

ST PAUL'S

KNIGHTSBRIDGE



Financial Statements and Annual Report for the year ended 31st December 2017

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

**Financial Statements and Annual Report
for the year ended 31st December 2017**

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ST PAUL'S, KNIGHTSBRIDGE
ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2017

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

Introduction

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

Membership of the Parochial Church Council

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

Officers:

Chairman: The Rev'd Alan Gyle – Vicar of the Parish ‡

Churchwardens: John Tweddle ‡ (*lay co-Chairman*)
Philip Davies ‡ (Resigned 21 January 2018)

Secretary: Felicity Cranfield (On maternity leave)
Philip Davies (From 6 February 2018)

Treasurer: Noel Craven ‡

‡ denotes Standing Committee member

PCC Members:

Until APCM 2017 Serena Butt

Zalfa Chamoun
Adam English
Gardenia Griffith
Thomas Tull ‡

Until APCM 2018 Dianne Bruce

James Folkes ‡
Anna Keighley
Melissa Longley
George Shishkovsky

Until APCM 2019 Tempe Brickhill

Robert Clouston
Margaret Gadow
Aidan Linton-Smith
Jeremy Orlebar

Until APCM 2020 Bramble Badenach-Nicolson

Lorraine Bondarenko
William Cudmore
Lorna Gradden ‡
Christopher Stephens

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

** Under the procedures for rolling elections adopted by the PCC these members, having filled mid-term vacancies, may immediately offer themselves for re-election for a three year term without taking one year off.*

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ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

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

Until 31st May 2017 Roland Brunner
Philip Davies (Resigned 21 January 2018)
Gardenia Griffith
Sarah Tytherleigh

Until 31st May 2020 Serena Butt
Caroline Docker
Gardenia Griffith
Sarah Tytherleigh

Members by co-option and/or license to the Parish:

Roland Brunner
Noel Craven – *Treasurer*
The Rev'd Louis Darrant – *Associate Vicar*
The Rev'd Graham Palmer – *Honorary Assistant Priest*
Thomas Tull

Key Management Personnel

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

Standing committee

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

Church attendance

The parish Electoral Roll stood at 294 at the year-end. Average Sunday attendance is currently 130 people.

Advisers

Bankers	C Hoare & Co 32 Lowndes Street London SW1X 9HZ
Independent Examiners	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
Correspondence Address	The Parish Office 32a Wilton Place London SW1X 9SH

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

The Proceedings of the Parochial Church Council and the life of the Parish in 2017

GOVERNANCE & THE PCC

The PCC met six times during 2017. Its 'business as usual' agenda continued to pay attention to Safeguarding (the safeguarding of children and adults at risk), Children's Work and the Nine O'clock Service, church maintenance and administration, volunteering, Adult Christian Formation, Finances and Stewardship, and Mission. The PCC also considered the requirements of the new GDPR legislation pertaining to the handling of personal data. The Standing Committee met in between full meetings of the Council to formulate the agenda and to transact routine business.

CLERGY

St Paul's is well served by a relatively large clergy team. The Vicar, Fr Alan Gyle and The Associate Vicar, Fr Louis Darrant provided full-time priestly presence in the parish with Fr Nick Mercer, Fr Andrew Norwood and Bishop Michael Colclough serving as active honorary assistants. We bade a fond farewell to Fr Andrew Norwood in September 2017 as he took up a new role at St Mary's, Bourne Street.

STAFF

In the Parish Office Felicity Cranfield assisted by Kimball Bailey continued to run the day to day life of the church. Phone calls were handled by Jacqui Coppel and her team. In addition to managing the bookings diary, supporting the work of the PCC and the clergy and greeting visitors and those who come to St Paul's for events, the office team produce the 218 routine separate service sheet or weekly sheet publications we print annually and handles day to day financial transactions (assisted by Bidwells, our bookkeepers). Our small staff team is a busy one. Charlotte Wolseley-Brinton once again co-ordinated the 17 charity carol services. Our team of eight professional singers and the work of our Organ Scholar, Adam Mathias and Music Scholar, Findlay Spence, is overseen by Dr Stephen Farr – whose tenth anniversary of service was marked during the year - with Michael Papadopoulos as Assistant Director of Music. Michael also led on the development of our non-liturgical music programme. During the year Eleanor Ross (soprano) joined the choir in succession to Helen Meyerhoff.

VOLUNTEERS

John Tweddle and Phil Davies continued as churchwardens, supported by their team of deputies: Roland Brunner, Serena Butt, Caroline Docker, Gardenia Griffith, Margaret Gadow,

Nicoletta Lindsay, Aidan Linton-Smith, Jeremy Orlebar, Susie Thornton, Tom Tull and Sarah Tytherleigh. We continued to enjoy the benefit of Veronica Scott's experience as Lady Verger for special services, with Tempe Brickhill as her deputy. Tim Pontius stood down as Head Server after some twenty years' service and was succeeded by Robert Thomas. We are indebted to these people and the many other volunteers who make possible all that we do at St Paul's.

WORSHIP, SPIRITUALITY & PRAYER

We continued the daily offering of the Mass and morning prayer. The 7PM Wednesday Evening Service was revitalized with a meal after the service. Cecily Worrall continued to convene the monthly meeting of the Prayer Branch. Parishioners enjoyed a 'mind, body, spirit' holistic retreat to Sicily led by Fr Alan with Jackie Cameron and Lindsey Gray and a long-weekend pilgrimage to the Llŷn Peninsula in North-West Wales, led by Fr Louis. We also enjoyed the annual cathedral trip to Salisbury and an Advent pilgrimage to the ancient chapel of St Peter at Bradwell-on-Sea. During Lent there was a five-part series on ancient catholic practices to help deepen faith. Fr Louis also led a series of 'Explorations' events to consider issues of faith in the city which included visits to the V&A, the Globe Theatre, Tyburn, the Jewish Museum in Camden and Hyde Park.

PASTORAL SERVICES

During 2017, eleven couples celebrated their marriages at St Paul's and we gave thanks for the lives of a number of members of our congregation - as well as those for whom St Paul's was their London church - at fifteen funerals and memorial services, among them Ian Powe, a faithful member and sometime Churchwarden of St Paul's. We also celebrated a requiem Mass for Sister Theresa SC, one of the last of the Sisters of Charity, an Order of Anglican Nuns established as part of the life of this parish in 1846. She served in the parish for many years before her retirement and died in Plymouth aged 103. St Paul's continues its association with the FANYs who held their regular Memorial Service in October.

OUTREACH & MISSION

Per our custom we contributed an additional 10% to the Diocesan of London Common Fund (from which incumbents are paid and contributions are made to diocesan and national church costs) to support the provision of ministry in those parts of the diocese which would otherwise find it impossible to fund a parish priest. The Lent Appeal raised some £3,764, half of

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ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

which was donated to the diocesan Lent Appeal in aid of ALMA, and half of which was retained by the parish to fund a visit from our mission partners in Mozambique. In July we welcomed Bishop Carlos and a delegation of twenty visitors from Mozambique and in November we were delighted to welcome Fr Alfredo Nhabetse (priest of All Saints' Nhamavila, our partner parish) and Ivan Macie (ALMA link officer, Mozambique) who spent a week in the parish, getting to know our parishioners and exploring ways of deepening the relationship between our two parishes.

SOCIAL EVENTS & ACTIVITIES

We continued the series of social and other events that mark the year at St Paul's: the Shrove Tuesday pancake party a Music Dinner in May, a Garden Party in the early autumn; Jumble Sales in the spring and autumn; parish lunches on the first Sunday of each month, cooked by an enthusiastic team of volunteers and enjoyed by up to 40 people each time; weekly hospitality after the Solemn Eucharist; parties at key points in the liturgical year to celebrate the great days in the Calendar. All of these help to ensure that St Paul's continues to have a healthy and engaging social life to help incorporate – into which we have now injected a programme of Christian Formation.

MUSIC PROGRAMME

During 2017 we built on the music programme set up during 2016. We started the year with a four-day musical celebration of our patronal festival which included Solemn Evensong, a lunchtime recital given by Howard Shelley and the London Mozart Players, a concert given by Tamila Salimjanova (SPK Music Scholar) and the Thames Chamber Orchestra and a festal orchestral Mass on Sunday morning which included the first performance of a new composition by Findlay Spence, Music Scholar. The autumn saw the launch of a new programme of Sunday recitals in conjunction with the Royal Academy of Music and an evening of music and readings for Remembrancetide with Michael Papadopoulos and the Thames Chamber Orchestra. We continued to develop our link with the Royal College of Music who now make regular use of St Paul's for the recording of student performances.

STRATEGIC DEVELOPMENT

Further to the granting of permissions for the south garden and tower capital project at the end of 2016, during 2017 we continued to develop our plans for future programme and the infrastructure required to enable a more ambitious, outward looking missional programme. During the autumn of 2017 Anne Hayward was appointed as fundraising consultant for the appeal (funded by the St Paul's Knightsbridge Foundation) and the PCC approved the appointment of Phil Davies (from

February 2018) as Head of Future Programme and Operations to work on delivering the new strategy.

Report on Church Attendance and the Electoral Roll

Responsibility for maintaining a record of those eligible to stand for election to the PCC and of those eligible to vote in parochial elections lies with the Electoral Roll Officer. Each year the Parochial Church Council is required to revise the parish Electoral Roll. In December 2017 it stood at 294. Average Sunday attendance at all services is 130.

Report on the Fabric, Goods & Ornaments

Church Maintenance

During the year a 4G mobile phone mast was installed in the tower, providing a new source of regular income to the PCC. Because of impending planned works to transform the West End and North East Vestry area of the church, no major works were undertaken to the church building in 2017. The Church Hall in Kinnerton Street and the internal common parts were maintained. A rolling programme of minor repair and renovations continued in the Church. The Terrier and Inventory were maintained and the Churchwardens were content that the Fabric, Goods and Ornaments of the church were being well maintained.

Finance Report 2017

Income

St Paul's income is mainly derived from voluntary donations, income from letting the church to the BBC, the hall, the sale of parking spaces in the churchyard and as of 2017 the hosting of a phone mast in the tower. Unfortunately during the year the business of the main lessor of the hall, the French Nursery School, failed in this location and by mutual agreement they are no longer a tenant.

Total unrestricted income in the year amounted to £437,238 (2016: £437,608), whilst our restricted income was £77,790 a return to normal levels following a 2016 high of £125,270 when the music fund was raised.

Despite unrestricted income remaining stable it was encouraging that voluntary income increased. Gift Aid donations increased £11,674 and other donations increased £10,579. Legacy income of £7,000 was received. Church activities generated £119,090, £38,587 less than 2016 as Weddings, Blessings, Funerals and Memorials and Church letting all decreased for the

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ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

second year running and the French Nursery School vacated the Hall at the end of August. Activities for generating funds increased £8,059 as the Church received its first full year of income from housing a phone mast in the tower.

Restricted fund income declined substantially following 2016's establishment of a music fund. Additionally the first donations to the capital project were received in 2016 and none in 2017.

Expenditure

Total expenditure increased to £608,565 (2016: £570,746). Unrestricted expenditure of £465,749 represents an increase of £33,334 from 2016. The restricted expenditure of £142,816 was similar to 2016 expenditure of £138,331.

The increase in unrestricted expenditure is due to an increase in Church maintenance costs of £17,710 and further upgrades to our IT contributing to £10,014 increase in Parish Office Expenses. Additionally the payment of pension contributions for lay staff have registered for the full year.

Result

We ended the year with a deficit of £93,537 (2016: £7,868). The continuation of the Capital project in the first half of the year causing further Restricted Funds expenditure taking these funds into a deficit of £91,847. Unrestricted Funds closed the year with a deficit of £1,688.

Report on the proceedings of the Deanery Synod of Westminster (St Margaret)

Members of the Deanery Synod came together for a Garden Party on Tuesday 27 June 2017 which was held in the Temple Church. This change of venue from the usual one of the Master's garden was occasioned, for the second time in two years, by the weather. The Temple Church was, as last year, a venue much appreciated by members. As this was the first meeting of Synod for the new Triennium (2017-20), a new Standing Committee was elected.

The second meeting of the Triennium was held on Tuesday 7 November 2017 at St Matthew's, Westminster. The Lay Chair (David Richards), the Chair of the Education Committee (Fr John Pearson-Hicks), and the Area Dean (Fr Philip Chester) led a discussion on the role of the deanery in relation to the wider church, its engagement with the schools in the deanery,

and its mission. This will in due course lead to the development of a deanery plan. Debbie Clinton, Director of Capital Vision, then updated Synod on progress with Capital Vision 2020. Brief reports were provided by Fr Pearson-Hicks (on schools) and Lawson Crawford (on finance).

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ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of PCC responsibilities

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

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

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

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

Risk assessment

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

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

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

Reserves Policy

The PCC has established a policy whereby general unrestricted reserves held by the church should equate to approximately three months' worth of unrestricted resources expended, currently c. £120,000 per annum. At this level, the PCC feel that they would be able to continue the current activities of the church in the event of a significant drop in funding.

More than the closing balance of £239,125 on General Unrestricted on 31 December 2017 has been expended on the Capital project fund in advance of fundraising to cover this venture, as shown by the negative closing balance of £362,261 on the Capital project fund. Free funds at 31 December 2017 were therefore negative at £123,136. The PCC has a Reserves Policy of holding funds representing just over 3 months of unrestricted expenditure. Based on the 2018 budget this amounted to £120,000 at 31 December 2017. The PCC intends to close this significant gap through fundraising activities for the Capital Appeal.

Investment Policy

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

Related parties

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

The Reverend Alan Gyle and Mr John Tweddle are respectively the Vicar and a Churchwarden of the Church and are trustees of the Foundation.

Signed on behalf of the PCC

The Rev'd Alan Gyle
Chairman

Date: 13 March 2018

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

I report to the charity trustees on my examination of the accounts of the St Paul's Parochial Church Council for the year ended 31 December 2017 set out on pages 9 to 19.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

- accounting records were not kept in respect of the Church as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Report) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

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

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

Date: 19/4/2018

ST PAUL'S, KNIGHTSBRIDGE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDING 31ST DECEMBER 2017

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £
Income from:									
Voluntary income	2(a)	259,699	77,754	-	337,453	229,685	125,038	-	354,723
Investments	2(b)	256	36	-	292	112	232	-	344
Church activities	2(c)	119,090	-	-	119,090	157,677	-	-	157,677
Activities for generating funds	2(d)	<u>58,193</u>	<u>-</u>	<u>-</u>	<u>58,193</u>	<u>50,134</u>	<u>-</u>	<u>-</u>	<u>50,134</u>
Total income		<u>437,238</u>	<u>77,790</u>	<u>-</u>	<u>515,028</u>	<u>437,608</u>	<u>125,270</u>	<u>-</u>	<u>562,878</u>
Expenditure on:									
Raising funds	3(a)	2,402	-	-	2,402	1,431	-	-	1,431
Church activities	3(b)	<u>463,347</u>	<u>142,816</u>	<u>-</u>	<u>606,163</u>	<u>430,984</u>	<u>138,331</u>	<u>-</u>	<u>569,315</u>
Total expenditure		<u>465,749</u>	<u>142,816</u>	<u>-</u>	<u>608,565</u>	<u>432,415</u>	<u>138,331</u>	<u>-</u>	<u>570,746</u>
Net (expenditure)		(28,511)	(65,026)	-	(93,537)	5,193	(13,061)	-	(7,868)
Transfers between funds		<u>26,823</u>	<u>(26,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(1,688)	(91,847)	-	(93,537)	5,193	(13,061)	-	(7,868)
Funds brought forward at 1 January 2017		<u>346,162</u>	<u>(191,873)</u>	<u>10,000</u>	<u>164,289</u>	<u>340,969</u>	<u>(178,812)</u>	<u>10,000</u>	<u>172,157</u>
Funds carried forward at 31 December 2017		<u>344,472</u>	<u>(283,722)</u>	<u>10,000</u>	<u>70,752</u>	<u>346,162</u>	<u>(191,873)</u>	<u>10,000</u>	<u>164,289</u>

ST PAUL'S, KNIGHTSBRIDGE
BALANCE SHEET
AS AT 31ST DECEMBER 2017

		2017		2016	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	6		102,541		118,416
Current assets					
Debtors	7	55,882		49,739	
Cash at bank and in Hand		<u>35,709</u>		<u>94,761</u>	
		91,591		144,500	
Creditors					
Amounts falling due within one year	8	<u>123,380</u>		<u>98,627</u>	
Net current assets/(liabilities)			(31,789)		45,873
Net assets			<u>70,752</u>		<u>164,289</u>
Parish Funds					
Unrestricted	9		344,474		346,162
Restricted	10		(283,722)		(191,873)
Endowment	10		<u>10,000</u>		<u>10,000</u>
	11		<u>70,752</u>		<u>164,289</u>

Approved by the Parochial Church Council on 13 March 2018 and signed on its behalf by:

Chairman: Alan Gyle

ST PAUL'S, KNIGHTSBRIDGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017		2016	
	£	£	£	£
Cash used in operating activities (see below)		(56,152)		20,467
Cash flows from investing activities				
Interest receivable	292		344	
Payments to acquire tangible fixed assets	(3,192)		(1,668)	
Cash (used in) investing activities		(2,900)		(1,324)
Net cash (outflow)/inflow		(59,052)		19,143
Cash and cash equivalents at 1 January 2017		<u>94,761</u>		<u>75,618</u>
Cash and cash equivalents at 31 December 2017		<u>35,709</u>		<u>94,761</u>
 Cash used in operating activities				
Net (expenditure)		(93,537)		(7,868)
Interest received shown in investing activities		(292)		(344)
Depreciation		19,067		21,630
Decrease/(increase) in debtors		(6,143)		20,204
Increase/(decrease) in creditors		<u>24,753</u>		(13,155)
		<u>(56,152)</u>		<u>20,467</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2017

1 ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements have been prepared under the historical cost convention. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

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

Going concern

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

Funds

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

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

Income

Voluntary income

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

Income from investments

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

Church activities

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

Activities for generating funds

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

Expenditure

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

Activities directly relating to the work of the Church

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

Raising Funds

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

Grants

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

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2017

1 ACCOUNTING POLICIES (continued)

Pension costs

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

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

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

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

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

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

Fixed assets

Consecrated land and buildings and movable church furnishings

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

Moveable church furnishings held by the churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. They are listed in the church's Inventory, which can be inspected (at any reasonable time). For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Items acquired since 1st January 2000 have been capitalised and depreciated on a straight-line basis in the accounts over their currently anticipated useful economic life

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

Other assets

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

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

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

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

Current assets

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

Creditors and provisions

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

Financial instruments

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

2 INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
2(a) Voluntary income				
Gift Aid donations	143,983	-	143,983	132,309
Legacies	7,000	-	7,000	-
Other donations	59,984	-	59,984	49,405
Income Tax Recovered	39,474	-	39,474	34,372
Collections (Open Plate)	9,258	-	9,258	13,599
Lent Appeal	-	3,764	3,764	2,388
Grants	-	37,000	37,000	37,000
Capital project fund	-	-	-	33,750
Sundry Donations and Appeals	-	36,990	36,990	51,900
	<u>259,699</u>	<u>77,754</u>	<u>337,453</u>	<u>354,723</u>
2(b) Investments				
Bank Interest Receivable (UK)	<u>256</u>	<u>36</u>	<u>292</u>	<u>344</u>
	<u>256</u>	<u>36</u>	<u>292</u>	<u>344</u>
2(c) Church activities				
Weddings and Blessings	8,028	-	8,028	19,143
Funerals and Memorials	10,390	-	10,390	14,127
Special Service Music Fees	37,244	-	37,244	34,765
Church Lettings	26,474	-	26,474	33,290
Hall Lettings	7,358	-	7,358	9,654
St Paul's Hall School	28,040	-	28,040	41,136
Other Income	<u>1,556</u>	<u>-</u>	<u>1,556</u>	<u>5,562</u>
	<u>119,090</u>	<u>-</u>	<u>119,090</u>	<u>157,677</u>
2(d) Activities for generating funds				
Car Park Income	36,928	-	36,928	35,950
Network rental income	16,731	-	16,731	9,133
Events	<u>4,534</u>	<u>-</u>	<u>4,534</u>	<u>5,051</u>

ST PAUL'S, KNIGHTSBRIDGE
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	<u>58,193</u>	<u>-</u>	<u>58,193</u>	<u>50,134</u>
Total income	<u>437,238</u>	<u>77,790</u>	<u>515,028</u>	<u>562,878</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2017

3 EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
3(a) Raising Funds				
Fundraising	<u>2,402</u> -	<u>2,402</u>	<u>1,431</u>	
	<u>2,402</u>	-	<u>2,402</u>	<u>1,431</u>
3(b) Church Activities				
Grants - Lent Appeal	-	2,000	2,000	4,013
Costs of Mission Partners visit	-	2,663	2,663	-
Common Fund	87,000	-	87,000	85,500
Incumbent Costs	4,093	-	4,093	2,138
Vicarage Expenses	1,410	-	1,410	2,421
Assistant Staff – Stipendiary	798	37,000	37,798	39,222
Assistant Staff – Non-Stipendiary	10,400	-	10,400	12,000
Church Running Costs	49,064	-	49,064	44,197
Church Maintenance	33,288	-	33,288	15,578
Upkeep of Services	3,304	-	3,304	2,202
Hall Costs	3,477	-	3,477	2,206
Choir & Organist	100,283	-	100,283	93,055
Hall Rental	25,704	-	25,704	24,210
Parish Office Staff	47,317	-	47,317	49,921
Parish Office Expenses	51,678	-	51,678	41,664
Other Support Costs	11,073	-	11,073	17,808
Other Professional Services	10,921	-	10,921	10,958
Independent Examination and Accounts	4,470	-	4,470	4,153
Capital Project	-	85,562	85,562	96,439
Music Appeal	-	15,591	15,591	-
Depreciation	<u>19,067</u>	-	<u>19,067</u>	<u>21,630</u>
	<u>463,347</u>	<u>142,816</u>	<u>606,163</u>	<u>569,315</u>
Total expenditure	<u>465,749</u>	<u>142,816</u>	<u>608,565</u>	<u>570,746</u>

ST PAUL'S, KNIGHTSBRIDGE
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FOR THE YEAR ENDED 31st DECEMBER 2017

4 STAFF COSTS

	2017 £	2016 £
Wages and salaries	40,667	42,933
Pension costs	2,598	2,240
Social security costs	<u>669</u>	<u>1,827</u>
	<u>43,934</u>	<u>47,000</u>

The average number of staff members during the year was 2 (2016: 2)

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

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

5 GRANTS PAYABLE

	2017 £	2016 £
The PCC made the following charitable grants during the year:		
Bishop of London's Lent Appeal	<u>2,000</u>	<u>4,013</u>

6 FIXED ASSETS FOR USE BY THE PCC

	Leasehold church hall £	Improvements to basement flat £	Organ restoration £	Moveable church furnishings £	Furniture, fittings & equipment £	Total £
Cost or Valuation						
At 1st January 2017	100,000	13,190	137,870	16,503	162,652	430,215
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,192</u>	<u>-</u>	<u>3,192</u>
At 31st December 2017	<u>100,000</u>	<u>13,190</u>	<u>137,870</u>	<u>19,695</u>	<u>162,652</u>	<u>433,407</u>
Depreciation						
At 1st January 2017	30,881	13,190	115,126	9,586	143,016	311,799
Charge for the year	<u>1,471</u>	<u>-</u>	<u>6,894</u>	<u>1,082</u>	<u>9,620</u>	<u>19,067</u>
At 31st December 2017	<u>32,352</u>	<u>13,190</u>	<u>122,020</u>	<u>10,668</u>	<u>152,636</u>	<u>330,866</u>
Net Book Value						
At 31st December 2017	<u>67,648</u>	<u>-</u>	<u>15,850</u>	<u>9,027</u>	<u>10,016</u>	<u>102,541</u>
At 31st December 2016	<u>69,119</u>	<u>-</u>	<u>22,744</u>	<u>6,917</u>	<u>19,636</u>	<u>118,416</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
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7 DEBTORS

	2017	2016
	£	£
Income tax recoverable	16,277	8,321
Other debtors	30,961	32,924
Prepayments and accrued income	<u>8,644</u>	<u>8,494</u>
	<u>55,882</u>	<u>49,739</u>

8 CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Other creditors	51,163	23,174
Accruals and deferred income	70,048	72,481
Social security and other taxes	<u>2,169</u>	<u>2,972</u>
	<u>123,380</u>	<u>98,627</u>

9 UNRESTRICTED FUNDS

	General Fund	Fixed Asset Fund	Total Unrestricted Funds
	£	£	£
Income	437,238	-	437,238
Expenditure	<u>(446,682)</u>	<u>(19,067)</u>	<u>(465,749)</u>
Net income/(expenditure)	(9,444)	(19,067)	(28,511)
Transfers	<u>26,823</u>	<u>-</u>	<u>26,823</u>
Net movement in funds	17,379	(19,067)	(1,688)
Balance brought forward at 1 st January 2017	<u>227,746</u>	<u>118,416</u>	<u>346,162</u>
Balance carried forward at 31 st December 2017	<u>245,125</u>	<u>99,349</u>	<u>344,474</u>

ST PAUL'S, KNIGHTSBRIDGE
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10 RESTRICTED FUNDS

	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
Restricted Funds					
Dunhill Medical Trust	1,458	36	-	-	1,494
Eric Day Fund	34,502	-	-	-	34,502
Vicar's Discretionary fund	10,695	-	-	-	10,695
Music Fund	38,171	36,990	(15,591)	(27,722)	31,848
Capital project fund	(276,699)	-	(85,562)	-	(362,261)
Associate Vicar Grant	-	37,000	(37,000)	-	-
Lent Appeal	-	3,764	(4,663)	899	-
	<u>(191,873)</u>	<u>77,790</u>	<u>(142,816)</u>	<u>(26,823)</u>	<u>(283,722)</u>
Endowment Funds					
Dunhill Capital Fund	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>

Dunhill Medical Trust

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

Eric Day Fund

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

Vicar's Discretionary Fund

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

Music Fund

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

Capital Project Fund

This has been embarked upon in order to significantly enhance the fabric of St. Paul's Knightsbridge so as to accommodate the ever changing uses of this beautiful public building. Fundraising is to begin in earnest during 2018 which has been delayed by the timing of receipt of various planning approvals and construction thereafter. It is anticipated that future fundraising will cover the deficit on this fund.

Lent Appeal Fund

This is a fundraising event during lent from which the amount raised is ordinarily contributed to the dioceses chosen charities. On occasion charities selected by the PCC are in receipt of funds from the lent appeal.

Other Restricted Funds

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

Dunhill Capital Fund

Restricted capital funds comprises of £10,000 (2016: £10,000) attributable to the Dunhill Medical Trust. This is a permanent endowment, which requires the income to be spent on work with the elderly members of the congregation.

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
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11 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fixed assets	102,541	-	-	102,541
Current assets	365,313	(283,722)	10,000	91,591
Current liabilities	(123,380)	-	-	(123,380)
	<u>344,474</u>	<u>(283,722)</u>	<u>10,000</u>	<u>70,752</u>

12 COMMITMENTS

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

	2017 £	2016 £
Within one year	25,193	21,192
After one year but within five years	<u>88,310</u>	<u>63,408</u>
	<u>113,503</u>	<u>84,600</u>

The operating lease charges for the year were:

Land	17,321	12,648
Other	<u>6,232</u>	<u>11,850</u>
	<u>23,553</u>	<u>24,498</u>

13 RELATED PARTY TRANSACTIONS

PCC members are not remunerated and no PCC member was reimbursed during the year for expenses in relation to their work as trustees (2016: £NIL).

During the year, total unrestricted income of £29,291 (2016: £45,951) was received from PCC members.

The premium paid for the trustees and individual liability insurance in the year was included within the overall insurance policy purchased.

During the year, The St Paul's Knightsbridge Foundation paid website costs of £14,400 (2016: £13,200) on behalf of the Church. These amounts have been recognised in these financial statements as Other donation income and Church activities expenditure.

During the year, the Church paid for music costs of £4,250 on behalf of The St Paul's Knightsbridge Foundation. These amount have been recognised in the financials statements as Church activities expenditure.