

ST PAUL'S CHURCH, ST ALBANS

Blandford Road, St Albans, Herts, AL1 4JP

Registered charity number 1131697

ANNUAL REPORT

and summary accounts of the Parochial Church Council

2021

Vicars: Rev Jono and Rev Diane Tregale

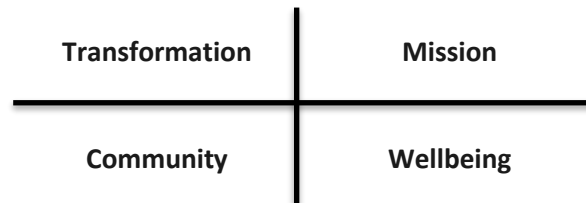
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Our Vision

'To be a people pursuing God and expecting the extraordinary,
as He works through us to transform people and places'

Our Vision is put into action through four key objective areas



Transformation is:

- Coming into God's presence through worship, honouring Jesus and being transformed by Him.
- Growing in hearing and talking to God, through the Bible and direct from the Holy Spirit.
- Nurturing our relationship with him, through worship, Bible, prayer, intercessions, spiritual disciplines and teaching.
- Growing in spiritual gifts, seeking and expecting the extraordinary as we serve.

Mission is:

- Showing God's love and helping people encounter Jesus, wherever we are in our daily lives.
- Being intentional and bold in our conversations, growing in hearing God's prompting.
- Being salt and light, influencing our communities.
- Supporting people wherever God calls them to go.

Community is:

- All church members recognising their role in welcoming and inviting both within the church family and in the community around us.
- Building relationships in and outside the church, across all ages and Christian experience.
- Welcoming all into the family of the church, helping them engage in life-giving relationships.
- Building pathways into the church family and to faith.
- Encouraging hospitality.
- Sharing concern for wider issues in society, including social action and care for creation, using networks in St Albans and beyond.

Wellbeing is:

- Meeting the needs of the whole person, both within the Church family and those in our community.
- Growing in holistic health - physically, relationally, emotionally and spiritually; in a 'medicine to miracles' approach. Ranging from practical steps to health (changing behaviours and thought patterns) through to praying for the miraculous.
- Promoting healthy relationships within families, extended families and friendship networks.

Introduction

The Parochial Church Council (PCC) is responsible for the employment of full-time and part-time staff team, the upkeep of the church building and the adjoining church halls, and also for the curate's house, currently providing accommodation for our Associate Vicar.

The PCC is a corporate body established by the Church of England and is registered with the Charity Commission for England and Wales. The charitable purpose of the PCC is to promote, in the parish of St Paul's, the whole mission of the church: pastoral, evangelistic, social and ecumenical.

St Paul's is the parish church for Fleetville, St Albans, in the Diocese of St Albans, and has a population of about 11,100 within its parish. The parish is growing, with recent new homes being built in the Oaklands area and over the past year we have undertaken a number of outreach activities to welcome these newcomers.

Data from the Church Urban Fund shows St Paul's to be one of the least deprived parishes in the country. Most homes are owner-occupied, with the largest group of people being in managerial/administrative/professional employment. Many have level 4 qualifications and above, and generally people have good health and are not limited by disability in day-to-day activities. There is a high percentage of families in the parish, and a significant minority of Asian/Asian British, along with those of Eastern European, Caribbean and other heritages. Despite the general affluence, a number face financial and other hardships, and the coronavirus pandemic has brought stress and anxiety for many.

Electoral Roll and Church Attendance

Our electoral roll, published on 11 March 2021, named 282 people as members of St Paul's Church. Church attendance during 2021 continued to be impacted by the coronavirus pandemic. Services in church were suspended from January to March, but attendance has grown consistently since then, especially following the return of our children's and youth groups in person from September. Average adult attendance in October was 146.

This attendance is supplemented by those watching our services online: typically, around 100 people join our 8am or 10.30am services each Sunday, with midweek views increasing this to around 150. We also have a significant number of children and youth attending various weekly programmes.

Our new electoral roll, published on 12 March 2022, names 276 people as members of St Paul's Church.

Vicar's Report and Review of 2021

It was a joy for us to be licenced together on 1 September 2021 as co-Vicars for St. Paul's Church and we are so grateful for the warm and supportive welcome we have received. Emerging from 18 months of pandemic has been an interesting time to begin a new ministry but we have been heartened by the commitment, flexibility and care with which people have continued to serve within the church. After such a long previous incumbency and the challenges of lockdown, we committed much of our first four months here to getting to know people, listening to their stories, and beginning to understand the way the church works – its structures, activities and vision. We have valued the commitment of so many gifted volunteers and an outstanding staff team, and consider it a privilege to work alongside you all. Special thanks must also be offered to our church wardens, Lindsey McLeod and Jo Fisher, who have worked tirelessly through the interregnum with such grace and wisdom.

The everyday ministry of a parish church slowly returned during those four months – baptisms, funerals, weddings, in-person youth and children's activities, the pop-in café, a wide variety of small groups – and much more. Week by week more people came on Sundays and it was especially wonderful to welcome many of those who have joined St. Paul's within the past year (even during lockdown – thanks to online) to a new-comers tea in November. Harvest, Remembrance and Christmas all happened in person – though sadly with reduced numbers for the final week of Christmas services due to a spike in national COVID cases.

It was therefore with immense gratitude to God's faithfulness and the committed service of his people at St. Paul's that we ended the year with hope and expectation as we look forward to 2022.

Services and Worship

It has been a great joy to join together in person for worship as risks associated with COVID reduced. We started the year with services online only, with both the 8am traditional Communion (using the Book of Common Prayer) and the 10.30am morning service broadcast on YouTube. We were delighted to return to church from Palm Sunday to worship together at our 10.30am services. The 8am Communion resumed in church from July, initially fortnightly and then weekly from November. We continue to broadcast both services on YouTube. As well as making these services accessible to those cautious about meeting together or whose circumstances make regular attendance difficult, it has been wonderful to welcome family and friends from around the world, and also to provide a 'window' on St Paul's from which some have now joined us in person.

While we have not yet returned to a regular evening service, a number of one-off evening gatherings since the autumn have provided an opportunity to worship and learn together in a more informal setting. Monthly 'Platform' evenings during the summer, held outdoors at YWAM Harpenden, gave space for Spirit-led sung worship and listening.

Special services during the year included a Good Friday 'foot of the cross' meditation; a Reflective Service in June, to give space to mark the losses of the pandemic; and Christmas services including family-focussed Crib services, a 'Quiet Christmas', traditional Lessons and Carols, and informal Beer and Carols. At all these services we welcomed both regular members and family and several new to St Paul's, often in response to the Christmas cards distributed throughout the parish, as well as social media and other publicity. We have also held services with a Creation Care focus, in particular during COP26, helping deepen our understanding of climate change issues within the context of our Christian faith.

Perhaps the most significant service of the year was the Licencing and Installation of Jono and Diane Tregale as our new Vicars, in September. It was a great joy to welcome them in a service attended by representatives of our local community, as well as the church family.

We are very grateful to Andre Radmall for his leadership of the 10.30am service during the vacancy, ensuring an accessible and inspiring time of worship and teaching; and to Peter Crumpler for his care for the 8am service, which continued to attract a significant online congregation drawn to many excellent sermons within the more traditional context. Both these services have flourished during the pandemic and provide fertile ground on which to grow.

We are also grateful to Ben Shave, our Worship Minister, who did so much to develop our online services and help us worship in this new format. We said goodbye to Ben and Em in August, when they moved to serve in a new church plant in Grimsby, where their ministries continue to grow. We have also been blessed by a dedicated and growing technical team, enabling our services to run smoothly both in church and online.

Throughout the year, our church life has been supported by faithful prayer – in services, homegroups, individuals and prayer partners, and in our weekly Zoom prayer meeting. Special days of prayer were held at the recruitment of our new vicars in March and their arrival in September.

In 2021 we had 4 baptisms, no dedications, 3 weddings and 10 funerals at St Paul's Church.

Groups

Over the past year our small groups have provided a vital source of community and connection to St Paul's, at a time when services and other activities were disrupted. Our homegroups have met regularly, adapting to a mixed pattern of online, outdoor and socially-distanced indoor gatherings, as best suited each. As well as learning and praying together, they have been places of great care and pastoral support.

Alongside these groups, the Wednesday pop-in café has been a valued place of welcome and connection throughout the year; and our activity groups have grown in number and memberships, now covering walking, strolling, crafts, art, flower arranging, gardening, litter picking, pub visits and more. Most importantly, they create opportunities for friendship, encouragement, and welcome to newcomers and to friends outside St Paul's.

Events and Outreach

Events once again were limited by the pandemic, but creativity flourished! Our outreach spread beyond the church buildings, with Easter Trails held in Clarence Park, Longacres, and throughout local streets; a summer fun afternoon at Longacres, and carol singing on the new housing estate in the Oaklands area and in Clarence Park. We again used our glass entrance for Easter, Remembrance and Advent displays, that brought colour and a message of hope to passers by; and have used social media, banners and Christmas and Easter cards to share this message further. We continue to look for ways to connect with our community across the parish.

The summer months usually see a large contingent from St Paul's attend the New Wine summer conference; sadly this was cancelled in 2021, but a number arranged to meet in small groups to worship, pray and listen to the teaching online.

Children and Youth

Sunday Groups

At St Paul's, we believe that children and young people are full members of the body of Christ and we seek to encourage, disciple and challenge each other as we journey together. We hold a morning All Age service in church once a month. At this service the youth lead worship, which provides a great opportunity for young people to grow in giftings.

On the other Sunday mornings the children attend age-appropriate groups: Stepping Stones (babies until walking) and Tumblers (confidently walking until 3 years), which are currently combined; Scramblers (3 years

until end of Reception); and then Climbers (Years 1, 2 & 3) and Explorers (Years 4, 5 & 6) which will combine in March 2022.

We have 80 children on the registers of our children's Sunday groups (aged 0-11yrs) and our average Sunday attendance is around 35 each week. Over 30 volunteers, including some older members of our youth group, regularly commit to preparing, leading or helping in these Sunday groups during term time.

Pathfinders runs on a Sunday morning for youth in years 7-9. We currently have 29 youth listed on our registers in this group, with a weekly attendance ranging between 3 and 10. We have a team of 5 adults and 2 older youth running this group.

All groups seem to be well received and the staff team are considering ways forward with the All Age Service, which is often not attended by many families with children.

Events and Activities

In 2021, we enjoyed three big re-connection events for families which we called "Sunday Fun Day" – over 100 people attended each one and the huge success of these events will impact our learning towards All Age Worship provision going forward.

We also held a number of great events in the Summer and Autumn Term such as a weekend away for year 3-5, Youth Family BBQ, Youth Kayaking, Light Parties for kids and youth as an alternative to Halloween, a weekend away for year 6-8, a Climbers Animal Party, monthly Pathfinders and Thursday Night Youth socials. We are looking forward to more in 2022, with increased relaxing of restrictions. All of our events exist to create a space where children can listen to God, enjoy Him (and each other!!) and enjoy life His way.

Thursday Night Youth runs weekly with between 13-20 young people in attendance each week. Currently we have 34 young people listed on this register. We have time to build relationship, play a game, share food and hear a talk or have a discussion. At the moment, we are running the Youth Alpha Course with this group, with an Alpha Sleepover running at church at the end of March 2022.

Schools and Community Work

St Paul's aims also to support children through work in and with schools. We were able to run our regular Nativity Trail for local schools in December which saw over 200 children attending through the week and hearing the story of Christmas. Tori and Diane made connections with Fleetville Infants and Juniors and visited Fleetville Infants to do a Harvest themed assembly. Rachel has just begun to volunteer with Step (a local charity and one of our mission partners working in secondary schools) and is hoping to join Step in their Beaumont weekly 'explore group' amongst other opportunities. We hope and pray that these relationships grow.

Other Groups

Tots, Tiny Tots and SaturDads have all returned – Tots and Tiny Tots ran for 6 weeks before the summer break, SaturDads started again in September 2021. Both groups run with an incredible team of enthusiastic volunteers, committed to welcoming, blessing and sharing God's love and good news with the guests. Tiny Tots gets between 5-10 families on a weekly basis and Tots welcomes around 55 families on a weekly basis, while SaturDads welcomes around 24 families on monthly basis.

The Lantern

St Paul's provides various pastoral outreach activities both to church members and the wider community under the umbrella of the Lantern. The activities of the Lantern are governed by the trustees of St Paul's Church Trust (reg. charity 1004425). This is a separate charity set up to support the church and community activities.

All of these activities have been interrupted or heavily reduced during 2021 due to the coronavirus pandemic.

Christians Against Poverty (CAP)

Sadly, not much has changed since the last report in 2020 in that many people continue to be challenged financially. The debt service world does change, however, with increased compliance requirements. The complexity of clients' needs and an increase in the levels of priority debt has caused strain across the board. As one of the few agencies that negotiates priority debt and handles priority payments on behalf of clients, these changes continue to hit CAP especially hard.

We have kept our Debt Centre open throughout the pandemic, albeit looking rather different at times. We have now started running courses again and meeting face-to-face with clients in their homes. Until recently we were unable to have our usual physical presence in key places, such as food banks and the Job Centre. As a result, we saw a slight drop in the number of referrals, but this is now increasing rapidly.

During 2020/21 a second Debt Coach has been hard at work training and we hope she will have completed all the training by the summer. As mentioned in the 2019 report, in line with CAP recommendations, Rachel Martin is due a 3-month sabbatical (was due in 2020). With a second Debt Coach onboard she is hopeful this will happen this year.

We continue to offer Life Skills and CAP Money courses on a regular basis and these provide opportunities to clients to learn how to budget and make wise choices.

It remains a privilege to be part of an organisation driven by compassion and excellence, providing help and support to some of the most vulnerable people locally. Several clients are now 'regular' worshippers at St Paul's and are growing in their relationship with their Spiritual Father.

Please continue to pray for the poor and needy locally. If you would like to know more, or join our support team, please contact Rachel.

Counselling

Over the period of the pandemic there has been a slowdown in enquiries for the counselling service. There are three counsellors working for the service and they are all self-employed, undertaking other work with varying workloads.

All the counsellors have been doing on-line and telephone sessions and continuing with clients they have already been working with. A total of 198 sessions were carried out in 2021.

We have prioritised people who have a Christian faith and clients have indicated that they appreciate having a space to turn to which incorporates their faith. On occasion, people have been accepted for counselling from

the St Paul's neighbourhood who are from a different faith. The ministry team decides on whether to proceed with this type of enquiry.

There is greater flexibility now that the social distancing rules have changed and we now have the possibility of face-to-face sessions returning.

Bereavement Support

Unfortunately, we were unable to offer our trained Bereavement Listener service during 2021, as volunteers have not been available. Bereavement support has been provided by clergy taking funerals, and informally within the church family. Families who have experienced loss were invited to our Space to Reflect service in June and Quiet Christmas service, where the opportunity to reflect was appreciated.

We are currently exploring how to take forward our bereavement support and other pastoral listening, for both church members and the wider community.

Prayer Ministry

During most of 2021 prayer ministry took place outside of services, by arrangement, in person, outside, inside, on Zoom or on the phone, depending on pandemic laws at the time. We supported people who rang the office requesting prayer as well as regular church members. From October, prayer ministry was available again at the end of the 10:30am service with a team keen to return to this ministry.

Due to the pandemic, Andy Pike leaving the church and the interregnum, regular in-house training and team meetings ceased but the latter will have restarted by the time you read this, led by Jono Tregale. A couple of us attended a prayer ministry conference in October hosted at New Life Church in Milton Keynes. New Wine online has also provided healing and prayer ministry resources throughout the year.

Mission

At St Paul's we like to encourage everyone to have a personal interest in the mission of the wider church and to help us to be mission-minded in our lives during the week. Please ask God to place on your heart a mission organisation to connect with and uphold. We are committed to mission – sharing God's love, challenging injustice, caring for our world, serving our community and supporting the wider work of God's Church. As part of a worldwide church we want to support that fellowship.

We have 11 'Key Mission Partners' with whom we have closer ties spread all over the world, including prayer support groups. We have continued to give away 15% of all our General Fund to mission in 2021. There is a full list of the mission organisations that St Paul's supports, on behalf of our congregation, at the end of this report.

Our MADGE (Mission, Action, Do, Give, Encourage) group encourage mission awareness and support, and advise on the allocation of about 85% of the giving for the following year. As income has been somewhat reduced and uncertain during 2020 and 2021, we have not undertaken our usual allocation of the balance of tithe, but expect to resume this in 2022, guided by our HOMER (Home and Overseas Mission Extra Requests) group. PCC also makes occasional gifts, for example for individuals undertaking mission projects, or when there are humanitarian crises.

Buildings

We are blessed with a flexible and well-functioning building for our church and halls, that combines the old and the new and provides a valued meeting place for church members and the wider community. Of course, this requires maintenance and care.

As well as regular servicing, during 2021 we have made some small-scale improvements in the concourse, which have been very effective in making this a welcoming and comfortable space, which is being well used by our community. We are progressing stonework repairs identified in our 2019 Quinquennial inspection, and plan to complete these in 2022. Some roof repairs have been undertaken, together with the installation of snowguards to reduce the risk of any loose tiles falling onto pedestrian areas.

Lynn Gower, our caretaker, continues to take excellent care of our building throughout, responding to COVID requirements and ensuring everywhere is kept clean and tidy. We have been pleased to see our hall users returning as restrictions eased, and are very grateful to Lynn for all her work in managing lettings and welcoming our community users.

The church also owns a house in Brampton Road, currently occupied by our Associate Vicar. This has required only minor maintenance over the past year.

Risk Management

We have identified the major risks to which the PCC is exposed, and have undertaken risk assessments for all areas of activity. During the year we have reviewed our policies for Health and Safety, Safeguarding and GDPR/privacy, for any changes in activities and developments in statutory requirements or recommended practice. We have further developed our Social Media policy to ensure it remains effective as use of these channels increases. We hold a register to log any incidents.

We have continued our use of ChurchSuite to manage contacts and communications, and to ensure all required training is up to date. During the past year we have undertaken COVID risk assessments for our buildings and all our activities, updating these for changes in government restrictions and guidance.

The PCC takes out adequate insurance cover against fire, theft, employer's and public liability and other insurable risks. Clear procedures are in place for the authorisation of expenditure and secure receipt and recording of income.

Church Governance and Structure

St Paul's Church is guided by and responsible to the Synods of the Church of England and to its appointed Bishops and their officers. PCC members are trustees under charity law in relation to the legal and financial responsibilities. The PCC has a Standing Committee made up of the Vicar, both Church Wardens, Lay Chair of the PCC, Treasurer and the PCC Secretary. It considers and makes decisions on matters relating to staffing or finance, as delegated from PCC.

The Finance Committee is made up of the Vicar, Church Wardens, Lay Chair and Treasurer, plus a member of the congregation with financial expertise.

There is also a Maintenance Committee with members appointed by the PCC, including the Operations Manager and a Church Warden.

The PCC complies with legal obligations and best practice; that the financial systems are effective, accounts are properly kept and presented, budgets monitored and that due care is taken over any investments; that the church records are kept properly; that Health and Safety, Fire Safety, Child Protection and Vulnerable Adult, Disability Discrimination and Data Protection have policies and that these are upheld and regularly reviewed; that legal records are well kept and that proper insurance is provided.

The PCC appoints all staff except the Vicar or curate. The diocese provides legal advice on contracts and employment issues. We have a Staff Handbook that clarifies policies and is updated and reviewed annually by the PCC. The Archdeacon checks these legal aspects annually.

Some financial decisions are delegated; the Operations Manager can spend sums up to £500; the Maintenance Group has a ceiling of £2,000 and can go higher with the approval of the Standing Committee. It then reports spending to the PCC quarterly. Standing Committee can be asked for quick decisions if they are necessary.

During the vacancy, the Associate Vicar and Churchwardens met regularly (usually fortnightly) to discuss and oversee the running of church services and activities, and staffing matters. There have also been regular meetings of Standing Committee during the year; and ad hoc meetings including the Associate Minister and other staff or church members as required.

Since their appointment in September, the Vicars have met regularly with staff, Churchwardens and Standing Committee.

Staff

The staff team during the year January-December 2021 was as shown:

Vicar: Rev Jono Tregale and Rev Diane Tregale – from September 2021

Associate Vicar: Rev Andre Radmall (part-time)

Worship Minister: Ben Shave (to August 2021)

Children's & Families Minister: Tori Moerman-Redding

Youth Minister: Rachel Alexander (from March 2021)

Pastoral Care Minister: Rev Dr Andy Pike (to July 2021)

Associate Minister: Rev Peter Crumpler (SSM, part-time)

Church Secretary: Lesley Kempsford (part-time, to August 2021)

Caretaker: Lynn Gower

In addition to these staff our two Lay Readers, Mike Ford and Yvonne Gee, make a valued contribution to our worship and church life.

Staff members give individual ministry updates to the PCC through the year.

Once appointed, the management of staff has been delegated by the PCC to the Vicar/Associate Vicar (or someone they delegate it to) and to the Standing Committee, which deals with any HR issues on behalf of PCC, including any grievance or disciplinary process. Ordained staff are responsible to the Vicar/Associate Vicar and also responsible and accountable to the Bishop.

PCC Members

The appointment of PCC members is governed by and set out in the Church Representation Rules. Most members have either been elected to PCC or Deanery Synod; Deanery Synod representatives are ex officio members of PCC as are the Churchwardens. New members of the PCC are appointed at the Annual Church Meeting (ACM) and are required to complete a trustee registration form.

The following people served on PCC for all or part of the year January – December 2021

Ex Officio members

Vicar:	Rev Diane Tregale	from September 2021
	Rev Jono Tregale	from September 2021
Associate Vicar:	Rev Andre Radmall	
Associate Minister:	Rev Peter Crumpler	
Pastoral Minister:	Rev Dr Andy Pike	to July 2021
Churchwardens:	Mrs Lindsey McLeod	from 2019
	Mrs Jo Fisher	from 2020
Deanery Synod:	Mr Luke Fletcher	from Nov 2020 to 2023 ACM
	Mr Philip Habershon	to 2023 ACM
	Mrs Rachel Laanest	from Nov 2020 to 2023 ACM
	Mr Nick Salisbury (lay Vice Chair)	to 2023 ACM and ex officio as a member of Diocesan Synod

Co-Opted Members

Operations Manager:	Vacant	
Treasurer:	Mrs Sandra Thompson	from Oct 2020

Elected Members

Ms Ellie Cook	from March 2021 to 2024 ACM
Mr Justyn Evans	from Nov 2020 to 2023 ACM
Mrs Nike Fakoya	from Nov 2020 to 2022 ACM
Mr Luke Fletcher	from Nov 2020 to 2023 ACM
Mrs Caroline Gatland	to 2022 ACM
Mrs Lucy Ginty	from March 2021 to 2024 ACM
Mrs Lesley Kempsford (PCC Secretary)	from March 2021 to 2024 ACM
Mr Nigel Kingsman	from Nov 2020 to 2023 ACM
Mr Al Lines	to 2023 ACM
Mr John Lowe	to 2022 ACM
Mrs Elizabeth Marriott	to 2022 ACM
Mrs Julie McKinlay	from March 2021(resigned December 2021)

Mr Matthew Rushton
Mr George Tsafandakis
Mr Alex Veal

to March 2021 ACM
2023 ACM
to 2021 ACM

PCC Advisors (non-voting members)

Mrs Tori Moerman-Redding (Children & Families Minister)
Mrs Rachel Alexander (Youth Minister)
Mr Ben Shave (Worship Minister)

from March 2021
to August 2021

There were 9 meetings held during the year. The PCC Committees (Finance and Maintenance) were in contact throughout the year, reporting back to the main meeting. The Standing Committee made decisions between meetings as necessary, also reporting back as appropriate.

Deanery Synod

St Paul's has a total of four lay members serving on Deanery Synod, providing an important link with the wider structures of the church. During 2021, these members were Luke Fletcher, Philip Habershon, Rachel Laanest and Nick Salisbury (ex officio as a member of Diocesan Synod). There was only one meeting of Deanery Synod held in 2021 and it took place in October consisting mostly of a Presentation and discussion entitled 'Living Hopefully', led by Rachel Johnston, St Albans Diocesan Environment Officer.

Ecumenical and Interfaith Relationships

Although many ecumenical and inter-faith activities have not been possible during the pandemic, St Paul's members have continued to be involved in these activities. For example, St Paul's organised the listing of Christmas and Easter church services across the area for the Herts Advertiser, and Peter Crumpler (Associate Minister) oversees the new weekly Faith Focus column in the newspaper with Christian and Jewish writers. As a church we have continued to support FEED foodbank run by Vineyard Church. We were pleased to welcome representatives of the Jewish and Muslim communities at a service marking the arrival of Jono and Diane Tregale as our new vicars. St Paul's is also a member of Churches Together in St Albans.

Finance Summary

Three main factors influenced our finances this year: a further fall in giving, staff vacancies and the coronavirus pandemic.

Giving income has been declining in recent years and this continued in 2021. In addition, in the second part of the year, we said goodbye to three staff members. We decided to hold open the vacant positions pending a strategic review by our new vicars. The resulting cost savings, combined with the church manager position being vacant for the whole of 2021 more than compensated for the fall in giving.

The pandemic and the associated restrictions had the effect that rents were significantly lower than pre-pandemic. However, this loss of income was mitigated by a mix of furlough receipts, a one-off local government grant and cost savings from our buildings being closed, so that the overall financial effect of Covid-19 was broadly neutral.

As a result, we ended the year with a £48k surplus on our general fund (i.e. income exceeded spending on day-to-day activities by £48k). We have transferred £40k of this to our development fund where part will be used to cover the cost of additional hours for our vicars in 2022 and some new PA equipment.

Looking ahead, finance remains a limiting factor. In order to increase our paid ministry staff and fill any of the vacancies we will need to increase income and/or make further cost savings.

Income

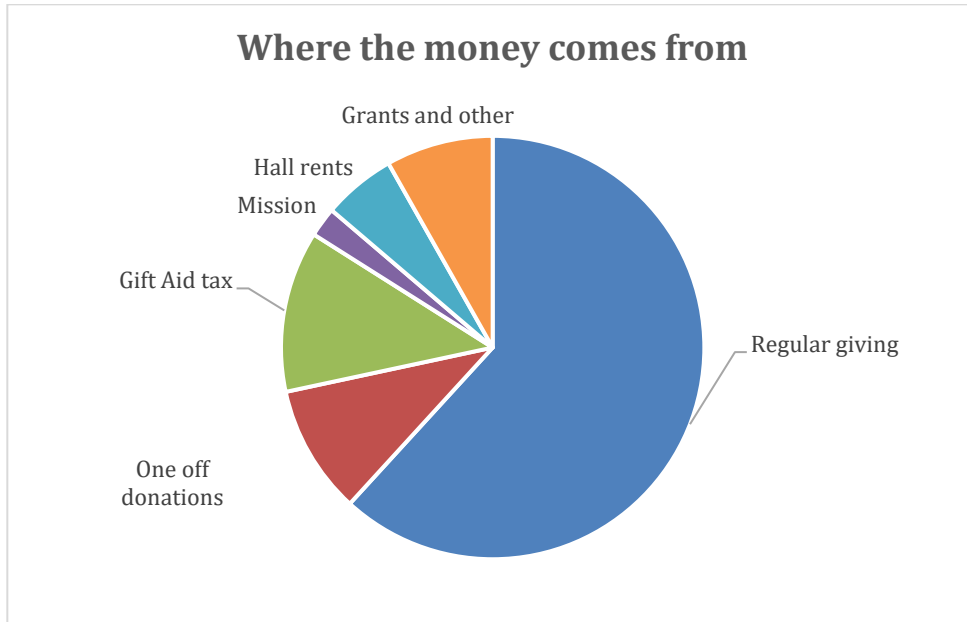
Hall rents were £25k lower than pre-pandemic (though £14k higher than in 2020) as many of our hall-users were unable to continue their normal face-to-face activities for much of the year. As noted above this was offset by a mix of furlough receipts (£17k), and a one-off local government grant (£7k).

Also, whilst we continue to be blessed by many committed and generous givers, our income from giving continued to decline. Total giving in 2021 was £21k lower than in 2020 with monthly giving falling by £28k. This was primarily due to demographic change as some of our most generous givers retired and/or moved away. The decline would have been much bigger had we not had a generous response from the congregation following our regular updates during the year.

Other sources of income were broadly stable. In particular, we continued to benefit from a £33.5k distribution from St Peter's Churchlands Trust (we have a historic connection to St Peter's)

Our total income for the year (before specific gifts for missions) fell by over £11k as compared to 2020.

2020	Income	General	Other funds	Total
£		£	£	£
360,672	Monthly giving	332,550		332,550
37,508	One off Gift Aid & other donations	42,947	9,533	52,479
62,975	Tax recovered	64,837	1,536	66,373
527	Collections	520		520
15,960	Hall rents	29,940		29,940
38,000	St Peter's Churchlands	33,500		33,500
4,104	Activities	2,832		2,832
1,697	Grants incl COVID, furlough	24,435		24,435
2,373	Interest	708	414	1,122
10,000	Legacy			0
533,817	Total St Paul's Income	532,269	11,482	543,752
12,001	Mission donations	12,211		12,211
545,818	Total Income	544,481	11,482	555,963



Spending

Our largest item of spend is our staff team. In 2021, staff vacancies (office manager and youth intern for the whole year, and pastoral care minister, worship minister and church secretary for part of the year) combined with lower spend on our IT consultant resulted in spending on staff¹ being about £57k less than in 2020 and over £54k less than budget.

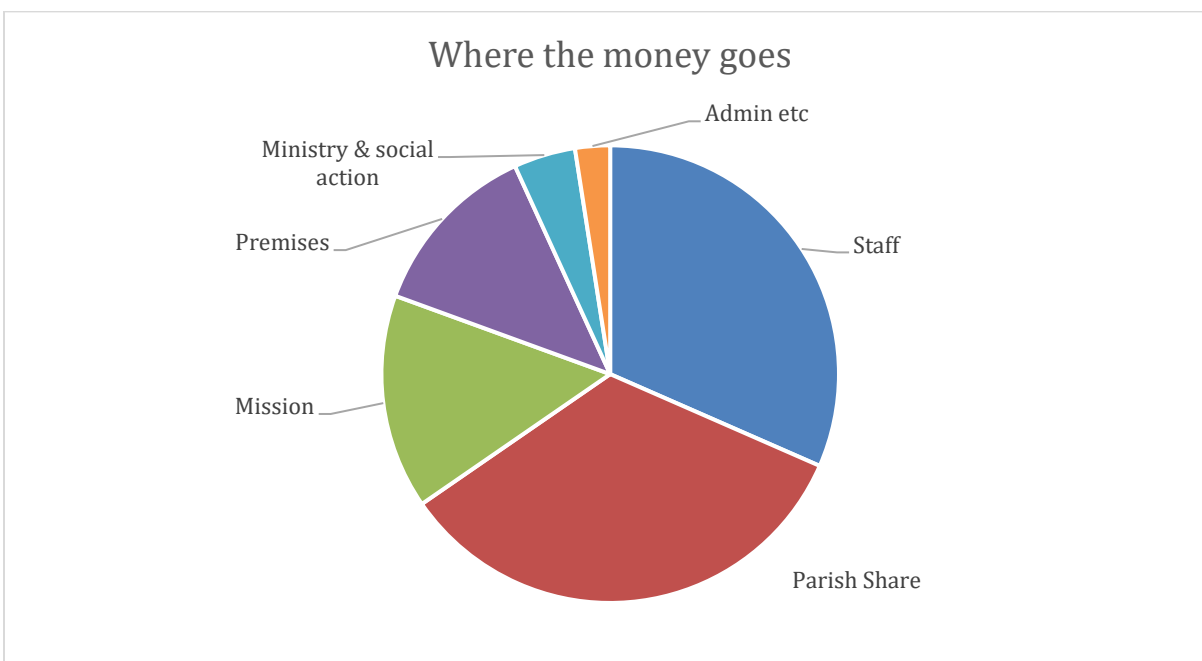
Our next largest item of spend is our ‘parish share’ contribution to St Albans Diocese. The Diocese pay for all clergy salaries, pensions and training in the area, and parishes contribute according to their clergy numbers, attendance, and ability to pay.

Other spending this year has mainly comprised our regular running costs, largely for our premises. These remained broadly stable, with cost savings due to Covid-19 being offset by higher spend on other heads such as social action (including CAP debt relief, subsidised counselling and Hearty Hampers).

In addition, we continue to give away 15% of our income, plus specific fundraising and collections for missions and charities. In total £73k was given in 2021, as listed at the end of this section, and a further £11k transferred to our mission reserve to be allocated in 2022 or future years.

¹ Excluding furlough receipts and staff expenses

2020	Spending	General	Other funds	Total
£		£	£	£
170,133	Parish Share to Diocese	163,602		163,602
209,512	Staff salaries & expenses	152,708		152,708
41,015	Premises	46,314	14,654	60,968
4,025	Children and Youth work	5,833		5,833
7,549	Other ministry and outreach	4,732		4,732
8,910	Social Action (incl CAP)	10,546		10,546
10,759	Admin & Governance	10,376		10,376
1,031	Cost of events etc	1,563		1,563
452,934	Total St Paul's Spending	395,674	14,654	410,328
95,705	Mission giving	73,376		73,376
548,639	Total Spending -Charitable Purposes	469,050	14,654	483,704
	<i>Other fund movements:</i>			
	<i>Mission tithe</i>	<i>-10,041</i>	<i>-1,500</i>	
	<i>Depreciation/capitalisation</i>	<i>1,100</i>		
	<i>Transfer to Development fund</i>	<i>-40,000</i>	<i>40,000</i>	



Looking forwards

Looking forwards we face an ongoing forecast shortfall for our day-to-day running costs, even after the cost saving measures PCC has already taken. The size of this deficit will depend on several factors, the biggest of which is future staffing, which in turn will be influenced by the strategic review of the vision for our mission and ministries that is currently underway.

In the meantime, the PCC has made two staffing decisions. First we turned the one year-contract for our youth minister, Rachel, into a permanent contract. Secondly following an extensive review of our admin and support needs we restructured these activities, saving over £20k p.a. on previous costs. We have since welcomed two wonderful new office staff – Julie McKinlay and Cheryl Bannatyne – who started working for us part time (0.6 each) from the start of 2022.

As regards other paid ministry staff, we chose not to fill the two FTE that arose in the second half of 2021 pending our financial position being clearer and as we review our strategic priorities. If we were to continue to operate with our current level of paid ministry staff, our forecast ongoing deficit would be about £20k p.a. However, moving forwards with the areas identified in the strategic review will likely require us to fill at least some of the current vacancies: recruiting one FTE would result in a forecast ongoing deficit of £58k p.a.; recruiting 2 FTEs would give a forecast ongoing deficit of £96k p.a.

We all value and benefit from the life of St Paul's, and recognise that so much depends on the commitment of time, skills, prayer and energy of the St Paul's family. We are very grateful for the financial giving that also underpins all that goes on. We continue to encourage all of us to review our giving regularly, and ask God what He wants us to give to St Paul's and elsewhere. Please pray for the resourcing of our activities, and your part in this.

Reserves Policy

We plan for future needs and hold reserves for likely building repairs, development of our facilities, and a salaries reserve to provide protection against fluctuations in income, as well as our general reserve.

Balances on our reserves at year-end 2021 are shown below, with 2020 comparison. The movements include the PCC's decision to transfer £40k of the 2021 surplus to our development fund to cover the cost of additional hours for our vicars in 2022 and some new PA equipment.

Balances on Funds	2021	2020
	£	£
General	94,554	86,429
Building	95,797	95,778
Development	93,484	58,540
Salaries Reserve	65,000	65,000
Mission Tithe	17,881	5,839
Total	366,716	311,586

General fund: We continue to hold a significant balance in our General Fund which can be used in the short term to meet our forecast deficit (on current staffing, £20k for 2022), and any growth in staff or other spend. For the longer term, we will need to grow our income and potentially implement further cost saving measures.

Building fund: This has been stable during 2021. In 2022 we expect to spend a significant amount of this fund on the stonework repairs that were highlighted in the 5-yearly 'Quinquennial' inspection of our buildings that took place in 2019.

Development fund: In 2021 this increased with the £40k transfer noted above. In addition, we paid for work on the concourse and vicarage, both of which were largely funded from specific giving.

Salaries reserve: PCC policy is to maintain a minimum three months' gross salary costs in our salary reserve.

Mission tithe fund: This represents the portion of our mission giving that had not been distributed at the end of the year, and which will be available for distribution in 2022 or future years.

Youth mission fund: This is the balance of fundraising and donations, after expenditure, from youth mission trips in previous years. It will be used for similar future initiatives. In 2021, £500 was allocated to Joanna Brown as part of our support for her work with JENGA.

Grants to Missions and Charities

The following grants and donations were made to missions and charities during 2021.

	From General Fund	From Restricted Donations	Total 2021	Total 2020
	£	£	£	£
2:67 project	1,400	-	1,400	1,500
A Rocha	960	-	960	900
Anna Chaplaincy to the elderly	500	-	500	
Age UK Herts	450	-	450	500
Azalea Women's Refuge	550	440	990	2,600
Alpha - HTB	250	-	250	300
Bible Society	400	-	400	500
CARE for the Family	250	-	250	300
Childrens Society	250	-	250	300
Christian Aid	400	-	400	500
Christians Against Poverty	4,094	250	4,344	4,265
Credit Union, St. Albans	650	-	650	700
Christ Church, Jerusalem	-	-	-	1,000
CMJ	900	-	900	1,000
CMS	900	-	900	1,000
Concordis	400	-	400	750
Connect	900	-	900	1,000
CPAS	450	-	450	500
Crusaders	250	-	250	900
Evangelical Alliance	250	-	250	300
FEED	200	-	200	529
FRMME /Mosaik	-	-	-	2,800
Fusion	250	-	250	300
Rennie Grove Hospice Care	450	-	450	500
Hatfield Road Day Care Centre	750	-	750	1,000
Japanese Church (RH Stevens)	-	-	-	540
JENGA	4,000	-	4,000	6,100
Just Love	-	-	-	300
Relationships Foundation	250	-	250	300
Kiwoko Hospital	-	-	-	890
Leakes (direct)	500	-	500	1,000
Leakes - via CMS	1,000	-	1,000	1,000
Chaco Church Trust / La Caldera	-	-	-	1,500
Living Room	3,000	-	3,000	3,000
Local Schools	1,430	-	1,430	1,550
Luton Roma Trust	-	-	-	1,000
Mission Without Borders	4,500	-	4,500	6,000

Mothers Union Literacy	900	-	900	1,000
New Wine Networks	250	-	250	300
Oak Church, Stevenage	4,500	-	4,500	4,500
Open Door nightshelter	250	-	250	330
Open Doors	400	-	400	500
Prison Fellowship/Angel Tree	150	-	150	200
Radio Verulam	150	-	150	150
Scripture Union	550	-	550	600
SHARE Trust - Avondale	3,000	-	3,000	3,500
SHARE Trust -general	1,500	-	1,500	2,000
St. Albans Bereavement Network	-	-	-	(300)
St Johns Farley Hill	1,000	-	1,000	1,100
Red Cross	-	120	120	-
STEP	5,000	-	5,000	5,000
TEAR Fund	650	-	650	750
Throw a Starfish	-	-	-	2,000
The Olive Branch	-	-	-	700
UCCF	250	-	250	300
University of Hertfordshire CU	250	-	250	250
YWAM	1,000	20	1,020	-
Individuals	14,950	6,088	21,038	22,850
Vicar & Warden's fund	578	598	1,175	2,850
	<u>65,861</u>	<u>7,515</u>	<u>73,376</u>	<u>95,704</u>

ST. PAUL'S PAROCHIAL CHURCH COUNCIL, ST. ALBANS

Financial Statements for the year ended 31 December 2021

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STATEMENT OF FINANCIAL RESPONSIBILITIES OF THE PAROCHIAL CHURCH COUNCIL

The law governing the administration of charities requires the trustees to prepare accounts which give a true and fair view of the state of affairs of the charity at the annual accounting date and of its income and expenditure for the year then ended. In the case of a Church of England parish the trustees are the members of the Parochial Church Council (PCC). In preparing these accounts, the PCC is required to:

- Select suitable accounting policies and apply them consistently; and
- Meet legal accounting and reporting criteria.

The PCC is responsible for ensuring that proper accounting records are kept for all funds for which they are responsible. These books must give a true and fair view of the Church's state of affairs and explain its financial transactions. The PCC must also establish and maintain a satisfactory system of control of the Church's books of account, its cash holdings and all receipts and remittances. It is also responsible for safeguarding the assets and taking reasonable steps for the prevention and detection of fraud or other irregularities.

.....
Chairman

Date.....

.....
Treasurer

Date.....

INDEPENDENT AUDITORS' REPORT TO THE PAROCHIAL CHURCH COUNCIL, ST PAUL'S, ST ALBANS

Opinion

We have audited the financial statements of St Paul's, PCC, St Albans ('the charity') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees 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 annual report, including the trustees' report, 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

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees 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 trustees 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 trustees 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 trustees 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

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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and performance;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charity's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Myers Clark (Statutory Auditor)

Egale 1
80 St Albans Road
Watford
Herts
WD17 1DL

Date:

ST. PAUL'S PCC, ST ALBANS
Balance Sheet at 31 December 2021

	Notes	2021	2020
	£	£	£
Fixed Assets			
Tangible fixed assets:			
Property	8A	3,905,819	3,905,819
Equipment	8B	53,349	65,706
Investments	7	<u>36,739</u>	<u>32,156</u>
		3,995,907	<u>4,003,681</u>
Current Assets			
Debtors and prepayments		30,907	46,010
Short term deposits		239,181	238,603
Cash at bank and in hand		<u>135,358</u>	<u>60,066</u>
		405,446	344,679
Less: Current Liabilities			
Amounts falling due within one year		<u>(29,050)</u>	<u>(23,327)</u>
Net Current Assets		376,396	321,352
		<u> </u>	<u> </u>
Net Assets		<u><u>4,372,303</u></u>	<u><u>4,325,033</u></u>
Funds			
Unrestricted	4		
- General		94,554	86,429
- Building Maintenance		95,797	95,778
- Development		93,484	58,540
- Salaries Reserve		65,000	65,000
- Unallocated Mission Tithe		17,881	5,839
- Asset revaluation reserves		<u>3,970,400</u>	<u>3,980,200</u>
		4,337,116	4,291,786
Restricted Fund - Youth Mission	5	5,743	6,243
Endowment Funds	6	29,444	27,004
		<u> </u>	<u> </u>
		<u><u>4,372,303</u></u>	<u><u>4,325,033</u></u>

Approved by the Parochial Church Council on 4th March 2022 and signed on their behalf by:

Rev J Tregale
Chairman

Mrs S Thompson FCA
Treasurer

ST.PAUL'S PCC, ST.ALBANS
Statement of Financial Activities for the year ended 31 December 2021

	Notes	Unrestricted Funds	Restricted & Endowment Funds	TOTAL FUNDS	
		£	£	2021	2020
		£	£	£	£
Income and endowments from:					
Donations and legacies	2a)	490,631	14,061	504,692	521,681
Trading activities	2b)	29,940		29,940	15,961
Charitable activities	2c)	2,832		2,832	4,104
Investments	2d)	708	414	1,122	2,373
Other income - furlough	2e)		17,377	17,377	
Total income and endowments		<u>524,111</u>	<u>31,852</u>	<u>555,963</u>	<u>544,119</u>
Expenditure on:					
Charitable activities	3	<u>(481,338)</u>	<u>(31,938)</u>	<u>(513,276)</u>	<u>(561,255)</u>
		42,773	(86)	42,687	(17,136)
Gains and losses on investments		<u>2,557</u>	<u>2,026</u>	<u>4,583</u>	<u>2,111</u>
Net income/expenditure		45,330	1,940	47,270	(15,025)
Balances brought forward		<u>4,291,786</u>	<u>33,247</u>	<u>4,325,033</u>	<u>4,340,058</u>
Balances carried forward		<u><u>4,337,116</u></u>	<u><u>35,187</u></u>	<u><u>4,372,303</u></u>	<u><u>4,325,033</u></u>

Movements on reserves and all recognised gains and losses are included above.
The notes on pages 9 to 18 form part of these accounts

ST. PAUL'S PCC, ST.ALBANS
Statement of Cashflows

	2021	2020
	£	£
Cash flows from operating activities:		
Net income/(expenditure) for the year	47,270	(15,026)
Adjustments for:		
- Depreciation charges/ loss on disposal	11,257	12,490
- (Gains)/Losses on investments	(4,583)	(2,111)
- Dividends and interest from investments	(1,122)	(1,940)
- (Increase)/Decrease in Debtors	15,102	1,945
- Increase/(Decrease) in Creditors	5,724	(10,049)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	73,648	(14,691)
Cashflows from investing activities:		
Dividends, interest and rents from investments	1,122	1,940
Sale of fixed assets	1,100	
Purchase of property, plant & equipment		(34,085)
	<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period	75,870	(46,836)
Cash and cash equivalents at the beginning of the reporting period:	298,669	345,505
	<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	<u>374,539</u>	<u>298,669</u>
Made up as to:		
Short-term deposits	239,181	238,603
Cash at bank and in hand	135,358	60,066
	<hr/>	<hr/>
	<u>374,539</u>	<u>298,669</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

1. Accounting Policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006, and the Statement of Recommended Practice: Accounting and Reporting for Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – SORP FRS 102 (effective 1 January 2019).

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved applying SORP FRS 102 (effective 1 January 2019) rather than the version of the Statement of Recommended Practice referred to in the regulation but which has since been withdrawn.

The accounts are prepared on the basis that the PCC is a going concern, and that the PCC is a public benefit entity under FRS102.

Recognition of Income and Expenditure

The statements are prepared on the accruals basis, that is to say, income and expenditure are recognised (included in the accounts) as and when they are earned or incurred, which may be before they are received or paid.

Income including legacies is recognised when the inflow of benefits is probable.

Income Tax reclaimed on Gift Aid donations is accrued for all amounts outstanding from HMRC.

Funds and Reserves

General "unrestricted" funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. In addition to the general fund, these include the church building maintenance fund, development fund and salaries reserve, which are designated funds set aside for these particular purposes by the PCC. Details of these reserves, including the PCC's policies regarding the level of reserves, are shown at note 4.

Restricted funds are those given for a specified purpose. They include donations for specific missions and charities, as detailed at note 5.

Endowment Funds are another form of restricted fund, where money has been given to the church with the specific instruction that only the investment income may be spent by the PCC. Full details of these funds are given at notes 6 and 7.

Fixed Assets

Consecrated land and buildings and moveable church furnishings consecrated and beneficed property is excluded from the accounts by s10 (2) (c) Charities Act 2011.

No value is placed on moveable church furnishings (including equipment added under faculty) until a sale takes place. The churchwardens hold this property in trust for the PCC, but are unable to authorise a sale until a faculty for disposal is granted by the

Diocese. All expenditure on consecrated or beneficed buildings and moveable furnishings is written off in the year in which it is incurred.

Other Land and Buildings

Other land and buildings held on behalf of the PCC for its own purposes (the church halls and staff house) are stated at historic cost, taken under FRS102 as the book value at 31 December 2013. No depreciation is charged against such properties if their residual value is greater than historic cost. At each reporting date an assessment is carried out to determine whether there is any indication that an asset should be written down (i.e. whether its carrying amount is more than its recoverable amount).

Other fixtures, fittings and office equipment.

Equipment used within the church premises is held at historic cost and depreciated on a straight line basis over its expected useful life. Items with a purchase price of £2,000 or less are written off in the year of acquisition.

Investments

Investments are valued at market value at 31 December 2021.

Note 2: Income and Endowments

	Note	Unrestricted Funds £	Restricted & Endowment Funds £	Total 2021 £	Total 2020 £
a) Donations and Legacies					
Planned giving		332,550		332,550	360,671
Unplanned Gift Aid donations		21,035		21,035	19,139
Tax recovered under Gift Aid		66,373		66,373	62,975
Collections		520		520	527
Donations		29,845		29,845	18,368
Local authority Covid grant		6,808		6,808	-
Diocesan grant for youth work			250	250	-
Donations for Mission			12,211	12,211	12,001
Donations for social action			1,600	1,600	-
St. Peter's Church Lands		33,500		33,500	38,000
Legacies	13				10,000
		490,631	14,061	504,692	521,681
b) Trading Activities					
Hall and Church lettings		29,940		29,940	15,961
c) Charitable activities					
Social events		528		528	536
Materials and courses		160		160	482
Fees		2,144		2,144	3,086
		2,832	-	2,832	4,104
d) Investment Income					
Interest and dividends		708	414	1,122	2,373
e) Other Income					
Furlough (Job Retention Scheme)			17,377	17,377	
Total income and endowments		524,111	31,852	555,963	544,119

Note 3 – Expenditure

	Note	Unrestricted Funds £	Restricted & Endowment Funds £	Total 2021 £	Total 2020 £
Charitable activities:					
a) Mission and charitable giving					
-The Church Overseas: Mission		23,950	1,720	25,670	37,950
-Relief and development		2,510	-	2,510	5,540
-Home mission		32,944	5,077	38,021	42,684
-Secular charities		5,880	120	6,000	6,680
Vicar & Wardens' Fund grants		577	598	1,175	2,850
	15	<u>65,861</u>	<u>7,515</u>	<u>73,376</u>	<u>95,704</u>
b) Church expenses					
Parish Share to Diocese and accommodation		163,602		163,602	170,133
Ministry staff salaries and pension contributions	9	115,916	12,827	128,743	141,214
Ministry staff expenses, accommodation and training		4,912		4,912	5,311
Youth & children's work		5,583	250	5,833	3,949
Evangelism and publicity		1,395		1,395	2,795
Pastoral/Materials		20		20	842
Worship and music		3,030		3,030	3,614
Upkeep of services and ministry		467		467	302
Books and SU notes		162		162	106
Social events		1,563		1,563	925
Social action, including CAP		3,750	6,796	10,546	8,911
Church & Hall running expenses:					
-Heat and light		13,074		13,074	12,463
-Insurance		6,163		6,163	5,503
-Maintenance		27,077		27,077	23,049
Development/building expenditure		14,654		14,654	
Caretaker's salary and accommodation	9	14,408	3,637	18,045	17,343
Administration and secretarial salaries	9	10,564	913	11,477	33,688
Consultancy - ICT & Office		7,415		7,415	12,154
Office and stationery		5,166		5,166	5,559
Audit fee		5,299		5,299	5,200
Net asset depreciation	8	10,609		10,609	12,491
Loss on disposal of asset	8	648		648	
		<u>415,477</u>	<u>24,423</u>	<u>439,900</u>	<u>465,551</u>
Total expenditure on charitable activities		<u>481,338</u>	<u>31,938</u>	<u>513,276</u>	<u>561,255</u>

4. Unrestricted Funds

- a. The Church Building Maintenance Fund is for major repair and maintenance work on church buildings, and major equipment replacement. Repairs include works identified in the quinquennial inspection by the church's architect. The last inspection took place in 2019.
- b. The Church Development Fund is for the provision of enhanced facilities and new equipment. This fund was used in 2021 to refurbish the concourse and to contribute to redecoration of the Vicarage.
- c. The Salaries Reserve provides a reserve to cover our commitments on employee costs. It is based on a level of three months' gross salary costs.
- d. The General Fund is our general reserve for day to day expenditure. The surplus will be carried forward to help fund running costs for 2022.
- e. The PCC makes donations to missions and charities from a "mission tithe", calculated as 15% of unrestricted income. The Unallocated Mission Tithe is the balance of this amount yet to be allocated to mission activities as at year end.
- f. The Capitalisation/Depreciation fund represents amounts charged in the Statement of Financial Activities but not set against the general or other funds.

Fund	Opening Balance 1.1.21 £	Income £	Expenditure £	Transfers between funds £	Closing Balance 31.12.21 £
General	86,429	512,994	(466,685)	(38,184)	94,554
Church Building	95,778	19	-		95,797
Development	58,540	11,098	(14,654)	38,500	93,484
Salaries Reserve	65,000				65,000
Mission Tithe	5,839			12,041	17,881
Asset revaluation reserves	3,980,200	2,557	-	(12,357)	3,970,400
Total	<u>4,291,786</u>	<u>526,668</u>	<u>(481,339)</u>	<u>-</u>	<u>4,337,116</u>

5. Restricted Funds

The balance of fundraising and donations for the 2016 and 2019 youth mission trips, after expenditure, is held in the Youth Mission Fund, to be used for similar future initiatives. During 2021 £500 of this fund was allocated as part of the church's support for Joanna Brown (JENGA), leaving a balance of £5,743.

Income received under the Job Retention Scheme is shown as Restricted Income (note 2); this was fully expended on salaries during the year (note 3).

6. Endowment Funds

The balances on these funds at the balance sheet date, comprising the accumulated surplus of income over expenditure, available to be spent on these purposes, were as follows:

Fund	Opening Balance 1.1.21 £	Income £	Expenditure £	Closing Balance 31.12.21 £
Choir and Church Music	6,783	308		7,091
Garden of Rest	4,010	104		4,114
Poor	2,742	2		2,744
Investment revaluation	13,469	2,026		15,495
Total	27,004	2,440	-	29,444

7. Investments

The PCC holds investments for the Choir & Church Music Fund and Garden of Rest Fund, each set up with a legacy from a member of the church. The capital of the Funds, which cannot be spent in the normal course of events, is invested in the Investment Fund of the Central Board of Finance of the Church of England.

The PCC also holds an investment from its general fund in the Investment Fund of the Central Board of Finance of the Church of England. The historic cost of this investment is £10,000.

The market valuations of these investments at the beginning and end of 2021 were:

	2021 £	2020 £
Choir and Church Music	4,046	3,537
Garden of Rest	12,068	10,551
General Fund	20,625	18,068
Total Funds	36,739	32,156

The increase in value of these investments is shown in the Statement of Financial Activities.

The Investment Revaluation Fund represents the book value of assets held for the Choir and Church Music and Garden of Rest Funds.

The Poor Fund includes income earned on the investments of the Thurnham Charity, a separate charity established by bequest for the assistance of the poor of the parish.

8. Fixed Assets

a) Land and Buildings

Property owned by the PCC for its own purposes includes the church hall complex and the curate's house, This is included in the accounts at historic cost. Under FRS102, this is taken as the market value as at 31 December 2013. There has been no movement in the cost, depreciation or net book value of property assets during 2021.

b) Equipment

The PCC owns equipment which is shown in the accounts at its depreciated value at 1 January 2021, plus any additions and less depreciation charges for the year and any disposals or impairments, as below. Equipment is depreciated over its expected useful life, normally 5 years for ICT and 10 years for other equipment.

Equipment shown below includes PV panels, heating and access control systems, fire sensor system, kitchen appliances, the office photocopier, AV systems in the hall, and cameras and temporary stage lighting in church.

	£
Cost brought forward at 1 January 2021	168,709
Additions less Disposals	<u>(2,185)</u>
Cost carried forward at 31 December 2021	<u>166,524</u>
Depreciation brought forward at 1 January 2021	103,003
Depreciation in the year	10,609
Depreciation eliminated on disposal	<u>(437)</u>
Depreciation carried forward at 31 December 2021	<u>113,175</u>
Net Book Value 1 January 2021	<u>65,706</u>
Net Book Value 31 December 2021	<u><u>53,349</u></u>

9. Staff Costs

During the year the PCC employed a full time Youth Minister, Children's Minister, Worship Minister, Pastoral Minister and Caretaker; and a part time Associate Vicar, Secretary and CAP Debt Advice support worker. Total salary costs were as below:

	£
Direct salaries	144,080
Less Job Retention Scheme	(17,377)
Employers NI	7,876
Employer pension contributions	<u>10,566</u>
Total Funds	<u><u>145,144</u></u>

In addition to these salaries, the caretaker is provided with accommodation. No staff fall in the over £60,000 pay band.

The PCC participates in the Church of England Defined Contributions Scheme (DCS) within the Church Workers Pension Fund. The PCC contributes 8.5% of

basic salary, and employees can opt, but are not required, to make a contribution.

In addition to paid staff, unpaid volunteers and a Self-Supporting Minister make a substantial contribution to all the activities of the church, including children's and youth work, music and worship, catering, small groups and administrative support. Given the difficulties of calculating a monetary value for this activity, it is not included in the accounts.

10. Commitments and liabilities

There are no outstanding liabilities at year end.

11. PCC Members' (trustees) remuneration, expenses and donations

Staff members who are also PCC members (associate vicar, pastoral care minister and secretary) have received remuneration as in note 9 above.

Apart from these payments, the related parties transactions identified in note 12, and expenses totalling £909 paid to the clergy, no member of the PCC or any party related to the PCC has received any remuneration, expenses or other benefit during the year.

12. Related Party Interests

The following related party interests have been identified, and transactions incurred.

Trustee	Related party	Transaction
Lindsey McLeod	Trustee, Open Door St Albans	Mission donation £250
Andrew Pike	Trustee, JENGA	Mission donation £4,000

During 2021 PCC members made donations to St Paul's totalling £69,727.

13. Legacies

While no legacy payments were received during 2021, a legacy of £10,000 is due, from the estate of John Wright, and has been accrued in the accounts.

14. Capital Commitments

There were no capital commitments at 31 December 2021.

15. Grants to Missions and Charities

The following grants and donations were made to missions and charities during 2021

	From General Fund £	From Restricted Donations £	Total 2021 £	Total 2020 £
2:67 project	1,400	-	1,400	1,500
A Rocha	960	-	960	900
Anna Chaplaincy to the elderly	500	-	500	
Age UK Herts	450	-	450	500
Azalea Women's Refuge	550	440	990	2,600
Alpha - HTB	250	-	250	300
Bible Society	400	-	400	500
CARE for the Family	250	-	250	300
Childrens Society	250	-	250	300
Christian Aid	400	-	400	500
Christians Against Poverty	4,094	250	4,344	4,265
Credit Union, St. Albans	650	-	650	700
Christ Church, Jerusalem	-	-	-	1,000
CMJ	900	-	900	1,000
CMS	900	-	900	1,000
Concordis	400	-	400	750
Connect	900	-	900	1,000
CPAS	450	-	450	500
Crusaders	250	-	250	900
Evangelical Alliance	250	-	250	300
FEED	200	-	200	529
FRMME /Mosaik	-	-	-	2,800
Fusion	250	-	250	300
Rennie Grove Hospice Care	450	-	450	500
Hatfield Road Day Care Centre	750	-	750	1,000
Japanese Church (RH Stevens)	-	-	-	540
JENGA	4,000	-	4,000	6,100
Just Love	-	-	-	300
Relationships Foundation	250	-	250	300
Kiwoko Hospital	-	-	-	890
Leakes (direct)	500	-	500	1,000
Leakes - via CMS	1,000	-	1,000	1,000
Chaco Church Trust / La Caldera	-	-	-	1,500
Living Room	3,000	-	3,000	3,000
Local Schools	1,430	-	1,430	1,550
Luton Roma Trust	-	-	-	1,000
Mission Without Borders	4,500	-	4,500	6,000
Mothers Union Literacy	900	-	900	1,000
New Wine Networks	250	-	250	300
Oak Church, Stevenage	4,500	-	4,500	4,500
Open Door nightshelter	250	-	250	330
Open Doors	400	-	400	500
Prison Fellowship/Angel Tree	150	-	150	200
Radio Verulam	150	-	150	150

	From General Fund £	From Restricted Donations £	Total 2021 £	Total 2020 £
Scripture Union	550	-	550	600
SHARE Trust - Avondale	3,000	-	3,000	3,500
SHARE Trust -general	1,500	-	1,500	2,000
St. Albans Bereavement Network	-	-	-	(300)
St Johns Farley Hill	1,000	-	1,000	1,100
Red Cross	-	120	120	-
STEP	5,000	-	5,000	5,000
TEAR Fund	650	-	650	750
Throw a Starfish	-	-	-	2,000
The Olive Branch	-	-	-	700
UCCF	250	-	250	300
University of Hertfordshire CU	250	-	250	250
YWAM	1,000	20	1,020	-
Individuals	14,950	6,088	21,038	22,850
 Vicar & Warden's fund	 578	 598	 1,175	 2,850
	<hr/> <u>65,861</u>	<hr/> <u>7,515</u>	<hr/> <u>73,376</u>	<hr/> <u>95,704</u>

ST. PAUL'S PAROCHIAL CHURCH COUNCIL, ST. ALBANS

Financial Statements for the year ended 31 December 2021

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STATEMENT OF FINANCIAL RESPONSIBILITIES OF THE PAROCHIAL CHURCH COUNCIL

The law governing the administration of charities requires the trustees to prepare accounts which give a true and fair view of the state of affairs of the charity at the annual accounting date and of its income and expenditure for the year then ended. In the case of a Church of England parish the trustees are the members of the Parochial Church Council (PCC). In preparing these accounts, the PCC is required to:

- Select suitable accounting policies and apply them consistently; and
- Meet legal accounting and reporting criteria.

The PCC is responsible for ensuring that proper accounting records are kept for all funds for which they are responsible. These books must give a true and fair view of the Church's state of affairs and explain its financial transactions. The PCC must also establish and maintain a satisfactory system of control of the Church's books of account, its cash holdings and all receipts and remittances. It is also responsible for safeguarding the assets and taking reasonable steps for the prevention and detection of fraud or other irregularities.

.....
Chairman

Date.....

.....
Treasurer

Date.....

INDEPENDENT AUDITORS' REPORT TO THE PAROCHIAL CHURCH COUNCIL, ST PAUL'S, ST ALBANS

Opinion

We have audited the financial statements of St Paul's, PCC, St Albans ('the charity') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees 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 annual report, including the trustees' report, 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

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees 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 trustees 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 trustees 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 trustees 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

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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and performance;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charity's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Myers Clark (Statutory Auditor)

Egale 1
80 St Albans Road
Watford
Herts
WD17 1DL

Date:

ST. PAUL'S PCC, ST ALBANS
Balance Sheet at 31 December 2021

	Notes	2021	2020
	£	£	£
Fixed Assets			
Tangible fixed assets:			
Property	8A	3,905,819	3,905,819
Equipment	8B	53,349	65,706
Investments	7	<u>36,739</u>	<u>32,156</u>
		3,995,907	<u>4,003,681</u>
Current Assets			
Debtors and prepayments		30,907	46,010
Short term deposits		239,181	238,603
Cash at bank and in hand		<u>135,358</u>	<u>60,066</u>
		405,446	344,679
Less: Current Liabilities			
Amounts falling due within one year		<u>(29,050)</u>	<u>(23,327)</u>
Net Current Assets		376,396	321,352
		<u> </u>	<u> </u>
Net Assets		<u><u>4,372,303</u></u>	<u><u>4,325,033</u></u>
Funds			
Unrestricted	4		
- General		94,554	86,429
- Building Maintenance		95,797	95,778
- Development		93,484	58,540
- Salaries Reserve		65,000	65,000
- Unallocated Mission Tithe		17,881	5,839
- Asset revaluation reserves		<u>3,970,400</u>	<u>3,980,200</u>
		4,337,116	4,291,786
Restricted Fund - Youth Mission	5	5,743	6,243
Endowment Funds	6	29,444	27,004
		<u> </u>	<u> </u>
		<u><u>4,372,303</u></u>	<u><u>4,325,033</u></u>

Approved by the Parochial Church Council on 4th March 2022 and signed on their behalf by:

Rev J Tregale
Chairman

Mrs S Thompson FCA
Treasurer

ST.PAUL'S PCC, ST.ALBANS
Statement of Financial Activities for the year ended 31 December 2021

	Notes	Unrestricted Funds	Restricted & Endowment Funds	TOTAL FUNDS	
		£	£	2021	2020
		£	£	£	£
Income and endowments from:					
Donations and legacies	2a)	490,631	14,061	504,692	521,681
Trading activities	2b)	29,940		29,940	15,961
Charitable activities	2c)	2,832		2,832	4,104
Investments	2d)	708	414	1,122	2,373
Other income - furlough	2e)		17,377	17,377	
Total income and endowments		<u>524,111</u>	<u>31,852</u>	<u>555,963</u>	<u>544,119</u>
Expenditure on:					
Charitable activities	3	<u>(481,338)</u>	<u>(31,938)</u>	<u>(513,276)</u>	<u>(561,255)</u>
		42,773	(86)	42,687	(17,136)
Gains and losses on investments		<u>2,557</u>	<u>2,026</u>	<u>4,583</u>	<u>2,111</u>
Net income/expenditure		45,330	1,940	47,270	(15,025)
Balances brought forward		<u>4,291,786</u>	<u>33,247</u>	<u>4,325,033</u>	<u>4,340,058</u>
Balances carried forward		<u><u>4,337,116</u></u>	<u><u>35,187</u></u>	<u><u>4,372,303</u></u>	<u><u>4,325,033</u></u>

Movements on reserves and all recognised gains and losses are included above.
The notes on pages 9 to 18 form part of these accounts

ST. PAUL'S PCC, ST.ALBANS
Statement of Cashflows

	2021	2020
	£	£
Cash flows from operating activities:		
Net income/(expenditure) for the year	47,270	(15,026)
Adjustments for:		
- Depreciation charges/ loss on disposal	11,257	12,490
- (Gains)/Losses on investments	(4,583)	(2,111)
- Dividends and interest from investments	(1,122)	(1,940)
- (Increase)/Decrease in Debtors	15,102	1,945
- Increase/(Decrease) in Creditors	5,724	(10,049)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	73,648	(14,691)
Cashflows from investing activities:		
Dividends, interest and rents from investments	1,122	1,940
Sale of fixed assets	1,100	
Purchase of property, plant & equipment		(34,085)
	<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period	75,870	(46,836)
Cash and cash equivalents at the beginning of the reporting period:	298,669	345,505
	<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	<u>374,539</u>	<u>298,669</u>
Made up as to:		
Short-term deposits	239,181	238,603
Cash at bank and in hand	135,358	60,066
	<hr/>	<hr/>
	<u>374,539</u>	<u>298,669</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

1. Accounting Policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006, and the Statement of Recommended Practice: Accounting and Reporting for Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – SORP FRS 102 (effective 1 January 2019).

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved applying SORP FRS 102 (effective 1 January 2019) rather than the version of the Statement of Recommended Practice referred to in the regulation but which has since been withdrawn.

The accounts are prepared on the basis that the PCC is a going concern, and that the PCC is a public benefit entity under FRS102.

Recognition of Income and Expenditure

The statements are prepared on the accruals basis, that is to say, income and expenditure are recognised (included in the accounts) as and when they are earned or incurred, which may be before they are received or paid.

Income including legacies is recognised when the inflow of benefits is probable.

Income Tax reclaimed on Gift Aid donations is accrued for all amounts outstanding from HMRC.

Funds and Reserves

General "unrestricted" funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. In addition to the general fund, these include the church building maintenance fund, development fund and salaries reserve, which are designated funds set aside for these particular purposes by the PCC. Details of these reserves, including the PCC's policies regarding the level of reserves, are shown at note 4.

Restricted funds are those given for a specified purpose. They include donations for specific missions and charities, as detailed at note 5.

Endowment Funds are another form of restricted fund, where money has been given to the church with the specific instruction that only the investment income may be spent by the PCC. Full details of these funds are given at notes 6 and 7.

Fixed Assets

Consecrated land and buildings and moveable church furnishings consecrated and beneficed property is excluded from the accounts by s10 (2) (c) Charities Act 2011.

No value is placed on moveable church furnishings (including equipment added under faculty) until a sale takes place. The churchwardens hold this property in trust for the PCC, but are unable to authorise a sale until a faculty for disposal is granted by the

Diocese. All expenditure on consecrated or beneficed buildings and moveable furnishings is written off in the year in which it is incurred.

Other Land and Buildings

Other land and buildings held on behalf of the PCC for its own purposes (the church halls and staff house) are stated at historic cost, taken under FRS102 as the book value at 31 December 2013. No depreciation is charged against such properties if their residual value is greater than historic cost. At each reporting date an assessment is carried out to determine whether there is any indication that an asset should be written down (i.e. whether its carrying amount is more than its recoverable amount).

Other fixtures, fittings and office equipment.

Equipment used within the church premises is held at historic cost and depreciated on a straight line basis over its expected useful life. Items with a purchase price of £2,000 or less are written off in the year of acquisition.

Investments

Investments are valued at market value at 31 December 2021.

Note 2: Income and Endowments

	Note	Unrestricted Funds £	Restricted & Endowment Funds £	Total 2021 £	Total 2020 £
a) Donations and Legacies					
Planned giving		332,550		332,550	360,671
Unplanned Gift Aid donations		21,035		21,035	19,139
Tax recovered under Gift Aid		66,373		66,373	62,975
Collections		520		520	527
Donations		29,845		29,845	18,368
Local authority Covid grant		6,808		6,808	-
Diocesan grant for youth work			250	250	-
Donations for Mission			12,211	12,211	12,001
Donations for social action			1,600	1,600	-
St. Peter's Church Lands		33,500		33,500	38,000
Legacies	13				10,000
		490,631	14,061	504,692	521,681
b) Trading Activities					
Hall and Church lettings		29,940		29,940	15,961
c) Charitable activities					
Social events		528		528	536
Materials and courses		160		160	482
Fees		2,144		2,144	3,086
		2,832	-	2,832	4,104
d) Investment Income					
Interest and dividends		708	414	1,122	2,373
e) Other Income					
Furlough (Job Retention Scheme)			17,377	17,377	
Total income and endowments		524,111	31,852	555,963	544,119

Note 3 – Expenditure

	Note	Unrestricted Funds £	Restricted & Endowment Funds £	Total 2021 £	Total 2020 £
Charitable activities:					
a) Mission and charitable giving					
-The Church Overseas: Mission		23,950	1,720	25,670	37,950
-Relief and development		2,510	-	2,510	5,540
-Home mission		32,944	5,077	38,021	42,684
-Secular charities		5,880	120	6,000	6,680
Vicar & Wardens' Fund grants		577	598	1,175	2,850
	15	<u>65,861</u>	<u>7,515</u>	<u>73,376</u>	<u>95,704</u>
b) Church expenses					
Parish Share to Diocese and accommodation		163,602		163,602	170,133
Ministry staff salaries and pension contributions	9	115,916	12,827	128,743	141,214
Ministry staff expenses, accommodation and training		4,912		4,912	5,311
Youth & children's work		5,583	250	5,833	3,949
Evangelism and publicity		1,395		1,395	2,795
Pastoral/Materials		20		20	842
Worship and music		3,030		3,030	3,614
Upkeep of services and ministry		467		467	302
Books and SU notes		162		162	106
Social events		1,563		1,563	925
Social action, including CAP		3,750	6,796	10,546	8,911
Church & Hall running expenses:					
-Heat and light		13,074		13,074	12,463
-Insurance		6,163		6,163	5,503
-Maintenance		27,077		27,077	23,049
Development/building expenditure		14,654		14,654	
Caretaker's salary and accommodation	9	14,408	3,637	18,045	17,343
Administration and secretarial salaries	9	10,564	913	11,477	33,688
Consultancy - ICT & Office		7,415		7,415	12,154
Office and stationery		5,166		5,166	5,559
Audit fee		5,299		5,299	5,200
Net asset depreciation	8	10,609		10,609	12,491
Loss on disposal of asset	8	648		648	
		<u>415,477</u>	<u>24,423</u>	<u>439,900</u>	<u>465,551</u>
Total expenditure on charitable activities		<u>481,338</u>	<u>31,938</u>	<u>513,276</u>	<u>561,255</u>

4. Unrestricted Funds

- a. The Church Building Maintenance Fund is for major repair and maintenance work on church buildings, and major equipment replacement. Repairs include works identified in the quinquennial inspection by the church's architect. The last inspection took place in 2019.
- b. The Church Development Fund is for the provision of enhanced facilities and new equipment. This fund was used in 2021 to refurbish the concourse and to contribute to redecoration of the Vicarage.
- c. The Salaries Reserve provides a reserve to cover our commitments on employee costs. It is based on a level of three months' gross salary costs.
- d. The General Fund is our general reserve for day to day expenditure. The surplus will be carried forward to help fund running costs for 2022.
- e. The PCC makes donations to missions and charities from a "mission tithe", calculated as 15% of unrestricted income. The Unallocated Mission Tithe is the balance of this amount yet to be allocated to mission activities as at year end.
- f. The Capitalisation/Depreciation fund represents amounts charged in the Statement of Financial Activities but not set against the general or other funds.

Fund	Opening Balance 1.1.21 £	Income £	Expenditure £	Transfers between funds £	Closing Balance 31.12.21 £
General	86,429	512,994	(466,685)	(38,184)	94,554
Church Building	95,778	19	-		95,797
Development	58,540	11,098	(14,654)	38,500	93,484
Salaries Reserve	65,000				65,000
Mission Tithe	5,839			12,041	17,881
Asset revaluation reserves	3,980,200	2,557	-	(12,357)	3,970,400
Total	<u>4,291,786</u>	<u>526,668</u>	<u>(481,339)</u>	<u>-</u>	<u>4,337,116</u>

5. Restricted Funds

The balance of fundraising and donations for the 2016 and 2019 youth mission trips, after expenditure, is held in the Youth Mission Fund, to be used for similar future initiatives. During 2021 £500 of this fund was allocated as part of the church's support for Joanna Brown (JENGA), leaving a balance of £5,743.

Income received under the Job Retention Scheme is shown as Restricted Income (note 2); this was fully expended on salaries during the year (note 3).

6. Endowment Funds

The balances on these funds at the balance sheet date, comprising the accumulated surplus of income over expenditure, available to be spent on these purposes, were as follows:

Fund	Opening Balance 1.1.21 £	Income £	Expenditure £	Closing Balance 31.12.21 £
Choir and Church Music	6,783	308		7,091
Garden of Rest	4,010	104		4,114
Poor	2,742	2		2,744
Investment revaluation	13,469	2,026		15,495
Total	27,004	2,440	-	29,444

7. Investments

The PCC holds investments for the Choir & Church Music Fund and Garden of Rest Fund, each set up with a legacy from a member of the church. The capital of the Funds, which cannot be spent in the normal course of events, is invested in the Investment Fund of the Central Board of Finance of the Church of England.

The PCC also holds an investment from its general fund in the Investment Fund of the Central Board of Finance of the Church of England. The historic cost of this investment is £10,000.

The market valuations of these investments at the beginning and end of 2021 were:

	2021 £	2020 £
Choir and Church Music	4,046	3,537
Garden of Rest	12,068	10,551
General Fund	20,625	18,068
Total Funds	36,739	32,156

The increase in value of these investments is shown in the Statement of Financial Activities.

The Investment Revaluation Fund represents the book value of assets held for the Choir and Church Music and Garden of Rest Funds.

The Poor Fund includes income earned on the investments of the Thurnham Charity, a separate charity established by bequest for the assistance of the poor of the parish.

8. Fixed Assets

a) Land and Buildings

Property owned by the PCC for its own purposes includes the church hall complex and the curate's house, This is included in the accounts at historic cost. Under FRS102, this is taken as the market value as at 31 December 2013. There has been no movement in the cost, depreciation or net book value of property assets during 2021.

b) Equipment

The PCC owns equipment which is shown in the accounts at its depreciated value at 1 January 2021, plus any additions and less depreciation charges for the year and any disposals or impairments, as below. Equipment is depreciated over its expected useful life, normally 5 years for ICT and 10 years for other equipment.

Equipment shown below includes PV panels, heating and access control systems, fire sensor system, kitchen appliances, the office photocopier, AV systems in the hall, and cameras and temporary stage lighting in church.

	£
Cost brought forward at 1 January 2021	168,709
Additions less Disposals	<u>(2,185)</u>
Cost carried forward at 31 December 2021	<u>166,524</u>
Depreciation brought forward at 1 January 2021	103,003
Depreciation in the year	10,609
Depreciation eliminated on disposal	<u>(437)</u>
Depreciation carried forward at 31 December 2021	<u>113,175</u>
Net Book Value 1 January 2021	<u>65,706</u>
Net Book Value 31 December 2021	<u><u>53,349</u></u>

9. Staff Costs

During the year the PCC employed a full time Youth Minister, Children's Minister, Worship Minister, Pastoral Minister and Caretaker; and a part time Associate Vicar, Secretary and CAP Debt Advice support worker. Total salary costs were as below:

	£
Direct salaries	144,080
Less Job Retention Scheme	(17,377)
Employers NI	7,876
Employer pension contributions	<u>10,566</u>
Total Funds	<u><u>145,144</u></u>

In addition to these salaries, the caretaker is provided with accommodation. No staff fall in the over £60,000 pay band.

The PCC participates in the Church of England Defined Contributions Scheme (DCS) within the Church Workers Pension Fund. The PCC contributes 8.5% of

basic salary, and employees can opt, but are not required, to make a contribution.

In addition to paid staff, unpaid volunteers and a Self-Supporting Minister make a substantial contribution to all the activities of the church, including children's and youth work, music and worship, catering, small groups and administrative support. Given the difficulties of calculating a monetary value for this activity, it is not included in the accounts.

10. Commitments and liabilities

There are no outstanding liabilities at year end.

11. PCC Members' (trustees) remuneration, expenses and donations

Staff members who are also PCC members (associate vicar, pastoral care minister and secretary) have received remuneration as in note 9 above.

Apart from these payments, the related parties transactions identified in note 12, and expenses totalling £909 paid to the clergy, no member of the PCC or any party related to the PCC has received any remuneration, expenses or other benefit during the year.

12. Related Party Interests

The following related party interests have been identified, and transactions incurred.

Trustee	Related party	Transaction
Lindsey McLeod	Trustee, Open Door St Albans	Mission donation £250
Andrew Pike	Trustee, JENGA	Mission donation £4,000

During 2021 PCC members made donations to St Paul's totalling £69,727.

13. Legacies

While no legacy payments were received during 2021, a legacy of £10,000 is due, from the estate of John Wright, and has been accrued in the accounts.

14. Capital Commitments

There were no capital commitments at 31 December 2021.

15. Grants to Missions and Charities

The following grants and donations were made to missions and charities during 2021

	From General Fund £	From Restricted Donations £	Total 2021 £	Total 2020 £
2:67 project	1,400	-	1,400	1,500
A Rocha	960	-	960	900
Anna Chaplaincy to the elderly	500	-	500	
Age UK Herts	450	-	450	500
Azalea Women's Refuge	550	440	990	2,600
Alpha - HTB	250	-	250	300
Bible Society	400	-	400	500
CARE for the Family	250	-	250	300
Childrens Society	250	-	250	300
Christian Aid	400	-	400	500
Christians Against Poverty	4,094	250	4,344	4,265
Credit Union, St. Albans	650	-	650	700
Christ Church, Jerusalem	-	-	-	1,000
CMJ	900	-	900	1,000
CMS	900	-	900	1,000
Concordis	400	-	400	750
Connect	900	-	900	1,000
CPAS	450	-	450	500
Crusaders	250	-	250	900
Evangelical Alliance	250	-	250	300
FEED	200	-	200	529
FRMME /Mosaik	-	-	-	2,800
Fusion	250	-	250	300
Rennie Grove Hospice Care	450	-	450	500
Hatfield Road Day Care Centre	750	-	750	1,000
Japanese Church (RH Stevens)	-	-	-	540
JENGA	4,000	-	4,000	6,100
Just Love	-	-	-	300
Relationships Foundation	250	-	250	300
Kiwoko Hospital	-	-	-	890
Leakes (direct)	500	-	500	1,000
Leakes - via CMS	1,000	-	1,000	1,000
Chaco Church Trust / La Caldera	-	-	-	1,500
Living Room	3,000	-	3,000	3,000
Local Schools	1,430	-	1,430	1,550
Luton Roma Trust	-	-	-	1,000
Mission Without Borders	4,500	-	4,500	6,000
Mothers Union Literacy	900	-	900	1,000
New Wine Networks	250	-	250	300
Oak Church, Stevenage	4,500	-	4,500	4,500
Open Door nightshelter	250	-	250	330
Open Doors	400	-	400	500
Prison Fellowship/Angel Tree	150	-	150	200
Radio Verulam	150	-	150	150

	From General Fund £	From Restricted Donations £	Total 2021 £	Total 2020 £
Scripture Union	550	-	550	600
SHARE Trust - Avondale	3,000	-	3,000	3,500
SHARE Trust -general	1,500	-	1,500	2,000
St. Albans Bereavement Network	-	-	-	(300)
St Johns Farley Hill	1,000	-	1,000	1,100
Red Cross	-	120	120	-
STEP	5,000	-	5,000	5,000
TEAR Fund	650	-	650	750
Throw a Starfish	-	-	-	2,000
The Olive Branch	-	-	-	700
UCCF	250	-	250	300
University of Hertfordshire CU	250	-	250	250
YWAM	1,000	20	1,020	-
Individuals	14,950	6,088	21,038	22,850
 Vicar & Warden's fund	 578	 598	 1,175	 2,850
	<hr/> <u>65,861</u>	<hr/> <u>7,515</u>	<hr/> <u>73,376</u>	<hr/> <u>95,704</u>