



ST JOHN'S HYDE PARK  
HYDE PARK CRESCENT  
LONDON W2 2QD

ANNUAL REPORT  
AND  
FINANCIAL  
STATEMENTS  
OF THE  
PAROCHIAL CHURCH  
COUNCIL

FOR THE YEAR ENDED  
31 DECEMBER 2018

Registered Charity 1132885



**The Parochial Church Council of St John the Evangelist  
with St Michael and All Angels, Paddington**

**Financial Statements**

**For the year ending 31<sup>st</sup> December 2018**

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## Administrative Information

### PCC Members

The under-mentioned persons served on the PCC during the year PCC Meetings  
attended

#### *Ex Officio Members*

The Reverend Stephen Mason	Incumbent	6/6
The Reverend Antonio García Fuerte	Stipendiary Assistant Curate (to June)	2/3
The Reverend Daniel Warnke	Stipendiary Assistant Curate (from July)	3/3
The Reverend Margaret Legg	Self-Supporting Assistant Curate	1/6
Louise Rowland (to 18 March)	Church Warden	2/2
Neville David	Church Warden	5/6
Ian Smith (from 18 March)	Church Warden	6/6
David Fletcher	Deanery Synod Rep	0/6
Kate Kendall (to 17 October)	Deanery Synod Rep	4/4
Chris Skarratt	Deanery Synod Rep	5/6

#### *Elected Members*

Dmitrii Babak		6/6
Robyn Broaders	Minute Secretary	4/6
Esme Daley (from 18 March)	Minute Secretary	4/4
Damon Greeney (to 18 March)		2/2
Sven Haase		4/6
David Hughes (from 18 March)		4/4
Jazz Mack Smith		5/6
Andrew Moxon (to 18 March)		1/2
Ian Nelson	Treasurer	5/6
Samantha Tear (from 18 March)		3/4

**Bankers:** HSBC plc  
69 Pall Mall  
London SW1Y 5EY

**Insurers:** Ecclesiastical Insurance  
Beaufort House  
Brunswick Road  
Gloucester GL1 1JZ

**Architect:** Colin Kerr  
Thomas Ford and Partners  
177 Kirkdale  
London SE26 4QH

**Solicitor:** Winckworth Sherwood  
Minerva House  
5 Montague Close  
London SE1 9BB

**Auditor:** Taylorcocks  
Chartered Accountants & Statutory Auditor  
3 Acorn Business Centre  
Northarbour Road  
Cosham, Portsmouth  
Hampshire PO6 3TH

The church office is situated at St John's Church, Hyde Park Crescent, London, W2 2QD

**Incumbent:** The Reverend Stephen Mason

**Church Administrator:** Bryan Sollenberger

## **2018 Report and Accounts for the Parochial Church Council of St John the Evangelist with St Michael and all Angels, Paddington**

The Parochial Church Council (PCC) has pleasure in presenting its report and the financial statements of the Church for the year ended 31<sup>st</sup> December 2018.

### **Aims and Purposes**

The objective of the PCC is to co-operate with the Incumbent, The Reverend Stephen Mason, in promoting within the Parish the whole mission of the Church: pastoral, evangelistic, social, ecumenical and community building. The Incumbent has the obligation of providing pastoral care to all those resident within the geographical parish, as well as to those who attend services, with specific responsibility for rites of passage.

St John's is an inclusive church – that is, we believe that the Good News is for all people regardless of gender, ethnicity, sexual orientation, socio-economic circumstances or spiritual background. St John's welcomes anyone and seeks to build a congregation that reflects the diversity of the community we serve. We are aware that a number of our parishioners are of other or no faith but all are welcomed with hospitality.

Our building is open to the public every day except Saturday for private prayer and visitors. The building is visited by a modest but steady flow of people from across the United Kingdom and around the world of all faiths and nationalities. The building is also used as a place of private prayer and meditation by individuals, some of whom work in the local area. In recent years, there have been a number of exhibitions, concerts and corporate events for the public to attend.

In 2016, the PCC reviewed and agreed its Ethos Statement.

- St John's Hyde Park is an outward-facing, dynamic church, rooted in a broad Anglican tradition.
- We are proud to be a diverse church community, offering an unconditional welcome to everyone. We are committed to living by our Christian values through this sense of inclusiveness and through a genuine engagement with our neighbours beyond the church walls.
- We are determined to stay dynamic and evolve constantly, striving towards where we want to be as a church.
- We will do all we can to ensure St John's becomes even more of a spiritual, physical and social hub for the local community in London W2, its home for over a century and a half.
- We will continue to set ourselves ambitious targets in order to fulfil St John's potential as an inspirational channel for change.

This outlook influences all that we do and our approach to planning services, pastoral care, social events and other activities which we undertake in furtherance of our aims. In all our activities we seek to minister to each one who comes through our doors – to provide a means to deepen the faith for those who are part of our worshipping community, and to attract and to minister to those who are, at present, outside it.

We detail in the subsequent paragraphs activities undertaken in the course of the twelve months covered by this review in support of these objectives.

The staff and PCC have taken into account the Charity Commission's guidance on public benefit, especially the guidance specifically for charities for the advancement of religion, when planning activities in order to meet this objective.

## **Objectives and Activities**

### **Church Attendance**

The average Sunday attendance was 142 in 2018 (146 in 2017). Some 401 persons attended the Church services at Christmas (303 in 2017) and 322 at Easter (295 in 2017). The number on the parish Electoral Roll at 31<sup>st</sup> December stood at 227.

After a number of years of modest growth, changing demographics – increased property costs resulting in fewer young families being able to afford to live in the area - in the past several years mean that the numbers on a Sunday have decreased slightly. Replacing members of the congregation who move out of central London or who complete a period of working in London and return to their country of origin is more of a challenge and the PCC are looking at groups to target for ministry and growth.

### **Church Activities and Highlights**

As attendances have decreased, clergy and staff have been giving considerable thought to which areas of ministry might be strengthened that will meet the needs of those who do come through our doors. They felt that a key feature of any successful and growing organisation was the strength of relationships and focussed increasingly on how to strengthen and deepen our relationships - with God and with others.

This started from the top down. The four main members of staff – the Vicar, Administrator, Verger and Director of Music - went on a two-day residential conference in September led by the Vicar and Administrator looking at individual strengths and weaknesses, the strengths of each personality, what they contributed to the team and cultivating a greater sense of team. The parish has often been very fortunate over the years to have had a number of very capable assistant curates who bring dynamism and energy to parish life. The whole team is involved in supporting curate training; however, an assistant curate usually only serves for three to four years and so there was a desire to invest some time in the longer term members of staff. These core four (who had seen a number of curates come and go) were foundational to the success of parish ministry.

As the PCC had been working on a new Mission Action Plan, the Vicar and Administrator also developed a three year action plan to run alongside this. Objectives included strengthening and offering greater support to lay leadership, improving their own working relationship, communication and planning, facilitating PCC fund raising to repay the Diocesan loan, further development of music, investment in the staff team and considering ways to improve the office facilities and develop the church building. They were greatly encouraged by the amount they achieved during the year.

At the congregational level, the Vicar and Administrator hosted a number of informal supper parties at the vicarage. Initially for members of the PCC, feedback was very positive and they are looking to increase them in 2019. Emphasis is also on having good services – beginning with a warm welcome, incorporating quality liturgy and sermons, and concluding with a substantial fellowship time after services for parishioners and visitors. Volunteerism is encouraged and those taking part in the various rotas and service opportunities are given training and thanked by a Christmas drinks party that is eagerly anticipated.

Sunday services continue to form the core of our activities. Every Sunday, services were held at 8am and 10am (except for Sundays after Easter and Christmas, when there was no 8am service). Sunday evening services ran until Palm Sunday, with no evening services until November with the exception of our Whitsun Carols on 15<sup>th</sup> May. The 8am service is a

said service while the 10am is a choral eucharist with responsorial settings and a number of choral mass settings each year sung by our eight choral scholars – postgraduate students drawn from the main London music colleges – and supported at least once a month by professional musicians. The liturgy, while broadly modern catholic, follows a traditional format but with a relaxed feel and incorporates three readings and a Psalm according to the lectionary along with good quality, thought-provoking sermons which vary in style, reflecting the different members of the clergy. This variety in preaching is much valued by members of the congregation. The service is inclusive of children and a special effort is made to make visitors feel welcome as they enter and after the service over tea and coffee.

Highlights in 2018 were a service of confirmation on 22<sup>nd</sup> April led by the acting Bishop of London, Pete Broadbent; a service to say farewell to one assistant curate, Antonio García Fuerte, on 24<sup>th</sup> June and one to welcome our new assistant curate, Dan Warnke, on 8<sup>th</sup> July following his ordination the previous week at St Paul's Cathedral; having the Reverend Roger Powell to speak on 16<sup>th</sup> September as part of the Diocese of London strategy to promote vocation among BME communities; welcoming the new Bishop of London, the Right Reverend and Right Honourable Dame Sarah Mullally who preached and presided at the 10am service on 30<sup>th</sup> September; and a community service of music, readings and poetry on Sunday evening 11<sup>th</sup> November, to mark the centenary of the armistice ending the First World War. Attendance on Christmas morning of 145 adults and 22 children was the highest for many years.

Most of our Sunday evening services are bespoke and involve a range of seasonal carol services, Compline, Evensong & jazz masses with a special series developed for Sunday evenings in Lent. On Palm Sunday evening the service is set around our Stations of the Cross and a setting of the *Stabat Mater*. The clergy and music teams jointly plan our series of four carol services which go through the Christian year – Advent, Christmas, Epiphany and Whitsun. Planning and designing these services involves significant staff hours but these are among our most popular and well attended services.

Sadly, there was no Horseman's Sunday in 2018 – the first time that had happened since 1968. Although the stables did not say it was conclusively finished, the Hyde Park Stables have recently closed (another reflection of the changing demographics in the area) and there has been no indication that the Ross Nye Stables wish to resume the event. St John's has informal relationships with St George's, Berlin and The Church of the Heavenly Rest in New York City. Parishioners often visit each other's parishes when travelling and clergy exchanges take place from time to time. During the year the PCC accepted an invitation to work with the Evangelische Kirchengemeinde Halensee in Berlin, a church with connections with St George's, as part of the Berlin Brandenburg – London link, following a visit by a group of clergy and parishioners in September.

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

Our children's ministry at St John's thrives, reflecting the value placed on all members of our community and the commitment of parents in teaching the children in Kids' Club. We have a good group of volunteer parents who teach in two age groups on Sunday mornings – Sand & Gravel: under 5's and Pebbles: 5-8 years. Children are taught the lesson and then have time for prayers and an activity related to it. The teachers recap the lesson before the children go back into church in time to receive a blessing or communion with their families. Just before the end of the service the children have an opportunity to demonstrate what they have learned in Kids' Club and to show any crafts or other artwork they have made to reinforce the lesson, and the older children often have a question for the president relating to the lesson. (This can often be as educational for the adults as for the children.) The clergy make termly visits into Kids' Club, working alongside the leader for that week.

Children's workshops took place on Good Friday and St Nicholas and were again reasonably popular. The church continued to open its doors to parents running informal community playgroups throughout the year: a Russian-speaking playgroup on Wednesday mornings, an after school club on Wednesday afternoons and a long-running group for toddlers on Thursday mornings. These also felt the effects of the lower numbers of families living locally and, following the summer holidays, the Thursday morning group was the only one still running. A community children's choir rehearsed on Wednesday afternoons in the parish hall, drawing in children from local primary schools.

The numbers of children and young families has been affected by the cost of living in central London. In addition, while once there were no other churches in the immediate area that catered for children, now several have thriving children's ministries of their own. Despite this, the average number of children in church on a Sunday morning was 23, unchanged from 2017.

St John's shares a voluntary aided primary school with St James's, Sussex Gardens, located in Craven Terrace. The parish plays an active part in the life of St James and St John Church of England Primary School. Clergy regularly lead collective worship. The entire school visits one or other of the churches for all major festivals as part of three acts of worship per term rotating between the two churches. In addition, there are educational visits to the churches exploring history, science and art. The PCC is immensely proud of the development of the school under the new Head Teacher, Mark Hewitt, and its continued improvements in its results. Jean Burton, a parishioner, continues to serve on the Board of Governors although she stepped down as chair in September after ten years of dedicated service. She has done a commendable job in raising the profile of the school in the parish and has worked hard at supporting the head teachers during her tenure. The Vicar was elected Vice Chair for a twelve month period in September 2018. The changing demographic in the area had led to a substantial decrease in applications to local schools, including St James and St John..

## **Adult Education**

St John's endeavours to promote encounter and engagement with the issues and challenges of modern life as well as issues relating to discipleship within the Christian faith and to reflect on them theologically. The PCC's Education Committee, chaired by The Reverend Antonio García Fuerte until his departure and then by The Reverend Dan Warnke following his arrival, has run a varied programme of courses, groups and workshops designed to deepen participants' understanding of God and to promote reflection on our lives, our world and our relationships with others.

A regular monthly group, Bible Book Club, met on the last Tuesday of the month. It studied the gospel lesson for the upcoming Sunday and concluded with prayers and Compline. In November this shifted to the first Wednesday of the month and a second monthly group, Wednesday Club, started meeting on the third Wednesday of the month. This group meets in a local pub to discuss everyday ethics and how the things we think and do relate to our understanding of God and faith. Some discussions have been so lively and enthusiastic that they have attracted interest from others in the pub. While there has been some crossover with Bible Book Club, Wednesday Club has attracted fresh interest from some who have not previously been involved in small groups.

The annual Lent course, held in conjunction with other local churches and hosted by the Grosvenor Chapel, proved popular once again. The theme in 2018 was *Art and the Senses*: it considered how different art forms have been used as channels to capture faith and how the beauty found in artistic expressions went beyond the religious motif to something deeper within the artist and the beholder. Over four weeks in Lent, the course looked at the

visual arts, dance, music and sculpture and shared conversations with artists on how they perceived and expressed faith, as well as how we as spectators perceived beauty and faith through art. The discussion on music was led by Sir James McMillan and the evening was preceded by a sung Vespers using music composed by him. The series concluded with a fellowship supper and sung Compline on the final evening. A grant of £750 from the Hyde Park Place Charity was gratefully received to assist with the costs of the Lent Course.

Given the timing of change in assistant curates, there was no Food for Thought this past summer. The Wednesday Club, as it started just before Advent, took the place of the Advent Course in 2018.

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

Music plays a vital role in almost every activity at St John's: from Sunday morning sung Eucharists and Sunday evening Jazz masses, Compline and Evensongs, to children's workshops, school services and our four great carol services in addition to community concerts and after service prom concerts – it is an integral part of parish life and contributes significantly. Some of our out of town parishioners plan their weekends in London so as to be in church for our musical events. Our choral scholar programme, drawing on students from the main London music schools, enables us to have gifted singers, which in turn allows us to have inspirational music from across most genres in our services and events – from J S Bach to George Gershwin to Johnny Cash. The scholars are supported by a range of professional musicians. This calibre of singers and musicians allows us to be creative in planning services and to draw from beyond the usual library of church music. We are especially indebted to our music staff – Robert Greenhill, Director of Music and Nick Miller, our organist and Robert's assistant. Without their ingenuity and commitment, we would not be able to have such a varied and inspirational programme.

The organ restoration project undertaken in 2015 supported by the Heritage Lottery Fund was completed in 2018. While all activities had been carried out by the end of 2017, the last grant from the HLF was received in January. Lunches were held for major donors and for local residents who very kindly accommodated the organ builders while they had been on site first dismantling the organ and then reassembling it. A drinks party was held to thank all the volunteers who had been involved in the project. Silent films accompanied by improvised organ, played by Nick Miller, had proved popular as part of the HLF activity programme and have been continued following completion of the programme. *The Hunchback of Notre Dame* and *Dr Caligari's Cabinet* were shown in January and November and plans were for further films to be shown in 2019.

### **Fellowship and Social Life**

Fellowship is an important part of parish life, giving parishioners an opportunity to develop and strengthen relationships and enabling the clergy to have face-to-face time with many individuals. It is also part of our welcoming and inclusive ethos. Hospitality takes place after most services. The traditional tea, coffee and biscuits are often featured but at other times sherry, fizzy wine or gins & tonic are served. For special events we may ask the congregation to bring contributions to a finger food buffet and at our carol services seasonal delicacies such as homemade mince pies, panettone, galettes des rois or mint & cucumber sandwiches are offered. Our annual summer barbecue in the gardens behind the church (kindly made available to us by the local residents) continues to be extremely popular and our Christmas drinks evening in the vicarage, for anyone who has volunteered in any capacity during the year, are eagerly anticipated.

In looking to enhance the social life of the parish and to develop relationships further, the Vicar and Administrator began hosting small informal events at the vicarage. These included several parish and community drinks evenings (some of which were already happening) and a programme of small informal supper parties for members of the PCC. These were successful and they are looking to continue them in 2019.

Culture Vulture Ventures, a programme of social activities, ran a full programme of activities during the year and continues to attract strong support. In the winter the group visited the Postal Museum in Mount Pleasant and went to see Benjamin Britten's opera *A Midsummer Night's Dream*. In June, they toured the state rooms at Lambeth Palace and went to Hyde Park to observe the celebrations for the Duke of Edinburgh's 97<sup>th</sup> birthday. A day trip to Margate featured in July and in September, Jonathan Hill, one of our guest musicians and leader of the *Les Miserables* orchestra, secured tickets to the show for us. In the autumn, the Culture Vultures ventured to Colchester and the galleries in Westminster Abbey. Superbly organised by Margaret Legg, places on the events go quickly and, due to the variety of events on offer, attract a wide range of parishioners and friends. Participants especially value the opportunity over a meal before or after each event to build and develop friendships with other venturers.

St John's is fortunate to have a very able and professional staff team but is also hugely indebted to the army of volunteers who support our services and special events. While some commit to dedicated jobs such as reading, serving as an acolyte, teaching Kids' Club or serving tea and coffee after services, many others turn up on the day and lend a hand to whatever needs doing. Our annual Christmas drinks parties for our volunteers often see in excess of 160 individuals invited. The high level of involvement of our parishioners demonstrates the commitment of the congregation and support for our ministry.

### **Working in the Community**

St John's is committed to playing a full part in the community life on the Hyde Park Estate and further afield. St John's continues to host the weekly play groups for parents and toddlers. All are open to the public. Clergy also visit the Montessori nursery school that uses the church hall and assisted at other churches in the Deanery.

The project to work with St John's, Kensal Green to develop a family-friendly congregation in their traditional Anglo-Catholic church moved forward. A playgroup begun in 2017 is now firmly established and often attracts 25-30 adults plus their children. Next steps being considered are the creation of an additional worship service or exploring how we might help enhance the present Sunday service. Development of such a congregation had been inspired by Capital Vision 2020, part of which was the Bishop of London's goal of creating 100 new parishes and congregations.

St John's takes pride in being at the centre of the local area and works hard, along with the Hyde Park Estate Association (HPEA), to provide a sense of community in what can be a very transient area. The HPEA committee met several times in the parish hall and the parish is represented on the committee. We also work with a number of local primary schools in addition to our own school. Connaught House School once again held their annual Christmas programme at St John's and we hosted Winchester House School's carol service in December. A number of choirs and musicians used the church and hall for rehearsing. A 12-step group and a Russian language school meet weekly in the hall. In October, St John's was pleased to host the World Bread Awards dinner for the sixth year running and in December The Icarus Trust held another very successful fund raising carol service here. The parish hall is used as a polling station by Westminster City Council.

One or more members of the clergy supported the work of: the Hyde Park Estate Association, the Metropolitan Police Safer Neighbourhoods Panel for Hyde Park, the Friends of Hyde Park, the Hyde Park and Kensington Gardens Stakeholders' Forum and the Westminster Faith Exchange. The Vicar has also been a member of a civic vice 302 stakeholders group convened by Westminster City Council to tackle the problems of vice and drugs in the community.

The Vicar and churchwardens are *ex officio* trustees for the William Gibbs Religious and Educational Trust. The Vicar liaises on its behalf with local schools to facilitate the grant-making process. He participates in the mentoring programme for new incumbents as well as in the continuing ministerial development review for the Diocese, facilitating the annual professional review of clergy. He is also a clergy mentor in the Two Cities Area, mentoring new incumbents during their first two years in post, and is the Bishop's Surrogate for issuing Common Licences for marriage. Last year the vicar was invited to be an inaugural member of the shadow Hyde Park and Paddington Forum, which is in the process of establishing a local neighbourhood forum under the government's initiative to enable local people to have a greater say on planning in their area. He also served as the chaplain to the Lord Mayor of Westminster, Ian Adams, during his year in office, which drew to a close in May.

### **Fabric Development**

Major works to repair the high level masonry and gutters were completed in November 2017 but the PCC resorted to a loan from the Diocese of London of £200,000 in order to make the final payments for the works. The first £40,000 of this fell due in 2018. The total costs of the project were under budget – the actual costs of the works were less than anticipated, the professional fees based on a percentage of the costs of the works consequently were also less and the VAT we were able to reclaim under the Listed Places of Worship Scheme was more than expected. This enabled the PCC to make advance repayments and at the end of the year they had repaid £94,000 of the loan.

There are no further major projects requiring immediate attention; however, a quinquennial inspection was instructed by the Diocese of London in the autumn of 2018 and we are waiting for the architect to arrange this.

At the end of December 2017, one of the plate glass doors at the front of the church had had to be replaced. The fittings and internal workings to both front doors were taken out, inspected and overhauled at that time. In February 2018 the fittings and internal workings of the two inner glass doors were also inspected and overhauled.

The rood screen had been moved from the east end of the church to the west end as part of the reordering of 2011. One new section had been created at the time to replace the pulpit. The new section of natural wood stood out quite distinctly against the rest of the screen which had been stained dark brown. Our architect had not been sure whether to lighten the older sections of the screen or to stain the new section to match. He now advised staining the new section and this was done in April. As the old sections were freshened up at the same time, the screen now looked immaculate.

In 2018 the Church Commissioners celebrated the 150<sup>th</sup> year of managing the Hyde Park Estate. As part of their celebrations, they wished to contribute to a Westminster City Council project to create an illuminated route from Paddington Station to the West End by lighting up St John's. The PCC were thrilled to be part of the Church Commissioners' plans and were delighted to support this initiative. Plans were drafted in consultation with our architect, Colin Kerr, a certificate obtained from the Diocesan

Advisory Council for the Care of Churches and a faculty obtained in December. The Church Commissioners hope to have the lighting installed by February.

### **Statement of Parochial Church Council Responsibilities**

The PCC is responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the church and of the incoming resources and application of resources for that period. In preparing those financial statements the PCC is required

- a) to select suitable accounting policies and then to apply them consistently;
- b) to observe the methods and principles in the Charities SORP;
- c) to make judgements and estimates that are reasonable and prudent;
- d) to state whether the policies adopted are in accordance with the appropriate Statement of Recommended Practice (SORP) on Accounting by Charities and the Accounting Regulations and applicable accounting standards, subject to any material departures disclosed and explained in the financial statements and
- e) to prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue.

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the church and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice on Accounting and Reporting 2015 (FRS 102). It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

### **Financial Review**

Having drawn significantly on its reserves in 2017 in order to pay for the high level works to the gutters and parapet walls, the PCC began working to rebuild its finances in 2018.

There was a surplus of £10,130 in the General Fund of the PCC for 2018. £681 had been set aside to be used against redecoration works in the vicarage – the PCC plan to redecorate one room every year under a recommendation from the previous Archdeacon of Charing Cross – and this was used drawn down during the year, increasing the surplus to £10,811. As part of their annual budget, the PCC plan to put £10,000 into the Church Maintenance Reserve. At the end of 2018, the amount in the General Fund reserve rose to £1,255 from £444.

Income for the year increased by £32,595. The main increases were in grants received (£30,000), contributions from the Church Commissioners (£9,000), hire of the hall (£6,239) and use of the forecourt (£2,453). These increases more than offset marginal decreases in some income categories.

For the past six years the PCC had chosen to have two assistant curates. When Robin Sims-Williams left in 2017, they took the opportunity to reconsider the staffing needs of the parish and decided not to take on a second curate for the time being. Consequently,

clergy costs were £21,878 lower in 2018. These savings, along with the operating surplus, gave the PCC some significant financial resources which they chose to use in the following way:

- an increased contribution to the Common Fund of £3,400
- increased investment in music and a review of remuneration of music staff - £2,857
- additional investment in fellowship (social events) - £3,405
- investment in maintenance of £4,401 including overhauling the workings of the inner plate glass doors at the front entrance, staining the rood screen and repair of a silver alms dish
- purchase of new office computers - £4,910
- use of relief staff in the office to cover time off and for the away conference for the core four staff - £6,399

They also set aside, as per their budgeting policy, £10,000 to the Church Maintenance Fund.

The high level repairs to the masonry, gutters and parapet walls completed in 2017 required the PCC to take out a loan from the Diocese of London for £200,000. While the terms of the loan mean it is to be repaid over five years, the PCC are eager to pay it off in a shorter period if possible. Fundraising carried out over the year raised £21,178 from the parish, grants were received of £62,500 and a final VAT grant received under the Listed Places of Worship scheme came to £1,153 more than expected. Interest payments on the loan totalled £4,027. The PCC made repayments totalling £94,000 during the year, drawing down £13,196 from the Church Maintenance Fund to do so. This leaves a balance of £106,000 to pay.

Sponsor a Buttress, a fund raising campaign to raise £50,000, had raised £29,000 by the end of the year and at the time of drafting this report had nearly met its target. The PCC is very grateful to those who supported this campaign.

The organ restoration work carried out in 2015 had been done with the support of the Heritage Lottery Fund (HLF). While the programme of events in connection with the restoration and sponsored by the HLF concluded in 2017, several thank you events were held in 2018 to acknowledge contributions by volunteers during the project and in particular to thank local residents who had accommodated the organ builders while they had been on site both while dismantling the organ and re-assembling it. The costs saved by the PCC because of these residents' so kindly opening their homes were significant and much valued.

End of project bonuses were also agreed for all staff involved in the project. In recognition of the significant time involvement required, staff were also given an additional two weekends off over the next two years.

During the high level repairs, the PCC was concerned that adequate safeguards had been taken to protect the organ from water ingress. Consequently, the architect designed additional measures to ensure that no water would get into the organ while the gutter above it was being relaid. The quantity surveyor costed these additional works at £40,714 inclusive of VAT. It was agreed to cover these costs from the organ fund, leaving a balance of £11,493 at 31<sup>st</sup> December, which would be used for ongoing organ maintenance.

Donations for specific use are set out on page 27 of the accounts. Charitable donations amounting to £1,713 were made to:

• British Beekeepers (harvest charity)	£68.31
• St John's Hospice	£192.50
• Senior Wives for their charity	£112.50
• There But Not There	£1,339.92

Donations from those attending the Under 5's groups which meet in the church are given to the church as a contribution towards their costs.

Parishioners are invited to make donations to our Easter and Christmas flowers in memory of loved ones. Donors and those they wish to remember are noted on the noticeboard. Other flower donations are sometimes made to have flowers to remember a loved one or to celebrate an event such as a birthday or anniversary. These donations are noted in the order of service on the particular Sunday.

A collection is taken when a member of staff leaves. During 2018, a collection was taken for Antonio García Fuerte which was presented to him at his farewell service on 24<sup>th</sup> June.

Donations for the services of the Director of Music, choral scholars and musicians exceeded costs by £301 and this was added to the Music Reserve.

Overall, the balance sheet improved from by £83,027 to £113,231.

### **Payments to the Diocese**

The standard parish cost for 2018 was £80,600. The PCC agreed a further contribution to Common Fund, from which clergy stipends and costs are paid, of £8,400 for a total contribution of £89,000. In addition, £46,767 was paid to the Diocese to cover the costs of our assistant curates.

Loan repayments of £94,000 were also made during the year.

Total payments to the Diocese of London for 2018 amounted to £229,767.

### **Reserves Policy**

The Standing Committee of the PCC began a review of the PCC's Reserves Policy in the autumn. It had last been reviewed in 2013. The review was carried out in the context of remarks made by Diocesan representatives and the Archdeacon of London's Head of Operations about our level of reserves in general as well as in light of our wish to take on another curate and their concern about our ability to continue to pay their costs.

The concerns of the Diocese were:

- that our overall level of reserves was low for a parish of our size
- that they would like to see a greater level of ministry reserve to ensure that we could fund the full costs of having a curate for three years
- that PCC be moving towards procuring long-term housing for curates rather than relying on short term rollover leases which could be revoked on short notice

Standing Committee understood the reasoning behind the Diocese's concerns but was aware that it would mean large amounts of cash being held at a time when interest rates were exceptionally low. They also noted that we had always covered our financial obligations in full. The existing policy provided reserves for the general running of the church, for covering ministry costs such as those of a curate, to provide for music and for capital repairs to the church and to staff housing. While considering the targets in these areas, a new reserve for

building up a deposit for a staff house was incorporated into the policy. It is expected that a draft revised policy will be ready for PCC to consider early in 2019.

The PCC budgets to put £10,000 each year in the Church Maintenance Reserve and it was able to do this again in 2018. A significant proportion of the fund had been drawn down during the high level works carried out in 2017 and a further £13,196 was drawn from it during the year as part of the repayments against the loan taken from the Diocese of London. The costs of safeguarding the organ during the works were costed at £40,714 and the PCC agreed to transfer funds from the Organ Reserve to the Church Maintenance Reserve to cover these costs. As a quinquennial inspection is due, the PCC wished to have a healthy Church Maintenance Reserve to enable any works identified during the inspection to be undertaken.

## **Structure, Governance and Management**

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and is a charity registered with the Charity Commission for England and Wales.

The appointment of members to the PCC is governed by and set out in the Church Representation Rules. New members to the PCC undergo an induction to brief them on their legal obligations under Church Law, the content of the Constitution, the Council and the decision-making processes, and the recent performance of the Church.

## **Organisation**

The PCC meets regularly throughout the year and there are committees to which there are delegated specific duties. In 2018 these committees comprised:

Building	Education
Communication	Liturgy
Congregational Giving	Standing Committee

The Standing Committee is the only committee required by law. It has power to transact the business of the PCC between its meetings subject to any directions given by the Council. Members of the Standing Committee comprise the Vicar, Church Wardens, Deputy Church Wardens and Treasurer. There is an open seat on Standing Committee for one member of the PCC to attend each meeting on the proviso that they give prior notice. The full PCC met six times during the year. The Standing Committee met seven times during the year.

## **Risk Management**

The PCC is aware of the risks to which it is exposed. Key areas of risk are:

### **a. Financial Risk**

Each year the PCC budgets carefully and prudently. Donations from parishioners and collections at services are all voluntary and the clergy and staff team work hard at creating an atmosphere of welcome and inclusivity that is in line with the PCC's ethos. Planned and tax efficient giving is promoted regularly in a variety of ways and clergy and staff have been creative at encouraging donations in support of events and activities at special services.

The PCC has a Financial Risk Policy in place which was informed by advice from the Charity Commission, auditors and other financial experts. The policy sets methods for

recording cash collections, financial planning and reporting and secure handling of cash in order to protect those handling cash and to reduce the risk of fraud. This policy was being reviewed by Standing Committee at the end of 2018 and it was expected to have a revised policy ready for PCC to consider early in 2019.

A sizeable proportion of income is derived from outside sources – hire of the church, parish hall and crypt, parking revenues, trust grants and ad hoc donations. The PCC is aware of the potential link between the strength of the local economy and use, in particular, of the forecourt by commercial firms working on local premises. This diversity of income streams helps to minimise the exposure to risk in any one category and makes it possible to draw upon the wider community for financial support. Use of the church by outside groups and individuals for concerts, lectures, receptions and community consultations has been increasing in the past few years. The welcome development of this additional income stream has been a significant factor in enhancing the financial well being of the parish. The PCC are very appreciative of the efforts of Andrejs Livins, the building manager, at looking after these events as well as the involvement of the Vicar and Administrator for their support in staffing such events and contributing to the success of this source of income.

As interest rates continue to remain at their lowest levels in decades and with inflation forecast to rise in the medium term, the PCC is aware of the risk of a decrease in value of its reserves. The volatility of the stock market makes it unsuitable as a short-to-medium-term investment instrument. Property would be more suited to maintain the value of the Council's reserves. It would give the PCC greater ability to house staff as well as provide a better return on its reserves. To begin working towards this end, a new reserve, Staff Housing Reserve, has been proposed in the revised Reserves Policy. Cash reserves were drawn down and used to pay for the major works in 2017. As these are being built up again, the PCC are looking into the best way to invest them.

#### **b. Statutory and Legal Risks**

Charities operate in an increasingly regulated context. St John's is an employer and, although falling below the threshold for some legislation, still has regard for employment legislation. All staff are paid at least the London living wage.

#### **c. Operational Risk**

As a building open to the public, we are mindful of our health & safety responsibilities and take advice on a range of issues from disabled access to fire and electrical safety. Proper care for children is a high priority and the PCC reviews its Safeguarding Policy annually to ensure that our younger parishioners and those at risk are looked after in a safe environment and that those who look after them are adequately trained and supported.

The PCC has an appropriate insurance policy with Ecclesiastical Insurance. This is reviewed periodically to ensure that the sums insured are adequate. The last review was in 2013 and one is anticipated in 2019.

A full electrical inspection had not taken place for five years. The PCC instructed Red Electrical Service Ltd to carry out an inspection. This was scheduled to take place in January 2019.

### **Clergy and Staff Housing**

The Vicarage at 18 Somers Crescent forms part of the Vicar's freehold. While being maintained by the Diocese of London, the parish is responsible for internal decoration and any improvement works. The PCC budgets £1,500 annually for redecoration works.

The parish has leases on three additional properties from the Church Commissioners which may be used for the accommodation of clergy and other members of staff. Robert Greenhill, our Director of Music, occupies the first floor flat at 12a Connaught Street.

The 2<sup>nd</sup> and 3<sup>rd</sup> floor maisonette at 12a Connaught Street had been vacant since Robin Sims-Williams and his family had moved out in August 2017. Our new curate, Dan Warnke, owns his own house in Deptford and did not wish to move so that their children could continue in their schools. This would mean providing him with a housing allowance instead of a residence. To assist with this, the Church Commissioners offered to take back the maisonette for the period of his curacy and to make a grant of £1,500 per month. The maisonette would be made available again to the parish when Reverend Warnke left his curacy. This was agreed by the PCC. The willingness of the Church Commissioners to provide this support is very much appreciated.

Antonio García Fuerte and his partner lived at 23 Archery Close until they left the parish in June. On their departure, this mews house was vacant. Margaret Legg, our non-stipendiary priest, was having renovations carried out on her flat and it was agreed that she could occupy the house in Archery Close while the works were being carried out. She took up residency there on 2<sup>nd</sup> October and the works were expected to take five months to complete.

The PCC also leased the first and second floor maisonette at 11 Star Street which it in turn rented to our verger, Andrejs Livins, and his family.

### **Looking Ahead**

The focus on building relationships at all levels of the parish is already having an impact and we believe will yield very positive results in the short term. We welcomed the latest bright young curate, Dan Warnke, and are already benefitting from his energy and enthusiasm. Financially, the PCC covered their costs, were able to repay 47% of the loan from the Diocese and set aside £10,000 to the Church Maintenance Reserve.

While we would welcome more of the same, there are challenges ahead: to grow the parish and not just maintain numbers at their present levels, to continue paying off the loan, to build up reserves, to create new avenues of ministry and to find longer term solutions for clergy and staff housing needs. We will continue to need to invest in the fabric of the building: a new flexible lighting system and internal redecorating are needed and a quinquennial inspection could bring other necessary works to the fore. We believe that we have taken steps towards addressing these challenges and relish the opportunities to grow that such challenges bring.

### **Auditors**

Taylorcocks, chartered accountants, were first appointed to audit the 2013 financial statements after a review of our audit procedures. They were reappointed to audit the 2018 financial statements.

Signed on behalf of the PCC by



The Reverend Stephen Mason, Chair  
24<sup>th</sup> March 2019

## **Independent Auditor's Report to the Parochial Church Council of St John the Evangelist with St Michael and all Angels**

### **Opinion**

We have audited the financial statements of the Parochial Church Council St John the Evangelist with St Michael and all Angels for the year ended 31 December 2018, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes on pages 21 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Parochial Church Council members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Parochial Church Council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditors report thereon. The Parochial Church Council members are responsible for the other information. 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 and form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the other information; 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 the Parochial Church Council members**

As explained more fully in the Statement of Parochial Church Council Responsibilities the Parochial Church Council members are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Parochial Church Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Parochial Church Council members are responsible for assessing the church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Parochial Church Council members either intend to liquidate the church or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

This report is made solely to the Parochial Church Council of St John the Evangelist with St Michael and all Angels, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Parochial Church Council as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'James Blake', with a horizontal line underneath.

James Blake ACA (Senior Statutory Auditor)  
For and on behalf of

taylorcocks

Statutory Auditor  
Office: Portsmouth

Date: 26 March 2019

Taylorcocks is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

**Statement of Financial Activities (Incorporating Income & Expenditure Account)**

**Year Ending 31<sup>st</sup> December 2018**

	Unrestricted Funds £	2018 Restricted Funds £	Total £	2017 Total £
<b>Income from:</b>				
Donations and Legacies	340,182	18,119	358,301	523,575
Charitable Activities	119,703	0	119,703	116,509
Other Trading Activities	94,229	0	94,229	89,318
Investments	129	0	129	385
<b>Total Income</b>	<b>554,243</b>	<b>18,119</b>	<b>572,362</b>	<b>729,787</b>
<b>Expenditure on:</b>				
Raising Funds	23,338	0	23,338	11,340
Charitable Activities	435,047	26,026	461,073	1,056,886
Other	4,924	0	4,924	4,908
<b>Total Expenditure</b>	<b>463,309</b>	<b>26,026</b>	<b>489,335</b>	<b>1,073,134</b>
<b>Net Income/(Expenditure)</b>	<b>90,934</b>	<b>(7,907)</b>	<b>83,027</b>	<b>(343,347)</b>
<b>Transfers between Funds</b>	<b>40,714</b>	<b>(40,714)</b>	<b>0</b>	<b>0</b>
<b>Net Movement in Funds</b>	<b>131,648</b>	<b>(48,621)</b>	<b>83,027</b>	<b>(343,347)</b>
<b>Reconciliation in Funds</b>				
Total funds brought forward	(100,218)	130,422	30,204	373,551
<b>Total funds carried forward</b>	<b>31,430</b>	<b>81,801</b>	<b>113,231</b>	<b>30,204</b>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

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

**Balance Sheet**

**Year Ending 31<sup>st</sup> December 2018**

	2018 £	2017 £
<b>Fixed Assets</b>		
Tangible Assets	5,620	3,832
<b>Current Assets</b>		
Debtors <sup>1</sup>	27,710	65,748
Cash at bank and in hand <sup>2</sup>	260,270	234,323
<b>Creditors:</b> Amounts falling due within one year <sup>3</sup>	(74,369)	(73,699)
London Diocesan Fund loan due in 2019	(25,000)	(40,000)
<b>Net current assets/(liabilities)</b>	<b>188,611</b>	<b>186,372</b>
<b>Long Term Liabilities</b>		
London Diocesan Fund loan	(81,000)	(160,000)
<b>Net Assets</b>	<b><u>113,231</u></b>	<b><u>30,204</u></b>
<b>Charity Funds</b>		
Restricted Funds <sup>4</sup>	81,801	130,422
Unrestricted Funds		
General Funds	1,255	444
Ministry Reserve	29,358	29,358
Clergy Accommodation Reserve	30,453	30,453
Church Maintenance Reserve	71,910	34,392
Planned Maintenance Reserve	0	681
Legacy Fund	0	0
Vestments	4,454	4,454
Development Funds	(106,000)	(200,000)
Total Unrestricted Funds	31,430	(100,218)
<b>Total Charity Funds</b>	<b><u>113,231</u></b>	<b><u>30,204</u></b>

The financial statements were approved and authorised for issue by the Parochial Church Council on 24<sup>th</sup> March 2019.

Signed on behalf of the Parochial Church council



Ian Nelson, Treasurer  
24<sup>th</sup> March 2019

The notes on pages 29-34 form part of these financial statements.

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

**General Fund Income & Expenditure**

**Year Ending 31<sup>st</sup> December 2018**

SOFA		2018	2017
<u>Headings</u>	<u>INCOME</u>	£	£
Donations	Gift Aid	86,208	88,994
and	Envelopes	798	903
Legacies	Non-Taxed Pledges	3,730	4,070
	Tax Refund	26,279	29,111
	General Collections	9,753	10,984
	Other Donations	77,081	83,328
	Alms	686	757
	Fellowship	1,816	1,889
	Horseman's Sunday Collection	0	820
	Church Commissioners	9,000	0
	Trust Grants	30,750	750
	Voluntary Trust Admin Contribution	9,250	9,000
		<b>255,351</b>	<b>230,606</b>
Charitable	Horseman's Sunday	0	4,547
Activities	Special Services	21,025	21,103
	Hire of Church	63,343	61,753
	Hire of Hall	16,155	9,926
	Other Rents	19,180	19,180
		<b>119,703</b>	<b>116,509</b>
Other	Forecourt Income	38,264	35,811
Trading	Nursery School Rent	37,425	36,467
Activities	Crypt Rent	18,540	17,040
		<b>94,229</b>	<b>89,318</b>
Investments	Interest	<b>129</b>	<b>385</b>
	<b>TOTAL INCOME</b>	<b>469,412</b>	<b>436,818</b>
	<b>TOTAL EXPENDITURE</b>	<b>(459,282)</b>	<b>(435,064)</b>
	<b>SURPLUS/(DEFICIT) FOR YEAR</b>	<b>10,130</b>	<b>1,754</b>
	<b>DESIGNATED RESERVES USED:</b>		
	from Planned Maintenance Reserve	681	5,150
	<b>SURPLUS/(DEFICIT) INCORPORATING USED RESERVES</b>	<b>10,811</b>	<b>6,904</b>
	<b>DESIGNATIONS TO RESERVES</b>		
	to Planned Maintenance (Vicarage)	0	(681)
	to Church Maintenance Reserve	(10,000)	(10,000)
	<b>SURPLUS/(DEFICIT) AFTER DESIGNATIONS</b>	<b>811</b>	<b>(3,777)</b>

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

## General Fund Income & Expenditure

Year Ending 31<sup>st</sup> December 2018

SOFA		2018	2017
<u>Headings</u>	<u>EXPENDITURE</u>	£	£
Raising Funds	Forecourt Expenditure	2,431	2,394
	Events Costs	20,907	8,946
		<b>23,338</b>	<b>11,340</b>
Charitable	London Diocesan Fund	89,000	85,500
Activities	Additional Clergy Costs	46,767	68,645
	Vicar's Expenses	13,827	13,293
	Additional Clergy Expenses	5,004	7,179
	Rents Payable, Running Costs	36,623	35,609
	Vicarage – Routine Maintenance*	2,329	5,969
	Children's Church Leader	200	320
	Children's Education	537	682
	Adult Education	872	713
	Kensal Rise Plant	487	437
	Director of Music	15,620	14,900
	Music Expenses	36,068	33,211
	Fellowship	14,690	11,285
	Horseman's Sunday	0	2,537
	Altar Requisites	3,834	2,087
	Light, Heat & Insurance	14,444	9,739
	Cleaning	11,045	11,286
	Grounds	2,131	932
	Repairs & Maintenance, incl Quinquennial	10,986	6,945
	Printing & Publicity	2,654	4,049
	Administrative Staff	48,263	48,024
	Verger	23,733	19,690
	Staff Pension Contributions	25,350	21,636
	Catering Staff	2,281	651
	Office Expenses	14,707	8,308
	Parish Retreat	0	(320)
	Equipment	3,481	1,346
	Depreciation	3,122	3,227
	Miscellaneous Expenses	2,965	936
		<b>431,020</b>	<b>418,816</b>
Other	Audit Fee	4,920	4,900
	Bank Charges	4	8
		<b>4,924</b>	<b>4,908</b>
<b>TOTAL EXPENDITURE</b>		<b>459,282</b>	<b>435,064</b>

\*The PCC budgets £1,500 each year to redecorate one room of the vicarage. In a year when this is not spent, the funds are put aside and drawn down when deferred works are carried out.

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

**Development Fund Income & Expenditure**

**Year Ending 31<sup>st</sup> December 2018**

	2018 £	2017 £
<b><u>INCOME</u></b>		
Congregational Donors	18,800	30,579
Gift Aid on Donations	2,378	5,613
Legacies	0	12,000
VAT Grants	1,153	95,656
Other Grants	<u>62,500</u>	<u>109,000</u>
<b>TOTAL INCOME</b>	<b>84,831</b>	<b>252,848</b>
 <b><u>EXPENDITURE</u></b>		
Contractor's Fees	0	562,341
Architect's Fees	0	22,246
CDM fees	0	1,700
Quantity Surveyor's Fees	0	10,249
Insurance	0	1,059
Loan Interest	<u>4,027</u>	<u>759</u>
<b>TOTAL EXPENDITURE</b>	<b>4,027</b>	<b>598,390</b>
 <b>SURPLUS/(DEFICIT)</b>	<b>80,804</b>	<b>(345,542)</b>
Transfer from Church Maintenance Reserve	13,196	13,108
Transfer from Legacy Reserve	0	62,490
Loan from Diocese of London	0	200,000
Loan Repayments to the Diocese of London	(94,000)	0
Transfer from PCC Designated Development Funds	<u>0</u>	<u>69,944</u>
<b>SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

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

**Organ Fund Restricted Income & Expenditure**

**Year Ending 31<sup>st</sup> December 2018**

	2018 £	2017 £
<b><u>INCOME</u></b>		
Donations	235	526
Heritage Lottery Fund Grants	0	15,713
Fund Raising Events	<u>1,000</u>	<u>568</u>
<b>TOTAL INCOME</b>	<b>1,235</b>	<b>16,807</b>
<b><u>EXPENDITURE</u></b>		
Schools Project Expenses	0	5,532
Catering & Caretaker Costs	0	571
Professional Fees/Recitals/Concerts	1,568	2,960
Publicity	0	18
Additional Costs	0	1,330
Evaluation Costs	0	675
Project Co-ordinator's Fees & Bonus	2,500	3,000
Organ Consultant's Fees & Bonus	940	0
Other End of Project Bonuses	2,000	0
Organ Tuning & Maintenance	2,436	4,726
Equipment and Materials	<u>0</u>	<u>1,494</u>
<b>TOTAL EXPENDITURE</b>	<b>9,444</b>	<b>17,306</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(8,209)</b>	<b>(499)</b>
<b>BALANCE BROUGHT FORWARD</b>	<b><u>60,417</u></b>	<b><u>60,916</u></b>
<b>BALANCE CARRIED FORWARD</b>	<b>52,208</b>	<b>60,417</b>
Transfer to Church Maintenance Fund Costs of additional roof works to protect the organ during 2017	(40,714)	0
<b>Balance Carried Forward after Transfer</b>	<b>11,494</b>	<b>60,916</b>

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

**Other Restricted Income & Expenditure**

**Year Ending 31<sup>st</sup> December 2018**

<b><u>INCOME</u></b>	<b>2018 £</b>	<b>2017 £</b>
Charities Income	1,713	4,554
Flower donations	2,522	3,550
Under 5's	203	855
Music Donations – Director of Music	1,750	2,660
Music Donations – Singers & Musicians	5,306	8,979
Mary Poppins Schools Project	3,625	0
Clergy Leaving Purse	<u>1,765</u>	<u>2,715</u>
<b>TOTAL INCOME</b>	<b>16,884</b>	<b>23,313</b>
 <b><u>EXPENDITURE</u></b>		
Charitable Donations	1,713	4,554
Flower Expenses	2,522	3,550
Under 5's Expenses	203	855
Music Expenditure – Director of Music	1,715	2,550
Music Expenditure – Singers & Musicians	5,040	8,150
Mary Poppins Schools Project	3,625	0
Clergy Leaving Purse	<u>1,765</u>	<u>2,715</u>
<b>TOTAL EXPENDITURE</b>	<b>16,583</b>	<b>22,374</b>
 <b>SURPLUS/(DEFICIT)</b>	<b>301</b>	<b>939</b>
 <b>BALANCE BROUGHT FORWARD</b>	<b><u>70,005</u></b>	<b><u>69,066</u></b>
 <b>BALANCE CARRIED FORWARD</b>	<b>70,306</b>	<b>70,005</b>

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

**Statement of Cash Flows**

**Year Ending 31<sup>st</sup> December 2018**

	2018 £	2017 £
Cash flows from operating activities:		
<b>Net cash provided by (used in) operating activities</b>	<b>119,947</b>	<b>(331,468)</b>
Cash flows from financing activities:		
Cash flows from new borrowings	0	200,000
Repayment of borrowings	(94,000)	0
<b>Net cash provided by (used in) operating activities</b>	<b><u>25,947</u></b>	<b><u>(131,468)</u></b>
Change in cash & cash equivalents In the reporting period	25,947	(131,468)
Cash and cash equivalents at the beginning of the reporting period	234,323	365,791
<b>Cash and cash equivalent at the end     of the reporting period</b>	<b><u>260,270</u></b>	<b><u>243,323</u></b>
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
<b>Net movement in funds for the reporting     period (as per the SOFA)</b>	<b>83,027</b>	<b>(343,347)</b>
<b>Adjustments for:</b>		
Depreciation charges	3,122	3,227
(Increase)/decrease in debtors	38,038	8,730
Increase/(decrease) in creditors	670	(78)
(Purchase)/sale of fixed assets	(4,910)	0
<b>Net cash provided by (used in) operating activities</b>	<b><u>119,947</u></b>	<b><u>(331,468)</u></b>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	260,270	234,323
Notice deposits	0	0
<b>Total cash and cash equivalents</b>	<b><u>260,270</u></b>	<b><u>234,323</u></b>

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

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

**Year Ending 31<sup>st</sup> December 2018**

#### **a) General information and basis of preparation**

The Parochial Church Council of St John the Evangelist with St Michael and All Angels, Paddington is a registered charity with the Charity Commission for England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are, in co-operation with the vicar, promoting within the Parish the whole mission of the Church: pastoral, evangelistic, social, ecumenical and community building.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with the 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 (FRS102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant policies applied in presentation of these financial statements are set out below. These policies have been consistently applied to all years present unless otherwise stated.

#### **b) Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of church members.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### **c) Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been

met, the amount can be measured reliably and it is probable that the income will be received. For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity; however, it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

#### **d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes rates and other costs appropriate to that activity, including costs incurred in fundraising and appeals;
- Expenditure on charitable activities includes all costs incurred in fulfilling the church's objectives, together with any costs in support of these. This category includes costs normally considered support costs but because the building and staff are integral to fulfilling our objectives, they are included here.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

#### **e) Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Equipment – 3-5 years on a straight line basis
- Grand piano – 10 years on a straight line basis

Consecrated and beneficed property is not included in the accounts in accordance with s.10(2)(a) and (c) of the Charities Act 2011. Movable church furnishings held by the Vicar and Churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property. They are listed in the church's inventory which can be inspected (at any reasonable time). For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Subsequently no individual item has cost more than £1,000 so all such expenditure has been written off when incurred.

#### **f) Debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **g) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

#### **h) Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

#### **i) Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### **j) Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

<b><u><sup>1</sup>Debtors</u></b>	<b>2018</b>	<b>2017</b>
	£	£
Sundry Debtors	11,683	40,535
Income Tax Recoverable	<u>16,027</u>	<u>25,213</u>
<b>TOTAL</b>	<b>27,710</b>	<b>65,748</b>
 <b><u><sup>2</sup>Cash at Bank and in Hand</u></b>		
General Fund	224,598	191,781
Petty Cash	120	120
Special Purposes Account	<u>35,552</u>	<u>42,422</u>
<b>TOTAL</b>	<b>260,270</b>	<b>234,323</b>

<sup>3</sup>Amounts Falling Due within One Year

Sundry Creditors	66,846	53,329
London Diocesan Fund	0	12,970
Rent Deposits	2,603	2,600
Audit Fee	4,920	4,800
Diocesan Loan	<u>25,000</u>	<u>40,000</u>
<b>TOTAL</b>	<b>99,369</b>	<b>113,699</b>

<sup>4</sup>Restricted Funds

Memorial Garden	3,834	3,834
Music	65,229	64,927
Vestments	1,244	1,244
Organ Fund	<u>11,494</u>	<u>60,417</u>
<b>TOTAL</b>	<b>81,801</b>	<b>130,422</b>

**Fixed Assets for Use by the PCC**

	Equipment	Grand Piano	Total
Gross Book Value at 1 January 2018	39,820	17,000	56,820
Additions	4,910	0	4,910
(Disposals)	<u>(2,998)</u>	<u>0</u>	<u>(2,998)</u>
as at December 31 2018	41,732	17,000	58,732
Depreciation at 1 January 2018	35,988	17,000	52,988
Charge for the Year	3,122	0	3,122
Release on Disposal	<u>(2,998)</u>	<u>0</u>	<u>(2,998)</u>
at 31 December 2018	36,112	17,000	53,112
Net Book Value at 31 December 2018	<u>5,620</u>	<u>0</u>	<u>5,620</u>
at 31 December 2017	<u>3,832</u>	<u>0</u>	<u>3,832</u>

**Analysis of Net Assets by Fund**

	Unrestricted Funds	Restricted Funds	Total
Fixed Assets	5,620	0	5,620
Current Assets	206,179	81,801	287,980
Current Liabilities	(99,369)	0	(99,369)
Long Term Liabilities	(81,000)	0	(81,000)
<b>TOTAL ASSETS</b>	<b><u>31,430</u></b>	<b><u>81,801</u></b>	<b><u>113,231</u></b>

**STAFF COSTS**

	2018 £	2017 £
Wages and Salaries	68,552	62,611
Social Security Costs	7,111	3,392
Pension Costs	<u>15,650</u>	<u>12,711</u>
<b>TOTAL COSTS</b>	<b>91,313</b>	<b>78,714</b>

The average number of staff during the year was two (two in 2017). No employee was paid more than £60,000 during the year or preceding year. In addition to salaries, fees of £15,620 were paid to Robert Greenhill.

Pension contributions are currently payable for two members of staff and clergy and are made under a defined contribution scheme.

## **FUND DETAILS**

In 2007, the Parochial Church Council adopted a Reserves Policy which established the following funds: General Reserves, Ministry Reserve, Music Reserve, Church Maintenance Reserve and Clergy Accommodation Reserve. The policy had been reviewed in 2013 and was undergoing a review at the end of 2018.

The General Reserve is for any surpluses over and above those specified under the policy. It is the aim of the PCC to build up reserves to cover six months' running costs.

The Ministry Reserve was created in 1998 when the PCC decided to recruit an Associate Vicar. It is a provision made to cover anticipated additional ministry costs that might not be met by the operational budget.

The flourishing of a music tradition over the past years has greatly enhanced the worship on Sundays and at special services. Many of the costs of the choir, director of music and guest singers and musicians have been generously provided by members of the congregation. Donations received in excess of costs are accumulated and held in a restricted reserve. In recognition of the fluidity of the parish and that generous contributors to the music programme may only be around for a short time, the PCC have aimed to have the equivalent of two years' costs in reserve.

Under the Reserves Policy adopted in 2007 and revised in 2013, the PCC are aiming to set aside £50,000 to be used for major maintenance projects in a Church Maintenance Reserve. Part of this reserve was drawn down as part of the PCC's plans to finance the major works at high level carried out in 2017. As part of those works, extra precautions were taken so as to ensure that no water came into the church around the organ while the gutters and parapet walls above it were being renovated. The costs of these works was calculated by the quantity surveyor at £40,714. It was agreed by the PCC during the year to transfer this sum from the organ reserve into the Church Maintenance Reserve.

The Clergy Accommodation Reserve was created in 2001 when major repairs and renovations to most of the clergy accommodation made a large call on parish resources. Currently, the PCC are also now setting aside £1,500 a year towards future Vicarage redecoration works in years when no works are undertaken.

In 2007 the PCC began replacement of its vestments, many of which had given considerable service and were nearing the end of their lives. A fund was set up into which the PCC designated funds each year and into which donations toward new vestments were put. In 2010 orders were placed with Messrs Watts & Co for white and gold sets of vestments. Red vestments were acquired in 2012. Further sets will be purchased as funds become available. Once the restricted donations for vestments have been exhausted, the remaining amounts will be taken from funds designated for vestments by the PCC.

Restricted funds held by the PCC are as set out in note 4 to the Balance Sheet. Memorial Garden funds will be used to develop one of the gardens along the church as a Garden of Remembrance. In 2004, the church was the beneficiary of a grant from the Jenny Clark Memorial Trust of £17,000 to purchase a concert grand piano with the provision that an annual Jenny Clark Memorial Concert be held.

In considering how to fund the major repairs to the roof and high level masonry, the PCC had cash reserves, some of which had been designated for such purposes. Other reserves, however, represented restricted funds on the balance sheet and it was felt that it would be inappropriate to use these funds to pay for the costs of the works. An application therefore was made to the Diocese of London for a loan of £200,000 which was approved. The loan was drawn on during the course of the works. The PCC repaid £94,000 of the loan during 2018.

### **2018 PAYMENTS TO PCC MEMBERS**

No elected members of St John's PCC received any reimbursement of expenses or remuneration.

Trustees' and Officers' Indemnity is provided for members of the PCC under the terms of the church's insurance cover and is included in the premium for the year.

### **COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2018 the charity had annual commitments under non-cancellable leases as follows:

		2018	2017
Operating leases which expire:			
Due within 1 year	12a Connaught Street	4,962	10,343
Within 2-5 years	12a Connaught Street	4,962	10,343

These are subject to an informal biannual review by the lessors. The last such review was due at the end of 2015 and was concluded in 2017. Another review was due at the end of 2017.

The assistant curate taken on by the PCC during the year has his own house and wish to live there during his term. In order to assist the PCC with the additional cost of a housing grant to enable this, the Church Commissioners offered to take back the 2<sup>nd</sup> and 3<sup>rd</sup> floor maisonette at 12a Connaught Street. From the proceeds of letting it, they would make a contribution of £1,500 per month to assist the PCC with these costs. They would again make it available to the PCC at the end of the curate's time at St John's.

### **CONNECTED CHARITY**

The church received grants in the year of £92,500 from the William Gibbs Religious and Educational Trust. Furtherance of the educational and charitable work of the Church of England in the parish of St John the Evangelist is one of the objectives of the Trust. The Vicar and Churchwardens of St John's are *ex officio* trustees. The parish administrator also serves as clerk to the Trust and the Trust Administration Contribution is a voluntary donation on the part of the Trust in recognition of the services provided by him and in recognition that expenses are incurred by the parish in servicing the Trust. A contribution of £9,250 was made for 2018.

### **AUDIT FEE**

The fee for the audit of the 2017 accounts was £4,800. A provision of £4,920 has been made for the audit of the 2018 accounts.