

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED**  
(Company Limited by Guarantee)  
(Company reg. 3892644)  
(Charity registration number: 1079138)

**REPORT AND ACCOUNTS**

**31 DECEMBER 2018**

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED**

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**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED****COMPANY INFORMATION****FOR THE YEAR ENDED 31 DECEMBER 2018****COMPANY OFFICE**

St Stephen's Church  
Gloucester Road  
Southwell Gardens  
London  
SW7 4RL

**BANKERS**

CAF Bank Limited  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

**AUDITORS**

Kojo & Co. Limited  
Chartered Certified Accountants  
118-120 London Road  
Mitcham  
Surrey  
CR4 3LB

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED  
DIRECTORS AND TRUSTEES REPORT**

The directors and trustees present their report together with the audited accounts for the year ended 31 December 2018

**PRINCIPAL ACTIVITY AND RESULTS FOR THE YEAR**

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association.

The principal activity of the company during the period was the provision and maintenance of a church hall and for furthering the religious and other charitable work of the Church of England in the ecclesiastical parish of St. Stephen's, Gloucester Road.

The results for the year are given in the attached accounts.

The company does not have a share capital. The liability of its members is limited by guarantee. Any surplus is distributed as grant to St Stephen's Church.

**DIRECTORS AND TRUSTEES**

The directors who served during the year and at the date of this report are:

Roger Martin Howell Preece  
James Edward Day  
Ross Egerton  
Mrs Rita Anna Day  
James Patrick Rodier (Appointed 13 October 2018)

**SECRETARY**

Roger Martin Howell Preece

All the directors are members of the company and guarantee to contribute a sum not exceeding £10.00 to the assets of the company in the event of it being wound up. At 31 December 2018 there were 5 members.

**OBJECTIVES AND ACTIVITIES**

The object of the Charity is the provision of funds to support St Stephen's Church and to maintain an on-going programme of refurbishment of St Stephen's House, which is its principal asset.

The Directors and Trustees are responsible for the following:

- \* providing resources to support the work of St Stephen's Church
- \* ensuring that maximum use is made of the building to the benefit of the company
- \* maintain a programme of maintenance and refurbishment of St Stephen's House

## **ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED DIRECTORS' AND TRUSTEES REPORT (CONTD)**

### **MAIN OBJECTIVES FOR THE YEAR**

The main objectives for the year were:

- \* to continue to support the mission of the church at St Stephen's Church
- \* to identify priorities for further use and application of funds at the disposal of the Directors and Trustees taking into account the needs of the church for continuing financial support for mission and the need for further work on the building and its facilities.

### **GRANT MAKING POLICY**

An annual grant is made directly to the St Stephens Church in support of its mission and in fulfilment of the Company's charitable objectives. The Directors and Trustees agree the amount of grant with representatives of the Church

### **REVIEW OF PAST ACTIVITIES**

The company managed the building of St Stephen's House including the Church Hall. It was maintained in a good and sound condition and also kept the services including heating, lighting and water appliances in good operating order. It holds a lease from the No. 1 Trust for the building for 999 years from 31 December 1999.

### **FUTURE DEVELOPMENTS**

The company will carry out appropriate maintenance on the premises during the next year and will provide assistance to St Stephen's Church as shall be appropriate at the time.

### **APPOINTMENT OF DIRECTORS AND TRUSTEES**

Board members are generally nominated and then appointed at St Stephen's House (Gloucester Road) Limited's general meeting based on their background, experience and relevance to St Stephen's House (Gloucester Road) Limited's objectives. When a vacancy arises on the board and a skill is identified, nominees may then be nominated to the board. Induction of new board members and training of existing members are conducted as and when required during each year.

### **RISK MANAGEMENT**

The Trustees and Directors of St Stephen's House (Gloucester Road) Limited make every effort to ensure that the potential for financial and operational risk is reduced to the barest minimum by maintaining strict oversight through regular financial management reports, putting financial guidelines in place for staff, conducting regular financial health checks and maintaining a financial management information system for effective tracking of income and expenditures.

## **ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED DIRECTORS' AND TRUSTEES REPORT (CONTD)**

### **RESERVE POLICY**

St Stephen's House (Gloucester Road) Limited aims in the medium term to achieve a balance of reserves equalling six months of operating cost of £73,923 in line with general guidelines for UK charities. In agreement with the Vicar of St Stephen's Church, the company is currently accumulating cash funds to help to finance the proposed redevelopment plan for the church. The cash balance at the end of 31 December 2018 was £246,806. The Trustees and Directors therefore consider this to be adequate in the light of flow of funds from normal operations.

### **PUBLIC BENEFIT**

St Stephen's House (Gloucester Road) Limited exists solely to provide a church hall and charitable grants to St Stephen's Church, Gloucester Road. St Stephen's Church Gloucester Road is an Anglican parish church committed to serving the local parish, and enabling as many people as possible to worship at the church and to become part of our worshipping community. The trustees maintain a regular dialogue with the Vicar of the church and/or the Assistant Priest and make suggestions on how services can involve the many groups who live within the community. The worship and services put faith into practice through prayer and scripture, music and sacrament.

When planning activities for the year, we have considered the Charity Commission's guidance on public benefit and in particular, the specific guidance on charities for the advancement of religion. In particular, we try to enable ordinary people to live out their faith as part of our worshipping community through:

- \* Worship and prayer; learning about the Gospel and developing their knowledge and trust in Jesus
- \* Provision of pastoral care for people within the church
- \* Missionary and outreach work

### **AUDITORS**

Kojo & Co Limited, were appointed auditors during the year. Kojo & Co Limited having indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 2006 is proposed that they are re-appointed as auditors for the ensuing year.

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED  
DIRECTORS' AND TRUSTEES REPORT (CONTD)**

**STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES**

The Directors and Trustees are responsible for preparing the Directors and Trustees Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Acceptable Accounting Practice)

The law applicable to charities in England & Wales requires the Directors and Trustees to prepare financial statements for each year which give a true and fair view of the state of the affairs of the Company and of its incoming resources and application of resources of the Company for that period. In preparing these financial statements, the Directors and 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Directors and Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors and Trustees are responsible for the maintenance and integrity of the Company and the financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

By order of the board

James Edward Day  
**Director**

Dated.

## **Independent Auditor's Report to the Trustees of St Stephen's House (Gloucester Road) Limited**

We have audited the financial statements of St Stephen's House (Gloucester Road) Limited (the charitable company) for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the 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, including Financial Reporting Standard 102- The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable company'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 charitable company's trustees those matters we are required to state 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 charitable company and the charitable company'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 charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- \* have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- \* have been prepared in accordance with the requirements of the Companies Act 2006

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISA 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect to the following matters in relation to which the ISAs (UK) require us to report to you where:

- \* the trustees use of the going concern basis of accounting in the preparation of the financial statement is not appropriate; or
- \* the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Independent Auditor's Report to the Trustees of St Stephen's House (Gloucester Road) Limited (Contd)**

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent 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 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 financial statements is inconsistent in any material respect with the trustees' report; or
- \* the charitable company has not kept adequate accounting records; 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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative 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 regulations made under section 154 of that Act.

**Independent Auditor's Report to the Trustees of St Stephen's House (Gloucester Road) Limited (Contd)**

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 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 financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Kojo Amoah-Arko  
Senior Statutory Auditor)  
For and on behalf of Kojo & Co. Ltd  
Statutory Auditor

118-120 London Road  
Mitcham  
Surrey  
CR4 3LB

Dated

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Total 2018 £	Total 2017 £
<b>INCOMING RESOURCES</b>			
Rental income	2	264,510	261,562
Investment income	3	9,849	46,930
		<hr/> 274,359	<hr/> 308,492
<b>RESOURCES EXPENDED</b>			
Direct charitable	4a	60,000	70,000
Management and administration	4b	87,846	71,180
		<hr/> 147,846	<hr/> 141,180
<b>NET INCOME FOR THE YEAR</b>		126,513	167,311
Balance brought forward		4,825,216	4,657,905
<b>BALANCE CARRIED FORWARD</b>		<hr/> 4,951,729	<hr/> 4,825,216

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED  
BALANCE SHEET AS AT 31 DECEMBER 2018**

	Note	£	2018 £	£	2017 £
<b>TANGIBLE FIXED ASSETS</b>	6		4,175,000		4,175,000
<b>CURRENT ASSETS</b>					
Debtors	7	9,387		9,149	
Investments	8	544,755		534,937	
Bank and cash balances		246,806		123,212	
		<u>800,948</u>		<u>667,298</u>	
<b>CREDITORS: Amounts falling due within one year</b>	9	24,219		17,082	
			<u>776,729</u>		<u>650,216</u>
			<u>4,951,729</u>		<u>4,825,216</u>
<b>FUNDS:</b>					
Unrestricted	10		<u>4,951,729</u>		<u>4,825,216</u>

James Edward Day  
Director

Approved by the board on

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LTD  
CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net Cash flow from operating activities ( Note 1)</b>	123,563	122,253
<b>Return on investments and servicing of finance</b>		
Interest receivable	9,849	46,930
<b>Net Cash flow from Investments (Note 2)</b>		
Investments	(9,818)	(196,908)
<b>Increase/(Decrease) in Cash</b>	<u>123,594</u>	<u>(27,725)</u>
<b>1. Reconciliation of operating profit to Net Cash flow from Operating Activities</b>		
Operating surplus	126,513	167,311
Investment income	(9,849)	(46,930)
(Increase)/Decrease in Debtors	(238)	(489)
Increase/(Decrease) in Creditors	7,137	2,361
	<u>123,563</u>	<u>122,253</u>
<b>2. Net Cash flow from Investments</b>		
(Increase)/Decrease in investments	<u>(9,818)</u>	<u>(196,908)</u>
<b>3. Reconciliation of Net Cash flow to Movement in Net Cash</b>		
Increase in Cash in the year	123,594	(27,725)
Net Cash at 1 January 2018	123,212	150,937
Net Cash at 31 December 2018	<u>246,806</u>	<u>123,212</u>

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LIMITED**  
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2018**

**1. ACCOUNTING POLICIES**

**1a. Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016)- (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). St Stephens House meets the definition of a public benefit entity under FRS102. Assets are initially recorded at historical cost unless otherwise stated in the relevant accounting policy note.

**1b. Tangible Fixed Assets and Depreciation**

The Company holds a 999 years from the No. 1 Trust. The buildings are stated at valuation.

The directors and trustees have control over and responsibilities over the property at 49 Emperor's Gate, Southwell Gardens, London SW7 4RL. Balancing the obligations of maintenance, and the prospective income flows, the directors and Trustees consider that the valuation at 31 August 2016 is acceptable for the purposes of the financials statements.

**Depreciation**

Depreciation of tangible fixed assets is provided on the straight line basis over the expected useful lives of the assets as follows:

Leasehold land and buildings	Not depreciated
Equipment	25% on cost

**Tangible Fixed Assets**

Leasehold land and buildings are stated at valuation. Equipment is stated at cost.

**1c. Cash and cash equivalents**

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

**1d. Financial instruments**

The company 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 company's balance sheet when the company becomes party to the contractual provisions of he 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

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LTD**  
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2018**

**1. ACCOUNTING POLICIES (Contd)**

**1e. Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

**Useful Economic Lives.** The annual depreciation charge for tangible fixed assets is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances. Depreciation rates are described in note (1f) to the financial statements.

**1f. Income**

Rental income, investment income and other incomes are accounted for on accrual basis.

**1g. Grants**

Grants made are accounted for on a payable basis.

**1h. Resources expended**

Resources expended are accounted for on an accrual basis. They are analysed between direct charitable expenditure, cost of providing services and government cost based on the nature of the expenditure.

**1j. Governance cost**

Governance cost include costs incurred in the governance of the company and are primarily concerned with constitutional compliance and statutory requirements.

**1k. Fund accounting**

Unrestricted funds are net incoming resources generated for expenditure on the general objectives of the company.

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LTD  
NOTES TO THE ACCOUNTS - 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>2. RENTAL INCOME</b>		
Rent receivable	221,500	221,500
Service charges	43,010	40,062
	<u>264,510</u>	<u>261,562</u>
<b>3. INVESTMENT INCOME</b>		
Gain in value of investments	9,818	46,908
Bank interest received	31	22
	<u>9,849</u>	<u>46,930</u>
<b>4. RESOURCES EXPENDED</b>		
<b>4a. Direct Charitable</b>		
Grant to St Stephen's Church	60,000	70,000
	<u>60,000</u>	<u>70,000</u>
<b>4b. Management and administration</b>		
Insurance Buildings	11,719	11,160
Insurance Others	559	551
Management charge	20,000	20,000
Repairs and maintenance- Building	31,456	16,756
Gas & electricity	12,282	10,985
Cleaning	5,616	5,616
Refreshment	-	89
Accountancy charges	3,300	3,350
Audit fees	2,500	2,500
Trustees' expenses	331	100
Company House charges	13	13
Bank charges	69	60
	<u>87,846</u>	<u>71,180</u>

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LTD  
NOTES TO THE ACCOUNTS - 31 DECEMBER 2018**

**5. NET INCOME FROM THE YEAR**

		2018 £	2017 £
The net income for the year is stated after charging			
Auditors remuneration	Current year	2,500	2,500
	Other services	3,300	3,350
		<hr/>	<hr/>

**6. TANGIBLE FIXED ASSETS**

	Leasehold Land & Buildings	Equipment	Total
<b>COST OR VALUATION</b>	£	£	£
As at 1 January 2018 & 31 December 2018	4,175,000	11,320	4,186,320
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
Balance brought forward and carried forward	-	11,320	11,320
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
As at 31 December 2018	4,175,000	-	4,175,000
	<hr/>	<hr/>	<hr/>
As at 31 December 2017	4,175,000	-	4,175,000
	<hr/>	<hr/>	<hr/>

<b>7. DEBTORS</b>	<b>2018</b> £	<b>2017</b> £
Prepayments	9,387	9,149
	<hr/>	<hr/>

**ST. STEPHEN'S HOUSE (GLOUCESTER ROAD) LTD  
NOTES TO THE ACCOUNTS - 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	£	£
<b>8. INVESTMENTS</b>		
Investments in CBF Church of England Investment Fund	544,755	534,937
	<hr/>	<hr/>

**9. CREDITORS: Amounts falling due within one year**

Social security and other taxes	12,875	11,932
Accruals	11,344	5,150
	<hr/>	<hr/>
	24,219	17,082
	<hr/>	<hr/>

**10. FUNDS**

	<b>01-Jan-18</b>	<b>Receipts</b>	<b>Payments</b>	<b>31-Dec-18</b>
	£	£	£	£
Unrestricted	4,825,216	-	0	4,825,216
	<hr/>	<hr/>	<hr/>	<hr/>

**11. ANALYSIS OF FUND BALANCES  
BETWEEN THE NET ASSETS**

	<b>Total 2018</b>	<b>Total 2017</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>
	£	£
Tangible fixed assets	4,175,000	4,175,000
Current assets	800,948	667,298
Current liabilities	(24,219)	(17,082)
	<hr/>	<hr/>
	4,951,729	4,825,216
	<hr/>	<hr/>

**12. TRUSTEES' EXPENSES**

No remuneration was paid to trustees during the year. However travel expenses of £331 (2017: £100) were reimbursed to trustees.