

WEST STREET CHARITY

Registered Charity Number 1135436

**ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2016**

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 Revd. A. C. Carr	
Mr O Flory	(appointed 24th April 2016)
Mr T Hardin	
Mrs J Hutchings	(resigned 24th April 2016)
Dr W James	
Mr D Jessop	
Ms E MacDonald	
Ms J McLean	(appointed 24th April 2016)
Ms L Macdonald	
Mr J Matthews	(resigned 24th April 2016)
Mr A Power	
Mr R Throw	

Mr Zi Ken Toh was co-opted to the Board of Trustees on 10th July 2016.

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

- **The Principal Officers are:**

Chairman	Rev. A.C. Carr
Vice chairman	Mr T M Hardin
Secretary	Ms L Macdonald
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:

Prince Evans Solicitors LLP
Craven House
40-44 Uxbridge Road
London W5 2BS

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 2016

The Trustees submit their report and accounts for the year ended 31st December 2016.

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 2016 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 the completion of the redevelopment of 26 West Street in accordance with the planning permission granted in 2009, and the subsequent letting out of the four flats.

The Trustees have a standing committee which met six times in the year to 31st December 2016 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 2016

OBJECTIVES AND ACTIVITIES, PUBLIC BENEFIT (Continued)

- **The Charity's Property**

The Charity owns two properties, 24 and 26 West Street (the latter now referred to as The Mission House), and 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. The property is let to URBN UK Limited.

The ground floor of 26 West Street is also let to the same Company. The upper floors, having been refurbished and enlarged, comprise four residential flats which are all let out to tenants. The basement area is currently on the lettings market.

- **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 and that rental income from the properties is maximised.

- **Achievement of Objectives**

During the year the Trustees provided a grant of £168,000 (2015 £168,000) for the upkeep of the Church of St. Giles-in-the-Fields.

The Charity has continued to let its property through two established local property agents.

FINANCIAL REVIEW

- **Results for the year**

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

Practical completion was certified on 31st March and the scheme was funded by a loan of £1,205,000 from Unity Trust Bank plc.

WEST STREET CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2016

FINANCIAL REVIEW (continued)

- **Results for the year**

Mindful of the changes in the Covent Garden area property market and the considerable sum of money spent on 26 West Street, the trustees commissioned a prominent firm of chartered surveyors to revalue both of the properties and the resultant financial gain has been incorporated into these accounts.

The trustees made grants of £168,000 (2015: £168,000) to the PCC of St Giles-in-the-Fields out of the rental income received from the properties.

- **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 rentals from reliable, credit worthy, tenants, which total sums are more than sufficient to fulfil the charity's obligations including the servicing and repayments of the loan from Unit Trust Bank plc.

- **Reserves Policy**

The Trustees have decided that reserves should equate to six months rental income, or twelve months running costs of St. Giles-in-the-Fields Parish Church. The Trustees 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 2016

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

During 2016 a formal exercise was carried out to review, for the first time in many years, the arrangements for the audit of the charity's annual accounts, as well as the financial scrutiny of the annual accounts of the Parochial Church Council, the Alicia Duchess Dudley and the Clayson Bequest charity.

The Trustees were very pleased that, at the end of thorough research, interviews, etc., Knox Cropper was selected to carry out this work thereby maintaining a working association of long standing.

By order of the Trustees and signed on their behalf



Trustee

Date: 23.12.2017

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 2016 which comprise Statement of Financial Activities, Balance Sheet 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 page 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 2016, 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: 26/4 2017

Knox Cropper

8/9 Well Court
London EC4M 9DN

WEST STREET CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2016

	Notes	2016	2015
		£	£
INCOME FROM			
Investments	2	402,288	338,072
Other Income		8,583	2,314
TOTAL INCOME		<u>410,871</u>	<u>340,386</u>
EXPENDITURE ON			
Raising Funds	3	85,804	108,855
Charitable Activities	4	170,280	170,004
TOTAL EXPENDITURE		<u>256,084</u>	<u>278,859</u>
NET INCOME/(EXPENDITURE)AND NET MOVEMENT IN FUNDS		154,787	61,527
Net Gains/(Losses) on investments		<u>5,410,434</u>	<u>-</u>
		5,565,221	61,527
Fund Balance Brought Forward at 1st January 2016		6,050,756	5,989,229
Fund Balances Carried Forward at 31st December 2016		<u><u>£11,615,977</u></u>	<u><u>£6,050,756</u></u>

All the activities reported above represent continuing operations.

The Charity has no Restricted Funds.

WEST STREET CHARITY**BALANCE SHEET****AS AT 31ST DECEMBER 2016**

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Property Redevelopment – Work in Progress	5		-		1,043,000
Investment Properties	6		<u>12,500,000</u>		<u>6,000,000</u>
			12,500,000		7,043,000
CURRENT ASSETS					
Debtors	7	22,339		12,005	
Cash at Bank and in Hand	8	<u>397,711</u>		<u>219,419</u>	
		420,050		231,424	
Less: CREDITORS Amounts falling due within one year	9	<u>(152,826)</u>		<u>(186,581)</u>	
NET CURRENT ASSETS			267,224		44,843
CREDITORS: Amounts falling due after more than one year	11		<u>(1,151,247)</u>		<u>(1,037,087)</u>
TOTAL NET ASSETS			<u>11,615,977</u>		<u>£6,050,756</u>
CAPITAL AND RESERVES					
Unrestricted Funds					
General Fund	12		205,543		50,756
Revaluation Reserve			<u>11,410,434</u>		<u>6,000,000</u>
			<u>£11,615,977</u>		<u>£6,050,756</u>

These financial statements were approved by the Trustees on 23.11.17 2017 and signed on its behalf by:

Alan Carr
Trustee

A. Rowe
Trustee

WEST STREET CHARITY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2016

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) 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.

c) 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.

d) Costs of raising funds

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

e) 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.

f) Investment Properties

Investment properties are measured at fair value of the balance sheet date. The current valuation was prepared in January 2017 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.

WEST STREET CHARITY**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2016****2. INCOME FROM INVESTMENTS**

	2016	2015
	£	£
Rents received	402,140	337,788
Bank interest	148	284
	<u>£402,288</u>	<u>£338,072</u>

3. COST OF RAISING FUNDS

	2016	2015
	£	£
Property Costs		
Utilities and Council Tax	7,137	4,504
Fitting out costs	15,269	-
Loan Interest	22,631	-
Managing Agents	22,026	28,714
Insurance	12,365	4,932
Other Professional Fees	6,262	70,564
Bank charges	114	141
	<u>£85,804</u>	<u>£108,855</u>

4. CHARITABLE ACTIVITIES

	2016	2015
	£	£
Grants to St. Giles Church		
General Maintenance	168,000	168,000
Governance costs		
Audit	2,280	2,004
	<u>£170,280</u>	<u>£170,004</u>

No Trustees received any remuneration or reimbursed expenses during the year.
The Audit Fee amounted to £2,280 (2015: £2,004).

5. FIXED ASSETS – PROPERTY REDEVELOPMENT

	2016	2015
	£	£
Work in progress at 1st January 2016	1,043,000	488,034
Additions	46,566	554,966
Transfer to Fixed Assets	(1,089,566)	-
	<u>£ -</u>	<u>£1,043,000</u>

6. FIXED ASSETS

	2016	2015
	£	£
Investment Property at 1st January 2016	6,000,000	-
Transfer of work in progress	1,089,566	-
Revaluation	5,410,434	6,000,000
	<u>£12,500,000</u>	<u>£6,000,000</u>

The charity owns two properties – 24 and 26 West Street.

Final costs were capitalised throughout the year (work in progress) and then a valuation to bring its value up to £12,500,000.

WEST STREET CHARITY
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2016

7. DEBTORS

	2016	2015
	£	£
Rental Debtor	5,466	-
Prepayments	9,827	9,135
Other Debtors	7,046	2,870
	<u>£22,339</u>	<u>£12,005</u>

8. CASH AT BANK AND IN HAND

Current Account	397,711	219,419
	<u>£397,711</u>	<u>£219,419</u>

9. CREDITORS: Amounts Falling Due Within One Year

Rental Income paid in advance	100,080	73,846
Deferred Insurance income	5,250	6,788
Trade Creditors	5,211	103,805
Accruals	2,380	2,142
Unity Bank loan	39,905	-
	<u>£152,826</u>	<u>£186,581</u>

10. KEY MANAGEMENT PERSONNEL

Key management personnel is defined as the trustees.

None of the trustees received any emoluments or had any expenses reimbursed in the year.

11. CREDITORS: Amounts Falling Due After More Than One Year

	2016	2015
	£	£
Unity Bank Loan	<u>£1,151,247</u>	<u>£1,037,087</u>

The bank loans are with Unity Trust Bank. The initial loan was for the redevelopment phase, which has been drawn down and was converted into a term loan on 12th July 2016. Interest on the initial loan was charged at a rate of 3.25% over the Unity Trust Bank base rate which was 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 totalled £1,205,000 and are secured by a charge over 24 and 26 West Street.

WEST STREET CHARITY
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2016

12. CAPITAL AND RESERVES

	<u>Unrestricted Reserves</u>		Total
	Revaluation Reserve	General Fund	
	£	£	£
Balance at 1 st January 2016	6,000,000	50,756	6,050,756
Net Movement in Funds	5,410,434	154,787	5,565,221
Balance at 31 st December 2016	<u>£11,410,434</u>	<u>£205,543</u>	<u>£11,615,977</u>

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

13. 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 (2015: £168,000). At the year-end £nil was due to St. Giles-in-the-Fields Parochial Church Council (2015 £nil).

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