

Charity no 1097712

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION

**ANNUAL REPORT & ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 2019**

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2019

History, objectives and activities furthering the public benefit

The St Paul's Knightsbridge Foundation is a charity formed under a Declaration of Trust dated 31st October 2002. Its objects are to maintain and support in office a person who is appointed as or performs the function of 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.

There are two expendable endowment funds. The first was created in 2006 from the legacy of the Reverend GRJ Shea and comprised a leasehold property in Knightsbridge and a cash sum which has now been expended. The trustees have the power to spend the capital, but both the capital and any income are restricted to the provision of remuneration, accommodation or expenses of a curate or assistant clergy for the parish of St Paul's Knightsbridge. The leasehold flat continues to be occupied by a retired clergyman who is an Honorary Assistant Priest at St Paul's Church.

The second, The Richard Thornton Ministry Fund, is a £1,000,000 cash donation pledged during 2019 by the trustees of the Thornton Foundation to be used in support of the clergy and ministry of the parish of St Paul's Knightsbridge.

In 2017 the Foundation acquired a copy of a cello owned by the famous cellist Rostropovich. The Foundation has undertaken to provide and insure the instrument for use by the current music scholar of St Paul's Church.

The Capital Appeal to raise funds for the redevelopment of the St Paul's Knightsbridge church site and restoration of the chancel continues.

The charity makes regular donations to the Parochial Church Council.

The charity's trustees have complied with their duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

Financial review and achievements

The Foundation received donations and legacies totalling £1,148,916 (2018: £103,449) of which £1,000,000 was expendable capital donated by the trustees of the Thornton Foundation. Restricted donations totalled £109,935 (2018: £43,000) and unrestricted donations amounted to £38,981 (2018: £60,449).

The Foundation's carol service generated fundraising income after costs of £35,319 (2018: £31,644) and also produced a significant number of donations.

Fundraising costs in the Capital Appeal Fund totalled £17,164 (2018: £14,116) and generated donations amounting to £99,876 (2018: £30,000).

Donations to the Parochial Church Council of St Paul's Knightsbridge totalled £25,720 (2018: £34,530).

Reserves policy and plans for future periods

The unrestricted reserves at the year end were £271,900. The Trustees maintain a level of reserves sufficient to cover future service charges pertaining to Flat 7 Wellington Court. It is also the Trustees' policy to build up reserves in order to meet the needs of St Paul's Church in years to come. The trustees consider the level of reserves to be sufficient to cover the loss of fundraising income during the next twelve months as a result of the Covid-19 outbreak. They have the power to invest surplus funds as they see fit.

The year-end balance on the restricted Capital Appeal Fund recovered from last year's deficit of £18,554 to a surplus of £64,158.

**THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2019**

Reserves policy and plans for future periods (continued)

The balance on the restricted Cello Fund was £47,938, principally comprising the asset itself.

Expendable Endowment Funds at the year end totalled £2,130,723.

Risk management

The Trustees have considered the major risks to which the Foundation is exposed and have reviewed those risks and established systems and procedures to manage those risks.

Governance and management

The charity is governed by the trustees.

The Declaration of Trust states that a majority of the Trustees shall have power from time to time to appoint a new or additional trustee or trustees provided that:

- a) The Trustees shall appoint and maintain in office (a) the person who is for the time the Vicar (or if there shall be no Vicar, the Priest in Charge) of St Paul's Church and (b) a person chosen by the said Vicar or Priest in Charge from among those who are service as Church Warden to St Paul's Church and the persons so appointed under sub-paragraphs (a) and (b) of this clause shall hold office so long only as they respectively hold office as Vicar (or Priest in Charge) or as Church Warden.
- b) The Trustees being at least two in number may act in the trusts hereof notwithstanding any vacancy in their number pending the appointment of a Vicar (or Priest in Charge or Church Warden).

Administrative details

The address of the charity is St Paul's Church, 32A Wilton Place, London SW1X 8SH.

The Trustees of the charity were:

Mr John Sunderland - Chairman

The Reverend Alan Gyle - Vicar of St Paul's

Mrs Susan Thornton

Ms Lorna Gradden - Churchwarden of St Paul's

The leasehold property in Knightsbridge is held in the names of all the current trustees.

Bankers: Messrs C Hoare & Co
32 Lowndes Street
London SW1

Accountants: Begbies Chartered Accountants
Old Printers House
Stone Street
Cranbrook
Kent TN17 3HF

The Trustees have appointed Mr Daniel Valentine ACA to act as Independent Examiner for the Foundation.

**THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2019**

Trustees' responsibilities in relation to the financial statements

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which Report give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any 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 operations.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102))* published on 16 July 2014.

MR JOHN SUNDERLAND
CHAIRMAN

29 October 2020

**INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF
THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
Charity no 1097712**

I report to the trustees on my examination of the accounts of the St Paul's Knightbridge Foundation ('the Foundation') for the year ended 31 December 2019, which are set out on pages 5 to 12.

Responsibilities and basis of report

As the trustees of the Foundation 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 Foundation's accounts carried out under section 145 of the 2011 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 2011 Act.

Independent examiner's statement

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

- 1) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) 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.

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.

Daniel Valentine ACA
Bebbies Chartered Accountants
Old Printers House
Stone Street
Cranbrook
Kent TN17 3HF

October 2020

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019
Charity no 1097712

	Unrestricted Fund	Restricted Funds	Expendable Endowment Funds	Total 2019	<i>Total 2018</i>
Note	£	£ Note 7	£ Note 8	£	£ Page 6
Income from:					
Donations	38,981	99,935	1,000,000	1,138,916	103,449
Legacies	-	10,000	-	10,000	-
Total donations and legacies	<u>38,981</u>	<u>109,935</u>	<u>1,000,000</u>	<u>1,148,916</u>	<u>103,449</u>
Other trading activities - fundraising events	2 58,469	-	-	58,469	53,329
Total income	<u>97,450</u>	<u>109,935</u>	<u>1,000,000</u>	<u>1,207,385</u>	<u>156,778</u>
Expenditure on:					
Raising funds	3 35,150	17,164	-	52,314	47,683
Charitable activities					
Grants and donations	4 15,720	10,000	-	25,720	34,530
Property management costs	-	-	16,007	16,007	13,494
Insurance and legal costs	-	376	-	376	677
Governance costs	5 3,511	-	-	3,511	3,605
Staff costs	10 3,000	-	-	3,000	2,750
	<u>22,231</u>	<u>10,376</u>	<u>16,007</u>	<u>48,614</u>	<u>55,056</u>
Total expenditure	<u>57,381</u>	<u>27,540</u>	<u>16,007</u>	<u>100,928</u>	<u>102,739</u>
Net movement in funds	40,069	82,395	983,993	1,106,457	54,039
Reconciliation of funds:					
Total funds brought forward	<u>231,831</u>	<u>29,701</u>	<u>1,146,730</u>	<u>1,408,262</u>	<u>1,354,223</u>
Total funds carried forward	<u>271,900</u>	<u>112,096</u>	<u>2,130,723</u>	<u>2,514,719</u>	<u>1,408,262</u>

The charity has no permanent endowment funds.

The notes on pages 8 to 12 form part of these accounts

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2018

	Unrestricted Fund	Restricted Funds		Expendable Endowment Fund	Total 2018
Note	£	Capital Appeal £ Note 7	Cello Fund £ Note 7	£ Note 8	£
Income from:					
Donations	60,449	30,000	13,000	-	103,449
Other trading activities - fundraising events	53,329	-	-	-	53,329
Total income	113,778	30,000	13,000	-	156,778
Expenditure on:					
Raising funds	32,685	14,116	882	-	47,683
Charitable activities					
Grants and donations	14,520	20,010	-	-	34,530
Property management costs	-	-	-	13,494	13,494
Insurance and legal costs	-	-	677	-	677
Governance costs	3,605	-	-	-	3,605
Staff costs	2,750	-	-	-	2,750
	20,875	20,010	677	13,494	55,056
Total expenditure	53,560	34,126	1,559	13,494	102,739
Net movement in funds	60,218	(4,126)	11,441	(13,494)	54,039
Reconciliation of funds:					
Total funds brought forward	171,613	(14,428)	36,814	1,160,224	1,354,223
Total funds carried forward	231,831	(18,554)	48,255	1,146,730	1,408,262

The charity has no permanent endowment funds.

The notes on pages 8 to 12 form part of these accounts

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2019
Charity no 1097712

	Unrestricted Fund	Restricted Funds	Expendable Endowment Funds	Total 2019	Total 2018
Note	£	£	£	£	£
Fixed assets					
Tangible assets	6	-	47,000	1,200,000	1,247,000
Current assets					
Trade debtors		5,325	-	-	5,325
Due from St Paul's Knightsbridge PCC		-	-	-	30,281
Donations receivable		-	-	1,000,000	1,000,000
Prepayments and accrued income		-	-	6,662	6,662
Gift aid debtor		-	-	-	7,319
Cash at bank		226,075	112,096	(75,939)	262,232
		231,400	112,096	930,723	1,274,219
Liabilities					
Creditors: amounts falling due within one year					
Trade creditors		-	-	-	6,361
Accruals		6,500	-	-	3,750
		6,500	-	-	6,500
Net assets		224,900	159,096	2,130,723	2,514,719
Represented by:					
Unrestricted fund		271,900	-	-	271,900
Restricted funds	7	-	112,096	-	112,096
Expendable endowment funds	8	-	-	2,130,723	2,130,723
		271,900	112,096	2,130,723	2,514,719

These accounts were approved by the trustees on 29 October 2020 and signed on their behalf by:

MR JOHN SUNDERLAND
CHAIRMAN

The notes on pages 8 to 12 form part of these accounts

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019
Charity no 1097712

1 Accounting policies

The following policies have been used in dealing with items which are considered material in relation to the charity's accounts.

a) Basis of accounting and assessment of going concern

The accounts have been prepared under the historic cost convention. The accounts have been prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland* (Charities SORP (FRS 102)) published on 16 July 2014, and the *Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS 102).

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Details of the restricted fund are disclosed in note 7.

There is no requirement to spend the capital of an expendable endowment fund, however the Trustees are in their power to do so if they so decide. The capital and income from the fund is restricted to the use as specified by the donor. Details of the funds can be found in note 8.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

c) Income

All income is recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of income can be measured with sufficient reliability.

d) Expenditure

Liabilities are recognised as resources as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis with the irrecoverable element of VAT included within the category of expense to which it relates.

Expenditure on raising funds includes direct costs of events and other fundraising expenditure and is detailed in the notes. *Expenditure on charitable activities* are direct costs of the charity in undertaking its work to meet its charitable objectives and consists of grants to St Paul's Knightsbridge PCC, property expenses and governance costs. Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and are detailed in note 5.

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

e) Tangible fixed assets and depreciation

The long leasehold property is stated as the probate value as at 1 January 2005 less any provisions for impairment. No depreciation is provided.

The cello is stated at cost and no depreciation is provided because in the opinion of the trustees any charge would be immaterial due to a high residual value.

f) Financial instruments

The charity only has financial assets and financial 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 Other trading activities - fundraising events	2019	2018
	£	£
Unrestricted Fund		
Carol Service	58,469	53,329
	<hr/>	<hr/>
3 Fundraising costs	2019	2018
	£	£
Unrestricted Fund		
Carol Service	23,150	21,685
Staff costs - see note 10	12,000	11,000
Other fundraising costs	-	-
	<hr/>	<hr/>
	35,150	32,685
	<hr/>	<hr/>
Restricted Funds		
Capital Appeal Fund		
Fundraising consultant	500	6,605
Fundraising dinner	4,664	5,511
Staff costs - see note 10	12,000	2,000
	<hr/>	<hr/>
	17,164	14,116
	<hr/>	<hr/>
Cello Fund	-	882
	<hr/>	<hr/>
Total	52,314	47,683
	<hr/>	<hr/>

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4	Grants and donations	2019	<i>2018</i>
		£	£
	Grant to St Paul's Knightsbridge PCC		
	- Restricted Vicar's Discretion Fund	10,000	-
	Professional fees paid on behalf of St Paul's Knightsbridge PCC		
	- Restricted Capital Appeal Fund	-	<i>20,010</i>
	- Unrestricted Fund	15,720	<i>14,520</i>
		25,720	<i>34,530</i>

5	Governance costs	2019	<i>2018</i>
		£	£
	Accountancy and independent examination charges	3,500	<i>3,000</i>
	- prior year (over)/under provision	-	<i>80</i>
	Legal fees	-	<i>480</i>
	Bank charges	11	<i>45</i>
	- Unrestricted Fund	3,511	<i>3,605</i>

6	Tangible fixed assets		Long leasehold	
		Cello	property	Total
		£	£	£
	Cost			
	Balance brought forward and carried forward	47,000	1,200,000	1,247,000
	Net book value			
	Balance brought forward and carried forward	47,000	1,200,000	1,247,000

7	Analysis of restricted funds	Balance at		Funds
		1 January		31 December
		2019	Income	2019
		£	£	£
	Capital Appeal	(18,554)	99,876	(17,164)
	Cello Fund	48,255	59	(376)
	Vicar's Discretion Fund	-	10,000	(10,000)
		29,701	109,935	(27,540)
				112,096

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7 Analysis of restricted funds continued

-previous year information	Balance at 1 January 2018 £	Income £	Expenditure £	Funds 31 December 2018 £
Capital Appeal	(14,428)	30,000	(34,126)	(18,554)
Cello Fund	36,814	13,000	(1,559)	48,255
	<u>22,386</u>	<u>43,000</u>	<u>(35,685)</u>	<u>29,701</u>

Capital Appeal	Raising funds for the redevelopment of the St Paul's Knightsbridge church site and restoration of the chancel.
Cello Fund	The provision and maintenance of the cello purchased for use by the current music scholar of St Paul's Church.
Vicar's Discretion Fund	To be used at the discretion of the Vicar.

8 Analysis of expendable endowment funds

-previous year information	Balance at 1 January 2019 £	Income £	Expenditure £	Funds 31 December 2019 £
Reverend GRJ Shea	1,146,730	-	(16,007)	1,130,723
The Richard Thornton Ministry Fund	-	1,000,000	-	1,000,000
	<u>1,146,730</u>	<u>1,000,000</u>	<u>(16,007)</u>	<u>2,130,723</u>

-previous year information	Balance at 1 January 2018 £	Income £	Expenditure £	Funds 31 December 2018 £
Reverend GRJ Shea	1,160,224	-	(13,494)	1,146,730

Reverend GRJ Shea This fund was created from the legacy of the Reverend GRJ Shea and comprised a leasehold property in Knightsbridge and a cash sum which has now been expended. The trustees have the power to spend the capital, but both the capital and any income are restricted to the provision of remuneration, accommodation or expenses of a curate or assistant clergy for the parish of St Paul's Knightsbridge. The property currently houses an assistant clergyman for the parish.

The Richard Thornton Ministry Fund Before the year end ,the trustees were informed by the trustees of the Thornton Foundation of the intention to donate £1,000,000 of expendable capital which must be used in support of the clergy and ministry of the parish of St Paul's Knightsbridge.

THE ST PAUL'S KNIGHTSBRIDGE FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9 Related party transactions

The Reverend Alan Gyle and Ms Lorna Gradden are respectively Vicar and Churchwarden of St Paul's Church, Knightsbridge which benefits from the activities of the Foundation. Both the Reverend Alan Gyle and Ms Gradden are trustees of the PCC.

During the year, the Foundation reimbursed the PCC for the cost of two members of staff employed by the PCC but engaged on activities of the Foundation as disclosed in note 10. Costs were apportioned on a time

A donation of £51,500 (2018: £52,500) was made during the year by the Thornton Foundation, of which Mrs Susan Thornton is a trustee. Of the donation, £25,000 was restricted to the Capital Appeal. A sum of £1,000,000 of expendable capital was also donated by the same Foundation and details can be found in note 8.

There were no other related party transactions.

10 Trustees remuneration and staff costs

There were no direct employees during the year (2018: nil) however the Foundation reimbursed the Parochial Church Council of St Paul's Knightsbridge for the costs of two members of staff as follows:

	2019	<i>2018</i>
	£	<i>£</i>
Wages and salaries	23,117	<i>13,275</i>
Social security costs	2,375	<i>1,474</i>
Pension costs	1,508	<i>1,001</i>
	27,000	<i>15,750</i>

Staff costs are allocated to raising funds and charitable activities on a time incurred basis.

No trustee, or other connected persons, received any remuneration, benefit in kind or reimbursement of expenses.