



Annual Report 2019/20



Registered charity number 1160947 Private Limited Company number 08991196

WEST LONDON ZONE
(A Company Limited by Guarantee)

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WEST LONDON ZONE
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2020**

Trustees

Sir Harvey McGrath, Chair
Radhika Dubé, Trustee
Felicity Gillespie, Trustee
Jocelyn James, Treasurer
Andrew Levitt, Trustee (appointed 19 July 2019)
John Storey, Trustee
Amelia Sussman, Trustee
Sir David Verey CBE, Trustee
Nicolas Wilkie, Trustee

Company registered number

08991196

Charity registered number

1160947

Registered office

140-144 Freston Road
London
W10 6TR

Company secretary

L Mitchell

Chief executive officer

L Mitchell

Independent auditors

Goodman Jones LLP
Chartered Accountants
29/30 Fitzroy Square
London
W1T 6LQ

Bankers

Lloyds Bank
167-169 Edgware Road
London
W2 2HE

TRUSTEES REPORT FOR THE PERIOD ENDED 31 AUGUST 2020 (17 MONTHS)

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report together with the financial statements of West London Zone (WLZ, the charity), for the period 1 April 2019 to 31 August 2020 (17 months). The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) (effective 1 January 2015).

Since the company qualifies as a small company under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Our Mission

We help children and young people build the relationships and skills they need to get on track socially, emotionally and academically to thrive in adulthood.

We do this by building trusted relationships, providing specialist support and joining up each child's support system, including families, schools and local organisations, to deliver a personalised 2-year support plan for each child.

Why We Exist

We work exclusively in west London - an area of deep inequality where our research shows that 1 in 5 children and young people aren't getting the support they need to thrive.

Our 'zone' spans the community in west London around the Harrow Road - covering parts of Hammersmith, Kensington, Brent and Westminster.

In our community, the existing support systems are not able to easily flex to the different needs of individual children. Organisations often work in isolation, and are not always able to work with those who could benefit from their help the most.

Our research shows that there are 12,000 children and young people currently living in our community who need additional support. Without it, they are more likely to face challenges in later life, including unemployment, social isolation, and poor mental and emotional health.

We help children and young people build the relationships and skills they need to get on track **Socially**, **Emotionally** and **Academically**.

We call this creating a **SEA change**.

We believe that by targeting these key areas of development we can empower children to fulfil their potential.

Every child we work with is different. We aim to work with children who would benefit from our support in multiple, inter-related areas.

- **88%** of WLZ children need support in at least two areas
- **80%** of WLZ children need support to improve in at least three of our identification measurements
- **40%** of WLZ children need support to improve in at least five of our identification measurements

Areas we support	Identification Measurements
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Social	Parental Engagement Peer Relationships
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Emotional	Emotional Problems Confidence
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Academic	School Attendance Reading Writing Maths School Engagement
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Pupil premium	Pupil premium eligibility*
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* a measure of student disadvantage.

Creating a SEA change

We have a three-stage approach to creating a SEA change in children in our zone.



1. Collective Impact

We harness the collective power of the west London community, joining up local social and financial support for the right children at the right time.



2. Personalised Support

The WLZ programme is a 2-year support plan tailored to each child's unique strengths, needs and aspirations.



3. Data and Evidence Led

We use data to identify the right children and provide detailed insight into each child's needs and progress over the two years so we can flex their plan.

Collective Impact

We bring together the whole community - government, councils, charities, schools, families and funders - to work together to support each child.

Through our collective funding model, some of which is paid on milestones, we ensure local public and private money, as well as resources, are working towards a common end goal: a SEA change for each child.

- We're currently working with over 1,000 children.
- That's 8% of the children in our zone that need our support.
- We're based in 29 schools.
- We facilitate support from over 80 specialist partner charities.
- Our collective funding model means that each funding stream unlocks another stream from our diverse funding sources. So, each £1 spent by schools and local councils unlocks another £2 from government and philanthropy.
- By supporting each child and preventing negative outcomes that would require intervention by public services further down the line, independent consultants ATQ estimates that we have created total savings or wider benefits worth £32m with the first 730 children on the programme, that's approximately £44k per child.

Personalised Support

We have a team of trusted adults - Link Workers - who are based in the child's school and see them every day. They guide, support and champion each child and are responsible for designing and facilitating each child's 2-year programme with them, their families and their teachers.

Specialist support is delivered by charities working locally, ranging from art therapy to maths tutoring to circus skills.

We listen and have conversations with each child, their family and their school. We don't start to design their programme until we really understand them and are confident each child understands and wants our support to help them achieve their goals.

- 98% of children tells us that they find sessions with their Link Worker helpful and 92% feel they can ask their Link Worker for support when needed.
- 83% of parents see an increase in their child's confidence during the programme.

"It built my confidence, bravery and showed me I shouldn't give up. I have a place where I can go to talk about my feelings and that's what I love about West London Zone."

WLZ young person

Data and Evidence Led

We work with schools to identify the children who might benefit most from our support using data and insight.

Each child's plan is dynamic and regularly adjusted as they progress, with input from teachers and parents.

We combine our data with the knowledge each Link Worker acquires through their trusted relationship to develop a deep understanding of how we can best support each child throughout the two years.

- To identify each child we measure where they are **Socially, Emotionally and Academically** in relation to validated measures, and academic expectations for their age.

S: We measure this through Communities that Care, a measure of parental engagement with their child's development and through the Peer Relationships Sub-scale of the Strengths and Difficulties Questionnaire (SDQ), a validated clinical measure of socio-emotional health, which shows how well each child makes and maintains positive relationships. We also take into account any input from teachers and parents.

E: We measure this through the Emotional Problems Sub-scale of the Strengths and Difficulties Questionnaire (SDQ) which tells us if a child currently has poor mental wellbeing or might even be at risk of an emotional crisis. We also use the KINDL scale to measure confidence and self-efficacy.

A: We measure this through their school grades, looking at if they are working at age related expectations in English/reading and maths, school attendance, and their engagement with school through Communities that Care.

By tracking each child's progress and constantly adapting their plan, we ensure there is the maximum SEA change in each child on our programme.

Our Values

In everything we do, we aim to be: **Collaborative, Local, Evidence-led, Accountable and Relational.**

We believe that everyone should have access to the opportunities they need to achieve their goals in life. Through our work with children and families, we strongly recognise the deep-rooted social injustice and systemic racism that is present within our community. We have a duty and responsibility to act.

We realise that action is what is really needed and we are determined to create positive and meaningful changes through our work with children and families. We are an organisation that is motivated by finding solutions and putting them into practice in a sustainable and impactful way. We always aim to listen with humility and act with integrity and urgency.

We work collaboratively and expect the highest levels of accountability in all that we do. We always welcome open discussion and feedback from all of our staff, stakeholders, partners and families on ways in which we can improve.

PUBLIC BENEFIT STATEMENT

As required by the Charities Act 2011, the Trustees confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit, where applicable.

The Trustees believe there is clear public benefit derived from the activities of the charity and this is demonstrated by our achievements during 2019/20.

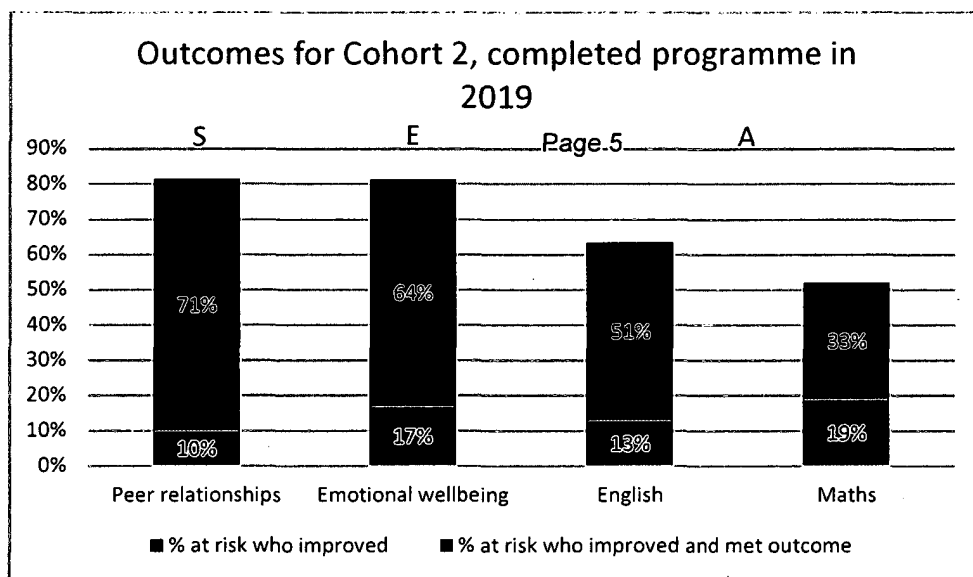
ACHIEVEMENTS AND PERFORMANCE

Delivery and Impact

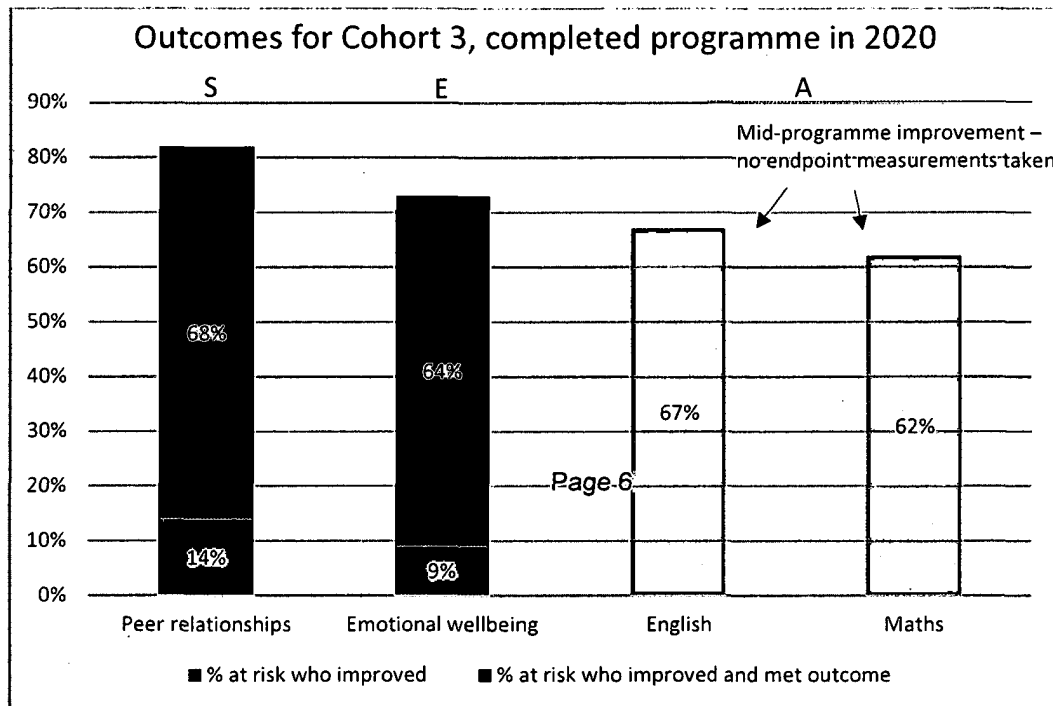
We continuously analyse data to refine and improve our programme.

At the end of each two-year programme, we take our final measurement of the impact of our work using our SEA framework – Social (peer relationships), Emotional (wellbeing) and Academic (English and maths attainment).

We measure each child's improvement (meaning accelerated progress in academics), and whether they met the final outcome target (in academics this means making a rate of progress to be on track to achieve age related expectations by end of setting).



- In 2019, 82% of children who were at risk in emotional wellbeing improved, and 81% in peer relationships. Around two thirds met our full outcome in each of these areas – moving over the threshold out of risk;
- In 2019, 64% made accelerated progress in English and 58% in maths. A total of 51% and 33% respectively met their final outcome target – making a rate of progress putting them on track to age related expectations in academics by end of setting. We are working on improving these results.



- In 2020, despite completing the programme during the COVID-19 pandemic, around two thirds of children who started the programme at risk in emotional wellbeing or peer relationships had improved their wellbeing and were no longer at risk in these areas;
- The 2020 surveys that measure these results were taken in May-July, just after the COVID-19 lockdown;
- Schools did not take academic progress data in summer 2020 due to lockdown so we assessed the progress they had made in summer 2019 at midpoint of their programme;
- We view these outcomes as positive as they are at similar levels to Cohort 2, despite the unknowns and likely negative impacts of COVID-19 on social-emotional health and our need to deliver our programme remotely.

In our Early Years work:

- Children on the WLZ cohort on average made more steps of progress than children not on the WLZ cohort between September 2018 and July 2019 in Communication and Language, Literacy, Mathematics and Personal, social and emotional development (areas of the Early Years Foundation Stage statutory framework reflected in our outcomes framework);
- A greater proportion of children in the WLZ cohort made 'accelerated' progress - greater than anticipated progress - across these EYFS outcome areas than their non-cohort counterparts.

Long Term Outcomes

We collect the GCSE results from young people who have previously completed the WLZ programme. The numbers at present are very small so while the results are encouraging it is too early to draw conclusions, but we will continue to track the progress of all children who have been on the WLZ programme as this is our ultimate aim: that they progress enough during the programme that it impacts on their future success.

COVID-19

From March - August 2020, we experienced an increased and immediate demand from parents and carers for help not just with their children's needs, but with basic family needs too.

In response we:

- Rapidly flexed our delivery model to adapt to the circumstances;
- Seized the opportunity to further strengthen our relationships with families;
- Leveraged our deep local partnerships to provide a personalised service for every family;
- Worked very closely with schools to help them with their support of families;
- Moved our organisation online to enable digital working with our entire network;
- Stepped up communication, management and supervision support for all of WLZ to stay safe and healthy, working effectively and sustainably;
- Raised additional funds through a crowdfunding appeal and extra support from current funders.

Specifically in our delivery we adapted to provide:

- Virtual, online support for children and young people's academic needs and wellbeing, including supporting schools' home learning packages;
- Help for parents and carers in supporting their children and in accessing food, basic goods, housing, medical advice and facilitation support with online learning;
- Support for our partner schools with the Free School Meals voucher distribution, advice on causes for concern, and act as intermediaries to support online learning;
- Specialist support sessions remotely, via telephone calls or online learning platforms, including speech and language therapy, counselling, art therapy, mentoring and academic tutoring.

Funding

In the 17 month financial period ended 31 August 2020, WLZ has:

- Expanded our reach across our full community by renewing outcomes contracts with London Borough of Hammersmith and Fulham (LBHF) and Royal Borough of Kensington and Chelsea (RBKC) and starting new outcomes contracts in Westminster City Council (WCC) and Brent Council (Brent), as well as bringing on new schools;
- Converted the in-principle Life Chances Fund (LCF) award from The National Lottery Community Fund on behalf of the government's Department for Culture Media and Sport to award £4.3m over 5 years which will leverage a further £10m in funding across the local authorities and schools (depending on our performance) as well as philanthropy in that time period;
- Continued to successfully deliver and generate revenue according to our contracts with the local councils and schools achieving just over £2m;
- Raised £3.06m in philanthropy alongside our local authority and school contracts. This comprised £1.3m from major donors, £1.4m from Trusts and Foundations, £180k from our corporate partnerships and £200k from events, sponsorship and neighbourhood individual donations;
- We were able to build our major donor programme assisted by our Fundraising Committee;
- Ensured reserves are adequate according to our policy.

No external professional fundraisers were used in the financial period ended 31 August 2020 and WLZ has not received any complaints regarding our fundraising activities. All fundraising is carried out by the Chief Executive Officer supported by the Development team and the Fundraising Committee.

FINANCIAL REVIEW

During the year, the Trustees approved a change in financial year end from 31 March to 31 August to align better with the academic calendar and WLZ's school activities. As a result, the accounts represent a 17 month financial period. This impacts direct comparison against the prior year figures.

The Statement of Financial Activities for the period ended 31 August 2020 shows a total income of £5,095,271, total expenditure of £4,106,472 and a surplus for the period of £988,799. As at 31 August 2020, the charity had funds of £1,850,819 (31 March 2019: £862,020).

As described in the 'Achievements & Performance' section, WLZ has been successful in operating four outcomes contracts and income directly attributable to these is shown under charitable activities; associated philanthropic income is recorded in donations.

Income for the period (pro-rata over a 12 month period) was 63% higher than the previous year. Income from donations amounted to £3,061,378 and income from outcomes contracts amounted £2,027,614. Expenditure rose by 22% (comparison with pro-rata 12 month period).

The net increase in the cash held by the charity was £1,427,890. The cash balance of £2,463,348 includes the total loan from Bridges Fund Management of £550,000 with respect to the LBHF & RBKC contracts. This cash balance also includes £150,000 held as security against the Bridges loan.

Reserves Policy

As at 31 August 2020, the charity has total funds of £1,850,819, of which £1,672,500 is unrestricted and £178,319 is restricted.

In the Trustees' view, the reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The Trustees propose to target the charity's reserves at a level that is at least equivalent to six months' operational expenditure and will do so having regards to its manner of operation and likely funding streams. The current unrestricted reserves are considered adequate for this purpose.

As stated above the designated fund of £150,000 is held as security against the Bridges loan.

Going concern

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Executive team and Trustees have evaluated the going concern position in response to the COVID-19 pandemic. Extensive conversations have been had with donors, councils and schools. The visibility provided by the multi-year contracts from councils, schools and the Life Chances Fund, together with a number of multi-year grants from Trusts and Foundations, some of whom have also provided additional grant funding during the COVID-19 pandemic, provide confidence for the Trustees regarding the ongoing viability of the organisation. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

STRUCTURE, GOVERNANCE & MANAGEMENT

Members liability

The members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of a winding up.

Constitution

WLZ is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 10 April 2014 and amended 15 October 2015.

The charity is constituted under a Memorandum of Association dated 10 April 2014 and amended 15 October 2015 and 14 May 2020 and is a registered charity – number 1160947.

The principle object of the charity is to promote the care and upbringing of every child and young person at risk of poor outcomes in later life, who lives in, or has a close connection to the West London Zone, by supporting positive family relationships, advancing education, promoting health and otherwise making the most of each such child and young person's potential.

There have been no changes in the objectives since the last Annual Report.

Method of appointment or election of Trustees

The management of the charity and the fulfilment of its charitable objectives is the responsibility of the Trustees who are elected and co-opted under the Articles of Association.

The charity's Trustees are also its members and appoint new members.

The recruitment of Trustees is carried out primarily through nominations from within the existing Trustee Board and wider recommendation from other stakeholders. Once appointed, each trustee undergoes an induction with the Chief Executive Officer and the Senior Management Team in order to be fully conversant with WLZ's operating policies and procedures. Trustees attend relevant training provided to WLZ staff and are expected to share knowledge and best practice at Trustee meetings.

Organisational structure and decision making

The Trustees met as a Board seven times during the extended financial year. Changes in the Board are set out on page 1.

Louisa Mitchell is the Chief Executive Officer and she leads the Senior Management Team comprising the Chief Operating Officer and the Finance and Resources Director.

The Trustees have delegated the day to day management of WLZ to the Senior Management Team. The Chief Executive Officer and the Senior Management Team attend Board meetings.

All Trustees give of their time freely and no Trustee remuneration was paid during the year. Details of Trustees expenses and Related Party transactions are set out in notes 11 and 13 of the financial statements.

Pay policy for key management personnel

The Trustees review and determine the remuneration of the Chief Executive Officer and the Chief Executive Officer reviews and determines the remuneration of the Senior Management Team in accordance with WLZ's pay policy.

Risk Management

The Trustees regularly review a register of major risks to which WLZ is exposed, in particular those related to the operations and finances of WLZ. The Trustees are satisfied that systems and procedures are in place to mitigate WLZ's exposure to the major risks. In response to the ongoing effects of COVID-19, the SMT are monitoring fundraising efforts and costs continuously.

FUTURE PLANS

The academic and financial year 2020/21 will contain many unknowns as we all grapple with the longer-term impact of COVID-19 on the children and families we support, the school environments we deliver in and the funding we need to access for our work.

We have remained fully operational throughout the COVID-19 period so far, as explained above, constantly adapting to deliver what children and families need in the ever-changing environment. We believe that our model of personalised support, that flexes to each child's circumstances to help them get on track socially, emotionally and academically, is what more and more children will need in 2020/21 and beyond.

Therefore, we aim to press on with designing and delivering a new 5-year growth and impact plan in the first part of academic year 2020/21 in a pro bono project with Bain & Company management consultants. This plan will refresh and build on the business plan we embarked on in 2018/19 that drove us to expand across our 'zone' in 2019/20 when we started to deliver in Brent and Westminster as well as Hammersmith and north Kensington.

In the academic year 2020/21:

- We are supporting 1,000 children in 37 nursery, primary and secondary school settings across four councils, pursuing our strategy of working deeper and deeper in our community;
- We will further strengthen our partnerships with our delivery partners as well as piloting the delivery of some catch up literacy and numeracy in-house so as to achieve the collective impact and scale we aim for;
- We will commence our four-year longitudinal evaluation with UCL and IOE's Centre for Education Policy and Equalising Opportunities, comparing the progress of children on the WLZ programme with children who are not supported by WLZ;
- We will continue to pursue our blended funding model which comprises some outcomes contracts and some grants and donations from a diversified range of funders across sectors, so as to ensure stability in an increasingly precarious economic environment and competitive market for charities;
- We will continue to drive to better outcomes through our adaptive delivery and management approach, with a specific focus on quality this year as well as our ongoing focus on improving our programme design;
- We will continue to nurture the talent in the WLZ team and build the internal operations and systems required to support our rapid growth, and our focus on constant learning and improvement;
- We will hold true to our values – Collaborative, Local, Evidence-led, Accountable, Relational – in all that we do, and we will build on the findings of our inclusion audit undertaken in summer 2020 to drive to inclusive behaviour and practice across our organisation that is aligned with our values;
- We will work to build our profile so as to increase our reach and our network in our community;
- We intend to expand to further schools so that we are ready to support 1,300 children in September 2021 for academic year 2021/22.

WEST LONDON ZONE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Goodman Jones LLP, were appointed during the period and have indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....

Sir Harvey McGrath
Chair

Date: 19-02-21

WEST LONDON ZONE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST LONDON ZONE

Opinion

We have audited the financial statements of West London Zone (the 'charitable company') for the period ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 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 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

WEST LONDON ZONE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST LONDON ZONE (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

WEST LONDON ZONE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST LONDON ZONE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Goodman Jones LLP

Goodman Jones LLP
Chartered Accountants
29/30 Fitzroy Square
London
W1T 6LQ

Date: 22-02-21

Goodman Jones LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

WEST LONDON ZONE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2020

	Note	Unrestricted funds 17 month period ended 31 August 2020 £	Restricted funds 17 month period ended 31 August 2020 £	Total funds 17 month period ended 31 August 2020 £	Total funds Year ended 31 March 2019 £
Income from:					
Donations and legacies	4	2,355,632	705,746	3,061,378	1,584,049
Charitable activities	5	1,183,496	844,118	2,027,614	620,731
Investments	6	6,279	-	6,279	118
Total income		3,545,407	1,549,864	5,095,271	2,204,898
Expenditure on:					
Raising funds:					
Voluntary income	7	379,197	-	379,197	217,500
Charitable activities	8	2,033,925	1,693,350	3,727,275	2,166,690
Total expenditure		2,413,122	1,693,350	4,106,472	2,384,190
Net income/(expenditure)		1,132,285	(143,486)	988,799	(179,292)
Transfers between funds	19	22,245	(22,245)	-	-
Net movement in funds		1,154,530	(165,731)	988,799	(179,292)
Reconciliation of funds:					
Restated Total funds brought forward		517,970	344,050	862,020	1,041,312
Total funds carried forward		1,672,500	178,319	1,850,819	862,020

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 23 to 41 form part of these financial statements.

WEST LONDON ZONE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08991196

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	31 August 2020 £	Restated 31 March 2019 £
Fixed assets			
Tangible assets	13	61,919	110,319
Current assets			
Debtors	14	548,927	521,170
Cash at bank and in hand		2,463,348	1,038,458
		<u>3,012,275</u>	<u>1,559,628</u>
Creditors: amounts falling due within one year	15	(1,037,390)	(238,055)
Net current assets		<u>1,974,885</u>	<u>1,321,573</u>
Total assets less current liabilities		<u>2,036,804</u>	<u>1,431,892</u>
Creditors: amounts falling due after more than one year	16	-	(550,000)
Provisions for liabilities		(185,985)	(19,872)
Total net assets		<u><u>1,850,819</u></u>	<u><u>862,020</u></u>
Charity funds			
Restricted funds	19	178,319	344,050
Unrestricted funds	19	1,672,500	517,970
Total funds		<u><u>1,850,819</u></u>	<u><u>862,020</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

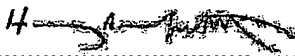
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

WEST LONDON ZONE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08991196

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

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


.....
Sir Harvey McGrath
Chair

Date: 19-02-21

The notes on pages 23 to 41 form part of these financial statements.

WEST LONDON ZONE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2020

	17 month period ended 31 August 2020 £	Year ended 31 March 2019 £
Cash flows from operating activities		
Net cash used in operating activities	1,478,990	(100,585)
Cash flows from investing activities		
Purchase of tangible fixed assets	(54,100)	(88,777)
Net cash used in investing activities	(54,100)	(88,777)
Change in cash and cash equivalents in the period	1,424,890	(189,362)
Cash and cash equivalents at the beginning of the period	1,038,458	1,227,820
Cash and cash equivalents at the end of the period	2,463,348	1,038,458

The notes on pages 23 to 41 form part of these financial statements

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. General information

West London Zone is a charitable company, limited by guarantee, registered in England and Wales, and whose registered office is 140-144 Freston Road, London, W10 6TR. The Charity's objectives are to provide long-term preventative support to children who are at risk of poor outcomes in their lives.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

West London Zone meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling, the functional currency of the Charity, and rounded to the nearest £.

The financial statements cover a period of more than 12 months after the Charity extended its accounting period to coincide with the academic year. The period to 31 August 2020 is 17 months and the comparative period to 31 March 2019 is 12 months.

2.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Executive team and Trustees have evaluated the going concern position in response to the COVID-19 pandemic. Extensive conversations have been had with donors, councils and schools. The visibility provided by the multi-year contracts from councils, schools and the Life Chances Fund, together with a number of multi-year grants from Trusts and Foundations, some of whom have also provided additional grant funding during the COVID-19 pandemic, provide confidence for the Trustees regarding the ongoing viability of the organisation. The Charity has not made use of the furlough scheme or any other government assistance during the pandemic.

The Trustees have considered the impact that the Covid-19 pandemic may have for the Charity and it is deemed that the Charity can meet its commitments and liabilities and can continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. For further details on the impact of Covid-19 and the impact on going concern for the Charity refer to page 11 of the Trustees' Report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.5 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis when the above criteria have been met, together with any performance conditions attached to the grants. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.8 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% Straight line
Computer equipment	-	25% Straight line
Data system	-	20% Straight line

2.10 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.12 Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.14 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.15 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the period.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no estimates and assumptions that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations and grants	2,355,632	705,746	3,061,378	1,584,049
	<u>2,355,632</u>	<u>705,746</u>	<u>3,061,378</u>	
<i>Total 2019</i>	<u>1,050,264</u>	<u>533,785</u>	<u>1,584,049</u>	

Included within unrestricted income are donations of £70,000 (2019: £82,328 restricted) provided by one Trustee (2019: two Trustees).

Included within unrestricted income are donated services totalling £nil (2019: £137,000) of which £nil (2019: £119,000) related to professional fees and £nil (2019: £18,000) to website development recorded as computer expenditure.

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Outcomes payments	1,183,496	844,118	2,027,614	620,731
	<u>1,183,496</u>	<u>844,118</u>	<u>2,027,614</u>	
<i>Total 2019</i>	<u>358,851</u>	<u>261,880</u>	<u>620,731</u>	

Outcomes payments received from schools, local authorities, The National Lottery Community Fund and The Life Chances Fund in respect of milestones achieved by children and young people from support provided by West London Zone.

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	6,279	6,279	118
<i>Total 2019</i>	118	118	

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	260,381	260,381	130,176
Rent, Rates and Utilities	9,281	9,281	8,971
Staff development and recruitment	26,552	26,552	12,594
Meetings	568	568	186
Advertising and subscriptions	1,892	1,892	74
Computers	20,192	20,192	5,161
Print, postage and stationery	4,831	4,831	5,891
General office	3,125	3,125	1,235
Professional fees	44,129	44,129	49,912
Marketing and events	2,100	2,100	848
Telephone and internet	1,058	1,058	216
Insurance	587	587	552
Equipment costs and rental	3,907	3,907	1,238
Repairs and maintenance	594	594	446
	379,197	379,197	217,500
<i>Total 2019</i>	217,500	217,500	

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities - Support to children	2,033,925	1,693,350	3,727,275	2,166,690
<i>Total 2019</i>	1,537,140	629,550	2,166,690	

9. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities - Support to children	2,801,324	925,951	3,727,275	2,166,690
<i>Total 2019</i>	1,509,424	657,265	2,166,689	

Analysis of direct costs

	Support to children 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,975,671	1,975,671	928,547
Link worker supervision	29,945	29,945	-
Link worker resources	39,476	39,476	-
Linking expenses	9,721	9,721	-
Community Events	7,455	7,455	-
Delivery partner costs	739,056	739,056	580,877
	2,801,324	2,801,324	1,509,424
<i>Total 2019</i>	1,509,424	1,509,424	

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support to children 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	216,661	216,661	67,402
Rent, Rates and Utilities	100,601	100,601	64,961
Staff development and recruitment	55,428	55,428	22,355
Meetings	2,735	2,735	1,875
Advertising and subscriptions	2,413	2,413	653
Computers	62,461	62,461	46,648
Print, postage and stationery	4,820	4,820	9,132
General office	25,735	25,735	6,514
Bank charges	1,301	1,301	469
Professional fees	45,326	45,326	231,448
Performance linked payment	166,113	166,113	88,236
Marketing and events	-	-	2,485
Telephone and internet	11,652	11,652	6,347
Insurance	6,471	6,471	2,690
Depreciation	50,301	50,301	18,979
Equipment costs and rental	38,678	38,678	9,227
Repairs and maintenance	14,161	14,161	8,714
Governance costs	121,094	121,094	69,130
	<u>925,951</u>	<u>925,951</u>	<u>657,265</u>
<i>Total 2019</i>	<u>657,265</u>	<u>657,265</u>	

Included within Governance costs in the table above are staff costs of £99,761 (31 March 2019: £38,094) and other governance costs of £21,333 (31 March 2019: £31,036).

10. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the period ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £7,200 (2019 - £3,000), and accounting services of £3,600 (2019 - £ 5,544).

12. Staff costs

	17 month period to 31 August 2020	Year to 31 March 2019
	£	£
Wages and salaries	2,273,074	1,044,275
Social security costs	219,305	100,105
Contribution to defined contribution pension schemes	60,095	19,839
	<u>2,552,474</u>	<u>1,164,219</u>

The average number of persons employed by the Charity during the period was as follows:

	2020 No.	2019 No.
Delivery	37	26
Finance & admin	4	3
Management & operations	2	2
Development	4	4
	<u>47</u>	<u>35</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	1	1

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind. No expenses were reimbursed to any of the Trustees in the period under review.

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer, the Chief Operating Officer and the Finance & Resources Director. The total remuneration of the key management personnel for the period totalled £354,310 (2019 - £207,975). No other benefits were paid to them.

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

13. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Data system £	Total £
Cost or valuation				
At 1 April 2019	28,615	42,067	63,900	134,582
Additions	8,077	19,047	26,976	54,100
Disposals	(35,623)	(60,086)	(4,176)	(99,885)
At 31 August 2020	1,069	1,028	86,700	88,797
Depreciation				
At 1 April 2019	8,289	13,440	2,534	24,263
Charge for the period	11,183	16,871	22,247	50,301
On disposals	(18,403)	(29,283)	-	(47,686)
At 31 August 2020	1,069	1,028	24,781	26,878
Net book value				
At 31 August 2020	-	-	61,919	61,919
At 31 March 2019	20,326	28,627	61,366	110,319

14. Debtors

	31 August 2020 £	31 March 2019 £
Due within one year		
Trade debtors	313,160	323,933
Other debtors	3,779	3,000
Prepayments and accrued income	231,988	194,237
	548,927	521,170

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

15. Creditors: Amounts falling due within one year

	31 August 2020 £	31 March 2019 £
Other loan - refer note 16	550,000	-
Trade creditors	30,043	83,541
Other taxation and social security	47,549	33,957
Other creditors	17,614	5,191
Accruals and deferred income	392,184	115,366
	1,037,390	238,055
	31 August 2020 £	31 March 2019 £
Deferred income		
Deferred income at 1 April 2019	-	82,295
Resources deferred during the period	262,915	-
Amounts released from previous periods	-	(82,295)
Deferred income at 31 August 2020	262,915	-

Income has been deferred when the conditions regarding the receipt of the income have not been met by the balance sheet date.

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

16. Creditors: Amounts falling due after more than one year

	31 August 2020	31 March 2019
	£	£
Other loan	-	550,000

As stated in the Trustees' Report in previous years, a loan of £350,000 was taken out to support West London Zone's Collective Impact Bond (CIB) in LBHF. A further loan of £200,000 was also taken out to support West London Zone's CIB in RBKC.

Both these loans are secured by a fixed charge over a Security Bank Account. The amount held in this account is £151,731, which represents the amount of grant income received from Stepping Stones funding from City Bridge Trust, the City of London Corporation's charity.

Both loans are split into an A loan and a B loan.

The loan for £350,000 is split into an A loan for £262,500 and a B loan of £87,500.

The loan for £200,000 is split into an A loan for £100,000 and a B loan of £100,000.

No interest is charged on the A loans and they are repayable on the earlier of the repayment date or the termination date as defined below.

The B loans are repayable on the termination date as defined in the loan agreements. The repayments of these loans are wholly based on a revenue share and below certain revenues no payment would be made. There are three methods of computing the share revenue:

- a share based on certain targets not being achieved within a defined time-period;
- a share based on West London Zone repaying the loan early; and
- a share based on the cumulative revenue achieved over the lifetime of the projects being financed.

The performance linked payment, representing the amount payable in excess of the loan advanced, is computed based on the cumulative revenue to be achieved over the lifetime of the projects (See Note 18).

The termination date is defined as the date on which the lender has confirmed no further payments are required to be made under any of the outcomes contracts. The lender has confirmed that the termination date will be within 12 months from 31 August 2020 and therefore the Charity is expected to repay the loans together with the performance linked payment within 12 months of the balance sheet date. Accordingly, the loans have been moved to Creditors: Amounts falling due within one year (see note 15).

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

17. Financial instruments

	31 August 2020 £	31 March 2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	2,463,348	1,038,458
Financial assets measured at amortised cost	513,021	487,581
	<u>2,976,369</u>	<u>1,526,039</u>
	31 August 2020 £	31 March 2019 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,037,390</u>	<u>754,098</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors and bank loans.

18. Provisions

	Performance linked payment £
At 1 April 2019	19,872
Additions	166,113
	<u>185,985</u>

Performance linked payment

The above provision represents the variable performance linked payment in relation to the B Loans (as described in note 16). The amount payable is dependent on performance and will be determined at the termination date set out in note 16.

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

19. Statement of funds

Statement of funds - current period

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
Unrestricted funds					
Designated funds					
Security Fund	150,000	-	-	-	150,000
General funds					
General Funds	367,970	3,545,407	(2,413,122)	22,245	1,522,500
Total Unrestricted funds	517,970	3,545,407	(2,413,122)	22,245	1,672,500
Restricted funds					
Paul Hamlyn Foundation	97,466	-	-	(22,245)	75,221
Goldman Sachs Gives	85,000	1,214	(86,214)	-	-
EQ Foundation	12,668	20,000	(32,668)	-	-
Grove Trust	-	20,000	(20,000)	-	-
Pilgrim Trust	-	22,500	(17,313)	-	5,187
Hammersmith United Charities	-	5,000	(5,000)	-	-
Young Londoners Fund	-	23,963	(23,963)	-	-
Campden Charities	-	2,000	(2,000)	-	-
Lightbulb Trust	-	40,000	(40,000)	-	-
Bank of America	-	81,772	(81,772)	-	-
Individual donors	960	1,500	(2,309)	-	151
City Bridge Trust	-	45,000	(35,987)	-	9,013
Segelman Trust	71,149	-	(71,149)	-	-
Rayne Foundation	6,160	20,000	(20,160)	-	6,000
The National Lottery Community Fund (Reaching Communities)	70,647	165,221	(229,816)	-	6,052
Kensington & Chelsea Foundation	-	60,000	(60,000)	-	-
Reach Fund	-	49,840	(49,840)	-	-
Bridgepoint Charitable Trust's Covid Relief Hardship Fund	-	35,000	(19,719)	-	15,281
Individual donors to Covid19 Hardship fund	-	66,736	(33,956)	-	32,780

WEST LONDON ZONE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

19. Statement of funds (continued)

Statement of funds - current period (continued)

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
Strawberry Fields Nursery	-	31,000	(12,366)	-	18,634
Westminster Foundation	-	15,000	(5,000)	-	10,000
The National Lottery Community Fund (Commissioning Better Outcomes)	-	450,618	(450,618)	-	-
Life Chances Fund	-	393,500	(393,500)	-	-
	<u>344,050</u>	<u>1,549,864</u>	<u>(1,693,350)</u>	<u>(22,245)</u>	<u>178,319</u>
Total funds	<u>862,020</u>	<u>5,095,271</u>	<u>(4,106,472)</u>	<u>-</u>	<u>1,850,819</u>

Development of WLZ's data system - supported by the **Paul Hamlyn Foundation**

Salaries for the Delivery team, Partnerships team, Impact team and Development team and the costs of delivery partners to support the WLZ programme - supported by the **Grove Trust, Pilgrim Trust, Hammersmith United Charities, Young Londoners Fund, Campden Charities, Lightbulb Trust, Bank of America and individual donors**

Our work in Kensington Aldridge Academy - supported by the **EQ Foundation and an individual donor**

Salaries of a Partnerships manager and Impact manager - supported by **City Bridge Trust**

WLZ's Early years programme - supported by **Segelman Trust, Rayne Foundation and the National Lottery Community Fund**

Support for children from the Grenfell-affected community in existing schools in North Kensington and to introduce the WLZ programme in Barby Primary School - supported by the **Kensington & Chelsea Foundation through their Grenfell Community Investment Fund**

Social Investment Business Grant - supported by the **Reach Fund**

Covid 19 Hardship Fund and Covid 19 academic support - supported by **Bridgepoint Charitable Trust's Covid Relief Hardship Fund, Bridges Impact Foundation, Centerview, Kensington & Chelsea Foundation, Rayne Foundation, London Community Response Fund and individual donors**

Salary of a Link Worker in Bevington Primary School - supported by **Strawberry Fields Nursery**

Salary of a Link Worker in Westminster - supported by the **Westminster Foundation**

WLZ Collective Impact Bond - supported by the **National Lottery Community Fund (Commissioning Better Outcomes)**

WLZ's place-based support for children and young people - supported by the **Life Chances Fund**

The Charity has separated out restricted funds that were amalgamated in the previous year.

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FOR THE PERIOD ENDED 31 AUGUST 2020

19. Statement of funds (continued)

Statement of funds - prior period

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>As restated Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2019 £</i>
Unrestricted funds					
Designated funds					
Security Fund	150,000	-	-	-	150,000
General funds					
General Funds	713,377	1,409,233	(1,757,174)	2,534	367,970
Total Unrestricted funds	<u>863,377</u>	<u>1,409,233</u>	<u>(1,757,174)</u>	<u>2,534</u>	<u>517,970</u>
Restricted funds					
Development of West London Zone Model	75,000	50,000	(25,000)	(2,534)	97,466
Community Work	102,935	483,785	(340,136)	-	246,584
The National Lottery Community Fund	-	261,880	(261,880)	-	-
	<u>177,935</u>	<u>795,665</u>	<u>(627,016)</u>	<u>(2,534)</u>	<u>344,050</u>
Total of funds	<u>1,041,312</u>	<u>2,204,898</u>	<u>(2,384,190)</u>	<u>-</u>	<u>862,020</u>

Prior year restatement

The Charity has restated its comparative information to correctly allocate depreciation expenditure of £2,534 to Development of West London Zone Model restricted fund from unrestricted expenditure and to allocate £63,900 of expenditure previously allocated to Development of West London Zone Model restricted fund to unrestricted funds. The overall adjustment is to decrease unrestricted funds by £61,366 and increase Development of West London Zone fund by £61,366. These prior year restatements have no effect on the net assets of the Charity.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 31 August 2020 £	Restricted funds 31 August 2020 £	Total funds 31 August 2020 £
Tangible fixed assets	61,919	-	61,919
Current assets	2,833,956	178,319	3,012,275
Creditors due within one year	(1,037,390)	-	(1,037,390)
Provisions for liabilities and charges	(185,985)	-	(185,985)
Total	1,672,500	178,319	1,850,819

Analysis of net assets between funds - prior period

	Unrestricted funds 31 March 2019 £	Restricted funds 31 March 2019 £	Total funds 31 March 2019 £
Tangible fixed assets	110,319	-	110,319
Current assets	1,215,578	344,050	1,559,628
Creditors due within one year	(238,055)	-	(238,055)
Creditors due in more than one year	(550,000)	-	(550,000)
Provisions for liabilities and charges	(19,872)	-	(19,872)
Total	517,970	344,050	862,020

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FOR THE PERIOD ENDED 31 AUGUST 2020

21. Reconciliation of net movement in funds to net cash flow from operating activities

	31 August 2020 £	31 March 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	988,799	(179,292)
Adjustments for:		
Depreciation charges	50,301	18,979
Loss on disposal of fixed assets	52,200	-
Loss on the sale of fixed assets	-	418
Increase in debtors	(27,758)	(109,446)
Increase in creditors	249,335	234,211
(Decrease)/increase in provisions	166,113	(65,455)
Net cash provided by/(used in) operating activities	1,478,990	(100,585)

22. Analysis of cash and cash equivalents

	31 August 2020 £	31 March 2019 £
Cash in hand	2,463,348	1,038,458
Total cash and cash equivalents	2,463,348	1,038,458

23. Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	1,038,458	1,424,890	-	2,463,348
Debt due within 1 year	-	-	(550,000)	(550,000)
Debt due after 1 year	(550,000)	-	550,000	-
	488,458	1,424,890	-	1,913,348

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24. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £60,095 (2019 - £19,839). Contributions totalling £10,294 (2019 - £4,745) were payable to the fund at the balance sheet date and are included in creditors.

25. Operating lease commitments

At 31 August 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	31 August 2020 £	31 March 2019 £
Not later than 1 year	34,146	68,000
	<u>34,146</u>	<u>68,000</u>

26. Related party transactions

During the period, one Trustee (2019: two Trustees) made donations totalling £70,000 (2019: £82,328). These donations are included within unrestricted income (2019: restricted income).

No other transactions with related parties were made during the period.