



WESTWAY TRUST

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

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REPORT OF THE BOARD OF TRUSTEES 2019

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

This year, to ensure our reporting of activity and finances over the year is accessible to all, we have produced four documents:

- Westway Stories features articles on local projects and initiatives we have been a part of;
- Westway in Numbers explains some of our activity using statistics, including a simple guide to our finances;
- Westway Focus details what our aims are, and will be going forward, at a strategic level; and
- This Annual Report, which is the statutory report charities have to produce and features the audited accounts in detail.

All these documents are available on our website: <https://www.westway.org/about-us/policies-and-documents/annual-report/>.

The Trustees of Westway Trust present their Annual Report for the year ended 31 March 2019 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

OBJECTIVES AND ACTIVITIES

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

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

Our strategic objectives

Social Wellbeing

- People are given opportunities to participate and their voices are heard;
- People feel proud of the area its heritage, culture and creativity; and
- Where everyone is active and healthy, has the opportunities they need to get the skills and qualifications to get on in life, is engaged in a strong community ecosystem, and has a sense of belonging.

Our charitable objects

- Provision, or assistance in the provision of, facilities for recreation, sporting or other leisure-time occupation;
 - Advancement of health;
 - Development of the capacity and skills of members of the local communities;
 - Advancement of the arts, culture and heritage;
 - Advancement of amateur sports;
 - Promotion of civic responsibility; and
 - Relief of those in need.
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Environmental Wellbeing

- An improved public realm, where green space is cherished, protected and enhanced; public consciousness of environmental issues heightened and behaviour modified;
- environmental sustainability at the heart of every development along the 23 acres; and
- exemplar standards sought at every opportunity.
- Maintenance, improvement or provision of public amenities and public art; and
- Advancement of environmental protection or improvement provided that such activity is delivered by programmes designed to benefit the public.

Economic Wellbeing

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

http://www.westway.org/sites/default/files/westway_trust_memorandum_and_articles_november_2014.pdf or is available by request.

Public Benefit

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

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

Social Investment: In February 2019, the Trust invested £10,000 in North Kensington Community Energy (NKCE). NKCE is a community owned energy enterprise that will produce clean energy for local use by putting solar panels on the roofs of local buildings.

TRANSFORMING THE TRUST

In 2018, we launched a new approach to our work with the community in North Kensington which will fundamentally change each area of our activities. The goals of our new approach are as follows.

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

During the past year, we have taken a number of steps to begin the transformation of the way the Trust operates and engages with the community.

In May 2018, we created a new sub-committee to our Board to focus on all activities that deliver our charitable purpose (as opposed to property investment and management). The committee comprises members of our Board and co-optees from the local community as well as members of the Westway team.

In October 2018, we commissioned Fluid, London-based urban design specialists, to work with the Westway community to co-produce a strategy to develop the use of space and public realm on the Westway estate. Fluid conducted over 15 community consultation sessions to ensure broad community representation in the development of the strategy. Their final strategy will be delivered in September 2019 and will form a significant part of our plans for future years. We are grateful to the GLA Good Growth Fund who supported this important work.

In December 2018 Westway Trust commissioned social research and economic development consultancy Hatch Regeneris to conduct broad-ranging research in the local area. We asked Hatch Regeneris to provide the Trust with the fullest picture of the priorities for the North Kensington communities. Their research mixes evidence-based economic analysis with social insight – including face-to-face interviews, workshops, and both quantitative and qualitative approaches. Their report provides a detailed understanding of the breadth of services and facilities provided across the area and gives a clear indication of the characteristics and priorities of the community. As a direct result of this report, we have adopted six priorities for our future charitable activities:

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- Economic participation – supporting people with training and skills development and opportunities that give people a greater choice and sense of confidence;
- Isolation – reducing loneliness, which can disproportionately affect older people and minority communities, and so helping to build trust and community cohesion;
- Places for young people – supporting the provision of safe, friendly places where young people can have fun and find support away from stress;
- Physical and mental wellbeing – subsidising access to recreation and exercise to help people overcome physical and mental health challenges;
- Environment – supporting local solutions, with particular focus on mitigating the threats of poor air quality; and
- Art and culture – supporting the thriving local arts scene.

In March 2019, we launched a review of how we make grants. In the past this has been done by a panel of staff and Trustees. We now want the community to tell us what they think are the most important issues in North Kensington that need addressing. In the next year, we want to move some of our grant-making to this participatory model, giving the community more decision-making power. The review is led by local resident and grants expert Isis Imlak and Ann Sanders, a freelance consultant formerly with the Big Lottery Fund.

Some members of the community have made allegations of institutional racism at Westway Trust over a number of years. These are serious allegations and needed to be understood. At our Annual General Meeting in December 2017, we gave a commitment that these claims would be independently investigated. In July 2018, we appointed the Tutu Foundation UK to conduct a comprehensive and fully independent review of the institutional racism claims with regard to Westway Trust's practices, both past and present. The review was formally launched in November 2018 and is being guided by a Community Advisory Group, with representation from the community, Trustees and staff. By the year-end, the evidence-gathering phase had been largely complete; over 5,000 pages of evidence reviewed and 80 interviews conducted. The full report will be presented to Trustees and published in October 2019. The Board acknowledges that it will need to actively respond to the recommendations of this report over the coming months.

In addition, we introduced a Staff Council, which was consulted on the refresh of our reward framework, removing staff bonuses and modernising our performance evaluation process. We have also changed our recruitment practices and increased diversity.

We will continue this transformation in 2019-20, acting on the recommendations received so far and commissioning further work to review how the Trust engages with the community and increases community participation in decision-making.

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In total during 2018-19 we have invested £205,000 in these activities. We are grateful to the GLA who contributed £50,000 to this investment, providing funding for our work with Fluid.

ACHIEVEMENTS AND PERFORMANCE

SOCIAL WELLBEING

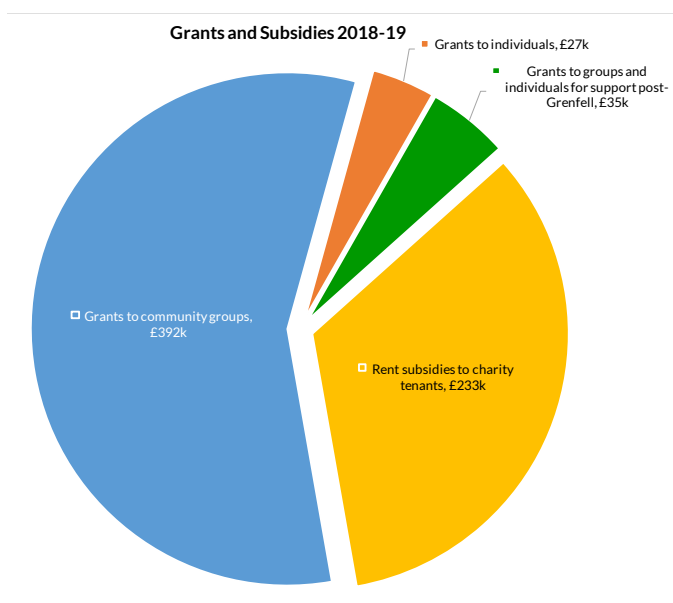
Grant-making is a core aspect of our charitable work and this continues to grow. During the year we awarded a total of **£687,000** in grants and subsidies (up from £636,000 in 2017/18).

91 community groups received a total of £392,300 in grants.

This is an increase on last year when 77 groups shared £305,000 (increase 29%).

Grants to community groups includes:

- £166,500 to 42 groups who had not received funding from Westway Trust in the previous three years.
- £101,000 to 38 groups who have received funding from Westway in each of the last four years.
- Funding for 39 projects which benefit over 7,000 people.



Sports bursaries of £27,000 were made to 74 individuals to enable them to participate in climbing (25), football (15), tennis (21) and other fitness activities (13). 79% of recipients were under the age of 18 and 20% of recipients were registered as disabled.

In addition, we provided £35,400 to individuals and groups who were directly affected by the Grenfell Tower tragedy: £7,704 of sports bursaries were awarded to 54 individuals, £6,466 was awarded to five community groups and £21,200 was awarded for supplementary school residentials. This is in addition to the £75,000 of grants we made in 2018.

Our 18 charity tenants benefitted from rent subsidies totalling £233,000, which represents up to two-thirds of market rent. We also provided space free of charge to a number of local organisations, including the Dale Youth Boxing Club, Ebony Steel Band (for part of the year) and One Voice Community Collective.

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Bay 20

Opened in October 2018, Bay 20 is the community space and home of Dale Youth Boxing Club on St Mark's Road. It was built by BBC DIY SOS and their partners in response to the Grenfell Tower tragedy. Bay 20 provides welcoming, affordable space for all of North Kensington. During 2018-19, we spent £106,000 in maintenance and staff costs to support Bay 20.

By the year end, Bay 20 had been used for over 1,840 hours by 108 different user-groups.

During the engagement phase with the community, Westway Trust committed to:

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

The Bay 20 Steering Group is made up of the following:

- 8 residents from North Kensington;
- 2 ward councillors from St Helen's & Notting Dale wards; and
- 2 community group representatives from North Kensington.

We expect to appoint the community operator before the end of 2019 and the steering group will remain in place to ensure it delivers the desired community benefits.

Grenfell response

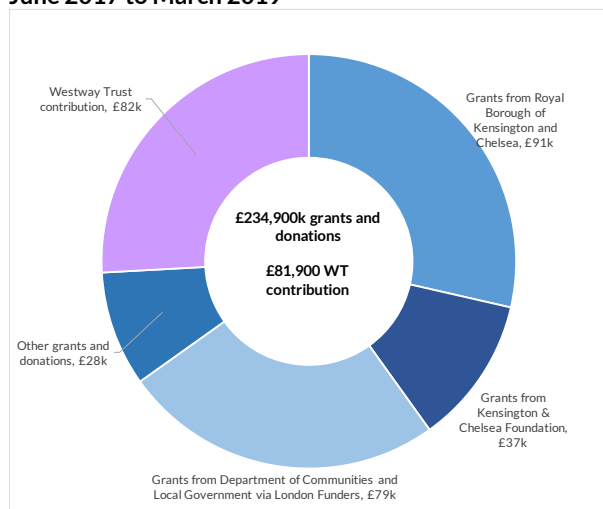
We have continued to provide targeted support to members of the community affected by the Grenfell Tower tragedy. During the past year, we supported 192 people, including staff and members of our learning programmes and their families.

Over the two years since the fire, the Trust has provided a range of practical advice and support relating to housing and schooling issues, counselling and wellbeing referrals. We provided financial support to local supplementary schools and individuals in the form of sports bursaries and hardship awards. We delivered children's activities and provided crèche places, supported community artwork and co-ordinated a donation station in the immediate aftermath of the fire.

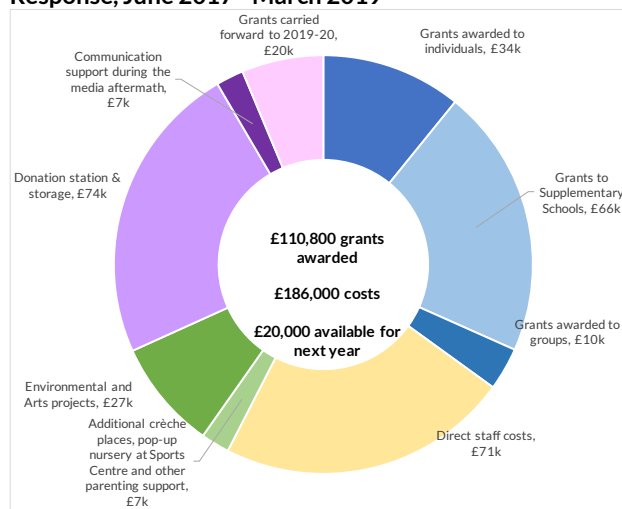
Much of our work is funded by grants from the Royal Borough of Kensington and Chelsea (£90,500), the Kensington and Chelsea Foundation (£36,500), London Funders (£79,300) and the Tudor Trust (£10,700).

In addition, the Trust has contributed £81,900 to Grenfell response activities, in addition to grants to those directly affected (2019: £20,400; 2018: £61,500).

Grants received for Grenfell Response, June 2017 to March 2019



Grants awarded and other expenditure on Grenfell Response, June 2017 - March 2019



ENVIRONMENTAL WELLBEING

Our grounds and gardens team manages the public green spaces across the estate, including the wildlife garden and gardens around the sports centre, Maxilla Gardens and Portobello Green.

Volunteers from the community contributed 1,774 hours to the maintenance of our open space and corporate volunteers provided a further 2,665 hours. We integrate career advancement opportunities into our volunteering programmes, providing opportunities for our volunteers to gain qualifications and help into employment.

During the year, the team ran 12 workshops for local children focused on the urban environment, wildlife and beekeeping.

In March 2019, we introduced the role of environment manager, to build partnerships with members of the community who are working to improve the environment in North Kensington. We have also commissioned extensive soil quality testing across the estate to understand any impact from the Grenfell Tower tragedy. Once this is complete, we will share the results with the community.

ECONOMIC WELLBEING

Our property portfolio continues to provide reliable returns, generating a net contribution to our community activities of £2,682,000 (2018: £2,612,000). We achieved 94% occupancy of the spaces available to rent (2018: 98%). This slightly lower occupancy has enabled us to complete much needed repairs and maintenance.

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During the year, we carried out refurbishment works to bring our rental property up to Energy Performance Certificate Grade E, or better. This is the minimum standard required for lettings. These works involve installation of LED lighting, secondary glazing, insulated ceilings and heat-reflective film on windows. Expenditure in the year amounted to £87,000 (2018: £67,000), bringing the total investment in EPC improvements so far to £154,000.

In addition, we invested £517,000 in our fitness facilities, to complete our £2,000,000 contribution to an overall investment of £3.7m in the sports and fitness facilities, in partnership with Everyone Active.

In January 2019, we introduced a new role to champion local enterprise initiatives and to launch the enterprise pods in Thorpe Close. By the year end, eight of the 10 pods were let and open five days per week. Seven of the tenants were North Kensington residents.

Our learning team have continued to support the local community in a variety of ways. In the last year we provided:

- Grants and / or practical assistance to **16 supplementary schools**; 299 pupils have benefitted from 12,400 learning hours; 81% live in North Kensington.
- **2,765 hours of English language courses to 369 adult learners**, 30% of whom live in North Kensington. Following the course, 26% of learners started a new job, a volunteering role or began a new course. The majority of our learners reported feeling more confident or happier (96%) as a result of the course.
- **Affordable childcare and support to parents**: we delivered 5,980 hours of crèche support and 1,170 hours of nursery support for local children and 1,500 hours of advice and support to 133 parents.

Our learning programmes provided flexible paid work to around 25 local people.

Volunteers also make a huge contribution to our learning team and we are grateful for their support. During the year, 19 volunteers supported our nursery and adult learning programmes, providing 1,800 hours of support. Six of these volunteers progressed into paid employment.

PLANS FOR THE FUTURE

Our programme to re-orient the Trust will continue in the coming year. Our main goals include:

Creating a mixed economy of spaces	<ul style="list-style-type: none"> • Creating safe places for young people • Supporting the re-launch of Westway Riding Stables • Developing affordable enterprise space for young entrepreneurs
Listening and responding to the community	<ul style="list-style-type: none"> • Delivering our commitments to improve the public realm, including greening, cleaning, lighting and better way-finding • Responding to the recommendations from the Institutional Racism review
Increasing community participation and ownership	<ul style="list-style-type: none"> • Pilot and then roll-out of participatory grant-making • New membership and participatory decision-making model,
Residents feel connected and have an affinity to Westway Trust	<ul style="list-style-type: none"> • Bay 20 Community Steering Group appoints an operator for Bay 20 • Increasing sports access for community groups and individuals (GP referrals)
Tenants are partners, delivering social impact not just rental income	<ul style="list-style-type: none"> • New lettings strategy
Colleagues are nurtured and developed	<ul style="list-style-type: none"> • Launching our new people plan, focusing on staff priorities

FINANCIAL REVIEW

The net free reserves generated in the year to 31 March 2019 was £22,000 (2018: £50,000) and is made up as follows:

	2019 £'000	2018 £'000
Recognised income	8,278	6,046
less: Bay 20 donated asset	(2,000)	-
less: non-cash rental income	(675)	(703)
Cash income	5,603	5,343
Grants and subsidies	(687)	(636)
Community consultation	(205)	-
Expenditure on charitable activities	(2,692)	(2,699)
Expenditure on property management and maintenance	(1,693)	(1,545)
Total expenditure	(5,277)	(4,880)
Net cash operating surplus	326	426
Add back: expenditure funded from reserves (net)	455	346
Less: amounts allocated for future property refurbishment and capital maintenance	(759)	(759)
Free reserves generated (used) in the year	22	50

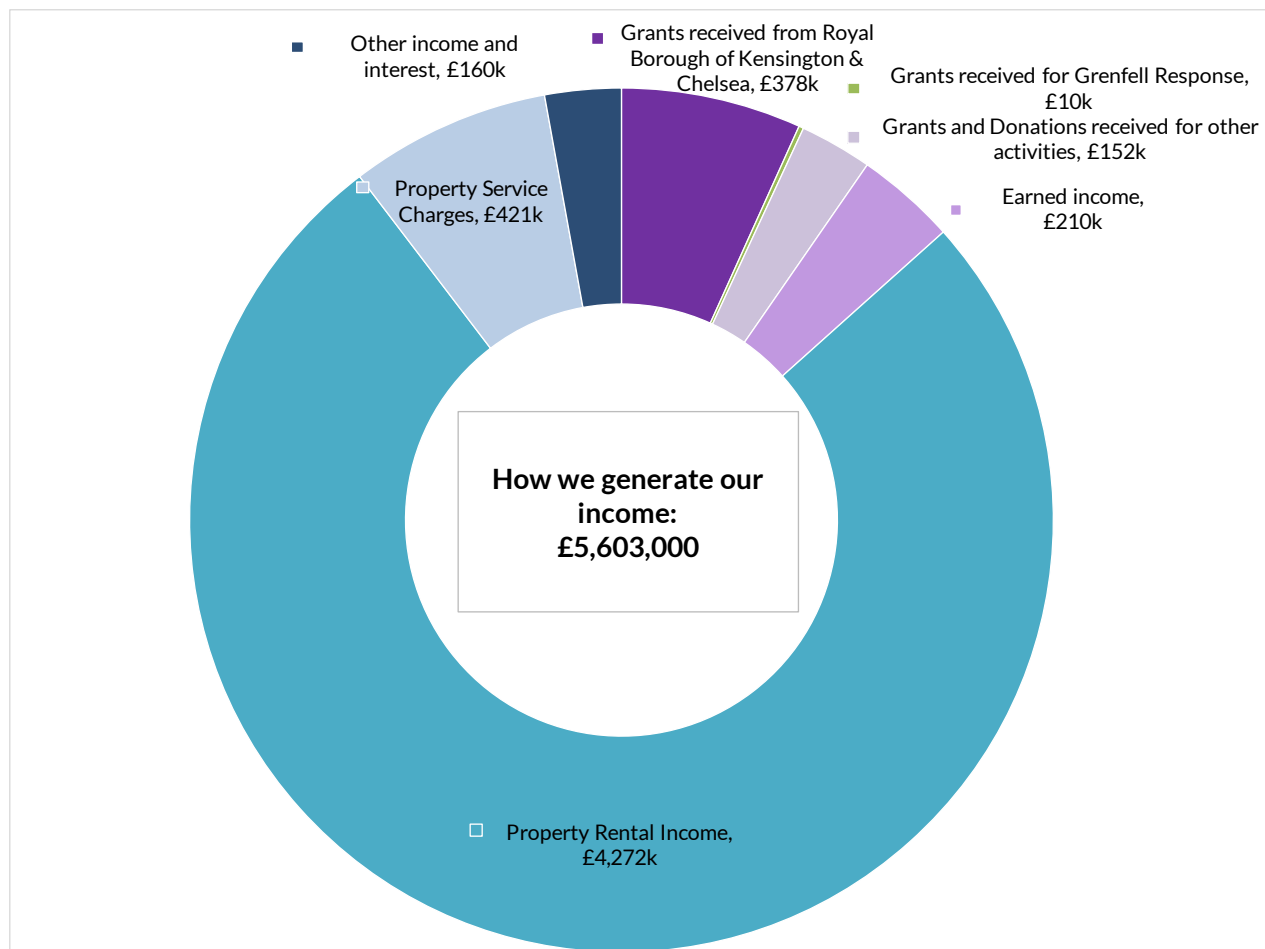
The Board has designated this year's free reserves of £22,000 to support community initiatives for the second anniversary of the Grenfell Tower fire. These funds were spent in full in June 2019.

Cash Income

Cash income for the year was £5,603,000 (2018: £5,343,000). The largest proportion of our income is from property rental (2019: £4,272,000; 2018: £4,053,000). We also received £750,000 in grants and earned income (2018: £768,000).

In addition, we received value-in-kind of £2,000,000 relating to Bay 20 and the Dale Youth Boxing Club, the new community space that was donated by BBC DIY SOS and their partners

Cash income: April 2018 to March 2019



We received £584,000 in grants and crèche fees from the Royal Borough of Kensington and Chelsea (2018: £490,000). The main increase relates to the higher volume of crèche places reserved by the Borough and a grant to improve security access to Thorpe Close.

Expenditure

Total expenditure was £5,277,000 (2018: £4,880,000). We spent £397,000 more in 2019 compared to 2018. The main items that make up this increase include:

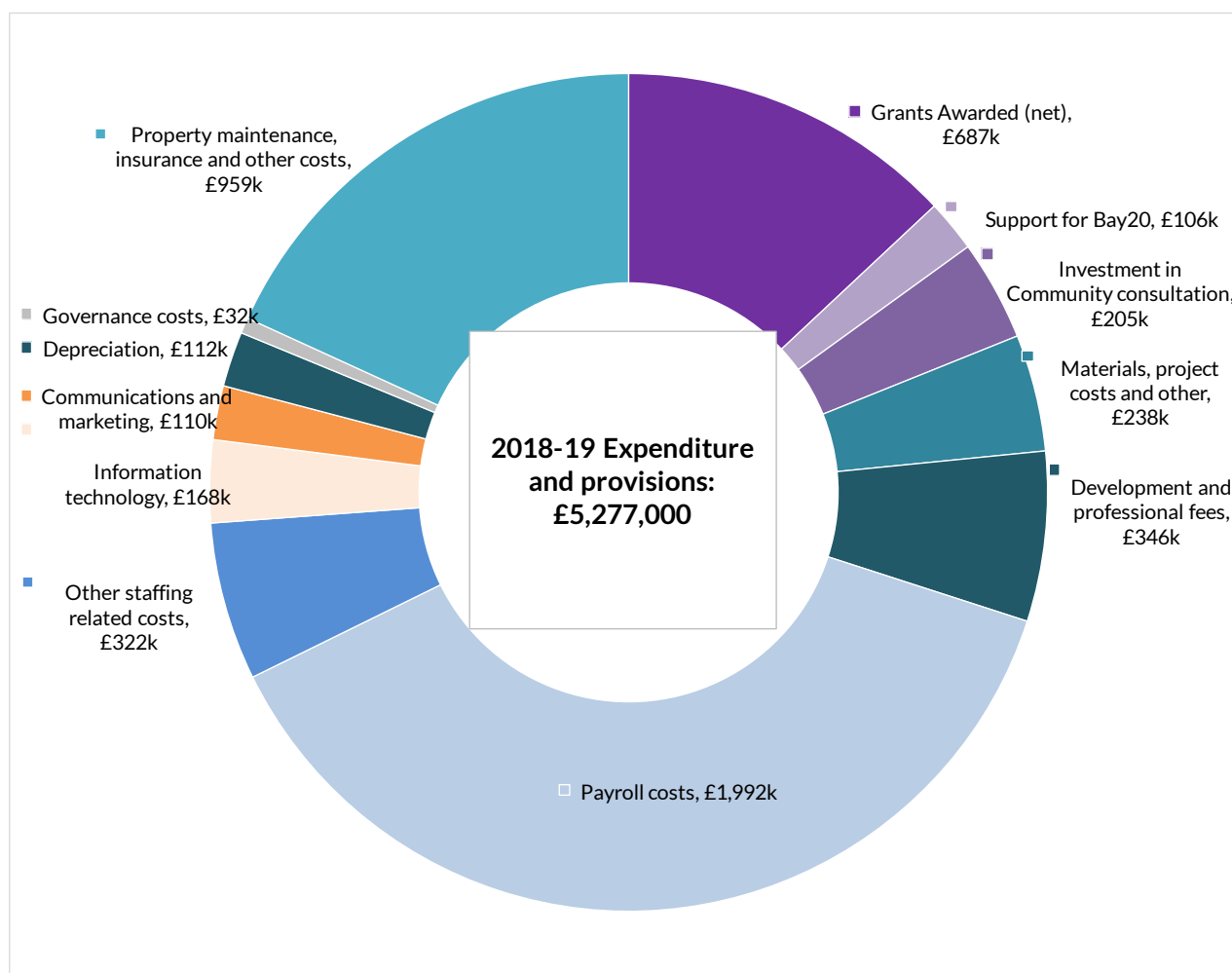
- £205,000 investment in community consultation, including the research by Fluid into community priorities for the development of the estate and public realm, the research by Hatch Regeneris into priorities for North Kensington, the development of participatory grant making and the Tutu review into historic claims of institutional racism.
- £113,000 more in grants awarded this year, offset by a £40,000 reduction in the grants relating to the Grenfell response. We awarded £35,400 grants for Grenfell response compared to £75,400 in 2018.

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- £106,000 on the set-up and running of Bay 20 and £30,000 additional security costs for Portobello Green; and
- additional expenditure on property including £20,000 on EPC improvements.

These increases were off-set by reductions of £40,000 in our total staffing costs (including recruitment and training) chiefly achieved by ending the staff bonus scheme in 2018-19.

Expenditure: April 2018 to March 2019



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STRUCTURE OF GOVERNANCE AND MANAGEMENT

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

We have a Board of up to 12 Trustees:

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

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

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

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

Trustees are not paid.

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

The names of all those who are currently Trustees or who served as a trustee during the year to 31 March 2019 is set out in the section on "Reference and administrative information" at the end of this report. Further information on our current Trustees is available on our website (<http://www.westway.org/about-us/Trustees>).

The Trustees delegate the day-to-day running of the Trust to the Joint Chief Executives, Alex Russell and Mark Lockhart. Their work is guided by five sub-committees to the Board, each one chaired by a Trustee:

- **Nominations and Governance Committee:** develops and monitors governance, recruits Trustees and is responsible for succession planning;
- **Charitable Purposes Committee:** examines the social impact delivered by the Trust and guides the strategic direction of the Trust's charitable activities. This committee also reviews and provides support for engagement and communications with communities and stakeholders;

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- **Property and Place Committee** (previously known as the Property and Regeneration Committee): guides the strategic use and development of the Westway estate and scrutinises the Trust's estate management land strategy and practice.
- **Audit Committee:** oversees the management of risk and finance and supervises the appointment of independent auditors. In September 2019, the responsibilities of the audit committee were temporarily transferred back to the Board, pending recruitment of a new trustee to chair this committee; and
- **Remuneration Committee:** Ensures that the Trust has effective human resources strategies to create a productive and diverse workforce and makes recommendations regarding staff remuneration. The committee sets our remuneration policy, as follows:

Westway Trust is committed to ensuring that we pay our staff fairly and in a way that ensures we attract and retain the right skills in order to have the greatest impact in delivering our charitable objectives. Delivery of our charitable vision and purpose is primarily dependent on the performance and efforts of our staff, which is the largest single element of charitable expenditure. We aim to recruit, subject to experience, towards the lower point within a salary band, providing scope to be rewarded for excellence and growth within the role. We do not employ interns without pay. The Trust is an accredited member of the Living Wage Foundation and has paid London Living Wage since 2004. We pay at least the London Living Wage for all our staff other than apprentices and are committed to encouraging our suppliers to do the same. Westway Trust evaluates each post against other posts in the Trust and market comparators to arrive at salary rates based on a consistent and transparent process, designed to offer a fair pay framework for all salary assessments and decisions. The pay structure is reassessed on an annual basis. All staff confirmed in post are subject to regular performance conversations, at least annually but quarterly is strongly encouraged.

Our **Member Organisations** are legal members of our limited company. The Member Organisations are active local charities and other organisations. A full list of current Members is available on our website (<http://www.westway.org/our-member-organisations>) or by request.

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

Over the next year, the Trustees will take further steps to embed the code across the Trust, particularly with regard to setting the foundations for the governance objectives and outcomes in its future strategy.

RISK AND INTERNAL CONTROLS

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

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

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

Risk	Current mitigating actions
<p>Sustained or significant public criticism at decision-making and way funds are being used or invested slows the Trust's ability to deliver its strategy. Community expectations for space and facilities on the estate exceed the resources available.</p>	<p>Board-led programme to bring demonstrable community involvement in decision-making, including:</p> <ul style="list-style-type: none"> • Community involvement in Charitable Purposes Committee (and other sub committees and the Board) to inform decision-making; • Engagement plan. Rigour and audit trail supporting decision-making; • Programme to devolve decision making in grants, spaces use and programming to community; • Planning applications to be submitted with statements of community consultation; and • Community panel involvement in the Chair recruitment.
<p>Planned or unplanned maintenance of the motorway leads to disruption of Trust activities and income.</p>	<p>While there is evidence of degradation to exposed parts of the structure, TfL has an inspection and maintenance regime and has told us that there are no major works in their current plan. Our lease has a compensation clause.</p>
<p>Rental income is subject to macro-economic factors outside the control of the Trust. Brexit adds additional uncertainty into economy. High street retail under pressure.</p>	<p>The current portfolio is a mixture of properties, rental types, and varied rental propositions, with a high proportion of niche retailers. The Trust has a strategy to maintain occupancy and works with community tenants where necessary.</p>

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Risk	Current mitigating actions
Illegal or unauthorised occupation of property leads to uncontrolled liabilities; public criticism; and/ or could adversely affect income or opportunities to enhance spaces	Ongoing engagement with Royal Borough of Kensington and Chelsea on high-risk properties and active measures in place to maintain occupancy.
The Tutu review into possible claims of institutional racism identifies issues that are not resolved or not accepted. Resulting uncertainty creates demotivation and slows the Trust's ability to deliver its goals.	The Trustees and Joint Chief Executives will work closely with the Community Advisory Group to prepare for the publication of the review and to develop recommendations for future action.
Loss of key tenants resulting in long void periods and consequential significant reduction in income.	Active monitoring and account management of key tenants.

OTHER MATTERS

Going concern

The Trustees have reviewed our financial position and financial forecasts, taking into account the level of reserves and cash, and our systems of financial control and risk management. As a result of this review, the Trustees believe that we are well placed to manage operational and financial risks successfully, and that the Trust has adequate resources to continue in operation for the foreseeable future. The Trustees continue to believe it is appropriate to adopt the going concern basis of accounting in preparing the annual accounts.

Investment policy

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

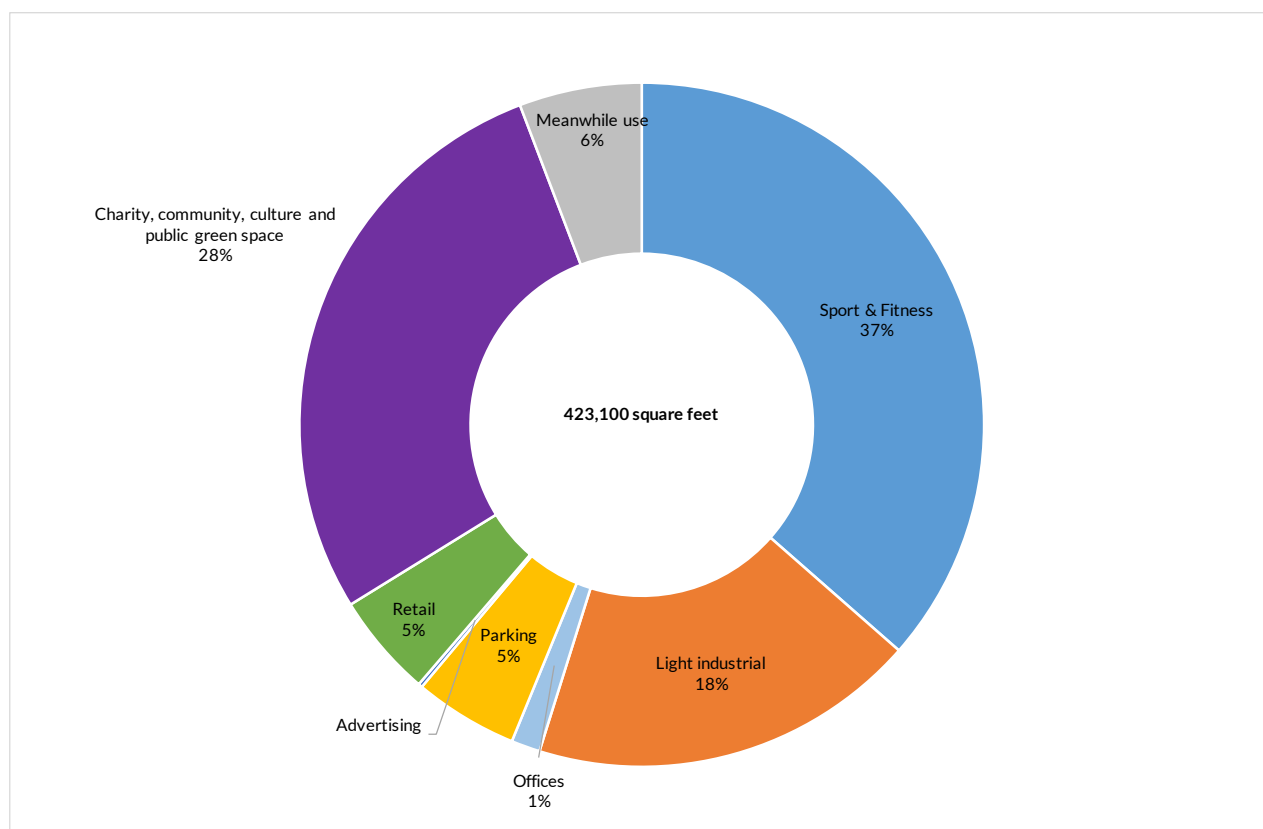
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Property

The 23 acres of the Westway Trust equates to approximately 1 million square feet. The space is used approximately as follows:

Use	Square Footage (est. '000s)	% whole estate
Sports and fitness (including the area designated to the new riding stables)	154	15%
Commercial property	126	13%
Charity, community & culture, including public green space	119	12%
Meanwhile use*	24	2%
Total managed estate	423	42%
Royal Borough of Kensington and Chelsea	16	2%
Public realm (access and thoroughfares etc.)	562	56%
Whole estate	1,001	100%

Of the 423,100 square feet managed estate, 28% is in use by charities, community or cultural groups.



* i.e. space that needs improvement to have a long-term sustainable and functional usage plan, e.g. Acklam Village.

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Reserves policy

The Trustees set aside available funds from our income to pay for anticipated costs and for planned refurbishment, development of the estate and environmental improvements. The Trustees also set aside a small amount each year, when rental income is strong, to allow for some flexibility in periods of economic downturn. In the last year, we have set aside an additional £759,000 for future expenditure. Capital commitments at the year-end amounted to £475,000 (note 22).

In order to protect our charitable projects from the loss of short-term funding, a target for a minimum level of free reserves has been set at three months' grants receipts for project delivery together with three months' expenditure on the Trust's infrastructure and property and estate management functions. Therefore, our reserves target is £679,000.

Free, undesignated reserves amount to £744,000 as at 31 March 2019.

Note 20 to the financial statements gives more detail on the purposes of the designated funds and the reasons for holding those funds. This policy is reviewed every year.

Treasury policy

The Trust deposits its cash funds in a pooled deposit fund or with UK-based financial institutions authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority. We only deposit funds in institutions with acceptable credit ratings. We make a variety of instant access, short-term and medium-term deposits to allow funds to be accessed according to the needs of the Trust's forecast cash flow. In order to protect the ordinary activities of the Trust from unforeseen events while the Trust plans and undertakes estate improvement, we will seek to hold treasury reserves of £500,000 or more at all times.

Funds held as custodian trustee on behalf of others

The Trust asks most of its commercial tenants to pay a refundable deposit. It is our policy not to use the deposits to fund charitable or other activity. At the year-end, tenant deposits amounted to £415,000.

Auditors

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011 and regulations made thereunder. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

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

Signed on behalf of the Trustees



Angela Spence
Interim Chair

16 October 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWAY TRUST

We have audited the financial statements for Westway Trust ("the company") for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the requirements of United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with international Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWAY TRUST

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustee's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of the Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 21, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWAY TRUST

for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWAY TRUST

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)

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

Devonshire House
60 Goswell Road
London EC1M 7AD

11th November 2019

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Note	General funds	Designated funds	Restricted funds	Total 2019	Total 2018 (note 27)
		£'000	£'000	£'000	£'000	£'000
Income						
Income from continuing activities						
<i>Income from charitable activities</i>						
Grants, earned and other income	3	210	-	540	750	779
Donated asset		-	-	2,000	2,000	-
		210	-	2,540	2,750	779
<i>Income from investments</i>						
Land and property rentals		4,947	-	-	4,947	4,756
Interest receivable		34	-	-	34	33
<i>Other income</i>						
Property service charges		-	-	421	421	421
Miscellaneous income		126	-	-	126	57
Total income		5,317	-	2,961	8,278	6,046
Expenditure						
Expenditure on continuing activities						
<i>Expenditure on charitable activities</i>						
	4	2,931	122	531	3,584	3,393
<i>Investment management costs</i>						
Property management	7	987	218	488	1,693	1,545
Total expenditure on continuing activities		3,918	340	1,019	5,277	4,938
Expenditure on discontinued activities						
<i>Expenditure on charitable activities</i>						
Sports and recreational facilities	2	-	-	-	-	(58)
Total expenditure		3,918	340	1,019	5,277	4,880
Net gain on investments	12	(675)	-	-	(675)	762
Net income (expenditure) before transfers						
<i>From continuing activities</i>						
		724	(340)	1,942	2,326	1,870
<i>From discontinued activities</i>						
		-	-	-	-	58
Total net income (expenditure) before transfers		724	(340)	1,942	2,326	1,928
Transfers between funds	10	(702)	759	(57)	-	-
Net income after transfers		22	419	1,885	2,326	1,928
Actuarial gains on defined benefit pension scheme	24	-	-	-	-	100
Net movement in funds		22	419	1,885	2,326	2,028
<i>Reconciliation of funds</i>						
Balances brought forward at 1 April 2018		722	49,654	9,781	60,157	58,129
Balances carried forward at 31 March 2019	20	744	50,073	11,666	62,483	60,157

All gains and losses recognised in the year are included on the Statement of Financial Activities. The accompanying notes form part of these financial statements.

BALANCE SHEET AT 31 MARCH 2019

	Note	2019		2018	
		£'000	£'000	£'000	£'000
Non-current assets					
Charitable buildings	11		2,948		951
Investment property	12		54,020		53,988
Other tangible fixed assets	13		94		88
Intangible assets	14		37		23
Accrued income	15		1,637		1,170
			58,736		56,220
Current assets					
Debtors	16	1,032		366	
Short term deposits		3,840		4,510	
Cash at bank and in hand		402		235	
		5,274		5,111	
Liabilities:					
amounts falling due within one year	17	(1,435)		(997)	
Net current assets			3,839		4,114
Total assets less current liabilities			62,575		60,334
Liabilities:					
amounts falling due after more than one year	18		(92)		(177)
Net assets			62,483		60,157
Funds					
Unrestricted funds	20				
Accumulated fund			744		722
Revaluation reserve			37,654		37,654
Other designated funds			12,419		12,000
			50,817		50,376
Restricted funds			11,666		9,781
			62,483		60,157

Approved by the Trustees on 16 October 2019 and signed on their behalf



Angela Spence, Interim Chair

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019		2018	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	25		299		59
Interest and servicing of loans					
Bank interest received		34		28	
Other interest received		-		5	
Net interest			34		33
Capital expenditure					
Payments to improve charitable buildings	11	(44)		(15)	
Payments to improve investment buildings	12	(711)		(1,378)	
Payments to acquire other charity fixed assets	13	(47)		(79)	
Payments to acquire intangible assets	14	(34)		(10)	
Total capital expenditure			(836)		(1,482)
(Decrease) in cash and bank deposits	26		(503)		(1,390)
Represented by:					
(Increase) decrease in short-term deposits			(701)		219
Increase (decrease) in cash			198		(1,609)
	26		(503)		(1,390)

1. ACCOUNTING POLICIES

1.1 Form and content of accounts

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

1.2 Cost convention

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

1.3 Going concern

These financial statements are prepared on the going concern basis. The Trustees have a reasonable expectation that the Trust will continue in operational existence for the foreseeable future.

1.4 Critical estimates and judgements

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

The value of the donated asset, Bay 20, is the lower of information provided by the donors (£2,000,000) and a separate insurance valuation (£2,314,551).

1.5 Income

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

1.6 Grants received

Where grants are received for specific purposes they are credited to the restricted funds of the Trust. Grants that are awarded for a specific period are recognised in the SOFA in that period. Capital grants are recognised in the SOFA to the extent that the Trust has met the conditions for draw-down of those grants. Otherwise, grants are shown as income in the period in which they are received.

1.7 Grants payable

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

1.8 Rents

1.8.1 Rents Receivable

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

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

1.8.2 Accrued income

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

1.9 Property service charges

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

1.10 Basis of allocation of support costs

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

1.11 Pension costs

1.11.1 Defined benefits pension scheme

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

1.11.2 Defined contributions pension scheme

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

1.12 Value Added Tax

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

1.13 Volunteers

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

1.14 Land and buildings

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

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

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

1.15 Intangible assets

Intangible assets comprise:

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

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

1.16 Capitalisation

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

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

1.17 Depreciation and amortisation

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

1.17.1 Charitable buildings:

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

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

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

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

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

1.18 Bad debts

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

1.19 Other financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

1.20 Restricted funds

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

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

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

1.21 Designated funds

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

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

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

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

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

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

2. DISCONTINUED ACTIVITIES: SPORTS AND FITNESS

On 1 November 2016, Westway Trust's sports and fitness operations were transferred to Sports and Leisure Management Limited (trading as Everyone Active) under a contract that will run for ten years and five months until 31 March 2027.

3. INCOME FROM CHARITABLE ACTIVITIES

	2019				2018			
	Earned income £'000	Restricted grants £'000	Grenfell Response £'000	Total £'000	Earned income £'000	Restricted grants £'000	Grenfell Response £'000	Total £'000
Social Wellbeing	9	40	10	59	-	36	-	36
Environmental Well being	5	-	-	5	-	18	18	36
Economic Wellbeing	196	490	-	686	67	452	188	707
	210	530	10	750	67	506	206	779

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

3. INCOME FROM CHARITABLE ACTIVITIES (continued)

Source	Programme	2019				2018			
		Earned income £'000	Restricted Grants £'000	Grenfell Response £'000	Total £'000	Earned income £'000	Restricted Grants £'000	Grenfell Response £'000	Total £'000
Royal Borough of Kensington and Chelsea	Adult Learning	-	195	-	195	11	188	-	199
	Supplementary Schools	7	76	-	83	5	76	51	132
	Crèche	189	22	-	211	49	33	16	98
	Parenting	-	28	-	28	-	28	6	34
	Early Years	-	16	-	16	-	16	-	16
	Portobello Rising Festival Environment	-	-	-	-	-	1	-	1
	Sport bursary	-	-	10	10	-	-	-	-
	Security infrastructure	-	41	-	41	-	-	-	-
	Other	-	-	-	-	2	-	-	2
	Sub-total RBKC	196	378	10	584	67	342	81	490
John Lyon's Charity	Supplementary Schools	-	55	-	55	-	-	-	-
Goldman Sachs	Supplementary Schools	-	-	-	-	-	5	-	5
Groundwork UK	Crèche	-	-	-	-	-	15	-	15
Tudor Trust	Crèche	-	-	-	-	-	19	-	19
Sir John Cass Foundation	Early Years	-	-	-	-	-	6	-	6
A New Direction	Culture Makers	-	-	-	-	-	35	-	35
Clip Kit Limited	Environment	-	-	-	-	-	-	10	10
Western Riverside Environmental Fund	Environment	-	-	-	-	-	18	-	18
Various corporate donations & other	Environment	5	-	-	5	-	-	-	-
GLA	Enterprise Pods	-	57	-	57	-	65	-	65
Sport England	Go Gen Project	9 [†]	40	-	49	-	-	-	-
Tudor Trust / London Funders	Grenfell Response	-	-	-	-	-	-	71	71
City of London	Grenfell Response	-	-	-	-	-	-	4	4
The Kensington & Chelsea Foundation	Grenfell Response	-	-	-	-	-	-	36	36
Get To Work Funding DWP	Grenfell Response	-	-	-	-	-	-	3	3
Private donations	Grenfell Response	-	-	-	-	-	-	1	1
Timebank	Grenfell Response	-	-	-	-	-	1	-	1
Total		210	530	10	750	67	506	206	779

[†] Unrestricted grant

4. EXPENDITURE ON CHARITABLE ACTIVITIES

2019	General funds	Allocated Support Costs (Note 8)	Total (including support costs)	Designated funds	Restricted funds	Total Charitable Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Social Wellbeing						
Engagement	505	173	678	-	-	678
Health and wellbeing	-	-	-	-	27	27
Arts, culture and community grants	686	58	744	27	-	771
Grenfell response	20	-	20	-	60	80
	1,211	231	1,442	27	87	1,556
Environmental Wellbeing	324	173	497	-	-	497
Economic Wellbeing						
Stewardship (including property development)	172	173	345	95	88	528
Economy and Skills	359	288	647	-	356	1,003
	531	461	992	95	444	1,531
	2,066	865	2,931	122	531	3,584
Made up of:						
Grants Awarded (Note 5)	547	-	547	27	113	687
Materials and project costs	201	10	211	-	54	265
Property Development	-	-	-	95	-	95
Staffing, recruitment and training	936	485	1,421	-	268	1,689
Improvements, repairs and maintenance	103	2	105	-	-	105
Insurance and other establishment costs	24	59	83	-	37	120
Information technology	-	126	126	-	-	126
Communications and marketing	11	65	76	-	5	81
Professional fees and costs	39	49	88	-	31	119
Depreciation	-	43	43	-	23	66
Bank charges	-	2	2	-	-	2
Governance Costs (note 6)	205	24	229	-	-	229
	2,066	865	2,931	122	531	3,584
2018	1,623	916	2,539	211	585	3,335

Comparative figures for 2018 are analysed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

5. GRANTS AWARDED

	Supplemen- tary Schools	Small grants to local charities and community groups	Creative Futures and Culture Makers	Festival Funds	Sports Grants	Grenfell Response	Rent subsidies to charity tenants	Total
2019	£	£	£	£	£	£	£	£
Grants to institutions:								
24 Hearts Carnival Arts	-	-	-	2,500	-	-	-	2,500
50+ Aged Eritrean Welfare Association	-	2,500	-	-	-	-	-	2,500
Abdul Wahab Hamid team x18	-	-	-	-	-	1,066	-	1,066
Paul Menacer team x22	-	-	-	-	-	-	-	-
Abundance Arts	*	2,494	-	-	-	-	-	2,494
ACAVA	*	4,991	-	-	-	-	21,480	26,471
Age UK Kensington and Chelsea	*	2,500	7,954	-	-	-	26,025	36,479
An Nisa Empowerment Response	7,570	2,500	-	-	-	-	-	10,070
Azza Supplementary School	*	6,313	-	-	-	-	-	6,313
Baraka Community Association	*	2,500	-	-	-	350	-	2,850
Baraka Youth Association	6,478	-	-	-	-	-	-	6,478
Brave Indie	-	-	4,114	-	-	-	-	4,114
Brown Baby	-	-	-	900	-	-	-	900
C.A.S.H.	*	-	-	-	-	-	9,327	9,327
CAPCA	*	-	-	5,400	-	-	-	5,400
Carnival Pioneers	-	-	-	7,000	-	-	-	7,000
Carnival Village Trust	-	2,500	4,114	-	-	-	-	6,614
Chickenshed	-	2,400	-	-	-	-	-	2,400
Corner Nine Arts Project	*	-	-	3,000	-	-	-	3,000
Cruse Bereavement Care	-	-	-	-	-	-	9,410	9,410
CVT	-	-	-	6,400	-	-	-	6,400
Dadihiye Somali Development Organisation	*	4,467	-	-	-	-	3,840	8,307
Dalgarno Neighbourhood Trust	*	2,500	-	-	-	-	-	2,500
Dalgarno Pre-school	-	2,500	-	-	-	-	-	2,500
Dalgarno Supplementary School	*	6,404	2,500	-	-	-	-	8,904
DanceWest CIC	-	2,475	-	-	-	-	-	2,475
Dar Al-Arqam / MCWG	3,178	-	-	-	-	-	-	3,178
Ebony Steel Band Trust	*	-	-	3,150	-	-	-	3,150
EPIC CIC	*	-	-	8,500	-	-	-	8,500
Equal People Mencap	-	2,500	-	-	-	-	-	2,500
Eritrean Parents' and Children's Association	6,281	2,490	-	-	-	-	2,740	11,511
FerArts CIC	*	2,500	8,228	-	-	-	7,447	18,175
Fifty Plus Aged Eritrean Welfare Association	-	2,500	-	-	-	-	-	2,500
Golborne Forum	*	-	-	6,400	-	-	-	6,400
Help Counselling Centre	-	2,500	-	-	-	-	-	2,500
Hip Hop Summer Festival	-	-	-	5,200	-	-	-	5,200
K and C Forum for Older Residents	-	250	-	-	-	-	-	250
K and C Mental Health Association (Mind)	*	-	-	-	-	-	31,965	31,965
K and C Social Council	*	-	4,114	-	-	-	-	4,114
Kamitan Arts	-	4,500	2,743	4,000	-	-	-	11,243
Kensington Karavan	-	-	-	4,000	-	-	-	4,000
Kids On The Green	-	2,500	-	5,400	-	-	-	7,900

Continued overleaf

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

5. GRANTS AWARDED

(continued)

	Supple- mentary Schools	Small grants to local charities and community groups	Creative Futures and Culture Makers	Festival Funds	Sports Grants	Grenfell Response	Rent subsidies to charity tenants	Total
2019	£	£	£	£	£	£	£	£
Latimer Community Art Therapy	-	2,500	-	-	-	-	-	2,500
Liberty Venn	-	2,500	-	-	-	-	-	2,500
Little Angels for Grenfell	-	-	-	-	-	4,000	-	4,000
London Sports Trust	-	4,000	-	-	-	-	-	4,000
London Youth Hindleap Warren	-	-	-	-	-	19,211	-	19,211
Maggie's West London	-	2,000	-	-	-	-	-	2,000
Making Communities Work and Grow *	-	-	-	-	-	-	5,840	5,840
Mangrove Community Y2K	-	2,285	-	-	-	-	-	2,285
Metronomes Steel Orchestra	-	2,000	-	-	-	-	-	2,000
Midaye Somali Development Network *	6,750	2,431	-	-	-	-	11,170	20,351
MigrantsOrganise!	-	-	-	-	-	-	24,000	24,000
Music Explosion	-	-	-	2,500	-	-	-	2,500
Muslim Cultural Centre	-	500	-	-	-	-	-	500
New Maxilla Social Club	-	-	-	-	-	-	10,750	10,750
New Studio Forest School	-	4,000	-	-	-	-	-	4,000
Notting Hill Churches Homeless Concern	-	2,500	-	-	-	-	-	2,500
Nova New Opportunities *	-	-	-	-	-	-	24,000	24,000
Octavia Foundation *	-	2,500	-	-	-	-	-	2,500
Open Age	-	2,323	-	-	-	-	-	2,323
Paddington Arts	-	-	-	3,000	-	-	-	3,000
People Arise Now *	-	5,000	-	-	-	-	-	5,000
Pepper Pot Centre *	-	2,490	-	-	-	-	-	2,490
Persian Care Centre	-	500	-	-	-	-	-	500
Pimento Community Project	7,623	-	-	-	-	350	-	7,973
Playground Theatre	-	2,500	-	6,000	-	-	-	8,500
Portobello Film Festival	-	-	-	8,000	-	-	-	8,000
Portobello Live Arts CIC	-	2,500	-	6,000	-	-	-	8,500
Portobello Panto	-	-	-	1,500	-	-	-	1,500
Portobello Radio	-	-	1,777	-	-	-	-	1,777
Portobello Soul	-	-	-	5,400	-	-	-	5,400
Real Action (QPCT) Ltd	-	2,500	-	-	-	-	-	2,500
Renegade Theatre	-	2,500	-	-	-	-	-	2,500
Solidarity Sports	-	2,500	-	-	-	-	-	2,500
Somali Women's Association	6,750	-	-	-	-	-	-	6,750
SPID Theatre Company	-	4,000	-	-	-	-	-	4,000
St Antonio Eritrean Refugees	-	5,000	-	-	-	-	-	5,000
Women's Group	-	-	-	-	-	-	-	-
St Clement James Centre	-	2,500	-	-	-	-	-	2,500
St Giles Trust	-	-	-	-	-	-	3,040	3,040
Steel Pan Trust	-	-	-	4,200	-	-	-	4,200
Sudanese Community and Information Centre	-	2,500	-	-	-	-	-	2,500
Swinbrook Residents' Association *	-	2,500	-	-	-	-	-	2,500

Continued overleaf

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

5. GRANTS AWARDED

(continued)

	Supplemen tary Schools	Small grants to local charities and community groups	Creative Futures and Culture Makers	Festival Funds	Sports Grants	Grenfell Response	Rent subsidies to charity tenants	Total
2019	£	£	£	£	£	£	£	£
The First Georgian Supplementary School	2,187	-	-	-	-	-	-	2,187
The Flying Gorillas	-	2,500	-	-	-	-	-	2,500
The Gheez Rite Community Association	4,741	2,500	-	-	-	-	-	7,241
The Hip-Hop Shakespeare Foundation Ltd *	-	-	-	-	-	-	9,962	9,962
The Love Charity	-	2,500	-	-	-	-	-	2,500
The Rhythm Studio Foundation	-	2,500	-	-	-	-	-	2,500
The SPACE	1,125	2,500	-	-	-	-	-	3,625
The Warrior Programme	-	-	-	-	-	-	5,880	5,880
Turkish Education Trust	2,187	-	-	-	-	-	-	2,187
Upshot	5,460	-	-	-	-	-	-	5,460
Urban Partnership Group	-	-	2,469	-	-	-	-	2,469
Urbanwise.London	-	2,500	-	-	-	-	-	2,500
Venture Community Association *	-	2,065	-	-	-	-	-	2,065
Vibes In The Park	-	-	-	3,500	-	-	-	3,500
Volunteer Centre K and C *	-	-	-	-	-	-	13,957	13,957
West London Community Stables	-	27,300	-	-	-	-	-	27,300
West London Moroccan Widadia	4,469	-	-	-	-	700	-	5,169
Westway Coach Services Limited	-	-	-	-	-	1,800	-	1,800
Westway Trust - Adult Learning	-	-	-	-	-	-	11,800	11,800
Woman's Trust	-	2,500	-	-	-	-	-	2,500
You Press	-	-	2,057	-	-	-	-	2,057
Youth Action Alliance	-	-	-	5,400	-	-	-	5,400
Grants to community organisations	81,983	165,494	37,570	107,350	-	27,477	221,884	641,978
Grants to individuals					32,159	7,924		39,863
Prior year adjustments	(302)				(4,983)			(5,285)
2019	81,681	165,494	37,570	107,350	27,176	35,401	232,634	687,307
2018	109,492	95,924	58,441	63,361	23,320	75,414	209,940	635,892

* Member Organisations

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

6. GOVERNANCE COSTS

	2019 £'000	2018 £'000
Audit services		
Statutory audit	17	21
Attendance and advice to the Trustees	4	2
Tax advisory services	-	4
	21	28
Trustee recruitment and training	11	2
Community consultation	205	-
	237	30

7. EXPENDITURE ON INVESTMENT ACTIVITIES – PROPERTY MANAGEMENT

	General funds	Allocated Support Costs (Note 8)	Total including support costs	Designated funds	Restricted funds	Total Property Management
2019	£'000	£'000	£'000	£'000	£'000	£'000
Materials and project costs	73	4	77	-	-	77
Staffing, recruitment and training	396	162	558	-	34	592
Improvements, repairs and maintenance	11	-	11	186	203	400
Insurance and other establishment costs	101	19	120	-	247	367
Information technology	-	42	42	-	-	42
Communications and marketing	3	22	25	-	4	29
Professional fees and costs	115	17	132	-	-	132
Depreciation	-	14	14	32	-	46
Governance (note 6)	-	8	8	-	-	8
	699	288	987	218	488	1,693
2018	567	306	873	107	565	1,545

Comparative figures for 2018 are analysed in Note 29.

8. ALLOCATION OF SUPPORT COSTS

Allocated to:	Charitable activities £'000	Property Management £'000	Total 2019 £'000	Total 2018 £'000
Materials and project costs	10	4	14	12
Staffing, recruitment and training	485	162	647	722
Improvements, repairs and maintenance	2	-	2	1
Insurance and other establishment costs	59	19	78	93
Information technology	126	42	168	152
Communications and marketing	65	22	87	75
Professional fees and costs	49	17	66	95
Depreciation	43	14	57	51
Bank charges	2	-	2	2
Governance Costs	24	8	32	20
	865	288	1,153	1,223

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

9. STAFF COSTS

	2019 £'000	2018 £'000
Salaries and wages	1,738	1,876
Social security costs	166	171
Pension costs		
Current service costs		
Defined benefit	21	19
Defined cost	70	51
Other finance costs	-	-
Termination payments	24	3
Movement on holiday and bonus accruals	(3)	14
	2,015	2,107
Average number of employees		
Monthly paid	74	72
Full-time equivalent	48	49

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

Economy and Skills	14	18
Health and Wellbeing	2	1
Arts, Heritage and Community	2	3
Environmental	4	3
Stewardship	12	10
Communications and Engagement	3	4
Strategy, governance and resources	11	10
	48	49

Number of employees whose emoluments during the year fell between:

£70,000 and £79,999	-	3
£90,000 and £99,999	2	2

One of the members of staff in the £90,000 to £99,999 band included in the table above belongs to the Trust's final salary pension scheme (Note 24). Total employer's pension contributions paid for one employee including lump sum payments towards scheme past service deficits amounted to £21,000 (2018: £19,000).

Total staff remuneration and benefits paid to key management personnel	322	535
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Key personnel are the two Joint Chief Executives and one Executive Director of the Trust (2017/18: Two Joint Chief Executives and two Executive Directors). During the year, two Executive Directors left and one was appointed.

Related party transactions

There were no related party transactions during either year.

Payments to Trustees

No Trustee received any remuneration from the Trust during the year or the previous year. No expenses were reimbursed to Trustees in either year.

10. TRANSFERS BETWEEN FUNDS

	General funds to (from) £'000	Designated funds to (from) £'000	Restricted funds to (from) £'000
<i>Transfers to provide for future activities</i>			
Provisions for new building works	(259)	259	-
Provisions for the maintenance of the estate	(250)	250	-
Funds allocated for development projects in future years	(250)	250	-
Transfer of old project balances	57	-	(57)
	(702)	759	(57)

11. CHARITY BUILDINGS

	Buildings occupied for the charity's own purposes £'000
Cost	
At 1 April 2018	1,563
Additions	44
Transfer from investment properties	4
Donated Asset	2,000
Disposal	-
Accumulated cost at 31 March 2019	3,611
Depreciation	
At 1 April 2018	612
Charge for the year	51
Disposal	-
Accumulated depreciation at 31 March 2019	663
Net book value	
At 31 March 2019	2,948
<i>At 31 March 2018</i>	<i>951</i>

Buildings occupied by the Trust to deliver its charitable activities are stated at cost after depreciation and amount to £2,948,000. The cost of rebuilding was professionally calculated for insurance purposes as at 1 April 2008. Allowing for building cost indexation, the buildings are insured for a reinstatement value of £6,813,000 (including Bay 20 community centre).

12. INVESTMENT PROPERTY

	Land and buildings £'000
Valuation	
At 1 April 2018	53,988
Additions	711
Transfers to charitable buildings	(4)
Revenue accruals recognised in SOFA	(675)
Net book value	
At 31 March 2019	54,020
<i>At 31 March 2018</i>	<i>53,988</i>

Land

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

Basis of valuation of investment property

The Trustees commissioned an indicative valuation of the Trust’s commercial property portfolio as at 31 March 2017 from Cushman and Wakefield LLP. The purpose of that valuation was to inform the Trustees of the existing value within the estate. Cushman and Wakefield LLP’s valuation was prepared on a restricted basis and was subject to certain agreed assumptions and considerations. The valuation does not, therefore, comply fully with the requirements of the RICS Valuation – Professional Standards (the Red Book). The Trustees prepared their own internal valuation of the investment portfolio based on Cushman and Wakefield LLP’s indicative valuation. The Trustees have considered further advice given by Cushman and Wakefield LLP regarding movements in the property investment market between 1 April 2018 and 31 March 2019 and have concluded that there has been no significant uplift in market value.

Insurance

Investment buildings are stated at valuation amounting to £54,020,000. The cost of rebuilding was professionally calculated for insurance purposes as at 1 April 2007. Allowing for building cost indexation, the buildings are insured for a reinstatement value of £61,142,000.

Fair value at 31 March 2019

	2019 £'000	2018 £'000
Properties valued by the Trustees based on an indicative valuation carried out by Cushman and Wakefield LLP in 2017	55,881	55,174
Less: unamortised lease incentive (Note 15)	(1,861)	(1,186)
Book value at 31 March 2019	54,020	53,988

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

13. TANGIBLE FIXED ASSETS

	Equipment on the estate £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
As at 1 April 2018	57	181	112	19	369
Additions	-	23	24	-	47
Accumulated cost at 31 March 2019	57	204	136	19	416
Depreciation					
As at 1 April 2018	57	122	83	19	281
Charge for the year	-	24	17	-	41
Accumulated depreciation at 31 March 2019	57	146	100	19	322
Net book value					
At 31 March 2019	-	58	36	-	94
At 31 March 2018	-	59	29	-	88

14. INTANGIBLE FIXED ASSETS

	Software £'000
Cost	
As at 1 April 2018	119
Additions software	24
Social investments	10
Accumulated cost at 31 March 2019	153
Amortisation of software	
As at 1 April 2018	96
Charge for the year	20
Accumulated amortisation at 31 March 2019	116
Net book value	
At 31 March 2019	37
At 31 March 2018	23

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

15. ACCRUED INCOME

	2019 £'000	2018 £'000
Accrued income in respect of lease incentives	1,861	1,186
Less: included in trade debtors	(224)	(16)
	1,637	1,170

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

16. DEBTORS

	2019 £'000	2018 £'000
Trade debtors	341	163
Bad debt provision	(29)	(73)
Accrued income in respect of lease incentives	224	16
Grants receivable	41	35
Prepayments and accrued income	448	216
Other debtors	7	9
	1,032	366

Bad debt provision	Opening provision at 1 April 2018 (Note 31) £'000	Additional provisions £'000	Debts written off £'000	Provisions no longer required £'000	Closing provision at 31 March 2019 £'000
Rental debt	73	27	(63)	(8)	29

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

There has been no change in the basis of calculation during the year.

17. LIABILITIES: AMOUNTS DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Trade creditors	615	257
Accruals	145	259
Grants awarded but not paid	77	49
Deferred income	36	-
Tenants' deposits	323	234
Taxes and social security costs	226	148
Other creditors	13	50
	1,435	997

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

18. LIABILITIES: AMOUNTS DUE AFTER ONE YEAR

	2019 £'000	2018 £'000
Tenants' deposits	92	177

19. FINANCIAL INSTRUMENTS

	2019 £'000	2018 £'000
Financial assets that are debt instruments measured at amortised cost	359	134
Financial liabilities that are measured at amortised cost	1,044	718

20. ANALYSIS OF FUNDS

	At 1 April 2018 (Note 32) £'000	Incoming resources £'000	Resources expended £'000	Transfers, revaluations and unrealised gains (Notes 10 and 12) £'000	At 31 March 2019 £'000
Restricted funds					
Investment property	8,505	-	-	-	8,505
Charitable buildings	883	2,000	(24)	-	2,859
Service charges	182	421	(486)	-	117
Project grants	211	540	(509)	(57)	185
	9,781	2,961	(1,019)	(57)	11,666
Unrestricted funds					
Other designated funds					
Investment property	8,803	-	-	513	9,316
Charitable buildings	56	-	(32)	4	28
Refurbishment fund	1,286	-	-	(258)	1,028
Development fund	1,545	-	(122)	250	1,673
Maintenance funds	310	-	(186)	250	374
	12,000	-	(340)	759	12,419
Revaluation reserve	37,654	-	-	-	37,654
Accumulated fund	722	5,317	(3,918)	(1,377)	744
	50,376	5,317	(4,258)	(618)	50,817
	60,157	8,278	(5,277)	(675)	62,483

20. ANALYSIS OF FUNDS (continued)

Restricted funds

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

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

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

Project grants: These funds represent grants received by the Trust for specified projects and which can only be spent on those projects. Income is recognised when the Trust is entitled to receive the grant and where there is no reasonable expectation that the grant could become repayable. Any unspent funds held at the end of the year are held separately to be spent on the specified project in future years. At 31 March 2019, the funds on hand comprised:

	2019 £'000	2018 £'000
<i>Project grants</i>		
Sports development	31	16
Grenfell Response	20	70
Education	36	60
Animating Thorpe Close	98	65
	185	211

Designated funds

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

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

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

Project funds: This money is set aside in order to ensure targeted charitable projects can be supported where future funding is in doubt. The funds also include amounts set aside to provide flexibility during periods of economic downturn and disruptions that may be encountered on the Estate due to major maintenance works. The long-term nature of property cycles and highway maintenance means that these funds may be built up and expended over a 15-year-period. The value of this fund at the year-end was nil (2018: nil).

Development fund: This fund represents money set aside to meet the anticipated costs of progressing identified capital development opportunities to planning stage, at which point grant or loan funding would become available or

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

development partnerships are established. Development funds are anticipated to be spent over the next five years as the Trust's property development agenda is progressed.

Pension reserve: The reserve represents the deficit on the Trust's defined benefits pension scheme and allows for payments that may need to be paid into the scheme due to the funding shortfall on past service accrual (see note 24). Contributions towards the pension deficit are paid according to a schedule advised by the Scheme Actuary. Currently there is no requirement to hold a pension reserve. (2018: nil).

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds			Restricted funds	Total funds
	Accumulated fund	Designated funds	Subtotal		2019
	£'000	£'000	£'000	£'000	£'000
Net current assets	518	3,118	3,636	203	3,839
Liabilities due after more than one year	(92)	-	(92)	-	(92)
Net liquid funds	426	3,118	3,544	203	3,747
Investment property	170	45,286	45,456	8,564	54,020
Charitable buildings	17	32	49	2,899	2,948
Tangible fixed assets	94	-	94	-	94
Intangible assets	37	-	37	-	37
Accrued income	-	1,637	1,637	-	1,637
Other funds	318	46,955	47,273	11,463	58,736
	744	50,073	50,817	11,666	62,483

See Note 33 for an analysis of net assets between funds as at 31 March 2018.

22. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2019 £'000	2018 £'000
Authorised capital expenditure		
Sports and fitness facilities (Note 2)	65	-
Property development and capital renewal	345	729
	410	729
Committed expenditure include above		
Sports and fitness facilities (Note 2)	65	500
Property development and capital renewal	-	-
IT Document Solutions	-	24
	65	524

At 31 March 2019, the Trust had no annual leasing commitments (2018: nil).

23. OPERATING LEASES

The Trust as lessor

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

	2019 £'000	2018 £'000
Less than one year	4,110	4,247
Later than one year but not later than five years	12,150	12,656
Later than five years but not later than ten years	8,858	8,810
Later than ten years	7,668	2,315
	32,786	28,028

24. RETIREMENT BENEFITS

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

Money purchase scheme

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

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:

	2019 £'000	2018 £'000
Final salary scheme	21	19
Money purchase scheme	70	51
	91	97

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

	2019 £'000	2018 £'000
Final salary scheme	3	2
Money purchase scheme	7	8
	10	10

24. RETIREMENT BENEFITS (continued)

Final salary pension scheme

During the year, only one member of the Trust's staff remained an active member of the Royal Borough of Kensington and 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, as at 31 March 2016, was issued in March 2017 and indicated that, on the basis of service to date and current salaries, the funding level of the whole Borough scheme was 103%. The key assumptions were that the discount rate is 4.9% per annum, that salary increases would average 3.9% per annum and that present and future pensions would increase at the rate of 2.4% per annum.

The actuarial valuation as at 31 March 2016 recommended an employer's contribution rate of 23.4% but no lump sum payment towards scheme deficits. Those funding rates were applied with effect from 1 April 2017.

Financial Reporting Standard 102 "FRS102"

An actuarial valuation of the defined benefit scheme was carried out as at 31 March 2019 by a qualified independent actuary on an FRS102 basis. The rates applied at the year-end under FRS102 may not coincide with the rates adopted by the Scheme actuary during the triennial valuation. The major assumptions at 31 March 2019 used by the actuary were:

	2019	2018	2017	2016	2015
Price increases (RPI)	3.3%	3.3%	3.6%	3.3%	3.3%
Price increases (CPI)	2.4%	2.3%	2.7%	2.4%	2.5%
Salary increases	3.9%	3.8%	4.2%	4.2%	4.3%
Pension increases	2.4%	2.3%	2.7%	2.4%	2.6%
Discount rate	2.4%	2.6%	2.7%	3.7%	3.4%

The assets relating to the Trust's participation in the scheme and the expected rate of return at 31 March 2017 were:

	2019	2018	2017	2016	2015
Fund value	£'000	£'000	£'000	£'000	£'000
UK equities	4,041	4,192	3,841	3,069	3,013
Property	215	207	203	205	146
Absolute return portfolio	491	473	500	445	459
Cash	24	16	63	236	307
Cash plus funds	847	342	358	-	-
	5,618	5,230	4,965	3,955	3,925

	2019	2018	2017	2016	2015
Proportion of total fund value	%	%	%	%	%
UK equities	72%	80%	78%	78%	77%
Property	4%	4%	4%	5%	4%
Absolute return portfolio	9%	9%	10%	11%	11%
Cash	0%	0%	1%	6%	8%
Cash plus funds	15%	7%	7%	-	-
	100%	100%	100%	100%	100%

24. RETIREMENT BENEFITS (continued)

Balance sheet analysis	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Present value of defined benefit obligation	(4,947)	(4,917)	(5,065)	(4,111)	(4,368)
Fair value of scheme assets (bid value)	5,618	5,230	4,965	3,955	3,925
Net asset(liability)	671	313	(100)	(156)	(443)
Impact of asset ceiling	-	(251)	-	-	-
Surplus not recognised in the balance sheet	(671)	(62)	-	-	-
Net asset(liability) in the balance sheet	-	-	(100)	(156)	(443)

The asset ceiling represents the surplus of assets over liabilities that cannot be recovered by the Trust through refunds of contributions or reductions in future contributions and is determined by the Scheme Rules.

The surplus of assets over scheme liabilities and the asset ceiling has not been recognised in the balance sheet due to the uncertain nature of the asset and the high level of dependency of the calculation of liabilities upon actuarial estimates that cannot be guaranteed.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	2019 £'000	2018 £'000
Opening defined benefit obligation	(4,917)	(5,065)
Current service cost	(53)	(51)
Interest cost	(124)	(135)
Change in financial assumptions	(233)	239
Change in demographic assumptions	279	-
Experience gain on defined benefit obligation	-	-
Estimated benefits paid	110	105
Contributions by scheme participants	(9)	(10)
Closing defined benefit obligation	(4,947)	(4,917)

Reconciliation of opening and closing balances of the fair value of fund assets:

	2019 £'000	2018 £'000
Opening fair value of fund assets	5,161	4,965
Interest on assets	131	133
Return on assets less interest	408	142
Other actuarial gains	-	-
Administration expenses	(2)	(2)
Employer contributions	21	18
Contributions by scheme participants	9	10
Estimated benefits paid	(110)	(105)
Closing defined benefit obligation	5,618	5,161

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

24. RETIREMENT BENEFITS (continued)

Revenue account costs:	2019	2018
	£'000	£'000
Current service cost	53	51
Net interest on defined liability	(2)	2
Administrative costs	2	2
Total service costs	53	55

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

	2019	2018
	£'000	£'000
Net movement in funds	2,326	2,028
Donated asset	(2,000)	-
Interest receivable	(34)	(33)
Pension service costs net of finance costs	-	19
Contributions to defined benefits pension scheme	-	(19)
Pension (gains)	-	(100)
Depreciation and amortisation	112	114
Valuation deficit (surplus)	675	(762)
(Decrease) in non-current accrued income	(467)	(705)
(Increase) in debtors	(666)	(110)
Increase (decrease) in creditors due within one year	438	(345)
(Decrease) in creditors due after one year	(85)	(28)
Total service costs	299	59

26. ANALYSIS IN CHANGES IN NET DEBT

	At 1 April	Cash	Other	At 31 March
	2018	flows	changes	2019
	£'000	£'000	£'000	£'000
Cash at bank and in hand	204	(503)	701	402
Short-term deposits	4,541	-	(701)	3,840
	4,745	(503)	-	4,242

27. COMPARATIVE FIGURES: STATEMENT OF FINANCIAL ACTIVITIES 2018

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 March 2018

	Note	General funds £'000	Designated funds £'000	Restricted funds £'000	Total 2018 £'000
Income					
<i>Income from charitable activities</i>					
Learning and Skills	3	53	-	511	564
Environment		26	-	-	26
Other grants and donations	3	-	-	189	189
<i>Income from investments</i>					
Land and property rentals		4,756	-	-	4,756
Interest receivable		32	-	1	33
<i>Other income</i>					
Property service charges		-	-	421	421
Miscellaneous income		57	-	-	57
Total income		4,924	-	1,122	6,046
Expenditure					
<i>Expenditure on continuing activities</i>					
Expenditure on charitable activities	4	2,597	211	585	3,393
<i>Investment management costs</i>					
Property management	7	873	107	565	1,545
Total expenditure on continuing activities		3,470	318	1,150	4,938
<i>Expenditure on discontinued activities</i>					
Expenditure on charitable activities					
Sports and recreational facilities	2,4	(58)	-	-	(58)
Total expenditure		3,412	318	1,150	4,880
Net gain on investments		(703)	1,465	-	762
Net income(expenditure) before transfers					
From continuing activities		751	1,147	(28)	1,870
From discontinued activities		58	-	-	58
Total net income before transfers		809	1,147	(28)	1,928
Transfers between funds	8	(759)	759	-	-
Net income(expenditure) after transfers		50	1,906	(28)	1,928
Actuarial gains(losses) on defined benefit pension scheme	24	-	100	-	100
Net movement in funds		50	2,006	(28)	2,028
Reconciliation of funds:					
Balances brought forward at 1 April 2017		672	47,648	9,809	58,129
Balances carried forward at 31 March 2018	32	722	49,654	9,781	60,157

28. COMPARATIVE FIGURES: EXPENDITURE ON CHARITABLE ACTIVITIES 2017/18

	General funds	Allocated Support Costs	Total including support 2018	Designated funds	Restricted funds	Total Charitable Expenditure 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Social Wellbeing						
Engagement	217	183	400	-	-	400
Arts and Culture & Community Grants	564	61	625	-	1	626
Grenfell Response	43	-	43	-	173	216
	824	244	1,068	-	174	1,242
Environmental Wellbeing						
	253	183	436	-	-	436
Economic Wellbeing						
Stewardship (including Property Development)	231	183	414	211	-	625
Economy and Skills	315	306	621	-	411	1,032
	546	489	1,035	211	411	1,657
	1,623	916	2,539	211	585	3,335
of which:						
Grants Awarded	436	-	436	-	200	636
Materials and project costs	79	9	88	-	43	131
Property Development	-	-	-	211	-	211
Staff costs	899	542	1,441	-	306	1,747
Improvements, repairs and maintenance	102	1	103	-	-	103
Insurance and other establishment costs	14	69	83	-	29	112
Information technology	-	114	114	-	-	114
Communications and marketing	9	56	65	-	-	65
Professional fees and costs	84	64	148	-	7	155
Depreciation	-	38	38	-	-	38
Bank charges	-	1	1	-	-	1
Governance	-	22	22	-	-	22
	1,623	916	2,539	211	585	3,335

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

29. COMPARATIVE FIGURES: EXPENDITURE ON PROPERTY MANAGEMENT 2017/18

	General funds	Allocated Support Costs	Total including support 2018	Designated funds	Restricted funds	Total charitable expenditure 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Materials and project costs	31	3	34	-	-	34
Staff costs	360	180	540	-	30	570
Improvements, repairs and maintenance	32	-	32	67	219	318
Insurance and other establishment costs	35	23	58	-	220	278
Information technology	-	38	38	-	-	38
Communications and marketing	2	19	21	-	2	23
Professional fees and costs	107	21	128	-	71	199
Depreciation	-	13	13	40	23	76
Bank charges	-	1	1	-	-	1
Governance	-	8	8	-	-	8
	567	306	873	107	565	1,545

30. COMPARATIVE FIGURES: TRANSFERS BETWEEN FUNDS 2017/18

	General funds to / (from) £'000	Designated funds to / (from) £'000	Restricted funds to / (from) £'000
Transfers to provide for future activities			
Provisions for reinstatement of sports playing surfaces and facilities	(259)	259	-
Provisions for the maintenance of the estate	(250)	250	-
Funds allocated for development projects in future years	(250)	250	-
	(759)	759	-

31. COMPARATIVE FIGURES: MOVEMENT IN PROVISIONS 2017/18

	Opening provision April 2017 £'000	Additional provisions £'000	Debts written off £'000	Provisions no longer required £'000	Closing provision March 2018 £'000
Rental debt	31	36	-	-	67
Sports and fitness debt	6	-	-	-	6
	37	36	-	-	73

32. COMPARATIVE FIGURES: ANALYSIS OF FUNDS 2017/18

	At 1 April 2017	Incoming resources	Resources expended	Transfers, revaluations and unrealised gains	At 31 March 2018
	£'000	£'000	£'000	£'000	£'000
Restricted funds					
Investment property	8,505	-	-	-	8,505
Charitable buildings	906	-	(23)	-	883
Service charges	302	422	(542)	-	182
Project grants	96	700	(585)	-	211
	9,809	1,122	(1,150)	-	9,781
Unrestricted funds					
<i>Other designated funds</i>					
Investment property	7,594	-	(85)	1,294	8,803
Charitable buildings	96	-	(40)	-	56
Refurbishment and sports building fund	2,243	-	78	(1,035)	1,286
Development fund	1,465	-	(170)	250	1,545
Maintenance funds	483	-	-	(483)	-
Pension reserve	(100)	-	-	100	-
	11,942	-	(318)	376	12,000
Revaluation reserve	35,706	-	-	1,948	37,654
Accumulated fund	672	4,924	(3,412)	(1,462)	722
	48,320	4,924	(3,730)	862	50,376
	58,129	6,046	(4,880)	862	60,157

33. COMPARATIVE FIGURES: ANALYSIS OF NET ASSETS BETWEEN FUNDS 2017/18

	Accumulated fund	Designated funds	Unrestricted funds Subtotal	Restricted funds	Total funds 2018
	£'000	£'000	£'000	£'000	£'000
Net current assets	776	2,945	3,721	394	4,115
Liabilities due after more than one year	(177)	-	(177)	-	(177)
Net liquid funds	599	2,945	3,544	394	3,938
Investment property	-	45,483	45,483	8,505	53,988
Tangible fixed assets	100	56	156	882	1,038
Intangible assets	23	-	23	-	23
Accrued income	-	1,170	1,170	-	1,170
Other funds	123	46,709	46,832	9,387	56,219
	722	49,654	50,376	9,781	60,157

REFERENCE AND ADMINISTRATIVE INFORMATION

Governance and management

Trustees

Alan Brown, chair (resigned 31 May 2019)

Trustees nominated by RBKC:

Cllr Anne Cyron
 Cllr Marwan Elnaghi (appointed 26 July 2019)
 Cllr Monica Press (resigned 22 May 2019)
 Cllr Sof McVeigh (appointed 23 May 2018)
 Cllr Malcolm Spalding (resigned 23 May 2018)

Openly recruited Trustees:

Tabassum Awan (appointed 23 April 2019)
 Karen Bendell (resigned 6 December 2018)
 Thomasin Renshaw (resigned 15 August 2019)
 Howard Richards (resigned 27 June 2019)
 Chris Ward (resigned 16 August 2019)
 Sheraine Williams (resigned 30 April 2018)

Elected Trustees

Jeannette Davidson (resigned 23 August 2019)
 Angela Spence (interim chair from 1 June 2019)
 Tanya Thompson (appointed 17 April 2018)

Joint Chief Executives Mark Lockhart and Alex Russell

Company Secretary Mark Lockhart

Administrative information

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

Official social media

Website www.westway.org

Facebook [/WestwayTrust](https://www.facebook.com/WestwayTrust)

Twitter [@WestwayTrust](https://twitter.com/WestwayTrust)



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