local community with relevant products and services, we can deliver the greatest impact on peoples lives.

Two highly successful and enjoyable events that took place over this past summer demonstrate how we can effectively bring our communities together. In July we ran our Westway Summer Festival on Portobello Green. I had the pleasure of accompanying the Mayor and Mayoress as they experienced the wide range of activities for everyone to enjoy. Spider Mountain for the young, Zumba for the active and face painting, music and arts. They also met partner community organisations, all showcasing their work on a blisteringly hot summer's day!

Later in August, together with the Kensington & Chelsea Social Council, the Trust hosted an event on Portobello Green to celebrate the 40th anniversary of the modern Notting Hill Carnival. The High Commissioners of six Caribbean states joined the Deputy Mayor, local councillors and many local residents to celebrate the point at which the Notting Hill Carnival became truly international and

multi-cultural. Westway Development Trust helped fundraise for the early running costs, along with local Carnival pioneers and create a Carnival committee that reinvigorated this most famous of events.

The way we work today to unlock potential is radically different from how we worked 40 years ago. In this austere economic climate and with some challenging local social conditions, I believe we can make the greatest impact by ensuring our work to improve the employability of those most disadvantaged is well targeted.

During the year we said goodbye to some long-serving and dedicated staff who helped design, build and shape the Trust. I would like to add my thanks to each of them for their contribution. We have had a busy time recruiting a new management team, charged with unlocking potential and they have been busy, looking at what we do and how we do it. You will see very shortly a Trust that is more focused and driven to achieve the goals we have set ourselves.

Ken Scott, Chairman
10 September 2013

History and objectives of the Trust

Trustees' report for the year ended 31 March 2013

The Trustees, who are also directors of the Company for the purposes of the Companies Act, submit their report and audited financial statements for the year ended 31 March 2013.

Our history and the context in which we work

The Trust was founded in 1971 to develop the land left derelict by the construction of the A40 Westway in a way that would benefit the local community. We were the first modern community regeneration organisation.

Kensington & Chelsea, with a population of about 170,000, is the most densely populated borough in the UK where extremes of wealth and poverty co-exist. There is a 10 year gap in life expectancy between the residents of the north and south of the borough. It is a cosmopolitan, multi-ethnic and multi-faith borough where more than 100 different first languages are spoken. In the borough's schools, 70% of pupils are from ethnic minorities.

Land use

We hold in trust nine hectares (23 acres) of land under the Westway. The land is sub-leased from the Royal Borough of Kensington & Chelsea which in turn has a lease from the freeholders, Transport for London. Of this land, 80% has been developed for community facilities; 15% is developed commercially, providing a long-term income stream; and 5% is yet to be developed.

Our charitable objectives

To promote the benefit of the inhabitants of the Royal Borough of Kensington and Chelsea (RBKC) by charitable means as the trustees think fit, including:

- The advancement of education in the Royal Borough, including:
 - training or retraining.
 - the provision of financial assistance to people who live in the borough and are in need of support to pursue their education.
 - support of the performing and visual arts.

- The provision of facilities for recreational, sporting and other leisure activities in the interests of social welfare, with the object of improving the conditions of life of inhabitants and the inhabitants of adjoining London boroughs (including the protection and preservation of their health).
- The development of the capacity and skills of members of socially disadvantaged communities within the Royal Borough enabling them, in the long-term, to identify and address their own needs, and to participate more fully in society.
- The maintenance, improvement or provision of amenities such as our parks and gardens and the promotion of community art projects.

To achieve these aims, we may assist other charitable institutions established for the benefit of residents.

Public benefit

Our activities continue to give identifiable benefits to the public we serve. The Trustees confirm that they have complied with the duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and seek to meet our charitable purposes in following our core goals.

We aim to deliver our programmes effectively, manage the assets and resources that make them possible, and operate as efficiently as a commercial organisation.

18,000

people took part in community partnership events and activities, from life drawing classes to the Notting Hill Film Festival

Our current services and activities

Adult and community learning

Working with RBKC we run a variety of programmes focused on enhancing children's speaking, listening and reading skills, to aid preparation for mainstream school, and helping adults develop skills to help them in the workplace. This includes classes in English, Information & Communication Technology and English for Speakers of Other Languages, for Work; qualifications through the Open College Network; "Strengthening Families, Strengthening Communities", "Power of Parents", an under-8s club for Travellers' children; and managing and contributing to the Partnership for Supplementary Schools in Kensington & Chelsea.

Arts and artists, community places and unique spaces

We use undeveloped space for additional projects driven by artists and community groups who come up with proposals for development sites, public spaces and buildings. The Trust also works more directly with the arts, bringing artists into primary schools through the Everyday Magic programme in up to ten local primary schools, or working with community organisations active in supporting or showcasing local artists' work.

Community sports outreach

The outreach team run sessions in schools, community centres and other venues. They make use of our facilities when this makes sense, but also run programmes in other venues when this works best. Sessions are often run in partnership with organisations including NHS Commissioning Groups, the School Sports Partnership, Parent Pupil Partnership and the Greenhouse Schools Project. The sports management and outreach team also manage a small grants programme, aimed at providing local people with opportunities to participate in sport and to acquire employment skills within the sports sector.

Education grants

We offer grants to local adults who are unemployed and undertaking courses leading to employment. Grants are based on an assessment of need. Grants up to a maximum of £1,000 are given to help with fees, books, travel and childcare.

Grants for local groups

Each year we support around 20 to 30 small community and voluntary groups with grants for events, trips and local projects. These grants are usually of up to £1,000. We also offer grants through a programme to support community groups in sports and health initiatives. We have the capacity to make a small number of core grants to community

organisations. We have continuing provision of subsidised workspaces for local charities. Grants to Supplementary Schools are provided through funds that we raise from the Royal Borough as part of our education programmes.

Grounds and gardens

We maintain a number of green spaces and hard landscaped areas. We have a small team of permanent staff and invite local volunteers to join us to gain experience of work in a supported environment

Portobello Green Fitness Club

A cardiovascular and resistance gym, separate free-weights gym, two squash courts, saunas and steam rooms, and three treatment rooms, as well as a range of classes.

Health trainers: a programme funded by the NHS. The team of mentors refer local people to services and support them in making behavioural changes which will improve their lives, from giving up smoking to more general fitness and activity.

Property rentals and management

We own, maintain and let a portfolio of 120 commercial properties, ranging from clubs, bars and restaurants, fashionable boutiques in Portobello Green Arcade, to light industrial units and commercial offices. Our commercial estate provides flexible work-space for small to medium-sized local businesses. Many of our tenants are young or start-up creative businesses.

Forty years ago this area was a wasteland; today it is a thriving place of work, with more than 800 people in jobs. In developing just 15% of our land commercially we have secured a long-term income stream, to subsidise our extensive programme of community projects. Key to our continued success in income generation is the maintenance and development of our estate.

Westway Sports Centre

Eight state-of-the-art football pitches, basketball and netball courts, eight indoor tennis courts, two outdoor artificial-clay tennis courts, a large indoor climbing and bouldering centre, cricket nets, a small gym and handball fives courts. Customers can also swim in the 'endless pools' (that are run by our external partner Frutina) and play Street Hockey, Street 20 Cricket and bike polo.



70

community projects received funding
over the past year



Our achievements

Here are just some of our achievements
in enhancing local lives in 2012/13

Adult Learning

The project works closely with RBKC, Al Manaar Muslim Cultural Heritage Centre, Pimento Community Association, Golborne Children's Centre, Maxilla Children's Centre, Brompton Library, St Cuthbert with St Matthias Children's Centre and Kensington and Chelsea College. In 21% of households in RBKC, no one speaks English as their main language (2011 census). This is the fourth highest proportion in the country. The aim of this provision is to enable learners to function more fully in society and access opportunities in work and further education. The programme also works to decrease isolation and promote inclusion and community cohesion. 23 courses were run through the autumn term and 25 courses during spring and summer.

In spring term evaluations, 98% of learners stated that their English had improved. 101 progressions to higher level courses were recorded; 5 learners completed ESOL for Work qualifications and 6 trainee teachers completed the first year of a two-year diploma. 8 learners progressed to employment; 4 learners progressed to college; and 3 learners progressed to volunteering.

There were 6,612 attendances during the year, an average of eight per session; 93% attendance and 98% retention was achieved in Skills Funding Agency (SFA) funded courses; 243 learners studied on those SFA funded courses; and 56 learners studied on European Integration Fund courses.

Health Trainers

Funded by NHS Kensington & Chelsea (now funded by the local CCG), the programme targets behaviour change among at-risk RBKC residents, to adopt healthy lifestyles, addressing health inequalities and improving morbidity and mortality rates. Health Trainers achieved their goals of signing-up 705 clients to the programme, 71% of clients coming from deprived backgrounds and 83% of clients achieving their behaviour change goals.

Portobello Green Fitness Club

Portobello Green Fitness Club ended a successful year with more than 1,700 club members, a 20% increase on the previous year's performance. Fitness programmes for target groups in the local community increased participation levels. These programmes included;

- Grove Youth Fitness, a project to engage local people aged 13-17 years old to participate in gym and fitness-related activities from schools and local youth clubs.
- Prestige 60+ memberships, working with local charity, Open Age, to provide physical activity classes and social support network.
- Inclusive fitness offering discounted membership and 1:1 support service to disabled individuals and groups with the borough.

Our Exercise Referral Programme targeting people with specific health conditions has been shortlisted as a finalist in the prestigious National Fitness Awards. The programme was shortlisted in the best rehabilitation facility category, beating off competition from hundreds of nominations nationwide. A fantastic achievement from the team.

RBKC Partnership of Supplementary Schools

The project was developed to provide support to small, voluntary organisations in RBKC that are parent-led, that find it difficult to engage cost-effectively, with all the necessary procedures to run a supplementary school, both safely and with quality.

We instituted a school registration system this year to check every school receiving support has the appropriate policies and procedures in place. Provision of the Effective Teaching course helped 30 tutors from 14 schools improve their teaching. The Effective Teaching course was run twice. A full training programme was run covering Safeguarding, Fundraising, Writing a Business plan, Effective Lesson Planning, Off-site activities and First Aid.

Overall, 103 staff or volunteers received training from us, representing 23 organisations. 62 volunteers were given support. There were 314 users (target 205) and 37,574 learning hours were delivered (target 21,093).

Westway Sports Centre

At the Westway Sports Centre, the Junior tennis programme, aiming to provide the best tennis experience possible to children and maximise their potential, delivered 24 classes in 14 schools with 700 children participating per week.

Westway Women's World

Westway Women's World project has continued to grow to meet the needs of the large population of Muslim women in the surrounding area, particularly their requirement for women-only activities; and there are many non-Muslim women who also prefer to exercise in a women-only environment.

The project aims to improve women's and girls' (13+) health and wellbeing by encouraging participation in a range of activity sessions across our facilities and at local community outreach centres. This popular programme has now attracted 1,500 regular users exceeding all targets.

Personal training at Portobello Green Fitness Club



600 people registered with the health trainer programme to adopt healthier lifestyles

Our approach to sustainability

As an organisation that works with and for our local community, the Trust is particularly aware of the importance that sustainability has for the work we do; whilst focusing current projects on the economic, social and environmental needs of our beneficiaries, we also have an eye to the needs of future generations. As a development trust we are committed to improve the environment in which we work; and our charitable remit is to improve the well-being of both current and future generations of residents.

Our business planning procedures involve assessing the long-term viability of projects. When we seek external capital funding for major projects, we only proceed when we are satisfied there will be sufficient income to maintain activities into the future. Where funding for any project is limited, we seek to be clear on the life cycle of the project from the outset.

Our ambitious plans for redevelopment will see more advanced and environmentally-friendly buildings being put in the place of some of the least efficient property.

We encourage local initiatives within our operations. Put together these are intended to have a positive environmental impact.

- Since 2007 we have engaged in a programme of monitoring energy usage across the Trust, to identify more efficient technology and to eliminate unnecessary consumption. Since the beginning of the programme there has been a 34% reduction in our electricity consumption and a 28% reduction in gas consumption.
- We have encouraged staff to cycle to work by promoting free bike maintenance sessions, free bike maintenance training, free cycling courses and further staff cycle racks. Folding bikes have also been provided for staff to use for external meetings or visits between the sites. We provide staff loans for the purchase of bikes and participate in the Bike to Work scheme.
- The trials of new lamp technology at the Sports Centre to significantly reduce energy consumption, in the gym and in some offices, has provided encouraging results: sports users are satisfied with the level and form of lighting and energy savings can be seen in our consumption. Towards the end of the year we started our most ambitious project thus far, with a comprehensive relamping of the underground car park at the Sports Centre.

700

children regularly
attended the junior
tennis programme
each week

How our income is recycled



Financial report and business review

Review of the year	2013	2012
	£,000	£,000
Total income	7,291	7,430
Expenditure on charitable activities	(6,780)	(6,333)
Property and governance costs	(799)	(982)
Operating result	(288)	105
Other gains and losses	(27)	(370)
Net movement in funds	(315)	(255)



In contrast to the impact that the current, extended recession is having on many charities, and the compounding effect of a retrenchment of Government funding, the Trust has fared reasonably well during 2012/13. Total income is some 2% lower than the previous financial year and this all arises in the sporting arena.

We experienced a slow start to the year at the Sports Centre, particularly in climbing, and our team undertook a review of our offering, that dovetailed with significant refurbishment of sections of the climbing walls. Although all that work had been scheduled to be completed in the previous year, problems with the supply of the new panels meant that some of the works were delayed until the Summer. Likewise, our plans to overhaul the severely underutilised outdoor clay tennis courts were completed during the year and we now offer an additional two all-weather football pitches and two artificial-clay tennis courts which are proving to be much more popular than the old facilities. We gained a number of new football users from the closure of the pitches at Kensington Leisure Centre (KLC) (in recognition of which the Royal Borough part-funded the conversion of two courts to football pitches).

We have been planning for some time for the termination of a 30-year old agreement with The Royal Borough of Kensington & Chelsea for use of the Westway Sports Centre by local state schools. The impact last year was a reduction in funding of £88,000. Local schools that now control their own budgets struggle to find the resources to use our facilities and we have put in place a highly-discounted programme for schools use of the Centre in daytime hours. The renegotiation with the Lawn Tennis Association for the delivery of performance tennis at the Centre, resulting in reduced funding, has led to a review of the entire programme that is likely to lead to changes in delivery next year.

With the enhanced facilities and an enthusiastic management team, the Sports Centre enjoyed a significant upturn in income from December 2012 onwards, that more than made up for the apparent downturn at the beginning of the year. That upturn was also experienced at the Portobello Green Fitness Club. We attribute about half of the increase in Club membership to the closure of KLC, but the other half is due to the initiatives and hard work of the Club's own team.

In contrast to the challenges faced in income, we kept our commitment to increase participation, community and development sport. Expenditure on all our sports programmes increased by 7%.

Grant funding for projects has been maintained at previous levels; the apparent decrease in grants is due to a number of capital grants received in 2011/12 and there were no similar programmes this year.

Rental income has remained stable, although we have not been able to increase rents for new leases. But linked to that, we enjoyed a continued high level of occupancy in our commercial units during the

Public consultation on our redevelopment plans

🕒 37,000

learning hours were delivered through the RBKC partnership of supplementary schools

year that defied our cautious expectations. It is certainly true that we are seeing some smaller traders finding it harder to keep up payments as the economic squeeze continues. We take a proactive approach to help those tenants with sensible payment plans, but we judge that the pain of the recession is not quite over.

Expenditure on redevelopment activities increased slightly, as we entered into a period of public consultation over our development plans following the publication of the local authority's "Supplemental Planning Document" covering our land. That SPD was eventually published in December 2012 – more than a year after we had hoped – and it has delayed our development work. So while we are now gearing up to enter a development phase, and are incurring more operating costs, we have yet to start any major building scheme.

We continued to invest in our infrastructure, with significant spend on document management and finance systems during the year, to be followed by HR, customer databases and sports management systems in 2013/14.

The net result for the year, before capital movements, is a deficit of £288,000, which is funded as planned from reserves. We have no plans to curtail the delivery of our charitable programmes in this period of recession, but we expect to reduce some of our overhead spend before our property redevelopment programme increases our own disposable income.

There was little movement in the value of our commercial rental portfolio during the year, with a revaluation surplus for the period of £34,000. There was an increase in the deficit of the defined benefits pension scheme of £82,000. However a full actuarial valuation is being undertaken in 2013/14 and that may have a significant impact on the figures produced for these accounts, which are extrapolated from full data established during the 2010 valuation.

Business planning

Our current business plan includes ten strategic objectives that we have been working towards. The most significant objective is to develop 5,000m² of new buildings and additional net rental income of £0.8m pa over 5 years. As reported elsewhere, our plans have been delayed by some two years as we awaited publication of the local SPD, upon which we can shape our development plans.

Other objectives commit us to an increased level of maintenance for our let estate and maintain existing expenditure on community projects. We acknowledge that until new rental income comes on stream, some of that spend will need to come from reserves that we have set aside for the purpose.

A number of other objectives, such as improving the operating capacity of the Westway Sports Centre, the Portobello Green Fitness Club and

our back office functions; analysing and assessing the quality and benefit of our community programmes; and engaging with the local community will be taken up by the new team referred to below.

Plans for the future

2013/14 has already seen much change for the management team at the Trust. Martyn Freeman stood down as Chief Executive and is currently concentrating on progressing our redevelopment plans. John O'Brien retired after 33 years with the Trust, most of them as Director of Sport; Jonnie Beverley has retired after 28 years with the Trust, formally stepping down as Community Development Director and Deputy CEO two years ago; and Chris Bailey left after 12 years, lastly as our Partnerships and Innovations Manager. The Trustees are most grateful to the team for their work and commitment over many years.

We have been busy recruiting a new leadership team and all the posts are now filled. With that renewal will come a period of intense analysis of our activities and their impact and a needs analysis of our beneficiary community. This will develop the work the Trustees started in 2012 to redefine and focus our priorities. It is too early to say what specific impact all that work will have on our existing projects, but much is likely to change.

With the long-awaited publication of RBKC's Supplementary Planning Document for the Trust Estate, which was formally approved in December 2012, we are now in a much stronger position to progress the redevelopment of our land, generating greater funds and delivering more services and opportunities for the community.



Dalgarno Supplementary School students receiving their awards from the Mayor

Structure, governance, management and significant policies

The Trust is governed by its Memorandum & Articles of Association, adopted on 12 December 2007, as subsequently amended. We have a Board of between 15 and 18 trustees; seven are elected for three-year terms by our 43 member organisations (active local charities and organisations serving the Borough) and seven are nominated by the Royal Borough of Kensington & Chelsea; together they appoint an independent Chairman (who must be a resident of the wider benefit area) at the beginning of the year. The trustees may co-opt up to three additional trustees. New trustees are introduced to the Trust with a formal induction programme.

The organisation

The charity is known as Westway Development Trust; it is a registered charity number 1123127 and is a company limited by guarantee number 6475436. The first Trust was set up in 1971; from 2008 the activities have been operated through a charitable company also known as Westway Development Trust.

Governance review

In addition to the main Board, the Trust has the following sub-boards and committees set out below:

- Sport & Fitness Board
- Property & Regeneration Board
- Community Development Board
- Audit Committee
- Remuneration Committee
- Nominations Committee
- External Reputation Advisory Group

The trustees are undertaking a review of the governance arrangements of the Trust with the assistance of external consultants and we expect significant changes to streamline our procedures and structure to be proposed to the Members within the next year.

Management

Interim Chief Executive: David Oliver

The trustees delegate the day-to-day management of the Trust's operations to a full-time management team, headed by the Chief Executive Officer and supported by the executive directors.

Risk and control

The Trust has long-standing financial controls that are authorised by the trustees and periodically reviewed and updated. The trustees have undertaken a comprehensive organisational risk assessment and have identified the principal risks, both financial and operational, to which

they consider the Trust is exposed. The trustees have put in place the controls they consider to be realistic and practical to mitigate the risks identified. The main risks include the Trust's exposure to the property rental market, as the Trust's rental income underpins the costs of its targeted, charitable activities; the condition of the Trust's property estate; and the delivery of quality services to the public, including young people and vulnerable adults.

Investment policy

The trustees have set aside 15% of Trust land for commercial development to provide shops, offices, light industrial units and any other suitable building that fits within the Trust's property strategy. The trustees do not consider any other form of long-term investment to be relevant as surplus cash is placed on bank deposit, so that it is then available to draw down in the short-term as the need arises.

Reserves policy

The trustees set aside available funds for foreseeable needs and for planned refurbishment 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. The trustees do not currently consider it necessary to establish a minimum level of free reserves for general purposes and seek to put available funds to charitable use or to make specific provisions for future use as noted above. Free, undesignated reserves stand at £400,000 as at 31 March 2013. Note 17 to the financial statements gives greater detail on the purposes of the designated funds of the Trust and the reasons for holding those funds.

Treasury policy

The Trust will deposit its cash funds in UK-based financial institutions authorised and regulated by the Bank of England or the Financial Services Authority. The Trust will only deposit funds in institutions with a minimum credit rating. A variety of instant access, short-term and medium-term deposits will be made to allow funds to be drawn down according to the needs of the Trust's forecast cashflow.

Whilst the Trust promotes multi-million-pound development opportunities, it will seek to hold treasury reserves in the order of £500,000 to protect the ordinary activities of the Trust from unforeseen events during those developments.

Accounting policy

The Trust will adopt suitable accounting policies to ensure its published financial accounts show a true and fair view of the income, expenditure, unrealised gains and losses and state of affairs of the Trust.

£394,000

grants awarded to local
charities and community
partners over the past year

Trustees and committee membership

Board and sub-Committee membership and changes during the year were as follows:

Board membership	
<i>Chairman</i>	
Ken Scott	CDB(Chair), REM(Chair), NOM(Chair)
<i>Elected by Member Organisations</i>	
James Caplin	ERA, AUD
Cynthia Dize	PRB
Mary Gardiner	CDB
Ruth Hillary	CDB
David Oliver (Vice Chair) (until 25 March 2013)	AUD(Chair), NOM
Mary Roser	SFB
Abdul Fatai Towolawi	CDB
<i>Council nominees</i>	
Cllr Fiona Buxton (Vice Chair)	AUD
Cllr Terence Buxton	PRB, ERA
Cllr Pat Healy (until 23 May 2012)	AUD
Cllr David Lindsay	PRB, AUD
Cllr Pat Mason (from 26 June 2012)	-
Cllr Rock Feilding-Mellen	CDB, REM
Peter Wilson	SFB, REM, AUD(Chair) (from April 2013)
Tim Davis	SFB(Chair), ERA(Chair), NOM
<i>Co-opted trustees</i>	
Joanna Farquharson	SFB, REM
Mike Jones	PRB(Chair), NOM

AUD: Audit Committee
CDB: Community Development Board
ERA: External Reputation Advisory Group
NOM: Nominations Committee
PRB: Property & Regeneration Board
REM: Remuneration Committee
SFB: Sport & Fitness Board

Statement of trustees' responsibilities

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

Company law requires 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 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 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.

Auditors

Our auditors, 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.



Signed on behalf of the Trustees
Ken Scott, Chairman, 10 September 2013

Addresses and advisors

Main addresses

Head office

1 Thorpe Close, London W10 5XL
020 8962 5720

Portobello Green Fitness Club

3/5 Thorpe Close, London W10 5XL
020 8960 2221

Westway Sports Centre

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020 8969 0992
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Advisors

Solicitors

Bates Wells & Braithwaite London LLP,
2 – 6 Cannon Street, London EC4M 6YH

Auditors

Kingston Smith LLP, Devonshire House,
60 Goswell Road, London EC1M 7AD

Bankers

Barclays Bank PLC, Corporate Banking Centre,
Level 28, 1 Churchill Place, London E14 5HP

Property Advisors

GVA Grimley, 10 Stratton Street, London W1J 8JR

Member Organisations of the Trust

Abundance Arts
Age UK Kensington and Chelsea (incorporating Sixty Plus)
Association for Cultural Advancement of Visual Art
Catholic Children's Society (Westminster)
Chelsea Theatre
Children's & Parents Carnival Association
Community Accountancy Self Help
Corner Nine Arts Project
Dadihiye Somali Development Organisation
Dalgarno Neighbourhood Trust
Earl's Court Community Trust
Ebony Steelband Trust
Eritrean Cultural Support Group & African Refugee Project *
Eritrean Gheez Rite Community Association *
Ethiopian Women's Empowerment Group
Gloucester Court Reminiscence Group
Hand In Hand Group
Harrow Club W10
Kensal Community Association
The Kensington & Chelsea Foundation *
Kensington & Chelsea Mental Health Association
Kensington & Chelsea Social Council
Kensington & Chelsea Swimming Club
Kensington Housing Trust
The Kensington Society *
Latimer Christian Centre
Notting Hill Housing Trust
NOVA new opportunities
Nucleus Earl's Court Community Action
Octavia Housing and Care
Open Age
Pepper Pot Day Centre
Regeneration Trust
Response Community Projects
Sion Manning RC Girls School
St Helen's Church
St Helen's Residents Association
Swinbrook Estate Residents Association
Tavistock Crescent Residents Association
Venture Community Association
The Video College
West London Citizens
Westway Community Transport

* New Member this year

Independent auditors' report to the members of Westway Development Trust

We have audited the financial statements of Westway Development Trust for the year ended 31 March 2013 which comprise the Statement of Financial Activities (incorporating the Summary Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and, in respect of the financial statements, to the charity's trustees, as a body, in accordance with regulations made under section 144 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditors' 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, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities 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.

We have been appointed as auditor under the Companies Act 2006 and section 144 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2013 and of the 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 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Kingston Smith LLP

Anjali Kothari (Senior Statutory Auditor)

for and on behalf of Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP is eligible to act as auditor under of Section 1212 of the Companies Act 2006.

Date: 10 September 2013

Statement of Financial Activities

(including Income and Expenditure Account)
for the year ended 31 March 2013

	Note	General funds £	Designated funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources						
<i>Incoming resources from charitable activities</i>						
Sports and recreational facilities	2	2,927,201	–	(25,549)	2,901,652	3,001,560
Community sports development	2	725,410	–	200,106	925,516	1,017,226
Health and education activities		48,904	–	497,159	546,063	464,062
Other grants and donations		–	–	4,417	4,417	25,249
<i>Investment income</i>						
Land and property rentals		2,515,519	–	–	2,515,519	2,521,213
Interest receivable		46,898	–	240	47,138	41,971
<i>Other incoming resources</i>						
Property service charges		33,481	–	279,426	312,907	322,848
Miscellaneous income		36,128	–	2,000	38,128	36,285
Total incoming resources		6,333,541	–	957,799	7,291,340	7,430,414
Resources expended						
<i>Charitable activities</i>	4	5,362,960	444,593	972,898	6,780,451	6,332,593
<i>Governance</i>	6	71,398	–	–	71,398	59,936
<i>Investment management costs</i>						
Property overheads	7	444,391	16,360	266,817	727,568	922,423
Total resources expended		5,878,749	460,953	1,239,715	7,579,417	7,314,952
Net incoming (outgoing) resources before transfers		454,792	(460,953)	(281,916)	(288,077)	115,462
Transfers between funds	8	(560,346)	594,817	(34,471)	–	–
Net income less expenditure after transfers		(105,554)	133,864	(316,387)	(288,077)	115,462
<i>Other recognised gains and losses</i>						
Revaluation of commercial properties	12	–	34,242	–	34,242	–
<i>Movements arising on defined benefit pension scheme</i>						
Actuarial gains and losses	20	–	(61,000)	–	(61,000)	(370,000)
Net movement in funds		(105,554)	107,106	(316,387)	(314,835)	(254,538)
<i>Reconciliation of funds</i>						
Balances brought forward at 1 April 2012		499,809	16,364,604	11,663,497	28,527,910	28,782,448
Balances carried forward at 31 March 2013	17	394,255	16,471,710	11,347,110	28,213,075	28,527,910

All activities derive from continuing operations.

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

as at 31 March 2013

Company number: 6475436

	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Charitable buildings	11		12,406,395		12,444,367
Investment property	12		13,498,000		13,360,000
Other tangible fixed assets	13		233,971		335,597
			26,138,366		26,139,964
Current assets					
Debtors	14	387,278		289,022	
Short term deposits		3,281,309		3,731,294	
Cash at bank and in hand		174,814		94,978	
		3,843,401		4,115,294	
Liabilities:					
amounts falling due within one year	15	(1,075,675)		(1,156,014)	
			2,767,726		2,959,280
Total assets less current liabilities			28,906,092		29,099,244
Liabilities:					
amounts falling due after more than one year	16		(87,017)		(47,334)
			28,819,075		29,051,910
Net assets excluding pension deficit			28,819,075		29,051,910
Pension liability	20		(606,000)		(524,000)
Net assets			28,213,075		28,527,910
Funds					
<i>Unrestricted funds</i>					
Accumulated fund			394,255		499,809
Revaluation reserve			7,647,583		7,613,341
Other designated funds			8,824,127		8,751,263
			16,865,965		16,864,413
Restricted funds			11,347,110		11,663,497
			28,213,075		28,527,910

Approved by the Trustees on 10 September 2013 and signed on their behalf

Ken Scott, Chairman

Peter Wilson, Trustee

The accompanying notes form part of these financial statements.

Cash flow statement

for the year ended 31 March 2013

	Note	2013 £	2013 £	2012 £	2012 £
Net cash inflow from operating activities	21		186,527		715,510
Interest and servicing of loans					
Bank interest received		45,335		40,455	
Other interest received		1,803		1,516	
Net interest			47,138		41,971
Capital expenditure					
Payments to construct charitable buildings	11	(454,838)		(334,522)	
Payments to construct investment property	12	(103,758)		–	
Payments to acquire other charity fixed assets	13	(45,218)		(169,704)	
Capital expenditure			(603,814)		(504,226)
Increase in cash and bank deposits	22		(370,149)		253,255
Represented by:					
Increase in short term deposits			15		254,020
Decrease in cash			(370,164)		(765)
	22		(370,149)		253,255

The accompanying notes form part of these financial statements.

Notes to the accounts

for the year ended 31 March 2013

1. Accounting policies

- 1.1

Cost convention
The accounts have been prepared under the historical cost convention, as modified by the revaluation of investment property.
- 1.2

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 2008 and relevant Financial Reporting Standards. The order of certain items in the Statement of Financial Activities 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.
- 1.3

Grants received
Where grants are given 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 accounts in that period. Capital grants are recognised 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.
- 1.4

Grants payable
Grants 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.
- 1.5

Property service charges
Income and expenditure arising from the service charge accounts of tenanted buildings are included within these accounts. 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.
- 1.6

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.
- 1.7

Pension costs
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 statement of financial activities 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. The 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.

- 1.8

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.
- 1.9

Land and buildings
1.9.1 Land: the Trust's has a 130 year lease with a total cost of £280,000. The land is included in the property valued as an investment asset.

1.9.2 Investment property: the Trust has developed some of its land with commercial building so as to provide a source of income for the Trust. These buildings are carried at the Trustees' own valuation as set out in note 12. This reflects the investment nature of such buildings. Investment properties are not depreciated, nor is any separate reduction made for impairment, because any changes in their worth is dealt with within the Trustees' valuation. 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.

1.9.3 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 carrying values of buildings are reviewed annually and reduced to the extent that it is considered that there has been an impairment of value.
- 1.10

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

1.10.2 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.
- 1.11

Depreciation
1.11.1 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) Office partitioning to increase short-term office space: depreciation is charged annually at the rate of 20% on cost.

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

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

1.11.4 Sports equipment: depreciation is charged at the rate of 20% p.a. on cost.

Notes to the accounts (continued)

for the year ended 31 March 2013

1.1.1.5 Computers and software: depreciation is charged at the rate of 33.3% p.a. on cost.	1.14 Designated funds
1.12 Bad debts Provisions are made against monies due to the Trust where the debt is overdue and there is evidence unwilling or unable settle the amount due. Debts are written off according to procedures agreed by the Trustees.	1.14.1 Buildings funds: The balances on the funds represent investment and charity land and buildings rather than cash. The capital costs of buildings that are met from the Trust's own resources are represented by designated buildings funds. Where developments have been funded by loans an appropriate transfer is made from operating income to cover the capital repayments of the loans. Depreciation is charged directly against the fund in the statement of financial activities.
1.13 Restricted funds (see note 17)	1.14.2 Revaluation reserve: The surplus arising upon valuation of the Trust's commercial property is credited directly to a designated fund to indicate that this surplus is also represented by buildings rather than cash.
1.13.1 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.	1.14.3 Reinstatement and development funds: 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. 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.
1.13.2 Building refurbishment reserves: 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.	1.14.4 Charitable purposes funds: It is the Trust's policy to set aside a small amount of its surplus in years when rental income is strong in order to allow for some flexibility during periods of economic downturn.
1.13.3 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.	1.14.5 Pension reserve: The reserve represents the surplus or deficit 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 sport and fitness

	Westway Sports Centre £	Portobello Green Fitness Club £	Community sport development £	Total 2013 £	Total 2012 £
Income from facilities	2,310,821	590,831	–	2,901,652	2,912,612
Management fees	–	–	–	–	88,948
	2,310,821	590,831	–	2,901,652	3,001,560
Income from sports development	618,526	183,283	123,707	925,516	1,017,226
Total income	2,929,347	774,114	123,707	3,827,168	4,018,786
Less: operating costs	(2,793,211)	(822,070)	–	(3,615,281)	(3,312,681)
Less: sports development costs	(461,895)	(416,070)	(361,958)	(1,239,923)	(1,219,121)
Net result	(325,759)	(464,026)	(238,251)	(1,028,036)	(513,016)
2012	8,102	(375,782)	(145,336)	(513,016)	

3. Grants and donations received

	Total 2013 £	Total 2012 £
Royal Borough of Kensington & Chelsea		
Adult Learning	77,118	46,440
Supplementary Schools	104,460	96,424
Parenting	28,589	26,390
Arts / Community Development	1,500	–
Sports development	22,519	7,500
European Integration Fund	15,600	11,700
NHS Kensington & Chelsea		
Health Trainers	259,000	195,000
Get Fit Get Healthy / Stroke	57,468	60,670
Portobello Green Fitness Club, Carers' Project	25,000	46,940
Lancaster Youth Centre		
Sports Apprentices	5,000	–
Lawn Tennis Association		
Fixed programme	44,624	67,500
Capital grant	(13,249)	63,331
John Lyon's Charity		
Adult Learning	–	25,000
Handball fives	5,000	15,000
London Marathon Trust, capital	(12,300)	70,000
Greater London Authority, Women's Project	28,717	25,283
The Football Foundation, capital	–	40,656
The Craguish Trust	–	20,000
The Kensington & Chelsea Foundation		
Supplementary Schools	–	5,500
Everyday Magic	–	10,500
BBC Children In Need, Holiday Project	9,980	7,396
Western Riverside Environmental Fund, deprived families	4,417	3,136
Nova new opportunities, education initiatives	–	4,100
NIACE	37,992	–
Other grants	748	–
Private donations	1,050	2,589
	703,233	851,055

The negative income showing against these two capital grants arise from the reconciliation of actual expenditure against grant awards. The maximum value of the grants was recognised last year in accordance with planned expenditure.

As actual expenditure was lower than planned, grants have been reduced accordingly and the reduction in the total value of the grants has been recognised in this year's accounts.

Notes to the accounts (continued)

for the year ended 31 March 2013

3. Grants and donations received (continued)

	Total 2013 £	Total 2012 £
Total grants received	703,233	851,055
Less: unrestricted funding	(27,100)	(27,100)
Restricted grants	676,133	823,955
Arising from:		
Sport & Fitness	(25,549)	130,179
Community sports development	200,106	245,347
Health & Education	497,159	423,180
Other	4,417	25,249
	676,133	823,955



4. Direct charitable expenditure

	Sports and recreational facilities £	Sports development £	Community development £	Education £	Health trainers £	Environmental improvement and management £	Regeneration and development £	Total 2013 £	Total 2012 £
Staff costs	1,691,399	641,260	178,118	236,634	228,911	147,915	109,635	3,233,872	2,859,603
Self-employed sessional workers	100,713	73,743	–	–	–	–	–	174,456	393,232
Repairs and maintenance	281,319	49,939	776	530	93	14,826	–	347,483	243,621
Utilities	170,122	38,639	–	–	–	–	–	208,761	172,089
Fixtures and fittings	70,938	18,810	2,274	6,458	786	6,748	–	106,014	160,093
Communication and IT costs	143,646	17,256	8,330	9,851	997	2,990	–	183,070	191,618
Marketing	140,148	5,514	6,443	5,838	21,167	2,351	–	181,461	153,901
Cleaning	182,351	45,672	3,980	132	23	70	–	232,228	227,809
Insurance and other establishment costs	181,149	20,449	8,191	5,598	979	5,488	–	221,854	200,425
Leasing costs	–	–	–	–	–	–	–	–	8,571
Grants awarded (note 5)	–	15,478	285,139	93,657	–	–	–	394,274	347,948
Sports development activities and events	5,475	280,579	389	266	–	–	–	286,709	236,802
Health and education activities and events	–	–	–	52,646	47	140	–	52,833	62,604
Community development	–	–	159,706	–	–	8,585	–	168,291	165,180
Environmental improvement, development and management	446	–	–	–	–	45,936	256,408	302,790	274,715
Retail stock	25,185	–	–	–	–	–	–	25,185	18,553
Depreciation	578,650	32,230	2,298	1,571	275	825	–	615,849	573,453
Bank and security collection charges	43,740	354	567	388	68	204	–	45,321	42,376
	3,615,281	1,239,923	656,211	413,569	253,346	236,078	366,043	6,780,451	6,332,593
General funds	3,063,189	1,072,971	613,723	209,365	8,348	231,660	163,704	5,362,960	5,191,453
Designated funds	242,254	–	–	–	–	–	202,339	444,593	209,652
Restricted funds	309,838	166,952	42,488	204,204	244,998	4,418	–	972,898	931,488
	3,615,281	1,239,923	656,211	413,569	253,346	236,078	366,043	6,780,451	6,332,593
2012	3,312,681	1,219,121	664,022	420,298	196,965	203,941	315,565	6,332,593	

These costs include support costs allocated to the various operations of the Trust, as set out in note 9.

Notes to the accounts (continued)

for the year ended 31 March 2013

5. Grants awarded

	Total 2013 £	Total 2012 £
Rent subsidies to charity tenants	193,102	187,176
Project support to local charities	45,000	21,500
Adult & Community Learning Programme Allocations	73,906	74,123
Education grants to individuals	19,715	19,092
Small grants to local charities	27,322	23,455
Allocations to Supplementary Schools	19,040	11,200
Sports grants to groups	6,701	3,300
Grants for child care	711	990
Sports grants to individuals	–	400
Performance sports bursaries	8,777	6,712
	394,274	347,948

The Trust does not disclose the names of recipients of grants to individuals in these accounts.

6. Governance costs

	Total 2013 £	Total 2012 £
Staff costs	31,648	31,598
Audit fees	15,733	14,493
Legal and other professional fees	24,017	13,845
	71,398	59,936

7. Property overheads

	General funds £	Designated funds £	Restricted funds £	Total 2013 £	Total 2012 £
Staff costs	172,206	–	23,768	195,974	180,749
Overheads, fees and marketing	137,364	–	–	137,364	87,416
Improvements, repairs and maintenance	108,778	–	135,588	244,366	443,582
Utilities	767	–	39,898	40,665	48,244
Communications and marketing costs	12,669	–	2,983	15,652	35,327
Cleaning	150	–	46,164	46,314	81,105
Insurance and other establishment costs	4,575	–	18,416	22,991	28,444
Depreciation	7,446	16,360	–	23,806	16,987
Bank charges	436	–	–	436	569
	444,391	16,360	266,817	727,568	922,423

8. Transfers between funds

	General funds to (from) £	Designated funds to (from) £	Restricted funds to (from) £
<i>Transfers to reflect activities during the year</i>			
Release of funds against current refurbishment costs	32,432	(32,432)	–
Transfer to cover capitalised costs and improvement works	21,222	13,249	(34,471)
<i>Transfers to provide for future activities</i>			
Provisions for reinstatement of sports playing surfaces and facilities	(377,000)	377,000	–
Provisions for reinstatement of IT facilities	(20,000)	20,000	–
Provisions for the maintenance of the estate	(60,000)	60,000	–
Funds allocated for development projects in future years	(157,000)	157,000	–
	(560,346)	594,817	(34,471)

Notes to the accounts (continued)

for the year ended 31 March 2013

9. Allocation of support costs

The basis of the allocation of support costs is set out in the accounting policies, note 1.6.

	Total 2013 £	Total 2012 £
Staff costs	838,584	695,719
Repairs and maintenance	6,631	2,840
Fixtures and fittings	6,056	6,546
IT and communication costs	71,200	91,243
Marketing	55,978	45,841
Cleaning	1,656	2,636
Insurance and other establishment costs	48,428	65,737
Depreciation	19,638	28,486
Bank charges	4,847	6,325
Professional fees	24,906	33,870
	1,077,924	979,243
Sports and recreational facilities	611,025	553,425
Sports development	76,379	69,178
Community development	122,415	110,873
Education	83,700	75,812
Health	14,649	13,268
Environmental improvements and management	43,944	39,801
Governance	31,648	31,598
Property overheads	94,164	85,288
	1,077,924	979,243

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

10. Staff costs

Salaries and wages

Social security costs

Pension costs

Current service costs

Other finance costs

Average number of employees

Monthly paid

Full-time equivalent

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

Sports and recreation

Community development

Education

Health trainers

Property management

Environmental improvement

Governance, support and finance

**Number of employees whose emoluments during
the year fell between:**

£70,000 and £79,999

£110,000 and £119,999

Total 2013 £	Total 2012 £
2,779,438	2,573,113
238,813	227,409
95,625	100,349
6,000	(2,000)
3,119,876	2,898,871
151	117
109	98
72	65
1	2
5	5
9	8
4	4
6	4
12	10
109	98
1	1
1	1

The lower paid member of staff included in the table above belongs to the Trust's final salary pension scheme (note 20). Total employer's pension contributions for the higher paid employees amounted to £24,236 (2012: £23,822).

Payments to trustees

No Trustee received any remuneration from the Trust during the year or the previous year. Expenses were reimbursed to three Trustees amounting to £352 (2012: three Trustees, £430).

Notes to the accounts (continued)

for the year ended 31 March 2013

11.Charitable buildings

	Buildings occupied for the charity's own purposes £
Cost	
At 1 April 2012	17,474,213
Additions	454,838
Accumulated cost at 31 March 2013	17,929,051
Depreciation	
At 1 April 2012	5,029,846
Charge for the year	492,810
Accumulated depreciation at 31 March 2013	5,522,656
Net book value	
At 31 March 2013	12,406,395
At 31 March 2012	12,444,367

Buildings occupied by the Trust to deliver its charitable activities (for example the Portobello Green Fitness Club and the Westway Sports Centre) are stated at cost after depreciation amounting to £12,406,395. The cost of rebuilding is professionally calculated for insurance purposes periodically, the last calculation being performed as at 1 April 2007. The valuation has been uplifted for the effects of inflation and the buildings are insured for £24,132,000.

12.Investment property

	Land and buildings £
Cost or valuation	
At 1 April 2012	13,360,000
Additions	103,758
Revaluation	34,242
Accumulated cost or valuation at 31 March 2013	13,498,000
Net book value	
At 31 March 2013	13,498,000
At 31 March 2012	13,360,000

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 & Chelsea, who in turn lease the land from the freeholders – Transport for London.

Basis of valuation of investment property

The Trustees have obtained indicative quotations for a professional valuation of the investment properties and have concluded that the cost of such a valuation outweighs its benefit.

The Trustees have authorised an internal valuation of investment property that has been prepared on their behalf by the executive team.

In arriving at their assessment of market value, the Trustees have taken into consideration:

- the yields applied by professional valuers when commercial loans were last raised by the Trust;
- published information relating to movements in investments yields since the above; and
- the rental values being achieved over the Trust's portfolio.

The valuation of £13,498,000 gives rise to a notional surplus as at 31 March 2013 of £7,647,583.

Other values

The historic cost of the Trust's investment property amounts to £5,850,417. The cost of rebuilding was professionally calculated for insurance purposes as at 1 April 2007. The valuation has been uplifted for the effects of inflation and the commercial buildings are insured for £30,762,000.

Notes to the accounts (continued)

for the year ended 31 March 2013

13. Tangible fixed assets

	Equipment on the estate £	Fixtures and fittings £	Sports equipment £	Computer equipment £	Motor vehicles £	Total £
Cost						
As at 1 April 2012	82,363	667,494	290,541	228,729	18,543	1,287,670
Additions	–	3,120	23,736	18,362	–	45,218
Retirements	(25,571)	(82,983)	(76,228)	(111,764)	–	(296,546)
Accumulated cost at 31 March 2013	56,792	587,631	238,049	135,327	18,543	1,036,342
Depreciation						
As at 1 April 2012	53,966	473,082	203,650	202,832	18,543	952,073
Charge for the year	5,679	91,125	30,796	19,244	–	146,844
Retirements	(25,571)	(82,983)	(76,228)	(111,764)	–	(296,546)
Accumulated depreciation at 31 March 2013	34,074	481,224	158,218	110,312	18,543	802,371
Net book value						
At 31 March 2013	22,718	106,407	79,831	25,015	–	233,971
At 31 March 2012	28,397	194,412	86,891	25,897	–	335,597

14. Debtors

	2013 £	2012 £
Trade debtors less provision	204,283	75,892
Grants receivable	87,400	106,063
Prepayments and accrued income	92,724	93,462
Other debtors	2,871	13,605
	387,278	289,022

15. Liabilities: amounts falling due within one year

	2013 £	2012 £
Trade creditors	364,476	624,191
Accruals and deferred income	473,680	317,020
Tenants' deposits	113,628	127,833
Taxes and social security costs	107,631	76,719
Other creditors	16,260	10,251
	1,075,675	1,156,014

16. Liabilities: amounts falling due after one year

	2013 £	2012 £
Tenants' deposits	87,017	47,334
	87,017	47,334

17. Analysis of funds

	At 1 April 2012 £	Incoming resources £	Resources expended £	Transfers, revaluations and unrealised gains (notes 8, 12 and 19) £	At 31 March 2013 £
Restricted funds					
Investment property	493,374	–	–	–	493,374
Charitable buildings	10,822,459	(13,249)	(282,734)	(13,249)	10,513,227
Building refurbishment	114,301	–	12,858	–	127,159
Project grants	233,363	971,048	(969,839)	(21,222)	213,350
	11,663,497	957,799	(1,239,715)	(34,471)	11,347,110
Unrestricted funds					
<i>Other designated funds</i>					
Investment buildings	5,253,285	–	–	103,758	5,357,043
Charitable buildings	1,621,908	–	(196,827)	468,087	1,893,168
Reinstatement funds	1,497,334	–	(117,972)	(73,044)	1,306,318
Charitable activities	42,598	–	–	–	42,598
New charitable initiatives	117,703	–	(22,876)	–	94,827
Capital development funds	742,435	–	(102,278)	96,016	736,172
Pension reserve	(524,000)	–	(21,000)	(61,000)	(606,000)
	8,751,263	–	(460,953)	533,817	8,824,127
Revaluation reserve	7,613,341	–	–	34,242	7,647,583
Accumulated fund	499,809	6,333,541	(5,878,749)	(560,346)	394,255
	16,864,413	6,333,541	(6,339,702)	7,713	16,865,965
	28,527,910	7,291,340	(7,579,417)	(26,758)	28,213,075

Restricted funds – investment properties: These funds represent grants given to the Trust to construct buildings that are let commercially to 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.

Notes to the accounts (continued)

for the year ended 31 March 2013

17. Analysis of funds Continued

Restricted funds – charitable buildings: These funds represent 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.

Restricted funds – building refurbishment: 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 ringfenced 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.

Restricted funds – 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 2013 the funds on hand comprised:

	2013 £	2012 £
Project grants		
Regeneration	12,000	10,000
Portobello Green Fitness Club	41,400	23,760
Sports development	83,187	73,884
Community Tennis Club	–	257
Gardening apprentices	–	3,000
Community development	3	–
Supplementary Schools	45,408	23,845
Westway Sports Centre	–	54,167
NHS K&C Health Trainers	31,352	44,450
	213,350	233,363

Designated funds – investment properties: These funds represent 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.

Designated funds – charitable buildings: These funds represent the money that the Trust has invested from its earnings into buildings that it occupies for the direct delivery of charitable activities. These funds are reduced to the extent that those assets have been depreciated or reduced due to impairment of value.

Designated funds – reinstatement funds: These funds represent 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. 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.

Designated funds – new charitable initiatives: This money has been allocated from the Trust's operating surplus for the enabling costs of a new charitable initiative.

Designated funds – charitable activities: This money is set aside in order to allow for some flexibility during periods of economic downturn.

Designated funds – capital developments: These funds represent money set aside to meet the anticipated costs of progressing identified development opportunities to planning stage, at which point grant or loan funding would become available or development partnerships can be entered into.

Designated funds – pension reserve: The reserve represents the deficit on the Trust's defined benefits pension scheme and allows for payments that may need be paid into the scheme due to the funding shortfall on past service accrual (see note 20).

Designated funds – revaluation reserve: This is the surplus arising upon valuation of the Trust's investment property and is represented by buildings rather than cash.

18. Analysis of net assets between funds

	Investment property £	Tangible fixed assets £	Net current assets £	Liabilities after 1 year and provisions £	Total 2013 £
Unrestricted funds					
Accumulated fund	–	233,971	247,301	(87,017)	394,256
Designated funds	13,004,626	1,893,168	2,179,916	(606,000)	16,471,710
	13,004,626	2,127,139	2,427,217	(693,017)	16,865,966
Restricted funds	493,374	10,513,227	340,509	–	11,347,110
	13,498,000	12,640,366	2,767,726	(693,017)	28,213,076

19. Capital commitments and contingent liabilities

At 31 March 2013 the Trust had authorised capital expenditure amounting to £0 (2012: £115,300) of which £0 had been committed (2012: £81,300).

At 31 March 2013 the Trust had the following annual leasing commitments:

	2013 £	2012 £
On operating leases ending within one year	–	–
On operating leases ending between one and five years	–	–

Notes to the accounts (continued)

for the year ended 31 March 2013

20.Retirement benefits

The Trust operates three pensions schemes: a stakeholder scheme and a personal pension scheme operated on behalf of the Trust by Friends Provident Life and Pensions Limited; and a final salary pension scheme operated by the Royal Borough of Kensington & Chelsea.

Stakeholder pension scheme

This scheme has been established to meet the legal requirement to offer a pension scheme with minimum employee contributions no greater than 3% of salary. The Trust does not contribute to this scheme. There are no members in the scheme.

Money purchase scheme

This personal pension scheme requires a minimum level of contribution by the employee of between 2% and 4% dependent upon the date of joining, with no maximum level of contribution outside the legislative thresholds. The Trust contributes between 2% and 8% of salary again dependent upon the date of joining and the employee's own contribution level for those members who opt into the scheme.

Final salary pension scheme

This scheme, the detailed results of which are given below, was closed to new members from the Trust with effect from 31 March 2006.

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

	2013 £	2012 £
Final salary scheme	55,779	61,145
Money purchase scheme	39,846	39,204
	95,625	100,349

The total pension contributions due from the Trust to the pension trustees at the end of the year are included within current liabilities (note 15), represent the last month's contributions and amounted to:

	2013 £	2012 £
Final salary scheme	6,197	6,024
Money purchase scheme	6,282	5,716
	12,479	11,740

Final salary pension scheme

Some members of the Trust's staff belong to the Royal Borough of Kensington & Chelsea Pension Scheme. The assets of this final salary pension scheme are held separately from those of the Trust. Pension costs in respect of employees who are members of this scheme are charged to the statement of financial activities so as to spread the cost of pensions over the service lives of employees.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation available, at 31 March 2010, was issued in March 2011 and indicated that, on the basis of service to date and current salaries, the funding level of the scheme was 124%. The key assumptions were that the smoothed equity return is 7.3% per annum, that salary increases would average 5.0% per annum and that present and future pensions would increase at the rate of 3.0% per annum.

During the year, contributions to the scheme by employees and the Trust have been maintained in accordance with the recommendations of the actuary in the 2010 valuation.

The actuarial valuation as at 31 March 2010 identified a required employer's contribution rate of 14.8% for current service, plus a cautious provision for past service of 5.2%. The Trust paid contributions at a rate of 20.0% during the year (2012: 20.0%).

20.Retirement benefits continued

International Accounting Standard 19 'Employee Benefits' (IAS 19)

An actuarial valuation of the defined benefit scheme was carried out as at 31 March 2013 by a qualified independent actuary on an IAS 19 basis.

The major assumptions at 31 March 2013 used by the actuary were:

	2013	2012	2011
Price increases (RPI)	3.3%	3.3%	3.5%
Price increases (CPI)	2.5%	2.5%	2.7%
Salary increases	4.7%	4.7%	5.0%
Pension increases	2.5%	2.5%	2.7%
Discount rate	4.1%	4.6%	5.5%

The assets relating to the Trust's participation in the scheme and the expected rate of return at 31 March 2013 were:

	2013 £'000	2012 £'000	2011 £'000
Fund value			
Equities	2,124	1,778	2,283
Gilts	32	28	275
Property	95	111	110
Cash	32	28	83
Alternative assets	888	833	–
Total	3,171	2,778	2,751

Expected long-term rate of return

	2013	2012	2011
Total	5.2%	5.2%	6.1%

Balance sheet analysis

	2013 £'000	2012 £'000	2011 £'000
Present value of funded obligation	(3,777)	(3,302)	(2,907)
Fair value of scheme assets (bid value)	3,171	2,778	2,751
Net liability	(606)	(524)	(156)
Present value of unfunded obligation	–	–	–
Unrecognised past service cost	–	–	–
Net liability in balance sheet	(606)	(524)	(156)

Notes to the accounts (continued)

for the year ended 31 March 2013

20.Retirement benefits continued

Movement in deficit during the year

	2013 £'000	2012 £'000	2011 £'000
Deficit in scheme at beginning of year	(524)	(156)	(2,481)
Current service cost	(70)	(62)	(86)
Past service cost	–	–	292
Employer contributions	55	58	125
Other finance income	(6)	6	(33)
Actuarial gains and losses	(61)	(370)	2,027
Deficit in scheme at end of year	(606)	(524)	(156)

Revenue account costs

	2013 £'000	2012 £'000	2011 £'000
Current service cost	70	62	86
Interest on obligation	150	157	179
Expected return on scheme assets	(144)	(163)	(146)
Past service cost	–	–	(292)
Total service costs	76	56	(173)
Actual return on scheme assets	410	141	230

21.Reconciliation of net movement in funds to net cash inflow from

	2013 £	2012 £
Net movement in funds	(314,835)	(254,538)
Interest receivable	(47,138)	(41,971)
Pension service costs net of finance costs	116,625	98,349
Contributions to defined benefits pension scheme	(95,625)	(100,349)
Actuarial gains and losses	61,000	370,000
Depreciation	639,654	590,440
Valuation (surplus)	(34,242)	–
(Increase) decrease in debtors	(98,256)	190,320
(Decrease) in creditors due within one year	(80,339)	(136,746)
Increase in creditors due after one year	39,683	5
	186,527	715,510

This note adjusts the increase in the net assets of the Trust, as shown on the Statement of Financial Activities, for those items that do not involve the movement of cash and for interest.

22.Analysis of changes in net debt

	At 1 April 2012 £	Cash flows £	Other changes £	At 31 March 2013 £
Cash at bank and in hand	94,978	(370,164)	450,000	174,814
Short term deposits	3,731,294	15	(450,000)	3,281,309
Total	3,826,272	(370,149)	–	3,456,123

Net debt is the difference between cash and bank deposits held at the end of the year and the amount outstanding on loans to the Trust. This note shows how that net debt has changed during the year.



Red Bull Music Academy, Notting Hill Carnival at Acklam Village



Westway Development Trust

Registered charity number 1123127.

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