



ST JOHN'S HYDE PARK
HYDE PARK CRESCENT
LONDON W2 2QD

ANNUAL REPORT
AND
FINANCIAL
STATEMENTS
OF THE
PAROCHIAL CHURCH
COUNCIL

FOR THE YEAR ENDED
31 DECEMBER 2019

Registered Charity 1132885

**The Parochial Church Council of St John the Evangelist
with St Michael and All Angels, Paddington**

Financial Statements

For the year ending 31st December 2019

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Administrative Information

PCC Members

The under-mentioned persons served on the PCC during the year PCC Meetings
attended

Ex Officio Members

The Reverend Stephen Mason	Incumbent	6/6
The Reverend Daniel Warnke	Stipendiary Assistant Curate (from July)	6/6
The Reverend Margaret Legg	Self-Supporting Assistant Curate	0/6
Neville David	Church Warden	3/6
Ian Smith	Church Warden	6/6
David Fletcher	Deanery Synod Rep	0/6
Chris Skarratt	Deanery Synod Rep	2/6

Elected Members

Dmitrii Babak (to 7 April)		1/2
Andrew Beverley (from 7 April)		2/4
Robyn Broaders (to 7 April)	Minute Secretary	1/2
Esme Daley (from 7 April)	Minute Secretary	4/6
Sven Haase		3/6
David Hughes		6/6
Jazz Mack Smith (to 7 April)		2/2
Ian Nelson	Treasurer	5/6
Gaynor Scruton (from 7 April)		4/4
Samantha Tear		5/6

Bankers: HSBC plc
69 Pall Mall
London SW1Y 5EY

Insurers: Ecclesiastical Insurance
Beaufort House
Brunswick Road
Gloucester GL1 1JZ

Architect: Colin Kerr
Thomas Ford and Partners
177 Kirkdale
London SE26 4QH

Solicitor: Winckworth Sherwood
Minerva House
5 Montague Close
London SE1 9BB

Auditor: TC Group
Statutory Auditor
3 Acorn Business Centre
Northarbour Road
Cosham, Portsmouth
Hampshire PO6 3TH

The church office is situated at St John's Church, Hyde Park Crescent, London, W2 2QD

Incumbent: The Reverend Stephen Mason

Church Administrator: Bryan Sollenberger

2019 Report and Accounts for the Parochial Church Council of St John the Evangelist with St Michael and all Angels, Paddington

The Parochial Church Council (PCC) has pleasure in presenting its report and the financial statements of the Church for the year ended 31st December 2019.

Aims and Purposes

The objective of the PCC is to co-operate with the Incumbent, The Reverend Stephen Mason, in promoting within the Parish the whole mission of the Church: pastoral, evangelistic, social, ecumenical and community building. The Incumbent has the obligation of providing pastoral care to all those resident within the geographical parish, as well as to those who attend services, with specific responsibility for rites of passage.

St John's is an inclusive church – that is, we believe that the Good News is for all people regardless of gender, ethnicity, sexual orientation, socio-economic circumstances or spiritual background. St John's welcomes anyone and seeks to build a congregation that reflects the diversity of the community we serve. We are aware that a number of our parishioners, along with occasional members of our congregation, are of other or no faith but all are welcomed with generosity and hospitality.

Our ministry is centred upon our love and in discipleship of our Lord Jesus Christ. Our primary purpose is to draw people into a deeper relationship with the Divine through Jesus Christ by encouraging people to love God and their neighbour through worship, teaching and social action. We do this through the maintenance of our historic building and by reviewing our ministry and mission within the light of the greater good of the whole community.

Our building is open to the public every day except Saturday for visitors. The building is visited by a modest but steady flow of people from across the United Kingdom and around the world of all faiths and nationalities. The church is on the itinerary of a number of walking tours of London who visit it on a regular basis. The building is also used as a place of private prayer and meditation by individuals who live and work in the local area. In recent years, there have been a number of exhibitions, community consultations, concerts and corporate events for the public to attend.

In 2016, the PCC reviewed and agreed its Ethos Statement.

- St John's Hyde Park is an outward-facing, dynamic church, rooted in a broad Anglican tradition.
- We are proud to be a diverse church community, offering an unconditional welcome to everyone. We are committed to living by our Christian values through this sense of inclusiveness and through a genuine engagement with our neighbours beyond the church walls.
- We are determined to stay dynamic and evolve constantly, striving to be relevant within our local context.
- We will do all we can to ensure St John's becomes even more of a spiritual, physical and social hub for the local community in London W2, its home for over a century and a half.
- We will continue to set ourselves ambitious targets in order to fulfil St John's potential as an inspirational channel for change.

This outlook influences all that we do and our approach to planning services, pastoral care, social events and other activities which we undertake in furtherance of our aims. In all our activities we seek to minister to each one who comes through our doors – to

provide a means to deepen the faith for those who are part of our worshipping community, and to attract and to minister to those who are, at present, outside it.

We detail in the subsequent paragraphs activities undertaken in the course of the twelve months covered by this review in support of these objectives.

The staff and PCC have taken into account the Charity Commission's guidance on public benefit, especially the guidance specifically for charities for the advancement of religion, when planning activities in order to meet this objective.

Objectives and Activities

Church Attendance

The average Sunday attendance was 134 in 2019 (142 in 2018). For the purposes of the Church of England Mission Statistics, some 344 persons attended Church services 318 at Easter (322 in 2018) and 230 on Christmas Eve and Christmas Day (401 in 2018). In excess of 700 attended a carol service during Advent and Christmas. These numbers do not include various other seasonal carol events organised and led by other schools organisations, which attracted considerably more. The number on the parish Electoral Roll at 31st December stood at 163.

Membership of the congregation is diverse, with representation from most socio-economic spectra: gender, ethnicity, age, sexual orientation, political persuasion and religious background. While around 50% are drawn from our ecclesiastical parish, many others travel in from neighbouring parishes and further afield. The international makeup of the congregation means that there is a significant amount of coming and going, reflecting London life in the area with people attending services when they are in town but nonetheless on a regular basis.

Church Activities and Highlights

Sunday worship is our primary focus at St John's. The main service, at 10am, is a choral service with a responsive mass setting most weeks, led by our choir drawn from music colleges in London supported by volunteers and accompanied by organ and, on many Sundays, by from 1-8 musicians. Our aim is for accessible, quality liturgy with good preaching that draws in people, gives them spiritual sustenance, creates space for contemplation and prayer, fosters relationships and provides support as they go back into the world.

The Reverend Dan Warnke completed his first full year as assistant curate and was priested at St Mary's, Stoke Newington, on 30th June and presided at the eucharist for the first time the following Sunday. Dan is enthusiastic and creative and has made a significant contribution to the ministry team. The Reverend Sally Hitchiner, Coordinating Anglican Chaplain and Interfaith Adviser at Brunel University and regular guest on BBC Breakfast news on Sunday mornings, helped out on Sundays when not committed elsewhere. She occasionally preached or presided at the sung eucharist. She was appointed Associate Vicar for Ministry at St Martin-in-the-Fields in the early spring and her last Sunday with us was 31st March, which was marked by an after service reception and presentation.

Social occasions outside of Sunday services reinforce the importance of relationships. These range from: after service receptions of various kinds to small supper parties hosted by the vicar and often another member of staff to the annual tea party for senior members of the congregation to barbecues for members of the Parochial Church

Council to drinks parties for newcomers and, at Christmas, for any who have volunteered at sometime during the past year.

Culture Vulture Ventures, a programme of cultural activities along with a meal, are a key part of our social life and were again very popular in 2019. Initially intended to attract those without children or post-family, they attract a wide range of individuals from across the congregation and beyond. Facilitated by The Reverend Margaret Legg, the programme included a visit to Marlborough House, supporting Fernando Montaña at the Royal Ballet in a performance in aid of the Marine Conservation Society, a private guided walk around St James, a weekend visit to Osborne House on the Isle of Wight, an evening with local broadcaster, author and historian William Shawcross, participating in a game evening at the local Victory Services Club, the musical *Hamilton*, as well as several visits to concerts in support of our choral scholars. Places often go very quickly and it is not unusual for there to be a waiting list.

St John's is partnered with The Church of the Heavenly Rest in New York City. A similar relationship with Kirchengemeinde Halensee in Berlin is in the very early days of exploration.

Children at St John's

Our commitment to children at St John's reflects the value placed on all members of our community. We have a good group of volunteer parents who teach on Sunday mornings. Children explore the gospel reading set by the lectionary and then have time for reflection and prayers as well as an activity related to it. This is an occasion for the children to show and tell the whole congregation what they have learned in Kids' Club towards the end of the service. The older children often have an opportunity to ask a question of members of the clergy relating to the lectionary readings. (This can often be as educational for the adults as for the children.) The clergy make termly visits into Kids' Club, working alongside the leader for that week. Children have their own hospitality area after the service with appropriate refreshments. Children's activities at St John's have attracted lower numbers in recent years due to the continued decrease in the number of families moving into the area as housing costs increase.

Children's workshops took place on Good Friday and St Nicholas. While not attracting the numbers that they once did several years ago, these still remained popular among regular members of Kids' Club.

St John's continues to host local parents running an informal community toddler group on Thursday mornings. After a year or two of very low numbers, this is showing early signs of new growth, which has been encouraging for the organisers.

Adult Education

St John's endeavours to promote Christian education among adults as part of the journey of discipleship of modern parish life. The education programme seeks to promote the application of faith to the issues and challenges of modern life, as well as steeping people into the life of Jesus and the teachings of the Church. There are regular education opportunities throughout the year, the two most regular being monthly groups on Wednesday evenings. Bible Book Club presently meets in church on the first Wednesday of the month to study the gospel lesson for the coming Sunday; it concludes with Compline and prayers. The creatively named Wednesday Group engages in theological reflection on ethical and topical issues of the day.

A series of teaching eucharists took place on Sunday evenings during Lent. These looked at the eucharist in sections and incorporated a body of teaching, followed by opportunity for reflection and questions.

A course during Lent was once again held in conjunction with the Grosvenor Chapel and St George's, Hanover Square. This explored 'calling and sending' through the missionary activities of the Church. While this was valued by those who participated, attendance has significantly decreased in recent years and a review concluded that this would be the last year this continues in its present format.

Confirmation classes run every other year for both adults and young people. The next course is due to run in the spring of 2020 leading to a Confirmation by the Bishop of London in May.

Music at St John's

We are very privileged to have exceptional church singers and musicians at St John's and they contribute a vital role within our worship. Directed by Robert Greenhill and supported by our organist, Nick Miller, and a regular team of musicians, our music programme draws from all musical genres to implement Sunday morning worship, carol services and other special services. The choir is made up of eight choral scholars who are supported by the William Gibbs Religious and Educational Trust.

Liturgical planning is an important part of both clergy and musical leadership life together. Careful thought is given to exploring the liturgical themes and using a wide variety of music. Our Sunday evening St John's *Lates*, which run from November to Palm Sunday, feature Complines, choral evensongs and jazz masses. In addition, our series of four great carol services has become an established part of our calendar in recent years, the newest addition being the Whitsun Carols which last year attracted nearly 100 people.

In November, organist Nick Miller was appointed Director of Music at St Margaret's, Putney, his final service being Epiphany Carols on 12 January 2020. An appointment process was begun for his replacement and an advertisement placed in the *Church Times* in November. A suitable candidate was identified after interviews in December subject to the necessary DBS check being identified and carried out.

Fellowship and Social Life

Worship, education and music are key facilitators in our relationship with God. Equally important are our relationships with one another and providing for the nurturing of them via fellowship opportunities of substance and quality is also a priority at St John's. Almost every service concludes with tea and coffee which is prepared and served by a rota of volunteers. Serving tea and coffee after the service creates a time and space for personal interactions to form and develop. Often these are extended for special occasions – finger food buffets, fizz receptions sponsored by members of the congregation to mark special milestones or to greet or say farewell to members of staff. In addition, we make regular opportunity for special celebrations with sherry, fizz, gins & tonic and seasonal goodies such as mince pies & mulled wine at our Advent Carols and Galettes des Rois and fizzy wine after Epiphany Carols. The clergy value these as times to engage with members of the congregation and, along with the wider congregation, to greet visitors. Where possible, refreshments are sourced from local merchants.

There is a regular programme of social events throughout the year. In addition to after service receptions, in March our choral scholars put on a community choir concert in partnership with the London Nordic Singers and the singers from the Duke of Kendal pub in Connaught Street. Our annual summer barbecue took place on 5th July, held in the gardens behind the church by kind permission of the local residents, as part of the celebrations of the priesting and first Communion of our assistant curate, Dan Warnke. Our annual pub quiz took place in October in partnership with The Victoria pub. Chris Cochran, the landlord, was quizmaster and 10 teams took part in the contest, helping to raise over £1,000. On 29th November, member of the congregation and principal dancer with the National Ballet, Fernando Montaña, with friends gave us a memorable evening of ballet, ballroom and salsa dancing in aid of the Gutter Appeal – Dance for the Roof.

At the vicarage over the summer barbecues were hosted at the vicarage by our Verger, Andrejs Livins for all those on the servers' rota and by the Vicar and Administrator for members of the PCC. Our summer drinks party for members of the PCC, newcomers and members of the local community took place on 11th July and this year also marked the 60th birthday of our administrator, Bryan Sollenberger. The annual Vicarage Tea Party at the beginning of August was put on by the staff for older members of the congregation and the house bound. A drinks party was held as a thank you for those who donated to our Sponsor a Buttreass appeal in 2018/19, raising funds for this year's repayments of our Diocesan loan. A second drinks party was held to raise funds in conjunction with the 'Dance for the Roof' evening. The usual vicarage Christmas drinks party took place on the Friday before Christmas to say thank you to all who have volunteered in some way over the course of the year. The invitation list often exceeds 160 and between 80 and 90 come on the evening.

Social Outreach and Charitable Giving

During the course of the year members of the clergy and congregation were able to assist with the rehousing of two members of the congregation and in one case assisted with supplying suitable furniture and soft furnishing.

The parish supported the Diocese of London's Lent Appeal in aid of the fight against modern slavery. The PCC donated £500 and offset this through a bucket appeal on three Sundays during May.

On Mothering Sunday and at Harvest Thanksgiving members of the congregation were invited to bring gifts that could be redistributed to the poor and needy through the West London Day Centre.

Carol singing around the parish a few days before Christmas visiting a number of local pubs raised funds to purchase two pallets of essential foods weighing one ton each for the Paddington Food Bank.

The parish worked in partnership with a number of external charities and organisations to raise awareness and money for various causes through the events which were hosted in the church. These included Ted's Foundation, Icarus Trust, Campaign to Preserve the Rural Environment and Canal River Trust and other community and faith groups.

St John's, Kensal Green

St John's clergy, at the invitation of the local incumbent, have aided and facilitated an attempt to develop a whole family ministry within this traditional Anglo-Catholic church that finds itself within a changing context as increasingly young families move into the

area. This project was initially inspired by Capital Vision 2020, part of the previous Bishop of London's goal of creating 100 new parishes and congregations.

A mother and toddler group is now well established in its third year. Dan Warnke continues to play an active role on Tuesday mornings. There are occasional meetings among the clergy to discuss and review next steps. During the year it was decided that the time was not yet right to proceed with a second informal and family-friendly service, but that resources could be better used to facilitate a training programme for parents to establish a Sunday school. Dan took an active part in this during October to December attending on Sunday mornings on four occasions. There was much positive feedback from both the St John's, Kensal Green PCC and parents. The impetus for further development must rest for the time being locally, but St John's, Hyde Park staff team will continue to offer support where it can.

Working in Local Schools

Our local voluntary aided primary school, St James & St John, which we share with St James's, Sussex Gardens, is doing well and is increasingly becoming a source of pride. The Head Teacher, Mark Hewitt, and his staff are working very hard to teach core values to the students that reflect the school's vision 'I have come that they may have life and have it in all its fullness' John 10:10. The entire school alternates between St John's and St James's for services three times per term to mark major Christian festivals. Clergy regularly lead collective worship in school and take part in a variety of classroom activities in the different year groups. Recent KS2 results place the school in the top 10 in Westminster and Deputy Head Liam Peters won a Teacher of the Year award last year. The Vicar served as Vice Chair of the Board of Governors during most of the year and Chris Lees was appointed by the PCC to be a Foundation Governor.

In addition, St John's works in partnership with a number of other local schools through hosting events for Connaught House School, Southbank International School, Queen Anne's School and Winchester House School.

Working in the Community

St John's takes seriously its role helping to foster wider community development on the Hyde Park Estate. It has a ministry of hospitality in hosting a variety of groups in its building including various twelve step groups, a parent and toddler group, the Hyde Park Estate Association, a Russian language school and other local amenity groups and residents' associations.

The Vicar and churchwardens are *ex officio* trustees for the William Gibbs Religious and Educational Trust. The Vicar liaises on its behalf with local schools and educational projects to facilitate the grant-making process.

The vicar acts as a mentor for new incumbents in the diocese as part of the Diocese of London mentoring programme. He is both a participant and a review facilitator in the Continuing Ministerial Development Review programme for the Diocese, facilitating the annual professional review of clergy. In addition he acts as one of the Bishop's Surrogates for issuing Common Licences for marriage. He is an elected member of the Hyde Park Estate Association executive committee and the Hyde Park and Paddington Forum steering group. He attends the Hyde Park Neighbourhood Ward Panel along with Westminster City Council's LGBTQI Forum. The administrator, vergers and assistant curate represent him at some of these meetings from time to time.

Safeguarding

St John's fully embraces the need to create a safe environment for ministry amongst all people, especially children and vulnerable adults, and continues to be aware of the importance of safeguarding, training and appropriate DBS checking where necessary. While safeguarding has always been important in terms of our children's ministry, we are increasingly aware of the need to expand this into other areas of church life within the current changing environment nationally. Considerable resources are being used in order to be familiar with the growing need across the entire spectrum of activities such as policies, procedures, information and communication, DBS checks and safeguarding training. We are aware that this can be challenging and that advice and guidance are sometimes confusing and changing, but members of the Parochial Church Council are determined to get this right and to work towards providing as safe an environment as possible for children and vulnerable adults in all areas of ministry. During the year clergy have been working through the House of Bishop's Parish Safeguarding Handbook and are in the process of reviewing our policies and procedures. Taking recommended actions will have a significant impact on our life at St John's. Initially we have identified the following areas to address:

- making sure that we remain compliant with regard to publicising on both the website and church notice board safeguarding policies and officers for the parish, the diocese and the local authority
- that the correct information is available on where advice may be sought
- making sure that DBS checks are kept up-to-date
- undergoing risk assessments for all events
- beginning the process of ensuring that all members of the PCC, children's activities workers, servers, welcomers, caretakers, refreshment helpers, sidespersons, administrative staff, choir & music group members are offered adequate training in safeguarding to basic awareness. We are still in the process of taking advice on whether or not this is mandatory or merely recommended.
- agreeing a statement on domestic abuse
- appointing a domestic abuse contact person and ensuring that adequate contact details are available on our noticeboards and website

We are aware that full implementation may take some time but is important. This will add a significant administrative impact on the parish as we embrace continuously evolving requirements and good practice.

Assessing the correct level of DBS check for an individual can be complex and obtaining the right advice can take time and is now part of modern requirements in modern ministry.

Strategic Development

Signposted by the parish Mission Action Plan, the vicar and administrator meet quarterly to plan and evaluate strategic objectives for the year within a three-year cycle. In addition, they meet on a weekly basis on Monday mornings prior to full staff meetings on Monday afternoons. The vicar meets with all members of staff regularly for supervision and planning and with the assistant curate for theological reflections following the curriculum which is part of diocesan Post-Ordination Training.

An annual staff away day was held at The Old Deanery this year in September, with the Bishop of London graciously presiding at a lunchtime eucharist. A further half-day

looking at church growth was held in December. The full staff team, through the kind generosity of a member of the congregation, had a Shrove Tuesday lunch. The four core members of the staff team – the Vicar, Administrator, Director of Music and Verger – usually meet together approximately once a term.

New PCC members have an induction evening followed by dinner shortly after their election and summer barbecues are held in July. Churchwardens' training was initiated during the year along with informal quarterly meetings with the vicar.

Fabric Development

At the beginning of the year, the Church Commissioners completed the installation of floodlighting of the west face of the church, which was begun in 2018. The installation was to mark 150 years of managing the Hyde Park Estate. It was also part of a plan in partnership with Westminster City Council to illuminate buildings of interest along a walking route from Paddington Station to the West End.

A five-yearly electrical inspection of the church and hall took place in January. A number of items were discovered needing rectification. As the costs involved to bring the system up to standard will be approximately £35,000, it was agreed to undertake them in three phases. The first phase of works, dealing with the main infrastructure in the basement, was undertaken in November. The second phase will be tackled in the spring of 2020.

Following the advice of our architect, Colin Kerr, safety works were carried out above the side aisles on the north and south side of the church. This entailed restoration of the electric lighting, extension of the handrails at the entrances and replacing the narrow planks with a wider, more stable walkway.

A routine 5-yearly quinquennial inspection was carried out by our architect in May. Ian Smith, churchwarden, and the vicar were also in attendance. As yet, the PCC has not received his report.

A defects inspection of the works carried out in 2017 was undertaken in October 2019. No defects were found.

A programme of monthly roof cleans was carried out throughout the year along with annual maintenance of the fire safety equipment, clock, gas central heating facilities and roof safety system.

Statement of Parochial Church Council Responsibilities

The PCC is responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the church and of the incoming resources and application of resources for that period. In preparing those financial statements the PCC is required

- a) to select suitable accounting policies and then to apply them consistently;
- b) to observe the methods and principles in the Charities SORP;
- c) to make judgements and estimates that are reasonable and prudent;

- d) to state whether the policies adopted are in accordance with the appropriate Statement of Recommended Practice (SORP) on Accounting by Charities and the Accounting Regulations and applicable accounting standards, subject to any material departures disclosed and explained in the financial statements and
- e) to prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue.

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the church and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice on Accounting and Reporting 2015 (FRS 102). It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Financial Review

Overall, the PCC's Balance Sheet improved from £113,231 to £163,008 – an increase of £49,777.

For the first time in many years, the PCC ran a deficit in the General Fund before making any appropriations to reserves. In order to build up their reserves the PCC budgets to make a surplus, this year, of £20,000. Normally, £10,000 is put aside into the Church Maintenance Reserve to help fund major building projects. In 2019, they also budgeted to add £5,000 to the Ministry Reserve, which funds the costs of the assistant curates should there be a lean year, and £5,000 to a Staff Accommodation Deposit Reserve. This is a new reserve which reflects the need for the parish to become more self-reliant at housing staff. (See the section on Reserves Policy below for further information on this.)

The General Fund was affected by several significant changes from previous years. On the negative side, the number of special services – weddings, baptisms, blessings after civil marriage, funerals & memorial services – fell drastically from 18 in 2018 to 3 in 2019. While we are pleased that there were fewer deaths in the parish during the year, the significant decrease in weddings and wedding blessings reflects changes in Diocesan safeguarding policy. In addition to weddings from the congregation and local community, St John's has traditionally facilitated weddings and celebrations after civil marriage of couples from other churches that have used our building in the past, along with other members of their wider community. As a result, a number of such ceremonies involved a minister from another church taking part in the service. The Diocese of London now requires all such clergy and pastors to be DBS checked and for the certificate to be seen or for a permission to receive to be obtained from the Bishop of London's office. This is often no longer possible, especially where the pastor or clergy person comes from another country; as a result, these couples are deserting the church in favour of hotels and other wedding venues where no such checks are required. This has particularly hit St John's as often it leads to the fostering of long-standing relationships with these couples.

A second factor on the General Fund deficit was a situation that arose in one of the staff flats when a member of staff separated from his partner. He gave notice and moved out of the flat with effect from the end of March, but his partner remained in the flat. Despite attempts by the Vicar and one of the Churchwardens to find a resolution that would be pastorally appropriate yet reflect the needs of the PCC to safeguard its financial

interests, every attempt was rebuffed and the PCC had little option but to serve notice to regain possession of the flat. Notice was served in November, which would run until 1st February. It was hoped that the individual in question would leave the premises voluntarily but it is expected that further court action may be required. The occupant has paid no rent since April.

On the positive side, the income from use of the church and hall by external groups rose to £104,446 from £79,498 the year before, an increase of 31%. This reflects much success in promoting and facilitating the church as a venue by our events manager, Andrejs Livins, especially in December when the number of seasonal and fund raising services increased dramatically.

Parish giving remained strong and Gift Aided giving was up by £7,450 (8.4%).

Major works to repair the high level masonry and gutters were carried out in 2017 and the PCC has been working hard to repay the loan from the Diocese of London of £200,000 taken out in order to make the final payments for the works. By the end of 2018 the balance outstanding had been reduced to £94,000. Towards the end of 2018, a Sponsor a Buttress campaign had been launched to raise £50,000. This target was met in early March. A Rainy Day Appeal, suggesting sponsorship of a meter of guttering at £250/meter, was launched in the autumn of 2019 to raise the next round of repayments. Over the course of the year the parish was able to make repayments of £54,000, reducing the outstanding balance to £52,000. It is hoped to repay the loan in full in 2020. The generosity of the parish along with well sponsored fund raising events such as a quiz evening and a community choir concert helped us to achieve this and a drinks party was held in November for all those contributing.

Following a decision in the autumn of 2018, all staff at St John's, full time and casual staff employed directly or subcontracted staff, were paid the London living wage from 1st April. Where possible, St John's seeks to pay above this as a matter of course.

Payments to the Diocese

The standard parish cost for 2019 was £82,800. The PCC agreed a further contribution to Common Fund, from which clergy stipends and costs are paid, of £7,800 for a total contribution of £90,000. In addition, £55,571 was paid to the Diocese to cover the costs of our assistant curates.

Loan repayments of £54,000 were also made during the year.

Total payments to the Diocese of London for 2019 amounted to £150,571.

Reserves Policy

The PCC completed a review of its Reserves Policy in February. The review was carried out in the context of remarks made by Diocesan representatives and the Archdeacon of London's Head of Operations about our level of reserves in general as well as in light of our wish to take on another curate and their concern about our ability to continue to pay their costs.

The concerns of the Diocese were:

- the low number of years remaining on the lease for the mews house in Archery Close, used to accommodate assistant curates
- that our overall level of reserves was low for a parish of our size

- that they would like to see a greater level of ministry reserve to ensure that we could fund the full costs of having a curate for three years
- that PCC be moving towards procuring long-term housing for curates rather than relying on short term rollover leases which could be revoked on short notice

The PCC understood the reasoning behind the Diocese's concerns but was aware that increasing reserves would mean large amounts of cash being held at a time when interest rates were exceptionally low. They also noted that we had always covered our financial obligations in full and largely without recourse to existing reserves. The existing policy provided reserves for the general running of the church, for covering ministry costs such as those of a curate, to provide for music and for capital repairs to the church and to staff housing. While considering the targets in these areas, a new reserve for building up a deposit for a staff house was incorporated into the policy.

The PCC budgets to put £10,000 each year in the Church Maintenance Reserve. As it spent more than this on the improvements for safe access to the roof voids and to the electrical system, it was decided not to add to this reserve in 2019. While budgeting to set aside £5,000 each to the Ministry and Staff Accommodation Reserves, the deficit in the General Fund did not permit this. In this context, the £5,595 deficit therefore was actually £15,995.

Structure, Governance and Management

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and is a charity registered with the Charity Commission for England and Wales.

The appointment of members to the PCC is governed by and set out in the Church Representation Rules. New members to the PCC as well as churchwardens undergo an induction to brief them on their legal obligations under Church Law, the content of the Constitution, the Council and the decision-making processes, and the recent performance of the Church.

Organisation

The PCC meets regularly throughout the year and there are committees to which there are delegated specific duties. In 2019 these committees comprised:

Building	Education
Communication	Liturgy
Congregational Giving	Standing Committee

The Standing Committee is the only committee required by law. It has power to transact the business of the PCC between its meetings subject to any directions given by the Council. Members of the Standing Committee comprise the Vicar, Church Wardens, Deputy Church Wardens and Treasurer. There is an open seat on Standing Committee for one member of the PCC to attend each meeting on the proviso that they give prior notice. The full PCC met six times during the year. The Standing Committee met seven times during the year.

Risk Management

The PCC is aware of the risks to which it is exposed and regularly considers how it might mitigate them. Key areas of risk are:

a. Financial Risk

Each year the PCC budgets carefully and prudently. Donations from parishioners and collections at services are all voluntary and the clergy and staff team work hard at creating an atmosphere of welcome and inclusivity that is in line with the PCC's ethos. Planned and tax efficient giving is promoted regularly in a variety of ways and clergy and staff have been creative at encouraging donations in support of events and activities at special services.

The PCC's Financial Risk Policy sets methods for recording cash collections, financial planning and reporting and secure handling of cash in order to protect those handling cash and to reduce the risk of fraud. A review of this policy was completed in February. A new section on Online Banking was added to the policy.

A sizeable proportion of income is derived from outside sources – hire of the church, parish hall and crypt, parking revenues, trust grants and ad hoc donations. The PCC is aware of the potential link between the strength of the local economy and use, in particular, of the forecourt by commercial firms working on local premises. This diversity of income streams helps to minimise the exposure to risk in any one category and makes it possible to draw upon the wider community for financial support. Use of the church by outside groups and individuals for concerts, lectures, receptions and community consultations has been increasing in the past few years. The welcome development of this additional income stream has been a significant factor in enhancing the financial well being of the parish. The PCC are very appreciative of the efforts of Andrejs Livins, the building manager, at looking after these events as well as the involvement of the Vicar and Administrator for their support in staffing such events and contributing to the success of this source of income.

As interest rates continue to remain at their lowest levels in decades and with inflation forecast to rise in the medium term, the PCC is aware of the risk of a decrease in value of its reserves. The volatility of the stock market makes it unsuitable as a short-to-medium-term investment instrument. Property would be more suited to maintain the value of the Council's reserves. It would give the PCC greater ability to house staff as well as provide a better return on its reserves. To begin working towards this end, a new reserve, Staff Housing Reserve, was added to the revised Reserves Policy.

b. Statutory and Legal Risks

Charities operate in an increasingly regulated context. St John's is an employer and, although falling below the threshold for some legislation, still has regard for employment legislation. All staff are paid at least the London living wage.

c. Operational Risk

As a building open to the public, we are mindful of our health & safety responsibilities and take advice on a range of issues from disabled access to fire and electrical safety. Proper care for children is a high priority and the PCC reviews its Safeguarding Policy annually to ensure that our younger parishioners and those at risk are looked after in a safe environment and that those who look after them are adequately trained and supported.

The PCC has an appropriate insurance policy with Ecclesiastical Insurance. This is reviewed periodically to ensure that the sums insured are adequate and a review was conducted in 2019.

The last electrical inspection had taken place in 2013. In 2018, the PCC instructed Red Electrical Service Ltd to carry out an inspection. This took place in January 2019.

Clergy and Staff Housing

The Vicarage at 18 Somers Crescent forms part of the Vicar's freehold. While being maintained by the Diocese of London, the parish is responsible for internal decoration and any improvement works. The PCC budgets £1,500 annually for redecoration works.

The parish has leases on two additional properties from the Church Commissioners which may be used for the accommodation of clergy and other members of staff. Robert Greenhill, our Director of Music, occupies the first floor flat at 12a Connaught Street. As our assistant curate has his own house, a third property has been returned to the Church Commissioners but which will be made available again to the parish for the next member of staff.

23 Archery Close is available for housing staff on a long lease. In 2019, Margaret Legg, our non-stipendiary priest, was having renovations carried out on her flat and it was agreed that she could occupy the house in Archery Close while the works were being carried out. She resided there until August, when her renovations were completed.

The PCC also leased the first and second floor maisonette at 11 Star Street and further information about this was included under the Financial Review.

Looking Ahead

St John's continues to be aware of the changing demographics and developments within and just outside the parish and the need to be flexible and responsive to these changes. Over the coming 10 years, there are likely to be considerably more commuters working in the area or passing through, as well as an increase in the number of local residents who are likely to be young professionals and those over the age of 55 rather than young families.

The PCC is aware that the success of St John's has rested on there being curates to assist the vicar, as well as lay staff, but these will need to be housed. It is increasingly hard for lay staff to find accommodation at a reasonable cost and the lease on the mews house in Archery Close has less than 20 years to run. Therefore, we need to develop a strategy to secure future accommodation for curates and maybe lay staff as well. To this end, the PCC will continue to contribute to a property reserve which, while modest at this stage, is a start.

The present assistant curate lives in Deptford and we are embracing the experience of working with a curate who lives outside the parish in order that we might explore whether this might be a pattern for future ministry.

In 2017, the parish took out a loan from the Diocese in order to complete high level building repairs. Repayment is over five years. In 2019, an appeal was launched to pay that year's instalments. By the end of the year this had raised £27,000 towards a target of £40,000. It is hoped that the target will be reached early in 2020. Repayments are ahead of schedule and it is hoped that we will be able to make a final repayment by the end of 2020 or early 2021.

The quinquennial inspection carried out during the year, for which the report has not yet been received, may carry considerable costs to fund what we hope will be a number of modest projects. We are aware that these will need to be financed over the coming years.

Repair and maintenance of St John's involves a considerable commitment of time and resources and, while we are proud of our achievements of creating a modern worshipping and community space, sometimes its maintenance can feel overwhelming. There is a desire to be able to channel more resources into mission and ministry as we rise to the challenges of the changing context within which we find ourselves and the need to continue to grow the congregation. This will require a rechannelling of clergy time and financial resources when time allows. In the meantime, we strive to maintain all aspects of our ministry while constantly reviewing their appropriateness. During the coming year we will be reviewing our programme for Lent in terms of both the educational discussion groups and special services and experimenting with a new carol service-style service for Lent.

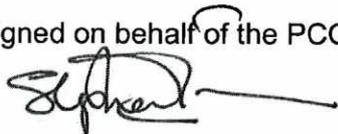
St John's is in good heart and will face the future enthusiastically in a changing world as it has done in previous decades since Cuthbert Scott reopened the church in the 1960's.

At the time of approving the financial statements, the charity is affected by the UK Government's lockdown measures in respect of the COVID-19 pandemic. St John's, Hyde Park continues to operate during this period within the social distancing restrictions imposed by the UK Government. Standing Committee has met monthly to assess the financial situation and risk to the parish especially relating to income generation and payment of staff. Consequently, the budget has been revised several times and adjusted to reflect the changing circumstances. The Vicar and Administrator have been applying for various grants to help with the financial situation. Services on Sunday mornings and evening Prayer Monday to Friday have been livestreamed. Other events have taken place weekly via Zoom - after service coffee and midweek coffee mornings, a children's music workshop, quiz evening and Wednesday Club Bible Study. Staff have continued to work from home throughout the lockdown period. The congregation have been very supportive financially, keeping congregational giving on budget. Clergy and staff have kept in regular contact with vulnerable parishioners and the verger has undertaken shopping runs and other errands on behalf of those unable to get out. Early on Standing Committee felt it appropriate to continue to pay staff and to support them throughout this time, especially our self-employed staff. Use of the forecourt was affected significantly early in lockdown, but after first construction workers and then other professions were allowed to return to work, bookings returned to nearly normal. The clergy have been liaising with our primary school, St James and St John, as they reopened at the beginning of June. In preparation for reopening the church for private prayer, risk assessments were carried out and appropriate cleaning procedures implemented. The PCC are regularly assessing their financial circumstances and are confident that they have the strategies and adequate resources to contend with the additional difficulties that arise from the COVID-19 pandemic responses during 2020.

Auditors

TC Group were first appointed to audit the 2013 financial statements after a review of our audit procedures. They were reappointed to audit the 2019 financial statements.

Signed on behalf of the PCC by



The Reverend Stephen Mason, Chair
2nd July 2020

Independent Auditor's Report to the Parochial Church Council of St John the Evangelist with St Michael and all Angels

Opinion

We have audited the financial statements of the Parochial Church Council St John the Evangelist with St Michael and all Angels for the year ended 31 December 2019, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes on pages 22 to 35. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 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 requirements of 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 Parochial Church Council members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Parochial Church Council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditors report thereon. The Parochial Church Council members are responsible for the other information. 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 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 financial statements is inconsistent in any material respect with the other information; 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 the Parochial Church Council members

As explained more fully in the Statement of Parochial Church Council Responsibilities the Parochial Church Council members are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Parochial Church Council members 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 Parochial Church Council members are responsible for assessing the church'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 Parochial Church Council members either intend to liquidate the church 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 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 auditors' report.

This report is made solely to the Parochial Church Council of St John the Evangelist with St Michael and all Angels, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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 charity and the Parochial Church Council as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

James Blake FCA
For and on behalf of
TC Group
Statutory Auditor
Office: Portsmouth

Date: *14 October 2020*

TC Group is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

St John the Evangelist with St Michael and All Angels, Paddington

Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ending 31st December 2019

	Unrestricted Funds £	2019 Restricted Funds £	Total £	2018 Total £
Income from:				
Donations and Legacies	334,801	11,125	345,926	358,301
Charitable Activities	91,513	0	91,513	119,703
Other Trading Activities	112,210	0	112,210	94,229
Investments	27	0	27	129
Total Income	538,552	11,125	549,676	572,362
Expenditure on:				
Raising Funds	34,682	0	34,682	23,338
Charitable Activities	448,155	11,963	460,118	461,073
Other	5,100	0	5,100	4,924
Total Expenditure	487,937	11,963	499,900	489,335
Net Income/(Expenditure)	50,615	(838)	49,777	83,027
Transfers between Funds	0	0	0	0
Net Movement in Funds	50,615	(838)	49,777	83,027
Reconciliation in Funds				
Total funds brought forward	31,430	81,801	113,231	30,204
Total funds carried forward	82,045	80,963	163,008	113,231

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

St John the Evangelist with St Michael and All Angels, Paddington

Balance Sheet

Year Ending 31st December 2019

	2019 £	2018 £
Fixed Assets		
Tangible Assets	2,498	5,620
Current Assets		
Debtors ¹	36,282	27,710
Cash at bank and in hand ²	237,404	260,270
Creditors: Amounts falling due within one year ³	(61,176)	(74,369)
London Diocesan Fund loan due in 2019	(13,000)	(25,000)
Net current assets/(liabilities)	199,510	188,611
Long Term Liabilities		
London Diocesan Fund loan	(39,000)	(81,000)
Net Assets	<u>163,008</u>	<u>113,231</u>
Charity Funds		
Restricted Funds ⁴	80,963	81,801
Unrestricted Funds		
General Funds	(1,746)	1,255
Ministry Reserve	34,358	29,358
Clergy Accommodation Maintenance Reserve	30,453	30,453
Church Maintenance Reserve	34,505	71,910
Rainy Day Appeal Funds	27,021	0
Vestments	4,454	4,454
Development Funds	(52,000)	(106,000)
Staff Accommodation Deposit	5,000	0
Total Unrestricted Funds	82,045	31,430
Total Charity Funds	<u>163,008</u>	<u>113,231</u>

The financial statements were approved and authorised for issue by the Parochial Church Council on 10th June 2020.

Signed on behalf of the Parochial Church council

Ian Nelson

Ian Nelson, Treasurer
2nd July 2020

The notes on pages 30-35 form part of these financial statements.

St John the Evangelist with St Michael and All Angels, Paddington

General Fund Income & Expenditure

Year Ending 31st December 2019

SOFA		2019	2018
<u>Headings</u>	<u>INCOME</u>	£	£
Donations	Donations Eligible for Gift Aid	93,658	86,208
and	Envelopes	937	798
Legacies	Non-Taxed Pledges	3,120	3,730
	Tax Refund	27,097	26,279
	General Collections	6,669	9,753
	Other Donations	71,487	77,081
	Alms	1,010	686
	Fellowship	2,216	1,816
	Special Clergy Services	2,246	0
	Church Commissioners	18,000	9,000
	Trust Grants	40,000	30,750
	Voluntary Trust Admin Contribution	9,250	9,250
		275,689	255,351
Charitable	Special Services	2,318	21,025
Activities	Hire of Church	76,134	63,343
	Hire of Hall	28,312	16,155
	Other Rents	5,447	19,180
		112,210	119,703
Other	Forecourt Income	35,721	38,264
Trading	Nursery School Rent	37,217	37,425
Activities	Crypt Rent	18,575	18,540
		91,513	94,229
Investments	Interest	27	129
	TOTAL INCOME	479,440	469,412
	TOTAL EXPENDITURE	(485,035)	(459,282)
	SURPLUS/(DEFICIT) FOR YEAR	(5,595)	10,130
	DESIGNATED RESERVES USED:		
	from Planned Maintenance Reserve		681
	SURPLUS/(DEFICIT) INCORPORATING USED RESERVES	(5,595)	10,811
	DESIGNATIONS TO RESERVES		
	to Church Maintenance Reserve	0	(10,000)
	SURPLUS/(DEFICIT) AFTER DESIGNATIONS	(5,595)	811

St John the Evangelist with St Michael and All Angels, Paddington

General Fund Income & Expenditure

Year Ending 31st December 2019

SOFA		2019	2018
<u>Headings</u>	<u>EXPENDITURE</u>	£	£
Raising Funds	Forecourt Expenditure	3,142	2,431
	Events Costs	30,442	20,907
		33,584	23,338
Charitable Activities	London Diocesan Fund	90,000	89,000
	Additional Clergy Costs	55,571	46,767
	Vicar's Expenses	11,116	13,827
	Additional Clergy Expenses	1,629	5,004
	Rents Payable, Running Costs	32,166	36,623
	Vicarage – Routine Maintenance	0	2,329
	Children's Church Leader	0	200
	Children's Education	315	537
	Adult Education	75	872
	Kensal Rise Plant	150	487
	Director of Music	16,293	15,620
	Music Expenses	39,593	36,068
	Fellowship	13,863	14,690
	Special Clergy Services	1,612	0
	Altar Requisites	2,414	3,834
	Light, Heat & Insurance	15,031	14,444
	Cleaning	9,695	11,045
	Grounds	1,666	2,131
	Repairs & Maintenance, incl Quinquennial	22,593	10,986
	Printing & Publicity	3,073	2,654
	Administrative Staff	51,026	48,263
	Verger	25,229	23,733
	Staff Pension Contributions	21,759	25,350
	Catering Staff	2,913	2,281
	Office Expenses	12,956	8,308
	Equipment	179	3,481
	Depreciation	3,122	3,122
	Miscellaneous Expenses	4,279	2,965
	Professional Fees	8,033	0
		446,352	431,020
Other	Audit Fee	5,100	4,920
	Bank Charges	0	4
		5,100	4,924
TOTAL EXPENDITURE		485,035	459,282

St John the Evangelist with St Michael and All Angels, Paddington

Development Fund Income & Expenditure

Year Ending 31st December 2019

	2019	2018
	£	£
<u>INCOME</u>		
Congregational Donors	45,057	18,800
Gift Aid on Donations	7,096	2,378
Fund Raising Events	6,958	0
VAT Grants	0	1,153
Other Grants	<u>0</u>	<u>62,500</u>
TOTAL INCOME	59,111	84,831
<u>EXPENDITURE</u>		
Events Costs	1,098	0
Loan Interest	<u>1,804</u>	<u>4,027</u>
TOTAL EXPENDITURE	2,902	4,027
SURPLUS/(DEFICIT)	56,209	80,804
Transfer from Church Maintenance Reserve	0	13,196
Loan Repayments to the Diocese of London	(54,000)	(94,000)
Transfer from PCC Designated Development Funds	<u>0</u>	<u>0</u>
SURPLUS/(DEFICIT)	2,209	0

St John the Evangelist with St Michael and All Angels, Paddington

Organ Fund Restricted Income & Expenditure

Year Ending 31st December 2019

	2019	2018
<u>INCOME</u>	£	£
Donations	3	235
Fund Raising Events	<u>0</u>	<u>1,000</u>
TOTAL INCOME	3	1,235
<u>EXPENDITURE</u>		
Events	100	0
Professional Fees/Recitals/Concerts	0	1,568
Project Co-ordinator's Fees & Bonus	0	2,500
Organ Consultant's Fees & Bonus	(800)	940
Other End of Project Bonuses	0	2,000
Organ Tuning & Maintenance	<u>1,771</u>	<u>2,436</u>
TOTAL EXPENDITURE	1,071	9,444
SURPLUS/(DEFICIT)	(1,068)	(8,209)
BALANCE BROUGHT FORWARD	<u>11,494</u>	<u>60,417</u>
BALANCE CARRIED FORWARD	10,425	52,208
Transfer to Church Maintenance Fund Costs of additional roof works to protect the organ during 2017		(40,714)
Balance Carried Forward after Transfer	10,425	11,494

St John the Evangelist with St Michael and All Angels, Paddington

Other Restricted Income & Expenditure

Year Ending 31st December 2019

<u>INCOME</u>	2019 £	2018 £
Charities Income	1,232	1,713
Flower donations	1,527	2,522
Under 5's	338	203
Music Donations – Director of Music	695	1,750
Music Donations – Singers & Musicians	1,110	5,306
Mary Poppins Schools Project	5,000	3,625
Clergy Leaving Purse	<u>815</u>	<u>1,765</u>
TOTAL INCOME	10,717	16,884
<u>EXPENDITURE</u>		
Charitable Donations	1,232	1,713
Flower Expenses	1,527	2,522
Under 5's Expenses	338	203
Music Expenditure – Director of Music	695	1,715
Music Expenditure – Singers & Musicians	880	5,040
Mary Poppins Schools Project	5,000	3,625
Clergy Leaving Purse	<u>815</u>	<u>1,765</u>
TOTAL EXPENDITURE	10,487	16,583
SURPLUS/(DEFICIT)	230	301
BALANCE BROUGHT FORWARD	<u>70,306</u>	<u>70,005</u>
BALANCE CARRIED FORWARD	70,536	70,306

St John the Evangelist with St Michael and All Angels, Paddington

Statement of Cash Flows

Year Ending 31st December 2019

	2019 £	2018 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	31,134	119,947
Cash flows from financing activities:		
Cash flows from new borrowings	0	0
Repayment of borrowings	(54,000)	(94,000)
Net cash provided by (used in) operating activities	<u>(22,866)</u>	<u>25,947</u>
Change in cash & cash equivalents In the reporting period	(22,866)	25,947
Cash and cash equivalents at the beginning of the reporting period	260,270	234,323
Cash and cash equivalent at the end of the reporting period	<u>237,404</u>	<u>260,270</u>
 Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds for the reporting period (as per the SOFA)	49,777	83,027
Adjustments for:		
Depreciation charges	3,122	3,122
(Increase)/decrease in debtors	(8,572)	38,038
Increase/(decrease) in creditors	(13,193)	670
(Purchase)/sale of fixed assets	0	(4,910)
Net cash provided by (used in) operating activities	<u>31,134</u>	<u>119,947</u>
 Analysis of cash and cash equivalents		
Cash in hand	237,404	260,270
Notice deposits	0	0
Total cash and cash equivalents	<u>237,404</u>	<u>260,270</u>

St John the Evangelist with St Michael and All Angels, Paddington

Notes to the Financial Statements

Year Ending 31st December 2019

a) General information and basis of preparation

The Parochial Church Council of St John the Evangelist with St Michael and All Angels, Paddington is a registered charity with the Charity Commission for England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are, in co-operation with the vicar, promoting within the Parish the whole mission of the Church: pastoral, evangelistic, social, ecumenical and community building.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant policies applied in presentation of these financial statements are set out below. These policies have been consistently applied to all years present unless otherwise stated.

b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of church members.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been

met, the amount can be measured reliably and it is probable that the income will be received. For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity; however, it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes rates and other costs appropriate to that activity, including costs incurred in fundraising and appeals;
- Expenditure on charitable activities includes all costs incurred in fulfilling the church's objectives, together with any costs in support of these. This category includes costs normally considered support costs but because the building and staff are integral to fulfilling our objectives, they are included here.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

e) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Equipment – 3-5 years on a straight line basis
- Grand piano – 10 years on a straight line basis

Consecrated and beneficed property is not included in the accounts in accordance with s.10(2)(a) and (c) of the Charities Act 2011. Movable church furnishings held by the Vicar and Churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property. They are listed in the church's inventory which can be inspected (at any reasonable time). For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Subsequently no individual item has cost more than £1,000 so all such expenditure has been written off when incurred.

f) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

g) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

h) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

i) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

j) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

k) Subsequent Events : COVID-19

At the date of approval of these financial statements the UK, like many other countries, is affected by the COVID-19 pandemic which is having a significant detrimental impact on the social and financial economies of the world. The UK government have announced measures to contain the spread of COVID-19, but which have a significant detrimental impact on the operations of the church. Although the UK government has also made financial support available to assist most organisations during this period, there is uncertainty over the duration of the COVID-19 pandemic and its ongoing impact on the charity. These factors and any future policy announcements by the UK government are largely outside of the control of the PCC, but could have a significant impact on the charity for the forthcoming period throughout 2020.

As set out in the Statement of Parochial Church Council Responsibilities Statement on pages 12 to 13, in preparing these financial statements the PCC are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate. In satisfaction of this responsibility the PCC have considered their expectations for the charity over the next 12 months and the charity's ability to meet its liabilities as they fall due, based upon the information available to the PCC at the date of these financial statements.

At the time of approving the financial statements, the charity has significant cash reserves of £163,008, which the charity calculates is sufficient to cover the operating costs of the charity for a period of at least six months. In addition, the charity has strategies planned to address potential significant changes to its incomes during the forthcoming period, should the charity experience a significant change in its incomes. The PCC therefore have a reasonable expectation that the charity has adequate resources to contend with the uncertainties that may arise as a result of the UK Governments ongoing strategies for tackling the COVID-19 pandemic, and to continue in operational existence for the foreseeable future. Thus the PCC continues to adopt the going concern basis of accounting in preparing the financial statements.

Accordingly, the financial statements are prepared on a going concern basis, under which assets are recovered and liabilities repaid in the ordinary course of activities. The accompanying financial statements do not include adjustments that would need to be made in the case the charity was unable to continue as a going concern, should the assumptions referred to above subsequently prove to be invalid.

<u>¹Debtors</u>	2019	2018
	£	£
Sundry Debtors	5,832	11,683
Income Tax Recoverable	<u>30,452</u>	<u>16,027</u>
TOTAL	36,284	27,710
<u>²Cash at Bank and in Hand</u>		
General Fund	203,603	224,598
Petty Cash	120	120
Special Purposes Account	<u>33,681</u>	<u>35,552</u>
TOTAL	237,404	260,270
<u>³Amounts Falling Due within One Year</u>		
Sundry Creditors	42,076	66,846
Rent Deposits	1,000	2,603
Audit Fee	5,100	4,920
Diocesan Loan	<u>13,000</u>	<u>25,000</u>
TOTAL	61,176	99,369
<u>⁴Restricted Funds</u>		
Memorial Garden	3,834	3,834
Music	65,460	65,229
Vestments	1,244	1,244
Organ Fund	<u>10,425</u>	<u>11,494</u>
TOTAL	80,963	81,801

Fixed Assets for Use by the PCC

	Equipment	Grand Piano	Total
Gross Book Value at 1 January 2019	41,732	17,000	58,732
Additions	0	0	0
(Disposals)	<u>0</u>	<u>0</u>	<u>0</u>
as at December 31 2019	41,732	17,000	58,732
Depreciation at 1 January 2019	36,112	17,000	53,112
Charge for the Year	3,122	0	3,122
Release on Disposal	<u>0</u>	<u>0</u>	<u>0</u>
at 31 December 2019	39,234	17,000	56,234
Net Book Value at 31 December 2019	<u>2,498</u>	<u>0</u>	<u>2,498</u>
at 31 December 2018	<u>5,620</u>	<u>0</u>	<u>5,620</u>

Analysis of Net Assets by Fund

	Unrestricted Funds	Restricted Funds	Total
Fixed Assets	2,498	0	2,498
Current Assets	179,723	93,963	273,686
Current Liabilities	(61,176)	(13,000)	(48,176)
Long Term Liabilities	(39,000)	0	(39,000)
TOTAL ASSETS	<u>82,045</u>	<u>80,963</u>	<u>163,008</u>

STAFF COSTS

	2019 £	2018 £
Wages and Salaries	98,540	68,552
Social Security Costs	8,635	7,111
Pension Costs	<u>12,575</u>	<u>15,650</u>
TOTAL COSTS	119,750	91,913

The average number of staff during the year was two (two in 2018). No employee was paid more than £60,000 during the year or preceding year. In addition to salaries, fees of £16,293 were paid to Robert Greenhill.

Pension contributions are currently payable for two members of staff and clergy and are made under a defined contribution scheme.

FUND DETAILS

In 2007, the Parochial Church Council adopted a Reserves Policy which established the following funds: General Reserves, Ministry Reserve, Music Reserve, Church Maintenance Reserve and Clergy Accommodation Reserve. The policy was reviewed in 2013 and 2019.

The General Reserve is for any surpluses over and above those specified under the policy. It is the aim of the PCC to build up reserves to cover six months' running costs.

The Ministry Reserve was created in 1998 when the PCC decided to recruit an Associate Vicar. It is a provision made to cover anticipated additional ministry costs that might not be met by the operational budget.

The Staff Accommodation Deposit is a new reserve, created by the PCC in recognition that the properties they lease for the accommodation of staff are on short- to medium-term rolling leases and agreements. The aim of the PCC is build up adequate funds to provide for the deposit to purchase a property in which to house staff and so reduce dependence on leased properties.

The flourishing of a music tradition over the past years has greatly enhanced the worship on Sundays and at special services. Many of the costs of the choir, director of music and guest singers and musicians have been generously provided by members of the congregation. Donations received in excess of costs are accumulated and held in a restricted reserve. In recognition of the fluidity of the parish and that generous contributors to the music programme may only be around for a short time, the PCC have aimed to have the equivalent of two years' costs in reserve.

Under the Reserves Policy revised in 2019, the PCC are aiming to set aside £50,000 to be used for major maintenance projects in a Church Maintenance Reserve. Part of this reserve was drawn down as part of the PCC's plans to finance the major works at high level carried out in 2017. As part of those works, extra precautions were taken so as to ensure that no water came into the church around the organ while the gutters and parapet walls above it were being renovated. The costs of these works was calculated by the quantity surveyor at £40,714. It was agreed by the PCC in 2018 to transfer this sum from the organ reserve into the Church Maintenance Reserve.

The Clergy Accommodation Reserve was created in 2001 when major repairs and renovations to most of the clergy accommodation made a large call on parish resources. Currently, the PCC are also now setting aside £1,500 a year towards future Vicarage redecoration works in years when no works are undertaken.

In 2007 the PCC began replacement of its vestments, many of which had given considerable service and were nearing the end of their lives. A fund was set up into which the PCC designated funds each year and into which donations toward new vestments were put. In 2010 orders were placed with Messrs Watts & Co for white and gold sets of vestments. Red vestments were acquired in 2012. Further sets will be purchased as funds become available. Once the restricted donations for vestments have been exhausted, the remaining amounts will be taken from funds designated for vestments by the PCC.

The clergy house used to accommodate curates is held on an historic agreement which expires in approximately 15 years. It is unlikely that the agreement will be renewed so Standing Committee began to budget to set aside funds each year and held in a Staff Accommodation Deposit Reserve in order to build up a deposit to purchase a property when the existing house is no longer available.

Restricted funds held by the PCC are as set out in note 4 to the Balance Sheet. Memorial Garden funds will be used to develop one of the gardens along the church as a Garden of Remembrance. In 2004, the church was the beneficiary of a grant from the Jenny Clark Memorial Trust of £17,000 to purchase a concert grand piano with the provision that an annual Jenny Clark Memorial Concert be held.

In considering how to fund the major repairs to the roof and high level masonry, the PCC had cash reserves, some of which had been designated for such purposes. Other reserves, however, represented restricted funds on the balance sheet and it was felt that it would be inappropriate to use these funds to pay for the costs of the works. An application therefore was made to the Diocese of London for a loan of £200,000 which

was approved. The loan was drawn on during the course of the works. The PCC repaid £94,000 of the loan during 2018 and £54,000 of the loan in 2019.

2019 PAYMENTS TO PCC MEMBERS

No elected members of St John's PCC received any reimbursement of expenses or remuneration.

Trustees' and Officers' Indemnity is provided for members of the PCC under the terms of the church's insurance cover and is included in the premium for the year.

COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the charity had commitments under non-cancellable leases as follows:

		2020	2019
Operating leases which expire:			
Due within 1 year	12a Connaught Street	4,962	4,962
Within 2-5 years	12a Connaught Street	4,962	4,962

These are subject to an informal biannual review by the lessors. The last such review was due at the end of 2015 and was concluded in 2017. Another review was due at the end of 2017.

The assistant curate taken on by the PCC in 2018 has his own house and he wished to live there during his term. In order to assist the PCC with the additional cost of a housing grant to enable this, the Church Commissioners offered to take back the 2nd and 3rd floor maisonette at 12a Connaught Street. From the proceeds of letting it, they would make a contribution of £1,500 per month to assist the PCC with these costs. They would again make it available to the PCC at the end of the curate's time at St John's.

CONNECTED CHARITY

The church received grants in the year of £40,000 from the William Gibbs Religious and Educational Trust. Furtherance of the educational and charitable work of the Church of England in the parish of St John the Evangelist is one of the objectives of the Trust. The Vicar and Churchwardens of St John's are *ex officio* trustees. The parish administrator also serves as clerk to the Trust and the Trust Administration Contribution is a voluntary donation on the part of the Trust in recognition of the services provided by him and in recognition that expenses are incurred by the parish in servicing the Trust. A contribution of £9,250 was made for 2019.

AUDIT FEE

The fee for the audit of the 2018 accounts was £4,920. A provision of £5,100 has been made for the audit of the 2019 accounts.