



St Clement Danes Church Fund

Annual Report and Financial Statements

for the year ended 31 March 2020

Registered Charity Number: 1168717

ST CLEMENT DANES CHURCH FUND

Reference and Administrative details for the year ended 31 March 2020

Charity Number 1168717

Registered Office St Clement Danes Church
Strand
London
WC2R 1DH

Trustees

Air Vice-Marshal Al Gillespie	Chairman
Mrs D Patman	
Mrs C Opie	
Dr S Griffiths	Resigned 5 November 2020
Group Captain A Bettridge	Resigned 10 June 2020
The Venerable (Air Vice Marshal) J Ellis	
Rev (Wg Cdr) Ashley Mitchell	Appointed 8 December 2020
Rev (Wg Cdr) David Northfield	Appointed 8 December 2020

Principal Officers

Flight Lieutenant Cameron Vear	Secretary
Flight Lieutenant Martin Bull	Treasurer

Bankers

Holts Military Banking
The Royal Bank of Scotland plc
Lawrie House
Victoria Road
Farnborough
GU14 7NR

Investment Managers

Investec Wealth & Management
2 Gresham Street
London
EC2V 7QP

Auditors

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Trustees' Report

for the year ended 31 March 2020

The trustees present their report and the audited financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Fund's charitable scheme, applicable law and the requirements of the Declaration of Trust dated 12 July 1956, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014.

History

St Clement Danes Church was destroyed by fire in May 1941 and rebuilt, largely by public subscription, in 1958. The church was re-consecrated on 19 October 1958 as the Central Church of the Royal Air Force.

The Diocese of London delegated authority to the Air Council (now the Air Force Board) to make use of the Church, at no fee to the Air Council, subject to the agreement that 'the Air Council shall be wholly responsible for the repair and maintenance and insurance of the Church (including the curtilage thereof) and its fittings and contents and performance of services and ceremonies therein.'

Legal Status

The St Clement Danes Fund, registered charity number 250350 was superseded by CIO named St Clement Danes Church Fund ('the Fund'), registered charity number 1168717 on 1 April 2018. The charity remains governed under the terms of the following documents:

- Agreement made between the London Diocesan Fund and the Air Council dated 20 October 1958;
- The Declaration of Trust dated 12 July 1956 and the Charity Commission Scheme dated 27 May 1994 as amended 1997, 1998, 2004, 2006 and 2016.

Governance

The Fund Scheme determines that the Trustee Body consists of two ex-officio trustees and up to eight co-opted trustees. The two ex-officio trustees at the time of these annual accounts held the following positions

- Chaplain-In-Chief (RAF)
- Chairman of the Friends of St Clement Danes (temporarily gapped)

The Fund Scheme requires Trustees to meet at least twice per year with a quorum being achieved with three members. An independent investment adviser attends meetings to provide Trustees with the specialist information they require to judge past portfolio performance and to plan future investment strategy. The Trustees are also supported by the Chaplaincy Council, which provides advice on the day-to-day running of the Church.

Meetings were chaired throughout the financial year in question by the Chairman, Air Vice Marshal Al Gillespie, to discuss the strategic direction of the maintenance and improvement of the fabric and facilities of the Church including; investment performance; the management of risk; fundraising; and comprehensive updates from Church management with regards to matters of the moment. In addition, where appropriate, matters are also dealt with by Trustees ex-Committee to ensure continuity of governance.

The Trustees have constituted a Finance Committee for which they have set clear terms of reference and from which they receive regular reports on their activities.

The Finance Committee

Trustees delegate the oversight of all financial operations and for ensuring the Fund's short and long-term viability to the Finance Committee. The Finance Committee meets at least biannually to implement the financial strategy of the Fund and to oversee the management, investment and disbursement of this strategy within the constitution of the Fund.

Connected Charities

The Friends of St Clement Danes ('the Friends') are considered a connected charity, further details of this can be found in the notes to the financial statements.

Induction and Training of Trustees

All new Trustees receive an induction pack that covers the Charity Commission's requirements (including annual reports & financial statements, minutes of meetings and strategic development/business plans). Trustees are invited to attend training courses and, as a minimum, are recommended to attend the Trustee Training Course.

The course covers the following subjects;

- What is involved in good governance in relation to Trustee responsibilities;
- The role of Trustees and their duties;
- Information needs of Trustees;
- Understanding charity finance;
- Relationship between Trustees and the Chair.

Further trustee training is provided as required, on an on-going basis.

Statement of Risk

The Trustees review the major risks facing the Fund as part of the annual business planning process. The Trustees continue to work to identify significant risks to the Fund and to implement procedures to both mitigate risk and to minimise potential impact should risks materialise.

Top 3 risks are:

1. Lack of available funding to complete required maintenance of the Church whilst maintaining the longer-term future of the Fund. **Mitigation** - Trustees review capital requirements and obtain external advice to ensure appropriate fundraising strategy employed as necessary. Sufficient reserves agreed and maintained within Fund to ensure core expenditure requirements continue to be achieved.
2. Income is inadequate for regular commitments. **Mitigation** - Scrutiny of budget by Finance Committee at least biannually to identify potential income shortfalls & adjust accordingly. Fixed agenda item for Trustees' Meeting. Review of investment performance by Finance Committee and Independent Financial Advisor annually
3. Loss of Trustees/Trustee Board lacking in appropriate expertise. **Mitigation** - Trustee induction and ongoing training. Review of trustee rotation and succession planning. Competence framework for Committee and Board.

The Trustees are satisfied that the arrangements for managing these risks are adequate and subject to sufficiently rigorous monitoring and control.

The Fund operates systems of internal control which are designed to provide reasonable assurance against material misstatement or loss. They include:

- An annual operating budget which is approved and reviewed by the Trustees;
- Regular consideration by the Trustees of financial results against the budget and other indicators;
- Regular consideration by the Trustees of Investment Management results against benchmarks;
- Delegation of day-to-day management authority and segregation of duties.

Statement of Public Benefit

St Clement Danes provides a benefit to the public as it assists in providing Royal Air Force personnel with the necessary spiritual wellbeing to carry out the Royal Air Force contribution to the Defence of the United Kingdom and its interests. St Clement Danes is established for the benefit of members and former members of Her Majesty's air forces and their dependants. St Clement Danes promotes military efficiency by underpinning esprit de corps and fostering the character, spirit and attitude required to face challenges and danger associated with military service. As a result, the Fund derives a benefit to the general public in helping to provide personnel who are motivated, have high morale and are willing to serve the needs of their country and that of its public, at all times.

When planning the Church's activities, the Trustee Board members have considered the Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In shaping our objectives for the year and planning our activities, the trustees have also considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Aims

The vision of the Church which is supported by the Fund is to:

'Be a living Royal Air Force memorial for both the Service and the Nation as well as a symbol of the abiding courage and spiritual fortitude of Royal Air Force personnel.'

Performance and Achievement

Once again it has been a very full year of services, concerts and other events at St Clement Danes Church.

The Central Church of the RAF continued to be well attended on Sunday, mid-week and occasional services. During this period squadron standards and other flags have been laid up, most notably the Berlin Airlift Association standard and new floor badges dedicated, for example the RAF Mountain Rescue Service. The church also hosted all the families of those who have died in the past year at a service of thanksgiving; this is in addition to quarterly remembrance services.

Solemn events included the funerals of Sir Anthony Kingsley and Sir Michael Steer, commemoration services for Sqn Ldr Hobbs and also for Dick Churchill who took part in the great escape from Stalag Luft 3.

As usual the church welcomed many foreign visitors including members of the Dutch RAF Squadrons, veterans from the Czech Republic and from the Belgian Air Force. The Sandakan Memorial Society held its annual service and wreath-laying in August,

Christmas services and concerts were held for the following, London Dockland Singers, Savage Club, LSE, Shell, Taylor Wessing, Giltspur Singers, Coro, RAF Benevolent Fund, National Autistic Society, Vivamus, Meath Epilepsy Trust, Polish Order of Malta Volunteers, The Fourth Choir and West End Musical Theatre.

There is still a full range of church services; choral matins and choral eucharists on Sundays are contrasted with said services during the week. The liturgy is well supported by our professional choir. The church is a favourite venue for the weddings of serving RAF personnel and for the baptism of their children. Our expert bell ringers have been supplemented by many visiting bands of ringers, all keen to ring in the 'Oranges and Lemons' church.

Short lunchtime concerts are now well established and continue to encourage young musicians in their performance skills.

The church maintains very close contacts with many local bodies. Once again, the LSE held concerts in the building, the Courtauld Institute held its graduation here and the local primary school used the

church for its Oranges and Lemons service and its 2019 Leavers Service. St Clement Danes secondary school held its annual foundation service at the church.

The church currently has a Trip Advisor rating of 4.5 and is 271 out of 2344 tourist attractions in London.

In October 2019, the Church Fund appointed a Director of Development on a two year contract. The purpose of this was twofold; to broaden the outreach and accessibility of the church to potential beneficiaries and to produce and implement a strategy to provide income growth and donor acquisition.

The church launched a new web site which has given significantly greater reach; we can now broadcast podcasts through it, have daily readings and prayers as well as suitable material for spiritual development. It can be viewed on

www.stclementdanesraf.org

Social media portals were also established on Twitter, Facebook and Instagram. A new quarterly newsletter, Eagle & Anchor, is now produced for church supporters and beneficiaries.

Research was undertaken to identify over 100 potential sources for funding including applications to Trusts and Foundations to be taken forward in 2020-21.

Investment Performance

The market value of the Fund's investment portfolio at 31 March 2020 was £746,833 (2019: £1,228,783). £350,000 was drawn down during the year. The portfolio is managed on behalf of the Fund by Investec Wealth and Management.

The Fund's portfolio is monitored by the Trustees who regularly seek professional investment advice from a third party. The current investment objectives of the Fund are

- To maintain a medium to low risk balanced portfolio that sees 65% of the investment in Equities, 25% in Bonds and 10% in Property;
- To measure the performance against the following benchmarks:
 - Equity Funds - FTSE All-share Index (UK Equities).
 - Corporate Bond Funds - Merrill Lynch Sterling Non Gilts Index.
 - Property - IPD Property Fund Average (Commercial Property).
- To achieve an appropriate agreed investment income target from the portfolio

For the year to March 2020, the portfolio posted a return of -11.44% against the benchmark of -11.47% (2019: posted a return of 3.9% against the benchmark of 3.8%). Income of £44,837 was achieved (2019: £49,018); this is not against a budget or target.

Remuneration Policy

Those who give their time do so voluntarily in order to develop themselves, add benefit to the Service and provide additional capacity.

Financial Review

The Fund's income for the year remained similar to the previous year: £482,298 in 2019 compared to £483,639 in 2020.

In addition to legacy and donated income, the Fund has two main constituents of its incoming resources: investment income and income received for Special Services.

Despite a turbulent year, investment income receipts remained broadly similar in 2020 at £44,837 (£49,018 in 2019). Income from Special Services was up slightly against the forecast. This element has been pushed hard by the Staff and the interest in utilising the Church facilities has increased.

The Fund additionally receives public support through the utilisation of Ministry of Defence employees. The Fund assigns an estimated value to the support provided, which is recognised as a gift in kind as noted within notes 4 and 7 to the accounts.

Expenditure was slightly below the budget despite significant planned additional expenditure in the year to support electrical works, refurbishment and professional fees incurred in preparation for capital works. Some additional costs regarding this are expected in the coming year, however. Information regarding the Fund's expenditure can be found within note 4.

Total funds decreased to £1,244,402 (2019: £1,429,803) as a result of running costs expenditure still exceeding income as well as a significant reduction in the value of investment assets.

Unrestricted funds, including designated funds of £1,141,487 were £1,241,487.

Restricted funds were £2,915.

Reserves

The Trustees have set a target for the unrestricted reserve level of £100,000 to ensure short-term liquidity and adequate working capital are maintained.

Investments

The Fund maintains a neutral ethical investment policy to such an extent deemed possible by the continued investment within pooled funds.

Additionally, on 2 July 2015 the following ethical statement was introduced to the fund: The Charity has the right to exclude investing in companies whose activities act contrary to the Charity's aims and objectives. As the Charity has decided to hold pooled investments, the Trustees acknowledge that they need to be pragmatic with regard to ethical investments and therefore have no current exclusions in place. However, they reserve the right to add exclusions in future as appropriate.

The Trustees continue to work closely with the investment manager, taking into consideration their view of market prospects when they consider expenditure requirements and reviewing the investment strategy.

The investment is subject to ongoing regular review to ensure it continues to adequately represent the current and future needs of the Fund.

Plans for future periods

As the financial year ended, the country went into lockdown in response to the Covid-19 pandemic. The Church was closed and put onto a care and maintenance footing and staff furloughed where possible. The closure had a profound effect on worship, ministry, visitors and outreach and that continues to be the case now. The recent investment in our online and social media presence has proved timely and the ministry and liturgy of the church was able to predominantly move online.

Although plans are in place for the launch of awareness and fundraising campaigns in 2020-21, it is now anticipated that these will be significantly delayed.

The Trustees continue to move forward with plans to address the long-term maintenance needs of the church building and facilities.

Although many challenges lie ahead the church community is taking sensible and timely steps to ensure they can be met and overcome.

Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Fund and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently; and
- Comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements; and
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements; and
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue to operate.

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

By order of the Trustees



Chairman,
Board of Trustees

Date 29/01/2021



Trustee
Chairman Finance Committee

Date 29/01/2021

ST CLEMENT DANES CHURCH FUND

Independent Auditors' Report to the Trustees for the year ended 31 March 2020

We have audited the financial statements of St Clement Danes Fund for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 March 2020, 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 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 auditor's report thereon. The trustees 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 any form of assurance conclusion thereon.

ST CLEMENT DANES CHURCH FUND

Independent Auditors' Report to the Trustees for the year ended 31 March 2020

Other information (continued)

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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; and
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

ST CLEMENT DANES CHURCH FUND

Independent Auditors' Report to the Trustees for the year ended 31 March 2020

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ST CLEMENT DANES CHURCH FUND

Independent Auditors' Report to the Trustees for the year ended 31 March 2020

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP
Statutory auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 29/01/2021

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ST CLEMENT DANES CHURCH FUND

Statement of Financial Activities for the year ended 31 March 2020

	Note	Unrestricted £	Designated £	Restricted £	Total 2020 £	Total 2019 £
Income						
Donations and legacies	2	295,795	51,978	-	347,773	322,983
Charitable activities	2	59,888	-	-	59,888	69,637
Other trading activities	3	20,931	-	-	20,931	25,022
Investment income	3	44,837	-	-	44,837	49,018
Other income	3	10,210	-	-	10,210	15,638
Total income		<u>431,661</u>	<u>51,978</u>	<u>-</u>	<u>483,639</u>	<u>482,298</u>
Expenditure						
Raising funds	4	26,369	-	-	26,369	15,609
Charitable activities	5	<u>428,663</u>	<u>82,776</u>	<u>3,457</u>	<u>514,896</u>	<u>401,952</u>
Total expenditure		<u>455,032</u>	<u>82,776</u>	<u>3,457</u>	<u>541,265</u>	<u>417,561</u>
Net operating income/(expenditure)		(23,371)	(30,798)	(3,457)	(57,626)	64,737
Net gain/(loss) on investment assets	9	<u>(127,775)</u>	<u>-</u>	<u>-</u>	<u>(127,775)</u>	<u>14,109</u>
Net income/(expenditure)		<u>(151,146)</u>	<u>(30,798)</u>	<u>(3,457)</u>	<u>(185,401)</u>	<u>78,846</u>
Gross transfers between funds	12	<u>151,146</u>	<u>(151,146)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>-</u>	<u>(181,944)</u>	<u>(3,457)</u>	<u>(185,401)</u>	<u>78,846</u>
Total funds brought forward		<u>100,000</u>	<u>1,323,431</u>	<u>6,372</u>	<u>1,429,803</u>	<u>1,350,957</u>
Total funds carried forward	12	<u><u>100,000</u></u>	<u><u>1,141,487</u></u>	<u><u>2,915</u></u>	<u><u>1,244,402</u></u>	<u><u>1,429,803</u></u>

The above results are all derived from continuing activities. There were no other recognised gains or losses other than those stated above.

ST CLEMENT DANES CHURCH FUND

Balance Sheet as at 31 March 2020

		Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 2020 £	Total 2019 £
Fixed assets						
Investments	9	-	746,833	-	746,833	1,228,783
		-	746,833	-	746,833	1,228,783
Current assets						
Debtors	10	78,945	-	-	78,945	71,105
Cash at bank and in hand		<u>142,567</u>	<u>329,979</u>	<u>2,837</u>	<u>475,383</u>	<u>155,564</u>
		221,512	329,979	2,837	554,328	226,669
Curren liabilities						
Creditors: amounts due within one year	11	<u>56,759</u>	-	-	<u>56,759</u>	<u>25,649</u>
Net current assets		<u>164,753</u>	<u>329,979</u>	<u>2,837</u>	<u>497,569</u>	<u>201,020</u>
Net assets		<u><u>164,753</u></u>	<u><u>1,076,812</u></u>	<u><u>2,837</u></u>	<u><u>1,244,402</u></u>	<u><u>1,429,803</u></u>
Funds	12					
Restricted funds		-	-	2,837	2,837	6,372
Unrestricted funds						
Designated funds		-	1,076,812	-	1,076,812	1,323,431
General funds		<u>164,753</u>	-	-	<u>164,753</u>	<u>100,000</u>
Total charity funds		<u><u>164,753</u></u>	<u><u>1,076,812</u></u>	<u><u>2,837</u></u>	<u><u>1,244,402</u></u>	<u><u>1,429,803</u></u>

Approved by the trustees and authorised for issue on their behalf by:


Trustee
Chairman Finance Committee

ST CLEMENT DANES CHURCH FUND

Statement of Cash Flows for the Year Ended 31 March 2020

	2020 £	2019 £
Cash outflow used in operating activities		
Net cash used in operating activities	<u>(79,193)</u>	<u>(89,486)</u>
Cash flows from investing activities		
Investment income and interest received	44,837	49,018
Proceeds from disposal of investments	356,955	70,501
Payments to acquire investments	-	-
Increase in cash held in investment portfolio	<u>(2,780)</u>	<u>4,111</u>
	<u>399,012</u>	<u>123,630</u>
Net decrease in cash and cash equivalents	319,819	34,144
Cash and cash equivalents at beginning of year	<u>155,564</u>	<u>121,420</u>
Cash and cash equivalents at end of year	<u><u>475,383</u></u>	<u><u>155,564</u></u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) including endowments	(185,401)	78,846
Adjustments for:		
Investment (gains)/losses	127,775	(14,109)
Investment income	(44,837)	(49,018)
Increase in debtors	(7,840)	(66,755)
Increase/(decrease) in creditors	31,110	(38,450)
Net cash used in operating activities	<u><u>(79,193)</u></u>	<u><u>(89,486)</u></u>

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020

1. Accounting policies

- a) These financial statements have been prepared on a basis other than that of a going concern basis, under the historical cost convention, modified for the revaluation of the investments assets.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), including update bulletin 2 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

- b) The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable entity to continue as a going concern. The Trustees have given due consideration for the effects of the Covid-19 outbreak, which occurred before these financial statements were signed. This assessment has also included a potential loss of income as a consequence of Covid-19. The trustees have made this assessment for a period of at least one year from the date of approval for the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation income. The charity's major costs can be reduced in line with future donation income and charitable activities and it has minimal core costs. The charity also holds significant reserves and has liquid assets in the form of investments and cash held in short term deposits. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable entity therefore continues to adopt the going concern basis in preparing its financial statements and there are no material uncertainties at the date of signing.
- c) Investment income is accounted for when received and comprises dividend income and interest on cash deposits. The accruals basis is used for all other income.
- d) Intangible income, consisting of staff costs provided by the Ministry of Defence, is recognised in the Statement of Financial Activities at the estimated cost to the donor.
- e) Quoted investments are stated at market value at the Balance Sheet date. Gains and losses arising on investment assets, both through sale and changes in valuation, are disclosed in a separate section of the Statement of Financial Activities.

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

1. Accounting policies (continued)

- f) All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Charitable expenditure comprises those costs incurred by the Fund in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

- g) Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Fund and include the audit fees and costs linked to the strategic management of the charity.
- h) Costs of raising funds include those direct costs incurred by the Fund to purchase memorial books, badges and postcards.
- i) Consecrated land and benefice property is excluded from the financial statements under s10.2 of the Charities Act 2011.
- j) Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.
- k) The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102.

- l) The costs of short-term employee benefits are recognised as a liability and an expense.
- m) In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.
- (i) As described further in note 7 the value attributed to the time provided by RAF personnel to help with the administration of the charity has been estimated using relevant RAF salary bandings and time percentage allocations.

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

2. Analysis of Income

	2020 Total £	2019 Total £
Donations and legacies		
Donated services - MOD Notional staff costs*	178,122	164,300
Donations	53,872	4,876
Bequests and Legacies	105,615	145,802
Memorial Books	840	880
Badges	1,918	1,618
Bells (Designated Fund)	1,978	1,823
Choir practice fees	<u>5,428</u>	<u>3,684</u>
Total	<u><u>347,773</u></u>	<u><u>322,983</u></u>

During the year £51,978 (2019: £1,823) of the income above related to designated funds.

During the year £0 (2019: £5,588) of donation income related to restricted funds.

Charitable Activities

Special Services	41,173	43,901
Standard Services	18,715	20,736
Organ Scholarship restricted fund	<u>-</u>	<u>5,000</u>
	<u><u>59,888</u></u>	<u><u>69,637</u></u>

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

	2020 Total £	2019 Total £
3. Investment Income		
Dividends	<u>44,837</u>	<u>49,018</u>
	<u><u>44,837</u></u>	<u><u>49,018</u></u>
Other activities		
Car Parking	915	730
Events Hire	17,619	21,907
Sales	<u>2,397</u>	<u>2,385</u>
	<u><u>20,931</u></u>	<u><u>25,022</u></u>
Other Income		
Bank Interest	727	102
Miscellaneous	767	969
St Mary Le Strand Income	5,240	5,644
Listed Places of Worship Scheme: VAT Reclaim	<u>3,476</u>	<u>8,923</u>
	<u><u>10,210</u></u>	<u><u>15,638</u></u>

All of the above income was unrestricted in 2020 and 2019.

4. Analysis of Expenditure

	2020 Total £	2019 Total £
Costs of Raising Funds		
Memorial Books	291	634
Investment manager fees	4,175	4,612
Unit Badges	1,015	4,042
Fundraising costs	14,001	-
Notional Salaries*	<u>6,887</u>	<u>6,321</u>
	<u><u>26,369</u></u>	<u><u>15,609</u></u>

* See note 7 for further details.

All of the above expenditure was unrestricted.

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

4. Total Expenditure (continued)

	2020 Total £	2019 Total £
Charitable Activities		
Special Services	92,450	99,790
Standard Services	116,739	109,367
Choir Fees	27,806	27,432
Director of Music Fees	29,000	28,533
Organist's Fees	305	400
Insurance	2,423	3,063
Utilities	9,043	10,653
Cleaning	8,937	8,828
Maintenance	49,986	30,771
Major Refurbishment	82,776	26,976
St Mary le Strand	5,256	5,600
Organ Scholarship (Restricted)	3,535	3,536
Other	7,195	6,044
Fundraising costs	32,714	-
RAF 100	-	3,703
Bad Debt Expense	262	-
Governance (See below)	<u>46,469</u>	<u>37,256</u>
	<u><u>514,896</u></u>	<u><u>401,952</u></u>
Governance Costs		
Audit and accounting expenses	9,408	7,278
Notional Salaries	13,113	13,854
Professional Fees	<u>23,948</u>	<u>16,124</u>
	<u><u>46,469</u></u>	<u><u>37,256</u></u>

During the year £82,776 (2019: £15,210) of the expenditure above related to designated funds.

During the year £3,457 (2019: £7,239) of the expenditure above related to restricted funds.

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

5. Support costs

Support costs are allocated to charitable activities as follows:

	Raising Voluntary Income £	Special Services £	Charitable Activity Standard Services £	Governance Activity £	Total Cost 2020 £	Total Cost 2019 £
Staff costs - Direct		15,842	6,790	-	22,632	30,967
Staff costs - Notional	<u>6,887</u>	<u>48,173</u>	<u>109,949</u>	<u>13,113</u>	<u>178,122</u>	<u>164,300</u>
	<u>6,887</u>	<u>64,015</u>	<u>116,739</u>	<u>13,113</u>	<u>200,754</u>	<u>195,267</u>

The Support Cost elements of directly employed staff have been attributed on a basis consistent with job titles, with staff costs of deputy vergers split 70% for special services and 30% for standard services. The support cost of the notional MOD and Gifts in Kind income has been apportioned by the estimated percentage of time spent on each activity. Support costs are included in the overall expenditure totals for the relevant activity at Note 4.

6. Net income/(deficit) for the year

This is stated after charging:

	2020 £	2019 £
Auditors' remuneration (net of VAT):		
Audit	5,300	5,150
Accounts	<u>1,265</u>	<u>1,125</u>

7. Staff costs and numbers

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	200,695	195,267
Social security costs	<u>59</u>	<u>100</u>
	<u>200,754</u>	<u>195,367</u>
Total emoluments paid to staff were:	<u>200,695</u>	<u>195,267</u>

No member of staff employed directly by the Fund earned more than £60,000 during the year.

Trustees received reimbursement of travel and out of pocket expenses in 2020 of £nil (2019: £260 - 1 trustee).

The Ministry of Defence employed seven members of staff (2019: seven) who spent at least part of their time dealing with the administration of the St Clement Danes Fund. The Ministry of Defence makes no salary recharge for the individuals performing day to day administration, because of the Fund's charitable status. The values of staff salaries paid by the Ministry of Defence are estimated at £178,122 (2019: £164,300) and are included in the above staff costs.

The Ministry of Defence estimate of staff costs of £178,122 represents the following percentages of staff time: Chaplain - 100%, Squadron Leader - 2.5%, Squadron Leader - 2.5%, Flight Lieutenant - 3%, Band D Civil Servant - 100%, Band E1 Civil Servant - 100% and Caretaker 100%. The directly employed staff account for 0.95 full time equivalents (2019: 1.25) and consisted of a number of Deputy Vergers who are employed on zero hour contracts.

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

7. Staff costs and numbers (continued)

Key management personnel include the Trustees and principal officers. The total employee benefits of the charity's key management personnel were £Nil (2019: £Nil).

8. Taxation

As a charity, St Clement Danes Fund is exempt on income and gains falling within section 466-493 of the Corporation Tax Act 2010 to the extent that these are derived from its charitable activities.

9. Investments

	2020 £	2019 £
Market value as at 1 April	1,226,273	1,282,665
Additions at cost	-	-
Less disposals at carrying value	(356,955)	(70,501)
Net realised and unrealised gains/(losses)	<u>(127,775)</u>	<u>14,109</u>
Market value as at 31 March	<u>741,543</u>	<u>1,226,273</u>
Book Value as at 31 March	<u>858,501</u>	<u>1,108,522</u>
Analysis of investments		
Quoted investments	741,543	1,226,273
Cash held in investment portfolio	<u>5,290</u>	<u>2,510</u>
	<u>746,833</u>	<u>1,228,783</u>

Investments representing over 5% by value of the portfolio comprise:

	2020 £	2019 £
Coif Charity Funds Property Inc	84,686	122,933
FIL Inv Svcs UK Fid Strategic Bond Y Inc	60,350	87,046
Invesco Fd Mngrs IP Corporate Bd Gross Z Inc	-	84,918
Invesco Fd Mngrs Corporate Bond UK D Dis	60,078	-
Legal & General UT UK Index Trust C Inc	448,121	800,728
Royal London Utm Sterling Credit Z GBP Gross	<u>88,308</u>	<u>130,648</u>

10. Debtors

	2020 £	2019 £
Trade debtors	6,020	8,685
Legacy debtors	63,049	56,664
Prepayments & accrued income	<u>9,876</u>	<u>5,756</u>
	<u>78,945</u>	<u>71,105</u>

11. Creditors : amounts due within one year

	2020 £	2019 £
Trade creditors	21,255	11,490
Taxation and social security	336	332
Accruals and deferred income	<u>35,168</u>	<u>13,827</u>
	<u>56,759</u>	<u>25,649</u>

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

12. Movements in funds

Current year	As at 1 April 2019 £	Income £	Expenditure £	Transfers £	Gains and (Losses) £	As at 31 March 2020 £
Restricted funds						
Holy Sacrament	500	-	-	-	-	500
Organ Scholarship	5,536	-	3,457	-	-	2,079
RAF 100	336	-	-	-	-	336
Total restricted funds	<u>6,372</u>	<u>-</u>	<u>3,457</u>	<u>-</u>	<u>-</u>	<u>2,915</u>
Unrestricted funds						
<i>Designated funds</i>						
Bells Restoration	3,702	1,978	-	-	-	5,680
Church Refurbishment	99,950	50,000	82,776	-	-	67,174
Income Protection Fund	1,219,779	-	-	(151,146)	-	1,068,633
<i>Total designated funds</i>	1,323,431	51,978	82,776	(151,146)	-	1,141,487
General funds	<u>100,000</u>	<u>431,661</u>	<u>455,032</u>	<u>151,146</u>	<u>(127,775)</u>	<u>100,000</u>
Total unrestricted	<u>1,423,431</u>	<u>483,639</u>	<u>537,808</u>	<u>-</u>	<u>(127,775)</u>	<u>1,241,487</u>
Total funds	<u><u>1,429,803</u></u>	<u><u>483,639</u></u>	<u><u>541,265</u></u>	<u><u>-</u></u>	<u><u>(127,775)</u></u>	<u><u>1,244,402</u></u>
Prior year	As at 1 April 2018 £	Income £	Expenditure £	Transfers £	Gains and (Losses) £	As at 31 March 2019 £
Restricted funds						
Holy Sacrament	500	-	-	-	-	500
Organ Scholarship	4,072	5,000	3,536	-	-	5,536
RAF 100	3,451	588	3,703	-	-	336
Total restricted funds	<u>8,023</u>	<u>5,588</u>	<u>7,239</u>	<u>-</u>	<u>-</u>	<u>6,372</u>
Unrestricted funds						
<i>Designated funds</i>						
Bells Restoration	1,879	1,823	-	-	-	3,702
Church Refurbishment	126,926	-	26,976	-	-	99,950
Income Protection Fund	1,114,129	-	-	105,650	-	1,219,779
<i>Total designated funds</i>	1,242,934	1,823	26,976	105,650	-	1,323,431
General funds	<u>100,000</u>	<u>474,887</u>	<u>383,346</u>	<u>(105,650)</u>	<u>14,109</u>	<u>100,000</u>
Total unrestricted	<u>1,342,934</u>	<u>476,710</u>	<u>410,322</u>	<u>-</u>	<u>14,109</u>	<u>1,423,431</u>
Total funds	<u><u>1,350,957</u></u>	<u><u>482,298</u></u>	<u><u>417,561</u></u>	<u><u>-</u></u>	<u><u>14,109</u></u>	<u><u>1,429,803</u></u>

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

12. Movements in funds (continued)

Purposes of restricted funds

Organ scholarship: a donation was received in the year ended 31 March 2019 from Derill Allatt Foundation to fund an organ scholarship.

RAF 100 Concert series: a donation was received to fund the Classical Concern Series in celebration of the 100th anniversary of the RAF.

Purposes of designated funds

Bells restoration: sums set aside to build up fund for the church bells.

Church refurbishment: funds set aside for repairs to church structure.

Income protection fund: funds set to protect future income generation.

Expected Spend

Within 3 years

Within 3 years

Foreseeable future

Fund Transfers

The following fund transfers occurred during the period:

£151,146 was transferred from the Income Protection Fund to the General Fund in line with the Trustees' direction of maintaining a general fund of £100,000 - designed to ensure contingency and the ability to avoid having to unnecessarily drawdown from the investment portfolio for unforeseen costs such as immediate and essential maintenance or infrastructure work.

13. Analysis of Net Assets by Fund

	Investments	Net Current Assets	2020 Total
	£	£	£
Restricted Funds	-	2,915	2,915
Designated Fund	746,833	394,654	1,141,487
General Funds	-	100,000	100,000
	<u>746,833</u>	<u>497,569</u>	<u>1,244,402</u>
		Net Current Assets	2019 Total
		Investments	Total
	£	£	£
Restricted Funds	-	6,372	6,372
Designated Fund	1,228,783	94,648	1,323,431
General Funds	-	100,000	100,000
	<u>1,228,783</u>	<u>201,020</u>	<u>1,429,803</u>

ST CLEMENT DANES CHURCH FUND

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

14. Related Party Transactions

There were no related party transactions which require in the year under review. In the prior year, The Friends of St Clement Danes ('the Friends') were considered a connected charity by nature of the joint trusteeships held during the year of Group Captain M Heffron, who resigned as a trustee of St Clement Danes Fund on 28th July 2018. In 2019 the Fund facilitated the sale of £1,370 of goods on behalf of the Friends.

15. Capital Commitments

There were no capital commitments not provided for in the financial statements for the year ended 31 March 2020 (2019: £nil).

16. Control

The Trustees are the ultimate controlling party.