

The New West End Company

Report and Financial Statements

Year Ended

31 March 2021

Registered Number 04039488

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The New West End Company

Report and financial statements for the year ended 31 March 2021

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Directors

S M Berendji
T A Courtauld
P Jackson
H C Milward
Sir P Rogers (Chairman)
M C Romero
K Russell
D G Silverman
M Wall
J Patel
J G Raynor
J Patel
J G Raynor
M Shields
S Harding-Roots
P Williams
G Easter

Company secretary and registered office

D Corsi, Heddon House, Regent Street, London, W1B 4JD

Registered number

04039488

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

The New West End Company

Directors' report for the year ended 31 March 2021

The directors present their report together with the audited financial statements for the year ended 31 March 2021.

Principal activity

The New West End Company is a business led partnership working to create a more profitable trading environment for the West End's three famous shopping streets - Bond Street, Oxford Street and Regent Street.

Results and dividends

The profit for the year, after taxation, amounted to £1,474,204 (2020 - £683,489).

The directors do not recommend the payment of a dividend (2020 - £Nil).

Directors

The directors of the company during the year and since the year end were:

S M Berendji
A C Bond (Resigned 15 July 2020)
J R C Cooksey (Resigned 30 June 2021)
T A Courtauld
P Jackson
P A Lorraine (Resigned 3 July 2020)
C H Milward
Sir P Rogers (Chairman)
M C Romero
K Russell
D G Silverman
M Wall
B West (Resigned 30 June 2021)
J Patel (Appointed 16 July 2020)
J G Raynor (Appointed 16 July 2020)
M Shields (Appointed 4 August 2021)
S Harding-Roots (Appointed 24 November 2021)
P Williams (Appointed 24 November 2021)
G Easter (Appointed 24 November 2021)

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The New West End Company

Directors' report for the year ended 31 March 2021 (*continued*)

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 29 November 2021 and signed on its behalf.



Sir P Rogers (Chairman)
Director

The New West End Company

Directors' responsibilities statement for the year ended 31 March 2021

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 Companies Act 2006. 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 New West End Company

Independent auditor's report

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit 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 Companies Act 2006.

We have audited the financial statements of The New West End Company ("the Company") for the year ended 31 March 2021 which comprise the Statement of income and retained earnings, the Statement of financial position, 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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.

The New West End Company

Independent auditor's report (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The New West End Company

Independent auditor's report (*continued*)

Auditor's responsibilities for the audit of the financial statements

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

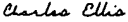
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The New West End Company

Independent auditor's report (*continued*)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

71D0B433DEE2415...
Charles Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

29 November 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The New West End Company

Statement of income and retained earnings for the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover		10,404,182	9,874,070
Other income		113,280	-
Administrative expenses		(8,613,010)	(9,221,130)
Operating profit		1,904,451	652,940
Interest receivable and similar income		16,570	37,714
Profit before tax		1,921,021	690,655
Tax on profit	5	(3,148)	(7,166)
Profit after tax		1,917,873	683,489
Retained earnings at the beginning of the year		3,259,294	2,575,805
Profit for the year		1,917,873	683,489
Retained earnings at the end of the year		5,177,167	3,259,294

The notes on pages 10 to 16 form part of these financial statements.

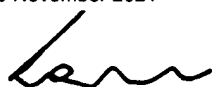
The New West End Company

Statement of financial position at 31 March 2021

Registered number 04039488	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	6		-		10,060
Current assets					
Debtors: amounts falling due within one year	7	1,623,297		1,321,970	
Cash at bank and in hand		6,696,360		4,212,120	
				5,534,090	
Creditors: amounts falling due within one year	8	(3,142,491)		(2,284,856)	
Net current assets			5,177,167		3,249,234
Net assets			5,177,167		3,259,294
Capital and reserves					
Profit and loss account	10		5,177,167		3,259,294
Total equity			5,177,167		3,259,294

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 November 2021



Sir P Rogers (Chairman)
Director

The notes on pages 10 to 16 form part of these financial statements.

The New West End Company

Notes forming part of the financial statements for the year ended 31 March 2021

1 General information

The New West End Company is a private company limited by guarantee and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the company can continue in operational existence for the foreseeable future. As at 31 March 2021, the Company has no debt, cash balances of £6.7 million, and net assets of £5.2 million. As at 31st August 2021 the Company continues to have no debt and cash of £7.6 million. However, in making their assessment the Directors have considered Covid-19.

The Occupier BID Levy and the Property Owner BID Levy ballots had both been won as at 31 March 2021 and the five year term started on 1 April 2021. The occupiers and property owners are legally required to pay the BID levy and the Directors continue to monitor collection levels and bad debts. The Directors will consider all measures, including legal remedies, to recover amounts due. Therefore, the Directors are confident that the collection of revenue for the next year will be sufficient to ensure the Company is a going concern.

The global Covid-19 pandemic has had an impact on the broader retail sector, which has felt the effects of the resultant lock down since March 2020. The Directors believe that the full effects on the UK high street are yet to be fully seen. While the UK started partially re-opening from the beginning of July 2020, a second spike resulted in second national lockdown in November & December 2020. Further lockdowns could add strain on this sector and it could result in increasing bad debts for the Company. The Company has increased its bad debt provision as at 31 March 2021 to reflect the expected bad debt losses based on collection rates to date. The Directors though, do believe that future income, even if reduced as a result of the pandemic's impact on the retail sector and shopping streets, will be sufficient to meet its liabilities as they fall due, as operations could be partially curtailed.

The Directors have prepared a cash flow forecast, expecting a full year of trading in the next twelve months. The forecast assumes that payment profiles are consistent with those previously seen before the pandemic. However, the Directors recognise that there were lower levels of Levy recovered through the past twelve months. Sensitivities including similar and indeed greater shortfalls still indicated sufficient cash without curtailment of services over the coming twelve months.

The Directors have assumed higher than usual bad debts in the next couple of years but the Company has sufficient cash reserves to service the district and serve its members.

The Directors are satisfied that the Company has sufficient resources to continue as a going concern, despite the global Covid-19 pandemic detailed above.

The New West End Company

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

2 Accounting policies

The following principal accounting policies have been applied:

Turnover

Revenue comprises BID levies invoiced by Westminster City Council to business rate payers (occupier and owners) of the New West End Company Ltd together with voluntary contributions, grants, recharges and donations for specific projects. All income stated excluding of Value Added Tax where applicable.

BID levy is recognised once the levy bill has been raised by Westminster City Council in line with operating agreements, Part Four of the Local Government Act 2003 and accompanying Business Improvement Districts (England) Regulations 2004 and is payable by the rate payer. Any amounts received which relates to future accounting periods is deferred and any overpayments are either refunded or accrued for at the balance sheet date.

Specific projects income is recognised on receipt of the funds to the extent that entitlement is not contingent on fulfilling contractual obligations post year-end. Where these obligations are satisfied after the balance sheet date, the income is deferred to later accounting periods.

Other income recognised are voluntary contributions receivable from other projects partners and sponsors and grants from local authority during the financial year and is recognised on receipt. Recharge income is recognised on agreement date.

Other Income

All other income relates to furlough income claimed through the Coronavirus Job Retention Scheme (CJRS).

Functional and presentation currency

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on the following tangible fixed assets in equal annual instalments over the estimated useful lives of assets so as to write off the cost less the estimated residual values over the following periods:

Office equipment - 2 years

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

The New West End Company

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

2 Accounting policies (*continued*)

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The New West End Company

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

2 Accounting policies (*continued*)

Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

Taxation

Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The principal estimate that could have significant effect upon the company's financial results relate to the provision for bad debts. Within the statutory accounts each year, the New West End Company Ltd will provide for an estimate where it is deemed appropriate of the cost of bad debts. In order to calculate this, the following methodology has been used, which is consistent with the prior year, in the past statutory accounts and directors believe this methodology remains still appropriate. As at 31 August 2021, 21% of the current year BID Levy outstanding from the owners and occupiers at 31 March 2021 has since been received.

Age of Debt	Percentage of value to be included in bad debt provision
Current year BID levy	50%
Prior years' BID levy	100%

4 Employees

The average monthly number of employees, including directors, during the year was 20 (2020 – 23).

The New West End Company

Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)

5 Taxation

	2021 £	2020 £
<i>Corporation tax</i>		
Current tax on profits for the year	3,148	7,166
	<hr/>	<hr/>
Total current tax	3,148	7,166
	<hr/>	<hr/>

Factors affecting tax charge for the year

The tax assessed for the year is based on the standard rate of corporation tax in the UK of 19% (2020 – 19%).
The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	1,477,353	690,655
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	280,697	131,224
Effects of:		
Expenses not deductible for tax purposes	1,720,769	1,752,015
Income not taxable for tax purposes (exempt income)	(1,998,318)	(1,876,073)
	<hr/>	<hr/>
Total tax charge for the year	3,148	7,166
	<hr/>	<hr/>

6 Tangible fixed assets

	Office equipment £
<i>Cost</i>	
At 1 April 2020	10,060
Additions for year	
	<hr/>
At 31 March 2021	10,060
	<hr/>
<i>Depreciation</i>	
At 1 April 2020	
Depreciation charge for the year	10,060
	<hr/>
At 31 March 2021	-
	<hr/>
<i>Net book value</i>	
At 31 March 2021	-
	<hr/>

The New West End Company

Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)

7 Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	128,083	272,733
Other debtors	251,817	537,203
Prepayments and accrued income	799,729	512,034
	<u>1,179,629</u>	<u>1,321,970</u>

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,207,927	337,745
Corporation tax	-	7,166
Other taxation and social security	-	8,038
Accruals and deferred income	1,934,564	1,931,907
	<u>3,142,491</u>	<u>2,284,856</u>

9 Company limited by guarantee

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

10 Reserves

The company's reserves are as follows:

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

11 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £48,957 (2020 - £52,816). No contributions were payable to the fund at the reporting date (2020 - £8,038).

The New West End Company

**Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)**

12 Related party transactions

BID Levy income for the year totalled £9,118,967 (2020 - £8,078,477). During the year some directors of The New West End Company had an interest in companies contributing BID Levy income. This income is collected via Westminster City Council's rate demands system and as such all contributions do so on the same basis.

13 Controlling party

The company was under the control of the directors throughout the current and previous period.