

ST PAUL'S

KNIGHTSBRIDGE



Financial Statements and Annual Report for the year ended 31st December 2019

St Paul's Church, Knightsbridge
The Diocese of London
Reg. Charity no. 1134857

**Financial Statements and Annual Report
for the year ended 31st December 2019**

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ST PAUL'S, KNIGHTSBRIDGE
ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2019

The Annual report of the Parochial Church Council will be read to the Annual Meeting, and copies will be available from the Church Office, 32A Wilton Place, London SW1.

Introduction

St Paul's Parochial Church Council (PCC) is required, as stated in the Parochial Church Councils (Powers) Measure 1956, to co-operate with the minister in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical. It also has maintenance responsibilities for St Paul's Hall, 77 Kinnerton Street, London SW1.

Membership of the Parochial Church Council

Members of the PCC are either ex-officio or elected by the Annual Parochial Church Meeting in accordance with the Church Representation Rules. During the year the following served as members of the PCC:

Officers:

Chairman:	The Rev'd Alan Gyle – Vicar of the Parish ‡
Churchwardens:	Lorna Gradden ‡ (<i>Lay co-chair</i>) Robert Clouston ‡
Secretary:	Philip Davies
Treasurer:	Noel Craven ‡
Electoral Roll Officer:	Iago Griffith
Safeguarding Officer:	Margaret Gadow (until April 2019) David Hayton (from April 2019)
Children's Advocate:	Virginia Craven

‡ denotes Standing Committee member

PCC Members:

<i>Until APCM 2019</i>	Tempe Brickhill Robert Clouston ‡ Margaret Gadow Aidan Linton-Smith Jeremy Orlebar
<i>Until APCM 2020</i>	Bramble Badenach-Nicolson Lorraine Bondarenko William Cudmore Lorna Gradden ‡ Christopher Stephens ‡
<i>Until APCM 2021</i>	Roland Brunner Patricia Dopheide Thomas Tull Rachel Vosper John White
<i>Until APCM 2022</i>	Noel Craven ‡ David Hayton Anna Keighley ‡ Melissa Longley Robert Thomas

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Representatives on the Deanery Synod of St Margaret's Westminster:

Until 31st May 2020

Serena Butt
Caroline Docker
Gardenia Griffith
Sarah Tytherleigh

Key Management Personnel

The Standing Committee members listed on page 1 are considered to be key management personnel as they are in charge of directing, controlling, running and operating the church on a day to day basis. All such personnel give of their time freely or are remunerated by the Diocese, and therefore received no remuneration from the church in the year. Details of PCC members' expenses and other related party transactions are disclosed in Note 13 to the financial statements.

Standing committee

This is the only Committee required by law. It meets about six times a year.

Church attendance

The parish Electoral Roll stood at 263 at the year-end. Average Sunday attendance is currently 135 people.

Advisers

Bankers

C Hoare & Co
32 Lowndes Street
London
SW1X 9HZ

Independent Examiners

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

Correspondence Address

The Parish Office
32a Wilton Place
London
SW1X 9SH

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

The Proceedings of the Parochial Church Council and the life of the Parish in 2019

WORSHIP & PASTORAL SERVICES

At the heart of our common life is the regular celebration of the Eucharist – twice on Sundays at 9AM and 11AM, at 7PM on Wednesdays and noon on Saturdays. In addition the daily office was said daily throughout the year. During 2019, eight couples celebrated their marriages at St Paul's and we gave thanks for the lives of a number of members of our congregation, as well as those for whom St Paul's was their London church, at nine funerals and memorial service. St Paul's continues its association with the FANYs who held their annual Memorial Service in October, and The Knightsbridge School who celebrated their Harvest Festival in church. We hosted 12 charity carol services during December, welcoming over 7,000 people and raising significant funds for the charities.

FORMATION

During the year Fr Alan led a programme of theological and spiritual formation events on the theme of stained glass. Events included retreats to Chartres, Ingolstadt and Augsburg, a day trip to York Minster, an evening with the stained glass experts at the V&A and an afternoon looking at our own stained glass at St Paul's.

During the season of Lent, two catechumenate programmes were run to prepare children and adults for Confirmation. Bishop Michael Colclough confirmed candidates at the Easter Vigil and on the feast of Pentecost. There was also a series of reflections for Lent on Wednesday evenings as well as a Sunday evening virtual discussion group on Zoom.

OUTREACH & MISSION

We continued our work with Songhaven in hosting monthly dementia-friendly concerts followed by tea, giving those living with dementia and their carers across central London the opportunity to enjoy professional music-making and fellowship – a vital piece of work in addressing issues of loneliness and isolation amongst the most vulnerable in our community. The numbers have been growing each month, with about 75 guests enjoying the event each month. We are grateful to the team of volunteers who warmly welcome our guests and prepare and serve afternoon tea.

In the autumn we launched our Mental Health First Aid hub and trained twelve people as Mental Health First Aiders. We have another twelve people in the training pipeline for 2020.

Per our custom we contributed an additional 10% to the Diocesan of London Common Fund (from which incumbents are paid and contributions are made to diocesan and national church costs) to support the provision of ministry in those parts of the diocese which would otherwise find it impossible to fund a parish priest. We made a contribution of £2,160 to the diocesan Lent Appeal.

The Parish Hall was used by support groups on three evenings each week.

SOCIAL EVENTS & ACTIVITIES

We continued the series of social and other events that mark the year at St Paul's: the Shrove Tuesday pancake party; a Music Dinner - generously sponsored by The Berkeley Hotel to raise funds for the music programme - in May; a Garden Party in the early autumn; Jumble Sales in the spring and autumn; parish lunches on the first Sunday of each month, cooked by an enthusiastic team of volunteers and enjoyed by up to 40 people each time; weekly hospitality after the Solemn Eucharist; parties at key points in the liturgical year to celebrate the great days in the Calendar. All of these help to ensure that St Paul's continues to have a healthy and engaging social life to build up our community.

MUSIC

Director of Music Stephen Farr and Assistant Director Michael Papadopoulos oversaw the team of eight professional singers and music scholars. Benjamin Newlove was succeeded by Michael Koenig as Organ Scholar, and Findlay Spence continued as Cello and Composition Scholar. Michael Papadopoulos left at the end of August to pursue a role as répétiteur at Scottish Opera and Adam Mathias, former Organ Scholar, served as interim organist during the autumn. In addition to the regular liturgical music programme, Michael Papadopoulos took a lead on the development of our programme of concerts and recitals in conjunction with the Royal College of Music which included a monthly Sunday Recital Series, a 'come and sing' event and orchestral Mass for the Patronal Festival weekend, and a performance of Bach's St John Passion during Lent. The BBC Singers, St Paul's Knightsbridge Festival Choir, Inner Voices, the Picot Players and other choirs continued to hold concerts and recordings at St Paul's.

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

CLERGY & LICENSED MINISTER

Fr Alan Gyle (Vicar) was supported by honorary assistant clergy: Bishop Michael Colclough, Fr Nick Mercer and Fr Victor Stock, all of whom enriched the worshipping, formational and social life of the parish. In May, Fr Nick Mercer retired from active ministry. In June, Roland Brunner was licensed as a Lay Minister by the Bishop of London.

STAFF

Felicity Cranfield worked on managing church events and fundraising events for the Foundation Capital Appeal. Claire Pilton served as parish administrator until December, when we bade a fond *au revoir*. Phil Davies continued to work with Fr Alan on developing the missional programme of the parish and overseeing governance and the daily operations of administration, finance and property management. Adam Modzelewski continued to maintain high standards in the care of our building as caretaker. Phone calls were handled by Jacqui Coppell and her team at Moneypenny.

VOLUNTEERS

Lorna Gradden and Rob Clouston continued to provide lay leadership as Churchwardens. Noel Craven served as Treasurer and Iago Griffith succeeded Charlotte Wolseley Brinton as Electoral Roll Officer.

The churchwardens were supported by a team of deputies with the following remits:

- Caroline Docker - Hospitality
- Gardenia Griffith – Welcoming at services
- Iago Griffith – Incorporation
- Sarah Tytherleigh – Conservator
- Steven Hicks - Archivist
- Tom Tull – Wednesday evenings
- Aidan Linton-Smith – Family Mass

Robert Thomas led the team of altar servers and we continued to benefit from Veronica Scott's experience as Lady Verger for special services, with Tempe Brickhill as her deputy. We are indebted to these people and the many other volunteers who make possible all that we do at St Paul's.

GOVERNANCE & THE PCC

The PCC met five times during 2019. Its 'business as usual' agenda continued to pay attention to Safeguarding (the safeguarding of children and adults at risk), Children's Work and the Nine O'clock Service, church governance and administration, building maintenance, volunteering, Adult Christian Formation, Finances and Stewardship, and Mission. Bookkeeping was managed by Bidwells, and Peninsula Group continued to provide human resource advice to ensure

compliance with employment law. A Fire Risk Assessment was carried out during the year, and improvements were made with regard to emergency lighting and fire alarms. The Standing Committee met in between full meetings of the Council to formulate the agenda and to transact routine business.

STRATEGIC DEVELOPMENT

Work continued on developing plans for future programme and the infrastructure required to enable a more ambitious, outward looking missional programme. Brigadier James Ellery served as Chairman of The Capital Appeal, and a number of discreet fundraising activities were undertaken. Grants and donations of £158k were received during the year.

Report on Church Attendance and the Electoral Roll

Responsibility for maintaining a record of those eligible to stand for election to the PCC and of those eligible to vote in parochial elections lies with the Electoral Roll Officer. Each year the Parochial Church Council is required to revise the parish Electoral Roll. In December 2019 it stood at 263. Average Sunday attendance at all services was 135.

Report on the Fabric, Goods & Ornaments

Because of impending planned works to transform the West End and North East Vestry area of the church, no major works were undertaken to the church building in 2019. A rolling programme of regular maintenance and servicing of equipment was undertaken under the supervision of our caretaker, Adam Modzelewski, and the gas and electricity installations in both church and hall were inspected by approved contractors.

During the year a generous grant was received from The St Paul's Knightsbridge Foundation in memory of the late John King, sometime Head Server at St Paul's. Part of the fund was expended on restoring the historic silver processional cross.

The Terrier and Inventory were maintained and the Churchwardens were content that the Fabric, Goods and Ornaments of the church were being satisfactorily maintained.

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Safeguarding Report 2019

During the autumn, David Hayton (Safeguarding Officer) oversaw the review of the PCC's Safeguarding policies and procedures. At its October meeting, the PCC adopted a new 'Policy, Procedures and Practices' document, which details the PCC's policy statement on Safeguarding, along with details of the practical steps undertaken to ensure that we create a including:

- Responding to a safeguarding concern;
- Awareness & training;
- DBS Checks;
- Ongoing reporting & review;
- Policy for hirers of church premises.

The PCC is of the view that it has complied with the duty to have 'due regard' to the House of Bishops' Safeguarding Policy and Practice Guidance.

Finance Report 2019

Income

St Paul's income is mainly derived from voluntary donations, income from letting the church to the BBC, Royal College of Music and other external bodies, the Hall, sale of parking spaces in the churchyard and the housing of a phone mast in the tower. Refurbishment works in the Hall limited the revenue-generating opportunity during the year. The PCC anticipates to derive income from lettings from 2019.

Total unrestricted income in the year amounted to £431,750 (2018: £440,288). Restricted income was £221,809 - a significant increase from 2018 (£67,892) due to the increased giving to the capital project fund.

Unrestricted voluntary income decreased, Gift Aid donations falling by £42,433 from 2018 and plate donations increasing by £1,177. There was an increase in other donations to £72,115 from £40,973 in 2018. Despite a decline in unrestricted voluntary giving, the parish overall enjoyed an increase in Voluntary Income. This increase in giving to the parish is an encouraging sign as the capital project fundraising gathers pace.

Church activities generated £108,541, (2018: £99,599). Weddings and Blessings increased for the first time in four years but Funerals and Memorials decreased for the first time in four years. The Hall was refurbished in 2018 and a new letting programme had commenced which benefitted the church with increased income of £4,466 from 2018.

Activities for generating funds decreased by £1,092. Funds received from car parking reduced and income

from housing a phone mast in the tower remained stable.

Restricted fund income increased by £153,917, largely due to receipt of funds in relation to the capital appeal.

Expenditure

Total expenditure decreased to £493,386 (2018: £566,632). Unrestricted expenditure of £465,793 represents a decrease of £52,782 from 2018. The restricted expenditure of £27,561 was lower than 2018 expenditure of £48,025. Parish Staff costs have increased £6,728 during 2019 which is a result of employing a full-time Caretaker.

Result

We ended the year with a surplus of £160,173 (2018: deficit £58,452). Restricted Funds closed the year with a surplus of £194,248.

A report on the proceedings of the Westminster (St Margaret's) Deanery Synod in 2019

The parish's Deanery Synod representatives attended three meetings of the Synod during the year.

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of PCC responsibilities

The Parochial Church Council (PCC) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Church Accounting Regulations 2006 require the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Council and of its financial activities for that period. In preparing those financial statements, the PCC is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Risk assessment

The PCC is satisfied that there are procedures in place to mitigate exposure to major risks. The PCC considers the principal risks and uncertainties facing the Church and their plans and strategies for managing these risks to be:

Potential Risk	Potential Impact	Steps to mitigate risk
Security of assets	<ul style="list-style-type: none">• loss or damage• theft of assets	<ul style="list-style-type: none">• review security arrangements• asset register and inspection programme• review insurance cover
Fund-raising	<ul style="list-style-type: none">• unsatisfactory returns• reputational risks of campaign or methods used• actions of agents and commercial fund-raisers• compliance with law and regulation	<ul style="list-style-type: none">• implement appraisal, budgeting and authorisation procedures• review regulatory compliance• monitor the adequacy of financial returns achieved• stewardship reporting in annual report
Disaster recovery and planning	<ul style="list-style-type: none">• computer system failures or loss of data• destruction of property, equipment, records through fire, flood or similar damage	<ul style="list-style-type: none">• agree IT recovery plan• implement data back up procedures and security measures• review insurance cover• create disaster recovery plan
Cash flow sensitivities	<ul style="list-style-type: none">• inability to meet commitments• lack of liquidity to cover variance in costs• impact on operational activities	<ul style="list-style-type: none">• ensure adequate cash flow projections (prudence of assumptions)• identify major sensitivities• ensure adequate information flow from operational managers• monitor arrangements and reporting

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves Policy

The PCC has established a policy whereby general unrestricted reserves held by the church should equate to approximately three months' worth of unrestricted resources expended, currently c. £115,000. At this level, the PCC feel that they would be able to continue the current activities of the church in the event of a significant drop in funding.

More than the closing balance of £197,521 on General Unrestricted on 31 December 2019 has been expended on the Capital project fund in advance of fundraising to cover this venture, as shown by the negative closing balance of £198,345 on the Capital project fund. Free funds at 31 December 2019 were therefore negative at £824 – a significant improvement on the negative £142,245 at 31 December 2018. The PCC has a Reserves Policy of holding funds representing just over 3 months of unrestricted expenditure. Based on the 2019 result this amounted to £115,000 at 31 December 2019. The PCC intends to reinstate the reserve through fundraising activities for the Capital Appeal.

Fundraising

The PCC engaged in fundraising, in the form of receiving free-will offerings/donations, some of which were gift-aided, from members of our fellowship. The PCC did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. The PCC is satisfied that its fundraising practices are ethical. No complaints were received about our fundraising practices.

Investment Policy

The church (through its trustees) has the power to invest in such stocks, shares, investments and property in the UK as deemed fit. The charity has made such investments to generate a return and has made no social investments.

Related parties

The St Paul's Knightsbridge Foundation is a registered charity whose objects are to maintain and support in office a curate to the Vicar of St Paul's Knightsbridge, London SW1 and to contribute towards the maintenance of the fabric, furnishings and equipment of the church, and support worship including performance of the choir and musical or artistic activities intended to encourage worship in St Paul's Church.

The Reverend Alan Gyle (Vicar) and Ms Lorna Gradden served as trustees of the Foundation during 2019.

American Friends of St Paul's Knightsbridge is a charitable organisation established in the United States of America whose object is to raise funds from American supporters of the church towards the Capital Appeal.

Noel Craven (PCC Treasurer) served as a trustee of the American charity during 2019.

Signed on behalf of the PCC

The Rev'd Alan Gyle
Chairman

Date: 6 October 2020

ST PAUL'S, KNIGHTSBRIDGE
INDEPENDENT EXAMINERS' REPORT TO
THE PAROCHIAL CHURCH COUNCIL OF ST PAUL'S, KNIGHTSBRIDGE

I report to the charity trustees on my examination of the accounts of the St Paul's Parochial Church Council for the year ended 31 December 2019 set out on pages 9 to 22.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts as carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Report) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of 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 (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Miriam Hickson CTA FCA
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date:

ST PAUL'S, KNIGHTSBRIDGE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDING 31ST DECEMBER 2019

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £
Income from:									
Voluntary income	2(a)	264,941	221,662	-	486,603	281,429	67,628	-	349,057
Investments	2(b)	162	147	-	309	62	264	-	326
Church activities	2(c)	108,541	-	-	108,541	99,599	-	-	99,599
Activities for generating funds	2(d)	<u>58,106</u>	<u>-</u>	<u>-</u>	<u>58,106</u>	<u>59,198</u>	<u>-</u>	<u>-</u>	<u>59,198</u>
Total income		<u>431,750</u>	<u>221,809</u>	<u>-</u>	<u>653,559</u>	<u>440,288</u>	<u>67,892</u>	<u>-</u>	<u>508,180</u>
Expenditure on:									
Raising funds	3(a)	2,032	-	-	2,032	1,658	-	-	1,658
Church activities	3(b)	<u>463,793</u>	<u>27,561</u>	<u>-</u>	<u>491,354</u>	<u>516,949</u>	<u>48,025</u>	<u>-</u>	<u>564,974</u>
Total expenditure		<u>465,825</u>	<u>27,561</u>	<u>-</u>	<u>493,386</u>	<u>518,607</u>	<u>48,025</u>	<u>-</u>	<u>566,632</u>
Net income/(expenditure)		(34,075)	194,248	-	160,173	(78,319)	19,867	-	(58,452)
Transfers between funds		<u>30,137</u>	<u>(30,137)</u>	<u>-</u>	<u>-</u>	<u>25,674</u>	<u>(25,674)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(3,938)	164,111	-	160,173	(52,645)	(5,807)	-	(58,452)
Funds brought forward at 1 January 2019		<u>291,829</u>	<u>(289,529)</u>	<u>10,000</u>	<u>12,300</u>	<u>344,474</u>	<u>(283,722)</u>	<u>10,000</u>	<u>70,752</u>
Funds carried forward at 31 December 2019		<u>287,891</u>	<u>(125,418)</u>	<u>10,000</u>	<u>172,473</u>	<u>291,829</u>	<u>(289,529)</u>	<u>10,000</u>	<u>12,300</u>

ST PAUL'S, KNIGHTSBRIDGE
BALANCE SHEET
AS AT 31ST DECEMBER 2019

		2019		2018	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	6		90,370		96,751
Current assets					
Debtors	7	48,045		62,641	
Cash at bank and in Hand		<u>134,359</u>		<u>40,527</u>	
		182,404		103,168	
Creditors					
Amounts falling due within one year	8	<u>100,301</u>		<u>187,619</u>	
Net current assets/(liabilities)			<u>82,103</u>		<u>(84,451)</u>
Net assets			<u>172,473</u>		<u>12,300</u>
Parish Funds					
Unrestricted	9		287,891		291,829
Restricted	10		(125,418)		(289,529)
Endowment	10		<u>10,000</u>		<u>10,000</u>
	11		<u>172,473</u>		<u>12,300</u>

Approved by the Parochial Church Council on 6 October 2020 and signed on its behalf by:

The Rev'd Alan Gyle
Chairman

ST PAUL'S, KNIGHTSBRIDGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019		2018	
	£	£	£	£
Cash from operating activities (see below)		101,669		20,077
Cash flows from investing activities				
Interest receivable	309		326	
Payments to acquire tangible fixed assets	(8,146)		(15,585)	
Cash (used in) investing activities		(7,837)		(15,259)
Net cash inflow		93,832		4,818
Cash and cash equivalents at 1 January 2019		<u>40,527</u>		<u>35,709</u>
Cash and cash equivalents at 31 December 2019		<u>134,359</u>		<u>40,527</u>
 Cash used in operating activities				
Net income/(expenditure)		160,173		(58,452)
Interest received shown in investing activities		(309)		(326)
Depreciation		14,527		21,375
Decrease/(increase) in debtors		14,596		(6,759)
Increase/(decrease) in creditors		(87,318)		<u>64,239</u>
		<u>101,669</u>		<u>20,077</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2019

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements have been prepared under the historical cost convention. 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.

The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The PCC have prepared detailed forecasts and cash flow projections which they believe are based upon reasonable assumptions. The forecasts show that the church should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

Funds

General unrestricted funds represent the funds of the Parochial Church Council (PCC) that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds are those subject to specific trusts, which may be declared by the donor or with their authority. The restricted funds of St Paul's, Knightsbridge include restricted income funds which are expendable at the discretion of the PCC in furtherance of some particular aspects of the activities of the Church, and a restricted capital fund, whose income is restricted.

Income

Voluntary income

- Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

Income from investments

- Interest entitlements are accounted for as they accrue.
- Dividends are accounted for when due and payable.

Church activities

- Income from church lettings and fee income is recognised when the rental or fee is due.
- All other income is recognised gross, and on a receivable basis.

Activities for generating funds

- Funds raised by the garden party and similar events are accounted for gross.
- Car park and hall letting income are recognised when receivable.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

Activities directly relating to the work of the Church

The Common Fund contribution is accounted for when payable. Any Common Fund payments unpaid at 31st December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the balance sheet. It also includes costs incurred or payments made which are an integral part of expenditure on the PCC's objects. These include governance costs which comprise all the expenditure incurred in connection with ensuring that the Parochial Church Council complies fully with its legal and regulatory obligations.

Raising Funds

This relates to the costs in respect of fundraising events and costs associated with the upkeep of the car park.

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2019

1 ACCOUNTING POLICIES (continued)

Pension costs

The Church participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers. The Church Workers Pension Fund has a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014. The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors. Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable as set out in the Staff Costs note.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPF valuation date, 31 December 2016.

Fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated or beneficed property is excluded from the accounts by Section 10(2)(a) of the Charities Act 2011.

Moveable church furnishings held by the churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. 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. Items acquired since 1st January 2000 have been capitalised and depreciated on a straight-line basis in the accounts over their currently anticipated useful economic life

All expenditure incurred during the year on consecrated or benefice buildings, individual items under £1,000 or on repair of movable church furnishings acquired before 1st January 2000 is written off.

Other assets

The church hall has been included at 1996 valuation by the Parochial Church Council and is being depreciated over the period of the lease, which runs from 1996 to 2065. Improvements to the basement flat, which has been made available for the Church's use, have been capitalised at cost. Equipment used within the church premises with a purchase price exceeding £1,000 is capitalised. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired.

Depreciation is provided at the following rates to write off fixed assets over their useful lives:

Leasehold Church hall	- Straight line over 68 years
Improvements to basement flat	- Straight line over 7 years
Organ restoration	- Straight line over 10 - 20 years
Movable Church furnishings	- Straight line over 20 years
Furniture, fittings & equipment	- Straight line over 4 - 7 years

ST PAUL'S, KNIGHTSBRIDGE
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1 ACCOUNTING POLICIES (continued)

Current assets

Income tax recoverable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
2(a) Voluntary income				
Gift Aid donations	141,177	-	141,177	183,610
Legacies	335	-	335	-
Other donations	72,115	-	72,115	40,973
Income Tax Recovered	36,191	-	36,191	42,871
Collections (Open Plate)	15,123	-	15,123	13,946
Lent Appeal	-	1,998	1,998	3,414
Moiria Stations project	-	-	-	23,500
Capital project fund	-	158,120	158,120	7,175
Mental Health First Aid Programme	-	9,375	9,375	-
John King Church Plate Fund	-	10,000	10,000	-
Sundry Donations and Appeals	-	42,169	42,169	33,568
	<u>264,941</u>	<u>221,662</u>	<u>486,603</u>	<u>349,057</u>
2(b) Investments				
Bank Interest Receivable (UK)	162	147	309	326
	<u>162</u>	<u>147</u>	<u>309</u>	<u>326</u>
2(c) Church activities				
Weddings and Blessings	5,138	-	5,138	4,439
Funerals and Memorials	9,945	-	9,945	12,024
Special Service Music Fees	42,549	-	42,549	26,941
Church Lettings	36,843	-	36,843	46,310
Hall Lettings	11,871	-	11,871	7,405
Other Income	2,195	-	2,195	2,480
	<u>108,541</u>	<u>-</u>	<u>108,541</u>	<u>99,599</u>
2(d) Activities for generating funds				
Car Park Income	32,258	-	32,258	35,828
Network rental income	16,731	-	16,731	16,731
Events	9,117	-	9,117	6,639
	<u>58,106</u>	<u>-</u>	<u>58,106</u>	<u>59,198</u>
Total income	<u>431,750</u>	<u>221,809</u>	<u>653,559</u>	<u>508,180</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
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3 EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
3(a) Raising Funds				
Fundraising	<u>2,032</u>	<u>-</u>	<u>2,032</u>	<u>1,658</u>
	<u>2,032</u>	<u>-</u>	<u>2,032</u>	<u>1,658</u>
3(b) Church Activities				
Grants - Lent Appeal	-	2,160	2,160	3,414
Common Fund	92,500	-	92,500	90,000
Incumbent Costs	652	-	652	724
Vicarage Expenses	2,534	-	2,534	1,674
Assistant Staff – Stipendiary	-	-	-	3,193
Assistant Staff – Non-Stipendiary	6,600	-	6,600	9,200
Church Running Costs	18,306	-	18,306	54,503
Church Maintenance	20,860	-	20,860	25,890
Upkeep of Services	4,931	-	4,931	4,896
Hall Costs	3,089	-	3,089	33,993
Music Staff & Choir	59,695	-	59,695	59,760
Special Service Music Fees	40,732	-	40,732	27,630
Hall Rental	17,880	-	17,880	17,880
Staff Costs	110,119	-	110,119	96,405
Parish Office Expenses	47,469	-	47,469	44,546
Other Support Costs	4,764	-	4,764	7,382
Other Professional Services	13,816	-	13,816	13,193
Future programme costs	-	-	-	235
Programme Costs	569	-	569	-
Independent Examination and accountancy	4,750	-	4,750	4,470
Moirs Stations of The Cross	-	-	-	25,326
Vicar's discretionary	-	2,750	2,750	872
Dunhill Trust	-	-	-	12
Capital Project	-	365	365	1,014
Music Appeal	-	19,962	19,962	17,387
Mental Health First Aid Programme	-	824	824	-
John Kings Church Plate	-	1,500	1,500	-
Depreciation	<u>14,527</u>	<u>-</u>	<u>14,527</u>	<u>21,375</u>
	<u>463,793</u>	<u>27,561</u>	<u>491,354</u>	<u>564,974</u>
Total expenditure	<u>465,825</u>	<u>27,561</u>	<u>493,386</u>	<u>566,632</u>

ST PAUL'S, KNIGHTSBRIDGE
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4 STAFF COSTS

	2019 £	2018 £
Wages and salaries	85,181	79,496
Pension costs	5,827	5,534
Social security costs	<u>7,777</u>	<u>7,027</u>
	<u>98,785</u>	<u>92,057</u>

The number of staff members during the year was 4 (2018: 4). Included in staff costs above was a termination payment of £nil (2018: £738).

No employee was paid more than £60,000 in this or the preceding year.

The key management personnel listed on page 1 (members of the Standing Committee), received no remuneration from the church.

5 GRANTS PAYABLE

	2019 £	2018 £
The PCC made the following charitable grants during the year:		
Bishop of London's Lent Appeal	<u>2,160</u>	<u>3,414</u>

6 FIXED ASSETS FOR USE BY THE PCC

	Leasehold church hall £	Improvements to basement flat £	Organ restoration £	Moveable church furnishings £	Furniture, fittings & equipment £	Total £
Cost or Valuation						
At 1st January 2019	100,000	13,190	137,870	19,695	178,237	448,992
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,146</u>	<u>8,146</u>
At 31st December 2019	<u>100,000</u>	<u>13,190</u>	<u>137,870</u>	<u>19,695</u>	<u>186,383</u>	<u>457,138</u>
Depreciation						
At 1st January 2019	33,823	13,190	128,913	11,431	164,884	352,241
Charge for the year	<u>1,470</u>	<u>-</u>	<u>6,893</u>	<u>1,083</u>	<u>5,081</u>	<u>14,527</u>
At 31st December 2019	<u>35,293</u>	<u>13,190</u>	<u>135,806</u>	<u>12,514</u>	<u>169,965</u>	<u>366,768</u>
Net Book Value						
At 31st December 2019	<u>64,707</u>	<u>-</u>	<u>2,064</u>	<u>7,181</u>	<u>16,418</u>	<u>90,370</u>
At 31st December 2018	<u>66,177</u>	<u>-</u>	<u>8,957</u>	<u>8,264</u>	<u>13,353</u>	<u>96,751</u>

ST PAUL'S, KNIGHTSBRIDGE
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7 DEBTORS

	2019	2018
	£	£
Income tax recoverable	4,034	4,426
Other debtors	33,113	46,185
Prepayments and accrued income	<u>10,898</u>	<u>12,030</u>
	<u>48,045</u>	<u>62,641</u>

8 CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Other creditors	15,691	96,100
Accruals and deferred income	81,853	84,249
Social security and other taxes	<u>2,757</u>	<u>7,270</u>
	<u>100,301</u>	<u>187,619</u>

9 UNRESTRICTED FUNDS

	General Fund	Fixed Asset Fund	Total Unrestricted Funds
	2019	2019	2019
	£	£	£
Income	431,750	-	431,750
Expenditure	<u>(451,298)</u>	<u>(14,527)</u>	<u>(465,825)</u>
Net income/(expenditure)	(19,548)	(14,527)	(34,075)
Transfers	<u>3,214</u>	<u>26,923</u>	<u>30,137</u>
Net movement in funds	(16,334)	12,396	(3,938)
Balance brought forward at 1 st January 2019	<u>213,855</u>	<u>77,974</u>	<u>291,829</u>
Balance carried forward at 31 st December 2019	<u>197,521</u>	<u>90,370</u>	<u>287,891</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
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9 UNRESTRICTED FUNDS (continued)

	General Fund 2018 £	Fixed Asset Fund 2018 £	Total Unrestricted Funds 2018 £
Income	440,288	-	440,288
Expenditure	<u>(497,232)</u>	<u>(21,375)</u>	<u>(518,607)</u>
Net income/(expenditure)	(56,944)	(21,375)	(78,319)
Transfers	<u>25,674</u>	<u>-</u>	<u>25,674</u>
Net movement in funds	(31,270)	(21,375)	(52,645)
Balance brought forward at 1 st January 2018	<u>245,125</u>	<u>99,349</u>	<u>344,474</u>
Balance carried forward at 31 st December 2018	<u>213,855</u>	<u>77,974</u>	<u>291,829</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
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10 RESTRICTED FUNDS

	Brought forward 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019 £	Carried forward 2019 £
Restricted Funds					
Dunhill Medical Trust	1,546	147	-	-	1,693
Eric Day Fund	34,702	-	-	-	34,702
Vicar's Discretionary fund	11,268	2,273	(2,750)	-	10,791
Music Fund	19,055	37,597	(19,962)	(28,000)	8,690
Capital project fund	(356,100)	158,120	(365)	-	(198,345)
John King Church Plate Fund	-	10,000	(1,500)	-	8,500
Moirra Stations of The Cross Project	-	-	-	-	-
OFCOM Fund	-	2,299	-	(2,299)	-
Mental Health First Aid Programme	-	9,375	(824)	-	8,551
Lent Appeal	-	1,998	(2,160)	162	-
	<u>(289,529)</u>	<u>221,809</u>	<u>(27,561)</u>	<u>(30,137)</u>	<u>(125,418)</u>

	Brought forward 2018 £	Income 2018 £	Expenditure 2018 £	Transfers 2018 £	Carried forward 2018 £
Restricted Funds					
Dunhill Medical Trust	1,494	64	(12)	-	1,546
Eric Day Fund	34,502	200	-	-	34,702
Vicar's Discretionary fund	10,695	1,445	(872)	-	11,268
Music Fund	31,848	32,094	(17,387)	(27,500)	19,055
Capital project fund	(362,261)	7,175	(1,014)	-	(356,100)
Moirra Stations of The Cross project	-	23,500	(25,326)	1,826	-
Lent Appeal	-	3,414	(3,414)	-	-
	<u>(283,722)</u>	<u>67,892</u>	<u>(48,025)</u>	<u>(25,674)</u>	<u>(289,529)</u>

	Brought forward 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019 £	Carried forward 2019 £
Endowment Funds					
Dunhill Capital Fund	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>

	Brought forward 2018 £	Income 2018 £	Expenditure 2018 £	Transfers 2018 £	Carried forward 2018 £
Endowment Funds					
Dunhill Capital Fund	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>

ST PAUL'S, KNIGHTSBRIDGE
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Dunhill Medical Trust

This Fund is the income and expenditure relating to the Dunhill Medical Trust restricted capital (endowment) fund (see below).

Eric Day Fund

This fund represents a legacy received from the estate of Eric Charles Day. It is to be expended on the maintenance of the furnishings and fabric of the Chancel Sanctuary or St Luke's Chapel.

Vicar's Discretionary Fund

This fund represents monies available for the Vicar to spend on pastoral matters at his discretion.

Music Fund

This fund supports and extends the music making of the Church both in regular and occasional services, recitals and concerts, maintaining musical instruments and supporting the musical life of the Church. The transfer during the year comprises the surplus from the Music Dinner applied, as advertised, towards the regular music costs of the church.

Capital Project Fund

This has been embarked upon in order to significantly enhance the fabric of St. Paul's Knightsbridge so as to accommodate the ever changing uses of this beautiful public building. Fundraising began during 2018 and it is anticipated that future fundraising will cover the deficit on this fund.

John King Church Plate Fund

This fund represents a grant received from the St Paul's Knightsbridge Foundation, in memory of the late John King, sometime head server at St Paul's, and is to be expended on the acquisition, maintenance and/or conservation of church plate and/or vestments.

Moirs Stations of The Cross Project

During 2018 the PCC received a generous donation to cover the cost of restoring the Gerald Moira Stations of the Cross in the nave of the church. The work was carried out and paid for during the year. The transfer during last year was made to cover expenditure unlikely to be covered by future donations.

Ofcom Fund

This is a grant received from OFCOM towards the cost of replacing sound system equipment. The transfer during the year was made to cover expenditure on the purchase of new sound system equipment.

Mental Health First aid Programme

This fund represents donations received towards the setting up of a new Mental Health First Aid training programme.

Lent Appeal Fund

This is a fundraising event during lent from which the amount raised is ordinarily contributed to the diocesan chosen charities. On occasion charities selected by the PCC are in receipt of funds from the lent appeal. The transfer during the year was made to cover expenditure which could not be covered by income received in the year.

Other Restricted Funds

This remembers sundry amounts received throughout the year with specific restrictions attached. These amounts have been passed on in accordance with these restrictions.

Dunhill Capital Fund

Restricted capital funds comprises of £10,000 (2018: £10,000) attributable to the Dunhill Medical Trust. This is a permanent endowment, which requires the income to be spent on work with the elderly members of the congregation.

ST PAUL'S, KNIGHTSBRIDGE
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11 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £
Fixed assets	90,370	-	-	90,370
Current assets	297,822	(125,418)	10,000	182,404
Current liabilities	(100,301)	-	-	(100,301)
	<u>287,891</u>	<u>(125,418)</u>	<u>10,000</u>	<u>172,473</u>

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £
Fixed assets	96,751	-	-	96,751
Current assets	382,697	(289,529)	10,000	103,168
Current liabilities	(187,619)	-	-	(187,619)
	<u>291,829</u>	<u>(289,529)</u>	<u>10,000</u>	<u>12,300</u>

12 COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are payable:

	2019 £	2018 £
Within one year	25,193	25,193
After one year but within five years	<u>55,244</u>	<u>80,438</u>
	<u>80,437</u>	<u>105,631</u>

The operating lease charges for the year were:

	2019 £	2018 £
Land	17,321	17,321
Other	<u>7,872</u>	<u>7,872</u>
	<u>25,193</u>	<u>25,193</u>

13 RELATED PARTY TRANSACTIONS

PCC members are not remunerated and no PCC member was reimbursed during the year for expenses in relation to their work as trustees (2018: £NIL). During the year, unrestricted income of £22,526 (2018: £69,441) and restricted income of £43,310 (2018: £nil) was received from PCC members. The premium paid for the trustees and individual liability insurance in the year was included within the overall insurance policy purchased.

During the year, PCC received a restricted grant of £10,000 from The St Paul's Knightsbridge Foundation (2018: £NIL) This has been recognised in the financial statements as John King Church Plate Fund in restricted funds. The St Paul's Knightsbridge Foundation paid professional costs of £15,720 (2018: £16,920) on behalf of the Church. These amounts have been recognised in these financial statements as Other donation income and Church activities expenditure. During the year, the Church paid for music costs of £Nil (2018: £NIL) on behalf of The St Paul's Knightsbridge Foundation. These amount have been recognised in the financial statements as Church activities expenditure.

ST PAUL'S, KNIGHTSBRIDGE
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13 RELATED PARTY TRANSACTIONS (continued)

The Church also received a restricted grant of £100,000 (2018: *£NIL*) from the American Friends of St Paul's. This has been recognised as income in the Capital Project Fund.