

# **Heathrow Community Trust**

## **Annual report and financial statements**

### **For year ended 31 December 2019**

# Heathrow Community Trust

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# **Heathrow Community Trust**

## **Trustees' administrative details**

### **Trustees**

Prabhiot Basra [RE-APPOINTED 12.6.19]

Richard de Seider

David Cottrell [APPOINTED 26.9.19]

Gennie Dearman

Jason Holmes [RETIRED 26.9.19]

Carol Hui

Samina Hussain

Chris Johnston [RE-APPOINTED 12.6.19]

Andrew Kerswill (Chairman)

Alison Keeley [APPOINTED 26.9.19]

Alison Moore [RETIRED 26.9.19]

Michael Murphy

Darius Nasimi

### **Director**

Rebecca Bowden

### **Registered office**

The Compass Centre

Nelson Road

Hounslow

Middlesex

TW62GW

### **Independent auditor**

Alliotts LLP

Friary Court

13-21 High Street

Guilford

Surrey

GU13DL

### **Bankers**

Barclays Banks plc

1 Churchill Place

London

E14 5HP

# Heathrow Community Trust

## Trustees' annual report *continued*

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out on page 21 to the accounts and comply with the LHR Airport Communities Trust Deed, Heathrow Community Trust constitution, the Charities Act 2011 and Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards 102 applicable in the UK and Republic of Ireland published in September 2015.

## Merged reporting

Heathrow Community Trust CIO was formally approved by the Charity Commission on 16<sup>th</sup> April 2019. The CIO had been set up by Trustees of LHR Airport Communities Trust with a view to limiting Trustee liability for Trust activities. All activities and liabilities of LHR Airport Communities Trust were transferred to the new CIO in May 2019. It is intended to formally close LHR Communities Trust in due course. Trustees of LHR Communities Trust became Trustees of Heathrow Community Trust at the time of transfer of business. ICAEW have advised that where the purpose of the incorporation is merely to protect the trustees (or similar) but there is no significant change to trustees, beneficiaries or the purpose of the charity then the charities are in effect merged and practically this means that one set of accounts is prepared under the new name.

## Analysis of Principal SoFA Components for the current reporting period

	LHR Airport Communities Trust (pre-merger)	Heathrow Community Trust (pre-merger)	Heathrow Community Trust (post-merger)	Combined total
<b>Total income</b>	422,202		634,954	1,057,156
<b>Total expenditure</b>	(1,241,144)		(339,434)	(1,580,578)
<b>Net income/(expenditure)</b>	(818,942)		295,520	(523,422)

## Other gains/(losses)

<b>Net movement in funds</b>	(818,942)		295,520	(523,422)
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## Analysis of Principal SoFA components for the previous reporting period

	LHR Airport Communities Trust	Heathrow Community Trust	Combined total
<b>Total income</b>	1,034,265		1,034,265
<b>Total expenditure</b>	(1,136,660)		(1,136,660)
<b>Net income/(expenditure)</b>	(102,395)		(102,395)
<b>Other gains/(losses)</b>			

# Heathrow Community Trust

## Trustees' annual report *continued*

	<b>LHR Airport Communities Trust</b>	<b>Heathrow Community Trust</b>	<b>Combined total</b>
<b>Net movement in funds</b>	(102,395)		(102,395)
<b>Total funds brought forward</b>	921,337		921,337
<b>Total funds carried forward</b>	818,942		818,942

## Analysis of net assets at the date of merger

	<b>LHR Communities Trust</b>	<b>Heathrow Community Trust</b>	<b>Combined Total</b>
<b>Net Assets</b>	489,193		489,193
<b>Represented by:</b>			
<b>Unrestricted funds</b>	489,193		489,193
<b>Restricted income funds</b>			
<b>Endowment funds</b>			
<b>Total funds</b>	489,193		489,193

## Objectives and Activities

### CHARITABLE OBJECTS as set out in Heathrow Community Trust constitution 2019:

The objects of the CIO are to advance such charitable purposes (according to the law of England and Wales) as the trustees see fit from time to time for the benefit of the general public and in particular but not exclusively for the public benefit predominately of people living and working in the local community around Heathrow Airport and the neighbouring boroughs (the 'Local Community') and other parts of the UK, through the making of grants, awards, donations and the provision of other financial and non-financial support to:

- protect and promote the physical and natural environment, including but not limited to the conservation and protection of wildlife, the promotion of biological diversity, the support of climate change mitigation initiatives and raising awareness of such issues in the Local Community;
- provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances or for the public at large with the object of improving their conditions of life;

# Heathrow Community Trust

## Trustees' annual report *continued*

- c) help young people up to 25 years of age in the Local Community through the funding of programmes designed to raise aspirations and improve life opportunities, including but not limited to the provision of skills and vocational training, apprenticeship schemes and other programmes;
- d) provide support to address financial hardship in the Local Community; develop the capacity and skills of members of the Local Community so that they are better able to identify and help meet their own needs and to participate fully in society.

**Our vision is of happy, healthy local communities where everyone has the opportunity to live a rewarding and fulfilled life, and the value of giving something back to your community is recognised.**

**Our mission** is to enable significant positive change in the lives of people in the communities neighbouring Heathrow Airport, and the wider community in the UK. We do this through funding voluntary and community organisations working in partnership with others, and by supporting employees of Heathrow Airport Ltd to give back to their communities. In 2019 we did this through awarding grants in the following funding streams in support of our charitable objectives:

- Grants for Projects for Young People - projects for young people which: raise aspirations, improve employability or increase resilience.
- Environmental & sustainability Grants - to create community green spaces, improve sustainability of community buildings, encourage recycling or raise awareness of environment issues;
- Communities Together (Small & Large Grants) - to support activities which increase community cohesion or decrease loneliness and isolation;
- Heathrow Active People Initiative and Staff Matched Funding - to support Heathrow staff active in the community
- Development Fund - to support the gathering of data on need for services in the area.

It should be noted that grants awarded do not tie directly through to the accounts due to accounting timing differences such as recognition of two-year grants.

**Our aim** is to be an organisation which promotes social change by using all our assets and those of our donor organisations - our financial donations, our knowledge, people and networks, our grant making, programmes and partnerships. We aim to make a difference by leveraging support and resources and enabling colleagues to support the communities neighbouring Heathrow Airport and those in which they live.

## Achievements and performance

Highlights for 2019:

£990,865,37 of new grants awarded.

3,812 volunteer hours from Heathrow staff to directly support the operation of the Fund (worth £76,240).

29,080 Total beneficiaries

12,872 Children and young people with increased awareness about their future, or having developed a new skill

298 over 65s improved quality of life or wellbeing

30,026 volunteering Hours Carried Out [to deliver projects]

3,395m<sup>2</sup> Land Maintained or Improved.

In 2019, Heathrow Community Trust and LHR Airport Communities Trust received a combined donation from Heathrow Airport Limited of £725,000. Income from noise fines for the year totalled £56,100, this donation supports our Environmental & Sustainability grants programme. In addition, the Trust partnered with John Lewis Limited who supported the Communities Together grants programme with a donation of £12,000. Representatives from the John

# Heathrow Community Trust

## Trustees' annual report *continued*

Lewis store in Terminal 2 joined the Communities Together Grant Review Panel to help decide where their funding would be awarded.

Heathrow Airport Ltd (HAL), employees and employees of Team Heathrow companies continued their fundraising activities in 2019 for Heathrow Community Trust and HAL's other partner charities, the Duke of Edinburgh's Awards and Care International. Two Fundraising Golf Days raised £8334.00 for Heathrow Community Trust. The annual Health and Safety Awards and Partnership Awards events raised £2,220.00 and £9,146.00 respectively for the Trust. HAL's flagship challenge event the Midnight Marathon in which teams run a Marathon distance in relay on the runway overnight raised £13,470.00 for the Trust. 6 HAL employees ran in the London Marathon and 8 participated in the Ride London cycle race raising a total of £6,692.00.

In December 2019 we held our fifth annual Heathrow Active People Initiative (HAPi) Christmas event to celebrate the achievements of staff volunteers in the community. During 2019 we also improved our ability to support Heathrow colleagues by expanding our HCT Advocates scheme in which HAL employees volunteer up to 8 hours to assist local community organisations who are preparing to make a funding application. This scheme enables small, voluntary organisations to be able to 'compete' for grant funding on an even playing field with larger organisations who can afford to employ a team of professional fundraisers.

During 2019 Heathrow Community Trust developed its links to companies in Heathrow Airport Limited's supply chain, referred to collectively as Team Heathrow, resulting in donations from Fujitsu; Balfour Beatty; Mace; and Proper Oil.

In December 2019, in order to support the Trust's planning for the future, we carried out our fifth annual survey of local community organisations and charities to determine what their key needs were in terms of types of funding and key issues, with over 80 organisations participating. They told us that the three biggest needs in the local community were:

- **Need for space/facilities**
- **Young people's mental health**
- **Also, a high percentage of respondents had an increased need amongst beneficiaries this year**

A list of grants made during the year is published on the Fund's website. Each Grant Programme is served by a Grant Review Panel which consists of volunteers who are a mixture of Heathrow Airport employees and members of the local community. Grant Review Panel members support the fund with their local understanding of applicants and ability to assess the impact of a grant on the local community. They also help to bring improved engagement with local groups, encouraging more applications.

## Factors affecting performance

Heathrow Community Trust awards grants to third parties to deliver projects, this funding is only ever part of the total funding required to deliver the project, and delivery of these projects is monitored by Interim and Final project reports. From time to time projects do not proceed as planned due to a variety of reasons the most common of which are:

- Problems in securing planning permission
- Problems in reaching intended target beneficiaries
- Problems with the grant recipients being unable to raise sufficient funding to complete a project.

If problems are encountered in delivery, the Trust will work with grant recipients to agree a way forward. In the event that a project must be cancelled or prematurely closed, committed funding is written off, but this is a rare occurrence. Ongoing grants are reviewed quarterly in order to ensure that any funds no longer required can be written off and made available for other grants.

## Summary of Objectives for 2019

### Our Values

# Heathrow Community Trust

## Trustees' annual report *continued*

1. Our beneficiaries come first
2. We are open and transparent
3. We work with integrity
4. We value and respect others
5. Everyone has the right to be safe
6. We continuously improve

### Our key Priorities in 2019 were:

1. **Improving the voluntary and community sector's ability to support local communities and increasing the support available to the sector.** Recognising that the local voluntary and community sector faces significant challenges, we aim to support strengthening the voluntary sector by prioritising funding for local, smaller, organisations helping successful organisations to develop and increase financial sustainability and long-term operation, and improve impact measurement, through supporting Heathrow colleagues in skills-based volunteering, but also by seeking out ways to leverage our own grant making by working with other funders.
2. **Environment and Sustainability** Improving the quality of life in our local communities by supporting sustainable development and sustainable use of resources in community buildings; increasing community awareness of sustainability; increasing the availability and accessibility of community green spaces, wooded areas, areas of natural beauty or biological areas of importance; increasing the amount of materials reused or recycled in the area.
3. **Communities Together** Improving the quality of life in our local communities by bringing communities together, reducing isolation and social exclusion, and increasing community cohesion and understanding between communities
4. **Young People** helping our local communities by creating opportunities for young people up to age 25 to increase their resilience, raise their aspirations, improve their life opportunities, or break down barriers to employment through skills development.
5. **Heathrow Colleagues** providing support to the employees of Heathrow Airport Ltd in their charitable work and volunteering initiatives in the area neighbouring the airport, and across the United Kingdom.

## Structure, Governance and Management

Heathrow Community Trust is a CIO approved by the Charity Commission in April 2020 which took over all liabilities and operations of LHR Communities Trust in May 2020. The affairs of the charity are governed by the Board of Trustees.

Trustees are appointed, elected or re-elected for a fixed term of three years, with the option of extending for a further three years. New Trustees are recruited by advertisement and/or recommendation by existing Trustees, the Director, or members of Heathrow's local community networks. Four of the eleven Trustees are representatives of Heathrow Airport Holdings Group. Heathrow Airport Limited is the major donor of to the Trust, but the number of Trustees who are employees of Heathrow Airport Limited is limited and the Trust operates as a separate entity when setting its aims and objectives according to its constitution. The donation from Heathrow Airport Ltd is given in Unrestricted funding without constraint regarding its use other than for charitable purposes.

Prospective Trustees are offered the opportunity to attend a Board meeting and are interviewed by the Chairman, an additional Trustee and the Director. If successful, their appointment is confirmed at a Board meeting. An induction programme is agreed and implemented for each new Trustee, covering all aspects of the role and the organisation.

All new Trustees receive a structured induction programme, are offered the opportunity to participate in one or more of the Grant Review Panels or other Board sub-committees and may visit as many projects funded by the Trust as they wish. All Trustees are required to provide information on potential conflicts of interests and a Conflicts of Interest Policy is in place to ensure management of any conflicts. In addition, Trustees must declare any related parties (none identified for Trustees in 2019).

The board seeks to ensure that all its activities operate in compliance with all relevant legislation and regulation. Its work includes setting the strategic direction of Heathrow Community Trust, agreeing the financial plan, monitoring performance and having overall responsibility for all funding decisions. In addition, the board is responsible for appointing the Director who is responsible for day to day running of the organisation. The current Director, Rebecca



# Heathrow Community Trust

## Trustees' annual report *continued*

Bowden, was appointed by Trustees in July 2015. The Director is employed directly by Heathrow Airport Limited who are responsible for agreeing terms and conditions of appointment.

The Board of Trustees met four times in 2019 for Board meetings. The Trustees have considered the major risks to which the Trust is exposed and, as such, have reviewed and established systems and procedures to mitigate those risks. The Risk Review Sub-Committee, who report to the Board quarterly, review the Risk Register and associated policies and procedures, to ensure regular quarterly reporting of risks to the Board.

The Trustees consider the main risk to the Trust being Heathrow Airport Limited continuing to pay its donations or to reduce these substantially. The Trust only recognises the income where there is a reasonable assurance of receipt. The trust recognises full funding commitments in the year in which funding is awarded in order to avoid carrying forward commitments for which funds may subsequently not be available. The Trust presents an update on its performance, activities and plans to the Heathrow Airport Holding Group Executive Committee on an annual basis to help secure continued funding, in addition the Director and Chairman of the Trust report bi-annually to HAL's Charities Committee which oversees all HAL's charitable activity.

The Trust has requested Heathrow Airport Ltd as its agent to engage Groundwork South Trust Limited to manage its grants programmes, helping it to offer a source of expert advice to help applicants build strong grant bids.

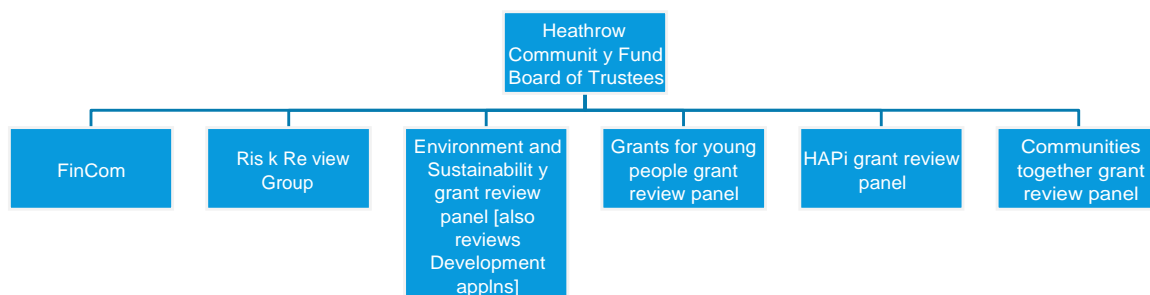
The Treasurer chairs the formal quarterly Finance Committee, reporting to the Board of Trustees.

## Grant review panels

Each Grant Programme administered by the Trust is overseen by a Grant Review Panel which has a minimum of one Trustee as member, and includes representatives from across the local community, individuals with expert knowledge of the subject matter and employees of HAL and other airport companies. This helps the Trust to build on its knowledge of local community needs and as a result to become more effective in grant making.

Each Review Panel is granted delegated powers to approve funding allocations of up to £5,000. Applications for funding of more than £5,000 are submitted, with a recommendation from the local panel, to the Board of Trustees for consideration.

Funding criteria, application forms and deadline dates for each funding stream are published on the Trust's website.



# Heathrow Community Trust

## Trustees' annual report *continued*

### **Grants for Projects for Young People and Environment & Sustainability Grant Programmes**

Each of these programmes awards grants of up to £25,000 per annum for up to 2 years and has two funding rounds per annum. In Stage 1 of the funding round the panel reviews 'Expressions of Interests' from applicants and scores them against the published criteria for funding. Applicants are either invited to submit a full application, or the panel makes a recommendation to the Board of Trustees to reject the application at this stage. Full applications are reviewed at Stage 2 and recommendations made to the Board to either fund in full, fund in part, or reject the application.

### **Communities Together Small Grant Programme**

This programme awards grants of up to £2,500 per year for up to 2 years and may also award up to £5,000 exceptionally. The programme has four funding rounds per annum and applications are all assessed by the committee in a single stage process. The panel formally reports to the Board of Trustees once per annum.

### **Communities Together Large Grants Programme**

In response to gaps identified in our funding programmes, during 2018 a new funding programme was introduced: Communities Together Large Grants awarding up to £25,000 for projects which focus on bringing communities together with specific beneficial outcomes for adults aged 25+. Grant applications are reviewed by the Communities Together Grant Review Panel in a two-stage process, with funding recommendations being made to the Board of Trustees.

### **Heathrow Active People Initiative (HAPi) Grant Review Panel**

The HAPi grants review panel meets four times per annum and reviews applications for funding in the HAPi grants programme (up to £2,500) and Staff Matched Funding (up to £250). Applications to these programmes are only open to employees of Heathrow Airport Limited. The panel formally reports to the Board of Trustees once per annum.

### **Development Grants**

In response to an identified funding gap, Heathrow Community Fund put in place a grant programme awarding funding of up to £10,000 for projects to identify community needs, carry out environmental audits or assessments, or projects which will remove blocks and enable future work to support the community. Such projects are reviewed by the Environmental & Sustainability Grant Review Panel with funding recommendations being made to the Board of trustees.

### **General Grant Making Policy**

Grant Applications must demonstrate that they have met the key funding criteria of the relevant grant scheme all of which are available from our website. Our 3-year Grant Making Policy is published on the Trust's website. Grants are awarded to projects taking place in the boroughs of Ealing, Hillingdon, Hounslow, Slough, Spelthorne, South Buckinghamshire, Runnymede, Windsor & Maidenhead and Richmond, unless covered by the HAPi or Matched Funding streams which are not geographically restricted.

### **Employees**

The Trust had no direct employees in 2019. The director of the Trust is remunerated by Heathrow Airport Limited for providing services relating to the day to day running of the Trust but is not an employee of the Trust (refer to note 2 for details). The director of the Trust is not a Trustee and does not have the responsibilities of a statutory director were the Trust to be a corporate entity.

### **Donated Services**

During the year, staff supplying donated services were employed by Heathrow Airport Limited. The value of donated services was estimated at £182,657. The Trust is grateful for Heathrow staff support in particular financial management, publicity and communications.

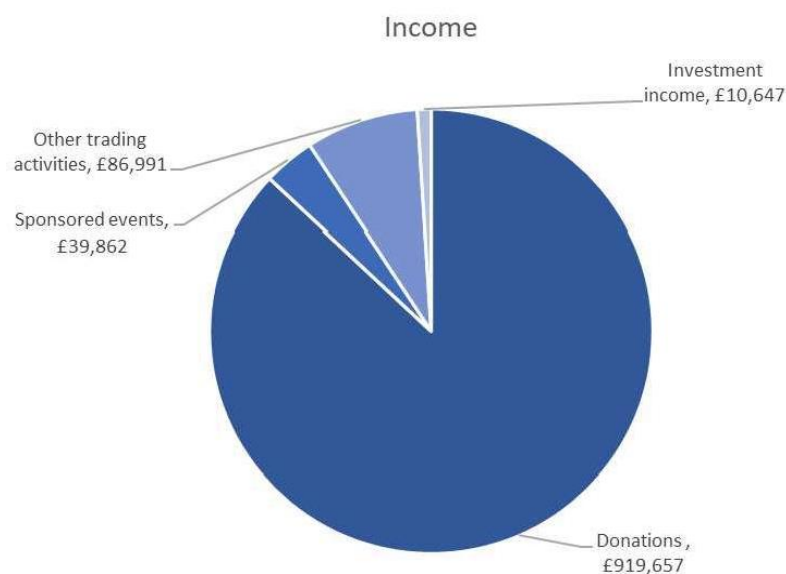
# Heathrow Community Trust

## Trustees' annual report *continued*

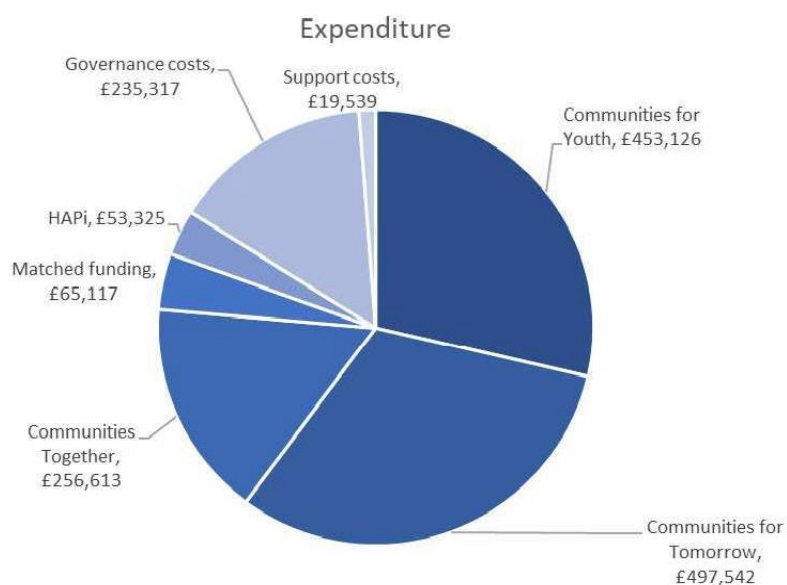
### Financial review

#### 2019 Financial performance

Income totalled £1,057,156 (2018: £1,034,265), the majority of which comprised a donation from Heathrow Airport Limited of £725,000 (2018: £725,000).



Total expenditure was £1,580,578 (2018: £1,136,660), comprising grant funding activities £1,325,721 (2018: £870,920), governance costs £235,318 (2018: £183,422) and support costs £19,539 (2018: £82,318). Governance costs includes an estimate of the services supplied by the Trust's Director, Heathrow Airport Limited staff and other expenses incurred in the running of the Trust.



# Heathrow Community Trust

## Trustees' annual report *continued*

Retained reserves at 31 December 2019 were £295,520 (2018: £818,942), of which £295,519 (2018: £461,091) were unrestricted.

Cash balances held at the year-end were £1,096,432 (2018: £1,602,268).

### Investment policy

Cash is an investment and is held in flexible short-term interest-bearing accounts with the charity's bank. This policy is considered by the Trustees to be appropriately conservative with little financial risk. The Trust does not rely on investments in order to generate all its grant-making income and as such investment is aimed at maximising the amount of grant-funding available. Trustees review the investment policy annually.

### Reserves policy

The Trust has accumulated general unrestricted funds (free reserves) of £295,520 (2018: £461,091) and £Nil (2018: £357,851) restricted to committed expenditure. The Trust's assets are available and adequate to fulfil its obligations. The Trust reviews its reserves policy on an annual basis. The Trust's aims to hold unrestricted funds of £200,000 as a contingency to cover up to a maximum of two years running costs to administer existing commitments. The reserves policy will continue to be reviewed annually to ensure the Trust is not holding unnecessary funds.

### Going concern

The Trust's funding is only agreed on a yearly basis. If funding were to be discontinued or significantly reduced, the charity would have to obtain alternative sources of funding or curtail its activities. At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements. Unrestricted Reserves are calculated to allow the Trust to undertake an orderly cessation of activities should that be required. Restricted funds are sufficient to cover all funding commitments (grants awarded). Further details regarding the adoption of the going concern basis can be found within the Accounting Policies note on page 19 of the financial statements.

### Public Good

The Trustees have complied with their duty under Section 17(5) of the 2011 Charities Act to have due regard to the Charity commissioner's guidance on public benefit when reviewing aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

### Restricted Funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. During 2019 restricted funds were received from Heathrow Airport Limited (HAPi grants), John Lewis (Communities Together grants), Oil Recycling (Environmental & Sustainability) and Noise Fines (Environmental & Sustainability). All other funds are unrestricted and are expendable at the discretion of the Trustees in the furtherance of the objects of the Trust. The Trustees may allocate part of the charity's unrestricted funds to be used for particular purposes in the future. The Trustees have the power to re-designate such funds within unrestricted funds.

### Post-Balance Sheet Events

Since the year end, the worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well as finances. The trustees acknowledge and recognise, as set out in the trustees' report, the impact of the Covid-19 pandemic on the operations of the charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to the operations. As a result, the impact of Covid-19 pandemic does not warrant any adjustments to these financial statements.

### Covid19 Pandemic

As a grant-making Trust, Heathrow Community Trust operations were not affected by the necessary virus control measures and continued to operate smoothly throughout the lockdown period, including holding Board of Trustees and Grant Review Panel meetings over Teams and Zoom.

## Heathrow Community Trust

### Trustees' annual report *continued*

The Pandemic however had a catastrophic impact on the business of Heathrow Airport Ltd, resulting in a reduction in their planned annual donation in 2020 to approximately 50% of previous years. In addition to the reduction in this donation, all planned income from sporting events and other fundraising activities was cancelled as a result of the pandemic. Accordingly, Heathrow Community Trust re-cast the 2020 budget in March 2020 and at that stage put on hold all remaining planned grant programmes for the year.

All remaining surplus funds were diverted into two Covid19 Grant programmes - Phase I Emergency response and Phase II Covid Resilience. Trustees and Volunteer members of the Grant Review Panels continued to carry out their roles through virtual online meetings.

Support costs were reduced by decreasing Director's hours and reducing the size of the admin team at Groundwork South. Trustees reviewed the Trusts Reserves policy in August 2020. At time of writing the Trust is continuing to operate and is in active discussion with Heathrow Airport Ltd regarding plans to continue to support the local community into 2021. The pandemic has had a huge impact on the local community and support is needed more than ever.

# Heathrow Community Trust

## Trustees' annual report *continued*

The Trustees are responsible for preparing the trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) regulations .

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 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 Charities Act 2011, the applicable Charities and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of 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 charity's auditor is unaware; and the Trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

Alliotts LLP have indicated their willingness to continue in office as the charity's auditor and a formal resolution proposing their reappointment will be put to the Charity's Board of Trustees.

Approved by the Trustees and signed on their behalf by

**Andy Kerswill**  
Chairman

**Chris Johnston**  
Treasurer

28<sup>th</sup> September 2020

## Heathrow Community Trust

### Independent Auditor's report to the Trustees of Heathrow Community Trust continued

#### Opinion

We have audited the financial statements of LHR Airport Communities Trust (the 'trust') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet and the 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 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 group and parent charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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 trust'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 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 auditor's 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

## Heathrow Community Trust

### Independent Auditor's report to the Trustees of Heathrow Community Trust continued

#### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the group and parent charity's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the group and parent charity'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 group and parent charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Cairns (Sep 29, 2020 17:29 GMT+1)

**Christopher Cairns BSc FCA (Senior Statutory Auditor)**

**for and on behalf of Alliotts LLP**  
**Chartered Accountants**  
**Statutory Auditor**  
**Friary Court**  
**13-21 High Street**  
**Guildford**  
**Surrey**  
**GU1 3DL**

Date:

Alliotts LLP is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006



# Heathrow Community Trust

## Statement of financial activities for the year ended 31 December 2019

		Unrestricted Funds	Restricted Funds	Year ended 31 December 2019 £	Unrestricted Funds	Restricted Funds	Year ended 31 December 2018 £
	<i>Note</i>						
Income from:							
Donations		882,657	37,000	<b>919,657</b>	846,767	37,000	883,767
Sponsored events		39,861	-	<b>39,861</b>	82,191	-	82,191
Other trading activities		30,891	56,100	<b>86,991</b>	52,078	7,500	59,578
Income from funds	1	953,409	93,100	<b>1,046,509</b>	981,036	44,500	1,025,536
Investment income	1	10,647	-	<b>10,647</b>	8,729	-	8,729
Total income	1	964,056	93,100	<b>1,057,156</b>	989,765	44,500	1,034,265
Expenditure on:							
Grant funding activities	2	(1,129,627)	(450,951)	<b>(1,580,578)</b>	(837,882)	(298,778)	(1,136, 660)
Total expenditure		(1,129,627)	(450,951)	<b>(1,580,578)</b>	(837,882)	(298,778)	(1,136,660)
Net income/(expenditure)		(165,571)	(357,851)	<b>(523,422)</b>	151,883	(254,278)	(102,395)
Transfer between funds		-	-	-	(35,190)	35,190	-
Net movement in funds		(165,571)	(357,851)	<b>(523,422)</b>	116,693	(219,088)	(102,395)
Total funds brought forward		461,091	357,851	<b>818,942</b>	344,398	576,939	921,337
Total funds carried forward	3	295,520	-	<b>295,520</b>	461,091	357,851	818,942

All activities derive from continuing operations in the United Kingdom.

# Heathrow Community Trust

## Balance Sheet as at 31 December 2019

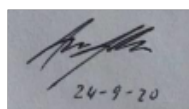
		31 December 2019	31 December 2018
	Note	£	£
Current assets			
Cash at bank		1,096,432	1,602,268
Debtors	5	201,420	28,030
		1,297,852	1,630,298
Current liabilities			
Creditors: amounts falling due within one year	6	(1,002,332)	(811,356)
Net current assets		295,520	818,942
General funds - unrestricted	3	295,520	461,091
Restricted funds	3	-	357,851
Total funds	3	295,520	818,942

The financial statements of Heathrow Community Trust (Charity registration number: 1183004) were approved by the Board of Trustees and authorised for issue on 24 September 2020. They were signed on its behalf by:



Andy Kerswill  
Chairperson

28<sup>th</sup> September 2020



Chris Johnston  
Treasurer

## Heathrow Community Trust

### Statement of cash flows as at 31 December 2019

		31 December 2019	31 December 2018
	<i>Note</i>	£	£
Net cash provided by operating activities		<b>(516,483)</b>	74,960
Cash flows from operating activities	<b>4</b>	<b>(516,483)</b>	74,960
Net cash provided from investments		<b>10,647</b>	8,729
Cash flows from investing activities	<b>1</b>	<b>10,647</b>	8,729
Change in cash and cash equivalents in the period		<b>(505,836)</b>	83,689
Cash and cash equivalents at beginning of the period		<b>1,602,268</b>	1,518,579
Cash and cash equivalents at end of the period		<b>1,096,432</b>	1,602,268

## Heathrow Community Trust

### Accounting Policies for the year ended 31 December 2019

The principal accounting policies applied in the preparation of the financial statements for Heathrow Community Trust (a 'Charitable Trust') are set out below. These policies have been applied consistently to all the years presented.

#### Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in September 2015, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) SORP and the Charities Act 2011. The trust constitutes a public benefit entity as defined by FRS 102.

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

#### Going concern

The Trustees have prepared the financial statements on a going concern basis which the Trustees are satisfied that the Charity has sufficient financial resources for at least 12 months from the signing date. This assessment has been made taking regard of the current levels of cash, the known incoming resources and the likely level of charitable expenditure over the same time period.

#### Income recognition

Donations are recognised on an accruals basis where the entitlement, certainty and measurement criteria are being met.

#### Investment income

Interest is accrued on cash held at the bank.

#### Resources expended

Expenditure is accounted for on an accruals basis when the Trustees have communicated the commitment to the recipient in a sufficiently specific manner. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include legal fees. Grants are charged to the statement of financial activities when a constructive obligation exists.

#### Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. Income from Heathrow Airport Limited (HAPi grants), John Lewis (Communities Together grants), Oil Recycling (Communities for Tomorrow) and Noise Fines (Communities for Tomorrow) are restricted to the grants streams indicated. All other funds are unrestricted and are expendable at the discretion of the Trustees in the furtherance of the objects of the Trust. The Trustees may allocate part of the charity's unrestricted funds to be used for particular purposes in the future. The Trustees have the power to re-designate such funds within unrestricted funds.

#### Creditors

Liabilities are recognised when an obligation arises to transfer economic benefits.

#### Taxation

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Trust's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Trust is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

#### Cash at bank and in hand

Cash comprises cash in hand and deposits repayable on demand.

## Heathrow Community Trust

**Accounting Policies** for the year ended 31 December 2019 *continued*

### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently measured at their settlement value.

### **Critical judgements and key accounting estimates**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

# Heathrow Community Trust

## Notes to the financial statements for the year ended 31 December 2019 *continued*

### 1 Income

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Heathrow Airport Limited	725,000	725,000
Other	321,509	300,536
	<b>1,046,509</b>	<b>1,025,536</b>
Investment income <sup>a</sup>	10,647	8,729
Total income	<b>1,057,156</b>	<b>1,034,265</b>

<sup>a</sup> Investment income of £10,647 (2018: £8,729) comprises interest on cash at bank.

### 2 Expenditure

	Grant funding activities £	Governance costs £	Support costs £	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Communities for Youth	453,124	-	-	<b>453,124</b>	467,779
Communities for Tomorrow	497,542	-	-	<b>497,542</b>	189,012
Communities Together	256,613	-	-	<b>256,613</b>	150,786
Development Fund	39,742	-	-	<b>39,742</b>	(251)
Staff Matched Funding	25,375	-	-	<b>25,375</b>	17,837
HAPi	53,325	-	-	<b>53,325</b>	40,507
Business Service Centre	-	-	-	-	5,250
Staff costs <sup>a</sup>	-	182,657	-	<b>182,657</b>	146,767
Incorporation costs	-	23,396	-	<b>23,396</b>	15,106
Memberships	-	17,599	-	<b>17,599</b>	9,531
Audit fee	-	8,130	-	<b>8,130</b>	8,790
Admin & event	-	1,599	-	<b>1,599</b>	-
Meeting costs	-	1,347	-	<b>1,347</b>	2,925
Trustee expenses	-	590	-	<b>590</b>	303
Grant administration	-	-	-	-	52,282
Communications & PR	-	-	12,031	<b>12,031</b>	18,241
CRM	-	-	4,088	<b>4,088</b>	9,620
Fundraising costs	-	-	3,420	<b>3,420</b>	2,175
Total expenditure	<b>1,325,721</b>	<b>235,318</b>	<b>19,539</b>	<b>1,580,578</b>	<b>1,136,660</b>

<sup>a</sup> Estimate of the services supplied by the Trust's Director, Heathrow Airport Limited staff and other expenses incurred in the running of the Trust. The Trust has no direct employees (2018: none)

## Heathrow Community Trust

Notes to the financial statements for the year ended 31 December 2019 *continued*

### 3 Movement in funds

	Brought forward	Income	Expenditure	Transfer	Carried forward
	£	£	£	£	£
Unrestricted funds					
General trust	461,091	964,056	(1,129,627)	-	295,520
Total unrestricted funds	461,091	964,056	(1,129,627)	-	295,520
Restricted funds					
HAPi	-	25,000	(25,000)	-	-
John Lewis	-	12,000	(12,000)	-	-
Noise fines	-	56,100	(56,100)	-	-
Multi-year grants	357,851	-	(357,851)	-	-
Total restricted funds	357,851	93,100	(400,451)	-	-
<b>Total funds</b>	<b>818,942</b>	<b>1,057,156</b>	<b>(1,580,578)</b>	<b>-</b>	<b>295,520</b>

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed as described by the Trustee report.

### 4 Reconciliation of net cash from operating activities

	31 December 2019 £	31 December 2018 £
Net expense for the reporting period (as per the statement of financial activities)	(523,422)	(102,395)
Adjustments for:		
Interest from cash at bank	(10,647)	(8,729)
Decrease/(increase) in debtors	(173,390)	6,357
Increase in creditors	190,976	179,727
Net cash (outflow)/inflow from operating activities	(516,483)	74,690

### 5 Debtors

	31 December 2019 £	31 December 2018 £
Accrued income	199,800	26,230
Prepayments	1,620	1,800
Debtors	201,420	28,030

## Heathrow Community Trust

**Notes to the financial statements** for the year ended 31 December 2019 *continued*

### 6 Creditors: amounts falling due within one year

	31 December 2019	31 December 2018
	£	£
Grants payable	966,811	624,585
Accruals	35,521	186,771
Creditors: amounts falling due within one year	1,002,332	811,356

### 7 Transactions with Trustees and connected persons

The Trust received donations of £725,000 (2018: £725,000) from Heathrow Airport Holdings Limited during the year. Further, the Trust received £182,657 (2018: £146,767) gift in kind from Heathrow Airport Holdings Limited in relation to staff and grant management. One employee received benefits of more than £60,000 (2018: 1). Four trustees were reimbursed for travel expenses amounting to £409.65 (2018: £304).

### 8 Events after the reporting period

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, in relation to Covid-19. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.