



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 2021

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 31st December 2021

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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 Daniel Warnke	Stipendiary Assistant Curate (to July)	3/3
The Reverend Georgina Elsey	Stipendiary Assistant Curate	5/6
Damon Greeney	Church Warden	5/6
Ian Smith	Church Warden (to May)	2/2
Gaynor Scruton	Church Warden (from May)	2/4
David Fletcher	Deanery Synod Rep	1/6
Chris Lees	Deanery Synod Rep	5/6
Chris Skarratt	Deanery Synod Rep	3/6

Elected Members

Andrew Beverley		4/6
David Hughes		5/6
Helen Isibor-Epega	(from May)	2/4
Ian Nelson	Treasurer	6/6
Gaynor Scruton	(to May)	1/2
Bryan Stephens		3/6
Shakira Watts	(from May)	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: TC Group
Statutory Auditor
3 Acorn Business Centre
Northarbour Road
Cosham, Portsmouth
Hampshire PO6 3TH

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

Incumbent: The Reverend Stephen Mason

Church Administrator: Bryan Sollenberger

2021 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 31st December 2021.

Overview of the Year

2021 to a large part was again dominated by the Covid-19 pandemic. At the beginning of the year England was once again in lockdown, although places of worship remained open. The staff team invested much thought and work into making sure St John's complied with the constantly changing government and Church of England guidelines. Seating was set out in clusters, socially distanced, worshippers were expected to wear face masks and congregational singing was not permitted. Hospitality remained suspended until the autumn. Sadly, as restrictions began to ease in the summer and autumn, the emergence of the Omicron variant of Covid-19 paused this progress. Face masks returned, hospitality was outdoors over Advent and Christmas and people were discouraged from meeting in crowded spaces. Christmas for the second year running was a time of great uncertainty.

Normal church life remained suspended for much of the year with a gradual reintroduction of some aspects during the autumn before coming to a halt again. Worship was available via livestreaming during those times in which the clinically vulnerable were advised to isolate and weekly education courses occurred via Zoom. Essential meetings were conducted online until restrictions were eased in the summer, when meetings took place on the vicarage terrace until allowed to resume indoors.

The PCC balanced the needs and wishes of those who wanted to return to normality as quickly as possible with those who were cautious; however, all have been disappointed that numbers attending services have not recovered to anything like pre-pandemic levels.

The financial well-being of the parish remained precarious throughout the year. While congregational giving remained strong and the carpark did well, the letting of the church for events was substantially hit. We were delighted that, due to drawing on reserves and exceptional grants, we managed to end the year better than we expected.

Aims and Purposes

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

Inclusivity continues to be an integral component of our ministry and we seek to build an inclusive congregation where all are welcome regardless of race, gender, ethnicity, sexual orientation, socio-economic circumstances or spiritual background. We also strive to be an outward-facing, dynamic church rooted in a broad Anglican tradition and to be a key component in the local community.

The pandemic necessarily structured much of what we did during the year as we sought to keep the building open and safe for worshippers, visitors and other users of the building and, in the changing context, to be creative in how we sought to achieve the above aims.

Objectives and Activities

Church Attendance

The average Sunday attendance was 74 in 2021. This is marginally down on 2020's average of 79 post lockdown average attendance and significantly lower than the average of 134 in 2019. 192 persons attended church services at Easter (churches were closed for easter in 2020; attendance in 2019 was 318) and 146 on Christmas Eve and Christmas Day (176 in 2020 and 230 in 2019). The numbers of under 16's attending have been impacted even more. For 2021, the average number on a Sunday was 7, compared to 11 in 2020 and 18 in 2019. The impact of Covid-19 was significant as many people felt it important to isolate until restrictions were lifted in June. To encourage people back to church, the PCC took a deliberate decision to stop livestreaming services once the vulnerable were no longer required to isolate. Some understandably were slow to return to church, choosing to exercise caution, and regular attenders are attending slightly less frequently than before Covid. Rebuilding the congregation will be a key focus as we move forward.

Church Activities and Highlights

The effects of Covid and the government restrictions meant worship was held on a reduced scale and all other activities ceased except for educational courses, which took place online. The PCC felt it wise not to have any evening services at all until the autumn and of our five great carol services, only those for Advent and Christmas were held.

As restrictions eased and greater numbers were permitted at weddings and funerals, the numbers of such services also increased. A special service to commemorate the life of HRH Prince Philip took place on 16th April which was attended by 72 persons.

We were thrilled at the ordination of Georgina Elsey on 26th June and she celebrated Holy Communion for the first time at the 10am service on 27th June. Two weeks later, we said farewell to Dan Warnke, who left St John's to take up a post as Chaplain at Westminster School. Celebrations at both events were necessarily low key with no hospitality. A presentation was made outside on the forecourt to Dan to thank him for his three years of ministry among us.

For the first half of the year meetings were held on Zoom but as restrictions lifted, face-to-face meetings resumed: initially outdoors on the vicarage terrace and, with the return of colder weather, indoors.

Use of the church for external lettings disappeared during Covid but with the lifting of restrictions, some events were able to take place. While not anywhere near the level of activity pre-Covid, the number of such events was slightly higher than anticipated.

Fellowship and Social Life

With social distancing, there was very little social life during the first half of the year, although when safe to do so, people were happy to talk on the forecourt for a short while in groups of 6.

The staff team continued regular contact by telephone with those who were most vulnerable and especially the elderly.

Hospitality resumed as soon as we were allowed to do so. From the autumn, it was served outside on the forecourt weather permitting. Individually wrapped snacks or biscuits were provided and people discouraged from congregating around the hospitality stations. When the weather turned colder hospitality was offered indoors, although for large services waiting staff were engaged and no hospitality stations were set up so people would stay dispersed around the church and mingle in small groups.

With the advent of the Omicron variant, the PCC felt it was safer to serve hospitality outside. While this was not met with universal enthusiasm, most people continued to value being able to socialise and would often stay for a considerable time after services.

While after service hospitality resumed, social activities remained on hold along with entertaining at the Vicarage. Culture Vulture Ventures in particular continued in hiatus as large numbers of those taking part were over 50 and therefore more at risk of infection.

Most social life and fellowship ceased throughout the year and dramatically affected our communal life.

Children at St John's

Up to the summer, no children's activities took place within the life of the congregation. The children of Kids' Club were able to connect via a weekly video and work pack produced by Blanche Mbanda. As a means of spring boarding the return of Sunday school from the autumn, St John's contracted with Red Balloon Foundation to provide family ministry and children's Sunday school. The vicar and a member of the PCC met with them a number of times, then a wider group of parents from the young families at St John's to explore the possibility of them working with us. Kids' Club was relaunched in September, but the number of children attending remained disappointingly low. Our initial appointed children's worker left the employment of Red Balloon after three weeks and was replaced in a job share with Luke Lowrie, CEO, and Elizabeth Lysaght, Partnerships Manager. There has clearly been a struggle to reach the interests of those children who still remain connected to St John's who are now from an older age range than those pre-Covid. Interestingly, for the first time in some years there are a number of older children & teenagers in the congregation and we are aware of the challenges that this brings but hope that Red Balloon might help us meet them along with providing stimulating activities for younger children.

Adult Education

Our Wednesday evening educational series continued to meet by Zoom until the summer. Led by the curates, each Wednesday focussed on a different theme:

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

With the departure of Dan Warnke, the series was reduced to two Wednesdays per month: a Bible study led by the Vicar which considered the coming Sunday's gospel reading and pub theolog now, on the third Wednesday, which resumed meeting in a local pub.

In the autumn, Georgina Elsey led a series on *Living in Love and Faith*, the Church of England project seeking to engage people in discussion on different perspectives on identity, sexuality, relationships and marriage which was launched on 19th September with guest preacher the Reverend Andrew Goddard. This consultation process at St John's was much valued as Dr Michael King, a member of the congregation who sadly died on September 10th, had been an adviser to one of the committees involved in the process nationally for the Church of England.

An Advent course took place during November and December which explored the apocalypse, final judgement and God's seeming absence.

Music at St John's

Choral singing once again came under restrictions at the start of January. The choir was reduced to four members, returning to its full complement of five just before Easter in April, when outdoor singing was once again allowed. The congregation marked Easter Day by ending the service outside with a hymn on the forecourt. It was July before members of the congregation were once again allowed to sing within public worship indoors.

From the autumn, our normal pattern of services resumed with St John's *Late*, Advent and Christmas, but numbers remained frustratingly low as people remained cautious or failed to return. This included the carol services of Advent and Christmas.

Social Outreach and Charitable Giving

Age UK, Westminster, which had been using the church as a hub for receiving food deliveries and making up parcels for the isolated and housebound during Covid-19, handed over their work to the North Paddington Food Bank and made their final deliveries from St John's at the end of June. In March, we had made Age UK the focus of our Lent fund raising efforts and were able to donate £2,569, which provided for food purchases and other costs for one month. Age UK returned in December for a week to prepare Christmas hampers. We were pleased to support them in their very valuable and essential service in our local community.

Our harvest collection for the year, as well as the beneficiary of our Christmas carolling around the local pubs, went to support North Paddington Food Bank and a total of £758 was raised. In addition, £94 was raised from poppy sales around Remembrance Sunday for the Royal British Legion and £115 for the Children's Society at a Christingle service on 5th December.

Working practices

The church and office remained open throughout the year. Although only staff were permitted in the office, a welcome station was set up in the church to facilitate pastoral and other face-to-face meetings socially distanced. Clergy did work from their homes while people were encouraged to work from home but worked from the office more and more over the course of the year.

Working in Local Schools

Our voluntary aided primary school, St James & St John, which we share with St James's, Sussex Gardens, was supported throughout the year by all the clergy through governorship, support of the head teacher and the provision of assemblies through

Zoom, Google Teams and Google Classrooms. We were very pleased to welcome the school back for a Harvest service in October, the first visit since before the Covid outbreak, although the outbreak of the Omicron variant meant no more school or class visits were able to take place before the end of the year. Despite a testing time for the school, it continued to do very well in terms of numbers of admissions to both the nursery and reception years and is one of the few schools in the area not to have any vacant places.

The Vicar served as vice chair of governors until September.

Connaught House School held their Christmas programme in church as usual.

Working in the Community

St John's continued to foster wider community development on the Hyde Park Estate despite the pandemic. Its ministry in hospitality continued in the hosting of Age UK, Westminster and other community groups from time to time as restrictions allowed.

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 and educational projects to facilitate the grant-making process.

From November the Vicar took on the responsibility of Area Dean for Paddington. He acts as a mentor for new incumbents in the Diocese as part of the Diocese of London mentoring programme. He is both a participant and a review facilitator in the Continuing Ministerial Development Review programme for the Diocese, facilitating the annual professional review of clergy. In addition, he acts as one of the Bishop's Surrogates for issuing Common Licences for marriage. He is an elected member of the Hyde Park Estate Association executive committee and the Hyde Park and Paddington Forum steering group. He attends the Hyde Park Neighbourhood Ward Panel along with Westminster City Council's LGBTQI Forum. The administrator, vergers and assistant curate represent him at some of these meetings from time to time.

Safeguarding

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

Trustee Induction

With the easing of restrictions on face-to-face meetings, an induction evening for new members of the PCC was held as usual on 1st June following elections at the annual parochial church meeting held on 23rd May. A training evening for the churchwardens was held on 6th June.

Fabric Development

The regular programme of roof cleans was carried out throughout the year along with annual maintenance of the fire safety equipment, clock, gas central heating systems and roof safety system.

Universal Stone attended in February to remove loose masonry along the south elevation. An area of the footpath outside the south garden gate made very uneven due to the extensive tree roots running underneath the pavement was relaid in July including the replacement of broken paving stones.

The third phase of electrical works arising from the electrical inspection of 2019 were undertaken in September thanks to a grant from the Ward Councillors' budget and a VAT grant from the Listed Places of Worship Scheme.

Water ingress did occur during the heavy storms in July as the large plane trees overhanging the church roofs drop a high level of leaf and other debris on the roofs which, in such storms, often accumulates around the drainage points and prevents the efficient run off of rainwater. Some sections of the crypt also experienced flooding from the same storms and led to the largest licensee using crypt space giving notice and vacating the premises. Colin Kerr, our architect, designed new hoppers which should alleviate this problem and the PCC is pursuing a DAC certificate and faculty for them.

Statement of Parochial Church Council Responsibilities

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

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

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

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the church and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice on Accounting and Reporting 2019 (FRS 102). It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Financial Review

At the beginning of the year there was some concern that 2021 would be worse financially than 2020. Lockdown continued to impact attendance at services. There was virtually no hire of the building for wedding receptions, concerts, charity fund raising events or seasonal events. Weddings, funerals, wedding blessings and memorial services continued to be deferred. Would existing users of the church such as Paint

Pots Montessori Nursery School again ask for a reduction in rent? For most of the year projections were showing an operating deficit (although little by little it was reducing each month).

At the end of the year, the PCC did just manage to cover its costs for the year. Over the course of the twelve months, several significant factors aided their finances:

- a) regular giving increases the year before continued (although regular ad hoc contributions received in 2020 reduced in amount and frequency as the year progressed)
- b) forecourt income topped £40,000 for the first time for at least 15 years
- c) the number of weddings, funerals and other special services increased once the limits on numbers attending such services were lifted
- d) rental of the church and hall, while still only 1/3 of that in 2019, was up by 60% on 2020 and significantly ahead of budget

Over the course of the year the PCC was also able to pay off the loan taken out in 2017 to cover the costs of repairs to the high level masonry and rainwater goods.

While £13,552 was drawn down from the Clergy Accommodation Maintenance Reserve to carry out essential repairs to the roof at the Archery Close house, the PCC were also able to meet their commitment to putting aside funds to build up the Church Maintenance, Ministry and Staff Accommodation Deposit Reserves.

Payments to the Diocese

The standard parish cost for 2021 was £85,200. The PCC agreed a further contribution to Common Fund, from which clergy stipends and costs are paid, of £8,800 for a total contribution of £94,000. In addition, £73,584 was paid to the Diocese to cover the costs of our assistant curates.

Total payments to the Diocese of London for 2021 amounted to £167,584.

Reserves Policy

The PCC budgets to put £10,000 each year in the Church Maintenance Reserve and £5,000 in its Staff Accommodation Deposit and Ministry Reserves. These provisions were able to be made in 2021

In addition to the above, the budget of £1,500 for refurbishment of one room in the vicarage, as encouraged by the Archdeacon, was not spent in 2021, so it was also set aside in a reserve to be used in 2022.

Structure, Governance and Management

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council (Powers) Measure 1956 and is a charity registered with the Charity Commission for England and Wales.

The appointment of members to the PCC is governed by and set out in the Church Representation Rules. New members to the PCC as well as churchwardens normally undergo an induction to brief them on their legal obligations under Church Law, the content of the Constitution, the Council and the decision-making processes, and the recent performance of the Church. Due to Covid this did not happen in 2020 but did take place again as normal in 2021.

Organisation

The PCC meets regularly throughout the year and there are committees to which there are delegated specific duties. In 2021 these committees were largely unable to meet although some business was conducted remotely.

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 five times during the year. The Standing Committee met six times during the year.

Risk Management

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

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

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

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

While aiming to return to normality as soon as possible, the PCC adopted a careful approach to relaxing restrictions when permitted to do so. Seating arrangements were modified to accommodate greater numbers but still further apart than would usually be the case and seats even further distanced were arranged in the south aisle and reserved for those feeling the need for greater distancing. Hospitality, when reintroduced, was served outdoors for large services and even for Sunday mornings with the emergence of the Omicron variant of Covid-19. Risk assessments for private prayer & meditation, public worship, working practices and use of the parish hall were reviewed on each new guidance issued by the government or by the Church of England and adapted to comply with any changes. Actions taken in this regard have already been set out under Safeguarding above.

Clergy and Staff Housing

The Vicarage at 18 Somers Crescent forms part of the Vicar's freehold. While being maintained by the Diocese of London, the parish is responsible for internal decoration and any improvement works. The PCC budgets £1,500 annually for redecoration works. In a year when this is not spent, it is put aside into a reserve for use in a future year.

The parish has leases on two additional properties from the Church Commissioners which may be used for the accommodation of clergy and other members of staff. Robert Greenhill, our Director of Music, occupies the first floor flat at 12a Connaught Street. As our assistant curate had his own house, the second and third floor maisonette at 12a Connaught Street has been returned to the Church Commissioners but will be made available again to the parish for the next member of staff.

23 Archery Close is available for housing staff on a long lease. During the year major works to the roof costing £13,552 were carried out. Funds from the Clergy Accommodation Reserve were drawn down to cover the cost of these works.

During the year the PCC took a lease on the ground floor and basement flat at 11 Star Street to house the vergers.

Looking Ahead

As we look ahead to life post the pandemic, the prime objective will be to rebuild the congregation. Numbers are nearly 50% reduced from pre-Covid levels and it is expected that regrowing the congregation will take some time. Many of the young families have either moved out of London and have not been replaced due to the rising cost of accommodation and those who have remained have lost the habit of attending church on a regular basis. Older members of the congregation remain cautious and they, along with many others, while returning on an occasional basis, are not doing so with the same regularity. We are not yet through the pandemic, although the hope is that we are learning to live with the virus, which means we are cautiously optimistic but uncertain as to whether further restrictions may be imposed over the coming winters. It may take several years for our ministry and outreach to adapt to changing circumstances. A focus on ministry will be key in plans for the next few years.

As we rebuild, key areas of church life to focus on will be social activities, fellowship and Culture Vulture Ventures, as well as incorporating the needs of older children as part of our families' ministry. We look forward in 2022 to Her Majesty the Queen's Platinum Jubilee in the hope that a jubilee lunch will be added to the annual big social events. It is also hoped that entertaining at the vicarage will be resumed if a new suitable caterer can be found.

The PCC's finances are still relatively robust but reserves which had been carefully and prudently built up over some years have been depleted. The PCC will seek to continue to replenish its reserves as it was able to do in 2021.

Auditors

TC Group were first appointed to audit the 2013 financial statements after a review of our audit procedures. They were reappointed to audit the 2021 financial statements.

Signed on behalf of the PCC by

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

The Reverend Stephen Mason, Chair
20th March 2022

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

Opinion

We have audited the financial statements of the Parochial Church Council St John the Evangelist with St Michael and all Angels (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the 2021 report of the Parochial Church Council, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Parochial Church Council members

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Our approach was as follows:

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

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for our audit work, for this report or for the opinions we have formed.

TC Group

TC Group (Statutory Auditor)
Office: Portsmouth

Date: 22 March 2022

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

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

Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ending 31st December 2021

	Unrestricted Funds £	2021 Restricted Funds £	Total £	2020 Total £
Income from:				
Donations and Legacies	316,058	28,244	344,302	476,672
Charitable Activities	52,314	0	52,314	29,136
Other Trading Activities	96,348	0	96,348	77,998
Investments	10	0	10	9
Total Income	464,730	28,244	492,974	583,815
Expenditure on:				
Raising Funds	11,282	0	11,282	7,813
Charitable Activities	440,287	34,878	475,165	503,178
Other	5,593	0	5,593	5,000
Total Expenditure	457,162	34,878	492,040	515,991
Net Income/(Expenditure)	7,568	(6,634)	934	67,824
Transfers between Funds	0	0	0	0
Net Movement in Funds	7,568	(6,634)	934	67,824
Reconciliation in Funds				
Total funds brought forward	165,440	65,392	230,832	163,008
Total funds carried forward	173,008	58,758	231,766	230,832

All income and expenditure derive from continuing activities.

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

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

Balance Sheet

Year Ending 31st December 2021

	2021 £	2020 £
Fixed Assets		
Tangible Assets	0	0
Current Assets		
Debtors ¹	44,786	27,084
Cash at bank and in hand ²	242,129	270,329
Creditors: Amounts falling due within one year ³	(55,149)	(47,914)
London Diocesan Fund loan due in 2021	0	(18,667)
Net current assets/(liabilities)	231,766	230,832
Net Assets	<u>231,766</u>	<u>230,832</u>
Charity Funds		
Restricted Funds ⁴	58,758	65,392
Unrestricted Funds		
General Funds	349	319
Ministry Reserve	86,358	81,358
Clergy Accommodation Maintenance Reserve.	7,947	21,499
Church Maintenance Reserve	54,505	44,505
Rainy Day Appeal Funds	1,395	20,472
Vestments	4,454	4,454
Development Funds	0	(18,667)
Staff Accommodation Deposit	15,000	10,000
Planned Maintenance	3,000	1,500
Total Unrestricted Funds	173,008	165,440
Total Charity Funds	<u>231,766</u>	<u>230,832</u>

The financial statements were approved and authorised for issue by the Parochial Church Council on 22nd March 2022.

Signed on behalf of the Parochial Church Council



Ian Nelson, Treasurer
20th March 2022

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

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

General Fund Income & Expenditure

Year Ending 31st December 2021

		Unrestricted	Restricted	2021 Total	2020
SOFA Headings	INCOME	£	£	£	£
Donations	Donations Elgbl for Gift Aid	92,948	0	92,948	99,750
and	Envelopes	511	0	511	576
Legacies	Non-Taxed Pledges	765	0	765	1,940
	Tax Refund	32,423	0	32,423	32,475
	Collections	6,270	0	6,270	4,469
	Other Donations	89,837	0	89,837	72,809
	Alms	206	0	206	413
	Fellowship	397	0	397	122
	Special Clergy Services	1,625	0	1,625	4,171
	Church Comm	18,000	0	18,000	18,000
	Grants	60,333	10,567	70,900	185,442
	Insurance Claims	2,743	0	2,743	11,964
	Vol Trust Admin Contrib	10,000	0	10,000	9,500
		316,058	10,567	326,625	441,631
Charitable	Special Services	14,805	0	14,805	5,733
Activities	Hire of Church	25,088	0	25,088	15,037
	Hire of Hall	10,921	0	10,921	6,866
	Other Rents	1,500	0	1,500	1,500
		52,314	0	52,314	29,136
Other	Forecourt Income	42,411	0	42,411	30,490
Trading	Nursery School Rent	42,217	0	42,217	27,513
Activities	Crypt Rent	11,720	0	11,720	19,995
		96,348	0	96,348	77,998
Investments	Interest	10	0	10	9
TOTAL INCOME		464,730	10,567	475,297	548,774
TOTAL EXPENDITURE		(456,752)	(17,082)	(473,834)	(485,648)
SURPLUS/(DEFICIT) FOR YEAR		7,978	(6,515)	1,463	63,126
RESERVES USED:					
	HLF Grant Reserve		6,515	6,515	0
	Clergy Accommodation Reserve	13,552		13,552	8,954
	Ministry Reserve			0	18,000
SURPLUS/(DEFICIT) INCORPORATING USED RESERVES				21,529	90,080
DESIGNATIONS TO RESERVES					
	HLF Grant Reserve			0	6,515
	Church Maintenance Reserve			10,000	10,000
	Ministry Reserve			5,000	65,000
	Planned Maintenance			1,500	1,500
	Staff Accommodation Deposit Reserve			5,000	5,000
SURPLUS/(DEFICIT) AFTER DESIGNATIONS				29	2,065

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

General Fund Income & Expenditure

Year Ending 31st December 2021

				2021	2020
SOFA		Unrestricted	Restricted	Total	
<u>Headings</u>	<u>EXPENDITURE</u>	£	£	£	£
Raising Funds	Forecourt Expenditure	2,560	0	2,560	2,256
	Events Costs	8,722	0	8,722	5,498
		11,282	0	11,282	7,754
Charitable Activities	London Diocesan Fund	94,000	0	94,000	94,000
	Additional Clergy Costs	73,584	0	73,584	81,512
	Vicar's Expenses	13,341	0	13,341	10,835
	Additional Clergy Expenses	2,293	0	2,293	2,150
	Rents, Running Costs	24,084	0	24,084	29,325
	Archery Close Works	13,552	0	13,552	8,954
	Vicarage Routine Maintenance	0	0	0	188
	Children's Education	2,269	0	2,269	249
	Adult Education	263	0	263	0
	Kensal Rise Plant	0	0	0	86
	Director of Music	16,960	0	16,960	8,480
	Music Expenses	25,083	0	25,083	12,998
	Oliver! School Music Project	0	0	0	9,841
	Fellowship	9,041	0	9,041	6,918
	Special Clergy Services	0	0	0	3,473
	Altar Requisites	827	0	827	2,395
	Light, Heat & Insurance	11,602	3,541	15,143	16,790
	Cleaning	12,051	768	12,819	10,119
	Grounds	1,603	0	1,603	989
	Repairs & Maintenance	16,011	11,077	27,088	28,613
	Organ Protection & Repairs	0	0	0	4,635
	Organ Chamber Repairs	0	0	0	7,918
	Printing & Publicity	1,430	0	1,430	4,210
	Administrative Staff	49,636	0	49,636	51,122
	Verger	24,203	1,696	25,399	25,982
	Staff Pension Contributions	23,320	0	23,320	23,320
	Office Expenses	11,586	0	11,586	13,928
	Equipment	530	0	530	789
	Depreciation	0	0	0	2,498
	Miscellaneous Expenses	1,068	0	1,068	583
	Professional Fees	11,540	0	11,540	10,095
		439,877	17,082	456,959	472,894
Governance Costs	Audit Fee	5,400	0	5,400	5,000
	Bank Charges	193		193	0
		5,593	0	5,593	5,000
TOTAL EXPENDITURE		456,752	17,082	473,834	485,648

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

Development Fund Income & Expenditure

Year Ending 31st December 2021

	Unrestricted	Restricted	2021 Total	2020
	£	£	£	£
<u>INCOME</u>				
Congregational Donors	0	0	0	13,791
Grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,558</u>
TOTAL INCOME	0	0	0	27,349
<u>EXPENDITURE</u>	£	£	£	£
Events Costs	0	0	0	59
Loan Interest	<u>410</u>	<u>0</u>	<u>410</u>	<u>506</u>
TOTAL EXPENDITURE	410	0	410	565
SURPLUS/(DEFICIT)			(410)	26,784
Loan Repayments to the Diocese of London			(18,667)	(33,333)
Transfer from Rainy Day Reserve			<u>19,077</u>	<u>6,549</u>
SURPLUS/(DEFICIT)			0	0

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

Organ Fund Restricted Income & Expenditure

Year Ending 31st December 2021

	2021 £	2020 £
<u>INCOME</u>		
Donations	<u>0</u>	<u>0</u>
TOTAL INCOME	0	0
 <u>EXPENDITURE</u>		
Organ Plaque	86	0
Organ Tuning & Maintenance	<u>1,858</u>	<u>276</u>
TOTAL EXPENDITURE	1,944	1,071
SURPLUS/(DEFICIT)	(1,944)	(1,068)
BALANCE BROUGHT FORWARD	<u>10,149</u>	<u>11,494</u>
BALANCE CARRIED FORWARD	8,206	10,149

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

Other Restricted Income & Expenditure

Year Ending 31st December 2021

	2021 £	2020 £
<u>INCOME</u>		
Charities Income	3,560	1,252
Flower donations	1,562	1,702
Music Donations – Director of Music	2,930	910
Music Donations – Singers & Musicians	7,725	1,621
Clergy Leaving Purse	<u>1,900</u>	<u>2,207</u>
TOTAL INCOME	17,677	7,692
<u>EXPENDITURE</u>		
Charitable Donations	3,560	1,252
Flower Expenses	1,562	1,702
Music Expenditure – Director of Music	2,080	9,165
Music Expenditure – Singers & Musicians	6,750	15,176
Clergy Leaving Purse	<u>1,900</u>	<u>2,207</u>
TOTAL EXPENDITURE	15,852	29,502
SURPLUS/(DEFICIT)	1,825	(21,810)
BALANCE BROUGHT FORWARD	<u>48,728</u>	<u>74,188</u>
BALANCE CARRIED FORWARD	50,553	48,728

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

Notes to the Financial Statements

Year Ending 31st December 2021

a) General information and basis of preparation

The Parochial Church Council of St John the Evangelist with St Michael and All Angels, Paddington is a registered charity with the Charity Commission for England and Wales. The address of the registered office is given in the charity information on page 4 of these financial statements. The nature of the charity's operations and principal activities are, in co-operation with the vicar, promoting within the Parish the whole mission of the Church: pastoral, evangelistic, social, ecumenical and community building.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with the Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) (issued in October 2019) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006.

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

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

b) Funds

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

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

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

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be

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

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

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

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

d) Expenditure recognition

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

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

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

e) Tangible fixed assets

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

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

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

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

f) Debtors and creditors

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

g) Provisions

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

h) Employee benefits

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

i) Tax

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

j) Going concern

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

As set out in the Statement of Parochial Church Council Responsibilities Statement on pages 12 to 13, in preparing these financial statements the PCC are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate. In satisfaction of this responsibility the PCC has considered their expectations for the charity over the next 12 months and the charity's ability to meet its liabilities as they fall due, based upon the information available to the PCC at the date of these financial statements.

At the time of approving the financial statements, the charity has significant cash reserves to cover the operating costs of the charity for a period of at least six months. In addition, the charity has strategies planned to address potential significant changes to its incomes during the forthcoming period, should the charity experience a significant change in its incomes. The PCC therefore has a reasonable expectation that the charity

has adequate resources to contend with the uncertainties that may arise and to continue in operational existence for the foreseeable future. Thus the PCC continues to adopt the going concern basis of accounting in preparing the financial statements.

Accordingly, the financial statements are prepared on a going concern basis, under which assets are recovered and liabilities repaid in the ordinary course of activities. The accompanying financial statements do not include adjustments that would need to be made in the case the charity was unable to continue as a going concern, should the assumptions referred to above subsequently prove to be invalid.

<u>¹Debtors</u>	2021	2020
	£	£
Sundry Debtors	25,153	8,844
Income Tax Recoverable	<u>19,633</u>	<u>18,240</u>
TOTAL	44,786	27,084

<u>²Cash at Bank and in Hand</u>		
General Fund	212,466	240,036
Petty Cash	120	120
Special Purposes Account	<u>29,544</u>	<u>30,173</u>
TOTAL	242,130	270,329

<u>³Amounts Falling Due within One Year</u>		
Sundry Creditors	48,749	41,914
Rent Deposits	1,000	1,000
Audit Fee	5,400	5,000
Diocesan Loan	<u>0</u>	<u>18,667</u>
TOTAL	55,149	66,581

<u>⁴Restricted Funds</u>		
HLF Grant	0 ⁵	6,515 ⁵
Memorial Garden	3,834	3,834
Music	45,475	43,650
Vestments	1,244	1,244
Organ Fund	<u>8,205</u>	<u>10,149</u>
TOTAL	58,758	65,392

⁵HLF Grant

In September 2020 the HLF awarded a grant to the Parochial Church Council which was to be spent on approved categories of expenditure. The award covered some expenditure not incurred until January 2021. Under the terms of the grant, should the funds not be spent by 31st January 2021 or the expenditure not approved by the HLF, they could require the funds to be repaid. At 1st January, £6,515 had been agreed to be used to cover expenditure in January 2021. A restricted fund was set up which was used to cover these costs.

Fixed Assets for Use by the PCC

	Equipment	Grand Piano	Total
Gross Book Value at 1 January 2021	41,732	17,000	58,732
Additions	0	0	0
(Disposals)	0	0	0
as at December 31 2021	41,732	17,000	58,732
Depreciation at 1 January 2021	41,732	17,000	58,732
Charge for the Year	0	0	0
Release on Disposal	0	0	0
at 31 December 2021	41,732	17,000	58,732
Net Book Value at 31 December 2021	0	0	0
at 31 December 2020	0	0	0

Analysis of Net Assets by Fund

	Unrestricted Funds	Restricted Funds	Total
Fixed Assets	0	0	0
Current Assets	227,164	59,571	286,915
Current Liabilities	(54,156)	(993)	(55,149)
TOTAL ASSETS	173,008	58,758	231,766

STAFF COSTS	2021 £	2020 £
Wages and Salaries	75,035	79,431
Social Security Costs	8,026	8,465
Pension Costs	14,040	9,280
TOTAL COSTS	97,101	97,176

The average number of staff during the year was two (two in 2020). No employee was paid more than £60,000 during the year or preceding year. In addition to salaries, fees of £16,960 were paid to Robert Greenhill.

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

FUND DETAILS

In 2007, the Parochial Church Council adopted a Reserves Policy which established the following funds: General Reserves, Ministry Reserve, Music Reserve, Church Maintenance Reserve and Clergy Accommodation Reserve. The policy was reviewed in 2013 and 2019.

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

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

The Staff Accommodation Deposit is a new reserve, created by the PCC in recognition that the properties they lease for the accommodation of staff are on short- to medium-term rolling leases and agreements. The aim of the PCC is to build up adequate funds to

provide for the deposit to purchase a property in which to house staff and so reduce dependence on leased properties.

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

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

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

The clergy house used to accommodate curates is held on an historic agreement which expires in approximately 15 years. It is not anticipated that the agreement will be renewed so Standing Committee began to budget to set aside funds each year and held in a Staff Accommodation Deposit Reserve in order to build up a deposit to purchase a property when the existing house is no longer available.

Restricted funds held by the PCC are as set out in note 4 to the Balance Sheet. Details on the HLF fund have been given in note 5 on page 32. Memorial Garden funds will be used to develop one of the gardens along the church as a Garden of Remembrance. The Music Reserve holds funds donated explicitly for music. Vestments are as set out at the top of this page. The Organ Fund arose when the grade 2* listed organ was refurbished in 2015 and is used for upkeep and maintenance of the organ.

In considering how to fund major repairs to the roof and high level masonry carried out in 2017, the PCC had cash reserves, some of which had been designated for such purposes. Other reserves, however, represented restricted funds on the balance sheet and it was felt that it would be inappropriate to use these funds to pay for the costs of the works. An application therefore was made to the Diocese of London for a loan of £200,000 which was approved. The loan was drawn on during the course of the works. The PCC repaid £33,333 in 2020 and the balance on the loan of £18,667 in 2021.

2021 PAYMENTS TO PCC MEMBERS

No elected members of St John's PCC received any reimbursement of expenses or remuneration. All clergy are reimbursed reasonable expenses incurred in the performance of their duties. In 2021, such reimbursements totalled £15,634. During the year the charity paid £9,280 of pension contributions on behalf of one member of the PCC.

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

COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the charity had commitments under non-cancellable leases as follows:

		2021	2020
Operating leases which expire:			
Due within 1 year	12a Connaught Street	4,962	4,962
	11 Star Street	15,600	
Within 2-5 years	12a Connaught Street	4,962	4,962

The assistant curate taken on by the PCC in 2018 has his own house and he wished to live there during his term. In order to assist the PCC with the additional cost of a housing grant to enable this, the Church Commissioners offered to take back the 2nd and 3rd 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 £60,000 from the William Gibbs Religious and Educational Trust. Furtherance of the educational and charitable work of the Church of England in the parish of St John the Evangelist is one of the objectives of the Trust. The Vicar and Churchwardens of St John's are *ex officio* trustees. The parish administrator also serves as clerk to the Trust and the Trust Administration Contribution is a voluntary donation on the part of the Trust in recognition of the services provided by him and in recognition that expenses are incurred by the parish in servicing the Trust. A contribution of £10,000 was made for 2021.

AUDIT FEE

The fee for the audit of the 2020 accounts was £5,000. A provision of £5,400 has been made for the audit of the 2021 accounts.

