

**Charity Registration No. 1123295**

**Company Registration No. 06527258 (England and Wales)**

**DEVONSHIRE STREET CHARITABLE FOUNDATION**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	E A Charles N D Gee M D Paisner CBE
<b>Secretary</b>	E A Charles
<b>Charity number</b>	1123295
<b>Company number</b>	06527258
<b>Principal address</b>	Devonshire House 1 Devonshire Street London W1W 5DR
<b>Registered office</b>	Devonshire House 1 Devonshire Street London W1W 5DR
<b>Independent examiner</b>	David Scott ACA 38 Warren Street London W1T 6AE

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# DEVONSHIRE STREET CHARITABLE FOUNDATION

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 2
Statement of trustees' responsibilities	3
Independent examiner's report	4
Statement of financial activities	5
Statement of financial position	6
Notes to the accounts	7 - 13

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# DEVONSHIRE STREET CHARITABLE FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2019

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The trustees present their report and financial statements for the year ended 31 March 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 "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)" (as amended for accounting periods commencing from 1 January 2016).

#### Objectives and activities

The charity's objects are to provide a residence and financial assistance for any person who is for the time being or has at any time been the incumbent Rabbi of the Central Synagogue, to advance the Jewish religion for the benefit of the public on such terms as the trustees think fit and to donate to other charitable causes.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### Achievements and performance

The Charity is the owner of a long leasehold apartment, now occupied by Rabbi Barry Marcus MBE following his retirement as Rabbi of Central Synagogue in London on 31 October 2018. The third party tenants vacated the property at the end of June 2018 to allow sufficient time for the necessary refurbishment of the apartment to be completed ready for the rent-free occupation of the property by Rabbi Marcus on his retirement. The Rabbi is liable for all the utility charges and minor repairs at the property but the charity, as landlord, is liable for service charges and major repairs. As Rabbi Marcus would suffer a serious reduction in his income and standard of living upon his retirement, its trustees raised a testimonial for him in April 2018.

#### Financial review

Donations of £354,956 (2018: £62,200) and investment income of £8,267 (2018: £19,760) were received in the year. During the year expenditure and loss on revaluation totalled £326,224. Based upon the expertise of one of the trustees who has considerable experience in residential property investment, the trustees considered that the fair value of the charity's residential property investment at 31 March 2019 was £440,000 and this asset has been written down accordingly.

#### Investment policy and performance

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

#### Risk management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### Plans for the future

The charity's future plan is to work in the most efficient and effective way towards achieving its objectives.

#### Structure, governance and management

The charity is a company limited by guarantee, incorporated on 7 March 2008 and is also a registered charity, governed by its Memorandum and Articles of Association and by the Charities Act 2011.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

E A Charles

N D Gee

M D Paisner CBE

# **DEVONSHIRE STREET CHARITABLE FOUNDATION**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019**

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The power to appoint new Trustees is vested in the board of Trustees.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees are responsible for day to day matters and the management of the trust.

Trustees are expected to identify their training needs and to take measures to ensure that these needs are met.

The trustees' report was approved by the Board of Trustees.

**E A Charles**

Dated: 24 February 2020

# **DEVONSHIRE STREET CHARITABLE FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2019***

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

Company Law requires 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF DEVONSHIRE STREET CHARITABLE FOUNDATION

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I report to the trustees on my examination of the financial statements of Devonshire Street Charitable Foundation (the charity) for the year ended 31 March 2019.

#### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

#### **David Scott ACA**

Independent Examiner  
38 Warren Street  
London  
W1T 6AE

Dated: 25 February 2020

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<b><u>Income from:</u></b>					
Donations and legacies	3	-	354,956	354,956	62,200
Investments	4	8,267	-	8,267	19,760
<b>Total income</b>		8,267	354,956	363,223	81,960
<b><u>Expenditure on:</u></b>					
Investment management costs	5	7,774	389	8,163	7,445
Charitable activities	6	650	275,600	276,250	650
<b>Total expenditure</b>		8,424	275,989	284,413	8,095
Net gains/(losses) on investments	10	-	(41,811)	(41,811)	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(157)	37,156	36,999	73,865
Fund balances at 1 April 2018		19,310	455,715	475,025	401,160
<b>Fund balances at 31 March 2019</b>		19,153	492,871	512,024	475,025

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# DEVONSHIRE STREET CHARITABLE FOUNDATION

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Plant and equipment	11		50		100
Investment property	12		440,000		459,950
			<u>440,050</u>		<u>460,050</u>
<b>Current assets</b>					
Trade and other receivables	14	966		4,109	
Cash at bank and in hand		72,208		19,533	
		<u>73,174</u>		<u>23,642</u>	
<b>Current liabilities</b>	15	(1,200)		(8,667)	
Net current assets			71,974		14,975
<b>Total assets less current liabilities</b>			<u>512,024</u>		<u>475,025</u>
<b>Income funds</b>					
Restricted funds	16		492,871		455,715
Unrestricted funds			19,153		19,310
			<u>512,024</u>		<u>475,025</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts were approved by the Trustees on 24 February 2020

E A Charles  
Trustee

Company Registration No. 06527258

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

#### **Charity information**

Devonshire Street Charitable Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Devonshire House, 1 Devonshire Street, London, W1W 5DR.

#### **1.1 Accounting convention**

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is 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 £.

The accounts have been prepared under the historical cost convention (modified to include the revaluation of leasehold property) and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **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 the foreseeable future. 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 for other 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 were to purchase the apartment to be occupied by the incumbent Rabbi of the Central Synagogue on his retirement and to fund service charges and major repairs to be born by the Charity once the Rabbi takes up his rent free accommodation of the property.

#### **1.4 Incoming resources**

All incoming resources are included in the statement of financial activities when it is virtually certain that the incoming resources will be received and the amount can be quantified with reasonable accuracy. Incoming resources are accounted for on a receivable basis and comprise rental income, donations and tax reclaimed under gift aid. Income receivable under property leases is recognised on a straight line basis over the lease term.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Deferred income represents rent received in advance as at the year end.

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.5 Resources expended**

Resources expended are included in the statement of financial activities on an accruals basis.

Costs of generating funds comprise those costs directly attributable to the management of the investment property.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

#### **1.6 Property, plant and equipment**

Fixtures and fittings are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### **1.7 Investment property**

The investment property, which was acquired to provide accommodation for the incumbent Rabbi of the Central Synagogue on his retirement, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

#### **1.8 Impairment of non-current assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### **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 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. 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.

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 3 Donations and legacies

	Restricted funds	Total
	2019 £	2018 £
Donations and gifts	354,956	62,200

### 4 Investment income

	2019 £	2018 £
Rental income	8,267	19,760

### 5 Investment management costs

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<u>Investment management</u>	7,774	389	8,163	7,445
	<u>7,774</u>	<u>389</u>	<u>8,163</u>	<u>7,445</u>

Unrestricted investment management costs comprise interest payable of £nil (2018: £744), light and heat of £202 (2018: £nil), letting fees of £nil (2018: £1,541), property repairs of £nil (2018: £144), service charges, management fees and reserve contributions of £5,495 (2018: £4,684), council tax of £524 (2018: £nil), bank charges of £53 (2018: £129), removal costs of £1,500 (2018: nil) and other costs of £nil (2018: £203).

Restricted investment management costs comprise postage expenses of £222 (2018: £nil) and bank charges of £167 (2018: £nil).

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 6 Charitable activities

	2019 £	2019 £	Total 2019 £	2018 £
Depreciation and impairment	50	-	50	50
Charitable expenditure	-	275,000	275,000	-
	<u>50</u>	<u>275,000</u>	<u>275,050</u>	<u>50</u>
Share of governance costs (see note 7)	600	600	1,200	600
	<u>650</u>	<u>275,600</u>	<u>276,250</u>	<u>650</u>
<b>Analysis by fund</b>				
Unrestricted funds	650	-	650	650
Restricted funds	-	275,600	275,600	-
	<u>650</u>	<u>275,600</u>	<u>276,250</u>	<u>650</u>
<b>For the year ended 31 March 2018</b>				
Unrestricted funds	<u>650</u>	<u>-</u>		

### 7 Governance costs

	2019 £	2018 £
Governance costs	1,200	600
	<u>1,200</u>	<u>600</u>

Governance costs comprise Independent Examiner's fees of £1,200 (2018: £600).

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 9 Employees

There were no employees during the year.

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 10 Net gains/(losses) on investments

	Restricted funds	Total
	2019 £	2018 £
Revaluation of investment property	(41,811)	-

### 11 Plant and equipment

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2018	250
At 31 March 2019	250
<b>Depreciation and impairment</b>	
At 1 April 2018	150
Depreciation charged in the year	50
At 31 March 2019	200
<b>Carrying amount</b>	
At 31 March 2019	50
At 31 March 2018	100

### 12 Investment property

	2019 £
<b>Fair value</b>	
At 1 April 2018	459,950
Additions	21,861
Net gains/(losses) through fair value adjustments	(41,811)
At 31 March 2019	440,000

The Trustees consider there has been a decrease of £41,811 in the value of the long leasehold Investment Property during the year.

The historic cost of the investment property is £481,811 (2018: £459,950).

# DEVONSHIRE STREET CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

<b>13 Financial instruments</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	966	766
<b>14 Trade and other receivables</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other receivables	966	766
Prepayments and accrued income	-	3,343
	966	4,109
<b>15 Current liabilities</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	1,200	8,667

## 16 Restricted funds

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

	<b>Movement in funds</b>				
	<b>Balance at 1 April 2018</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Revaluations, gains and losses</b>	<b>Balance at 31 March 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted Fund: 57 Lyttelton Court	455,715	72,500	-	(41,811)	486,404
Restricted Fund: Testimonial	-	282,456	(275,989)	-	6,467
	455,715	354,956	(275,989)	(41,811)	492,871

RF "Testimonial" includes £275,000 charitable distributions to Rabbi Barry Marcus MBE.

## 17 Analysis of net assets between funds

	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fund balances at 31 March 2019 are represented by:			
Plant and equipment	50	-	50
Investment property	440,000	-	440,000
Current assets	52,821	19,153	71,974
	492,871	19,153	512,024