

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 2020

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 31<sup>st</sup> December 2020**

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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	4/4
The Reverend Daniel Warnke	Stipendiary Assistant Curate	2/4
The Reverend Georgina Elsey	Stipendiary Assistant Curate (from July)	2/2
Neville David	Church Warden	3/4
Damon Greeney	Church Warden elect (from October)	1/1
Ian Smith	Church Warden	4/4
David Fletcher	Deanery Synod Rep	0/4
Chris Lees	Deanery Synod Rep (from October)	1/1
Chris Skarratt	Deanery Synod Rep	2/4

#### *Elected Members*

Andrew Beverley		3/4
Esme Daley	Minutes Secretary	3/4
Sven Haase	(to October)	2/3
David Hughes		4/4
Ian Nelson	Treasurer	4/4
Gaynor Scruton		4/4
Bryan Stephens	(from October)	1/1
Samantha Tear		4/4

**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



## **2020 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 31<sup>st</sup> December 2020.

### **Overview of the Year**

2020 was a year like no other for many years and, we hope, for many more to come. While previous years have offered unique challenges and opportunities, those provided by the Covid-19 pandemic have been particularly exceptional. They required considerable time and attention to redeveloping our working practices, maintaining pastoral contact with parishioners, balancing the books and ensuring that, when open for public worship, those attending could do so in an environment that was safe. As we livestreamed services during lockdowns and while vulnerable people were urged by the government to isolate, we came into contact with new people and renewed contacts with some who had moved away. Having come out of the first lockdown at the time of finalising last year's annual report, we had hoped that by this time we could be looking back on the impact of the coronavirus rather than be in yet another lockdown; but we are encouraged that as more and more of the population receive the vaccine, this will allow things to begin to return to 'normal' and slowly the restrictions and precautions that have dominated the last 12 months will be rolled back.

### **Aims and Purposes**

Covid-19 may have meant altering the way we sought to achieve them, but our core aims and purposes remained unchanged: to promote within the parish the whole mission of the Church: pastoral, evangelistic, social, ecumenical and community building and to provide pastoral care to those resident within our geographical parish as well as to those who attend services.

The PCC continued to be guided by its Ethos Statement, although the way in which it did so was dramatically different:

- 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.

Inclusivity is an integral component of our ministry, which is centred upon our love of and discipleship in our Lord Jesus Christ. We believe that the Good News is for all people regardless of gender, ethnicity, sexual orientation, socio-economic circumstances or spiritual background and we seek to draw people into a deeper relationship with the Divine through Jesus Christ in our worship, teaching and social action. 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. While often facilitated by maintenance of and careful use of our historic building, restrictions on contact and socialising in 2020 meant that this was often done at a distance: via livestreaming services, cards, letters, e-mail, WhatsApp, telephone calls and, when permitted, small groups chatting informally outside after a service.

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**

Average attendance on a Sunday during the whole year was 100. However, numbers varied pre- and post-lockdown and then according to government guidance. Averages therefore should be considered as follows;

Pre-lockdown	142 (132 in 2019)
Post first lockdown	79
Sundays when only livestreaming allowed	13
Approximate engagements via livestreaming	230

We were encouraged by the high number of engagements with livestreaming during the first lockdown and again in the second; however, we note that 'engagements' does not necessarily mean that people engaged for very long and indeed, the number that engaged for three minutes or longer was considerably lower – between 35 and 45 maximum. We should note that an engagement accounts for one computer screen and in many cases one engagement would represent a couple or even more in the case of families. We were therefore encouraged that a significant number of people remained connected and participated in worship electronically even though it is very difficult to ascertain exactly how many did so in a meaningful way.

Easter fell during the first lockdown, when no public worship was permitted. Services were able to take place at Christmas, when attendance for the three services was 176 (230 in 2019). The number on the parish Electoral Roll at 31<sup>st</sup> 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

The year began well. Attendances were slightly higher than the previous year. We celebrated Epiphany on 5<sup>th</sup> January with a family eucharist, featuring the procession of the kings and presentation of gifts, and Epiphany Carols the following Sunday.

On Candlemas, 2<sup>nd</sup> February, we said good-bye to Margaret Legg, a self-supporting minister, who was retiring after more than 12 years of part time service to the parish. Margaret worked initially 2 days a week, reducing in recent years to one day, plus Sundays. She was a valued member of the clergy and staff team, playing a full role on the preaching and presiding rota, taking on a pastoral role and organising Culture Vulture Ventures. The parish eucharist was followed by a champagne reception after the service, after which there was a sit-down lunch in the nave. A special presentation was made to Margaret in gratitude for her service. As part of Margaret's farewell commemorations, a drinks party was held to which all who had taken part in one of the Culture Vulture Ventures were invited and there were also two dinners for her – one with the staff team and another with the churchwardens.

A review of Sunday evening services in Lent resulted in consolidating our resources into an additional carol service for Lent: Being Mindful, exploring the Lenten themes of mortality, fasting, prayer, restoration and perseverance through readings, hymns and music by our choir and musicians. The service took place on Sunday evening, 8<sup>th</sup> March, and was attended by 84 people.

As the pandemic began to show up in the country, we were approached in early March by local councillors and Age UK, Westminster to explore the use of the church as a base for food storage and parcel assembly. Shortly after the first lockdown began, food was delivered to St John's on a weekly basis and parcels assembled by a group of volunteers who then distributed them to those shielding, along with the vulnerable and elderly. As a means of storage, they were allocated space along the south aisle of the church. Our thanks to our verger, Andrejs Livins, who liaised with them to open the building for all their activities.

In response to the Covid-19 pandemic, parish life was turned upside down. Our last service during which a congregation was physically present was on 15<sup>th</sup> March. The following Sunday churches up and down the country were closed to public worship and a small team livestreamed the service from the sanctuary without a congregation. Over the following days, under instruction both nationally and from the Bishop of London, churches were closed for all worship and clergy asked to livestream from their homes. For the next three months Sunday morning services and weekday evening prayer from Monday to Friday were livestreamed from the vicarage and the curate's house, with volunteers taking part in the service to read and lead the intercessions from their homes. Over the weeks, the livestreaming became slightly more elaborate as familiarity with technology allowed us to include the participation of volunteers to read and lead the intercessions. In addition, short clips were pre-recorded for the notices, which included presentations from the treasurer and also featured the lay staff explaining what they were up to during lockdown. From 8<sup>th</sup> June churches were allowed to open for private prayer only and a team could once again livestream from the sanctuary. Public worship resumed from 5<sup>th</sup> July.

The cautious reopening involved the carrying out of risk assessments at each stage of opening and the removal of approximately half the chairs in order that clusters of chairs for family units could be created with 2 metres' distance from another cluster. Sanitisation and cleaning procedures were introduced. The congregation remained

standing in their places to receive communion and all hospitality was suspended. Until September, only one service at 10am was reinstated on Sundays.

A 'Community Behaviour Agreement', one of the government requirements for reopening, presented as a more user-friendly document in question and answer style, was drafted, circulated to parishioners and put on the website. A risk assessment was conducted at that time and reviewed on each revision of government or Church of England guidance. As the vulnerable and elderly were still being encouraged to isolate, livestreaming continued until they were able to attend services at the beginning of September, when we also resumed the 8am Sunday service.

Over the summer we welcomed a new curate, Georgina Elsey, recently graduated from Cranmer Hall, Durham. Due to Covid, ordinations could not take place until September so she joined as a licensed lay worker. Following her ordination on Saturday, 26<sup>th</sup> September we formally welcomed her as a deacon the next day at the 10am service.

Attendance the first two months of reopening averaged 57, but after the summer holidays, average attendance was 79, with a high of 100 the Sunday before the second lockdown in November. We resumed livestreaming the 10am service and evening prayer and recorded our usual November programme of evening services either immediately after the 10am service or during the week to be shown on Facebook at 6pm Sunday evenings.

Remembrance Sunday fell during the second lockdown. The clergy and staff in church for the livestreaming did process to the War Memorial, where a wreath was laid by a former member of the armed forces. The ceremony was attended by a number of ex-servicemen, serving diplomats and international armed services personnel, as well as members of the community. Some of these returned at 11am on 11<sup>th</sup> November a few days later. A similar rite had been enacted on 16<sup>th</sup> August to mark the 75<sup>th</sup> anniversary of VJ Day. Sadly, plans to mark VE Day in May had to be cancelled as the church was closed at that time.

The second lockdown was lifted on the second Sunday of Advent and the planned Advent Sunday carol service took place that evening. A Christingle service for the children and young families was held on Advent 3. The nativity play and carol service were held as usual on the Sunday before Christmas, albeit with much smaller numbers and everything according to social distancing guidelines.

Christmas services followed the usual pattern with attendance roughly 50% of the previous year.

### **Fellowship and Social Life**

All hospitality both in church and at the vicarage was suspended from the first lockdown and remained so for the rest of the year.

Fellowship, such as it was, was limited to that which could be conducted online. An invitation went out each week to join the clergy after the Sunday morning service for virtual coffee via Zoom! and the vicar hosted a Wednesday morning virtual coffee during the first lockdown. During the second lockdown, coffee over Zoom on Sunday mornings continued but with less take up, as people began to feel Zoomed out!

Several parishioners voluntarily set up Zoom events during the first lockdown on Tuesdays that ran into the summer: a music workshop for children, originally in the



morning, then in the afternoons so that older children could join in after school, and a popular quiz at in the evening.

When public worship first resumed, people were allowed to meet in small groups of up to six and we set out cones in the forecourt around which people could gather a minimum of two metres apart provided they remained in that group and did not intermingle. This allowed the clergy to have some contact with people.

From the first lockdown, the clergy encouraged members of the congregation to keep in touch with one another through telephoning and Zoom and they indeed kept in contact with many members of the congregation, especially those who were shielding.

A proportion of a grant from the Heritage Lottery Fund was for re-engaging the local community. This enabled us to host both an outdoor theatre event on 8<sup>th</sup> October and a community carol singing on 21<sup>st</sup> December. These events were received well and alerted us to the forecourt as an attractive space for this kind of event. This of course has been enhanced in recent years by the Church Commissioners' installation of a lighting scheme at the west end of the church. Planned social events on the vicarage terrace for up to six people, socially distanced, were not able to happen due to the November lockdown and December restrictions; however, we were able to purchase a marquee and accessories which will enable us to host such events once restrictions are lifted and make them much less reliant on the weather.

Applications had been invited by the Heritage Lottery Fund (HLF) for emergency funding from heritage sites. We were asked to submit lost income and how this money would have been spent had it been raised in relation to all non-religious activities. For St John's, the application related to maintenance and repair of the organ and as a building used by the local community for a variety of activities. The application was successful.

### **Culture Vulture Ventures**

Culture Vulture Ventures is a programme of social activities which take place 2-3 times per term such as an outing to a theatre, place of interest, concert, even the seaside and includes a meal or other social time for people to interact. Initiated by Margaret Legg and initially aimed at the over 50's, they have proved immensely popular to a broad range of people across all age groups. Margaret bowed out in great style by organising a private tour of Buckingham Palace in January. The event was so oversubscribed that two bookings were required and the dinner after was held in two separate locations in order to accommodate all who wished to go.

As a new curate was scheduled to arrive over the summer, it was envisaged that they would take over the organisation of these events in due course and in the meantime other members of staff would take it in turn to organise an event. Sadly, the lockdown put all plans for any future events on hold for the foreseeable future.

### **Children at St John's**

From the time of the enforced closure in March, all children's activities largely came to a standstill and this naturally affected the numbers of those under 16 at services when they resumed. In place of Kids' Club on a Sunday morning, Blanche Mbanda made a short video each week that was uploaded to the website with a short lesson centred on that week's gospel along with a craft. The videos were very good and often as interesting to adults as they were to children. A young families WhatsApp group was formed and Christmas cards were sent by the clergy team to the children in December.

## **Adult Education**

It had already been decided to take a break from the usual Lent course hosted at the Grosvenor Chapel before Covid hit. However, the bi-monthly Wednesday evenings that met for Bible study and to discuss matters of ethics and theology in a local pub were expanded to meet four times a month and were held on Zoom:

First Wednesday – Bible study  
Second Wednesday – Ignatian Prayer  
Third Wednesday – living faith  
Fourth Wednesday – pub theology

Confirmation preparation had been scheduled in the weeks preceding Easter, leading to a Confirmation by the Bishop of London in May. Confirmations having been suspended until further notice, this did not take place; however, we were joined electronically by the Bishop of London on Sunday, 17<sup>th</sup> May.

A group took part in Courageous Conversations, a discussion group in response to Black Lives Matter.

## **Music at St John's**

With worship going online and being livestreamed from homes, musical life at St John's came to a complete stop. As we became more adept at using available technology, however, our Director of Music was able to work with the choral scholars to pre-record an anthem for some of the Sundays during the first lockdown, with scholars recording their parts from various areas of the country, and within a few weeks this became a much-valued feature of our online worship. Aware of choral scholars' dependence on income from St John's, especially when other sources of income had dried up, St John's continued to pay their weekly fee, subject to monthly reviews of finances by both the vicar and treasurer as well as Standing Committee. When public worship resumed in July, one cantor was allowed to sing. On the last Sunday of July, the end of the academic year, all eight scholars were in church even though only one sung for the service, but afterwards all eight sang Rutter's *The Lord Bless You and Keep You* socially distanced outside on the carpark.

With the resumption of public worship, we undertook a commitment to support our musicians by using them as much as possible on Sunday mornings, although this was generally limited to one per Sunday in order to adhere to social distancing requirements. When we returned to livestreaming services, this was no longer possible due to the fees they were due under Performing Rights issues and we were mindful of minimising costs. The opening up for public worship again in time for our music services in December was welcome so that we could incorporate them into our Christmas plans.

The Heritage Lottery Grant referred to above covered the costs of our Director of Music for four months in his role as curator of the organ. A key element covered by the grant was a children's music project to be delivered for students from local primary schools. Our Director of Music produced this project over a six-week period, going into St James and St John Primary School preparing the children for a production of *Oliver!*. It was then performed in the church alongside music students from Royal Holloway School of Music.

## **Social Outreach and Charitable Giving**

St John's aims to support local and related charities as part of its ministry. We were pleased to host Age UK Westminster for them to store food and to prepare food parcels for those shielding and isolating. For Harvest, collections received on Sundays in October went to purchase a pallet of food for the North Paddington Food Bank, the bulk of the money having been raised by carol singing in December 2019. A donation tin for the Royal British Legion was in church and £98 was raised. In December, our usual children's activities for St Nicholas were replaced by a Christingle and the collection, after expenses, went to support the work of the Children's Society.

In June a family privately made cookies and distributed them to elderly and isolating parishioners. In early December, the parish office distributed potted hyacinth bulbs to the vulnerable and isolating. At Christmas, the families of Kids' Club organised the children to make items for gift bags for our elderly parishioners, most of whom were on their own, at Christmas.

## **Working practices**

With the closure of churches in March, all staff worked remotely during the first lockdown. Staff met at 10am and 4pm on Zoom to facilitate work and ministry and to keep everyone connected. With the reopening of churches for private prayer and meditation in June, the administrator and vergers resumed working in the building in order to staff it with the vergers based in the church itself and the administrator in the office at the rear of the building. This continued during the second lockdown as well, when the curates alternated days working from home and in the office. When the church was open, only members of staff were allowed into the office and were expected to sanitise their hands before entering. Staff meetings took place in church with staff socially distanced.

## **Parishes in Partnership**

St John's continued to offer support and encouragement to St John's, Kensal Rise and 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. An exchange of visits that had been hoped to have taken place in 2020 had to be deferred due to the pandemic and the consequent travel restrictions.

## **Working in Local Schools**

Our voluntary aided primary school, St James & St John, which we share with St James's, Sussex Gardens, was supported throughout the year by all the clergy through governorship, support of the head teacher and the provision of assemblies and Christmas services all through Zoom, Google Teams and Google Classrooms. Despite a traumatic year for the school, indications are that it is doing extremely well in terms of numbers of admissions to both the nursery and reception years. Our thanks to Mark Hewitt, the head teacher, for leading the school and coping so admirably with the changing circumstances.

We should note that the school remained open for children of key workers and for vulnerable children during both lockdowns and staff responded extremely well to providing educational resources online and keeping in touch with children.

Covid limited the numbers of schools coming to St John's this year but Connaught House School was still able to have their Christmas programme in church.

## **Safeguarding**

Ensuring the safety and security of all who worship at St John's or who use the building is a primary concern of the PCC. They have a Safeguarding Policy which gives due regard to the House of Bishops' guidance on safeguarding children and vulnerable adults and which is reviewed annually at the first meeting following the Annual Parochial Church Meeting.

Covid raised new safeguarding issues. Livestreaming services meant that volunteers participating in the service would be shown in their private homes. With the reopening of the church in June, a priority for the PCC was to ensure that all those entering the church could do so safely. To achieve this, daily cleaning & sanitising procedures were drafted and staff trained to carry them out, sanitising stations set up, stocks of PPE purchased, a new seating plan enabling people to observe social distancing was implemented and signage alerting people to safe practices was displayed. The Sunday eucharist was reviewed and adapted: a cantor led the music instead of a full choir, the procession of the clergy and cantor amended to avoid going through the congregation, a volunteer was on duty as people came into church to encourage them to sanitise their hands and a new procedure for the distribution of bread at communion was created. Many attending services during these times expressed appreciation of the efforts made to enable them to attend worship safely.

## **Trustee Induction**

Due to the coronavirus, the annual meeting was not held until 25<sup>th</sup> October. As there were restrictions in place on meeting with people outside one's own household or support bubble, inductions for new PCC members and our new church warden were not able to take place.

## **Fabric Development**

During the first lockdown, water ingress took place which was not discovered until May. Repairs were required both to the roof and ceiling in the organ chamber as well as to the organ itself. The costs of these repairs were met through the grant from the Heritage Lottery Fund and from a claim on our insurance policy.

Following on from an electrical inspection in 2019, the second phase of works arising from that inspection were carried out during the year thanks to the grant from the Heritage Lottery Fund.

The drop-down ladders accessing storage areas above the kitchen and toilets were reaching the end of their life and needed replacing. The ladder above the toilets had been replaced early in the year and, thanks again to the HLF grant, we were able to replace the ladder leading to the space above the kitchen.

A programme of roof cleans was carried out throughout the year along with annual maintenance of the fire safety equipment, clock, gas central heating systems 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 2019 (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**

From the beginning of the first lockdown, Standing Committee met monthly to consider the impact of Covid-19. Normally, in a year when one source of income might not quite meet budget, it is possible to raise additional income elsewhere. In 2020, however, nearly all sources of income were affected: parking income plummeted at the start of each lockdown (although it recovered soon after), hire of the church evaporated completely and all bookings after 22 March cancelled, Paint Pots Montessori Nursery approached us for a reduction in their rent and weddings, funerals and memorial services were all deferred if not cancelled. While some rents did come in, they were often deferred over several months.

Several fortuitous occurrences greatly helped during the course of the year:

- parishioners kept up their regular giving and many made additional donations or set up a new regular standing order in favour of the PCC. A number of parishioners also made extraordinary donations.
- the William Gibbs Religious & Educational Trust made a larger than usual grant of £105,000 (normal grant is £40,000) and Standing Committee earmarked the additional £65,000 for our Ministry Reserve, in order to comply with the Diocese of London's wish for us to demonstrate the ability to fund all four years of our curate's costs
- the Heritage Lottery Fund made a grant of £94,000 to cover some general core costs, recovery costs due to Covid, urgent repair works and costs to re-engage the local community. While £60,000 of this covered items we could have deferred or would only have undertaken had the money come in, it still provided £34,000 to cover regular running costs such as heating, lighting, insurance, remuneration of the Verger and Director of Music (who look after our heritage building and organ) and routine maintenance. The contribution to staff remuneration was especially welcome as Standing Committee had taken the decision in April (and reaffirmed it throughout lockdown) not to furlough any staff

but to continue to pay them as it was felt that all staff were working efficiently from home except for the verger, who continued to collect charges from the few vehicles using the carpark, largely builders and key workers. He also facilitated the use of the building by Age UK. In addition, he supplied a number of parishioners with shopping not covered by essential food parcels.

Before the two grants mentioned above, the PCC were facing a potential deficit for the year of £80,000. In order to break even for the year, it was able to use £34,000 of the HLF grant and only put aside £47,000 (instead of the full £65,000) of the William Gibbs additional grant into the Ministry Reserve. It also drew £22,196 from the Music Reserve (Standing Committee had potentially agreed to draw down £28,196 to cover the costs of continuing to pay the choral scholars and Director of Music during the first lockdown).

In 2017, the PCC took a loan from the Diocese of London for £200,000 in order to assist with funding high level repairs to the masonry and gutters. The balance outstanding at 1<sup>st</sup> January was £52,000. Before lockdown, it made a repayment of £20,000 and because of the funding of the HLF, it was able to make a further repayment of £13,333. There is a balance of £18,667 outstanding which is due to be repaid by the end of 2021.

### **Payments to the Diocese**

The standard parish cost for 2020 was £85,200. The PCC agreed a further contribution to Common Fund, from which clergy stipends and costs are paid, of £8,800 for a total contribution of £94,000. In addition, £81,512 was paid to the Diocese to cover the costs of our assistant curates.

Total payments to the Diocese of London for 2020 amounted to £175,512.

### **Reserves Policy**

The PCC budgets to put £10,000 each year in the Church Maintenance Reserve and £5,000 in its Staff Accommodation Deposit and Ministry Reserves. A larger than usual grant from the William Gibbs Religious & Educational Trust has allowed the Ministry Reserve to be increased by £47,000. This reserve demonstrates the parish's ability to pay the costs of having additional clergy.

Each year the PCC budgets £1,500 for refurbishment of one room in the vicarage as encouraged by the Archdeacon. As this was not spent in 2020, it was also set aside in a reserve to be used in 2021.

### **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 1956 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 normally 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. Due to Covid this did not happen but we note that the newly elected churchwarden had previous experience as a member of the PCC and as assistant churchwarden. We also note that members of Standing Committee elected

in 2019 remained in place until December 2020 and no new members of the PCC were elected until 25<sup>th</sup> October.

## **Organisation**

The PCC meets regularly throughout the year and there are committees to which there are delegated specific duties. In 2020 these committees were largely unable to meet although some business was conducted via Zoom.

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 four times during the year. The Standing Committee met nine times during the year.

## **Risk Management**

In order to mitigate the financial impact of the decrease in revenue from all income streams due to the Covid-19 pandemic, a close eye was kept on finances on a monthly basis through the following:

- monthly meetings by telephone between the vicar and treasurer
- regular review of finances and spending by the vicar and a churchwarden
- monthly reasonable worst case budget reviews and income & expenditure actuals by the administrator
- monthly meetings of Standing Committee

The PCC was aware that its wise accumulation of reserves for ministry and music as well as building maintenance put the parish in a better position to get through the pandemic than would otherwise have been the case. It is also aware that 2021 is likely to be a very precarious year financially and careful use of resources will be required.

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 PCC felt it important to reopen as soon as possible once regulations permitted. Risk assessments were carried out and reviewed for private prayer & meditation, public worship, working practices and use of the parish hall. They were reviewed on each change of guidance issued by the government or by the Church of England and adapted to comply with any changes. Actions taken in this regard have already been set out under Safeguarding above.

## **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. In a year when this is not spent, it is put aside into a reserve for use in a future year.

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, the second and third floor maisonette at 12a Connaught Street has been returned to the Church Commissioners but 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 preparation for occupancy by our new curate, Georgina Elsey, works of £8,954 were carried out and were covered by drawing this sum from the Clergy Accommodation Reserve.

### **Looking Ahead**

The challenges of the Covid-19 pandemic continue into 2021 and the PCC is aware that there will likely be no return to normality for many months to come; and while restrictions may be eased into the summer, there is a likelihood that they may be increased again during the winter of 2021/22. The emergence and rollout of the vaccine programme bring signs of hope to some return to more normal functioning, but it is likely to be a slow process not only in terms of the relaxation of social distancing guidelines, but also in building up confidence for large congregations to return. The prohibition of international travel will also have an impact on members of our community that commute between different countries as they may be unable to move freely to and from London.

Financial prudence and careful planning will be required. In the absence of any new grants, St John's is likely to rely heavily on reserves again during the coming 12 months.

We hope that we will be able to re-engage with members of the community as and when we are allowed, in small groups and by outdoor social events in the summer.

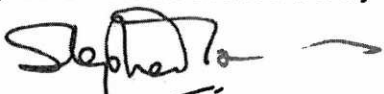
It is likely that the reduced number of choral scholars appointed for the academic year 2020/21 will be continued into 2021/22 and there may be a need to reduce the numbers of musicians at services. Having said that, our loyalty to our musicians will encourage us to use them as and when we are able according to finances. We note that as of yet, very few weddings and blessings have been scheduled for 2021.

We very much hope that congregational giving will continue to be generous and are aware that we may need to encourage this as the year goes on. The vicar and administrator are also aware of the need to keep a close eye on the possibilities of emergency funding or help with maintenance from outside sources.

### **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 2020 financial statements.

Signed on behalf of the PCC by

A handwritten signature in black ink, appearing to read 'Stephen', followed by a horizontal line.

The Reverend Stephen Mason, Chair  
22<sup>nd</sup> April 2021

## **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 (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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**

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

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

Our responsibilities and the responsibilities of the Parochial Church Council members with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the 2020 report of the Parochial Church Council, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.



Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **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 Parochial Church Council members' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Parochial Church Council members**

As explained more fully in the Statement of Parochial Church Council Responsibilities statement, the Parochial Church Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charity'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 charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Parochial Church Council members and other management (as required by auditing standards), and discussed with the Parochial Church Council members and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Charities Act 2011) and the relevant charity regulations in the UK;
- We considered the nature of the industry, the control environment and the charity's performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report or for the opinions we have formed.

A handwritten signature in black ink that reads "TC Group". The signature is written in a cursive style and is underlined with a single horizontal line.

TC Group (Statutory Auditor)  
Office: Portsmouth

Date: 13 May 2021

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 31<sup>st</sup> December 2020**

	Unrestricted Funds £	2020 Restricted Funds £	Total £	2019 Total £
<b>Income from:</b>				
Donations and Legacies	374,980	101,692	476,672	345,926
Charitable Activities	29,136	0	29,136	112,210
Other Trading Activities	77,998	0	77,998	91,513
Investments	9	0	9	27
<b>Total Income</b>	<b>482,123</b>	<b>101,692</b>	<b>583,815</b>	<b>549,676</b>
<b>Expenditure on:</b>				
Raising Funds	7,813	0	7,813	34,682
Charitable Activities	399,248	103,930	503,178	460,118
Other	5,000	0	5,000	5,100
<b>Total Expenditure</b>	<b>412,061</b>	<b>103,930</b>	<b>515,991</b>	<b>499,900</b>
<b>Net Income/(Expenditure)</b>	<b>70,062</b>	<b>(2,238)</b>	<b>67,824</b>	<b>49,777</b>
<b>Transfers between Funds</b>	<b>13,333</b>	<b>(13,333)</b>	<b>0</b>	<b>0</b>
<b>Net Movement in Funds</b>	<b>83,395</b>	<b>(15,571)</b>	<b>67,824</b>	<b>49,777</b>
<b>Reconciliation in Funds</b>				
Total funds brought forward	82,045	80,963	163,008	113,231
<b>Total funds carried forward</b>	<b>165,440</b>	<b>65,392</b>	<b>230,832</b>	<b>163,008</b>

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 31<sup>st</sup> December 2020**

	2020 £	2019 £
<b>Fixed Assets</b>		
Tangible Assets	0	2,498
<b>Current Assets</b>		
Debtors <sup>1</sup>	27,084	36,282
Cash at bank and in hand <sup>2</sup>	270,329	237,404
<b>Creditors:</b> Amounts falling due within one year <sup>3</sup>	(47,914)	(61,176)
London Diocesan Fund loan due in 2021	(18,667)	(13,000)
<b>Net current assets/(liabilities)</b>	<b>230,832</b>	<b>199,510</b>
<b>Long Term Liabilities</b>		
London Diocesan Fund loan	0	(39,000)
<b>Net Assets</b>	<b><u>230,832</u></b>	<b><u>163,008</u></b>
<b>Charity Funds</b>		
Restricted Funds <sup>4</sup>	65,392	80,963
Unrestricted Funds		
General Funds	319	(1,746)
Ministry Reserve	81,358	34,358
Clergy Accommodation Maintenance Reserve	21,499	30,453
Church Maintenance Reserve	44,505	34,505
Rainy Day Appeal Funds	20,472	27,021
Vestments	4,454	4,454
Development Funds	(18,667)	(52,000)
Staff Accommodation Deposit	10,000	5,000
Planned Maintenance	1,500	0
Total Unrestricted Funds	165,440	82,045
<b>Total Charity Funds</b>	<b><u>230,832</u></b>	<b><u>163,008</u></b>

The financial statements were approved and authorised for issue by the Parochial Church Council on 8<sup>th</sup> March 2021.

Signed on behalf of the Parochial Church council

  
 Ian Nelson, Treasurer  
 22<sup>nd</sup> April 2021

The notes on pages 29-35 form part of these financial statements.

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

## General Fund Income & Expenditure

Year Ending 31<sup>st</sup> December 2020

		2020	2019
		Total	
SOFA	Unrestricted	Restricted	
Headings	INCOME	£	£
Donations	Donations Elgbl for Gift Aid	99,750	0
and	Envelopes	576	0
Legacies	Non-Taxed Pledges	1,940	0
	Tax Refund	32,475	0
	Collections	4,469	0
	Other Donations	72,809	0
	Alms	413	0
	Fellowship	122	0
	Special Clergy Services	4,171	0
	Church Comm	18,000	0
	Grants	105,000	80,442 <sup>5</sup>
	Insurance Claims	11,964	0
	Vol Trust Admin Contrib	9,500	0
		<b>361,189</b>	<b>80,442</b>
		<b>441,631</b>	<b>275,690</b>
Charitable	Special Services	5,733	0
Activities	Hire of Church	15,037	0
	Hire of Hall	6,866	0
	Other Rents	1,500	0
		<b>29,136</b>	<b>0</b>
		<b>29,136</b>	<b>112,210</b>
Other	Forecourt Income	30,490	0
Trading	Nursery School Rent	27,513	0
Activities	Crypt Rent	19,995	0
		<b>77,998</b>	<b>0</b>
		<b>77,998</b>	<b>91,513</b>
Investments	Interest	9	0
		<b>9</b>	<b>27</b>
<b>TOTAL INCOME</b>		<b>468,332</b>	<b>80,442</b>
		<b>548,774</b>	<b>479,440</b>
<b>TOTAL EXPENDITURE</b>		<b>(411,721)</b>	<b>(73,927)</b>
		<b>(485,648)</b>	<b>(485,035)</b>
<b>SURPLUS/(DEFICIT) FOR YEAR</b>		<b>56,611</b>	<b>6,515</b>
		<b>63,066</b>	<b>(5,595)</b>
<b>DESIGNATED RESERVES USED:</b>			
	Church Maintenance Reserve	0	12,594
	Clergy Accommodation Reserve	8,954	0
	Ministry Reserve	18,000	0
<b>SURPLUS/(DEFICIT) INCORPORATING USED RESERVES</b>		<b>86,565</b>	<b>6,999</b>
<b>DESIGNATIONS TO RESERVES</b>			
	Church Maintenance Reserve	10,000	0
	Ministry Reserve	65,000	5,000
	Planned Maintenance	1,500	0
	Staff Accommodation Deposit Reserve	5,000	5,000
<b>SURPLUS/(DEFICIT) AFTER DESIGNATIONS</b>		<b>2,065</b>	<b>(3,001)</b>

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

## General Fund Income & Expenditure

### Year Ending 31<sup>st</sup> December 2020

		Unrestricted	Restricted	2020 Total	2019
SOFA					
Headings	<u>EXPENDITURE</u>	£	£	£	£
Raising Funds	Forecourt Expenditure	2,256	0	2,256	3,142
	Events Costs	5,498	0	5,498	30,442
		<b>7,754</b>	<b>0</b>	<b>7,754</b>	<b>33,584</b>
Charitable	London Diocesan Fund	94,000	0	94,000	90,000
Activities	Additional Clergy Costs	81,512	0	81,512	55,571
	Vicar's Expenses	10,835	0	10,835	11,116
	Additional Clergy Expenses	2,150	0	2,150	1,629
	Rents, Running Costs	29,325	0	29,325	32,166
	Archery Close Works	8,954	0	8,954	0
	Vicarage Routine Maintenance	188	0	188	0
	Children's Education	249	0	249	315
	Adult Education	0	0	0	75
	Kensal Rise Plant	86	0	86	150
	Director of Music	2,827	5,653	8,480	16,293
	Music Expenses	3,815	9,083	12,898	39,593
	Oliver! School Music Project	0	9,841	9,841	0
	Fellowship	1,814	5,104	6,918	13,863
	Special Clergy Services	3,473	0	3,473	1,612
	Altar Requisites	2,395	0	2,395	2,414
	Light, Heat & Insurance	9,499	7,291	16,790	15,031
	Cleaning	8,201	1,919	10,119	9,695
	Grounds	989	0	989	1,666
	Repairs & Maintenance	15,526	13,087	28,613	22,593
	Organ Protection & Repairs	0	4,635	4,635	0
	Organ Chamber Repairs	0	7,918	7,918	0
	Printing & Publicity	4,210	0	4,210	3,073
	Administrative Staff	51,122	0	51,122	51,026
	Verger	16,585	9,397	25,982	25,229
	Staff Pension Contributions	23,320	0	23,320	21,759
	Catering Staff	0	0	0	2,913
	Office Expenses	13,928	0	13,928	12,956
	Equipment	789	0	789	179
	Depreciation	2,498	0	2,498	3,122
	Miscellaneous Expenses	582	0	583	4,279
	Professional Fees	10,095	0	10,095	8,033
		<b>398,967</b>	<b>73,927</b>	<b>472,894</b>	<b>446,352</b>
Governance					
Costs	Audit Fee	5,000	0	5,000	5,100
		<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>5,100</b>
<b>TOTAL EXPENDITURE</b>		<b>411,721</b>	<b>73,927</b>	<b>485,648</b>	<b>485,035</b>

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

**Development Fund Income & Expenditure**

**Year Ending 31<sup>st</sup> December 2020**

	Unrestricted	Restricted	2020 Total	2019
	£	£	£	£
<b><u>INCOME</u></b>				
Congregational Donors	13,791	0	13,791	45,057
Gift Aid on Donations	0	0	0	7,096
Fund Raising Events	0	0	0	6,958
Other Grants	<u>0</u>	<u>13,558<sup>5</sup></u>	<u>13,558</u>	<u>0</u>
<b>TOTAL INCOME</b>	<b>13,791</b>	<b>13,558</b>	<b>27,349</b>	<b>59,112</b>
<b><u>EXPENDITURE</u></b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Events Costs	59	0	59	1,098
Loan Interest	<u>281</u>	<u>225</u>	<u>506</u>	<u>1,804</u>
<b>TOTAL EXPENDITURE</b>	<b>340</b>	<b>225</b>	<b>565</b>	<b>2,902</b>
<b>SURPLUS/(DEFICIT)</b>			<b>26,784</b>	<b>56,210</b>
Loan Repayments to the Diocese of London			(33,333)	(54,000)
Transfer from Rainy Day Reserve			<u>6,549</u>	<u>0</u>
<b>SURPLUS/(DEFICIT)</b>			<b>0</b>	<b>2,210</b>

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

**Organ Fund Restricted Income & Expenditure**

**Year Ending 31<sup>st</sup> December 2020**

	2020 £	2019 £
<b><u>INCOME</u></b>		
Donations	<u>0</u>	<u>3</u>
<b>TOTAL INCOME</b>	<b>0</b>	<b>3</b>
<b><u>EXPENDITURE</u></b>		
Events	0	100
Organ Consultant's Fees & Bonus	0	(800)
Organ Tuning & Maintenance	<u>276</u>	<u>1,771</u>
<b>TOTAL EXPENDITURE</b>	<b>276</b>	<b>1,071</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(276)</b>	<b>(1,068)</b>
<b>BALANCE BROUGHT FORWARD</b>	<b><u>10,425</u></b>	<b><u>11,494</u></b>
<b>BALANCE CARRIED FORWARD</b>	<b>10,149</b>	<b>10,425</b>

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

**Other Restricted Income & Expenditure**

**Year Ending 31<sup>st</sup> December 2020**

<b><u>INCOME</u></b>	<b>2020 £</b>	<b>2019 £</b>
Charities Income	1,252	1,232
Flower donations	1,702	1,527
Under 5's	0	338
Music Donations – Director of Music	910	695
Music Donations – Singers & Musicians	1,621	1,110
Mary Poppins Schools Project	0	5,000
Clergy Leaving Purse	<u>2,207</u>	<u>815</u>
<b>TOTAL INCOME</b>	<b>7,692</b>	<b>10,717</b>
 <b><u>EXPENDITURE</u></b>		
Charitable Donations	1,252	1,232
Flower Expenses	1,702	1,527
Under 5's Expenses	0	338
Music Expenditure – Director of Music	9,165	695
Music Expenditure – Singers & Musicians	15,176	860
Mary Poppins Schools Project	0	5,000
Clergy Leaving Purse	<u>2,207</u>	<u>815</u>
<b>TOTAL EXPENDITURE</b>	<b>29,502</b>	<b>10,487</b>
 <b>SURPLUS/(DEFICIT)</b>	<b>(21,810)</b>	<b>230</b>
 <b>BALANCE BROUGHT FORWARD</b>	<b><u>70,536</u></b>	<b><u>70,306</u></b>
 <b>BALANCE CARRIED FORWARD</b>	<b>48,726</b>	<b>70,536</b>

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

**Statement of Cash Flows**

**Year Ending 31<sup>st</sup> December 2020**

	2020 £	2019 £
Cash flows from operating activities:		
<b>Net cash provided by (used in) operating activities</b>	<b>66,258</b>	<b>31,134</b>
Cash flows from financing activities:		
Cash flows from new borrowings	0	0
Repayment of borrowings	(33,333)	(54,000)
<b>Net cash provided by (used in) operating activities</b>	<b><u>32,925</u></b>	<b><u>(22,886)</u></b>
Change in cash & cash equivalents In the reporting period	32,925	(22,886)
Cash and cash equivalents at the beginning of the reporting period	237,404	260,270
<b>Cash and cash equivalent at the end     of the reporting period</b>	<b><u>270,329</u></b>	<b><u>237,404</u></b>
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
<b>Net movement in funds for the reporting     period (as per the SOFA)</b>	<b>61,309</b>	<b>49,777</b>
<b>Adjustments for:</b>		
Depreciation charges	2,498	3,122
(Increase)/decrease in debtors	(6,747)	(8,572)
Increase/(decrease) in creditors	9,198	(13,193)
(Purchase)/sale of fixed assets	0	0
<b>Net cash provided by (used in) operating activities</b>	<b><u>66,258</u></b>	<b><u>31,134</u></b>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	270,329	237,404
Notice deposits	0	0
<b>Total cash and cash equivalents</b>	<b><u>270,329</u></b>	<b><u>237,404</u></b>



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

### **Notes to the Financial Statements**

**Year Ending 31<sup>st</sup> December 2020**

#### **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 4 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 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 in October 2019) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006.

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.

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 has 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 £224,317, 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 has 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><sup>1</sup>Debtors</u>	2020	2019
	£	£
Sundry Debtors	8,844	5,830
Income Tax Recoverable	<u>18,240</u>	<u>30,452</u>
TOTAL	27,084	36,282

<u><sup>2</sup>Cash at Bank and in Hand</u>		
General Fund	240,036	203,603
Petty Cash	120	120
Special Purposes Account	<u>30,173</u>	<u>33,681</u>
TOTAL	270,329	237,404

<u><sup>3</sup>Amounts Falling Due within One Year</u>		
Sundry Creditors	41,914	55,076
Rent Deposits	1,000	1,000
Audit Fee	5,000	5,100
Diocesan Loan	<u>18,667</u>	<u>13,000</u>
TOTAL	66,581	74,176

<u><sup>4</sup>Restricted Funds</u>		
HLF Grant	6,515 <sup>5</sup>	0
Memorial Garden	3,834	3,834
Music	43,650	65,460
Vestments	1,244	1,244
Organ Fund	<u>10,149</u>	<u>10,425</u>
TOTAL	65,392	80,963

#### <sup>5</sup>HLF Grant

In September the HLF awarded a grant to the Parochial Church Council which was to be spent on approved categories of expenditure. The award covered some expenditure not incurred until January 2021. Under the terms of the grant, should the funds not be spent by 31<sup>st</sup> January 2021 or the expenditure not approved by the HLF, they could require the funds to be repaid. At 31<sup>st</sup> December, £6,515 was due to be used to cover expenditure in January 2021. A restricted fund was set up which will be used either to cover these costs once approved by the HLF or to cover the repayment should the HLF not approve the expenditure.

## Changes in Reserves

	Bal b/f	Income	Expend	Loan Rpymts	Trans	Bal c/f
Unrest funds						
Gen Fund	134,045	468,332	(411,721)	(20,000)	13,451	184,107
Devel Fund	(52,000)	13,791	(340)	33,333	(13,451)	(18,667)
Subtotals	82,045	482,123	(412,061)	13,333	0	165,440
Restrct funds						
HLF Grant						
Gen Fund	0	80,442	(73,927)	0	0	6,515
Dev Fund	0	13,558	(225)	(13,333)	0	0
Organ Fund	10,425	0	(276)	0	0	10,149
Other Funds	70,538	7,692	(29,502)	0	0	48,728
Subtotals	80,963	101,692	(103,930)	(13,333)	0	65,391
TOTALS	163,008	583,815	(515,991)	0	0	230,832

## Fixed Assets for Use by the PCC

	Equipment	Grand Piano	Total
Gross Book Value at 1 January 2020	41,732	17,000	58,732
Additions	0	0	0
(Disposals)	0	0	0
as at December 31 2020	41,732	17,000	58,732
Depreciation at 1 January 2020	39,234	17,000	56,234
Charge for the Year	2,498	0	2,498
Release on Disposal	0	0	0
at 31 December 2020	41,732	17,000	58,732
Net Book Value at 31 December 2020	0	0	0
at 31 December 2019	<u>2,498</u>	<u>0</u>	<u>2,498</u>

## Analysis of Net Assets by Fund

	Unrestricted Funds	Restricted Funds	Total
Fixed Assets	0	0	0
Current Assets	239,090	68,323	297,413
Current Liabilities	(63,650)	(2,931)	(66,581)
<b>TOTAL ASSETS</b>	<b><u>165,440</u></b>	<b><u>65,392</u></b>	<b><u>230,832</u></b>

## STAFF COSTS

	2020 £	2019 £
Wages and Salaries	79,431	80,079
Social Security Costs	8,465	8,635
Pension Costs	<u>9,280</u>	<u>12,575</u>
<b>TOTAL COSTS</b>	<b>97,176</b>	<b>101,289</b>

The average number of staff during the year was two (two in 2019). No employee was paid more than £60,000 during the year or preceding year. In addition to salaries, fees of £16,960 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 to 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.

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 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. Details on the HLF fund have been given in note 5 on page 32. Memorial Garden funds will be used to develop one of the gardens along the church as a Garden of Remembrance. The Music Reserve holds funds donated explicitly for music. Vestments are as set out at the

top of this page. The Organ Fund arose when the grade 2\* listed organ was refurbished in 2015 and is used for upkeep and maintenance of the organ.

In considering how to fund major repairs to the roof and high level masonry carried out in 2017, 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 £54,000 of the loan in 2019 and £33,333 in 2020.

## **2020 PAYMENTS TO PCC MEMBERS**

No elected members of St John's PCC received any reimbursement of expenses or remuneration. All clergy are reimbursed reasonable expenses incurred in the performance of their duties. In 2020, such reimbursements totalled £20,596.

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 2020 the charity had commitments under non-cancellable leases as follows:

		2021	2020
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

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 2<sup>nd</sup> and 3<sup>rd</sup> 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 £105,000 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 £9,500 was made for 2020.

## **AUDIT FEE**

The fee for the audit of the 2019 accounts was £5,100. A provision of £5,000 has been made for the audit of the 2020 accounts.