

WEST STREET CHARITY

Registered Charity Number 1135436

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017



KNOX CROPPER
chartered accountants

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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		
Mr T Hardin		
Dr W James		
Mr D Jessop		
Ms E MacDonald		
Ms L McDonald	(resigned 24 April 2017)	
Ms J McLean		
Mr A Power		
Mr R Throw		
Mr Zi Ken Toh		

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 Hardin
Secretary	Mr R Throw
Treasurer	Mr A Power

- **Professional Advisors:**

Registered Auditors:	Property Agents:
Knox Cropper Chartered Accountants 8/9 Well Court London EC4M 9DN	Farebrother Chartered Surveyors 27 Bream's Buildings London EC 4A 1DZ
Bankers:	Property Agents:
Unity Trust Bank plc 9 Brindleyplace Birmingham B1 2HB	The LDG Partnership LLP 39 Foley Street London W1W 7TP
Solicitors:	Chartered Surveyors:
Prince Evans Solicitors LLP Craven House 40-44 Uxbridge Road London W5 2BS	KBW Chartered Surveyors City Temple Holborn Viaduct London EC1A 2DE

- **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 2017

The trustees submit their report and accounts for the year ended 31st December 2017.

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.

- **Management Arrangements**

The trustees met on seven occasions in the year to 31st December 2017 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 topics of business conducted concerned the continued letting of 24 West Street and the ground floor of 26 West Street as a single demise as office accommodation and the continued letting of the four residential apartments within 26 West Street.

In addition to the matters above, the trustees improved the lower ground floor of 26 West Street into a lettable condition and in May successfully completed a ten year lease for office accommodation purposes.

Furthermore, the trustees considered and executed financial grants to St Giles-in-the-Fields.

The trustees have a standing committee which met six times in the year to 31st December 2017 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 Churchyard 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 2017

OBJECTIVES AND ACTIVITIES, PUBLIC BENEFIT (Continued)

- **The Charity's Property**

The Charity owns two properties, 24 and 26 West Street (the latter is named "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.

24 West Street is fully let on a 10 year full repairing lease, both internally & externally.

The ground floor of 26 West Street (The Mission House) is also let to the same tenant as 24. The upper floors of no. 26 comprise four residential flats which are all let out to tenants. The lower ground floor of The Mission House is let as office accommodation.

- **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 £365,633 (2016: £168,000) for the upkeep of the Church of St. Giles-in-the-Fields. The large increase over the 2016 level reflects the full effects of a commercial rent negotiation and the impact of almost full occupancy of the four residential flats.

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

FINANCIAL REVIEW

- **Results for the year**

All of the charity's office and residential accommodation was and remains let via highly reputable estate management agents. This now includes the lower ground floor of 26 West Street which was let for ten years commencing in May 2017.

The trustees made grants of £365,633 (2016: £168,000) to the PCC of St Giles-in-the-Fields out of the rental income received from the properties.

WEST STREET CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2017

FINANCIAL REVIEW (continued)

- **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 that are more than sufficient to fulfil the charity's obligations including the servicing and repayments of the loan from Unity 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 2017

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

The trustees continue to hold in very high regard the audit work and advice provided by Knox Cropper, Chartered Accountants.

By order of the Trustees and signed on their behalf



Trustee

Date 22. 12. 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WEST STREET CHARITY

Opinion

We have audited the financial statements of West Street Charity (the 'charity') for the year ended 31st December 2017 which comprise the statement of financial activities, the balance sheet, 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, (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

WEST STREET CHARITY

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

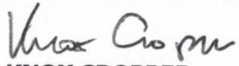
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**8/9 Well Court
London EC4M 9DN**

23rd April 2018


KNOX CROPPER
Chartered Accountants
Statutory Auditors

Knox Cropper is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WEST STREET CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2017

	Notes	2017	2016
INCOME FROM		£	£
Investments	2	475,121	402,288
Other Income		8,835	8,583
TOTAL INCOME		<u>483,956</u>	<u>410,871</u>
EXPENDITURE ON			
Raising Funds	3	109,159	85,804
Charitable Activities	4	367,973	170,280
TOTAL EXPENDITURE		<u>477,132</u>	<u>256,084</u>
NET INCOME/(EXPENDITURE)AND NET MOVEMENT IN FUNDS		6,824	154,787
Net Gains/(Losses) on investments		<u>350,000</u>	<u>5,410,434</u>
		356,824	5,565,221
Fund Balance Brought Forward at 1st January 2017		11,615,977	6,050,756
Fund Balances Carried Forward at 31st December 2017		<u>£11,972,801</u>	<u>£11,615,977</u>

All the activities reported above represent continuing operations.

The Charity has no Restricted Funds.

WEST STREET CHARITY**BALANCE SHEET****AS AT 31ST DECEMBER 2017**

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Property Redevelopment – Work in Progress	5		-		-
Investment Properties	6		12,903,492		12,500,000
			<u>12,903,492</u>		<u>12,500,000</u>
CURRENT ASSETS					
Debtors	7	28,824		22,339	
Cash at Bank and in Hand	8	<u>235,171</u>		<u>397,711</u>	
		263,995		420,050	
Less: CREDITORS Amounts falling due within one year	9	<u>(85,528)</u>		<u>(152,826)</u>	
NET CURRENT ASSETS			178,467		267,224
CREDITORS: Amounts falling due after more than one year	10		<u>(1,109,158)</u>		<u>(1,151,247)</u>
TOTAL NET ASSETS			<u>£11,972,801</u>		<u>£11,615,977</u>
CAPITAL AND RESERVES					
Unrestricted Funds					
General Fund	12		212,367		205,543
Revaluation Reserve			<u>11,760,434</u>		<u>11,410,434</u>
			<u>£11,972,801</u>		<u>£11,615,977</u>

These financial statements were approved by the Trustees on 22. IV . 2018 and signed on its behalf by:

Alan Carr
Trustee

A Power
Trustee

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WEST STREET CHARITY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

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 accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

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.

WEST STREET CHARITY**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2017****1. ACCOUNTING POLICIES (continued)****• 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 and has now been indexed up.

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

	2017	2016
	£	£
Rents received	475,117	402,140
Bank interest	4	148
	<u>£475,121</u>	<u>£402,288</u>

3. COST OF RAISING FUNDS

	2017	2016
	£	£
Property Costs		
Utilities and Council Tax	2,967	7,137
Fitting out costs	7,023	15,269
Loan Interest	46,555	22,631
Managing Agents	27,416	22,026
Insurance	12,221	12,365
Other Professional Fees	12,857	6,262
Bank charges	120	114
	<u>£109,159</u>	<u>£85,804</u>

4. CHARITABLE ACTIVITIES

	2017	2016
	£	£
Grants to St. Giles-in-the-Fields		
General Maintenance	365,633	168,000
Governance costs		
Audit	2,340	2,280
	<u>£367,973</u>	<u>£170,280</u>

No Trustees received any remuneration or reimbursed expenses during the year. The Audit Fee amounted to £2,340 (2016: £2,280).

5. FIXED ASSETS – PROPERTY REDEVELOPMENT

	2017	2016
	£	£
Work in progress at 1st January 2017	-	1,043,000
Additions	53,492	46,566
Transfer to Fixed Assets	(53,492)	(1,089,566)
Work in progress at 31st December 2017	<u>£-</u>	<u>£ -</u>

WEST STREET CHARITY**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2017****6. FIXED ASSETS**

	2017	2016
	£	£
Investment Property at 1st January 2017	12,500,000	6,000,000
Transfer of work in progress	53,492	1,089,566
Revaluation	350,000	5,410,434
Investment Property at 31st December 2017	<u>£12,903,492</u>	<u>£12,500,000</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 £12,903,492.

7. DEBTORS

	2017	2016
	£	£
Rental Debtor	9,767	5,466
Prepayments	8,814	9,827
Other Debtors	10,243	7,046
	<u>£28,824</u>	<u>£22,339</u>

8. CASH AT BANK AND IN HAND

Deposit Account	8,754	-
Current Account	226,417	397,711
	<u>£235,171</u>	<u>£397,711</u>

9. CREDITORS: Amounts Falling Due Within One Year

Rental Income paid in advance	31,852	100,080
Deferred Insurance income	6,515	5,250
Trade Creditors	3,689	5,211
Accruals	2,475	2,380
Unity Bank loan	40,997	39,905
	<u>£85,528</u>	<u>£152,826</u>

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

	2017	2016
	£	£
Unity Bank Loan	<u>£1,109,158</u>	<u>£1,151,247</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 loan amounted to £1,205,000 and is secured by a charge over 24 and 26 West Street.

WEST STREET CHARITY**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2017****11. KEY MANAGEMENT PERSONNEL**

Key management personnel are defined as the trustees.

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

12. CAPITAL AND RESERVES

	<u>Unrestricted Reserves</u>		Total
	Revaluation Reserve	General Fund	
	£	£	£
Balance at 1 st January 2017	11,410,434	205,543	11,615,977
Net Movement in Funds	350,000	6,824	356,824
Balance at 31 st December 2017	<u>£11,760,434</u>	<u>£212,367</u>	<u>£11,972,801</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 comprise:

- 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 repair and maintenance of the Church and Churchyard of St. Giles-in-the-Fields, amounting to £365,633 (2016: £168,000). At the year-end £nil was due to St. Giles-in-the-Fields Parochial Church Council (2016 £nil).

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