

WEST STREET CHARITY

Registered Charity Number 1135436

**ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2015**

WEST STREET CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS

- **Constitution**

West Street Charity is a registered charity, No 1135436, and is managed by a body of Trustees.

- **Trustees**

The Trustees who served during the year were:

The Ven. Dr. W.M. Jacob	(resigned 30th April 2015)
The Revd. A. C. Carr	
Mr T Hardin	
Mrs J Hutchings	
Dr W James	
Mr D Jessop	
Ms C Jones	(resigned 26 th March 2015)
Ms E MacDonald	
Ms L Macdonald	
Mr J Matthews	
Mr A Power	
Mr R Throw	

The **Custodian Trustee** is the London Diocesan Fund, 36 Causton Street, London, SW1P 4AU.

- **The Principal Officers are:**

Chairman	The Ven. Dr. W. M. Jacob (resigned 30 th April 2015) Rev. A.C. Carr (appointed 26 th July 2015)
Vice chairman	Mr T M Hardin
Secretary	Ms L Macdonald (appointed 17 th May 2015)
Treasurer	Mr A Power

- **Professional Advisors:**

Registered Auditors:

Knox Cropper
Chartered Accountants
8/9 Well Court
London EC4M 9DN

Bankers:

Unity Trust Bank plc
9 Brindleyplace
Birmingham B1 2HB

Solicitors:

Winckworth Sherwood
Minerva House, 5 Montagu Place
London SE1 9BB

Property Agents (Commercial Accommodation):

Farebrother
Chartered Surveyors
27 Breems Buildings
London EC 4A 1DZ

Property Agents (Residential Accommodation):

The LDG Partnership LLP
39 Foley Street
London W1W 7TP

- **Principal Office Address:**

St. Giles-in-the-Fields, 60 St Giles High Street, London WC2H 8LG.

WEST STREET CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2015

The Trustees submit their report and accounts for the year ended 31st December 2015.

STRUCTURE GOVERNANCE AND MANAGEMENT

- **Legal Status and Constitution**

The West Street Charity is registered with the Charity Commission. (Registered Number: 1135436).

- **Trustees Appointment and Training**

The Trustees of the Charity are the members of the Parochial Church Council of St. Giles-in-the-Fields, who are ex-officio or elected. New Trustees are inducted by the Rector and the Parochial Church Council.

- **Management Arrangements**

The Trustees met on seven occasions in the year to 31st December 2015 to consider management matters in respect of the Charity's property and making grants to St Giles-in-the-Fields Parochial Church Council. The main topic of business conducted was in relation to the redevelopment of 26 West Street in accordance with the planning permission granted in 2009.

The Trustees have a standing committee which met eleven times in the year to 31st December 2015 and its purpose was to advise the Trustees on all matters of finance and expenditure, to draw up and monitor the budget on a monthly basis, and to take decisions that needed to be taken between Trustees' meetings.

- **Risk Management**

The Trustees continue to assess the major risks to which the Charity is exposed, in particular, those related to the operations and finances of the Charity, and are satisfied that systems are in place to mitigate their exposure to these major risks.

OBJECTIVES AND ACTIVITIES, PUBLIC BENEFIT

The Trustees are mindful of the **public benefit** rules of the Charities Act 2011 and the guidance issued by the Charity Commission.

- **Objectives of the Charity**

The objectives of the Charity are to maintain and improve the property of the Charity (24 and 26 West Street), the maintenance and upkeep of the Church and Churchyards of St. Giles-in-the-Fields, and such other charitable purposes connected with the work of the Church of England within the said Parish or the surrounding district as the Parochial Church Council of St. Giles-in-the-Fields shall think proper.

WEST STREET CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2015

OBJECTIVES AND ACTIVITIES, PUBLIC BENEFIT (Continued)

- **The Charity's Property**

The Charity owns two properties, 24 and 26 West Street, and normally receives rental income from both. Legal title to the properties is held by the London Diocesan Fund in Trust for the Charity. To comply with FRS102 the property has now been valued in the accounts.

24 West Street is fully let on a 10 year full repairing lease, both internally & externally, with a 5 year review in November 2014 when negotiations about the rental increase were finalised in early 2015. The property is let to the head office of the URBN brand Anthropologie UK.

The ground floor of 26 West Street is also let to the same Company. The upper floors, historically arranged as two residential flats which, having been demolished, are currently being completely renovated and a fourth storey added resulting in one large penthouse apartment, two one-bedroomed and one two bedroomed apartments. The basement was rented as a storeroom by a local business until late summer 2013 and is now unoccupied due to the building work taking place on the upper floors.

- **Aims and Objectives for the Year**

The Trustees' aim for the year was to support the continued operation of St. Giles-in-the-Fields in its mission.

The Trustees also had the objective of providing grants towards the general maintenance of the Church of St. Giles-in-the-Fields.

Additionally the Trustees continue to ensure that the Charity's properties at 24 and 26 West Street remain well maintained, that rental income from the properties is maximised, and that the insurance paid was recovered.

- **Achievement of Objectives**

During the year the Trustees provided a grant of £168,000 (2014 £218,760) for the upkeep of the Church of St. Giles-in-the-Fields.

The Charity has continued to let its property through an established local property agent, and has recovered the insurance due.

FINANCIAL REVIEW

- **Results for the year**

The activities of the year were dominated by the scheme of refurbishment of the residential areas of 26 West Street with the construction of a mansard roof to provide space for a further, penthouse apartment.

WEST STREET CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2015

FINANCIAL REVIEW (continued)

- **Results for the year**

The building work (funded by bank borrowing repayable over a twenty year term) fell seriously behind schedule and steps were taken to change contractor, a process which was still ongoing at the end of the financial year. The cost of the project to date is £1,043,000.

Notwithstanding the activities relating to 26 West Street, the trustees made grants of £168,000 (2014:£218,760) to the PCC of St Giles-in-the Fields out of the rental income received from 24 West Street.

- **Going Concern**

The Trustees are of the opinion that the Charity remains a going concern, having reviewed budgets and cash flows for a period of 12 months from the date of signature of these accounts. The Charity receives rental on a quarterly basis from reliable, credit worthy, tenants, and once the redevelopment is complete, rental income will increase significantly providing the Charity with sufficient resources to undertake its operations and to finance the loan of £1,225,000 with Unity Trust Bank.

- **Reserves Policy**

The Trustees have decided that, once financial equilibrium is restored, reserves should equate to six months rental income, or twelve months running costs of St. Giles-in-the-Fields Parish Church. At the appropriate time, the Trustees will give careful thought to the investment of such monies.

The Trustees will continue to monitor the reserves position to ensure that the level of reserves remains appropriate for its objectives.

- **Grant Making Policy**

During the year the Trustees provided grants solely to the Parochial Church Council of St. Giles-in-the-Fields.

FUTURE PLANS

To continue to manage and let the property of the Charity at 24 and 26 West Street.

To maximise the income from 24 and 26 West Street.

WEST STREET CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2015

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Charity's Trustees are responsible for preparing accounts for each financial year that give a true and fair view of the Charity's financial activities during the year and of its state of affairs at the end of the year. In preparing the accounts, the Trustees should follow best practice and:

- select suitable accounting policies and apply them consistently;
- 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the accounts comply with the Charities Act 2011. 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.

AUDITORS

A decision about auditing arrangements for 2016 will be made by the Trustees during the year.

By order of the Trustees and signed on their behalf



Trustee

Date: 17th April 2016

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
WEST STREET CHARITY

We have audited the financial statements of West Street Charity for the year ended 31st December 2015 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trustees, as a body, in accordance with regulations made under section 155 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, set out on pages 4 and 5, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 155 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

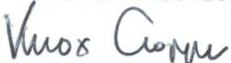
In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs at 31st December 2015, and of 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 requirements of the Charities Act 2011.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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


KNOX CROPPER
Chartered Accountants
Registered Auditors
 Date: 20/4 2016

8/9 Well Court
London EC4M 9DN

WEST STREET CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Notes	2015 £	2014 As restated (Note 1b) £
INCOME FROM			
Investments	2	338,072	183,387
Other Income		2,314	9,890
TOTAL INCOME		<u>340,386</u>	<u>193,277</u>
EXPENDITURE ON			
Raising Funds	3	108,855	33,709
Charitable Activities	4	170,004	220,740
TOTAL EXPENDITURE		<u>278,859</u>	<u>254,449</u>
NET INCOME/(EXPENDITURE)AND NET MOVEMENT IN FUNDS		61,527	(61,172)
Fund Balance Brought Forward at 1st January 2015			
As Originally Reported		(10,771)	50,401
Prior Year Adjustment (Note 1b)		6,000,000	6,000,000
As Restated		5,989,229	6,050,401
Fund Balances Carried Forward at 31st December 2015		<u>£6,050,756</u>	<u>£5,989,229</u>

All the activities reported above represent continuing operations.

The Charity has no Restricted Funds.

WEST STREET CHARITY
BALANCE SHEET
AS AT 31ST DECEMBER 2015

	Notes	2015	2014 As Restated
		£	£
FIXED ASSETS			
Investment Properties	5	6,000,000	6,000,000
Property Redevelopment – Work in Progress	6	<u>1,043,000</u>	<u>488,034</u>
		7,043,000	6,488,034
CURRENT ASSETS			
Debtors	7	12,005	15,679
Cash at Bank and in Hand	8	<u>219,419</u>	<u>45,013</u>
		231,424	60,692
Less: CREDITORS Amounts falling due within one year	9	<u>(186,581)</u>	<u>(13,478)</u>
NET CURRENT ASSETS/(LIABILITIES)		44,843	47,214
CREDITORS: Amounts falling due after more than one year	10	<u>(1,037,087)</u>	<u>(546,019)</u>
TOTAL NET ASSETS		<u>£6,050,756</u>	<u>£5,989,229</u>
CAPITAL AND RESERVES			
Unrestricted Funds	11	6,050,756	5,989,229
		<u>£6,050,756</u>	<u>£5,989,229</u>

These financial statements were approved by the Trustees on 17th April 2016 and signed on its behalf by:

Alan Carr
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Trustee

A Power
.....

Trustee

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WEST STREET CHARITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Note	Total Funds 2015 £	Total Funds 2014 £
Cash flows from Operating Activities			
Net cash used in Operating Activities	A	(235,508)	(284,913)
Cash flows from Investing Activities			
Interest and rents from investments		414,215	181,090
Costs of work in progress		(495,369)	(402,808)
Net Cash provided by/(used in) investing activities		<u>(81,154)</u>	<u>(221,718)</u>
Cash flows from Financing Activities			
Cash flows from new borrowing		491,068	546,019
Net cash provided by Financing Activities		<u>491,068</u>	<u>546,019</u>
Change in Cash and Cash Equivalent in the reporting period		174,406	39,388
Cash and Cash Equivalent at the beginning of the reporting period		<u>45,013</u>	<u>5,625</u>
Cash and Cash Equivalent at the end of the reporting period		<u>£219,419</u>	<u>£45,013</u>
A) Reconciliation of Net Income/(Expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the reporting period		61,527	(61,172)
Interest and rents from investments		(338,072)	(183,387)
(Increase)/Decrease in debtors		1,377	(3,835)
Increase/(Decrease) in creditors		39,660	(36,519)
		<u>£(235,508)</u>	<u>£(284,913)</u>

WEST STREET CHARITY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. ACCOUNTING POLICIES

a) Basis of Preparation and Assessment of going concern

The accounts have been prepared under the historical cost convention with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The major uncertainty in this respect is the future rental income streams of the Charity's Investment Properties.

b) Reconciliation with previous Generally Accepted Accounting Practice.

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed.

The Charity is now required under the Statement of Recommended Practice to treat Investment Properties at fair value and this has resulted in the following prior year adjustment.

	As Stated	Prior Year Adjustment	As Restated
	£	£	£
Investment Properties	-	6,000,000	6,000,000
Unrestricted Reserves	(50,401)	(6,000,000)	(6,050,401)
		<u>£ -</u>	

The Valuation undertaken by Jones Lang LaSalle, reflects the valuation of 24 West Street, together with the valuation of 26 West Street prior to the commencement of the Refurbishment.

In addition Governance Costs of £1,980 previously reported separately on the SOFA, are now reported as part of Charitable Activities and disclosed separately in the notes to the accounts (note 4).

c) Income

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

Income from the letting of the Charity's investment properties is recognised under the accruals basis. Interest income is accounted for when received as is any income tax recoverable on such income.

WEST STREET CHARITY
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

d) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

e) Costs of raising funds

The costs of raising funds consist of costs of maintaining the investment properties and certain legal and professional fees.

f) Charitable activities

Costs of charitable activities include grants made to third parties in the furtherance of the charitable objects of the Charity and governance costs.

g) Investment Properties

Investment properties are measured at fair value of the balance sheet date. The current valuation was prepared in September 2013 and based on market value of the freehold interest.

The valuation was carried out by Jones Lang LaSalle, an independent valuer with recognised and relevant qualifications with experience of the location and property class.

Restrictions apply to the Charity's ability to realise the investment property. As disclosed in Note 10, the bank loan is secured by a charge over the property and legal title to the property is held in trust for the Charity by the London Diocesan Fund.

2. INCOME FROM INVESTMENTS

	2015	2014
	£	£
Rents received	337,788	183,302
Bank interest	284	85
	<u>£338,072</u>	<u>£183,387</u>

3. COST OF RAISING FUNDS

	2015	2014
	£	£
Property Costs		
Utilities and Council Tax	4,504	2,364
Maintenance and Cleaning	-	655
Managing Agents	28,714	5,813
Insurance	4,932	8,140
Other Professional Fees	70,564	16,637
Bank charges	141	100
	<u>£108,855</u>	<u>£33,709</u>

WEST STREET CHARITY**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2015****4. CHARITABLE ACTIVITIES**

	2015	2014
	£	£
Grants to St. Giles Church		
General Maintenance	168,000	£218,760
Governance costs		
Audit	2,004	1,980
	<u>£170,004</u>	<u>£220,740</u>

No Trustees received any remuneration or reimbursed expenses during the year.
The Audit Fee amounted to £2,004 (2014: £1,980).

5. FIXED ASSETS – INVESTMENT PROPERTIES

	2015	2014
	£	As restated £
Investment Properties at 1 st January 2015		
And 31 st December 2015	<u>£6,000,000</u>	<u>£6,000,000</u>

The Charity owns two properties at 24 and 26 West Street, London. 24 West Street is currently tenanted, while 26 West Street is unoccupied. As costs of the redevelopment are being capitalised, as disclosed in Note 6, the valuation reflects 26 West Street before works commenced.

6. FIXED ASSETS – PROPERTY REDEVELOPMENT

	2015	2014
	£	£
Work in Progress at 1st January 2015	488,034	152,285
Additions	554,966	335,749
Work in Progress at 31st December 2015	<u>£1,043,000</u>	<u>£488,034</u>

This represents the costs of the refurbishment £972,811 together with the costs of arrangement fees and interest on the loan of £70,189. Completion is expected to take place during early 2016.

7. DEBTORS

Rental Debtor	-	2,297
Prepayments	9,135	-
Other Debtors	2,870	13,382
	<u>£12,005</u>	<u>£15,679</u>

8. CASH AT BANK AND IN HAND

Current Account	219,419	45,013
	<u>£219,419</u>	<u>£45,013</u>

9. CREDITORS: Amounts Falling Due Within One Year

Rental Income paid in advance	73,846	-
Trade Creditors	103,805	8,071
Accruals	8,930	5,407
	<u>£186,581</u>	<u>£13,478</u>

WEST STREET CHARITY**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2015****10. CREDITORS: Amounts Falling Due After More Than One Year**

	2015	2014
	£	£
Unity Bank Loan	<u>£1,037,087</u>	<u>£546,019</u>

The bank loans are with Unity Trust Bank. The initial loan for the redevelopment phase, which has been drawn down during the year, will be converted into a term loan. Interest on the initial loan will be charged at a rate of 3.25% over the Unity Trust Bank base rate which is currently 0.5%, subject to a minimum of 4% per annum.

The term loan is repayable over 20 years and interest will be charged at a rate of 2.75% over the Unity Trust Bank base rate which is currently 0.5%, subject to a minimum of 4% per annum.

The loans are expected to total £1,225,000 and are secured by a charge over 24 and 26 West Street.

11. UNRESTRICTED RESERVES

	Designated Fund	General Fund	Total
	£	£	£
Balance at 1 st January 2015 (as restated)	6,000,000	(10,771)	5,989,229
Net Movement in Funds	-	61,527	61,527
Balance at 31 st December 2015	<u>£6,000,000</u>	<u>£50,756</u>	<u>£6,050,756</u>

The Designated Fund represents the valuation of the properties at 24 and 26 West Street prior to the commencement of the redevelopment.

12. RELATED PARTY TRANSACTIONS

The St. Giles-in-the-Fields Ecclesiastical Charities which comprises:

- St Giles-in-the-Fields Parochial Church Council
- West Street Charity
- Alicia Duchess Dudley for the Rector Charity
- Clayson Bequest Charity

In the current year West Street Charity paid a grant to St. Giles-in-the-Fields Parochial Church Council for payment of the common fund contributions, stipends, salaries and the repairs and maintenance of the Church and Churchyard of St. Giles-in-the-Fields, amounting to £168,000 (2014: £218,760). At the year-end £nil was due to St. Giles-in-the-Fields Parochial Church Council (2014 £nil).

There were no other related party transactions either with the above named charities or with the Trustees personally.

13. POST BALANCE SHEET EVENTS

The Trustees are in the process of redeveloping 26 West Street.

The building works reached Practical Completion in March and the Charity hopes 26 West Street to be generating rental income by 30 April 2016.