

Company Registration No. 08747913 (England and Wales)
Charity Registration No. 1156248

JW3 Development

Annual Report and Financial Statements for the Year Ended 31 December 2019

JW3 Development

Legal and administrative information

Trustees	Graham Harris Denise Joseph Amy Dorfman
Charity Number	1156248
Company Number	08747913
Principal Address	341-351 Finchley Road London NW3 6ET
Registered Office	341-351 Finchley Road London NW3 6ET
Independent Auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Lloyds Bank plc 39 Threadneedle Street London EC2R 8AU

JW3 Development

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Trustees' Report

For the year ended 31 December 2019

The Trustees present their report and accounts for the period ended 31 December 2019. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, and the 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).

AIMS AND OBJECTIVES OF THE CHARITY

The objectives of JW3 Development are to support the aims and objectives of JW3 Trust Ltd (Company Registration Number 5679146; Charity Registration Number 1117644), specifically to further those aims by raising funds in support of the work of JW3 Trust. JW3 Trust operates JW3, the Jewish Community Centre London, based on the Finchley Road in North West London. Funds raised by JW3 Development are granted to JW3 Trust and it is through this grant making that JW3 Development undertakes its charitable activities.

BACKGROUND TO JW3

JW3 is London's flagship Jewish Community Centre, and the UK Jewish community's only such public venue for arts, culture, learning and community of its kind. It opened its doors to the public in October 2013 and by the end of 2019 over 1.2 million visitors had been welcomed through its doors.

JW3's Vision:

JW3's vision is of a vibrant, diverse, unified British-Jewish community, inspired by and engaged with Jewish arts, culture, learning and life.

JW3's Mission:

JW3 will achieve this by

1. Creating outstanding events, activities, classes and courses – the diversity of which reflects the diversity of our community;
2. Offering multiple entry points into Jewish life, culture and community for the widest possible range of people regardless of age, background or belief;
3. Increasing the quality, variety and volume of Jewish conversation in London and beyond.

Since I first attended your ground-breaking ceremony in 2011, I have followed your progress with interest and I am delighted to hear that you are going from strength to strength in your mission to be a home for all who are interested in Jewish life and to foster greater understanding between all sections of our society.

London's Jewish community inspires us with its positive social action and intrinsic values of kindness, justice and shared responsibility which manifest themselves in the daily lives of its members.

Prime Minister Boris Johnson, November 2019

A full report on JW3's activities and achievements in 2019 can be found in the JW3 Trust Ltd Annual Report.

ACHIEVEMENTS AND PERFORMANCE OF JW3 DEVELOPMENT IN 2019

1. Funds Raised

2019 was a successful fundraising year for JW3 Development. Total funds raised amounted to £2.74m (2018: £2.57m). It should be noted that £161,900 of this was restricted UK Government funding via the CST (Community Security Trust) to contribute solely towards JW3's security costs. JW3 Development is extremely grateful for this valuable support at a time when heightened security continues to be essential for Jewish organisations. We very much hope further such funding to vital security activity will continue to be made available.

The trustees of JW3 Development would also like to note special acknowledgement to key benefactors: Dame Vivien Duffield and the Clore Duffield Foundation, Sir Lloyd Dorfman and the Dorfman Foundation, and Sir Trevor Pears and the Pears family, through Pears Foundation. We would also like to thank all other donors whose generous contributions enabled JW3 Development to reach its fundraising target in the year in order to support the charitable activities of JW3.

2. Gala Fundraising Dinner

The highlight of JW3 Development's fundraising activities in 2019 was the 6th Anniversary Gala Fundraising Dinner, held in December 2019. This was our most successful fundraising event to date, raising in excess of £340,000 in total (over 25% more than projected in our annual budget). Our 200 guests enjoyed a memorable evening catered by JW3's in-house restaurant, Zest, with "JW3ish" content and entertainment throughout the evening.

Following on from the successful format of our 2018 dinner, guests were treated to an "in conversation with..." segments, reflecting some of JW3's most popular cultural programmes, Sunday Night Live and the AH-JW3 Speaker Series. David Baddiel spoke with journalist Jonathan Freedland about his life and his "take" on the British political landscape.

Sir Lloyd Dorfman was presented with a surprise Outstanding Achievement Award for his visionary philanthropy and leadership.

Feedback from guests was excellent. Aside from raising a record amount of donations, the event also contributed materially to achieving two of JW3's other key fundraising goals: to showcase the important, diverse, impactful work of JW3, enabled by donors; and to ensure attendees gained a clear understanding of JW3 Development's fundraising needs, thereby strengthening us as a fundraising proposition.

Much credit for the dinner's success goes to the JW3 Development Director and her small professional team for planning and executing this hugely successful event with admirable professionalism. It should be acknowledged that the ability to raise the total amount we need from this event is significantly dependent on our table hosts, who are all JW3 Development supporters, and many of whom are trustees of JW3 Development or JW3 Trust, or are Non-Executive Directors of JW3 Trading. They worked hand-in-hand

Trustees' Report (continued)

For the year ended 31 December 2019

with our professional team to ensure every seat was filled with current or potential supporters. We are extremely grateful to them for all of their efforts to help ensure a successful night.

3. Business Breakfast

In 2019 we relaunched our Business Breakfast programme. In March we welcomed Humphrey Cobbold (CEO of Pure Gym) who was interviewed by David Joseph QC. The event attracted nearly 100 guests, who were treated to an insight into the UK leisure and fitness business. Many of the guests were new to JW3 and the event raised in excess of £23,000.

4. Fundraising Lunch

Following the success in 2018 we initiated a second fundraising lunch and a number of regular JW3 adult education students were invited to show their support for the organisation. Our second Fundraising Lunch was held in June in JW3's restaurant, Zest. We welcomed over 80 guests to the event, successfully catered by Zest, and everyone very much appreciated the informal and relaxed atmosphere, which marked it out differently from a traditional Fundraising Dinner event.

Most of those attending were, and are, regular users and beneficiaries of JW3 – mostly those who attend weekly classes and courses in Hebrew language, current affairs and history. During the event long-serving history educator William Tyler was presented with an award by JW3's CEO for his outstanding contribution to Historical Education at JW3. We shared the fundraising appeal video that we had made for the 2018 Fundraising Dinner, and this was followed by a warm and friendly personal appeal by JW3's Chair, Marc Nohr. Overall, we raised just over £20,000.

FUTURE OBJECTIVES AND PLANS

JW3 Development's overall objective for 2020 is to raise at least £2 million focusing on:

- Continuing the Major Giving Campaign including managing the campaign and building relationship with the donors
- Targeted and robust Trust and Foundations applications, focusing on current foundations, those which have in the past granted gifts but haven't in recent years, and new applications to foundations we have not yet approached.
- Developing and establishing our newly launched Legacy Campaign.
- Continue to develop the Fundraising Lunch into an annual event to raise ~£30,000 each year.
- Develop our Business Breakfasts to raise £40,000 in total each year.
- Building on the unprecedented success of our 2019 Fundraising Gala Dinner to increase the total raised at 2020's event.
- Creating a new fundraising strategy for JW3 Development for the medium-to-longer term, to be launched by the end of 2020.

In March 2020 the pandemic, COVID-19, began to impact the global economy. As a result we do not envisage holding any fundraising activities on site in 2020 and our fundraising activities have been moved online. Our first major fundraising event, "The Big Night In" was live-streamed in September and exceeded our fundraising expectations. We remain confident that despite COVID-19 we will still achieve our 2020 targets.

Trustees' Report (continued)

For the year ended 31 December 2019

PUBLIC BENEFIT STATEMENT

The trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission. They consider that the activities set out on the pages above demonstrate the benefit to the public.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company was incorporated on 25 October 2013 and was registered as a charity with the Charity Commission on 18 March 2014. The trustees (who are also directors of JW3 Development for the purposes of company law) have ultimate legal responsibility for JW3 Development and work to ensure good governance. They agree the overall strategic direction and work alongside the executive leadership team, who are responsible for implementation of policy and for the management of the day-to-day running of the organisation. The trustees who served during the period and following the period-end, were:

Nicholas Viner (chair of JW3 Development and trustee of JW3 Trust, resigned 5 August 2020)

Graham Harris

Denise Joseph (trustee of JW3 Trust)

Amy Dorfman (trustee of JW3 Trust, appointed 5 August 2020)

The Board of Trustees has the power to appoint additional trustees as it considers appropriate. Potential trustees are identified as part of an ongoing review by the Board and senior management of the charity's needs, with particular reference to enriching skills and increasing representation from different sections of the Jewish community.

Trustees maintain a good working knowledge of charity and company law and best practice. New trustees are provided with full details of Board minutes, financial reports, and the charitable company's Memorandum and Articles of Association, which are the company's governing documents. There are also informal procedures in place for their induction and training.

Other non-executive members of the JW3 Development Board during this period were:

Pamela Jacobs

Lisa Ronson (trustee of JW3 Trust)

Howard Goulden

Patricia Abrams

The charitable company is managed day-to-day by a team of experienced professionals, reporting to the Board. They are:

Raymond Simonson, Chief Executive

Sharon Blackstone, Director of Development

Adam Daniels, Director of Finance

The management were supported over 2019 by a small team of 2.1 FTE when fully resourced:

- Fundraising Manager (p/t) - primarily face-to-face fundraising, donor stewardship and care, and fundraising events.

Trustees' Report (continued)

For the year ended 31 December 2019

- Trusts & Foundations Officer (p/t) – researching, writing and submitting grant proposals; reporting on received grants to trusts and foundations; planning, developing and implementing a legacy campaign.
- Fundraising Assistant (f/t) – fundraising event support and logistics; administrative support to Director of Development.

FUNDRAISING

Fundraising approach

We rely on a number of different fundraising approaches in order to raise funds cost-effectively from a range of sources, raising awareness of our work and allowing supporters to contribute in ways that are most appropriate for them. This includes: fundraising through letters, emails and online; from legacies, events and community fundraising; from philanthropists, trusts and foundations.

Fundraising standards

We fundraise from our database of customers and only approach those who have consented to be contacted. Our database is refreshed on a continuous basis, ensuring that only those who have engaged with ourselves and consented within the last 36 months will be contacted.

Monitoring of fundraising activities and protecting people in vulnerable circumstances

Our fundraising activities are overseen by our Development Board and our wider Trustee Board and our fundraising team receive professional training and mentoring from industry specialists.

Complaints

We did not receive any complaints in 2019.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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 year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Trustees' Report (continued)

For the year ended 31 December 2019

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

In so far as the trustees are aware:

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

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

Financial review

Financial systems appropriate to an operation of this nature have been implemented. We continue to update these to ensure compliance with relevant legislation and ensure the assets of the organisation are safeguarded.

The target for the charitable company is to raise at least £2m per year and the staffing and infrastructure has been set up to enable this level of fundraising.

In the period under review a total of £2,743,560 was raised, of which £650,807 was restricted. This exceeded the target set by the Board. The trustees consider this to be a very good level of performance and congratulate the team on their excellent work during the year.

A grant of £2,476,385 was made to JW3 Trust in the period to support its charitable activities carried out in the advancement of its mission.

RESERVES POLICY

The current policy is to transfer funds raised to JW3 Trust and to maintain a minimum level of reserves conducive to maintaining future fundraising activities, with three months of salaries.

The net reserves of the charitable company at the end of the period amounted to £36,000 in unrestricted funds. The trustees consider this to be an adequate level of reserves for this company.

RISK FACTORS

The trustees acknowledge their responsibility to manage the risks faced by the charity as a prime

JW3 Development

Trustees' Report (continued)

For the year ended 31 December 2019

responsibility. The trustees have procedures in place to manage risk. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity. Key controls include:

- Formal agendas for and minutes of JW3 Development Board meetings, which are held at least four times a year.
- Comprehensive budgeting, management accounts, cash flow projections and reforecasting processes.

The principal risks have been identified as:

- The impact Covid-19 will have on 2020 and future fundraising
- Reputational risk caused by JW3 Development or JW3 Trust action that make it hard to fundraise
- Inadequate cultivation/stewardship of key donors resulting in the reduction in or cessation of ongoing funding
- Staff turnover - both losing key staff, and the challenge of recruiting excellent staff within this sector.

These are issues which the trustees and CEO take seriously and have taken positive steps to address.

Management time is devoted to supporting the trust, foundation, and "major donor" relationships, which have been developed over recent years; and to working closely with the JW3 Development Board and the professional team to identify and maximise new sources of funding. The charity has reviewed and refined its fundraising strategy to ensure it is as diversified as possible. Since there are around 2,000 Jewish charities in the UK, often calling on the same small donor pool requesting support, JW3 Development recognises that it has to be able to widen its scope as much as possible to reach its fundraising target.

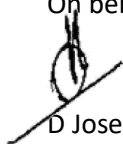
The trustees are satisfied that systems are in place to mitigate the major risks. Detailed consideration of risks is delegated to the JW3 CEO and COO, who operate and refine the risk management policy. In terms of this policy, risks are continually identified, and their impact assessed. It can be reported that, to date, the exercise of risk management has indicated minimal areas of concern, though it is recognised that systems can only provide reasonable, not absolute, assurance that all major risks have been adequately identified.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Auditors

The auditors, Saffery Champness LLP, are deemed appointed under section 487(2) of the Companies Act 2006.

On behalf of the Board of Trustees:



D Joseph, Trustee

Dated: 22/10/ 2020

**Independent auditors' report to the members of JW3 Development
For the year ended 31 December 2019**

Opinion

We have audited the financial statements of JW3 Development for the year ended 31 December 2019, which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's state of affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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 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.

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

Independent auditors' report to the members of JW3 Development (continued)
For the year ended 31 December 2019

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the Trustees' Annual Report, which includes the Directors' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 5-6, the trustees (who are also 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 to do so.

Independent auditors' report to the members of JW3 Development (continued)
For the year ended 31 December 2019

Auditors' responsibilities for the audit of the financial statements

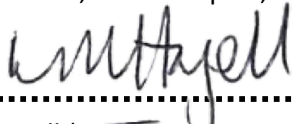
We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Liz Hazell (Senior Statutory Auditor)

For and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street
Statutory Auditors London, EC4V 4BE

Date: 28 October 2020

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

JW3 Development**Statement of financial activities (including income and expenditure account)****For the year ended 31 December 2019**

	Note	Unrestricted Funds General £	Restricted Funds £	Total 2019 £	Total 2018 £
Income from:					
Donations and legacies		1,751,802	640,807	2,392,609	2,204,450
Charitable activities	3	327,689	10,000	337,689	360,724
Investments	4	13,262	-	13,262	1,103
Total income		<u>2,092,753</u>	<u>650,807</u>	<u>2,743,560</u>	<u>2,566,277</u>
Expenditure on:					
Raising funds	5	84,449	-	84,449	86,589
Charitable activities	6	<u>2,008,304</u>	<u>650,807</u>	<u>2,659,111</u>	<u>2,479,695</u>
Total expenditure		<u>2,092,753</u>	<u>650,807</u>	<u>2,743,560</u>	<u>2,566,284</u>
Net (expenditure)/income for the year/net movement in funds		-	-	-	(7)
Fund balances at 1 January		<u>36,000</u>	<u>-</u>	<u>36,000</u>	<u>36,007</u>
Fund balances at 31 December		<u><u>36,000</u></u>	<u><u>-</u></u>	<u><u>36,000</u></u>	<u><u>36,000</u></u>

The notes on pages 14 to 21 form part of these financial statements.

JW3 Development

Balance sheet as at 31 December 2019

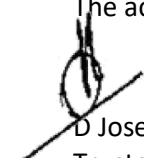
	Note	2019		2018	
		£	£	£	£
Current Assets					
Debtors	11	85,979		54,077	
Cash at bank and in hand		<u>1,042,597</u>		<u>2,547,237</u>	
		1,128,576		2,601,314	
Creditors: amounts falling due within one year	12	<u>(1,092,576)</u>		<u>(2,565,314)</u>	
Total assets less current liabilities			<u>36,000</u>		<u>36,000</u>
Income Funds					
Unrestricted Funds	15		<u>36,000</u>		<u>36,000</u>
			<u>36,000</u>		<u>36,000</u>

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

The notes on pages 14 to 21 form part of these financial statements.

The accounts were approved by the Trustees on

22/10/2020


D Joseph
Trustee

Company Registration No. 0874713

JW3 Development**Statement of cash flows****For the year ended 31 December 2019**

		2019		2018	
	Note	£	£	£	£
Cash flows from operating activities					
Cash (used in)/provided by operating activities					
	16		(1,517,902)		1,667,028
Investing activities					
Interest received		<u>13,262</u>		<u>1,103</u>	
Net cash used in investing activities			13,262		1,103
Net cash used in financing activities			<u>-</u>		<u>-</u>
Net (decrease)/increase in cash and cash equivalents			(1,504,640)		1,668,131
Cash and cash equivalents at beginning of year			<u>2,547,237</u>		<u>879,106</u>
Cash and cash equivalents at end of year			<u><u>1,042,597</u></u>		<u><u>2,547,237</u></u>

The notes on pages 14 to 21 form part of these financial statements.

1 Accounting policies

Company information

JW3 Development is a company limited by guarantee incorporated in England and Wales. The registered office is 341-351 Finchley Road, London NW3 6ET.

1.1 Accounting convention

The financial statements have been prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities, the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The charity meets the definition of a public benefit entity under 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 £.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least 12 months from the date of approving these accounts. COVID-19 has not impacted our ability to access foundations and donors, as we continue to programme both virtually and in the building. It has altered our type of fundraising events, with a movement from physical to virtual. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated by the trustees for specific purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Notes to the financial statements (continued)

For the year ended 31 December 2019

1.5 Expenditure

Direct charitable expenditure comprises all the expenditure relating to the activities carried out to achieve the objectives including any irrecoverable VAT.

Support costs consist of expenditure incurred in support of charitable activities. This includes recharges of staff costs and governance costs. Governance includes the costs of compliance with constitutional and statutory requirements. Support costs are allocated to different activities on the basis of time spent.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities.

1.7 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.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.9 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The trustees do not consider there to be any significant accounting estimates or areas of judgement in these financial statements.

JW3 Development

Notes to the financial statements (continued) For the year ended 31 December 2019

3 Income from charitable activities

	2019 £	2018 £
Fundraising events and corporate sponsorship	<u>337,689</u>	<u>360,724</u>

4 Investment income

	2019 £	2018 £
Interest receivable	13,262	1,103
	<u>13,262</u>	<u>1,103</u>

5 Cost of raising funds

	2019 £	2018 £
Fundraising and publicity		
Staging fundraising events	<u>84,449</u>	<u>86,589</u>

6 Charitable expenditure

	2019 £	2018 £
Staff costs	124,497	128,068
Other costs	4,652	4,878
	<u>129,149</u>	<u>132,946</u>
Grant funding of activities (see note 7)	2,476,385	2,296,320
Share of support and governance costs (see note 8)	53,577	50,429
	<u>2,659,111</u>	<u>2,479,695</u>

7 Grants payable

	2019 £	2018 £
Grants payable to JW3 Trust Ltd	<u>2,476,385</u>	<u>2,296,320</u>

JW3 Development

Notes to the financial statements (continued) For the year ended 31 December 2019

8 Support and governance costs

	2019	2018
	£	£
Staff costs (recharged)	40,416	37,985
Audit fees	9,000	10,273
Accountancy	4,161	2,171
Allocated to charitable activities	<u>53,577</u>	<u>50,429</u>

9 Trustees

None of the trustees (nor any persons connected with them) received any remuneration, benefits or expenses from the charity during the year. £12,120 was donated by JW3 Development trustees in the year.

10 Employees

	2019 Number	2018 Number
Number of employees		
The average number of employees during the year was:		
- Administration	<u>3</u>	<u>4</u>
	2019	2018
	£	£
Employment costs		
Wages and salaries	109,359	111,404
Social security costs	9,996	11,035
Other pension costs	2,800	3,232
	<u>122,155</u>	<u>125,671</u>

The charity's key management personnel comprises the Board of Trustees, the Chief Executive Officer, the Finance Director and the Fundraising Director.

Total benefits received by the Chief Executive Officer, the Finance Director and the Fundraising Director in the year in respect of JW3 Development amounted to £99,666 (2018: £97,214). The trustees received no remuneration during the year (2018: £Nil).

There were no employees whose annual remuneration was £60,000 or more.

JW3 Development

Notes to the financial statements (continued) For the year ended 31 December 2019

11 Debtors: amounts falling due within one year:

	2019	2018
	£	£
Trade debtors	44,152	40,912
Prepayments and accrued income	41,827	13,165
	<u>85,979</u>	<u>54,077</u>

12 Creditors: amounts falling due within one year

	2019	2018
	£	£
Other taxation and social security	2,596	3,622
Trade creditors	6,450	849
Other creditors	469	358
Amounts due to related parties	932,191	2,412,777
Accruals and deferred income	150,870	147,708
	<u>1,092,576</u>	<u>2,565,314</u>

13 Retirement benefit schemes

The charge to the statement of financial activities in respect of defined contribution schemes was £2,800 (2018: £3,232).

14 Restricted funds

The income funds of the charity include restricted funds comprising donations and grants held on trust for specific purposes:

Movement in Funds - 2019

	Balance at 1 Jan 2019	Incoming Resources	Resources Expended	Balance at 31 Dec 2019
	£	£	£	£
Programming and activities	-	474,480	474,480	-
Building and operations	-	176,327	176,327	-
	<u>-</u>	<u>650,807</u>	<u>650,807</u>	<u>-</u>

Movement in Funds - 2018

	Balance at 1 Jan 2018	Incoming Resources	Resources Expended	Balance at 31 Dec 2018
	£	£	£	£
Programming and activities	-	354,328	(354,328)	-
Building and operations	-	162,825	(162,825)	-
	<u>-</u>	<u>517,153</u>	<u>(517,153)</u>	<u>-</u>

JW3 Development

Notes to the financial statements (continued) For the year ended 31 December 2019

Programming and Activities includes funds provided by various organisations to fund programmes and events, raised to support specific areas of programming. Included, for example, is funding to subsidise events for Young Professionals and funding to support Gateways, a project offering skills-based and vocational learning for vulnerable young adults. Building and operations includes funds received to help cover the costs of security at JW3 and funds received for a feasibility study regarding building a canopy for the piazza.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2019 are represented by:			
Current assets/(liabilities)	36,000	-	36,000
	<u>36,000</u>	<u>-</u>	<u>36,000</u>
Fund balances at 31 December 2018 are represented by:			
Current assets/(liabilities)	36,000	-	36,000
	<u>36,000</u>	<u>-</u>	<u>36,000</u>

16 Cash generated from operations

	2019 £	2018 £
Net income/(expenditure) for the year	-	(7)
Adjustments for:		
Investment income recognised in statement of financial activities	(13,262)	(1,103)
Movements in working capital:		
(Increase)/decrease in debtors	(31,902)	35,800
(Decrease)/increase in creditors	(1,472,738)	1,632,338
Cash(used in)/ provided by operating activities	<u>(1,517,902)</u>	<u>1,667,028</u>

17 Analysis of changes in net debt

	At 1 Jan 2019 £	Cash flows £	At 31 Dec 2019 £
Cash at bank and in hand	2,547,237	(1,504,640)	1,042,597
	<u>2,547,237</u>	<u>(1,504,640)</u>	<u>1,042,597</u>

JW3 Development

Notes to the financial statements (continued) For the year ended 31 December 2019

18 Transactions with related parties

During the year JW3 Development made a grant of £2,476,385 to JW3 Trust Limited (charity registration number 05679146), of which £1,825,578 was unrestricted and £650,807 was restricted (as set out in note 14). A management fee of £40,416 (2018: £37,985) was charged by JW3 Trading Ltd to JW3 Development.

At the year end, "amounts owed to related parties" (as set out in note 12) contained amounts of £529,436 (2018: £2,145,822) due to JW3 Trust Ltd and £402,755 (2018: £266,955) due to JW3 Trading Ltd, which are limited companies with some of the board of directors in common with the trustees of JW3 Development.

19 Comparative Period Statement of Financial Activities

	Unrestricted funds	Restricted funds	Total 2018
	£	£	£
Income from:			
Donations and legacies	1,704,072	500,378	2,204,450
Charitable activities	343,949	16,775	360,724
Investments	1,103	-	1,103
Other income	-	-	-
Total	<u>2,049,124</u>	<u>517,153</u>	<u>2,566,277</u>
Expenditure on:			
Raising funds	86,589	-	86,589
Charitable activities	1,962,542	517,153	2,479,695
Total	<u>2,049,131</u>	<u>517,153</u>	<u>2,566,284</u>
Net income/(expenditure) for the year/net movement in funds	(7)	-	(7)
Funds balances at 1 January 2018	36,007	-	36,007
Fund balances at 31 December 2018	<u>36,000</u>	<u>-</u>	<u>36,000</u>

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

21 Post Balance Sheet Event

In support of the UK Government's initiatives to bring the pandemic under control and to protect the health and well-being of customers and employees, JW3 was closed on 17th March 2020. A skeleton staff remained in place and the directors took action to reduce costs.

The directors welcomed the action taken by the UK Government to preserve employment and have actively participated in the Coronavirus Job Retention Scheme as part of our plans to support colleagues through the crisis period. However, in July the directors made the difficult decision to close the restaurant, café and catering operations resulting in 22 redundancies (JW3 Trading Ltd). In addition, we received notice of the cessation of our two office tenancies, with both tenants struggling in the current environment (JW3 Trust Ltd).

Through these challenging times, JW3 successfully consolidated its brand presence and retained some ticket sales through the transmission of online classes and events.

Actions taken during lockdown include:

- Launching JW3 Online, increasing our reach beyond NW London
- Expanding social action activities
- Launched JW3-TV
- Successfully accelerating our fundraising and received additional grants

The centre gradually re-opened during September 2020, with additional safeguarding measures, incorporating greater social distancing and cleaning operations. It was great to welcome both the community and our employees back to JW3. We will continue to monitor the government's guidance with regard to the operation of community centres and adapt, as necessary.

The directors remain cautiously optimistic for the future. The current climate will remain difficult for the sector for the foreseeable future. However, the directors believe that JW3 is well placed to withstand a second wave of the pandemic if it arises and other challenges.