



St Martin-in-the-Fields

Annual Report and Accounts

2021

Trafalgar Square, London WC2N 4JH



St Martin-in-the-Fields
Trafalgar Square, London WC2N 4JH

Vicar

Revd Dr Sam Wells

Churchwardens

Chris Braganza (till May 2021)
Catherine Jackson (till May 2021)
Mel Adams (from May 2021)
Jeff Claxton (from May 2021)

Executive Director

Ally Hargreaves (till June 2021)

Chief Executive

Chris Denton (from May 2021)

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4M 1AG

Principal Banker

National Westminster Bank PLC
38 Strand
London WC2N 5JB

Legal Adviser

Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD

Front cover:

With thanks to Martin Haigh, an image from the projection of 'Fields of Vision / A human atlas' by Marcus Lyon

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Foreword

In significant ways 2021 was harder than 2020. In 2020 the pandemic was new, the spring was warm, the lockdown was a novelty; everyone assumed this was a short-term thing; and the arrival of the vaccine promised a swift conclusion. The lockdown of January to March 2021 was much more depressing, the winter months endless, the return to normality an illusion, the life of facemasks and hand-sanitising and work-from home and not seeing loved ones perpetual.

On the plus side, zoom was now familiar, improvisation second nature, and gratitude for simple gifts like seeing one another profound. Gratitude is a so much more ennobling community-building sentiment than resentment – and I shall recall as a symbol of this time St Martin's congregation staying long in the courtyard after worship in the spring, summer and autumn months, relishing the simple joy of being together.

When Israel returned from exile in the years after 530 BC, there were three reactions: some longed to restore the time before exile; some relished the new circumstances after exile; some stayed in Babylon because they'd found God was there too. We've been the same: we've rebuilt in a renewed spirit, some regretting changes from the past, some slow to return, others enjoying the new. Most significantly, online community is here to stay, and our life is adapting to this new reality, with its joys and challenges.

In May we welcomed Chris Denton as our new Chief Executive, and in June we said farewell to Ally Hargreaves after her immense service to St Martin's. Gradually all parts of our life resumed a recognisable pattern, with some new features like the Summer Stage in the courtyard; the work of the Trust enabled this and many other significant initiatives.

Omicron hit in December just when we were getting back on our feet. Though not long, it was a sobering setback at a key time of year for us liturgically and commercially. As I wrote the Ukraine war reminds us that the pandemic was never our only challenge, and that 'normal' life was always full of its own woes.

I am proud of how St Martin's has faced the pandemic. We have supported one another. We have faced difficulties with honesty, dignity and resilience. Our community has been generous. We have improvised, adapted, and innovated. We have never despaired. We will, in the end, have learned much, been renewed in our trust in and gratitude for one another, and been drawn closer to our foundations. This has not happened by accident, but by the Spirit-filled work of so many people. We owe our future to them.

Revd Dr Sam Wells
Vicar

Being a churchwarden anywhere is a responsibility but also a great privilege. At St Martin-in-the-Fields, we are very aware of this as we work together with the clergy, staff and PCC teams in such eventful times. As two new churchwardens, we are very grateful to Chris Braganza and Catherine Jackson who handed the reins over to us. It's a role that can take up a lot of time and so how they both managed alongside full-time jobs is nothing less than amazing and their commitment an inspiration.

The joy of being part of a team is that everyone in a community brings their own strengths and it is only together that we make a whole. That team has been hugely strengthened by Ros Scott becoming PCC Treasurer and bringing her professional expertise as a chartered accountant as well as her quiet persistence. We are extremely grateful to have her tireless support and unique sense of humour!

It is good to be in recovery mode, rebuilding with renewed vision for the future, particularly our worship services, together as a congregation, on site and online. There are very many who contribute to our worship, including (among others) musicians, flower arrangers, readers, intercession leaders, stewards and vergers. We are grateful to them all for their commitment and devotion as well as to all who build up other parts of our common life.

Times continue to be unpredictable. Ongoing Covid, the war in Ukraine and the significant increase in the cost of living that people are now seeing as we write this will inevitably have an impact but the level of that impact is, as yet, unclear. We are grateful to all those who give, often sacrificially, to keep our doors open. We are grateful too to Chris Denton who joined us in 2021 and is bringing vision and wisdom to the rebuilding of the business, which adds so much to St Martin's, and also for the work of the St Martin-in-the-Fields Trust.

Growth is to be celebrated. This is due in no small part to the sheer determination and dedication of our clergy team, who alone know the full cost of facing the day-to-day challenges as we move forward. It is a special joy to be working alongside them as wardens, joining with the many prayers of those in the congregation and beyond for their exceptional, creative and imaginative response.

In the midst of all, we rejoice that God is constant, that God is our rock, and that God is with us as we continue working and worshipping together to build God's church.

*Mel Adams
Jeff Claxton
Churchwardens*

Report on Objectives

Cross-Site Vision

At the heart. On the edge.

Cross-Site Mission

St Martin-in-the-Fields is a community of hope, reimagining church and society through commerce, culture, compassion and congregational life.

Congregation Mission

Being with God on the edge.

Key Objectives

1. A beautiful, sustainable, accessible, open, hospitable and well-maintained building
2. Lively and profound worship
3. Vibrant and faithful congregational life and mission
4. Engaging, humble and prophetic public ministry
5. Encouragement of and participation in our compassionate, cultural and commercial activities

Supporting Objectives

6. Generation of income to achieve all of the above
7. Administrative support for ministry and income-generation

1. A beautiful, sustainable, accessible, open, hospitable, well-maintained building

Since the 2006-08 Renewal, we are blessed with magnificent buildings in fine condition. Features of 2021 included the following.

- There was constant review of the best balance in opening the building between availability to those wishing to find inspiration and solace, public health constraints, reduction in verger team due to Covid and financial pressure, the novel situation of having relatively few concerts and rehearsals, and the need for space for recordings.
- In addition to the challenges of the pandemic, vandalism played a significant part in the year's difficulties, with a great deal of damage done by crowds in the aftermath of the Euro football final.
- The estates team continues to carry out regular maintenance, and ensure the building is clean, heated/cooled, and illuminated daily. The team carries out a wide-ranging programme of re-decoration and planned maintenance such as emergency lighting systems tests, portable appliance testing, water-testing, boiler and flue checks alongside the reactive day to day role of fixing and replacing broken toilets, blown light bulbs, wonky door fittings and so on. The team continues to support Estate Management at St James's Piccadilly.
- From the late summer, discussions resumed about the principal aspects of Building Futures, notably the Public Realm and the Café in the Crypt redevelopment. Considerations about greening, digital and post-Covid financial sustainability became especially prominent.

2. Lively and profound worship

In-the-building worship continued through the pandemic, although during the January-March lockdown only those leading worship were permitted to be present. Online participation was a lifeline, and continued to be a major feature of our life even as the pandemic began to subside. There were many limitations, even after in-the-building worship resumed in late March: e.g., voluntary choral singing was limited to six singers until September, gathering for coffee was limited to outdoors for much of the year, communion was one only possible in one kind all year, facemasks and hand-sanitising were needed all year.

Nonetheless significant benefits emerged from what might otherwise have seemed a lean season. Morning Prayer, pre-pandemic a small gathering of around six people, was now regularly shared by 150 online; the comment bar a lively conduit of prayers, joys and concerns. Compline became a weeknight staple of reflection and beauty. The Saturday morning reflection walks around different parts of London became a fixture, with well beyond 1000 engaging online live and later. Sanctuary in the City emerged as a time of reflection bridging the 1pm Wednesday Eucharist with Bread for the World at 6.30pm. Coffee hour on a Sunday took on a different character in the courtyard, with fewer visitors or tourists, and thus a heightened sense of a tight and cherished community, taking joy in each other's support and care.

Great Sacred Music returned in the building in October, only to revert to online during omicron. A similar Sunday afternoon programme, Choral Classics, was made possible by a recovery grant. Cantonese services at 1.30pm on Sundays were swelled by the influx of immigrants from Hong Kong. The Mandarin service remained small, yet to recover from the pandemic exodus.

A small number of funerals and weddings were held, and a number of baptisms took place, including at the Confirmation by Bishop Sarah in September. The Patronal Festival was held on November 14. Beautifully arranged flowers adorned these and many other occasions.

It was a delight to welcome back the Choir of St Martin-in-the-Fields in full voice from September with its new conductor Jenny Sterling. Public health and financial concerns meant the Children's Voices and Community Choir did not yet return.

3. Vibrant and faithful congregational life and mission

St Martin's is blessed with a diverse and dynamic congregation, and this grew only more so through online community.

- **Ministry**
 - Safeguarding of children and of adults at risk of harm is our most basic institutional priority.
 - The Nazareth Community remained around 80 members, with the induction of nine new members in July.
 - The Lent Course had 200 participants and was online only.
 - The Parish Day was held at St Martin's in July and was a significant regathering after months of isolation.
- **Mission**
 - Being With courses continued throughout the year, with the use of Being With Church and in the run-up to COP-26 in Glasgow, Being With Creation.
 - The Sunday International Group continued to meet during lockdown and throughout the year in Covid-appropriate ways.
 - The Global Neighbours Group continued to support six overseas charitable initiatives.
 - Links with St Mary's Cathedral Johannesburg were maintained.

4. Engaging, humble and prophetic public ministry

Public ministry gave St Martin's a remarkable profile in the twentieth century, and public ministry continues to be crucial to St Martin's identity.

- The (online) Nazareth Companions grew from 35 to 93 members, and prepared to become self-financing by the end of 2022.
- An extensive broadcasting profile included, on BBC Radio 4, Richard Carter and St Martin's Voices' regular broadcasts of Daily Service, the annual Ascension Day live broadcast (this year without an in-the-building congregation), Sam Wells' appearances on Thought for the Day, and Sally Hitchiner's reviews of the papers and the week's news on Times Radio and BBC 1. The BBC Radio 4 Christmas Appeal was still the most notable of all these media engagements and broke its record for the 13th year in succession.
- HeartEdge seeks to expand the imagination of a church captivated by scarcity. HeartEdge has three objectives
 - Transforming Practice. The Manchester project experienced pandemic delays, but was firing by the autumn. Four part-time consultants joined the HeartEdge team to assist churches in commercial, cultural, compassionate and congregational projects. The Sheppard Scholars scheme expanded, partnerships with St Augustine's School of Theology and Hymns Ancient and Modern began, Naomi Jacobs published her accounts of good examples of the 4 Cs, and the first Mission Summer School, in this case online only, was held. HeartEdge continued to offer peer mentoring, consultancy days and evaluative tools to churches across the world.

- Transforming Discourse. The online festival Living God's Future Now continued throughout 2021. Interviews, seminars, panels and groups, and weekly sermon preparation classes, NT lectures and Community of Practitioner seminars continued to be offered online.
- Transformative Programmes. A key part of HeartEdge is being able to offer programmes developed at St Martin's and elsewhere to churches to use without too much adaptation. Being With, Nazareth Community and Sunday International Group are among those programmes.
- The liturgical music recorded by the Choral Scholars and St Martin's Voices continued to bring joy to the wider Church of England and great credit to St Martin's.
- Lectures and Events
 - The Autumn Lectures in 2021 explored the theme We Have a Dream, with contributions including ++Stephen Cottrell, +Nick Holtam, Issam Khourbaj, Ruth Padel, Robert Beckford, Chine McDonald, David Lammy and Nicholas Hytner.
 - The tenth disability and faith conference, the second online, was well attended and very well received.
- A smaller than usual number of memorial services were held. Among the special services a highlight was the Annual Service for those who Died Homeless in November, which was as vibrant as ever, with 450 present. Christmas services were somewhat curtailed by omicron, but all took place with about 2/3 of conventional attendance.
- Digital engagement continued to develop, through the stmartins.digital site.
- In July Canterbury Press published *Finding Abundance in Scarcity* (edited by Sam Wells), in which members of the community related how St Martin's had responded to the pandemic.

5. Encouragement of and participation in our compassionate, cultural and commercial activities

Other parts of St Martin's, the Trust, the Charity and The Connection each have their own annual reports so there is no detail here. Increasing moves began to be made for greater cross-site cooperation, as considered by the Advisory Group of non-executives and the M9 senior executives' meetings. Highlights included:

- The Trust raised more than £2.1m in 2021, to play a crucial role in St Martin's recovery.
- The Charity brought in a record £4.6m for the BBC Radio 4 Christmas Appeal with St Martin-in-the-Fields. The Frontline Network continued to grow to around 2000 members.
- The Connection completed its transfer to a new service model, with more emphasis on those with complex needs.

6. Generation of income to achieve objectives

St Martin-in-the-Fields Ltd (SMITFL) is the trading arm of the PCC. It also provides administrative services to the PCC and the Trust and maintains the church and its estate.

- Interviews took place in January for a new chief executive and Chris Denton joined St Martin's in May from the South Bank Centre, where he had been Executive Director (Audiences).
- Ally Hargreaves left St Martin's in June after 33 years, the last nine as Executive Director, receiving a warm send-off from the congregation and community. Nadine Swaffield left in October after 15 years as HR manager.
- Trading began slowly from April and was focused mainly outside via the Courtyard café through the summer and inside when the Crypt Café was able to reopen from September through the remainder of the year.

- Online retail continued throughout the year whilst the physical shop also opened in April. Some online concerts were made possible by recovery grants, and digital equipment was purchased. Much work went into putting in place the new concerts model to begin in January 2022.
- Support from the Trust enabled the Summer Stage to make a considerable impact, with younger more diverse audiences drawn to the courtyard July-September. Thousands of people attended this initiative during its 8-week run.
- We were lucky to secure two major pieces of filming location business – one a major project from Netflix which generated significant revenue, the other a smaller TV commercial project. Both involved filming in the Crypt during July.
- We started a programme of late-night music events in the Crypt with some trial events in October and November – all were well received and helped to generate additional revenue.
- We also planned well ahead to maximise the revenue potential from late November leading to Christmas and programmed a high number of concerts in partnership with the in-house music team. Corporate events business was also strong in early December. The emergence of Omicron from mid-December led to an immediate and sharp decline in what had been flourishing business on a par with pre-Covid levels.
- Some key appointments were made through the year, most notably a new Head of People and Culture, a Head of Marketing, a General Manager (F&B) and the rebuilding of the café/chef team.

7. Administrative support for ministry and income-generation

Our Admin team covered finances for the PCC, SMITFL, and the Trust and we offer additional payroll services to the St Martin-in-the-Fields Charity, Ho Ming Wah Community Centre (HMW) and St Stephen Walbrook (SSW). The new accounting system Xero went live at the end of March 2021 and significantly improved our financial reporting. The appointment of a new Head of People and Culture presents a particularly significant and important opportunity for us to review and upgrade core common staff policies and to improve all aspects of staff information flow and terms and conditions as well as ensuring that we put in place plans to improve our Equality, Diversity and Inclusion action plan and reporting.

Future Prospects

It's still hard to predict how 2022-25 will play out in relation to public health, tourism, working habits, the economy, and the balance of online/in-the-building participation. We hope 2022 will be a relatively normal year in business and church life, with the result that the PCC may expect a resumption of its pre-pandemic income for 2023 and beyond.

Reflecting on what seems like the gradual winding-down of the pandemic, we have a huge opportunity. Our congregational life and public ministry have survived the disruption and adapted well to the new digital dimensions that are now becoming accepted. We've taken steps to align our commercial activity more closely to our foundational commitments, and there's every prospect of that proving both rewarding and fruitful in the medium to long term. There's an encouraging spirit of common cause emerging across the five major on-site organisations. The issue is getting through the short-term – until tourism and visitor numbers rise again and public confidence is restored post-pandemic. It's possible to imagine that one day we shall look back and say the pandemic was good for us – but it doesn't feel like it yet.

Financial Review

Context

The lockdown from January to March 2021 and the omicron variant of the coronavirus in December 2021 have had a significant impact on the finances. However, St Martin's has been fortunate to receive significant grant income from the National Lottery Heritage Fund ('NLHF') Cultural Recovery Fund and from a related entity, the St Martin-in-the-Fields Trust (the 'Trust'). In addition, St Martin's was blessed to have been left a large legacy by a former member of the congregation.

Income

Overall consolidated income for the group was broadly constant at £3,844 k (2020: £3,885k). Turnover for the trading subsidiary St Martin-in-the-Fields Limited ('SMITFL') rose from £1,095k (2020) to £1,376k and the income recognised in the consolidated accounts fell from £2,592k (2020) to £2,279k. PCC income rose from £1,293k (2020) to £1,565k of which £831k was unrestricted and £734k was restricted (2020: £757k unrestricted, £536k restricted).

SMITFL received other income of £903k (including a grant from the Cultural Recovery Fund £511k, and £245k from a related entity, the St Martin-in-the-Fields Trust (the 'Trust')). (2020: £1,496k in total)

The restricted income the PCC received included grant funding totalling £507k during the year from the NLHF (of which £175k was for reflatting reserves) and grants and donations received from individuals from the Trust totalling £201k.

The main components of the unrestricted income of the PCC of £831k was donations of £240k, legacies £185k and income from charitable activities of £373k.

Investments in the endowment fund showed a net gain of £142k (2020: £62k).

Expenditure

Expenditure, excluding operating costs of trading activities, in 2021 increased to £1,615k (2020: £1,431k) of this £965k (2020: £439k) was unrestricted and £650k (£992k) was restricted.

Result

Before fund transfers overall net income for the year was £4k (unrestricted fund deficit £222k, restricted fund £84k, investment gain £142k) (2020: £671k deficit). SMITFL made a loss of £88k in 2021 (2020: £629k).

Funds Transfers

During 2021 the PCC sought approval from the Chancellor of the Diocese to release the increase in capital in the Rysbrack Bust fund over the original endowment of £435k. The Chancellor was content with the proposal to transfer £528k to the PCC's unrestricted fund. During 2021, £200k was transferred from the endowment fund to the unrestricted fund.

The grant funding from NLHF included £174k for the unrestricted reserves and so this amount was transferred from the restricted fund to the unrestricted fund.

After fund transfers, within unrestricted funds there was a surplus of £152k (2020: £789k deficit), a deficit for the restricted funds of £91k (2020: £55k surplus) (i.e. some of brought forward balances had been spent) and a decrease in endowment funds of £58k (2020: £62k).

Outlook

The 2022 budget, approved in November 2021, anticipated drawing on the Rysbrack funds and an increase in congregational giving. The receipt of the legacy in 2022, recognised in the 2021 accounts, has assisted the cash flow in 2022 and reduced the planned level of drawdowns from the Rysbrack fund in 2022. The important congregational giving programme is ongoing.

The PCC will budget for the resumption of the licence fee from SMITFL in 2023, but a combination of the impact of the omicron variant of coronavirus, increases in energy prices and other issues mean that SMITFL is not expecting significant profits in 2022. Hence further drawdowns from the Rysbrack fund are anticipated in 2023 and increases in congregational giving continue to be an important part of the funding of the PCC.

Reserves Policy

Total reserves at the end of 2021 stood at £1,364k (2020: £1,360k), negative £158k (2020: negative £70k) of non-charitable trading reserve held on the balance sheet of SMITFL; the make-up of these reserves is set out in more detail in Note 18 to the 2021 financial statements.

The PCC has target free reserves of £520k to cover:

- Fluctuations in net profit from normal trading in St Martin-in-the-Fields Limited of up to £170k.
- Up to three months' PCC expenditure, to enable the PCC's activities to be scaled down in a 'disaster scenario', being presently set at £250k.
- Fluctuations in PCC's own income generating activities and other fluctuations in working capital requirements of up to £100k.

In line with the Charity Commission's guidance, 'free reserves' is defined as the unrestricted, undesignated fund which is not represented by the PCC's tangible assets.

At the end of 2021, the PCC's (& group's) general reserves stood at £93k (2020: deficit of £60k). Free reserves, after the fund transfers noted above, and including SMITFL 2021 operating loss, amounted to £nil (2020: £nil), being below the free reserves target of £520k. The PCC is resolved to review on an annual basis the Reserves Policy and free reserves target of £520k.

It should be noted that as at 31 December 2021 the PCC itself has unrestricted funds of £251k. As explained in note 18 of the financial statements, it would also be possible to transfer £328k from the Rysbrack Bust fund (endowment fund) to the unrestricted fund.

Pay Policy for Senior Staff

The pay of senior staff of both the PCC and St Martin-in-the-Fields Limited is reviewed annually by the Remuneration Committee and increased in line with the annual pay increase for all staff.

Risk Management

From January 2004, the PCC has delegated certain responsibilities for the management of the whole site to SMITFL, and a joint risk register has been drawn up by senior managers. The document sets out a comprehensive statement of identified risks; notes control measures and actions to be completed; names risk owners, and attaches both initial and mitigated values to each risk. The document has been approved by the SMITFL Board and by the PCC. It is a live document, being most recently updated in February 2019.

Due to the onset of the pandemic in March 2020, the formal annual review did not occur. However, a major piece of work is now under way to review the current risk register, to streamline and improve the way that risks are presented within the document, to ensure overall that the risk register remains a 'live' working document that is regularly referenced, and to see that mitigating actions are taken and followed up.

We are grateful to Neil Mathur, a non-executive Director of SMITFL, who has offered pro bono the services of his risk management team at EY to help us work through the creation of a new register, initially focusing on SMITFL, but then to the PCC. This work is ongoing, and is expected to be completed by September 2022.

However, work has already happened to ensure that current risk continues to be identified and managed. Key risks are currently grouped as follows:

| COVID IMPACT | EXTERNAL CONDITIONS | STAFF | TERRORISM | INFRASTRUCTURE |
|--|---------------------------------------|--|--|---|
| More lockdowns/business interruption | Suppliers unreliable | EDI – lack of reporting, monitoring and strategy | Post Afghanistan - risk profile worsened | Digital: Website poor, e-commerce at risk, social media |
| Customer nervousness | Utilities costs rise (from June 2022) | Succession planning | Attack threat to Church/site | Reliance on outsourcing |
| Changes to spend profile (later, less committed) | Age profile of core customer base | Salary inflation | Tourism affected, visitor nervousness | Hardware not fit for purpose (phones etc) |
| Tourism down | Sustainability expectations | Hosts recruitment and retention issues | Security costs increase | GDPR compliance/Fraud risk |
| Change in office/home working profile | Adverse weather – building vulnerable | Skills (Head Chef, GM etc) | Processes, training in place? Business continuity plan | Repair and maintenance falling behind |
| Corporate Events | Fragility and unpredictability – war! | Cashflow to recruit when needed | | No investment capital |

To mitigate some of the above:

- Covid impact – this is being managed by careful use of finances and spend and via careful regrowth of the business and the investment needed so that the pace of growth is in line with and respects any ongoing fragility or nervousness. Revenue forecasts are conservative, and performance and the wider customer context (ie: visitor numbers, tourism etc) is closely monitored. Ongoing investment in online platforms helps ensure we can maintain our profile, offer and revenue.
- External conditions – there are a host of areas of risk, each with their own mitigations, such as sourcing a wider range of suppliers to ensure product supply; seeking professional advice in respect of renegotiation of energy contracts and taking appropriate and agile action in relation to the volatility of energy prices to secure the best deals available; broadening the range of activity to encourage a more diverse audience base aside from the ageing core base (e.g. running late-night music gigs, hosting silent discos in the Crypt, programming comedy nights, offering a bar/new food offer); reviewing all supplier relationships to explore how and where we can replace non-sustainable partnerships into the future and/or make product buying decisions that reflect our eco-aspirations; continuing to develop as robust a repair programme as possible to ensure our buildings are weatherproof. The Building Futures project also has this outcome as part of its objectives.

Our main mitigation in respect of staffing issues is the investment in a professional Head of People and Culture with the experience and track record to develop appropriate policies and strategies to tackle all risks associated with our staff.

The terrorism risk is managed through appropriate insurance cover and ongoing liaison with relevant authorities such as GLA, Metropolitan Police, and Westminster Council.

Our risks around infrastructure are linked with the speed at which we can rebound from Covid - the growth in our revenue, and the ability of our fundraising teams to solicit additional support. We manage smaller-scale upgrades to IT etc through day-to-day budget choices.

We are confident that our new risk management model will be a far more agile and user-friendly tool for the various management teams to review and act upon.

Public Benefit

St Martin-in-the-Fields became a registered charity on 1 February 2010 (registered charity number 1133936) with the result that members of the PCC are now registered as trustees. In the preparation of this Report, the trustees have been aware of their responsibilities to demonstrate that the activities of the church offer a real and practical public benefit as required under Section 4(1) of the Charities Act 2011. The PCC confirms that, in exercising its powers and duties, it has complied with its duty to have regard to the guidance issued by the Charity Commission on the provision of public benefit by religious charities.

The PCC's objectives are set out above in the 'Report on Objectives'. By identifying our key areas of focus in 2015, we now report against these objectives. Trustees have had regard to the Commission's guidance on public benefit when reviewing activities against objectives set and in planning future activities. This Annual Report shows that the guidance has been met.

Structure, Governance and Management

Organisational Structure

The Parochial Church Council of the Ecclesiastical Parish of St Martin-in-the-Fields ('the PCC') is a corporate body established by the Church of England. The PCC operates under the Parochial Church Powers Measure and is also a charity registered in England and Wales (charity no. 1133936). The PCC is responsible for, and is charged with co-operating with the Vicar in promoting, the whole mission of the church.

The PCC, through the Vicar and Churchwardens as nominees, owns the whole of the issued share capital of St Martin-in-the-Fields Limited ('SMITFL'), a company registered in England and Wales (company no. 02096693). SMITFL acts as the trading arm of St Martin-in-the-Fields, as well as managing the site and some aspects of church operations. Its principal trading activities include operating two cafés, a shop, concert management, venue hire and event catering and the organisation of exhibitions. Ordinarily, the whole of the company's taxable profits is donated to the PCC.

The PCC

Since the PCC registered as a charity in 2010, its members are also registered as trustees of the charity. Elections for one-third of the members of the PCC are held each year at the Annual Parochial Church Meeting ('APCM'). PCC members serve for three-year terms before offering themselves for re-election, should they choose to do so. The appointment of PCC members is governed by, and set out in, the Church Representation Rules. Deanery Synod representatives are ex-officio members of the PCC and elections to the Deanery Synod are held at the APCM every three years. Churchwardens are elected annually at a Meeting of the Parishioners which precedes the APCM. The APCM is normally required to be held before the end of May in each year.

The PCC's practice is to review its terms of reference, committee structures and legal issues, at the first meeting of the PCC following the APCM. The PCC met eight times in 2021 with meetings being chaired in turn by the Vicar and the Churchwardens. All new members are required to undergo appropriate induction. This includes sharing a comprehensive information pack, meetings with key people, a session on governance and finance and opportunities to experience working and worshipping at St Martin's.

PCC membership

Clergy (ex-officio)

Revd Dr Sam Wells, Vicar and Chair of the PCC

Revd Sally Hitchiner, Associate Vicar for Ministry

Revd Richard Carter, Associate Vicar for Mission

Revd Jonathan Evens, Associate Vicar for HeartEdge

Revd Catherine Duce, Assistant Vicar for Partnership Development

Revd Harry Ching, Assistant Vicar for International Ministry

Churchwardens

Chris Braganza (to May 2021)

Catherine Jackson (to May 2021)

Mel Adams (from May 2021)

Jeff Claxton (from May 2021)

Treasurer

Jeff Claxton (from November 2020-July 2021)

Rosalind Scott (July 2021-present)

Deanery Synod representatives (ex-officio)

Nike Awoyinka (from July 2021)

Timothy Beale

Daniel Kaszeta

Eugene Ling

Neil MacGregor

Rachel Morrison

Wai Keung Chan (from October 2021)

General Synod (ex-officio)

Fiona MacMillan (from November 2021)

Elected members

William Cometti

Lois Howarth

Craig Norman

Ingrid Phillion

Wendy Quill

Tricia Sibbons (from June 2021)

Lenus Walker

Ivan Yuen

Co-opted members

Rosalind Scott (July 2021)

Other key posts

PCC Secretary
Siân Conway

Church Safeguarding Officer (CSO)
Huw Mathias (English Congregation)

Church Safeguarding Assistant (CSA)
Ruly Tsang (Chinese Congregation)

Children's Champions (CC)
Anna Warbrick (English Congregation)
Wendy Zhao (Chinese Congregation) [until August 2021]
Emmy Ng (Chinese Congregation) [from August 2021]

The PCC is assisted in the discharge of its duties by the Board of St Martin-in-the-Fields Limited, the Chief Executive of SMITFL and a number of permanent committees and task groups.

The Board of St Martin-in-the-Fields Limited

The Board of St Martin-in-the-Fields Limited ('the Board') ensures that trading is profitable, develops new ventures, and oversees the efficient and safe operation of the site.

Board membership for 2021 was Antonia Adams, Dan Barker, Mark Bromley (Chair), Jeff Claxton (from 3 September 2021), Chris Cows, Chris Denton (Chief Executive, from 28 April 2021), Sally Dixon (until 28 April 2021), Chris Franklin (until 31 January 2021), Allyson Hargreaves (until 28 April 2021), Neil Mathur (from 28 April 2021), Susan Millin, Mike O'Mahoney, Brad Owen (from 28 April 2021), Cathy Reid Jones, Helen Sprott, Revd Dr Sam Wells and Matthew Whalley (until 28 April 2021).

Committees and other bodies

Finance Committee: the main role of the Committee is to consult with the treasurer and Vicar and thus to assist in advising the PCC on matters pertaining to its finances, policies, audit, and to ensure that its financial position is in line with its mission and strategic plans.

Chinese Sub-Committee: the Committee oversees the ministry of the Cantonese and Mandarin congregations, and works with the Assistant Vicar for International Ministry to advance our Chinese mission.

HeartEdge Project Group: along with the HeartEdge Steering Committee, the group oversees the work of HeartEdge.

The following bodies remain part of the decision-making structure.

- The Planning Group assists the PCC by planning the business of its meetings. It also ensures that actions from PCC meetings are carried out. It has responsibility for PCC business between meetings. It is made up of the Vicar, the Associate Vicars for Ministry and for Mission, the churchwardens, the treasurer, and the deputy churchwardens. The CEO attends if asked.
- The Steering Group (formerly known as the Advisory Group) began to meet in January 2018. It is made up of the chairs or equivalent of the five key parts of St Martin's and is chaired by the Vicar.

In addition, the following groups advance the purposes of the PCC in ways largely outside the decision-making structure.

- The Education Group reviews and implements public events such as the Autumn Lectures and congregational activities such as the Lent Course and the Parish Weekend/Awayday.
- The Hospitality Group organises opportunities for welcome and hospitality: serving refreshments provided by the Café in the Crypt after the Sunday Eucharist and making food for celebrations such as the patronal festival, Easter breakfast, baptisms and confirmations.
- The Global Neighbours Group seeks to make international issues of justice and concern an integral part of the life of St Martin's and to welcome and include people of all cultures within the life of St Martin's. It allocates the PCC's annual budget of overseas giving, making small grants to grassroots organisations and groups around the world. The Justice, Peace and Integrity of Creation Group was formed in 2019 as a sub-set of this group, and the Eco Church group has in turn emerged out of the JPIC group.
- The Disability Advisory Group advocates for, reflects on and educates the community in disability and theological issues.

Safeguarding

Safeguarding of children and of adults at risk of harm is our most basic institutional priority. The PCC has complied with its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to the House of Bishops' guidance on safeguarding children and adults at risk of harm). We are grateful to Church Safeguarding Officers Huw Mathias (for the English Congregation) and Ruly Tsang (Chinese Congregation) for their care on this.

Faculty Approvals

A faculty was applied for and granted relating to the Winter Courtyard Festival which, due to external factors, did not go ahead.

Approval of Annual Report

The Annual Report set out on pages 3-15 was approved by the PCC on 3 July 2022.



Revd Dr Sam Wells, Vicar of St Martin-in-the-Fields and Chair of the PCC

**ST MARTIN-IN-THE-FIELDS
PAROCHIAL CHURCH COUNCIL**

Registered Charity Number 1133936

**CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER 2021**

St Martin-in-the-Fields Parochial Church Council
Statement of Trustees' Responsibilities
For the year ended 31st December 2021

The Parochial Church Council (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). Law applicable to Parochial Church Councils in England and Wales requires the PCC members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the PCC and the group and of the group's income and expenditure for the year. In preparing those financial statements the PCC is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the PCC will continue in operation for the foreseeable future.

The PCC members are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the PCC and the group and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Church Accounting Regulations 2006, and the Statement of Recommended Practice "Accounting and Reporting by Charities" which is applicable to charities preparing their accounts in accordance with the "Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), second edition effective 1 January 2019. They are also responsible for safeguarding the assets of the PCC and the group and hence for taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

Independent Auditor's Report to the Members of St Martin-in-the-Fields
Parochial Church Council
For the year ended 31st December 2021

Opinion

We have audited the financial statements of the St Martin-in-the-Fields Parochial Church Council ("the PCC") for the year ended 31 December 2021 which comprise the consolidated Statement of Financial Activities, the group and PCC Balance Sheets, the consolidated Cash Flow statement and the 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 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 group's and the PCC's affairs as at 31 December 2021 and of the group's net movement in funds 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charity (the PCC);
- sufficient accounting records have not been kept; or
- the parent 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.

Independent Auditor's Report to the Members of St Martin-in-the-Fields
Parochial Church Council
For the year ended 31st December 2021

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 17 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 group's and the PCC'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 group or the PCC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risk of non-compliance with laws and regulations related to the regulatory framework for charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and to management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular any unusual entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent Auditor's Report to the Members of St Martin-in-the-Fields
Parochial Church Council
For the year ended 31st December 2021

Use of our report

This report is made solely to the PCC's trustees, as a body, in accordance with section 144 of the Charities Act 2006. Our audit work has been undertaken so that we might state to the PCC'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 PCC and the PCC's trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 16 September 2022

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

St Martin-in-the-Fields Parochial Church Council
Consolidated Statement of Financial Activities
For the year ended 31st December 2021

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | 2021 Total Funds £ | 2020 Total Funds £ |
|--|------|----------------------------|--------------------------|-------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and Legacies | | | | | | |
| Donations from donors | 2 | 240,421 | 0 | 0 | 240,421 | 205,205 |
| Other donations and legacies | 3 | 214,060 | 695,317 | 0 | 909,377 | 931,584 |
| Charitable activities: | | | | | | |
| - to further the Council's objects | 4 | 373,019 | 13,335 | 0 | 386,354 | 126,325 |
| Other trading activities | 5 | 2,278,857 | 0 | 0 | 2,278,857 | 2,591,647 |
| Investments | 6 | 3,118 | 25,566 | 0 | 28,684 | 29,872 |
| Total Income | | <u>3,109,475</u> | <u>734,218</u> | <u>0</u> | <u>3,843,693</u> | <u>3,884,633</u> |
| Expenditure on: | | | | | | |
| Raising Funds | | | | | | |
| Publicity costs | 7 | 2,199 | 0 | 0 | 2,199 | 9,763 |
| Operating costs of trading activities | 5 | 2,366,590 | 0 | 0 | 2,366,590 | 3,187,436 |
| Charitable activities | | | | | | |
| Grants | 8 | 10,485 | 0 | 0 | 10,485 | 5,653 |
| Activities directly relating to the work of the Church | 9 | 952,394 | 650,147 | 0 | 1,602,541 | 1,415,427 |
| Total Expenditure | | <u>3,331,668</u> | <u>650,147</u> | <u>0</u> | <u>3,981,815</u> | <u>4,618,279</u> |
| Net gains on investments | 13 | <u>0</u> | <u>0</u> | <u>142,333</u> | <u>142,333</u> | <u>62,161</u> |
| Net (expenditure)/income | | <u>-222,193</u> | <u>84,071</u> | <u>142,333</u> | <u>4,211</u> | <u>-671,485</u> |
| Transfers between funds | 18 | 374,800 | -174,800 | -200,000 | 0 | |
| Net Movement in Funds | | <u>152,607</u> | <u>-90,729</u> | <u>-57,667</u> | <u>4,211</u> | <u>-671,485</u> |
| Reconciliation of funds: | | | | | | |
| Balance brought forward at 1st January | | <u>-59,967</u> | <u>297,128</u> | <u>1,122,601</u> | <u>1,359,762</u> | <u>2,031,247</u> |
| Balance carried forward at 31st December | | <u>92,640</u> | <u>206,399</u> | <u>1,064,934</u> | <u>1,363,973</u> | <u>1,359,762</u> |

All recognised gains and losses for the year are included in the Statement of Financial Activities.
The results all relate to continuing activities.

St Martin-in-the-Fields Parochial Church Council

Balance sheets

For the year ended 31st December 2021

| | | Group | | PCC | |
|--|------|-------------------|------------------|------------------|------------------|
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Intangible assets | 12 | 0 | 0 | 0 | 0 |
| Tangible assets | 12 | 456,649 | 536,519 | 72,715 | 101,920 |
| Investments | 13 | 691,345 | 1,009,273 | 691,345 | 1,009,275 |
| | | <u>1,147,994</u> | <u>1,545,792</u> | <u>764,060</u> | <u>1,111,195</u> |
| Current Assets | | | | | |
| Stock | | 98,024 | 105,256 | 0 | 0 |
| Debtors | 14 | 505,563 | 320,625 | 320,891 | 122,087 |
| Cash at bank and in hand | | <u>1,100,278</u> | <u>583,986</u> | <u>662,456</u> | <u>395,227</u> |
| | | 1,703,865 | 1,009,867 | 983,347 | 517,314 |
| Liabilities: Amounts falling due within one year | 15 | <u>-1,090,553</u> | <u>-747,980</u> | <u>-161,243</u> | <u>-198,289</u> |
| Net Current Assets | | 613,312 | 261,887 | 822,104 | 319,025 |
| Total assets less current liabilities | | 1,761,306 | 1,807,679 | 1,586,164 | 1,430,220 |
| Liabilities: Amounts falling due after more than one year | 16 | <u>-397,333</u> | <u>-447,917</u> | <u>-64,000</u> | <u>0</u> |
| Net Assets | | <u>1,363,973</u> | <u>1,359,762</u> | <u>1,522,164</u> | <u>1,430,220</u> |
| Funds | | | | | |
| Non-charitable trading reserves | 18 | -158,191 | -70,458 | 0 | 0 |
| Unrestricted | 18 | 250,831 | 10,491 | 250,831 | 10,491 |
| Restricted | 18 | 206,399 | 297,128 | 206,399 | 297,128 |
| Permanent endowment | 18 | <u>1,064,934</u> | <u>1,122,601</u> | <u>1,064,934</u> | <u>1,122,601</u> |
| | 18 | <u>1,363,973</u> | <u>1,359,762</u> | <u>1,522,164</u> | <u>1,430,220</u> |

Approved by the Parochial Church Council and authorised for issue on 3 July 2022

Sam Wells



Vicar

Mel Adams



Churchwarden

Jeff Claxton



Churchwarden

The notes on pages 24 to 40 form part of these financial statements.

St Martin-in-the-Fields Parochial Church Council

Consolidated Cash Flow Statement For the year ended 31st December 2021

| | Group | |
|--|-----------|-----------|
| | 2021 | 2020 |
| | £ | £ |
| Cash flows from operating activities | | |
| Surplus/(Deficit) for the financial year | 4,211 | (671,485) |
| Adjustments for: | | |
| Depreciation of intangible assets | - | 11,962 |
| Depreciation of tangible assets | 73,637 | 77,590 |
| Interest received | (28,684) | (29,872) |
| Interest paid | 3,080 | |
| (Deduct gains) on investments | (142,333) | (62,161) |
| (Increase)/decrease in trade and other debtors | (184,938) | 113,949 |
| Decrease in stocks | 7,232 | 43,473 |
| Increase/(decrease) in trade creditors and other creditors | 245,656 | (353,518) |
| Other movements | 6,494 | - |
| Cash flows from operations | (15,645) | (870,062) |
| Net cash generated from operating activities | (15,645) | (870,062) |
| Cash flows from investing activities | | |
| Purchase (disposal) of tangible assets | - | (320,855) |
| Disposal of investments | 460,000 | - |
| Interest received | 28,684 | 29,872 |
| Net cash from investing activities | 488,684 | (290,983) |
| Cash flows from financing activities | | |
| Receipt of CBIL loan | - | 500,000 |
| Repayment on CBIL Loan | (41,667) | - |
| Interest paid | (3,080) | - |
| Receipt of loan from VGF | 100,000 | - |
| Repayment on VGF Loan | (12,000) | - |
| | 43,253 | 500,000 |
| Net increase/(decrease) in cash and cash equivalents | 516,292 | (661,045) |
| Cash and cash equivalents at the beginning of the year | 583,986 | 1,245,031 |
| Cash and cash equivalents at the end of the year | 1,100,278 | 583,986 |

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

1 Charity Information and Accounting Policies

a) Charity Information

St Martin-in-the-Fields Parochial Church Council (the "PCC") is a charity registered in England and Wales no 1133936. The registered office is 5 St Martin's Place, London WC2N 4JH.

b) Basis of Preparation

The financial statements have been prepared under the current Church Accounting Regulations and in accordance with the current Charities SORP (FRS 102). They have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value.

The financial statements are prepared in sterling (£).

The consolidated accounts include the results, assets and liabilities of the PCC's subsidiary St Martin-in-the-Fields Limited and include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of other charities which have been established to raise funds to support the church and its activities, church groups that owe their main affiliation to another body nor those that are informal gatherings of church members over which the PCC does not have operational or financial control.

The principal areas of estimation uncertainty in the preparation of the accounts relate to the amortisation and depreciation of intangible and tangible fixed assets as set out in the accounting policies below.

The financial statements have been prepared on a going concern basis which applies unless the PCC intended to cease operations or had no realistic alternative to doing so in the foreseeable future. The PCC considers that the going concern basis should be applied and that there are no material uncertainties over its financial viability.

In determining the appropriateness of the going concern basis that PCC has had regard to budgets and expected future cashflows for a period of 12 months from the approval of the accounts to the utilisation of sources of finance which have been already made available to the PCC.

c) Income

Voluntary income and capital sources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under Gift Aid is recognised only when received.

Income tax recoverable on Gift Aid donations is recognised when the donation is recognised.

Grants and legacies to the PCC are accounted for when received or as soon as it is probable that an amount is due.

Funds raised from events are accounted for gross.

Other ordinary income

Rental income from the letting of church premises is recognised when the rental is due.

Income from investments

Dividends and interest are accounted for when receivable. Tax recoverable on such income is recognised in the same accounting year.

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

1 Charity Information and Accounting Policies (continued)

d) Expenditure

Grants

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

Activities directly relating to the work of the Church

The Diocesan Common Fund share is accounted for when payable. Any quota unpaid at 31st December is provided for in the financial statements as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.

Allocation of expenditure

Expenditure is charged directly to the appropriate category under expenditure where possible. Certain items of office overhead costs which cannot be allocated directly are apportioned between the categories on a basis reflecting the estimated split of resources used.

Governance costs

Governance costs comprise statutory compliance including the costs of auditors and legal and professional fees.

e) Fund Accounting

Unrestricted funds are available for use at the discretion of the PCC in the furtherance of its general objectives.

Designated funds are funds set aside by the PCC out of unrestricted general funds for a specific future purpose or projects.

Restricted funds are funds subject to specific restriction imposed by donors or by the purpose of a fundraising appeal and are separately categorised in the notes to the financial statements.

Permanent endowment funds are funds which the donor or the Consistory Court, the court of the bishop in the Diocese of London has stated to be capital.

f) Fixed Assets

Intangible Assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation is provided on the following basis:

| | |
|----------|-------------------------|
| Software | 50% straight line basis |
| Website | 3 years |

Building

The PCC considers that in view of the restrictions inherent in the building and its inextricable link to the church itself, the value in use cannot be quantified in any meaningful way and has therefore made full provision against the costs to date in accordance with "Section 27 of FRS 102 Impairment of Assets".

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

1 Charity Information and Accounting Policies (continued)

f) Fixed Assets (continued)

Consecrated land and buildings

Consecrated and beneficed property is excluded from the accounts by s.10(2) of the Charities Act 2011. All expenditure incurred during the year on consecrated or benefice buildings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

Tangible fixed assets and moveable church furnishings

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets on a straight line basis to write off the cost, less estimated residual value, over their expected useful lives as follows:

| | |
|--|----------|
| Equipment and fittings | 5 years |
| Fixtures and moveable church furnishings | 20 years |

g) Investments

Investments are valued at market value. It is the PCC's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the Statement of Financial Activities only includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year.

h) Current Assets

Amounts owing to the PCC in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

Cash at bank includes short term deposits held either with the CBF Church of England Deposit Fund or at the bank.

Stock is valued at the lower of cost, using the first in first out method, and selling price less cost to complete and sell.

i) Pension Costs

The PCC contributes to the personal pension arrangements of employees through the automatic enrolment scheme. These contributions are charged to the Statement of Financial Activities as they arise. There are no prepaid or accrued contributions at the balance sheet date.

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements

For the year ended 31st December 2021

| 2 | Donations arising from services and congregation | 2021 Unrestricted Funds £ | 2020 Unrestricted Funds £ |
|---|--|------------------------------------|------------------------------------|
| | Planned giving: Gift Aid Covenants and | | |
| | Pledges envelopes | 103,454 | 99,053 |
| | Other donations | 39,905 | 43,360 |
| | Parish giving | 32,530 | 24,162 |
| | Donations via Iknowchurch | 11,835 | |
| | Income tax recoverable on Gift Aid | 21,159 | 23,755 |
| | Collections | 26,543 | 8,007 |
| | Boxes in church | 4,995 | 6,868 |
| | | <u>240,421</u> | <u>205,205</u> |

| 3 | Legacies, other donations and grants | Unrestricted Funds £ | Restricted Funds £ | 2021 Total Funds £ | 2020 Total Funds £ |
|---|--|----------------------------|--------------------------|-----------------------------|-----------------------------|
| | Legacies | 185,250 | - | 185,250 | 3,773 |
| | Other Donations Received | 1,777 | - | 1,777 | 287,858 |
| | Grant for Chinese Congregation project | | 15,000 | 15,000 | |
| | Donations for Sunday International Group | | 12,687 | 12,687 | |
| | Clergy Grant | - | - | - | - |
| | HeartEdge | | 141,311 | 141,311 | 183,946 |
| | Music income | - | 19,070 | 19,070 | 81,240 |
| | Bread for the World | 25 | 95 | 120 | |
| | International | 550 | | 550 | 5,319 |
| | Worship and Spirituality | 32 | - | 32 | 5,186 |
| | Hospitality | 253 | - | 253 | 24 |
| | Education | 20,308 | | 20,308 | 10,840 |
| | Other Grant income | 5,865 | 507,154 | 513,019 | 353,398 |
| | Consolidated total | <u>214,060</u> | <u>695,317</u> | <u>909,377</u> | <u>931,584</u> |
| | License fee received from SMITFL | - | - | - | 33,332 |
| | PCC total | <u>214,060</u> | <u>695,317</u> | <u>909,377</u> | <u>964,916</u> |

The majority of the restricted income reflects grant funding obtained by the St Martin-in-the-Fields Trust for the PCC and gifted onto the PCC. This includes £515,588 from the National Heritage Lottery Fund.

The PCC and SMITFL received £5,865 and £81,931 respectively from the government CJRS scheme. SMITFL also received £3,500 from the National Heritage Lottery Fund, £510,772 from the Arts Council Cultural Recovery Fund and £245,000 from St Martin-in-the-Fields Trust. This grant income for SMITFL is included within 'Other trading activities' on the face of the Consolidated Statement of Financial Activities.

2020 comparative information

| | Unrestricted Funds £ | Restricted Funds £ | 2020 Total Funds £ |
|----------------------------|----------------------------|--------------------------|-----------------------------|
| Legacies | 3,773 | - | 3,773 |
| Other Donations Received | 241,393 | 46,465 | 287,858 |
| Clergy Grant | - | - | - |
| Heart/Edge | - | 183,946 | 183,946 |
| Music income | 10,380 | 70,860 | 81,240 |
| International | 5,319 | - | 5,319 |
| Worship and Spirituality | 5,186 | - | 5,186 |
| Hospitality | 24 | - | 24 |
| Education | 10,840 | | 10,840 |
| Other Grant income | 144,938 | 208,460 | 353,398 |
| Consolidated total: | <u>421,853</u> | <u>509,731</u> | <u>931,584</u> |
| SMITFL Licence | 33,332 | - | 33,332 |
| PCC only: | <u>455,185</u> | <u>509,731</u> | <u>964,916</u> |

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements
For the year ended 31st December 2021

4 Income from Charitable Activities to further the Council's objects

| | Unrestricted Funds | Restricted Funds | 2021 Total Funds | 2020 Total Funds |
|--|--------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Vergers' Fees & Rehearsal Room Hire | 910 | - | 910 | 718 |
| Church Music | 358,510 | 13,075 | 371,585 | 117,509 |
| Special Church Services & Advent Booklet Sales | 13,599 | 260 | 13,859 | 8,098 |
| | <u>373,019</u> | <u>13,335</u> | <u>386,354</u> | <u>126,325</u> |

2020 comparative information

| | Unrestricted Funds | Restricted Funds | 2020 Total Funds |
|---|--------------------|------------------|------------------|
| | £ | £ | £ |
| <i>Vergers' Fees & Rehearsal Room Hire</i> | 718 | - | 718 |
| <i>Church Music</i> | 117,509 | - | 117,509 |
| <i>Special Church Services & Advent Booklet Sales</i> | 7,724 | 374 | 8,098 |
| | <u>125,951</u> | <u>374</u> | <u>126,325</u> |

5 Trading Subsidiary

The PCC, through nominees, owns the whole of the issued share capital of St Martin-in-the-Fields Limited (registered number: 2096693) ("SMITFL"), whose principal activities during the year were those of operating a restaurant, a shop, concert management, venue hire and event catering, the organisation of exhibitions and other retailing activities.

A summary of the results of the subsidiary is shown below:

| | Unrestricted Total 2021 | Unrestricted Total 2020 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Turnover | 1,376,064 | 1,095,294 |
| Cost of sales - stock | (262,515) | (292,562) |
| Cost of sales - other | <u>(591,457)</u> | <u>(1,466,682)</u> |
| Gross Profit | 522,092 | (663,950) |
| Other operating costs | (1,509,376) | (1,460,312) |
| Other income | <u>902,764</u> | <u>1,495,878</u> |
| Operating (loss)/profit | (84,520) | (628,384) |
| Interest receivable | 29 | 475 |
| Interest payable | <u>(3,242)</u> | <u>(1,212)</u> |
| (Loss)/profit before taxation | (87,733) | (629,121) |
| Taxation | - | - |
| Gift Aid distribution to PCC from profits earning in prior periods | - | 0 |
| Accumulated profits brought forward | (70,458) | 558,663 |
| Non-charitable trading reserves | <u>(158,191)</u> | <u>(70,458)</u> |

In 2020 the operating costs of trading activities are stated in the Consolidated Statement of Financial Activities ("CSFA") as £3,187,436. SMITFL expenditures, represented in Note 5 as the costs of sales and other operating items, total £3,220,768. The difference of £33,332 represents the annual license fee charged by PCC to SMITFL, which has been eliminated from the CSFA upon consolidation.

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

| 6 | Income from Investments | Unrestricted Funds | Restricted Funds | 2021 Total Funds | 2020 Total Funds |
|---|--|--------------------|------------------|---------------------|---------------------|
| | | £ | £ | £ | £ |
| | Interest received from: Rysbrack and others | 3,118 | 25,566 | 28,684 | 29,872 |

2020 comparative information

| | Unrestricted Funds | Restricted Funds | 2020 Total Funds |
|--|--------------------|------------------|---------------------|
| | £ | £ | £ |
| Interest received from: Rysbrack and others | 3,999 | 25,873 | 29,872 |

| 7 | Publicity Costs | Unrestricted Funds | Restricted Funds | 2021 Total Funds | 2020 Total Funds |
|---|-----------------------------|--------------------|------------------|---------------------|---------------------|
| | | £ | £ | £ | £ |
| | Church Guides | 2,199 | - | 2,199 | 6,463 |
| | Marketing and Annual Report | - | - | - | 3,300 |
| | | 2,199 | - | 2,199 | 9,763 |

2020 comparative information

| | Unrestricted Funds | Restricted Funds | 2020 Total Funds |
|-----------------------------|--------------------|------------------|---------------------|
| | £ | £ | £ |
| Church Guides | 6,463 | - | 6,463 |
| Marketing and Annual Report | 3,300 | - | 3,300 |
| | 9,763 | - | 9,763 |

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

8 Grants Made

| | 2021 | 2020 |
|----------------------|---------------|--------------|
| | Unrestricted | Unrestricted |
| | Funds | Funds |
| | £ | £ |
| International grants | - | 5,012 |
| Other grants | 10,485 | 641 |
| | <u>10,485</u> | <u>5,653</u> |

A list of grants made is available on request from the PCC office.

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements

For the year ended 31st December 2020

| 9 Activities directly relating to the work of the Church | Unrestricted Funds £ | Restricted Funds £ | 2021 Total Funds £ | 2020 Total Funds £ |
|--|-------------------------|-----------------------|--------------------------|--------------------------|
| Ministry: | | | | |
| Common Fund | 250,766 | 10,000 | 260,766 | 253,428 |
| Clergy expenses | 2,080 | - | 2,080 | 1,311 |
| Altar supplies | 1,005 | - | 1,005 | 1,240 |
| Church running expenses | 38,504 | 352,722 | 391,226 | 43,337 |
| Archive Expenses | - | 229 | 229 | 156 |
| HeartEdge Project | - | 240,089 | 240,089 | 137,171 |
| Church maintenance and repairs | 35,227 | - | 35,227 | 30,362 |
| VGF supported clergy costs | - | - | - | - |
| Special Church Services expenses | 17,213 | - | 17,213 | 43,624 |
| Church Music & Choir Costs | 258,246 | (11,043) | 247,203 | 194,326 |
| Choral Scholars | 24,582 | 25,913 | 50,495 | 36,393 |
| Flowers | - | 683 | 683 | 25 |
| Insurance | 59,259 | 11,836 | 71,095 | 71,630 |
| Sundries | 2,313 | 19,718 | 22,031 | 1,519 |
| Depreciation | 30,160 | - | 30,160 | 22,712 |
| Amortisation | - | - | - | 11,962 |
| Staff costs (including contract staff) | 198,480 | - | 198,480 | 441,721 |
| Staff pension cost | 4,624 | - | 4,624 | 7,181 |
| Recruitment & training costs | 1,863 | - | 1,863 | 3,112 |
| Copyright licence | 1,063 | - | 1,063 | 1,084 |
| IT, digital and remote operating | - | - | - | 61,103 |
| Preparation for re-opening | - | - | - | 30,582 |
| | | | - | |
| International | 15 | - | 15 | - |
| Worship and Spirituality | 5,022 | - | 5,022 | 7,520 |
| Hospitality | 663 | - | 663 | 638 |
| Education | 9,590 | - | 9,590 | 7,041 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 940,675 | 650,147 | 1,590,822 | 1,409,178 |
| Governance Costs (see note 10) | 11,719 | - | 11,719 | 6,249 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 952,394 | 650,147 | 1,602,541 | 1,415,427 |

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements

For the year ended 31st December 2021

Note 9 (continued)

2020 comparative information

| <i>Activities directly relating to the work of the Church</i> | <i>Unrestricted Funds</i> | <i>Restricted Funds</i> | <i>2020 Total Funds</i> |
|---|-------------------------------|-----------------------------|---------------------------------|
| | <i>£</i> | <i>£</i> | <i>£</i> |
| <i>Ministry:</i> | | | |
| <i>Common Fund</i> | 253,428 | - | 253,428 |
| <i>Clergy expenses</i> | 1,311 | - | 1,311 |
| <i>Altar supplies</i> | 1,240 | - | 1,240 |
| <i>Church running expenses</i> | 43,337 | - | 43,337 |
| <i>Archive Expenses</i> | - | 156 | 156 |
| <i>HeartEdge Project</i> | - | 137,171 | 137,171 |
| <i>Church maintenance and repairs</i> | (2,957) | 33,319 | 30,362 |
| <i>Special Church Services expenses</i> | 9,484 | 34,140 | 43,624 |
| <i>Church Music & Choir Costs</i> | 151,004 | 43,322 | 194,326 |
| <i>Choral Scholars</i> | 6,016 | 30,377 | 36,393 |
| <i>Flowers</i> | - | 25 | 25 |
| <i>Insurance</i> | 71,630 | - | 71,630 |
| <i>Sundries</i> | 1,519 | - | 1,519 |
| <i>Depreciation</i> | 22,712 | - | 22,712 |
| <i>Amortisation</i> | 11,962 | - | 11,962 |
| <i>Staff costs (including contract staff)</i> | 372,900 | 68,821 | 441,721 |
| <i>Staff pension cost</i> | 7,181 | - | 7,181 |
| <i>Recruitment & training costs</i> | 3,112 | - | 3,112 |
| <i>Copyright licence</i> | 1,084 | - | 1,084 |
| <i>IT, digital and remote operating</i> | - | 61,103 | 61,103 |
| <i>Preparation for re-opening</i> | - | 30,582 | 30,582 |
| <i>International</i> | - | - | - |
| <i>Worship and Spirituality</i> | 7,520 | - | 7,520 |
| <i>Hospitality</i> | 638 | - | 638 |
| <i>Education</i> | 7,041 | - | 7,041 |
| | <hr/> | <hr/> | <hr/> |
| | 970,162 | 439,016 | 1,409,178 |
| <i>Governance Costs (see note 10)</i> | 6,249 | - | 6,249 |
| | <hr/> | <hr/> | <hr/> |
| | 976,411 | 439,016 | 1,415,427 |
| | <hr/> | <hr/> | <hr/> |

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

10 Governance Costs

| | 2021 | 2020 |
|------------------------------------|--------------------|--------------------|
| | Unrestricted Funds | Unrestricted Funds |
| | £ | £ |
| Professional fees | - | - |
| Bank charges | 724 | 549 |
| Auditors' remuneration - audit fee | 5,000 | 5,700 |
| Other accounting costs | 5,995 | - |
| | <u>11,719</u> | <u>6,249</u> |

The audit fee for St Martin-in-the-Fields Limited is reflected in trading costs and is £8,200+VAT (2020: £7,000 + VAT).

11 Staff Costs

| | 2021 | 2020 |
|---|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,251,563 | 2,181,946 |
| Social security costs | 96,764 | 170,975 |
| Pension costs | 38,410 | 73,039 |
| PCC activities and administration (agency & subcontractors) | - | - |
| | <u>1,386,737</u> | <u>2,425,960</u> |

The average number of employees across the group was 55 (2020: 81) Their payroll costs can be analysed as follows:

| | 2021 | 2020 |
|-----------------------------------|------------------|------------------|
| | £ | £ |
| PCC activities and administration | 286,643 | 457,146 |
| Trading subsidiary | 1,100,094 | 1,968,814 |
| | <u>1,386,737</u> | <u>2,425,960</u> |

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

| | 2021 | 2020 |
|--------------------|--------|--------|
| | Number | Number |
| £60,001 - £70,000 | 2 | 2 |
| £70,001 - £80,000 | 1 | 1 |
| £80,001 - £90,000 | 1 | 1 |
| £90,000 - £100,000 | - | - |

Pension contributions to higher paid staff were £8,625 (2020: £9,921).

Expenses reimbursed to members of the clergy, who are ex-officio PCC members, amounted to £2,080 (2020: £1,311) for various items of expenditure. One PCC member received emoluments or reimbursements of expenses during the year of £nil (2020: £nil) being for administrative services. The total number of clergy and PCC members who were paid expenses was 6 (2020: 6).

The total employee benefits of the key management personnel of the parent charity were £61,610 (2020: £102,425).

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary, St-Martins-in-the-Fields Limited (SMITFL). The employee benefits of the key management personnel of SMITFL were £244,858 (2020: £182,868). The employee benefits of key management personnel of the group were therefore £306,468 (2020: £285,293).

Redundancy payments of £42,553 was paid during the year.

Some PCC staff costs in note 9 have been charged to HeartEdge or other restricted categories and so the total is lower than PCC staff costs in this note.

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

12 Intangible and Tangible Fixed Assets for Use by the PCC

| a) Group | Intangible Assets | Building | Equipment and Fittings | Fixtures and Moveable Church Furnishings | Tangible Assets |
|-----------------------|-------------------|------------|------------------------|--|-----------------|
| | Total | | | | Total |
| Cost | £ | £ | £ | £ | £ |
| At 1st January 2021 | 83,518 | 33,071,464 | 1,584,467 | 96,180 | 34,752,111 |
| Adjustment | - | - | (6,233) | - | (6,233) |
| At 31st December 2021 | 83,518 | 33,071,464 | 1,578,234 | 96,180 | 34,745,878 |
| Depreciation | | | | | |
| At 1st January 2021 | 83,518 | 33,071,464 | 1,061,436 | 82,692 | 34,215,592 |
| Charge for the year | - | - | 71,492 | 2,145 | 73,637 |
| At 31st December 2021 | 83,518 | 33,071,464 | 1,132,928 | 84,837 | 34,289,229 |
| Net Book Value | | | | | |
| At 31st December 2021 | - | - | 445,306 | 11,343 | 456,649 |
| At 31st December 2020 | - | - | 523,031 | 13,488 | 536,519 |
| b) PCC | | | | | |
| | Intangible Assets | Building | Equipment and Fittings | Fixtures and Moveable Church Furnishings | Total |
| | Total | | | | |
| Cost | £ | £ | £ | £ | £ |
| At 1st January 2021 | 61,453 | 33,071,464 | 262,976 | 96,180 | 33,430,620 |
| Additions | - | - | 955 | - | 955 |
| At 31st December 2021 | 61,453 | 33,071,464 | 263,931 | 96,180 | 33,431,575 |
| Depreciation | | | | | |
| At 1st January 2021 | 61,453 | 33,071,464 | 174,543 | 82,693 | 33,328,700 |
| Charge for the year | - | - | 28,015 | 2,145 | 30,160 |
| At 31st December 2021 | 61,453 | 33,071,464 | 202,558 | 84,838 | 33,358,860 |
| Net Book Value | | | | | |
| At 31st December 2021 | - | - | 61,373 | 11,342 | 72,715 |
| At 31st December 2020 | - | - | 88,433 | 13,487 | 101,920 |

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

13 Fixed Asset Investments

| | 2021 | 2020 |
|---------------------------------------|-----------|-----------|
| (a) Group | £ | £ |
| Market value at 1st January 2021 | 1,009,273 | 947,112 |
| Adjustment | (261) | - |
| Disposal of shares | (460,000) | - |
| Revaluation gain | 142,333 | 62,161 |
| Market value at 31st December 2021 | 691,345 | 1,009,273 |
| Historical cost at 31st December 2021 | 256,030 | 435,000 |

All group fixed assets investments are held as endowment funds.

The market values of the principal investments at 31st December 2021 were as follows:

| | 2021 | 2020 |
|---|---------|---------|
| | £ | £ |
| CBF Investment Fund - Income Shares | 573,227 | 908,330 |
| COIF Charities Investment Fund - Income Units | 118,118 | 100,943 |

(b) PCC

In addition to the investments shown above, PCC beneficially owns the share capital of St Martin-in-the-Fields Limited ("SMITFL") which is a company registered in England and Wales number 2096693 (see Note 5).

The share capital of SMITFL of £100 is divided into 100 ordinary shares of £1 each. There are three ordinary £1 shares held by the Vicar and the two Churchwardens on behalf of the PCC. SMITFL being a private company, the shares are not open to subscription from the public, and only the Vicar and Churchwardens may hold a share in the company. The shareholders are responsible for the appointment of the chair of SMITFL and the non-executive directors. Upon retirement from the role of Vicar or Churchwarden, the share transfers to the next Vicar or Churchwarden. SMITFL has been consolidated because it is under the PCC's control.

14 Debtors

| | Group | | PCC | |
|--|---------|---------|---------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade debtors | 163,572 | 61,327 | 95,659 | 27,795 |
| Amounts owed by group and subsidiary undertakings: | | | | |
| Charitable donation | - | - | 2,400 | 18,068 |
| Loan | - | - | - | 3,798 |
| Other | - | - | - | - |
| Amount owed by connected charities | 1,263 | 23,964 | 625 | 295 |
| Other debtors | 301,308 | 109,221 | 201,691 | 3,223 |
| Other taxes and social security | - | - | - | - |
| Prepayments and accrued income | 39,420 | 126,113 | 20,516 | 68,908 |
| | 505,563 | 320,625 | 320,891 | 122,087 |

During 2016, an unsecured loan of £30,000 was made to SMITFL by PCC for the purpose of purchasing three ovens for the cafe. The loan was subject to interest at 3.75% per annum and was repaid by 31st July 2021. The balance outstanding at 31st December 2021 was £nil (2020: £3,798); these figures are included within "Amounts owed by group and subsidiary undertakings".

The amounts owed by connected charities for 2021 relate to St Martin-in-the-Fields Trust (£1,263) and St Martin-in-the-Fields Charity (2,519).

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

| 15 Liabilities: Amounts falling due within one year | Group | | PCC | |
|---|------------------|----------------|----------------|----------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Bank loan | 125,000 | 52,083 | - | - |
| Trade creditors | 372,092 | 132,516 | 31,410 | 41,722 |
| Amounts owed to group and subsidiary undertakings: | | | | |
| Other | - | | 18,923 | 23,383 |
| Amount owed to connected charities | 31,880 | 104,512 | 25,510 | 102,554 |
| Other creditors | 176,428 | 136,488 | 19,664 | 172 |
| Other taxes and social security | 250,820 | 211,654 | 702 | - |
| Accruals and deferred income | 134,333 | 110,727 | 65,034 | 30,457 |
| | <u>1,090,553</u> | <u>747,980</u> | <u>161,243</u> | <u>198,288</u> |

The amounts owed to connected charities for 2021 relate to St Martin-in-the-Fields Trust (£7,423), St Martin-in-the-Fields Charity (£636) and the Vicar's General Fund (£88,000 of which £24,000 is due within one year).

During 2018 an unsecured loan of £50,000 was made to St Martins-in-the-Fields Limited by The Vicar's General Fund for the purpose of the purchase of audio-visual and wi-fi equipment in the Crypt. The loan is subject to interest at 4.25% per annum and was repayed by 30th September 2021. The balance outstanding at 31st December 2021 was £nil (including accumulated interest) (2020: £15,446). The amount due within one year is £nil (2020: £15,446) and is included within "Amount owed to connected charity". For sums due after more than one year see Note 16.

During the year the Vicar's General Fund provided an interest free loan to the PCC of £100,000. The balance outstanding at 31st December 2021 was £88,000 (2020: £nil). The amount due within one year is £24,000 (2020: £nil) and is included within "Amounts owed to connected charity". For sums due after more than one year see Note 16.

| 16 Liabilities: Amounts falling due after more than one year | Group | | PCC | |
|--|----------------|----------------|---------------|-----------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Loan from Vicar's General Fund | 64,000 | - | 64,000 | - |
| CBIL loan (see below) | 333,333 | 447,917 | - | - |
| | <u>397,333</u> | <u>447,917</u> | <u>64,000</u> | <u>-</u> |

During 2020 a secured loan of £500,000 was made to the company by National Westminster Bank plc, supported by the Coronavirus Business Interruption Loan Scheme. The loan is subject to interest at 1.88% over Base Rate and is repayable by July 2025. The balance outstanding at 31st December 2021 was £458,333. The amount due within one year is £125,000 (2020: £52,083).

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements
For the year ended 31st December 2021

17 Analysis of Group Net Assets between Funds

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total £ |
|--|----------------------------|--------------------------|-------------------------|------------------|
| Fund balances at 31st December 2021 | | | | |
| are represented by: | | | | |
| Intangible fixed assets | - | - | - | - |
| Tangible fixed assets | 456,649 | - | - | 456,649 |
| Investments | - | - | 691,345 | 691,345 |
| Net current assets | 33,324 | 206,399 | 373,589 | 613,312 |
| Liabilities falling due after one year | (397,333) | - | - | (397,333) |
| Total net assets | 92,640 | 206,399 | 1,064,934 | 1,363,973 |

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total £ |
|--|----------------------------|--------------------------|-------------------------|------------------|
| Fund balances at 31st December 2020 | | | | |
| are represented by: | | | | |
| Intangible fixed assets | - | - | - | - |
| Tangible fixed assets | 536,519 | - | - | 536,519 |
| Investments | - | - | 1,009,273 | 1,009,273 |
| Net current assets | (148,569) | 297,128 | 113,328 | 261,887 |
| Liabilities falling due after one year | (447,917) | - | - | (447,917) |
| Total net assets | (59,967) | 297,128 | 1,122,601 | 1,359,762 |

18 Statement of Funds

| | At 1st January 2021 £ | Income £ | Expenditure £ | Transfers/ Investment Gains £ | At 31st December 2021 £ |
|------------------------------------|--------------------------------|------------------|--------------------|--|----------------------------------|
| Unrestricted Funds | | | | | |
| General | 6,045 | 830,618 | (965,078) | 200,000 174,800 | 246,385 |
| Designated: | | | | | |
| Austen Williams Room refurbishment | 5,000 | - | - | - | 5,000 |
| Disability Awareness Group | (554) | - | - | - | (554) |
| Total unrestricted funds | 10,491 | 830,618 | (965,078) | 374,800 | 250,831 |
| Restricted Funds | | | | | |
| Maintenance and refurbishment fund | 68,892 | 25,566 | - | - | 94,458 |
| Archive | 2,260 | - | (229) | - | 2,031 |
| Chinese Ministry | - | 15,000 | (10,355) | - | 4,645 |
| Sunday International Group | 45,444 | 12,687 | (21,669) | - | 36,462 |
| St Martin's Voices | (17,499) | 7,570 | 12,315 | - | 2,386 |
| Music development | 18,208 | 11,875 | (2,741) | - | 27,342 |
| Bread for the World | 1,422 | 95 | (260) | - | 1,257 |
| Choral Scholar Grants | 29,510 | 12,700 | (24,434) | (17,776) | - |
| HeartEdge | 102,675 | 141,311 | (239,888) | 17,776 | 21,874 |
| National Lottery Heritage Fund | 29,869 | 507,154 | (362,223) | (174,800) | - |
| Other restricted funds | 16,347 | 260 | (663) | - | 15,944 |
| Total restricted funds | 297,128 | 734,218 | (650,147) | (174,800) | 206,399 |
| Endowment Funds | | | | | |
| <i>Permanent endowment fund</i> | | | | | |
| Rysbrack Bust Fund | 993,069 | - | - | (74,843) | 918,226 |
| Trinity Chapel Fund | 129,532 | - | - | 17,176 | 146,708 |
| Total endowment funds | 1,122,601 | - | - | (57,667) | 1,064,934 |
| Total PCC Funds | 1,430,220 | 1,564,836 | (1,615,225) | 142,333 | 1,522,164 |
| Non-charitable trading reserves | (70,458) | 2,278,857 | (2,366,590) | - | (158,191) |
| Total Group Funds | 1,359,762 | 3,843,693 | (3,981,815) | 142,333 | 1,363,973 |

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

18 Statement of Funds (continued)

Restricted Funds

The Church Maintenance and Refurbishment fund represents accumulated donations and income from the Rysbrack Bust fund, which is restricted to maintenance of the fabric and ornaments of the Church, and also represents the surplus generated by ticketed concerts promoted by the PCC.

The Archive fund is used to support on-going costs for the St Martin's archive.

The Sunday International fund supports the work at St Martin's to assist vulnerable foreign nationals.

The St Martin's Voices fund supports the development of the St Martin's Voices ensemble.

The Music Development fund supports music and choir development within the PCC.

The Bread for the World fund is used for weekly informal Eucharist and fellowship meetings.

The Choral Scholars fund supports the music and education activities of the PCC

The HeartEdge fund supports the activities of St Martin's in building a global membership of churches which engages in activities based upon the themes of compassion, culture, commerce, and congregation.

The National Heritage Lottery Fund has supported the cultural programme of St Martin's, the care of the heritage building and added to the reserves.

Endowment Funds

Rysbrack Bust Fund

At 31st December 2021, the London Diocesan Fund held investments and cash to the value of £918,227 (2020: £993,069) on behalf of the Parochial Church Council following a judgement of the Consistory Court of the Diocese in accordance with agreements proposed on the sale by the Parochial Church Council of the Rysbrack Bust and as amended by a proposal from the Parochial Church Council which the Chancellor of the Diocese was content with. The original terms of the agreement state that once this fund, together with accumulated income, reached the amount of £435,000, the income therefrom would become available for the purposes of maintaining the fabric of the Church. The income payable to the fabric of the Church during the year amounted to £25,566 (2020: £25,873).

The PCC sought approval from the Chancellor of the Diocese to release some of the increase in capital in the Rysbrack Bust Fund and was informed in February 2021 that the Chancellor was content with the PCC's proposal to transfer £528,224 to the PCC's general funds with the remaining £435,000 and future income arising continuing to be held in the Rysbrack Fund in accordance with the original Order made by the Consistory Court of the Diocese.

During the year £500,000 of the Investment Fund was realised. £200,000 was transferred from the endowment fund to the unrestricted fund and £300,000 was transferred to the Deposit Fund within the Rysbrack Fund. At 31 December 2021 a further £328,224 is available to be transferred to the unrestricted fund.

As the PCC is the beneficial owner of these funds, they have been included in the financial statements.

Trinity Chapel Fund

The Trinity Chapel Site Charity, to which the PCC had hitherto been entitled to a proportion of the income, was wound up in 2008 and the capital values distributed to the beneficiaries as a mixture of permanent and expendable endowment under a scheme approved by the Charity Commissioners. The PCC disposed of the invested funds representing the expendable endowment and the endowment funds represent the permanently endowed funds.

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements
For the year ended 31st December 2021

18 Statement of Funds (continued)

2020 comparative information

| <i>Statement of Funds</i> | <i>At 1st January 2020 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers/ Investment Gains £</i> | <i>At 31st December 2020 £</i> |
|------------------------------------|--|---------------------|--------------------------|--|--|
| Unrestricted Funds | | | | | |
| General | 166,965 | 755,049 | (957,606) | 41,637 | 6,045 |
| Designated: | | | | | |
| Austen Williams Room refurbishment | 5,000 | - | - | - | 5,000 |
| Disability Awareness Group | (1,624) | 1,960 | (890) | - | (554) |
| Total unrestricted funds | 170,341 | 757,009 | (958,496) | 41,637 | 10,491 |
| Restricted Funds | | | | | |
| Maintenance and Refurbishment Fund | 99,749 | 25,873 | (56,730) | - | 68,892 |
| Archive | 2,416 | - | (156) | - | 2,260 |
| Sunday International Group | 33,210 | 46,005 | (33,771) | - | 45,444 |
| St Martin's Voices | (560) | 25,860 | (42,799) | - | (17,499) |
| Music Development | 18,208 | - | - | - | 18,208 |
| Bread for the World | 1,417 | 374 | (369) | - | 1,422 |
| Choral Scholar Grants | (2,880) | 62,767 | (30,377) | - | 29,510 |
| HeartEdge | 73,667 | 166,179 | (137,171) | - | 102,675 |
| National Lottery Heritage Fund | - | 208,480 | (136,974) | (41,637) | 29,869 |
| Other restricted funds | 16,576 | 440 | (669) | - | 16,347 |
| Total restricted funds | 241,803 | 535,978 | (439,016) | (41,637) | 297,128 |
| Endowment Funds | | | | | |
| Permanent endowment fund | | | | | |
| Rysbrack Bust Fund | 934,624 | - | - | 58,445 | 993,069 |
| Trinity Chapel Fund | 125,816 | - | - | 3,716 | 129,532 |
| Total endowment funds | 1,060,440 | - | - | 62,161 | 1,122,601 |
| Total PCC funds | 1,472,584 | 1,292,987 | (1,397,512) | 62,161 | 1,430,220 |
| Non-charitable trading reserves | 558,663 | 2,591,646 | (3,220,767) | - | (70,458) |
| Total Group funds | 2,031,247 | 3,884,633 | (4,618,279) | 62,161 | 1,359,762 |

St Martin-in-the-Fields Parochial Church Council

Notes to the financial statements For the year ended 31st December 2021

19 Related Party Transactions

One of the members of the PCC is a trustee of the charity The Connection at St Martin-in-the-Fields. The Connection occupies part of the buildings at St Martin-in-the-Fields and paid a rental charge of £125,000 (2020: £100,000 of rental and related charges) to St Martin-in-the-Fields Limited ("SMITFL").

Two of the members of the PCC are trustees of the St Martin-in-the-Fields Trust. Income received by the Trust which was subsequently gifted onto PCC was £700,775 (2020: £208,460), which included £515,588 from Heritage Lottery Fund. The Trust also gifted £nil (2020: £240,752) to the PCC.

In addition, SMITFL recharged staff costs and management charges of £nil (2020: £11,061) to the Trust.

Two of the members of the PCC are trustees of the 'Bishop Ho Ming Wah Association and Community Centre'. This charity occupies part of the St Martin-in-the-Fields buildings and paid a rental charge in the year to the company of £nil (2020: £2,500).

One member of the PCC is a trustee of The Vicar's General Fund, a charity whose registered office is located at St Martin-in-the-Fields. During 2021 the Vicar's General Fund advanced a loan of £100,000 to the PCC which is disclosed in note 15. The balance outstanding at 31 December 2021 was £88,000 (2020: £Nil).

Appendix A

The Wider St Martin's Community

The following charities are associated with and operate from the same site as the PCC, but they are independent of the PCC and each has its own board of trustees. Charity Commission numbers are in brackets.

Bishop Ho Ming Wah Association and Community Centre (290398)

2021 was about helping those who felt lonely and socially isolated so they could stay connected. The covid pandemic has affected the wellbeing of everyone. Older people of ethnic minority groups are more likely to have experienced the worst of its consequence. For 16 months we were not able to host gatherings at the Community Centre. The befriending service we provided through chats over phone or text messages, though with their limitations, had brought comfort and joy to those in need. Along the way we adapted technology to move some popular activities online, including classes in Chinese painting and Chinese language, games, and health talks. Working remotely has presented new challenges to everyone involved. We were thrilled to reopen the Centre on 4 August to welcome members back. Only about 25% returned for activities in the first five months. We expect the recovery to pre-covid level will take a while. Recognising older people often face many barriers when trying to access technology, we will put more resources into helping individuals who are interested in using technology to support their daily living and wellbeing at home.

An opportunity has presented itself for the Association to provide support to new arrivals from Hong Kong. Over the summer we ran several online workshops offering tips and sharing experience about 'Living in the UK' with satisfactory feedback. An average of 20 attended the themed workshops ranging from finding a home, accessing national health services, making decisions in a new country to understanding taxation for individuals. This work has expanded in 2022 through a 'Work & Culture' series aiming at professionals seeking employment opportunities or entrepreneurs wanting to set up new businesses.

The past year has been the most challenging in the history of the Association. Maintaining income from donations and charitable activities will be difficult due to the pandemic and its effects on the economy and people behaviour. More than ever, we rely on the generosity of our volunteers and donors to drive successful social integration programmes to benefit those in need. Your contributions are vital to make this happen and happen fast. We would be delighted to hear from you if you're able to offer a helping hand. Please contact us at enquiry@bhmwa.com.

The Connection at St Martin-in-the-Fields (1078201)

This year, The Connection continued to deliver its vital services for the hundreds of people sleeping rough and experiencing homelessness from our Resource Centre in Adelaide Street, at St Martin's House in Clapham and until January 2022, at The Bridge – single occupancy hotel rooms from which we worked with people with complex needs. Our innovative Street Engagement Team has continued to go out onto the West End's streets to reach the day-time street population.

The Connection launched its new service model in July 2021, after consultation with staff, partners, clients, volunteers and our colleagues at St Martin's. This focuses our resources where we can be most effective, working intensively with people sleeping rough facing multiple disadvantages. We believe this will better enable people to tackle the underlying causes of homelessness so that a path away from the streets becomes a possibility.

A full programme of recovery groups and activities is now on offer across all services- including employment and training sessions and art therapy groups. Volunteering has returned to The Connection and clients are involved across the organisation – with the people we support taking part in the recruitment of trustees and staff at every level.

Our accommodation services

While night shelters have remained shut since the start of the pandemic, in October 2020 The Connection opened The Bridge, a temporary project providing short-term accommodation and wraparound care. The project ended in January 2022, having supported 45 people to move on to more stable accommodation. We are proud of what our partners, staff and guests of The Bridge achieved, and wish to thank everyone who contributed to this service.

Since then, we have been working with Westminster City Council on proposals for a new, longer-term accommodation service to support people away from the streets. The Connection was also funded by Westminster to offer up to 29 guests support and short-term hotel accommodation in February and March 2022 to keep people safe during the winter months of the pandemic.

Other service developments

We are excited to be working with St Martin's Trust on the 18 Keys project which will eventually transform our supported housing project, St Martin's House, into a service specifically for 18 women with experience of rough sleeping in London. In the meantime St Martin's House has continued to provide support and accommodation for its residents.

Working closely with the South London and Maudsley NHS Trust, The Connection has developed a 'psychological framework' based on the principles and practices of a Psychologically Informed Environment. This will give us a clear consistent way of working with our clients with a strong emphasis on the power of trusting relationships.

This year we have been collaborating with Solace Women's Aid to run the Women's Development Unit to improve understanding of women's experiences of rough sleeping and homelessness and our response. Following research and consultation, its proposed strategy for ending women's homelessness in London was published in March 2022. In autumn 2021, we also launched a new weekly drop-in session at the Resource Centre which is open to anyone who identifies as a woman and is experiencing homelessness in Westminster.

We are incredibly grateful to everyone who has supported our work in 2021/22.

The St Martin-in-the-Fields Trust (110406)

St Martin-in-the-Fields Trust exists to secure the people, programmes and spaces that St Martin's needs to continue to flourish for generations to come. We raise funds to support four key areas of activity: the costs of maintaining and running the historic site in central London, supporting mission and ministry, music with an emphasis on artist development and education and work with homeless and vulnerable people.

As in 2020, our focus in 2021 has been on St Martin's survival during the Covid-19 pandemic. And once again, we have been humbled by the generosity of hundreds of supporters to the Spirit of St Martin's campaign and our Cornerstone Club donors. Their kindness and compassion has meant that we have been able to fund urgent short-term needs as well as invest in new activity developed in response to the changing needs of our congregation, audiences and the wider St Martin's community.

We remain grateful to the National Heritage Lottery Fund for their generous grants through the Cultural Recovery Fund, which enabled our music to keep playing on, to keep St Martin's running and to help us re-open our site safely to visitors with a warm welcome on their return.

In 2021 we made significant grants to the PCC to support core costs of running and maintaining the church, the HeartEdge movement, the music programmes including the Choral Scholars and the St Martin's Voices, the Autumn Lecture Series and the Sunday International Group. A grant was also made to support the welcome activity for arrivals from Hong Kong.

Grants were also made to the St Martin's Charity for new Personal Futures programme and to the Connection at St Martin's for the capital improvements at Adelaide Street. Working with the Connection, we launched a new capital project called 18 Keys, to build a new communal centre for women experiencing homelessness.

With the prolonged nature of the Covid-19 pandemic, the Trust remained focused on recovery and short-term fundraising activity throughout 2021. However it is our intention to re-focus fundraising on longer term capital needs for the site as well as securing funds to reflect the changing nature of the work at St Martin's brought about by the pandemic.

To find out more about our work, please contact the Trust on development@smitf.org or telephone 020 7766 1132.

St Martin-in-the-Fields Charity (261359/1156305)

St Martin-in-the-Fields Charity exists so that everyone has a place to call home. Our supporters enable us to support frontline workers and organisations across the UK. And together, we ensure that everyone experiencing homelessness can secure - and keep - a safe place to live.

For over 95 years the BBC and St Martin-in-the-Fields have partnered to raise support from BBC Radio listeners to help people experiencing homelessness. We were thrilled with the support for the 2021 BBC Radio 4 Christmas Appeal with St Martin-in-the-Fields which raised more than £4.7 million to support our work.

St Martin-in-the-Fields Charity helps people experiencing or at risk from homelessness. The money raised directly supports The Connection at St Martin-in-the-Fields (in 2021 we gave it a grant of £800,000) and also gave grants to more than 7,000 people across the UK through the Vicar's Relief Fund (VRF) and the Frontline Network. In addition, in 2021 we launched the Frontline Fund. This is making over £1.5 million available over three years to organisations which support our vision. Currently funding is going to six projects, based across the four nations of the UK. The projects each focus on supporting people to secure, and keep, a safe place to live. This includes providing access to healthcare, legal advice, and mental health support to help people move on from homelessness.

Appendix B

Groups and Activities at St Martin's

Alongside our regular services and events at St Martin's there are normally lots of activities happening throughout the year. The Covid pandemic has meant that all groups have needed to learn new ways of working but much activity has continued unabated. This list gives just a snapshot of them. Please also look out for opportunities to learn more about what happens and how you can join in. We usually hold a 'Market Place' event and publish a 'Review of Activities' in the autumn. If you have any questions, please contact the Parish Office or ask the PCC person on duty on a Sunday morning.

Governance

PCC, Deanery Synod and Planning Group

Chair/Contact

Vicar and Churchwardens

Activity Groups

Archives

Disability Advisory Group

Education

Global Neighbours

Hospitality

Chair/Contact

Michael Hellyer

Fiona MacMillan

Martin Haigh

Susannah Woodd

Bronwyn Sanders

Liturgical Ministry

Opportunities to support liturgy, by reading, intercessions, serving, etc.

Bellringers

Flower Arrangers

Healing Team

Stewards

Chair/Contact

Sally Hitchiner

Joe Waters

Anne Langley

Sally Hitchiner

Kristine Wellington

Fellowship, pastoral care, spirituality, formation

Archers

Breakfast Group

C-Club and children

Cloak and Being With groups

Club Wednesday

Meditation

Nazareth Community

Oasis

Open Circle

Sunday International Group

Chair/Contact

Michael Moran

Dan Kaszeta and Phyllis SantaMaria

Yen Leung

Sally Hitchiner

Richard Carter

Duncan Roberts

Richard Carter

Anna Warbrick

Sophie Tyler