THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE

England & Wales · Charity number 1134811

Details

Other names	ST GEORGE'S HANOVER SQUARE PCC
Status	Registered
Legal form	Previously excepted
Registered	2010-03-11
Register	View on the Charity Commission register

Contact

Address	St George's Church Hanover Square The Vestry 2a Mill Street London W1S 1FX
Phone	02076290874
Email	parish.administrator@stgeorgeshanoversquare.org
Website	www.stgeorgeshanoversquare.org

Activities

Objects: Promoting in the ecclesiastical parish the whole mission of the Church.

Activities: The charity is a parish of the Church of England.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Religious Activities, Arts/culture/heritage/science
- **Who:** The General Public/mankind

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Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- City Of Westminster

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,037,393	£1,004,002	£4,792,948	5
2023-12-31	£1,619,207	£1,127,529	£4,752,465	5
2022-12-31	£827,810	£1,189,853	£4,699,589	3
2021-12-31	£628,159	£710,938	£4,981,780	3
2020-12-31	£721,399	£677,357	£4,652,430	5

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Trustees

Name	Role	Appointed
ALISTAIR HENRY MILWARD		
ANDREW ALEXANDER JONES		
Benedict John Anthony Clarke		2024-05-19
CHARLES CHAMBERLAIN STEPHENS		2012-10-25
CHARLOTTE SCOTT-MULLINGS		2023-07-26
DIANA MARY DENNIS		2017-04-29
EMMA KATE GODFREY		2022-05-22
GAVIN CHARLES J ARENDT		2024-05-19
GRAHAM EDWARD BARNES		2018-04-25
JANET ST JOHN-AUSTEN		2016-04-27
Jason Jacki Roy Clerico-Pharaoh		2024-05-19
John Crichton		2016-04-27
MARK ANDREW HEWITT		
OLIVER CHUBB		2022-05-22
Rev ALAN ROBERT LENNOX PIGGOT		2017-04-29
Rev Roderick Neil Stephen Leece		
Rev Stephen Paul Losack Coleman		2023-11-12
SIMON JON ROBERTS		2023-05-28
Stewart James Munro		2010-04-28
THE REVD DR ALAN WILLIAM MCCORMACK		2017-01-29

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQ

England & Wales - Charity number 1134811

Accounts

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Charity No 1134811

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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OFFICERS AND ADVISORS

Rector	The Reverend R N S Leece
Priest-in-Charge	The Reverend Stephen Coleman
Correspondence Addresses	St George's Vestry 2A Mill Street London W1S 1FX Grosvenor Chapel Office 24 South Audley Street London W1K 2PA
Bankers	The Royal Bank of Scotland plc London Drummonds Branch 49 Charing Cross London SW1A 2DX CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Auditor	Rothmans Audit LLP Chartered Accountants Chilworth Point 1 Chilworth Road Southampton SO16 7JQ
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT
Parish Reference	0311 - St George's Hanover Square 0311A - Grosvenor Chapel
Charity No	1134811

ANNUAL REPORT

The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square (PCC) has pleasure in presenting its report and the financial statements of the church for the year ended 31st December 2024.

Reference and administrative information

Trustees

The following were trustees from 1st January 2024 to the date of this report.

Mark Andrew Hewitt
The Revd Roderick Neil Stephen Leece
Graham Edward Barnes
The Revd Stephen Coleman
The Revd Dr Alan Robert Lennox Piggot
The Revd Dr Alan William McCormack
Diana Mary Dennis
Janet St John-Austen
George Charles the Earl of Lucan
Charles Chamberlain Stephens
Stewart James Munro
Andrew Alexander Jones
Pamela Yayra Atekpe
Alistair Henry Milward
John Crichton
Oliver Chubb
Emma Kate Godfrey
M C
Simon Jon Roberts
Charlotte Scott-Mullings
Benedict John Anthony Clarke
Gavin Charles J Arendt
Jason Jacki Roy Clerico-Pharaoh (from 24th July 2024)

Council Membership

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. Following the elections of PCC members at the APCM on 19th May 2024, the PCC was constituted as follows:

Rector of St George's, Hanover Square:	The Reverend Roderick N S Leece
Priest-in-Charge of the Grosvenor Chapel:	The Revd Stephen Coleman
Non-stipendiary Assistant Priest at St George's:	The Reverend Dr Alan McCormack
Non-stipendiary Assistant Priest at Grosvenor Chapel:	The Reverend Dr Alan Piggot
Church Wardens:	Mr Mark A Hewitt Mr Graham E Barnes
Grosvenor Chapel Wardens:	Ms Kate Godfrey Mr Oliver Chubb

Deputy Church Wardens:	Mr Alistair Milward Mr Stewart Munro Ms Kate Godfrey Mr Oliver Chubb
Other Elected Members:	Mr George Bingham Mr Andrew Jones Mr Charles Stephens Ms Pamela Atekpe Mr Alistair Milward Mr M C Mr Stewart Munro Mr Simon Roberts Ms Charlotte Scott-Mullings Mr Jason Clerico-Pharaoh (co-opted at the meeting of the PCC on 24th July 2024) Mr Benedict Clarke
Deanery Synod Representatives:	Mr John Crichton Mrs Diana Dennis Mr Gavin Arendt (Chapel representative) Mrs Janet St John-Austen (Chapel representative)
Secretary to the PCC:	Mr John-Paul de Soissons (until 30th April 2024) Mr Matthew Turner (from 1st May to 14th August 2024) Mr Daniel Binder (from 15th August 2024)
Hon. Secretary to the Chapel Committee:	Ms Irene Agnell
Parish Treasurer:	Mr Mark Hewitt
Lay Vice Chairman of the PCC:	Mr Mark Hewitt

Standing Committee: Rector, Church Wardens, (Treasurer), Messrs Alistair Milward & Stewart Munro, the Priest-in-Charge & the Chapel Wardens

Finance & Fundraising Committee: Mr Mark Hewitt (Chairman & Treasurer), Rector, Messrs George Bingham, Stewart Munro, Charles Stephens & Stephen Coleman & Janine Manning (Chapel Treasurer).

Fabric Committee: Mr Graham Barnes (Chairman), Rector, Ms Pamela Atekpe, Messrs Andrew Jones, Alistair Milward, Charles Stephens and Simon Roberts

Grosvenor Chapel Committee: The Revd Stephen Coleman (Priest-in-Charge), The Revd Dr Alan Piggot, Mr Oliver Chubb (Chapel Warden), Ms Kate Godfrey (Chapel Warden), Ms Irene Agnell (Hon Secretary), Ms Janine Manning (Hon Treasurer), Ms Janet St John-Austen (Deanery Synod representative), Mr Richard Hobson (Ex officio), Messrs Rory Gordon, Robert Coleman, Godfrey Barker & Edward Hasted, & Ms Harriet Hedden

Safeguarding Officers:	Mr Graham Barnes (SG's Safeguarding Officer) Mrs Sarah Jackson-Stevens (SG's Children's Champion) Ms Harriet Hedden (GC Safeguarding Officer) Ms Virginia Allel Mazar and Mr Robert Coleman (GC Children's Champions)

Stewardship Records Officers:	Mr John-Paul de Soissons (until 30th April 2024) Mr Daniel Binder (from 15th August 2024) Ms Janet St John-Austen
Electoral Roll Officers:	Mr John-Paul de Soissons (St George's) (until 30th April 2024) Mr Daniel Binder (St George's) (from 15th August 2024) Vacant (Grosvenor Chapel)
Main Office:	The Vestry, St George's Church, 2a Mill Street, London W1S 1FX Tel. 020 7629 0874

Structure, Governance and Management

The Parochial Church Council (PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity.

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

Committees
The Standing Committee is the only committee of the PCC which is required by Law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Three other committees continued to co-ordinate key areas of PCC business. The Finance Committee and the Fabric Committee at St George's, and the Grosvenor Chapel Committee met periodically throughout the year. The Standing Committee met as required.

Appointment and induction of PCC members
PCC members are elected at the Annual Parochial Council Meeting and are eligible for re-election annually.

New PCC members are required to familiarise themselves with the day-to-day running of the Parish which may include an induction to brief them on their legal obligations under charity and church law, the Council and the decision-making processes and the recent performance of the church. They meet key employees and the other PCC members.

Risk assessment policy
The PCC and sub-committees, which meet on a regular basis, consider any risks as and when necessary. From these Committee meetings appropriate recommendations are made to the PCC members. At its meeting on 22nd April 2015 the PCC adopted a comprehensive Risk Register. This analysed governance, existential, financial and operational risks and was able to give details of measures to mitigate all the risks identified.

The Risk Register is reviewed annually and updated as necessary.

The key strategic risks include:

- Substantial damage to buildings and the associated repair costs.
- Failure to generate income.
- Fraud – both internal and external.

To mitigate the risk of substantial damage to the buildings, the PCC maintains a programme of ongoing repairs to the church buildings. The PCC maintains sufficient reserves to cover any urgent repairs, and will seek donations to assist with any major repairs; for example, the PCC received donations to cover the damage sustained to the portico discussed more fully later in these accounts.

The PCC is required to generate income to cover the operations of the churches, including the repair costs as mentioned above. To achieve this the PCC receives income from a wide range of sources, including fees for events, hire costs, rental income, investment income, voluntary donations, and grants.

The PCC ensures its staff are aware of the risks of external fraud and has appropriate approval procedures in place to mitigate the risk of unauthorised bank payments. The PCC prepares quarterly management accounts, which are reviewed by the members for any unexpected transactions.

Organisational policy
The PCC members meet every three months and there are sub-committees covering issues relating to Fabric, Finance, the Grosvenor Chapel and Standing Committee (as required). Other sub-committees are formed as and when required. Administrators are appointed to manage the day-to-day operations of the parish.

To facilitate effective operations, the Parish Administrator and Accounts Clerk at St George's, and the Operations Manager and Chapel Administrator, Chapel Wardens and Honorary Treasurer at Grosvenor Chapel have delegated authority, within the terms of delegation approved by the PCC members, for operational matters including finance, employment and other elements of the charitable work of the parish and its places of worship. As such they are deemed to be Key Management Personnel along with the Rector and Churchwardens and the Priest-in-Charge of Grosvenor Chapel.

The Administrators' remuneration is contained within the costs noted in Note 4 to the Financial Statements. The pay of all staff is reviewed annually and normally increased in accordance with average earnings. No formal bench marking with salaries paid by similar charities is in place. The PCC is committed to paying all staff in excess of the agreed London Living Wage.

As is the case with most churches, the Parish of St George is heavily dependent on the input of volunteers. Key voluntary supporters form the core of the PCC, and their involvement, commitment, and support is vital to the activities and successes of the sub-committees established to support the overall aims and mission of the PCC, throughout the Parish. Additionally, volunteers act as sidesmen, servers, and readers at regular church services, as well as welcoming guests and visitors to both churches, for services and related social gatherings.

Objectives and activities

St George's PCC has the responsibility of co-operating with the incumbent, The Revd Roderick Leece, and the Priest-in-Charge of the Grosvenor Chapel in promoting within and beyond the ecclesiastical parish the whole mission of the Church: spiritual, pastoral, social and ecumenical. It also has responsibilities for maintaining the Church of St George, Hanover Square and the Grosvenor Chapel, South Audley Street. The PCC confirms that it has had due regard to the guidance on public benefit issued by the Charity Commission when planning its objectives and activities for the year.

Policy of the Church
The policy of the Parish is to promote the Gospel of our Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC endeavours to cooperate with the priests in the whole mission of the Church: spiritual, pastoral, social and ecumenical. The strategies it has adopted to fulfil this are to provide regular services of worship, access to the holy sacraments, teaching through the Sunday school and spiritual guidance for the parishioners and visitors to the Parish. The church seeks to be a Christian Community in the catholic tradition of the Church standing as a beacon of faith in the heart of Mayfair, with a welcoming, friendly and supporting congregation.

The number of parishioners on the Church Electoral Roll at the 2024 (2023) APCM was 313 (291), of whom 25 (27) were resident in the parish. These figures break down as follows: St George's Church 154 (144) of whom 7 (7) were resident in the parish; and Grosvenor Chapel, 159 (147) of whom 18 (18) were resident in the parish. The figures for 2023 are in brackets.

The usual Sunday attendance at St George's, during October 2024, was 88 (2023: 60).
At the Grosvenor Chapel the usual Sunday attendance, during October 2024, was 69 (2023: 30).

Special Services held in the year 2024 (2023 in brackets)

	St George's	**Grosvenor Chapel**
Baptisms	15 (10)	6 (3)
Weddings & marriage blessings	13 (6)	5 (9)
Funerals & memorials	4 (7)	4 (6)
Confirmations	1 (1)	0 (0)
Admission to Holy Communion	0 (0)	0 (0)

Review of operations for the year

2024 was once again a busy year for both churches in the parish. Messrs Mark Hewitt and Graham Barnes were re-elected Church Wardens at the Annual Parochial Church Meeting held on 19th May 2024.

As in previous years, St George's remains a net contributor to the Diocesan Common Fund (£61,950 in 2024, £55,692 in 2023). This marks a return to pre-pandemic levels of giving from St George's to the Diocese.

The relationship between the Parish Church and The Grosvenor Chapel continues to strengthen, and a new ecumenical initiative in partnership with the Church of the Immaculate Conception, Farm Street, namely that of day pilgrimages, began with a well-attended trip to Canterbury in September. The main parish pilgrimage to Istanbul took place earlier in September with a good attendance from both churches in the Parish.

The PCC and its subcommittees continued to meet quarterly, each subcommittee meeting shortly before the PCC meetings, with reports then provided to the PCC. The Finance Committee under the chairmanship of Mark Hewitt approved a budget for 2024 and monitored its implementation throughout the year. The Fabric Committee, chaired by Graham Barnes, with Charles Stephens as Deputy Chairman, continued the task of maintaining St George's wonderful building, in particular the ongoing programme of modernisation of the fixed electrical installation, the beginning of a project to evaluate the potential renewal of the lighting system in St George's and the resolution of some defects to the redecoration of the portico ceiling following its partial collapse and repair in 2022-23.

St George's Hanover Square

Neither attendance numbers nor donation income during the year recovered to pre-Covid levels, although following a change of day for the weekday lunchtime communion service in 2023 from Friday to Thursday in response to changing work patterns in Mayfair, a discernible increase in weekday attendances (including at Midday Prayer) has been noted. St George's continued to live stream both the Thursday 1.10pm and Sunday 11.00am services over Zoom.

The programme of events to mark the upcoming Tercentenary of the Parish continued; of particular note was the launch of Dr Francis Boorman's Victoria County History short volume on the Civil Parish 1724-1900 in May.

The link with the parish of Grace Church, Broadway, established in 2023 saw a visit by the Reverend Don Waring of Grace Church to preach at St George's on St George's Day, and a reciprocal visit by the Rector to New York in the autumn.

St George's continues to develop as a concert venue, with a successful London Handel Festival in the spring supplemented by a short autumn series, a continuation of the relationship with Orpheus Sinfonia and the London Firebird Orchestra and the return of the London Bach Festival in October after a pandemic-induced period of abeyance. The three concert series produced and promoted in house continued, namely Morning Calm (for which the PCC is grateful for the financial support of the Civil Trustees of the Hyde Park Place Estate Charity), Mayfair Organ Concerts in collaboration with the Grosvenor Chapel and Hanover Square Lunchtime Concerts, the latter two of which in particular have enjoyed increasing audience numbers through 2024.

2024 saw a marked increase in weddings and wedding blessings from 6 in 2023 to 13, which is much more in line with figures in recent years; also encouraging was a 50% increase in the number of baptisms from 10 to 15.

What is the outlook into the coming year?

11 weddings or wedding blessings are currently booked for 2025, much closer to normal levels of activity.

Concert activity is forecast to continue strongly in 2025, with the London Handel Festival set to return in the spring of 2025, including the annual performance of one of the Bach Passions on Good Friday, and the diary is filling up well for events in the run up to Advent and Christmas 2025.

The PCC continues to keep a tight rein on expenditure.

St George's, Hanover Square School – Following the rapid improvement in St George's, Hanover Square School, evidenced in the Ofsted inspection in late 2023 (which found the school to be at the upper end of 'good' with outstanding for pupils' personal development), the recent SIAMS inspection in March (looking at the school's Christian vision, the provision the school makes because of the vision, its impact – ie how effective the school is in enabling pupils and adults to flourish, and its provision of RE) found the school to be 'shining out as a beacon of light in Mayfair, unwaveringly and conscientiously living out the Christian vision'.

The report continues: 'There is a rich and varied provision of collective worship, including the daily use of meditation. This markedly and positively affects pupils and adults, leading them to flourish spiritually. High quality teaching and depth of learning in religious education (RE) are prioritised by the school. These lead to well-motivated and religiously literate pupils.'

Numbers have improved slightly although the school needs urgently to attract new pupils, and the Governors are working hard to raise funds to secure our financial future. From being a constituent member of a School Partnership, St George's, along with other schools in the current Partnership have voted and agreed to join a new Federation, The Go Shine Church of England Federation, from 1st June 2025.

The Undercroft – During the year, the fit out of the restaurant, as approved by the PCC, was completed according to plan and the space handed over to the Licensee, Undercroft Mayfair Ltd at the end of June. Unfortunately, due to issues relating to their final funding, Undercroft Mayfair Ltd did not begin trading from the space until February 2025. Commercial arrangements with them were amended to reflect this. Despite their best efforts they were unable to make a commercial success of the venture and so the relationship with them ended in September 2025. Agents have been appointed to find a new Licensee and the Board is confident of success in this regard.

The ***Food Voucher*** scheme redeemable at the Cabmens' Shelter café in Hanover Square remained in abeyance throughout 2024, as the café owners have yet to re-open. It is hoped that with the re-opening of the café, we will be able to re-launch the scheme.

Grosvenor Chapel

2024 was the first full year with the new Priest-in-Charge, Fr Stephen Coleman, in post. The high point of the week is the 11am Sung Eucharist, which has seen a growth in attendance over the course of the year. The musical provision, under the leadership of Richard Hobson, Director of Music, is valued hugely by regular members of the congregation and visitors alike. The Sunday Club, for children during the 11am Sung Eucharist, was re-established fortnightly under the leadership of Lydia Fernandez, with around ten children in attendance. Holy Week, Easter, and Christmas were high points with an orchestra accompanying the Grosvenor Chapel Choir on Easter Day, and a large number of institutions using the Chapel for their Carol Services and Christmas Concerts. It was a particular privilege to welcome Her Majesty the Queen for the Memorial Service of Lord Hindlip in June, and to welcome back His Royal Highness the Duke of Gloucester to the National Churches Trust Carol Service in December.

The social and community life of the Chapel has been reenergised this year. Refreshments are served after each Sunday Sung Eucharist, three is a monthly coffee morning, and there have been various special social occasions throughout the year which have all helped to build the community and welcome newcomers. The year has also been marked with increased collaboration with both St George's and Farm Street, which included a joint ecumenical pilgrimage to Canterbury in September.

The Chapel Committee meets regularly to discuss finance, safeguarding, fabric matters, and the missional and community life of the Chapel. The year has seen the establishment of a new Social Committee and the reestablishment of the Fabric Committee which are currently working on various projects including the refurbishment of the Chapel rooms and kitchen, a new flower stall, a new boiler for the Chapel rooms, and the repair of the clock. Both of these committees report to the main Chapel Committee.

The Priest-in-Charge would like to express his grateful thanks to all who have made him and his family so welcome at the Chapel. He is grateful to all who volunteer in many and various ways, and special thanks are due to Richard Hobson, Director of Music, Kate Godfrey and Oliver Chubb the Chapel Wardens, and Rosslyn Okumu the Operations Manager and Chapel Administrator. There is much to thank God for in 2024, and Grosvenor Chapel can look forward to 2025 with confidence and hope.

Financial review

Following on from last year, these accounts are presented on a consolidated basis, reflecting not only St George's and Grosvenor Chapel, but also including the results of the St George's Hanover Square Foundation and SGHS Enterprises. During the year, revenue was significantly lower than in 2023 reflecting the extraordinary donations received during 2023 in relation to the portico repairs. Increases in both investment income and income from church activities rose compared to 2023 partially offset this reduction, as can be seen in Note 3 of these accounts.

The parish is dependent on funding from charitable trusts, regular giving by members of the congregation, income from events and special services, and income generated by investments, rental properties, room hire and parking bays plus occasional legacies. The PCC does not currently anticipate specific factors likely to have a negative effect on future performance.

During the year the decision was taken to sell one of the properties owned by the PCC to reduce the outstanding loan balance on funds used to redevelop the Undercroft over many years. This was considered to be in the charity's best interest mindful of the high interest rates, which far exceeded any prior expectations. This transaction completed on 9th December 2024 and the funds were immediately used to reduce the loan. As a result of this, having an accurate practical value of the properties held, a charge was taken during the year of (£13,245), to ensure our investments are held at market value. This is an accounting adjustment and not a cash movement.

As a direct result of all these factors, before the non-cash effects of revaluation of the Parish's investments, 2024 saw a net surplus of income over expenditure of £33,391. Following the adjustment to the carrying value of our investments, shown in Note 9 below, the results for the year showed a net surplus of £66,883. As a result of this, the Balance Sheet saw an improvement of £66,883.

Investment policy

It is the Church's policy to invest funds with the CBF Church of England Investment Fund (and with M&G Securities Charifund until 30th August 2024, when a transfer to an alternative fund was required by the Diocese of London due to its Ethical Investment Policy).The Church has made such investments to generate a return and has no social investments currently in place. During the year, we saw a marginal fall in the value of the quoted investments, which closed the year at £1,069,942.

As a long-term investor, the PCC has no plans to change its investment policy, and details of the assets held can be found in Note 9 to these accounts.

Reserves policy

The Council considers that it is appropriate to maintain a level of income reserves equivalent to approximately six months' expenditure of unrestricted funds in order to meet its needs, including its legal and constructive obligations.

Following both the surplus of income over expenditure recorded in the year and the net increase in the investments, both detailed above, during the course of the year under review the total reserves increased from the previous year and stood at £4,792,948 of which £4,516,139 is set aside for restricted and endowment purposes. Of these, £3,067,588 is included in the Rector and Churchwardens' Property Fund, which could be realised on the disposal of investment properties, and the Endowment Fund of £1,012,414, which could be realised on the disposal of the CBF Church of England Investment Fund income units.

The level of unrestricted free funds at the year end, shown in Note 16 below, amounted to assets of £276,809 (2023: £416,481) (including investments).

Related parties

The ***Hyde Park Place Estate Charity*** is a grant making charity. The Rector, the Revd R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity.

The St George's Hanover Square Foundation, is a charity whose objective is the repair, restoration and enhancement of St George's Church Hanover Square. The Rector, the Revd. R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity. The activity of this charity is consolidated into these accounts.

SGHS Enterprises Limited, is a company registered in England and Wales (number 10023760) and is the trading arm of the PCC. The activities of this company have been the restoration of the fabric of St George's Undercroft. This process is now complete and the space has been handed over to Undercroft Mayfair Ltd, under Licence, who started trading as a restaurant from the space in February 2025. The Revd R N S Leece, Mr W M C Beckett, and Mr M A Hewitt are Directors of this company. The Church has made loans to this company during the year. The activity of this company is consolidated into these accounts.

Details of transactions taking place between the Church and its related parties, including the St George's Hanover Square Foundation, the Hyde Park Place Estate Charity and SGHS Enterprises Limited are shown in Note 13 to the financial statements.

Plans for the future

The main focus at the start of 2025 was preparations for the tercentenary celebrations of St George's. These culminated in a weekend of celebration in the middle of March, including a concert on the Saturday evening and two services of thanksgiving on Sunday 23rd March. Attendance at the two services totalled 580.

Booking levels for concerts and weddings in 2025 are encouraging.

Ongoing plans include further development of our links with Grace Church, Broadway, Manhattan with our Rector visiting them in February 2025, and a reciprocal visit from them planned for June 2025.

Both elements of the Parish continue to concentrate on their mission to the community in which they are situated.

Trustees' Responsibilities Statement

The PCC members, who are the trustees of the charity, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law 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 church and of its financial activities for that period. In preparing those financial statements, the PCC members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the church will continue.

The PCC members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and enables them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the PCC members are aware:

- there is no relevant audit information of which the charity's auditors are unaware;
- and the PCC members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE COUNCIL

Dated: *20 October 2025*



M A Hewitt
Church Warden

INDEPENDENT AUDITOR'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE

Opinion

We have audited the consolidated financial statements of The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square ('the parent") and its subsidiaries ('the group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 of the parent's affairs as at 31 December 2024 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 and parent's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent; or
- the parent's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 12 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 and the parent'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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

The objectives of our audit, in respect of fraud or error are:

- To identify and assess the risks of material misstatement of the financial statements due to fraud.
- To obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses.
- To respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.
Our approach was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from experience with other not for profit entities;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, data protection, anti-bribery, employment and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the valuation of investments, the consolidation of the group entities, the recognition of income and the override of controls by management. To address the risk of fraud in these areas, we:

- reviewed material sources of income, including investment income, and compared expected income to that recorded in the financial statements;

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and

investigated the rationale behind significant or unusual transactions
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

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



Rothmans Audit LLP, Statutory Auditors
Chartered Accountants
Chilworth Point
1 Chilworth Road
Southampton
SO16 7JQ

Date: 21 October 2025

Rothmans Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2024	Unrestricted Funds as restated	Restricted Funds as restated	Endowment Funds as restated	Total Funds 2023 as restated
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	*3a*	285,108	155,633	-	**440,741**	443,970	442,927	-	**886,897**
Investment income	*3b*	165,081	56,611	-	**221,692**	126,589	67,160	-	**193,749**
Church activities income	*3c*	236,736	-	-	**236,736**	197,172	-	-	**197,172**
Other income	*3d*	138,224	-	-	**138,224**	341,389	-	-	**341,389**
Total income		**825,149**	**212,244**	**-**	**1,037,393**	**1,109,120**	**510,087**	**-**	**1,619,207**
Expenditure on:									
Church activities expenditure	*4a*	748,450	29,036	-	**777,486**	714,910	259,521	-	**974,431**
Raising funds	*4b*	207,348	19,168	-	**226,516**	150,698	-	-	**150,698**
Total expenditure		**955,798**	**48,204**	**-**	**1,004,002**	**865,608**	**259,521**	**-**	**1,125,129**
Gain/(Loss) on revaluation of investment property	*9*		(13,245)	-	**(13,245)**	-	(293,116)	-	**(293,116)**
Gain/(Loss) on investments		257	-	46,480	**46,737**	4,836	-	(23,243)	**(18,407)**
Net income/(expenditure) Income before transfers		**(130,392)**	**150,795**	**46,480**	**66,883**	**248,348**	**(42,550)**	**(23,243)**	**182,555**
Transfer of funds		(9,281)	9,281	-	**-**	(153,028)	153,028	-	**-**
Net movement in funds		**(139,673)**	**160,076**	**46,480**	**66,883**	**95,320**	**110,478**	**(23,243)**	**182,555**
Reconciliation of funds:									
Total funds brought forward		416,482	3,343,649	965,934	**4,726,065**	321,162	3,233,171	989,177	**4,543,510**
Total funds carried forward		**276,809**	**3,503,725**	**1,012,414**	**4,792,948**	**416,482**	**3,343,649**	**965,934**	**4,726,065**

All activities are continuing. There were no recognised gains or losses other than those shown above.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2024

	Notes	Group 2024	Charity 2024	Group 2023 as restated	Charity 2023 as restated
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8	2,562,470	46,223	2,042,085	54,515
Investments	9	2,605,411	2,605,411	4,122,175	4,122,175
		5,167,881	**2,651,634**	**6,164,260**	**4,176,690**
LONG TERM DEBTORS	10	-	2,973,862	-	2,294,868
CURRENT ASSETS					
Debtors	10	182,618	74,210	76,537	73,531
Short term deposits		48,941	48,941	46,475	46,475
Cash at bank and in hand		745,793	401,635	715,187	347,336
		977,352	**524,786**	**838,199**	**467,342**
CREDITORS: amounts falling due within one year	11	(1,206,052)	(1,196,714)	(2,129,994)	(2,125,226)
Provisions	12	(2,623)	(2,623)	(2,400)	(2,400)
NET CURRENT ASSETS		**(231,323)**	**(674,551)**	**(1,294,195)**	**(1,660,284)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,936,558**	**4,950,945**	**4,870,065**	**4,811,274**
CREDITORS: amounts falling due more than one year	11	(120,000)	-	(120,001)	-
Provisions	12	(23,610)	(23,610)	(24,000)	(24,000)
NET ASSETS	14	**4,792,948**	**4,927,335**	**4,726,064**	**4,787,274**
FUNDS:					
Unrestricted funds	16	276,809	411,196	416,481	477,691
Restricted funds	15	3,503,725	3,503,725	3,343,649	3,343,649
Endowment funds	15	1,012,414	1,012,414	965,934	965,934
		4,792,948	**4,927,335**	**4,726,064**	**4,787,274**

Charity's surplus for the financial year 2024: £164,915 2023: £111,685.

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



M A Hewitt, Church Warden

20 October 2025

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	£	£	£	£
Cash (used in) operating activities (see below)		11,747		363,341
Cash flows from investing activities				
Interest and dividends received	56,920		65,243	
Payments to acquire tangible fixed assets	(530,423)		(195,135)	
Payments to acquire investments	(1,025,000)		-	
Proceeds from disposal of investments	2,575,256		-	
Cash provided by investing activities		**1,076,753**		**(129,892)**
Cash flows from financing activities				
Repayment of loan	(1,535,468)		(18,000)	
Increase in loan	480,040		25,000	
Cash provided by financing activities		**(1,055,428)**		**7,000**
Net cash (outflow)		33,072		240,449
Cash and cash equivalents at 1 January 2024		761,662		521,213
Cash and cash equivalents at 31 December 2024		**794,734**		**761,662**
Cash flows from operating activities:				
Net income/(expenditure)		66,883		180,155
Interest and dividends received shown in investing activities		(56,920)		(65,243)
Interest accrued on loan		131,187		120,836
Depreciation		10,038		8,391
Unrealised (gain)/loss on revaluation of investment property		13,245		293,116
Unrealised (gain)/loss on revaluation of investments		(46,737)		18,407
(Increase)/decrease in debtors		(106,081)		96,244
Increase/(decrease) in creditors		300		(18,374)
Increase/(decrease) in provisions		(168)		(270,191)
Cash (used in) for operating activities		**11,747**		**363,341**

Analysis of changes in net debt	As at 1 January 2024	Cash flows	Non-cash changes	As at 31 December 2024
Cash and cash equivalents				
Cash	715,187	30,606	-	745,793
Short term deposits	46,475	2,466	-	48,941
Total Cash and cash equivalents	**761,662**	**33,072**	**-**	**794,734**
Borrowings				
Loans falling due within one year	(2,025,263)	1,055,428	(131,187)	(1,101,021)
Total Net Debt	**(1,263,601)**	**1,088,500**	**(131,187)**	**(306,287)**

Exemption has been claimed from producing an individual cash flow statement in accordance with FRS 102.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 NATURE OF ENTITY

The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square is (PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity registered in England and Wales. The registered office address is The Vestry, 2a Mill Street, London, W1S 1FX.

2 ACCOUNTING POLICIES

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

Basis of preparation
The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). They have been prepared on the accruals basis and under the historical cost convention except for the valuation of investments, which are shown at fair value. The PCC meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The presentation currency of the financial statements is the Pound Sterling (£).

Going concern
The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square (And The Grosvenor Chapel) (the PCC) has reviewed the circumstances of the Church and considers that adequate resources continue to be available to meet its financial obligations as they fall due in the coming 12 months.

In light of the above, based on the most recent budgeting exercise, the PCC has not identified any material uncertainties with respect to going concern, and believes that there will be adequate resources available to fund the activities of the Church for the foreseeable future. The PCC is therefore of the view that the Church is a going concern.

Significant judgements and estimates
Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for trustees to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statement and the reporting amounts of income and expenses during the year. Actual outcomes could differ from those estimates and assumptions used. The accounting judgements and estimates that could have significant impact on the results of the charity are set out below and should be read in conjunction with the information provided in the Notes to the financial statements:

<u>Critical Judgements</u>
• Management determine whether financial instruments are basic or advanced and when to deal with recognising, derecognising, measuring and disclosing financial instruments. These decisions depend on an assessment made of the accounting standards.

2 ACCOUNTING POLICIES (continued)

Significant Estimates
• To determine the fair value of the charity's investment assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
• To determine whether there are indicators of impairment of the charity's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Group financial statements
The financial statements consolidate the results of the charity and its wholly controlled subsidiaries, The St George's Hanover Square Foundation and SGHS Enterprises Limited, on a line by line basis.

Funds
General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Funds designated by the PCC for a specific purpose are also unrestricted.

Restricted funds are those subject to specific trusts, which may be declared by the donor or with their authority. The restricted funds of the PCC, are restricted income funds which are expendable at the discretion of the PCC in furtherance of some particular aspects of the activities of the church.

A permanent endowment fund is a particular type of restricted fund which must be held permanently.

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

Income
Donations and legacies
- Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.
- Conditional grants receivable are recognised as restricted income on the date the contract agreement is signed, reflecting the full amount expected to spend or claim by the end of the grant period.

Income from investments
- Interest and dividends from investments are accounted for when receivable.
- Rental income from the letting of investment properties is recognised in accordance with the terms of the rental leases when the rental is due.

Other trading activities and other income
- The churches charge fees for events held in the churches, which are recognised when the event takes place.
- The churches also hire out a number of spaces including various rooms, car parking spaces, the undercroft, and a site for a telephone mast, and income is recognised in accordance with the licencing agreements, over the period of hire.
- The PCC makes claims through the Listed Places of Worship VAT recovery scheme, which is recognised in the period the related expenditure is incurred.

2 ACCOUNTING POLICIES (continued)

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

Expenditure is allocated to the activities the Charity undertakes in proportion to the level of resources used by each activity. During the current and previous years all expenditure has related to the single activity of furthering the Mission of the PCC.

Church activities

- Gifts and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.
- The diocesan parish quota is accounted for when payable. Any quota unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.
- All costs in support of achieving the church's objectives are accounted for in this category. This includes governance costs which represent all costs in ensuring that the church complies with all legal and regulatory requirements that are relevant to it.

Fixed assets
Consecrated land and buildings and movable church furnishings
Consecrated or beneficed property is excluded from the accounts by section 10(2)(a) of the Charities Act 2011. Movable church furnishings held by the Rector and Church Wardens on special trust for the PCC and which require a faculty for disposal, are accounted as inalienable property unless consecrated. They are listed in the Church's Inventory which can be inspected (at any reasonable time). For inalienable property acquired prior to 31 December 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. All expenditure incurred during the year on consecrated or benefice buildings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings and office equipment and ministry equipment
Equipment used within the church premises is depreciated on a straight-line basis over 4 to 5 years with the exception of a boiler which is depreciated over 20 years. Individual items of equipment with a purchase price of £250 or less are written off when the asset is acquired. The piano is depreciated on a straight-line basis over 10 years. Valuables are not depreciated, but reviewed for impairment.

Undercroft development & furniture
The group has developed the Undercroft of the church for use as a restaurant under a licence agreement. These improvements to the Undercroft are being depreciated on a straight line basis over 50 years. Furniture purchased for the Undercroft is depreciated on a straight line basis over 10 years.

Investments
Investments include investment shares in the Central Bond of Finance of the Church of England and M&G Securities Charifund income units (together the "portfolio investments") and one investment property. Portfolio investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The charity does not acquire put options, derivatives or other complex financial instruments. Investment properties are valued on an open-market basis by the trustees at the year-end based on available market data.
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2 ACCOUNTING POLICIES (continued)

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on portfolio investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Impairment Reviews

Investments and fixed assets are reviewed regularly by the trustees for any indications of impairment. If there are any indications of impairment of an asset the trustees determine a reasonable value for the asset to be written down to based on available market information, or based on expected future cash flows according to the nature of the asset and information available.

Current assets
Income tax recoverable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is included when the charity is entitled to funds and the amount can be reliably measured. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit. Cash and cash equivalents comprise the Cash at bank and in hand and short term deposits as shown on the consolidated balance sheet.

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

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

Taxation
The PCC is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Charity's activities are exempt from VAT and accordingly irrecoverable VAT is charged to the Statement of Financial Activities when incurred and included within the expenditure category to which it relates or capitalised under tangible fixed assets if relating to capital expenditure. The charity is however eligible to recover VAT relating to repairs of over £1,000 to listed buildings used as places of worship by way of a grant under the Listed Places of Worship grant scheme and receipts from this are treated as other income as described above.

The results of SGHS Enterprises Limited, a trading subsidiary, are include in the consolidated accounts. This company is registered for VAT, so income and expenditure relating to that entity is presented net of VAT.

2 ACCOUNTING POLICIES (continued)

Pension costs and other post-retirement benefits
The charity has committed to paying a pension of £2,623 per annum, adjusted for inflation, to the rector on his retirement. A provision has been included to reflect this. The Charity also operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund.

Provisions
The charity recognises provisions in accordance with the Charities SORP (FRS 102), Section 7: Recognition of Expenditure, and the underlying principles of FRS 102. A provision is recognised when the charity has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3 INCOME

		Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total £	2023 Total £
a]	**Donations and legacies**					
	Gift Aid and tax recoverable	15,716	-	-	15,716	40,235
	Collections	23,111	1,341	-	24,452	31,764
	Grants	125,852	102,444	-	228,296	222,030
	Donations	120,162	51,848	-	172,010	592,868
	Legacies	267	-	-	267	-
		285,108	155,633	-	440,741	886,897
b]	**Investment income**					
	Interest	10,585	-	-	10,585	7,690
	Dividends	-	46,335	-	46,335	57,553
	Rents receivable	154,496	10,276	-	164,772	128,506
		165,081	56,611	-	221,692	193,749
c]	**Church activities**					
	Fees	56,538	-	-	56,538	41,225
	Music and concerts	63,230	-	-	63,230	52,784
	Church Hall lettings	49,168	-	-	49,168	29,738
	Flower stall and car parking	67,800	-	-	67,800	73,425
		236,736	-	-	236,736	197,172
d]	**Other income**					
	Cost recoveries	129,404	-	-	129,404	237,016
	VAT recoverable	5,907	-	-	5,907	98,432
	Other income	2,913	-	-	2,913	5,940
		138,224	-	-	138,224	341,389
	Total income	**825,149**	**212,244**	**-**	**1,037,393**	**1,619,207**

4 EXPENDITURE

		Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
a]	**Church activities**				
	Direct costs				
	Ministry: Diocesan quota	111,000	-	111,000	117,692
	Ministry: Rector's & verger's accommodation	7,985	10,839	18,824	32,925
	Church running costs	153,497	6,161	159,658	93,435
	Church maintenance	100,013	7,709	107,722	364,258
	Choir and organist	137,273	3,670	140,943	136,603
	Staff and other staff related costs	186,041	-	186,041	153,739
	Other giving	221	657	878	3,895
	Total direct costs	696,030	29,036	725,066	902,547
	Support costs				
	Office running costs	18,759	-	18,759	17,754
	Accountancy fees	14,082	-	14,082	19,529
	Audit fees	15,319	-	15,319	17,592
	Professional fees	4,260	-	4,260	17,009
	Total support costs	52,420	-	52,420	71,884
		748,450	29,036	777,486	974,431
b]	**Raising funds**				
	Investment property costs	59,693	-	59,693	29,862
	Loss on disposal of investment property	-	19,168	19,168	-
	Undercroft Depreciation	16,548	-	16,548	-
	Loan interest (HPPEC loan)	131,107	-	131,107	120,836
		207,348	19,168	226,516	150,698
	Total expenditure	**955,798**	**48,204**	**1,004,002**	**1,125,129**

Governance costs comprise audit and accountancy fees and totalled £29,401 (2023: £37,121).

Other giving made mainly comprises the onwards transmission of Special Offerings and Homelessness Vouchers received.

4 EXPENDITURE (continued)

Total expenditure is stated after charging:

	2024 £	2023 £
Auditor's remuneration in respect of auditing the accounts	12,766	14,660
Auditor's remuneration in respect of non-audit related compliance services	3,406	3,275
Depreciation charges for the year	23,695	8,391
	39,867	29,258

5 Settlement agreement

During the year an amount was accrued in respect of a settlement payment to a former employee, to the sum of £4,243. This amount has been allocated to the general fund.

6 STAFF COSTS

	2024	2023
	£	£
Total staff costs comprise the following:		
Wages and salaries	130,092	115,733
Social security costs	6,438	5,564
Pension costs	2,823	2,380
Other staff costs	46,688	30,062
	186,041	**153,739**
Average numbers of employees by headcount	4	5
During the year none of the employees were paid more than £60,000		
Aggregate employee benefits of the Key Management Personnel were	40,588	58,039

7 TRUSTEES' REMUNERATION AND EXPENSES

During the year the rector, Roderick Leece was paid £2,651 (2023: £2,736) in respect of parochial fees due in accordance with the policies of the Church of England. During the year Pamela Atekpe (£1,049 (2023: £264)), Simon Roberts (£295 (2023: £505)) and Charles Stephens (£nil (2023: £603)) were paid for providing verger cover.

Out of pocket expenses were reimbursed to trustees as follows:

	2024		2023	
	£	No. of trustees	£	No. of trustees
Rectory costs	7,535	1	5,191	1
Travel	6,462	1	3,525	2
Subsistence & office costs	7,748	3	3,937	3
Gift	35	1	1,756	3
	21,780		**14,410**	

8 TANGIBLE FIXED ASSETS

Group	Ministry equipment	Valuables	Piano	Computer equipment	Fixtures & Fittings	Undercroft Furniture	Undercroft Development	Total
	£	£	£	£				£
COST								
Brought forward 1 January 2024	56,683	7,435	15,250	5,982	11,563	-	1,987,570	2,084,483
Additions	-	-	-	-	-	52,384	494,587	546,971
Disposals	-	-	-	-	-	-	-	-
Carried forward 31 December 2024	**56,683**	**7,435**	**15,250**	**5,982**	**11,563**	**52,384**	**2,482,157**	**2,631,454**
ACCUMULATED DEPRECIATION								
Brought forward 1 January 2024	17,228	-	15,250	4,137	5,781	-	-	42,397
Charge for the year	4,786	-	-	615	2,891	1,747	16,548	26,587
Depreciation on disposal	-	-	-	-	-	-	-	-
Carried forward 31 December 2024	**22,015**	**-**	**15,250**	**4,752**	**8,672**	**1,747**	**16,548**	**68,984**
Net book value – 31 December 2024	**34,668**	**7,435**	**-**	**1,230**	**2,891**	**50,637**	**2,465,609**	**2,562,470**
Net book value – 31 December 2023	**39,454**	**7,435**	**-**	**1,845**	**5,781**	**-**	**1,987,570**	**2,042,085**

8 TANGIBLE FIXED ASSETS (continued)

Charity	Ministry equipment	Valuables	Piano	Computer equipment	Fixtures & Fittings	Total
	£	£	£	£		£
COST						
Brought forward 1 January 2024	56,683	7,435	15,250	5,982	11,562	96,912
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Carried forward 31 December 2024	**56,683**	**7,435**	**15,250**	**5,982**	**11,562**	**96,912**
ACCUMULATED DEPRECIATION						
Brought forward 1 January 2024	17,228	-	15,250	4,137	5,781	42,396
Charge for the year	4,786	-	-	615	2,891	8,292
Depreciation on disposal	-	-	-	-	-	-
Carried forward 31 December 2024	**22,015**	**-**	**15,250**	**4,752**	**8,672**	**50,688**
Net book value – 31 December 2024	**34,668**	**7,435**	**-**	**1,230**	**2,891**	**46,223**
Net book value – 31 December 2023	**39,454**	**7,435**	**-**	**1,845**	**5,781**	**54,515**

The Church also owns 2 charitable properties which are shown at £nil (2023: £nil).

9 INVESTMENTS

	Investment property	Quoted investments	Total
	£	£	£
Market value at 1 January 2024	**3,100,000**	**1,022,175**	**4,122,175**
Additions	5,336	1,019,663	1,024,999
Disposals	(1,555,336)	(1,019,920)	(2,575,256)
Unrealised gain / (loss)	-	48,024	48,024
Gain/(loss) on revaluation of investment property	(14,531)	-	(14,531)
Market value at 31 December 2024	**1,535,469**	**1,069,942**	**2,605,411**

There were no additions or disposals of investments in the year.

Investments comprise the following:-	**2024** **£**
Investment shares in the Central Bond of Finance of the Church of England	1,069,942
Flat 7 Grosvenor Hill Court, 15 Bourdon Street, London, W1	1,535,469
	2,605,411

The flat at 7 Grosvenor Hill Court was re-valued on an open-market basis as at 31 December 2024 by the trustees.

The quoted investments were valued on an open market basis according to the available market data.

10 DEBTORS

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Debtors due after more than one year:				
Amounts owed by SGHS Enterprises	-	2,973,862	-	2,294,868
Debtors due in less than one year:				
Prepayments and accrued income	46,603	40,576	58,582	44,377
Accounts Receivable	94,855	5,210	-	-
Other debtors	41,160	28,424	17,955	29,154
	182,618	**74,210**	**76,537**	**73,531**
Total debtors	**182,618**	**3,048,072**	**76,537**	**2,368,399**

The Charity loan balance above is owed by a trading subsidiary, receives interest at the Barclays base rate plus 2.75% and is repayable on demand. The balance is included in debtors due in more than one year because the charity does not intend to recall this until the trading entity is better established (trading only began in late 2024).

11 CREDITORS

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Creditors due more than one year:				
Deposits held	120,000	-	120,000	-
Creditors due within one year:				
Other creditors	43,710	43,710	60,666	60,665
Accounts Payable	9,338	-	-	-
Accruals and deferred income	48,882	48,882	33,328	36,378
Loan from the Hyde Park Place Estate Charity	1,101,021	1,101,021	2,025,263	2,025,263
HMRC creditors	3,101	3,101	10,737	2,920
	1,206,052	**1,196,714**	**2,129,994**	**2,125,226**
Total Creditors	**1,326,052**	**1,196,714**	**2,249,994**	**2,125,226**

12 PROVISIONS

	2024	2023
	£	£
Pension within one year	2,623	2,400
Pension more than one year	23,610	24,000
	26,233	**26,400**

The Charity has an obligation to pay an annual pension to a former employee to which the above provision relates.

13 RELATED PARTY TRANSACTIONS AND SUBSIDIARY UNDERTAKINGS

PCC Members (trustees)
Reimbursed expenses of £21,526 (2023: £14,410) for parish expenses and utility bills were reimbursed to 3 PCC members. No expenses were paid to third parties on behalf of the PCC.

During the year, total unrestricted income of £14,836 (2023: £26,466) was received from PCC members.

The PCC has two subsidiaries, the St George's Hanover Square Foundation and SGHS Enterprises Limited, by virtue of the controlling parties being trustees of the charity. A summary of these together with the transactions with the two entities follows:

The St George's Hanover Square Foundation (charity number: 1120505) – an entity which provides support to the church

Address: St George's Vestry, 2a Mill Street, London, W1S 1FX

Gross assets:	£ 356,800
Liabilities:	£ -
Turnover:	£ 58,763
Expenditure:	£ 1,019
Surplus (deficit):	£ 58,001

During the year, the Church received grants of nil (2023: £47,258) from the Foundation.

At the year end the Foundation owed the church £111,533 (2023: £111,533).

SGHS Enterprises Limited (company number: 10023760) – a trading subsidiary of the church

Address: St George's Vestry, 2a Mill Street, London, W1S 1FX

Gross assets:	£ 2,777,457
Liabilities:	£ (3,214,734)
Turnover:	£ 141,451
Expenditure:	£ 219,768
Profit (loss):	£78,318

During the year, the Church
- made a loan of £480,000 (2023: 25,000) to the company, and
- charged interest of £177,072 (2023: £147,367) to the company.

At the year end the Church was owed £2,951,940 (2023: £2,294,868) by the company.

The Hyde Park Place Estate Charity (HPPEC) – an entity under common control
During the year, the Group
- received grants of £162,102 (2023: £252,730) from HPPEC, and
- incurred unpaid interest of £131,227 (2023: £121,135) due to HPPEC.

HPPEC arranged a loan for the PCC at an annual interest rate of 2.75% over base. At the beginning of the year an amount of £2,025,262 was owed, and after interest of £131,227 charged, a drawdown of £480,000 and repayments of £1,535,468, an amount of £1,101,021 was owed.

14 ANALYSIS OF NET ASSETS BY FUND

Current year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	2,562,470	-	-	2,562,470
Investments	57,528	1,535,469	1,012,414	2,605,411
Net current (liabilities)/assets	(2,300,190)	1,968,256	-	(331,934)
Total	**319,808**	**3,503,725**	**1,012,414**	**4,835,947**

Prior year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	2,042,085	-	-	2,042,085
Investments	56,241	3,100,000	965,934	4,122,175
Net current (liabilities)/assets	(1,681,845)	243,649	-	(1,438,196)
Total	**416,481**	**3,343,649**	**965,934**	**4,726,064**

15 RESTRICTED AND ENDOWMENT FUNDS

The restricted and endowment fund notes below apply to both the group and charity.

Restricted Funds Current year	**01-Jan 2024**	**Income**	**Expenditure**	**Unrealised gain**	**Transfers**	**31-Dec 2024**
	£	**£**	**£**	**£**	**£**	**£**
Burial Ground Fund	57,553	46,335	-	-	-	103,888
Special Collections Fund	1,543	1,341	(658)	-	-	2,226
Rector and Churchwardens' Fund	3,100,000	-	(19,167)	(13,245)	-	3,067,588
Homeless vouchers Fund	27,826	-	-	-	-	27,826
Church Organ Fund	14,716	3,750	(1,180)	-	-	17,286
South Street Fund	4,962	10,276	(10,840)	-	-	4,398
Tercentenary Fund	-	15,000	-	-	-	15,000
Boiler Fund	-	20,000	-	-	-	20,000
Goldhammer Fund (music & fabrics)	-	63,694	-	-	-	63,694
RAA Art Project	951	-	-	-	-	951
Priest in Charge	17,952	-	(64)	-	-	17,888
External Redecoration	-	-	(6,281)	-	6,281	-
Chapel Organ Fund	-	3,137	(249)	-	-	2,888
Sound System Fund	-	-	-	-	-	-
Vestments	2,520	-	-	-	-	2,520
Scholar	-	-	(3,000)	-	3,000	-
Pilgrimage	3,596	6,082	(6,097)	-	-	3,581
Hymns & Pimms	3,196	-	-	-	-	3,196
Music for Special Services	5,628	15,746	(670)	-	-	20,704
Westminster Foundation	-	-	-	-	-	-
Repairs Fund	103,208	26,883	-	-	-	130,091
Portico	-	-	-	-	-	-
Total	**3,343,649**	**212,244**	**(48,206)**	**(13,245)**	**9,281**	**3,503,725**

15 RESTRICTED AND ENDOWMENT FUNDS (continued)

Restricted Funds Prior year	01-Jan 2023	Income	Expenditure	Unrealised gain	Transfers	31-Dec 2023
	£	£	£	£	£	£
Burial Ground Fund	-	57,553	-	-	-	57,553
Special Collections Fund	3,257	1,691	(3,405)	-	-	1,543
Rector and Churchwardens' Fund	3,393,116	-	-	(293,116)	-	3,100,000
Homeless vouchers fund	27,826	-	-	-	-	27,826
Church Organ Fund	16,250	1,250	(2,785)	-	-	14,716
South Street Fund	22,437	9,608	(27,083)	-	-	4,962
RAA Art Project	951	-	-	-	-	951
Priest in Charge	25,452	-	(7,500)	-	-	17,952
External Redecoration	-	-	(149,668)	-	149,668	-
Chapel Organ Fund	-	-	-	-	-	-
Sound System Fund	-	-	-	-	-	-
Vestments	2,520	-	-	-	-	2,520
Scholar	640	-	(4,000)	-	3,360	-
Pilgrimage	3,746	100	(250)	-	-	3,596
Hymns & Pimms	3,196	-	-	-	-	3,196
Music for Special Services	3,970	1,658	-	-	-	5,628
Westminster Foundation	-	-	-	-	-	-
Repairs Fund		103,208			-	103,208
Portico	(270,190)	335,020	(64,830)	-	-	-
Total	**3,233,171**	**510,087**	**(259,521)**	**(293,116)**	**153,028**	**3,343,649**

The purposes of the funds are:

Burial Ground Fund – Income from the funds from the sale of the old Burial Ground of St George's Church which is applied to the following:

- provision of living accommodation for the Rector and his successors
- the preservation and maintenance of the fabric and organ of the parish church
- the formation of a fund, the income of which shall be used for the maintenance of the parish church and its services.

Special Collections Fund – Collections to be paid to other charities and causes.

Rector & Church Wardens Fund – Funds held for the provision of accommodation for the Rector and Verger.

Homeless vouchers Fund – Donations received to support a food programme for the Homeless.

Church Organ Fund – Donations received to preserve the new organ in St George's through a planned schedule of maintenance by the makers.

South Street Fund – Funds received for the repair, maintenance and upkeep of the properties at 49 and 49A South Street, London W1.

Tercentenary – To support the 300 year anniversary celebrations of the establishment of the Parish

15 RESTRICTED AND ENDOWMENT FUNDS (continued)

Boiler Fund – To support the purchase of a new boiler.

Goldhammer Fund (music & fabrics)– To support the fabrics maintenance and music at Grosvenor Chapel.

RAA Art Project – Donations to pay for costs and professional time in connection with the 'Gardens of the Imagination' project and exhibition at the Chapel.

Priest in Charge– Grosvenor Chapel donations given to be used at the discretion of the Priest-in-Charge.

External redecoration – Grosvenor Chapel donations for external redecoration of the chapel. A transfer of £6,281 was made from unrestricted funds to restricted funds to cover the deficit on this fund.

Chapel Organ Fund – Donations received to maintain the organ in Grosvenor Chapel.

Sound System Fund – Donations towards a sound system for the Chapel.

Vestments Fund – Donations for maintenance and repair of Chapel vestments.

Scholar Fund – Donations to assist with the expenses of an Organ Scholar at the Chapel. A transfer of £3,000 was made from unrestricted reserves to cover the deficit in this fund

Pilgrimage Fund – Donations received to assist with the cost of parish pilgrimages.

Hymns and Pimms – An outreach programme serving those with dementia and their carers.

Music for Special Services – includes grant received from the Champniss Foundation to fund the Choir.

Westminster Foundation – A charitable grant from the Foundation to offset the cost of employing a Community and Events Officer at Grosvenor Chapel.

Repairs Fund – Donations received to maintain the fabrics of St George's Hanover Square.

Portico – To repair damage suffered to the St George Square Hanover church at the end of 2022. The PCC collected donations to fund the required repair works, which arose because the PCC has an obligation to make these repairs.

Endowment Fund

Current year

	1 January 2024	Income	Expenditure	Gain on Investments	Transfer	31 December 2024
	£	£	£	£		£
Burial ground fund	965,934	-	-	46,480	-	1,012,414

Prior year

	1 January 2023	Income	Expenditure	Gain on Investments	Transfer	31 December 2023
	£	£	£	£	£	£
Burial ground fund	989,177	-	-	(23,243)	-	965,934

15 RESTRICTED AND ENDOWMENT FUNDS (continued)

Endowment Fund

Burial Ground Fund — Funds from the sale of the old Burial Ground of St. George's Church which in accordance with the St. George Hanover Square Burial Ground Act 1964 section 6 (3) is to be applied as to capital and the income from which is to be applied as noted above, as a permanent endowment fund.

16 UNRESTRICTED FUNDS

Current year - Group	1 January 2024	Income	Expenditure	Gains on investments	Transfers	31 December 2024
	£	£	£	£	£	£
General Funds	416,481	825,148	(955,796)	256	(9,281)	276,809
	416,481	825,148	(955,796)	256	(9,281)	276,809

Prior year - Group	1 January 2023	Income	Expenditure	Gains on investments	Transfers	31 December 2023
	£	£	£	£	£	£
General Funds	321,162	1,109,120	(865,608)	4,836	(153,028)	416,481
	321,162	1,109,120	(865,608)	4,836	(153,028)	416,481

Current year - Charity	1 January 2024	Income	Expenditure	Gains on investments	Transfers	31 December 2024
	£	£	£	£	£	£
General Funds	477,691	857,202	(901,171)	(13,245)	(9,281)	411,196
	477,691	857,202	(901,171)	(13,245)	(9,281)	411,196

Prior year - Charity	1 January 2023	Income	Expenditure	Gains on investments	Transfers	31 December 2023
	£	£	£	£	£	£
General Funds	262,611	1,233,254	(869,982)	4,836	(153,028)	477,691
	262,611	1,233,254	(869,982)	4,836	(153,028)	477,691

17 CAPITAL COMMITMENTS

At the year end, the group had commitments for the purchase of nil capital assets (2023: £433,472).

18 LEASE INCOME

Minimum lease receipts under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	198,128	243,203
Between one and five years	41,722	497,097
More than five years	99,159	108,913
	339,009	849,213

The PCC receives rental income in respect of residential and commercial assets.

19 PRIOR YEAR ADJUSTMENT

The charity has an obligation to provide pension payments to a former employee, which was not previously accounted for in these financial statements.

An adjustment was therefore made to reflect this which decreased expenditure in the prior period by £2,400, decreased opening general funds by £28,800 and increased provisions by £26,400.

20 POST YEAR END EVENT

We draw your attention to the disclosure included on Page 9 in the trustees report regarding the Undercroft tenant.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQ

England & Wales - Charity number 1134811

Accounts

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2023

Charity No 1134811

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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OFFICERS AND ADVISORS

Rector	The Reverend R N S Leece
Priest-in-Charge	The Reverend Dr R M Fermer (to 15th January 2023) The Reverend Stephen Coleman (appointed 12th November 2023)
Correspondence Addresses	St George's Vestry 2A Mill Street London W1S 1FX Grosvenor Chapel Office 24 South Audley Street London W1K 2PA
Bankers	The Royal Bank of Scotland plc London Drummonds Branch 49 Charing Cross London SW1A 2DX CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Auditor	Rothmans Audit LLP Chartered Accountants Chilworth Point 1 Chilworth Road Southampton SO16 7JQ
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT
Parish Reference	0311 - St George's Hanover Square 0311A - Grosvenor Chapel
Charity No	1134811

ANNUAL REPORT

The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square (PCC) has pleasure in presenting its report and the financial statements of the church for the year ended 31st December 2023.

Reference and administrative information

Trustees

The following were trustees from 1st January 2023 to the date of this report.

Mark Andrew Hewitt
The Revd Roderick Neil Stephen Leece
The Revd Dr Richard Fermer (until 15 January 2023)
Graham Edward Barnes
Diana Mary Dennis
The Revd Dr Alan Robert Lennox Piggot
The Revd Dr Alan William McCormack
Janet St John-Austen
George Charles the Earl of Lucan
Gary Eaborn (until 1 July 2023)
The Revd Stephen Coleman (from 12 November 2023)
Charles Chamberlain Stephens
Stewart James Munro
Alicia Mather (until 30 June 2023)
Sally Rieu (until 30 June 2023)
Andrew Alexander Jones
Pamela Yayra Atekpe
Alistair Henry Milward
John Crichton
Oliver Chubb
Emma Kate Godfrey
M C
Simon Jon Roberts (from 21 May 2023)
Charlotte Scott-Mullings (from 23 July 2023)
Benedict John Anthony Clarke (from 19 May 2024)
Gavin Charles J Arendt (from 19 May 2024)

Council Membership

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. Following the elections of PCC members at the APCM on 28th May 2023, the PCC was constituted as follows:

Rector of St George's, Hanover Square:	The Reverend Roderick N S Leece
Priest-in-Charge of the Grosvenor Chapel:	The Revd Dr Richard Fermer (until 15th January 2023) The Revd Stephen Coleman (from 12th November 2023)
Non-stipendiary Assistant Priest at St George's:	The Reverend Dr Alan McCormack
Non-stipendiary Assistant Priest at Grosvenor Chapel:	The Reverend Dr Alan Piggot
Church Wardens:	Mr Mark A Hewitt Mr Graham E Barnes

ANNUAL REPORT (continued)

Grosvenor Chapel Wardens:	Ms Kate Godfrey Mr Oliver Chubb
Deputy Church Wardens:	Mr Alistair Milward Mr Stewart Munro Ms Kate Godfrey Mr Oliver Chubb
Other Elected Members:	Mr George Bingham Mr Andrew Jones Mr Charles Stephens Ms Pamela Atekpe Mr Alistair Milward Mr M C Mr Stewart Munro Mr Simon Roberts (elected at the APCM on 28th May 2022) Ms Charlotte Scott-Mullings (co-opted at the meeting of the PCC on 26th July 2023)
Deanery Synod Representatives:	Mr John Crichton Mrs Diana Dennis Mrs Janet St John-Austen (Chapel representative)
Secretary to the PCC:	Mr John-Paul de Soissons
Hon. Secretary to the Chapel Committee:	Ms Irene Agnell (appointed May 2023)
Parish Treasurer:	Mr Mark Hewitt
Lay Vice Chairman of the PCC:	Mr Mark Hewitt

Standing Committee: Rector, Church Wardens, (Treasurer), Messrs Alistair Milward & Stewart Munro, the Priest-in-Charge & the Chapel Wardens

Finance & Fundraising Committee: Mr Mark Hewitt (Chairman & Treasurer), Rector, Messrs George Bingham, Stewart Munro, Charles Stephens & Janine Manning (Chapel Treasurer)

Fabric Committee: Mr Graham Barnes (Chairman), Rector, Ms Pamela Atekpe, Messrs Andrew Jones, Alistair Milward, Charles Stephens and Simon Roberts

Grosvenor Chapel Committee: The Revd Stephen Coleman, (Priest-in-Charge from 12th November 2023), The Revd Dr Alan Piggot, Mr Oliver Chubb (Chapel Warden), Ms Kate Godfrey (Chapel Warden), Ms Irene Agnell (Hon Secretary), Ms Janine Manning (Hon Treasurer), Ms Janet St John-Austen (Deanery Synod representative), Ms Sally Rieu (Deanery Synod Representative until 30th June 2023), Mr Gary Eaborn (Chapel Representative until 1st July 2023), Mr Richard Hobson (Ex officio), Messrs Rory Gordon, Robert Coleman, Godfrey Barker & Edward Hasted, & Ms Harriet Hedden

Safeguarding Officers:	Mr Graham Barnes (SG's Safeguarding Officer) Mrs Sarah Jackson-Stevens (SG's Children's Champion) Ms Harriet Hedden (GC Safeguarding Officer) Ms Virginia Allel Mazar and Mr Robert Coleman (GC Children's Champions)

Stewardship Records Officers:	Mr John-Paul de Soissons Ms Janet St John-Austen
Electoral Roll Officers:	Mr John-Paul de Soissons (St George's) Vacant (Grosvenor Chapel)
Main Office:	The Vestry, St George's Church, 2a Mill Street, London W1S 1FX Tel. 020 7629 0874

Structure, Governance and Management

The Parochial Church Council (PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity.

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

Committees
The Standing Committee is the only committee of the PCC which is required by Law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Three other committees continued to co-ordinate key areas of PCC business. The Finance Committee and the Fabric Committee at St George's, and the Grosvenor Chapel Committee met periodically throughout the year. The Standing Committee met as required.

Appointment and induction of PCC members
PCC members are elected at the Annual Parochial Council Meeting and are eligible for re-election annually.

New PCC members are required to familiarise themselves with the day-to-day running of the Parish which may include an induction to brief them on their legal obligations under charity and church law, the Council and the decision-making processes and the recent performance of the church. They meet key employees and the other PCC members.

Risk assessment policy
The PCC and sub-committees, which meet on a regular basis, consider any risks as and when necessary. From these Committee meetings appropriate recommendations are made to the PCC members. At its meeting on 22nd April 2015 the PCC adopted a comprehensive Risk Register. This analysed governance, existential, financial and operational risks and was able to give details of measures to mitigate all the risks identified.

The Risk Register is reviewed annually and updated as necessary.

The key strategic risks include:
- Substantial damage to buildings and the associated repair costs.
- Failure to generate income.
- Fraud – both internal and external.

To mitigate the risk of substantial damage to the buildings, the PCC maintains a programme of ongoing repairs to the church buildings. The PCC maintains sufficient reserves to cover any urgent repairs, and will seek donations to assist with any major repairs; for example, the PCC received donations to cover the damage sustained to the portico discussed more fully later in these accounts.

The PCC is required to generate income to cover the operations of the churches, including the repair costs as mentioned above. To achieve this the PCC receives income from a wide range of sources, including fees for events, hire costs, rental income, investment income, voluntary donations, and grants.

The PCC ensures its staff are aware of the risks of external fraud and has appropriate approval procedures in place to mitigate the risk of unauthorised bank payments. The PCC prepares quarterly management accounts, which are reviewed by the members for any unexpected transactions.

Organisational policy

The PCC members meet every three months and there are sub-committees covering issues relating to Fabric, Finance, the Grosvenor Chapel and Standing Committee (as required). Other sub-committees are formed as and when required. Administrators are appointed to manage the day-to-day operations of the parish.

To facilitate effective operations, the Parish Administrator at St George's, and the Administrator, Chapel Wardens and Honorary Treasurer at Grosvenor Chapel have delegated authority, within the terms of delegation approved by the PCC members, for operational matters including finance, employment and other elements of the charitable work of the parish and its places of worship. As such they are deemed to be Key Management Personnel along with the Rector and Churchwardens and the Priest-in-Charge of Grosvenor Chapel.

The Administrators' remuneration is contained within the costs noted in Note 4 to the Financial Statements. The pay of all staff is reviewed annually and normally increased in accordance with average earnings. No formal bench marking with salaries paid by similar charities is in place. The PCC is committed to paying all staff in excess of the agreed London Living Wage.

As is the case with most churches, the Parish of St George is heavily dependent on the input of volunteers. Key voluntary supporters form the core of the PCC, and their involvement, commitment, and support is vital to the activities and successes of the sub-committees established to support the overall aims and mission of the PCC, throughout the Parish. Additionally, volunteers act as sidesmen, servers, and readers at regular church services, as well as the welcoming of guests and visitors to both churches, for services and related social gatherings.

Objectives and activities

St George's PCC has the responsibility of co-operating with the incumbent, The Revd Roderick Leece, and the Priest-in-Charge of the Grosvenor Chapel in promoting within and beyond the ecclesiastical parish the whole mission of the Church: spiritual, pastoral, social and ecumenical. It also has responsibilities for maintaining the Church of St George, Hanover Square and the Grosvenor Chapel, South Audley Street. The PCC confirms that it has had due regard to the guidance on public benefit issued by the Charity Commission when planning its objectives and activities for the year.

Policy of the Church

The policy of the Parish is to promote the Gospel of our Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC endeavours to cooperate with the priests in the whole mission of the Church: spiritual, pastoral, social and ecumenical. The strategies it has adopted to fulfil this are to provide regular services of worship, access to the holy sacraments, teaching through the Sunday school and spiritual guidance for the parishioners and visitors to the Parish. The church seeks to be a Christian Community in the catholic tradition of the Church standing as a beacon of faith in the heart of Mayfair, with a welcoming, friendly and supporting congregation.

The number of parishioners on the Church Electoral Roll at the 2023 (2022) APCM was 291 (298), of whom 25 (27) were resident in the parish. These figures break down as follows: St George's Church 144 (155) of whom 7 (8) were resident in the parish; and Grosvenor Chapel, 147 (143) of whom 18 (19) were resident in the parish. The figures for 2022 are in brackets.

The usual Sunday attendance at St George's, during October 2023, was 60 (2022: 52).

At the Grosvenor Chapel the usual Sunday attendance, during October 2023, was 30 (2021: 35).

Special Services held in the year 2023 (2022 in brackets)

	St George's	Grosvenor Chapel
Baptisms	10 (8)	3 (12)
Weddings & marriage blessings	6 (13)	9 (12)
Funerals & memorials	7 (10)	6 (3)
Confirmations	1 (0)	0 (0)
Admission to Holy Communion	0 (0)	0 (0)

Review of operations for the year

2023 was once again a busy year for both churches in the parish. Messrs Mark Hewitt and Graham Barnes were re-elected Church Wardens at the Annual Parochial Church Meeting held on 28th May 2023.

The PCC met four times during the year with a good attendance at all meetings.

As in previous years, the Parish remains a net contributor to the Diocesan Common Fund (£55,692 in 2023, £52,080 in 2022).

Due to a general decrease in footfall on Fridays as a result of changing working patterns in central London post-covid, the PCC decided to change the day of the regular 1.10pm Holy Communion service from Friday to Thursday from July 2023. This has been met with some success with a marked increase in attendees. We continue to stream this service over zoom (as we also do with the Sunday 11.00am Sung Eucharist) although numbers over zoom on Thursdays have continued to decline.

The Parish was delighted to welcome The Reverend Stephen Coleman who was licensed into the role of Priest-in-Charge at Grosvenor Chapel in November 2023.

During the year the PCC sub-committees continued to meet regularly, each one meeting shortly before the PCC meetings, with reports then provided to the PCC. The Finance Committee under the chairmanship of Mr Mark Hewitt approved a budget for 2023 and monitored its implementation throughout the year. The Fabric Committee, chaired by Mr Graham Barnes, with Charles Stephens as Deputy Chairman, continued the task of maintaining St George's wonderful building, notably in the context of the restoration of St George's portico ceiling and the replacement of St George's boiler, as well as an ongoing project to upgrade and bring more up to date the church's electrical installations.

St George's Hanover Square

Neither attendance numbers nor donation income during the year recovered to pre-Covid levels.

In the latter part of 2022, we discovered that our heating boiler could no longer be used, because of insufficient ventilation in the boiler room. We were thus without central heating throughout the winter of 2022-2023. Fortunately, a new much more efficient heating system was installed during 2023, and was ready for use during the Autumn of 2023 and Winter of 2023-2024. We are extremely grateful to the Hyde Park Place Estate Charity for providing the c. £80,000 funding required by way of moieties and a grant from the Ecclesiastical Trustees.

As mentioned in last year's accounts, on the evening of 19th December 2022, just before Christmas, a section of the church portico at the front of St George's collapsed. Thankfully, nobody was hurt but the church had to take immediate action to install scaffolding to ensure the safety of the public and to enable the church to remain open for Christmas services. The cost of the expected repairs and restoration of the portico ceiling and the lead roof above the portico were estimated to be in the region of £400,000. As hoped, the repair and preservation works were completed during 2023 and the hoarding and scaffold all taken down in time for Christmas 2023. A major fundraising initiative was launched with a target amount to raise of £400,000. Fortunately, as a result of the great generosity of parishioners as well as other grants and donations, but in particular a substantial donation from the Taylor Family Trust, approximately £440,000 was raised. The works were completed under budget. Net of a VAT refund under the Listed Places of Worship Scheme, the cost of the works was approximately £335,000 leaving a surplus for other works on the fabric of the Church of £103,208.

2023 showed a reduced level of wedding activity compared to 2022, with 4 weddings and 2 wedding blessings. The high level in 2022 had reflected a catch-up post-Covid, and this level was evidently not replicated in 2023. We also had 1 funeral and 6 memorial services in 2022; again, a strong post-Covid recovery. Concert income in 2023 was also strong, continuing to increase from pre-Covid levels.

What is the outlook into the coming year?

The number of weddings booked for 2024 is already significantly higher with 11 weddings or blessings currently booked.

Concert activity is continuing strongly in 2024, and the diary is filling up well for events in the run up to Advent and Christmas 2024.

Regarding the Undercroft the kitchen fit out is under way and it is hoped that trading will commence in early Summer 2024.

The PCC continues to keep a tight rein on expenditure.

St George's, Hanover Square School – Unfortunately, numbers at the school remain low. Under the leadership of Elizabeth Barnes, operational matters have continued to improve. After the previous Ofsted inspection in October 2021 ("requires improvement"), the school's efforts to seek a further inspection proved successful: following another inspection on 28th and 29th November 2023, the new report classified the school at the upper end of "good". The partnership with three other schools is going well.

The Undercroft – After lengthy negotiations during 2022, stage 2 of the redevelopment of the Undercroft and the related investment by SGHS Enterprises was presented to and approved by the PCC on 3rd May 2023. A licence agreement between SGHS Enterprises and Undercroft Mayfair Ltd. was signed in December 2023 with work expected to commence in 2024.

The ***Food Voucher*** scheme redeemable at the Cabmens' Shelter café in Hanover Square remained in abeyance throughout 2023. Now that the new Elizabeth Line stop in Hanover Square has opened, and the remodelling of Hanover Square is complete, it is hoped that with the re-opening of the café, we will be able to re-launch the scheme.

Grosvenor Chapel

The Grosvenor Chapel spent much of 2023 in interregnum following the departure of Fr Richard Fermer in January. Cover for Sunday services and occasional offices was arranged by the Chapel Administrator Rosslyn Okumu, and various individuals from across the Diocese throughout the nine months of the interregnum before the appointment of Fr Stephen Coleman in September 2023.

Community Events included participation in the Mount Street Gardens Summer Fair, hosting of the Thursday Lunch Club for the Homeless (in partnership with local law firm Forsters LLP) for refugees and international homeless with no recourse to public funds, Carol Singing in Shepherd Market (in support of the Healthcare Workers Foundation), and a well-attended Community Carol Service. Ecumenical services were also held with Farm Street Church and the Ukrainian Catholic Cathedral. Due to their relocation to Baker Street however Forsters have made the decision that it will no longer be practical for them to run the Thursday Lunch Club as of December 2023 and so the Chapel committee will look into new ways to renew this form of outreach and hospitality.

The remaining work of phase 2 of the East elevation of the Chapel was carried over into Phase 3 due to weather constraints and Advent activities. Namely, repair of the low level roofs of the vestry and Garden Room, along with redecoration of the Narthex. This, and Phase 3 work on the North Elevation, commenced on 30th May and was completed in September, with a final payment of 2.5% to be paid in a year's time providing all the works are sound.

Financial review

For the first time, these accounts are presented as a consolidated basis of not only St George's and Grosvenor Chapel, but also including the results of the St George's Hanover Square Foundation and SGHS Enterprises. During the year, as noted earlier, sizeable donations were received for the portico works. Additionally, the signing of the Licence with Undercroft Mayfair by SGHS Enterprises brought in income upon signature in later December 2023. These two events, on top of the normal financial activities pushed total revenue above the £1m threshold, which in turn triggers the requirement to produce consolidated accounts for all activity, under current accounting regulations. In light of this, the PCC will need to continue to produce accounts on this basis.

The parish is dependent on funding from charitable trusts, regular giving by members of the congregation, income from events and special services, and income generated by investments, rental properties, room hire and parking bays plus occasional legacies. The PCC does not currently anticipate specific factors likely to have a negative effect on future performance.

As referenced in last year's accounts and above, the required repairs on the portico and the boiler meant that the Parish's largest cost for the year was on repairs and maintenance. As shown in Note 3 to the accounts, this totalled £364k for the year. As mentioned above, this cost was covered fully by donations and grants, the total of which is shown in Note 2 below. Most notable was a single £400k grant for the repairs required to the portico, but we were also supported and heartened by the generosity of many in the congregation.

During the year, property values in Mayfair were affected by a general downturn in prices. As a result of this, a charge was taken during the year of (£293,116), to ensure our investments are held at market value. This is an accounting adjustment and not a cash movement.

As a direct result of all these factors, before the non-cash effects of revaluation of the Parish's investments, 2023 saw a net surplus of income over expenditure of £491,678. Following the adjustment to the carrying value of our investments, shown in Note 7 below, the results for the year showed a net surplus of £180,155. As a result of this, the Balance Sheet saw an improvement of £180,155.

Investment policy

It is the Church's policy to invest funds with the CBF Church of England Investment Fund and M&G Securities Charifund. The Church has made such investments to generate a return and has no social investments currently in place. During the year, we saw a marginal fall in the value of the quoted investments, which closed the year at £1,022,175.

This reduction was compounded by a required reduction in the carrying value of the Parish's Investment Properties, which closed the year at £3,100,000.

As a long-term investor, the PCC has no plans to change its investment policy, and details of the assets held can be found in Note 7 to these accounts.

Reserves policy

The Council considers that it is appropriate to maintain a level of income reserves equivalent to approximately six months' expenditure of unrestricted funds in order to meet its needs, including its legal and constructive obligations.

Following both the surplus of income over expenditure recorded in the year and the reduction in the investments, both detailed above, during the course of the year under review the total reserves increased from the previous year and stood at £4,752,465 of which £4,309,583 is set aside for restricted and endowment purposes. Of these, £3,100,000 is included in the Rector and Churchwardens' Property Fund, which could be realised on the disposal of investment properties, and the Endowment Fund of £965,934, which could be realised on the disposal of the M&G Securities Charifund income units.

The level of unrestricted free funds at the year end, shown in Note 15 below, amounted to assets of £442,882 (2022: £349,962) (including investments).

Related parties

The ***Hyde Park Place Estate Charity*** is a grant making charity. The Rector, the Revd R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity.

The St George's Hanover Square Foundation, is a charity whose objective is the repair, restoration and enhancement of St George's Church Hanover Square. The Rector, the Revd. R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity. The activity of this charity is consolidated into these accounts.

SGHS Enterprises Limited, is a company registered in England and Wales (number 10023760) and is the trading arm of the PCC. The activities of this company have been the restoration of the fabric of St George's Undercroft. At the time of writing this process is virtually complete. Once complete, the Undercroft will be operated as a restaurant by Undercroft Mayfair Ltd which will pay licence fees to SGHS Enterprises. The Revd R N S Leece, Mr W M C Beckett, and Mr M A Hewitt are Directors of this company. The Church has made loans to this company during the year. The activity of this company is consolidated into these accounts.

Details of transactions taking place between the Church and its related parties, including the St George's Hanover Square Foundation, the Hyde Park Place Estate Charity and SGHS Enterprises Limited are shown in Note 11 to the financial statements.

Plans for the future

During early 2024 congregation numbers continued their growth, though still not to pre-COVID levels and collection proceeds remain lower. Booking levels for concerts and weddings in 2024 are encouraging.

Ongoing plans include further development of our links with Grace Church, Broadway, Manhattan, as well as the commencement in 2024 and continuation in 2025 of our tercentenary celebrations. Another important factor for the future of the parish will be the fortunes of Undercroft Mayfair Ltd's restaurant in the undercroft, opening in 2024, and the future ability of SGHS Enterprises Limited to start upstreaming cash to the parish.

The fundraising exercise for the portico ceiling restoration in 2023 raised a surplus over the actual outcome of the costs of the restoration. The Fabric Committee is carefully assessing priorities as to how this restricted surplus might be spent, but the first committee meetings in 2024 have led to a clear expression of intent that a significant portion of the surplus should be kept back unspent as a buffer against other unexpected fabric related events.

Both elements of the Parish continue to concentrate on their mission to the community in which they are situated.

SGHS Enterprises anticipates that commercial activity should commence, under the Licence agreement signed, with Undercroft Mayfair Limited in summer this year. This will lead to income being received by the PCC.

Auditors

A resolution was proposed and passed at a Special Parochial Church Council meeting on 29th October 2023 that Rothmans LLP be appointed as auditors.

PCC members' responsibilities

The PCC members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law 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 church and of its financial activities for that period. In preparing those financial statements, the PCC members are required to:

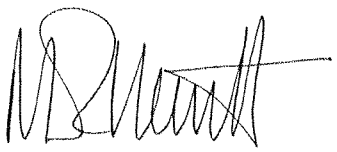
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the church will continue.

The PCC members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and enables them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the PCC members are aware:
- there is no relevant audit information of which the charity's auditors are unaware; and
- the PCC members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE COUNCIL

Dated: 4th August 2024



M A Hewitt
Church Warden

INDEPENDENT AUDITOR'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE

Opinion

We have audited the consolidated financial statements of The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square ('the parent") and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 of the parent's affairs as at 31 December 2023 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustee's 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 and parent's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent; or
- the parent's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of PCC members

As explained more fully in the trustees' responsibilities statement set out on page 13 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 and the parent'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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

The objectives of our audit, in respect of fraud or error are:

- To identify and assess the risks of material misstatement of the financial statements due to fraud.
- To obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses.
- To respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.
Our approach was as follows:

- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the PCC's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.
- Obtaining an understanding of the legal and regulatory frameworks that the PCC operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on operations. These included the Charities Act 2011 and relevant UK tax and employment legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the valuation of investments, the consolidation of the group entities, the recognition of income and the override of controls by management. To address the risk of fraud in these areas, we:

- reviewed investment costs and the impairment model and compared our expected valuation to the PCC's assessment;
- reviewed material sources of income, including investment income, and compared expected income to that recorded in the financial statements;
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries during the year and at the year-end to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.
- reviewed all inter group balances and transactions and checked these were eliminated on consolidation.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

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



Rothmans Audit LLP, Statutory Auditors
Chartered Accountants
Chilworth Point
1 Chilworth Road
Southampton
SO16 7JQ

Date: 27 August 2024

Rothmans Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Income from:									
Donations and legacies	*2a*	443,970	442,927	-	**886,897**	347,990	29,806	-	**377,796**
Investment income	*2b*	126,589	67,160	-	**193,749**	46,019	70,008	-	**116,027**
Church activities income	*2c*	197,172	-	-	**197,172**	245,449	-	-	**245,449**
Other income	*2d*	341,389	-	-	**341,389**	32,496	20,959	-	**53,455**
Total income		**1,109,120**	**510,087**	**-**	**1,619,207**	**671,953**	**120,773**	**-**	**792,726**
Expenditure on:									
Church activities expenditure	*3a*	717,311	259,521	-	**976,831**	493,824	645,083	-	**1,138,907**
Raising funds	*3b*	150,698	-	-	**150,698**	115,776	-	-	**115,776**
Total expenditure		**868,008**	**259,521**	**-**	**1,127,529**	**609,600**	**645,083**	**-**	**1,254,683**
Gain/(Loss) on revaluation of investment property	*7*	-	(293,116)	-	**(293,116)**	-	129,663	-	**129,663**
Gain/(Loss) on investments		4,836	-	(23,243)	**(18,407)**	(7,169)	-	(76,407)	**(83,576)**
Net income/(expenditure) Income before transfers		**245,948**	**(42,550)**	**(23,243)**	**180,155**	**55,185**	**(394,647)**	**(76,407)**	**(415,869)**
Transfer of funds		(153,028)	153,028	-	**-**	(47,076)	497,076	(450,000)	**-**
Net movement in funds		**92,920**	**110,478**	**(23,243)**	**180,155**	**8,109**	**102,429**	**(526,407)**	**(415,869)**
Reconciliation of funds:									
Total funds brought forward		349,962	3,233,171	989,177	**4,572,310**	341,853	3,130,743	1,515,584	**4,988,180**
Total funds carried forward		**442,882**	**3,343,649**	**965,934**	**4,752,465**	**349,962**	**3,233,171**	**989,177**	**4,572,310**

All activities are continuing. There were no recognised gains or losses other than those shown above.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
FIXED ASSETS					
Tangible fixed assets	6	2,042,085	54,515	1,855,341	53,752
Investments	7	4,122,175	4,122,175	4,433,698	4,433,698
		6,164,260	**4,176,690**	**6,289,039**	**4,487,450**
LONG TERM DEBTORS	8	-	2,294,868	-	2,127,500
CURRENT ASSETS					
Debtors	8	76,537	73,531	67,545	66,985
Short term deposits		46,475	46,475	45,031	45,031
Cash at bank and in hand		715,187	347,336	476,182	271,342
		838,199	**467,342**	**588,758**	**383,358**
CREDITORS: amounts falling due within one year	9	(2,129,994)	(2,125,226)	(2,035,297)	(2,028,529)
NET CURRENT ASSETS		**(1,291,795)**	**(1,657,884)**	**(1,446,539)**	**(1,641,171)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,872,465**	**4,813,674**	**4,842,500**	**4,969,779**
CREDITORS: amounts falling due more than one year	9	(120,000)	-	-	-
Provisions	10	-	-	(270,190)	(270,190)
NET ASSETS	12	**4,752,465**	**4,813,674**	**4,572,310**	**4,699,589**
FUNDS:					
Unrestricted funds	14	442,882	376,696	349,962	477,240
Restricted funds	13	3,343,649	3,471,044	3,233,171	3,233,172
Endowment funds	13	965,934	965,934	989,177	989,177
		4,752,465	**4,813,674**	**4,572,310**	**4,699,589**

Approved by the Parochial Church Council on 24th July 2024 and signed on its behalf by:

M A Hewitt
Church Warden

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Cash (used in) operating activities (see below)		363,341		(168,746)
Cash flows from investing activities				
Interest and dividends received	65,243		73,077	
Payments to acquire tangible fixed assets	(195,135)		(63,747)	
Proceeds from disposal of investments	-		196,547	
Cash provided by investing activities		**(129,892)**		**205,877**
Cash flows from financing activities				
Repayment of loan	(18,000)		(60,000)	
Increase in loan	25,000		95,000	
Cash provided by financing activities		**7,000**		**240,877**
Net cash (outflow)		240,449		72,130
Cash and cash equivalents at 1 January 2023		521,213		449,082
Cash and cash equivalents at 31 December 2023		**761,662**		**521,213**
Cash flows from operating activities:				
Net income/(expenditure)		180,155		(415,869)
Interest and dividends received shown in investing activities		(65,243)		(73,077)
Interest accrued on loan		120,836		66,648
Depreciation		8,391		6,965
Unrealised (gain)/loss on revaluation of investment property		293,116		(129,663)
Unrealised (gain)/loss on revaluation of investments		18,407		83,576
(Increase)/decrease in debtors		96,244		(124,616)
Increase/(decrease) in creditors		(18,374)		147,100
Increase/(decrease) in provisions		(270,191)		270,190
Cash (used in) for operating activities		**363,341**		**(168,746)**

Analysis of changes in net debt

	As at 1 January 2023	Cash flows	Non-cash changes	As at 31 December 2023
Cash and cash equivalents				
Cash	476,182	239,005	-	715,187
Short term deposits	45,031	1,444	-	46,475
Total Cash and cash equivalents	**521,213**	**240,449**	**-**	**761,662**
Borrowings				
Loans falling due within one year	(1,897,427)	(7,000)	(120,836)	(2,025,263)
Total Net Debt	**(1,376,214)**	**233,449**	**(120,836)**	**(1,263,601)**

Exemption has been claimed from producing an individual cash flow statement in accordance with FRS 102.

1 ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). They have been prepared on the accruals basis and under the historical cost convention except for the valuation of investments, which are shown at fair value. The PCC meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The presentation currency of the financial statements is the Pound Sterling (£).

Going concern

The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square (And The Grosvenor Chapel) (the PCC) has reviewed the circumstances of the Church and considers that adequate resources continue to be available to meet its financial obligations as they fall due in the coming 12 months.

In light of the above, based on the most recent budgeting exercise, the PCC has not identified any material uncertainties with respect to going concern, and believes that there will be adequate resources available to fund the activities of the Church for the foreseeable future. The PCC is therefore of the view that the Church is a going concern.

Significant judgements and estimates

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for trustees to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statement and the reporting amounts of income and expenses during the year. Actual outcomes could differ from those estimates and assumptions used. The accounting judgements and estimates that could have significant impact on the results of the charity are set out below and should be read in conjunction with the information provided in the Notes to the financial statements:

Critical Judgements

- Management determine whether financial instruments are basic or advanced and when to deal with recognising, derecognising, measuring and disclosing financial instruments. These decisions depend on an assessment made of the accounting standards.

1 **ACCOUNTING POLICIES** (continued)

Significant Estimates

- To determine the fair value of the charity's investment assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- To determine whether there are indicators of impairment of the charity's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Group financial statements

The financial statements consolidate the results of the charity and its wholly controlled subsidiaries, The St George's Hanover Square Foundation and SGHS Enterprises Limited, on a line by line basis.

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Funds designated by the PCC for a specific purpose are also unrestricted.

Restricted funds are those subject to specific trusts, which may be declared by the donor or with their authority. The restricted funds of the PCC, are restricted income funds which are expendable at the discretion of the PCC in furtherance of some particular aspects of the activities of the church.

A permanent endowment fund is a particular type of restricted fund which must be held permanently.

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

Income

Donations and legacies

- Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.
- Conditional grants receivable are recognised as restricted income on the date the contract agreement is signed, reflecting the full amount expected to spend or claim by the end of the grant period.

Income from investments

- Interest and dividends from investments are accounted for when receivable.
- Rental income from the letting of investment properties is recognised in accordance with the terms of the rental leases when the rental is due.

Other trading activities and other income

- The churches charge fees for events held in the churches, which are recognised when the event takes place.
- The churches also hire out the various rooms and car parking spaces available, which are recognised in accordance with the licencing agreements, over the period of hire.
- The PCC makes claims through the Listed Places of Worship VAT recovery scheme, which is recognised in the period the related expenditure is incurred.

1 ACCOUNTING POLICIES (continued)

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

Expenditure is allocated to the activities the Charity undertakes in proportion to the level of resources used by each activity. During the current and previous years all expenditure has related to the single activity of furthering the Mission of the PCC.

Church activities

- Gifts and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.
- The diocesan parish quota is accounted for when payable. Any quota unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.
- All costs in support of achieving the church's objectives are accounted for in this category. This includes governance costs which represent all costs in ensuring that the church complies with all legal and regulatory requirements that are relevant to it.

Fixed assets
Consecrated land and buildings and movable church furnishings
Consecrated or beneficed property is excluded from the accounts by section 10(2)(a) of the Charities Act 2011. Movable church furnishings held by the Rector and Church Wardens on special trust for the PCC and which require a faculty for disposal, are accounted as inalienable property unless consecrated. They are listed in the Church's Inventory which can be inspected (at any reasonable time). For inalienable property acquired prior to 31 December 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. All expenditure incurred during the year on consecrated or benefice buildings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings and office equipment and ministry equipment
Equipment used within the church premises is depreciated on a straight-line basis over 4 to 5 years with the exception of a boiler which is depreciated over 20 years. Individual items of equipment with a purchase price of £250 or less are written off when the asset is acquired. The piano is depreciated on a straight-line basis over 10 years.

Undercroft development
The group is developing the undercroft of the church for use as a restaurant under a licence agreement. No depreciation has yet been applied as the asset is incomplete and is not yet generating income.

Investments
Investments include investment shares in the Central Bond of Finance of the Church of England and M&G Securities Charifund income units (together the "portfolio investments") and two investment properties. Portfolio investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The charity does not acquire put options, derivatives or other complex financial instruments. Investment properties are valued at fair value at the year-end based on available market data on or close to the year end date, taking into account any variables that may arise in the intervening period.

1 **ACCOUNTING POLICIES** (continued)

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on portfolio investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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

Cash and cash equivalents comprise the Cash at bank and in hand and short term deposits as shown on the consolidated balance sheet.

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

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

Taxation
The PCC is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Charity's activities are exempt from VAT and accordingly irrecoverable VAT is charged to the Statement of Financial Activities when incurred and included within the expenditure category to which it relates or capitalised under tangible fixed assets if relating to capital expenditure.

The charity is however eligible to recover VAT relating to repairs of over £1,000 to listed buildings used as places of worship by way of a grant under the Listed Places of Worship grant scheme and receipts from this are treated as other income as described above.

The results of SGHS Enterprises Limited, a trading subsidiary, are include in the consolidated accounts. This company is registered for VAT, so income and expenditure relating to that entity is presented net of VAT.

Pension costs and other post-retirement benefits
The charity has committed to paying a pension of £2,000 per annum to the rector on his retirement. No provision has been made in the financial statements because the amount is immaterial.

2 INCOME

		Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total £	2022 Total £
a]	**Donations and legacies**					
	Gift Aid and tax recoverable	40,233	-	-	40,233	12,774
	Collections	30,073	1,691	-	31,764	37,898
	Grants	220,780	1,250	-	222,030	214,434
	Donations	152,883	439,986	-	592,869	112,690
	Legacies	-	-	-	-	-
		443,970	442,927	-	886,897	377,796
b]	**Investment income**					
	Interest	7,691	-	-	7,691	3,071
	Dividends	-	57,553	-	57,553	70,008
	Rents receivable	118,898	9,608	-	128,506	42,948
		126,589	67,160	-	193,749	116,027
c]	**Church activities**					
	Fees	41,226	-	-	41,226	65,319
	Music and concerts	52,784	-	-	52,784	51,805
	Church Hall lettings	29,738	-	-	29,738	30,188
	Flower stall and car parking	73,425	-	-	73,425	98,137
		197,172	-	-	197,172	245,449
d]	**Other income**					
	Cost recoveries	237,016	-	-	237,016	32,105
	VAT recoverable	98,432	-	-	98,432	20,959
	Other income	5,940	-	-	5,940	391
		341,389	-	-	341,389	53,455
	Total income	**1,109,120**	**510,087**	**-**	**1,619,207**	**792,726**

3 EXPENDITURE

		Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
a]	**Church activities**				
	Direct costs				
	Ministry: Diocesan quota	117,692	-	117,692	112,080
	Ministry: Rector's & verger's accommodation	5,842	27,083	32,925	125,042
	Church running costs	85,685	7,750	93,435	98,847
	Church maintenance	149,760	214,498	364,258	455,091
	Choir and organist	129,819	6,785	136,603	133,809
	Staff and other staff related costs	156,139	-	156,139	107,705
	Other giving	489	3,405	3,894	61,363
	Total direct costs	645,427	259,521	904,947	1,093,937
	Support costs				
	Office running costs	17,754	-	17,754	15,938
	Accountancy fees	19,529	-	19,529	11,534
	Audit fees	17,592	-	17,592	12,198
	Professional fees	17,009	-	17,009	5,300
	Total support costs	71,884	-	71,884	44,970
		717,311	259,521	976,831	1,138,907
b]	**Raising funds**				
	Investment property costs	29,862	-	29,862	49,128
	Loan interest (HPPEC loan)	120,836	-	120,836	66,648
		150,698	-	150,698	115,776
	Total expenditure	**868,008**	**259,521**	**1,127,529**	**1,254,683**

Governance costs comprise audit and accountancy fees and totalled £37,121 (2022: £23,732).

Grants and other giving made mainly comprise the onwards transmission of Special Offerings and Homelessness Vouchers received.

3 EXPENDITURE (continued)

Total expenditure is stated after charging:

	2023 £	2022 £
Auditor's remuneration in respect of auditing the accounts	14,660	10,165
Auditor's remuneration in respect of non-audit related compliance services	3,275	2,483
Depreciation charges for the year	8,391	6,965
	26,326	19,613

4 STAFF COSTS

	2023 £	2022 £
Total staff costs comprise the following:		
Wages and salaries	115,733	87,988
Social security costs	5,564	1,638
Pension costs	2,380	1,374
Other staff costs	32,462	16,705
	156,139	**107,705**
Average numbers of employees by headcount	5	4
During the year none of the employees were paid more than £60,000		
Aggregate employee benefits of the Key Management Personnel were	58,039	59,507

5 TRUSTEE'S REMUNERATION AND EXPENSES

During the year the rector, Roderick Leece was paid £2,736 (2022: £2,809) in respect of parochial fees due to him in accordance with the policies of the Church of England. During the year Pamela Atekpe (£264 (2022: £nil)), Simon Roberts (£505 (2022: £495)) and Charles Stephens (£603 (£522)) were paid for providing verger cover.

Out of pocket expenses were reimbursed to trustees as follows:

	2023		2022	
	£	No. of trustees	£	No. of trustees
Administration	-	-	110	1
Rectory costs	5,191	1	6,541	2
Travel	3,525	2	326	1
Subsistence & office costs	3,937	3	8,461	3
Leaving gift	1,756	3	-	-
	14,410		**18,884**	

6 TANGIBLE FIXED ASSETS

Group	Ministry equipment	Valuables	Piano	Computer equipment	Fixtures & Fittings	Undercroft Development	Total
	£	£	£	£			£
COST							
Brought forward 1 January 2023	49,988	7,435	15,250	5,860	11,562	1,801,589	1,891,685
Additions	6,695	-	-	2,460	-	185,980	195,135
Disposals	-	-	-	(2,338)	-	-	(2,338)
Carried forward 31 December 2023	**56,683**	**7,435**	**15,250**	**5,982**	**11,562**	**1,987,570**	**2,084,482**
ACCUMULATED DEPRECIATION							
Brought forward 1 January 2023	12,343	-	15,250	5,860	2,891	-	36,344
Charge for the year	4,886	-	-	615	2,891	-	8,391
Depreciation on disposal	-	-	-	(2,338)		-	(2,338)
Carried forward 31 December 2023	**17,228**	**-**	**15,250**	**4,137**	**5,781**	**-**	**42,397**
Net book value – 31 December 2023	**39,454**	**7,435**	**-**	**1,845**	**5,781**	**1,987,570**	**2,042,085**
Net book value – 31 December 2022	**37,646**	**7,435**	**-**	**-**	**8,672**	**1,801,589**	**1,855,341**

6 TANGIBLE FIXED ASSETS (continued)

Charity	Ministry equipment	Valuables	Piano	Computer equipment	Fixtures & Fittings	Total
	£	£	£	£		£
COST						
Brought forward 1 January 2023	49,988	7,435	15,250	5,860	11,562	90,095
Additions	6,695	-	-	2,460	-	9,155
Disposals	-	-	-	(2,338)	-	(2,338)
Carried forward 31 December 2023	**56,683**	**7,435**	**15,250**	**5,982**	**11,562**	**96,912**
ACCUMULATED DEPRECIATION						
Brought forward 1 January 2023	12,343	-	15,250	5,860	2,890	36,343
Charge for the year	4,886	-	-	615	2,891	8,392
Depreciation on disposal	-	-	-	(2,338)		(2,338)
Carried forward 31 December 2023	**17,228**	**-**	**15,250**	**4,137**	**5,781**	**42,396**
Net book value – 31 December 2023	**39,454**	**7,435**	**-**	**1,845**	**5,781**	**54,515**
Net book value – 31 December 2022	**37,646**	**7,435**	**-**	**-**	**8,672**	**53,752**

The Church also owns 2 charitable properties which are shown at £nil (2022: £nil).

7 INVESTMENTS

	Investment property	Quoted investments	Total
	£	£	£
Market value at 1 January 2023	**3,393,116**	**1,040,582**	**4,433,698**
Additions	-	-	-
Disposals	-	-	-
Unrealised gain / (loss)	-	(18,407)	(18,407)
Gain/(loss) on revaluation of investment property	(293,116)	-	(293,116)
Market value at 31 December 2023	**3,100,000**	**1,022,175**	**4,122,175**

There were no additions or disposals of investments in the year.

Investments comprise the following:-	**2023** £
Investment shares in the Central Bond of Finance of the Church of England	56,242
M&G Securities Charifund income units	965,933
Flats 3 & 7 Grosvenor Hill Court, London, W1	3,100,000
	4,122,175

The flats at 3 and 7 Grosvenor Hill Court were re-valued as at 31 December 2023 by the trustees. The PCC is not aware of any material change since this valuation.

The quoted investments were valued on the basis of the available market data.

8 DEBTORS

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Debtors due after more than one year:				
Amounts owed by SGHS Enterprises	-	2,294,868	-	2,127,500
	-	-	-	-
Debtors due in less than one year:				
Prepayments and accrued income	58,582	44,377	41,746	61,306
Other debtors	17,955	29,154	25,798	5,679
	76,537	**73,531**	**67,545**	**66,985**
Total debtors	**76,537**	**2,368,399**	**67,545**	**2,194,485**

The Charity loan balance above is owed by a trading subsidiary, receives interest at the Barclays base rate plus 2.75% and is repayable on demand. The balance is included in debtors due in more than one year because the charity does not intend to recall this until the trading subsidiary has begun trading.

9 CREDITORS

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Creditors due more than one year:				
Deposits held	120,000	-	-	-
Creditors due within one year:				
Other creditors	60,666	60,665	62,454	59,036
Accruals and deferred income	33,328	36,378	73,135	69,785
Loan from the Hyde Park Place Estate Charity	2,025,263	2,025,263	1,897,427	1,897,427
Deposits held	-	-		
HMRC creditors	10,737	2,920	2,281	2,281
	2,129,994	**2,125,226**	**2,035,297**	**2,028,529**
Total Creditors	**2,249,994**	**2,125,226**	**2,035,297**	**2,028,529**

10 PROVISIONS

	2023 £	2022 £
Portico repair costs	-	270,190
	-	270,190

During the prior year the portico of St George Hanover Square sustained significant damage, as the PCC had an obligation to repair this, a provision was recognised. The provision was calculated on the basis of actual and estimated costs calculated prior to the date of signing this report.

The Portico repairs were completed in the year hence an absence of any provision in the current year.

11 RELATED PARTY TRANSACTIONS AND SUBSIDIARY UNDERTAKINGS

PCC Members
Reimbursed expenses of £14,410 (2022: £15,438) for parish expenses and utility bills were reimbursed to 4 PCC members. No expenses were paid to third parties on behalf of the PCC.

This is in the trustees expenses note

During the year, total unrestricted income of £26,466 (2022: £10,600) was received from PCC members.

The PCC has two subsidiaries, the St George's Hanover Square Foundation and SGHS Enterprises Limited. A summary of these together with the transactions with the two entities follows:

The St George's Hanover Square Foundation (charity number: 1120505) – an entity which provides support to the church

Address: St George's Vestry, 2a Mill Street, London, W1S 1FX

Gross assets:	£ 300,900
Liabilities:	£ -
Turnover:	£ 85,180
Expenditure:	£ 3,498
Surplus (deficit):	£ 34,965

During the year, the Church received grants of £47,258 (2022: £60,000) from the Foundation.

At the year end the Foundation owed the church £111,533 (2022: £nil).

SGHS Enterprises Limited (company number: 10023760) – a trading subsidiary of the church

Address: St George's Vestry, 2a Mill Street, London, W1S 1FX

Gross assets:	£ 2,180,259
Liabilities:	£ (2,534,219)
Turnover:	£ 203,076
Expenditure:	£ 163,823
Profit (loss):	£ 39,254

During the year, the Church
- made a loan of £25,000 (2022: 120,000) to the company, and
- charged interest of £147,367 (2022: £79,842) to the company.

At the year end the Church was owed £2,294,868 (2022: £2,127,500) by the company.

The Hyde Park Place Estate Charity (HPPEC) – an entity under common control
During the year, the Church
- received grants of £252,730 (2022: £113,002) from HPPEC, and
- unpaid interest due of £121,135 (2022: £66,648) to HPPEC.

HPPEC arranged a loan for the PCC at an annual interest rate of 2.75% over base. At the beginning of the year an amount of £1,897,427 was owed, and after interest of £121,135 charged, a drawdown of £25,000 and repayments of £18,299, an amount of £2,025,263 was owed.

12 ANALYSIS OF NET ASSETS BY FUND

Current year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	2,042,085	-	-	2,042,085
Investments	56,241	3,100,000	965,934	4,122,175
Net current (liabilities)/assets	(1,655,444)	243,649	-	(1,411,795)
Total	**442,882**	**3,343,649**	**965,934**	**4,752,465**

Prior year

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	1,855,341	-	-	1,855,341
Investments	51,405	3,393,116	989,177	4,433,698
Net current (liabilities)/assets	(1,556,784)	(159,945)	-	(1,716,729)
Total	**349,962**	**3,233,171**	**989,177**	**4,572,310**

13 RESTRICTED AND ENDOWMENT FUNDS

Restricted Funds Current year	01-Jan 2023	Income	Expenditure	Unrealised gain	Transfers	31-Dec 2023
	£	£	£	£	£	£
Burial Ground Fund	-	57,553	-	-	-	57,553
Special Collections Fund	3,257	1,691	(3,405)	-	-	1,543
Rector and Churchwardens' Fund	3,393,116	-	-	(293,116)	-	3,100,000
Homeless vouchers fund	27,826	-	-	-	-	27,826
Church Organ Fund	16,250	1,250	(2,785)	-	-	14,716
South Street Fund	22,437	9,608	(27,083)	-	-	4,962
RAA Art Project	951	-	-	-	-	951
Priest in Charge	25,452	-	(7,500)	-	-	17,952
External Redecoration	-	-	(149,668)	-	149,668	-
Chapel Organ Fund	-	-	-	-	-	-
Sound System Fund	-	-	-	-	-	-
Vestments	2,520	-	-	-	-	2,520
Scholar	640	-	(4,000)	-	3,360	-
Pilgrimage	3,746	100	(250)	-	-	3,596
Hymns & Pimms	3,196	-	-	-	-	3,196
Music for Special Services	3,970	1,658	-	-	-	5,628
Westminster Foundation	-	-	-	-	-	-
Repairs Fund		103,208			-	103,208
Portico	(270,190)	335,020	(64,830)	-	-	-
Total	**3,233,171**	**510,087**	**(259,521)**	**(293,116)**	**153,028**	**3,343,650**

13 RESTRICTED AND ENDOWMENT FUNDS (continued)

Restricted Funds Prior year	1 January 2022 (as restated)	Income	Expenditure	Unrealised gain	Transfers	31 December 2022
	£	£	£	£	£	£
Burial Ground Fund	22,469	70,008	(96,424)	-	3,947	-
Chapel external redecoration	27,814	29,979	(159,365)	-	101,571	-
Chapel Priest in charge discretion	25,452	-	-	-	-	25,452
Chapel Special collections	-	2,652	-	-	-	2,652
Church Organ Fund	13,750	1,250	-	-	1,250	16,250
Church Special collections	605	1,363	(1,363)	-	-	605
Homeless vouchers	18,726	9,100	-	-	-	27,826
Hymns and Pimms	3,196	-	-	-	-	3,196
Music for special services	1,500	2,470	-	-	-	3,970
Organ Scholar Fund	3,640	-	(3,000)	-	-	640
Pilgrimage	120	3,951	(325)	-	-	3,746
RAA Art Project	951	-	-	-	-	951
Rector & Church Wardens Property	3,010,000	-	-	129,663	253,453	3,393,116
Vestments Fund	2,520	-	-	-	-	2,520
Portico	-	-	(270,190)	-	-	(270,190)
South Street	-	-	(114,416)	-	136,855	22,436
Total	**3,130,743**	**120,773**	**(645,083)**	**129,663**	**497,076**	**3,233,172**

The purposes of the funds are:

Burial Ground Fund – Income from the funds from the sale of the old Burial Ground of St George's Church which is applied to the following:

- provision of living accommodation for the Rector and his successors
- the preservation and maintenance of the fabric and organ of the parish church
- the formation of a fund, the income of which shall be used for the maintenance of the parish church and its services.

Chapel external redecoration – Grosvenor Chapel donations for external redecoration of the chapel. A transfer of £149,668 was made from unrestricted funds to restricted funds to cover the deficit on this fund.

Chapel Priest-in-Charge discretion – Grosvenor Chapel donations given to be used at the discretion of the Priest-in-Charge.

Chapel Special Collections Fund – Chapel collections to be paid to other charities and causes.

Church Organ Fund – Donations received to preserve the new organ in St George's through a planned schedule of maintenance by the makers.

13 RESTRICTED AND ENDOWMENT FUNDS (continued)

Church Special Collections Fund – Church collections to be paid to other charities and causes.

Homeless vouchers – Donations received to support a food programme for the Homeless.

Hymns and Pimms – An outreach programme serving those with dementia and their carers.

Music for Special Services – includes grant received from the Champniss Foundation to fund the Choir.

Organ Scholar Fund – Donations to assist with the expenses of an Organ Scholar at the Chapel. A transfer of £3,360 was made from unrestricted reserves to cover the deficit in this fund.

RAA Art Project – Donations to pay for costs and professional time in connection with the 'Gardens of the Imagination' project and exhibition at the Chapel.

Rector & Church Wardens Property – Funds held for the provision of accommodation for the Rector and Verger.

Sound System Fund – Donations towards a sound system for the Chapel.

South Street Fund – Funds received for the repair, maintenance and upkeep of the properties at 49 and 49A South Street, London W1.

Vestments Fund – Donations for maintenance and repair of Chapel vestments.

Westminster Foundation – A charitable grant from the Foundation to offset the cost of employing a Community and Events Officer at Grosvenor Chapel.

Portico – To repair damage suffered to the St George Square Hanover church at the end of 2022. The PCC collected donations to fund the required repair works, which arose because the PCC has an obligation to make these repairs.

Endowment Fund

Current year

	1 January 2023	Income	Expenditure	Gain on Investments	Transfer	31 December 2023
	£	£	£	£		£
Burial ground fund	989,177			(23,243)		965,934

Prior year

	1 January 2022	Income	Expenditure	Gain on Investments	Transfer	31 December 2022
	£	£	£	£	£	£
Burial ground fund	1,515,584	-	-	(76,407)	(450,000)	989,177

13 RESTRICTED AND ENDOWMENT FUNDS (continued)

Endowment Fund

Burial Ground Fund

Funds from the sale of the old Burial Ground of St. George's Church which in accordance with the St. George Hanover Square Burial Ground Act 1964 section 6 (3) is to be applied as to capital and the income from which is to be applied as noted above, as a permanent endowment fund.

As disclosed above, in the prior year permission was received to transfer £450,000 out of this fund for the maintenance of properties. £253,453 was transferred to the Rector and Churchwardens fund for the maintenance of the investment property and £136,855 was transferred to the South Street fund for the maintenance of the properties described above. The remaining £59,692 was transferred to the unrestricted general fund to reimburse costs incurred in the year prior.

14 UNRESTRICTED FUNDS

Current year	1 January 2023	Income	Expenditure	Gains on investments	Transfers	31 December 2023
	£	£	£	£	£	£
General Funds	349,962	1,109,120	(868,008)	4,836	(153,028)	442,882
	349,962	1,109,120	(868,008)	4,836	(153,028)	442,882

Prior year	1 January 2023	Income	Expenditure	Gains on investments	Transfers	31 December 2023
	£	£	£	£	£	£
General Funds	247,701	671,953	(609,600)	(7,169)	47,076	349,962
	247,701	671,953	(609,600)	(7,169)	47,076	349,962

15 CAPITAL COMMITMENTS

At the year end, the group had commitments for the purchase of £433,472 of capital assets (2022: £nil).

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQ

England & Wales - Charity number 1134811

Accounts

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Charity No 1134811

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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OFFICERS AND ADVISORS

Rector	The Reverend R N S Leece
Priest-in-Charge	The Reverend Dr R M Fermer
Correspondence Addresses	St George's Vestry 2A Mill Street London W1S 1FX Grosvenor Chapel Office 24 South Audley Street London W1K 2PA
Bankers	The Royal Bank of Scotland plc London Drummonds Branch 49 Charing Cross London SW1A 2DX CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Auditor	Rothmans Audit LLP Chartered Accountants Chilworth Point 1 Chilworth Road Southampton SO16 7JQ
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT
Parish Reference	0311 - St George's Hanover Square 0311A - Grosvenor Chapel
Charity No	1134811

ANNUAL REPORT

The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square (PCC) has pleasure in presenting its report and the financial statements of the church for the year ended 31st December 2022.

Reference and administrative information

Trustees

The following were trustees from 1 January 2022 to the date of this report.

Mark Hewitt
Rev Roderick Neil Stephen Leece
Graham Edward Barnes
Gary Nigel Eaborn
Diana Mary Dennis
Rev Alan Robert Lennox Piggot
Gavin Charles J Arendt
The Revd Dr Alan William McCormack
Janet St John-Austen
George Charles the Earl of Lucan
Revd Dr Richard Malcolm Fermer
Charles Chamberlain Stephens
Alicia Mather
Stewart James Munro
Andrew Alexander Jones
Pamela Yayra Atekpe
Alistair Henry Milward
John Crichton
Sally Rieu
M C
Simon John Roberts (appointed May 2023)
Christopher Scott (appointed July 2023)

Council Membership

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. Following the elections of PCC members at the APCM on 22nd May 2022, and re-elected at the APCM on 28th May 2023, the PCC was constituted as follows:

Rector of St George's, Hanover Square:	The Reverend Roderick N S Leece
Priest-in-Charge of the Grosvenor Chapel:	The Reverend Dr Richard M Fermer
Non-stipendiary Assistant Priest at St George's:	The Reverend Dr Alan McCormack
Non-stipendiary Assistant Priest at Grosvenor Chapel:	The Reverend Dr Alan Piggot
Church Wardens:	Mr Mark A Hewitt Mr Graham E Barnes
Grosvenor Chapel Wardens:	Ms Kate Godfrey (appointed in May 2022) Mr Oliver Chubb (appointed in May 2022) Mrs Denise Scots-Knight (not reappointed) Mr Philip Eyre (not reappointed)

Deputy Church Wardens:	Mr Alistair Milward Mr Stewart Munro Ms Kate Godfrey (appointed in May 2022) Mr Oliver Chubb (appointed in May 2022) Mr Philip Eyre (not reappointed) Mrs Denise Scots-Knight (not reappointed)
Other Elected Members:	Mr George Bingham Mr Andrew Jones Mr Charles Stephens Ms Pamela Atekpe Mr Alistair Milward Mr M C Mr Stewart Munro
Deanery Synod Representatives:	Mr John Crichton Mrs Diana Dennis Mrs Alicia Mather Mrs Janet St John-Austen (Chapel representative) Mr Gary Eaborn (Chapel Representative) Ms Sally Rieu (Chapel Representative)
Secretary to the PCC:	Mr John-Paul de Soissons
Hon. Secretary to the Chapel Committee:	Ms Irene Agnell (appointed May 2023) Mrs Jennifer Eyre (not reappointed)
Parish Treasurer:	Mr Mark Hewitt
Lay Vice Chairman of the PCC:	Mr Mark Hewitt

Standing Committee: Rector, Church Wardens, (Treasurer), Messrs Alistair Milward & Stewart Munro, the Priest-in-Charge & the Chapel Wardens

Finance & Fundraising Committee: Mr Mark Hewitt (Chairman & Treasurer), Rector, Messrs George Bingham, Stewart Munro, Charles Stephens & Janine Manning (Chapel Treasurer)

Fabric Committee: Mr Graham Barnes (Chairman), Rector, Ms Pamela Atekpe, Messrs Andrew Jones, Alistair Milward & Charles Stephens

Grosvenor Chapel Committee: The Revd Dr Richard Fermer (Priest-in-Charge) (not reappointed), The Revd Dr Alan Piggot, Mr Oliver Chubb (Chapel Warden), Ms Kate Godfrey (Chapel Warden), Ms Irene Agnell (Hon Secretary), Ms Janine Manning (Hon Treasurer), Ms Janet St John-Austen (Deanery Synod representative), Mr Gary Eaborn (Chapel Representative), Ms Sally Rieu (Chapel Representative), Mr Richard Hobson (Ex officio), Messrs Rory Gordon, Robert Coleman, Godfrey Barker & Edward Hasted, Mrs Denise Scots-Knight, Ms Elizabeth Tee & Ms Harriet Hedden

Safeguarding Officers:	Mr Graham Barnes (SG's Safeguarding Officer) Mrs Sarah Jackson-Stevens (SG's Children's Champion) Ms Harriet Hedden (GC Safeguarding Officer) Ms Virginia Allel Mazar and Ms Fumiko Sekiguchi (GC Children's Champions)
Stewardship Records Officers:	Mr John-Paul de Soissons Ms Janet St John-Austen

Electoral Roll Officers:	Mr John-Paul de Soissons Ms Lorraine Fraser
Main Office:	The Vestry, St. George's Church, 2a Mill Street, London W1S 1FX Tel. 020 7629 0874

Structure, Governance and Management

The Parochial Church Council (PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity.

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

Committees

The Standing Committee is the only committee of the PCC which is required by Law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Three other committees continued to co-ordinate key areas of PCC business. The Finance Committee and the Fabric Committee at St George's and the Grosvenor Chapel Committee met periodically throughout the year. The Standing Committee met as required.

Appointment and induction of PCC members

PCC members are elected at the Annual Parochial Council Meeting and are eligible for re-election annually.

New PCC members are required to familiarise themselves with the day-to-day running of the Parish which may include an induction to brief them on their legal obligations under charity and church law, the Council and the decision making processes and the recent performance of the church. They meet key employees and the other PCC members.

Risk assessment policy

The PCC and sub-committees, which meet on a regular basis, consider any risks as and when necessary. From these Committee meetings appropriate recommendations are made to the PCC members. At its meeting on 22nd April 2015 the PCC adopted a comprehensive Risk Register. This analysed governance, existential, financial and operational risks and was able to give details of measures to mitigate all the risks identified.

The Risk Register is reviewed annually and updated as necessary.

The key strategic risks include:

- Substantial damage to buildings and the associated repair costs.
- Failure to generate income.
- Fraud – both internal and external.

To mitigate the risk of substantial damage to the buildings, the PCC maintains a programme of ongoing repairs to the church buildings. The PCC maintains sufficient reserves to cover any urgent repairs, and will seek donations to assist with any major repairs. For example, the PCC has received donations to cover the damage sustained to the portico discussed more fully in the accounts.

The PCC is required to generate income to cover the operations of the churches, including the repair costs as mentioned above. To achieve this the PCC receives income from a wide range of sources, including fees for events, hire costs, rental income, investment income, voluntary donations and grants. The diversified nature of these helped to maintain income during COVID lockdowns, for example, when in person events reduced significantly.

The PCC ensures its staff are aware of the risks of external fraud and has appropriate approval procedures in place to mitigate the risk of unauthorised bank payments. The PCC prepares quarterly management accounts, which are reviewed by the members for any unexpected transactions.

Organisational policy

The PCC members meet every three months and there are sub-committees covering issues relating to Fabric, Finance, the Grosvenor Chapel and Standing Committee (as required). Other sub-committees are formed as and when required. Administrators are appointed to manage the day-to-day operations of the parish.

To facilitate effective operations, the Parish Administrator at St George's and the Administrator, Chapel Wardens and Honorary Treasurer at Grosvenor Chapel have delegated authority, within the terms of delegation approved by the PCC members, for operational matters including finance, employment and other elements of the charitable work of the parish and its places of worship. As such they are deemed to be Key Management Personnel along with the Rector and Churchwardens and the Priest-in-Charge of Grosvenor Chapel.

The Administrators' remuneration is disclosed in note 4 to the Financial Statements. The pay of all staff is reviewed annually and normally increased in accordance with average earnings. No formal bench marking with salaries paid by similar charities is in place. The PCC is committed to paying all staff in excess of the agreed London Living Wage.

As is the case with most churches, the Parish of St George is heavily dependent on the input of volunteers.

Objectives and activities

St George's PCC has the responsibility of co-operating with the incumbent, The Revd Roderick Leece, and the Priest-in-Charge of the Grosvenor Chapel in promoting within and beyond the ecclesiastical parish the whole mission of the Church: spiritual, pastoral, social and ecumenical. It also has responsibilities for maintaining the Church of St George, Hanover Square and the Grosvenor Chapel, South Audley Street. The PCC confirms that it has had due regard to the guidance on public benefit issued by the Charity Commission when planning its objectives and activities for the year.

Policy of the Church

The policy of the Parish is to promote the Gospel of our Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC endeavours to cooperate with the priests in the whole mission of the Church: spiritual, pastoral, social and ecumenical. The strategies it has adopted to fulfil this are to provide regular services of worship, access to the holy sacraments, teaching through the Sunday school and spiritual guidance for the parishioners and visitors to the Parish. The church seeks to be a Christian Community in the catholic tradition of the Church standing as a beacon of faith in the heart of Mayfair, with a welcoming, friendly and supporting congregation.

The number of parishioners on the Church Electoral Roll at the 2022 APCM was 298 (276), of whom 27 (27) were resident in the parish. These figures break down as follows: St George's Church 155 (150) of whom 8 (8) were resident in the parish; & Grosvenor Chapel, 143 (126) of whom 19 (19) were resident in the parish. The figures for 2021 are in brackets.

The usual Sunday attendance at St George's, during October 2022, was 52 (2021: 62).

At the Grosvenor Chapel the usual Sunday attendance, during October 2022, was 35 (2021: 40).

A. Special Services held in the year (2021 in brackets)

	St George's	Grosvenor Chapel
Baptisms	8 (7)	12 (11)
Weddings & marriage blessings	13 (6)	12 (12)
Funerals & memorials	10 (4)	3 (2)
Confirmations	0 (0)	0 (0)
Admission to Holy Communion	0 (0)	0 (0)

Review of operations for the year

2022 was once again a busy year for both churches in the parish. Messrs Mark Hewitt and Graham Barnes were re-elected Church Wardens at the Annual Parochial Church Meeting held on 22nd May 2022.

The PCC met four times during the year with a good attendance at all meetings. The February 2022 PCC, continuing the pattern during the pandemic, was on Zoom, but in May a combination of in person attendance and zoom was adopted and this was the practice for all committee meetings through the year, but with increasing in person attendance as the year progressed - a positive development. During the year, the PCC approved a new Fire Policy and Procedures document as well as a new Safeguarding Action Plan and the annual review of the Safeguarding Policy Statement. The meeting of the PCC in May was also the date of the Archdeacon's Triennial Visitation, and the PCC meeting, attended by the Archdeacon, was followed by a separate meeting between the PCC and the Archdeacon.

As in previous years, the Parish remains a net contributor to the Diocesan Common Fund (£52,080 in 2022, the same level as in 2021).

During the year the PCC sub-committees continued to meet regularly, each one meeting shortly before the PCC meetings, with reports then provided to the PCC. The Finance Committee under the chairmanship of Mr Mark Hewitt approved a budget for 2022 and monitored its implementation throughout the year. The Fabric Committee, chaired by Mr Graham Barnes, with Charles Stephens as Deputy Chairman, continued the task of maintaining St George's wonderful building, notably in the context of the Quinquennial inspection report which was finalised during the year, scheduling works highlighted as being necessary in the coming months and years, and taking into immediate hand the more pressing matters.

St George's Hanover Square

Neither attendance numbers nor donation income during the year recovered to pre-Covid levels.

Importantly during the year, the Resolution by Rector and Church wardens in February to the Charity Commission to authorise the sale of £450,000 of the Parish's listed investments was approved. This enabled St George's to put into effect important refurbishment projects in its two flats in Grosvenor Hill Court, as well as the Verger's flat in South Street, and exterior renovation works at 49 South Street. It also enabled the Parish to avail itself of its statutory right to extend the leases on the two flats in Grosvenor Hill Court. Most of the works were accomplished during the year, and new tenants found for the Grosvenor Hill Court flats late in 2022 at substantially higher rents than before the renovations. The leases were also duly extended as planned.

In the latter part of 2022, it was discovered that our heating boiler could no longer be used, because of insufficient ventilation in the boiler room. We were thus without central heating throughout the winter of 2022-2023. Fortunately, a new much more efficient heating system has been installed during 2023, and is ready for use during the coming Autumn and Winter. We are extremely grateful to the Hyde Park Place Estate Charity for providing the c. £80,000 funding required by way of grants

2022 showed a strong level of wedding activity, with 10 weddings and 3 wedding blessings. This reflected a catch-up post-Covid, and this level is unlikely to be replicated in 2023. We also had 6 funerals and 4 memorial services in 2022, again, a strong post-Covid recovery. Concert income in 2022 was also strong, materially higher than pre-Covid levels.

What is the outlook into the coming year?

The level of weddings and blessings as noted above of 2022 is unlikely to be replicated in 2023.

Nonetheless concert activity is continuing strongly and we have a very full diary of events in the run up to Christmas 2023.

The major event at the end of 2022, affecting our prospects in 2023, is that on the evening of 19th December 2022, just before Christmas a section of the church portico at the front of St George's collapsed. Thankfully, nobody was hurt but the church had to take immediate action to install scaffolding to ensure the safety of the public and to enable the church to remain open for Christmas services. The cost of the expected repairs and restoration of the portico ceiling and the lead roof above the portico is estimated to be in the region of £400,000. At the time of writing, the repair and preservation works are under way and it is hoped that they will be completed and the hoarding and scaffold all taken down in time for Christmas 2023. A major fundraising initiative is in progress to fund these repairs.

During 2022, with the prospect of the new **Elizabeth Line station** opening in **Hanover Square**, there was some expectation that there would be a dramatic increase in footfall, and an opportunity for increased midweek ministry. This has not yet materialised, and in addition working patterns have changed dramatically – and some adjustment to the liturgical structure of the week at St George's may be called for.

The PCC continues to keep a tight rein on expenditure.

St George's, Hanover Square School – School Speech Day in July 2022 was well organised once again and took place in church. The partnership with three other schools is going well.

The school began the academic year with a celebration of the Eucharist for staff in September, with the Head of School Elizabeth Barnes, Harvey Webb the Executive Head and a number of other new staff.

Unfortunately numbers on the school roll dropped yet again, partly as a result of demographic changes throughout Westminster, and the school remains under threat, with another two years to get numbers back up. The signs are that numbers will hold up next academic year as word of mouth about how good the school now is continues to spread.

The Undercroft – after lengthy negotiations during 2022, stage 2 of the redevelopment of the Undercroft and the related investment by SGHS Enterprises was presented to and approved by the PCC on 3rd May 2023. At the time of writing, it is expected that a licence agreement will shortly be signed with our restaurateur partner, now called Undercroft Mayfair Ltd, and it is hoped that trading may be able to commence in the Spring of 2024.

Churches Together in Westminster, of which the Rector is an executive member, continued its meetings online, but with live face-to-face events, and a restoration of more regular interdenominational worship. The Annual Meeting held at Methodist Central Hall in January considered the issue of homelessness and involved agencies and organisations sharing information about support. The ecumenical Advent service was held at St James's Piccadilly.

The London Prisons Mission: **The Safer Homes for Women Leaving Prison** initiative, which successfully gathered together a range of partners, has been followed through and wound down so that there are concrete results in both Houses of Parliament and also the London Assembly. London Prisons Mission is undergoing a process of reflection and regrouping for the future. The links with Churches Together in Westminster remain.

St George's links with ***The Royal Society of St George*** were celebrated on Sunday 30th October 2022 with their Annual Parade Service celebrating the feast of All Saints. With the **Réunion des Gastronomes** we celebrated their Annual Church Service at Sung Eucharist on Sunday 4th December.

The ***Food Voucher*** scheme redeemable at the Cabmens' Shelter café in Hanover Square remained in abeyance throughout 2022. Now that the new Elizabeth Line stop in Hanover Square has opened, and the remodelling of Hanover Square is complete, it is hoped that with the re-opening of the café, we will be able to re-launch the scheme.

Holy Cocktails have been held regularly at the Rectory and this open house gathering has expanded significantly in terms of numbers, including students from around the world at Goodenough College.

New Director of Music: in the autumn of 2022, Simon Williams our Director of Music for 22 years (the 11th to hold the post since St George's was consecrated in 1725), stepped down to take up a new post in Cheltenham. Amongst an extremely strong field of musicians who applied for the post as Simon Williams's successor as 12th Director of Music (Organist) of St George's, Richard Gowers was appointed to that position.

Grosvenor Chapel

2022 saw continued good recovery following the pandemic. Attendance varied week-in and week-out averaging c. 35 weekly, with higher numbers at Easter and Christmas of between 80-140. Occasional offices in the calendar year: 11 marriages, 5 baptisms and 3 funerals.

Community Events included participation in the Mount Street Gardens Summer Fair, hosting of the Thursday Lunch Club for the Homeless (in partnership with local law firm Forsters LLP) for refugees and international homeless with no recourse to public funds, Carol Singing in Shepherd Market (in support of the Healthcare Workers Foundation), and a well-attended Community Carol Service. Ecumenical services were also held with Farm Street Church and the Ukrainian Catholic Cathedral.

A new fire system was installed in the Chapel, and Phase Two of the long-overdue external repairs and redecoration of the Chapel's South and East Elevations was undertaken in 2022, with relevant permissions to proceed granted from the Diocese. A major undertaking, 90% of the work was completed by November, with the remaining work delayed due to weather conditions. This will be completed during the final phase three of the project (repair and redecoration of the North Elevation) in 2023.

Farewells

In December Fr Richard Fermer announced his farewell to the community following his appointment as Dean of St Christopher's Cathedral, Manama in the Kingdom of Bahrain. Fr Richard has been Priest-in-Charge of the Grosvenor Chapel for the last ten years. His many years of service to the community have been marked by community focus and outreach. He was a Steering Group Member of the Mayfair Neighbourhood Forum, which produced the first Mayfair Local Plan. In partnership with local law firm Forsters LLP, he set up the "Thursday Lunch Club", and with Lis Hasted a pioneering dementia programme called "Hymns & Pimms". He also oversaw major fabric projects that included: a new nave door, designed by Craig Hamilton, with a bas relief sculpture by Alexander Stoddart; the installation of the Constantinidi-Betjeman plaque, containing Betjeman's poem "Lenten Thoughts in Grosvenor Chapel"; and the redecoration of the exterior of the Chapel. Fr Richard and Giseli moved to Bahrain in January 2023.

In October Nigel Percival stood down from his post as Chapel Administrator after many years' valuable service and contribution to the Chapel both as Administrator and Hiring and Site Manager. Nigel continued to oversee the decoration of the North Elevation and the Chapel acknowledges and thanks him for his help and guidance.

Committee news
Kate Godfrey and Oliver Chubb were elected Chapel Wardens as Philip Eyre and Denise Scots-Knight stood down from their positions. Jennifer Eyre stood down as Secretary and Safeguarding Officer. Irene Agnell and Harriet Hedden took on the role of Secretary and Safeguarding Officer respectively, and Janine Manning the role of Treasurer.

New appointments
Lydia Fernandez was engaged as pastoral assistant in charge of the Sunday school, and Rosslyn Okumu as the new Chapel Administrator.

Financial review
The parish is dependent on funding from charitable trusts, regular giving by members of the congregation, income from events and special services, and income generated by investments, rental properties, room hire and parking bays plus occasional legacies.

Additionally, as mentioned above, the effect of both tenants in Grosvenor Hill Court ending their tenancies, and the need to invest in the upgrading of both properties reduced the annual rental income to the church for the year as a whole marginally, but both were re-let following completion of the works.

Finally, the issues with the portico at the front of St George's, highlighted above, had a significant negative effect on the financial performance during the year as a cost accrual needed to be made in relation to those costs that were known as at the year end, which resulted in an overdrawn restricted fund of £270,190 as at 31 December 2022, for which fundraising is ongoing. Together with the costs of the works to the Verger's accommodation, the two investment properties, the external works at South Street and the boiler, mentioned above, costs related to such repairs and maintenance totalled more than £½m for the year.

As a result, tight control on costs and expenses was maintained throughout the year, with reduced expenditure on music and continuing reduced contribution to the Diocesan Common Fund.

As a direct result of all these factors, before the non-cash effects of revaluation of the Parish's investments, 2022 saw a net loss of expenditure over income of £362,043 in the year. The comparable figure in 2021 was a small deficit of £72,657. Details of these movements can be found on page 18 of these accounts. This loss was partly offset by a non-cash uplift adjustment in the value of the parish's investments, but the Balance Sheet still suffered a net reduction of £315,956.

During the year it became apparent that the cost of the annual audit by Mazars had become unsustainable. As a result, following a benchmarking exercise and tender process, a resolution was proposed and passed by the PCC to remove Mazars as the Parish's auditor and replace them with Rothmans LLP.

Investment policy

It is the Church's policy to invest funds with the CBF Church of England Investment Fund and M&G Securities Charifund. The Church has made such investments to generate a return and has no social investments currently in place. During the year, following the general uncertainty in the financial markets, 2022 saw a marginal fall in the value of the quoted investments. In order to fund the required investments in the Church's fixed asset investments, permission was received from the Charity Commission in April 2022 to utilise up to £450,000 of the investment funds held at M&G. As a direct result of both these factors the value of the quoted investments fell to £1,040,582

This reduction was partly offset by an uplift in the valuation of the investment properties, which were further boosted by the renovation works completed on them.

As a long-term investor, the PCC has no plans to change its investment policy, and details of the assets held can be found in note 6 to these accounts.

Reserves policy

The Council considers that it is appropriate to maintain a level of income reserves equivalent to approximately six months' expenditure of unrestricted funds in order to meet its needs, including its legal and constructive obligations.

Following both the excess expenditure over income recorded in the year and the reduction in the investments, both detailed above, during the course of the year under review the total reserves reduced from the previous year and stood at £4,699,589 of which £4,222,348 are set aside for restricted and endowment purposes. Of these, £3,393,116 is included in the Rector and Churchwardens' Property Fund, which could be realised on the disposal of investment properties, and the Endowment Fund of £989,177, which could be realised on the disposal of the M&G Securities Charifund income units. Within the overall amount there are accrued costs of the required portico costs of £270,190.

The level of unrestricted free funds at the year end, shown in Note 12 below, amounted to assets of £477,241 (including investments).

Related parties

The Hyde Park Place Estate Charity is a grant making charity. The Rector, the Revd R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity.

The St George's Hanover Square Foundation, is a charity whose objective is the repair, restoration and enhancement of St George's Church Hanover Square. The Rector, the Revd. R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity.

SGHS Enterprises Limited, is a company registered in England and Wales (number 10023760). The activities of this company are the restoration of the fabric of St George's Undercroft and, once this is complete, the Undercroft's operation as a semi-autonomous revenue-generating facility in the building. The Revd R N S Leece, Mr W M C Beckett, and Mr M A Hewitt are Directors of this company. The Church has made loans to this company during the year.

Details of transactions taking place between the Church and its related parties, including the St George's Hanover Square Foundation, the Hyde Park Place Estate Charity and SGHS Enterprises Limited are shown in note 9 to the financial statements.

Plans for the future

Subsequent to the Church's year end, there has been a continuing recovery of congregation numbers, though still not to pre-COVID levels and collection proceeds remain lower. Wedding and baptism numbers have increased, as has concert activity, and barring further setback, this is expected to continue.

The events diary in the run up to Christmas 2023 is virtually full, which is gratifying.

As referenced above, both of the Grosvenor Hill Court flats became income producing again towards the end of the year, following refurbishment. The PCC plans to sell one of these properties to release capital to re-pay the majority of the loan outstanding, mindful of the unexpected and dramatic increase in interest rates. This is expected to reduce the rental income by around half once completed, likely to be in 2024. During 2024 it is anticipated that this reduction in income will be partly offset by the start of an income stream from SGHS Enterprises with the planned opening of the Undercroft under licence.

Both Church and Chapel have in recent years been obliged to devote significant energy to restoring the fabric of their respective buildings. The intention is to develop a costed, phased programme of packages of refurbishment works to be delivered between 2023 and 2024 at St George's to mark the Church's Tercentenary, including a focussed, phased response to the recently issued Quinquennial Inspection Report.

Both elements of the Parish continue to concentrate on their mission to the community in which they are situated.

Auditors

A resolution was proposed and passed at a Special Parochial Church Council meeting on 29th October 2023 that Rothmans LLP be appointed as auditors.

PCC members' responsibilities

The PCC members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law 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 church and of its financial activities for that period.

In preparing those financial statements, the PCC members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the church will continue.

The PCC members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and enables them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the PCC members are aware:
- there is no relevant audit information of which the charity's auditors are unaware; and
- the PCC members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE COUNCIL

Dated: 31st October 2023



M A Hewitt
Church Warden

INDEPENDENT AUDITOR'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE

Opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square ('the PCC') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 PCC's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of 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 PCC 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 PCC members', as 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 PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members

As explained more fully in PCC members' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

The objectives of our audit, in respect of fraud or error are:

> To identify and assess the risks of material misstatement of the financial statements due to fraud.

> To obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses.

> To respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

> Enquiring of management, including obtaining and reviewing supporting documentation, concerning the PCC's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

> Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

> Obtaining an understanding of the legal and regulatory frameworks that the PCC operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on operations. These included the Charities Act 2011, sanctions and conflicts checks and relevant UK tax and employment legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the valuation of investments, the recognition of income and the override of controls by management. To address the risk of fraud in these areas, we:

> reviewed investment costs and the impairment model and compared our expected valuation to the PCC's assessment;

> reviewed material sources of income, including investment income, and compared expected income to that recorded in the financial statements;

> performed analytical procedures to identify any unusual or unexpected relationships;

> tested journal entries during the year and at the year-end to identify unusual transactions;

> investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

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



Lisa Wilson FCA (Senior Statutory Auditor)
for and on behalf of Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
Chilworth Point
1 Chilworth Road
Southampton
SO16 7JQ

Date: 31 October 2023

Rothmans Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Unrestricted Funds (as restated) £	Restricted Funds (as restated) £	Endowment Funds (as restated) £	Total Funds 2021 (as restated) £
Income from:									
Donations and legacies	*2a*	303,643	28,556	-	**333,449**	265,421	16,293	-	**281,714**
Investment income	*2b*	125,455	70,008	-	**195,463**	99,500	72,069	-	**171,569**
Church activities income	*2c*	271,519	-	-	**271,519**	143,108	-	-	**143,108**
Other income	*2d*	6,420	20,959	-	**27,379**	21,815	20,075	-	**41,890**
Total income		**707,037**	**120,773**	**-**	**827,810**	**529,844**	**108,437**	**-**	**638,281**
Expenditure on:									
Church activities expenditure	*3a*	428,994	645,083	-	**1,074,077**	516,061	127,426	-	**643,487**
Raising funds	*3b*	115,776	-	-	**115,776**	67,451	-	-	**67,451**
Total expenditure		**544,770**	**645,083**	**-**	**1,189,853**	**583,512**	**127,426**	**-**	**710,938**
Gain on revaluation of investment property	*6*	-	129,663	-	**129,663**	-	226,000	-	**226,000**
Gain/(Loss) on investments		(7,169)	-	(76,407)	**(83,576)**	7,292	-	178,837	**186,129**
Net income/(expenditure) Income before transfers		**155,097**	**(394,647)**	**(76,407)**	**(315,956)**	**(46,376)**	**207,011**	**178,837**	**339,472**
Transfer of funds		47,076	497,076	(450,000)	**-**	(13,394)	13,394	-	**-**
Net movement in funds		**108,023**	**102,429**	**(526,407)**	**(315,956)**	**(59,770)**	**220,405**	**178,837**	**339,472**
Reconciliation of funds:									
Total funds brought forward		369,218	3,130,743	1,515,584	**5,015,545**	428,988	2,910,338	1,336,747	**4,676,073**
Total funds carried forward		**477,240**	**3,233,172**	**989,177**	**4,699,589**	**369,218**	**3,130,743**	**1,515,584**	**5,015,545**

All activities are continuing. There were no recognised gains or losses other than those shown above.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 (as restated) £
FIXED ASSETS			
Tangible fixed assets	*6*	53,752	48,740
Investments	*7*	4,433,698	4,584,158
		4,487,450	**4,632,898**
LONG TERM DEBTORS	*8*	2,127,500	1,952,659
CURRENT ASSETS			
Debtors	*8*	66,985	47,606
Short term deposits		45,031	44,447
Cash at bank and in hand		271,342	216,075
		383,358	**308,128**
CREDITORS: amounts falling due within one year	*9*	(2,028,529)	(142,360)
NET CURRENT ASSETS		**(1,641,171)**	**165,768**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,969,779**	**6,811,325**
CREDITORS: amounts falling due more than one year	*9*	-	(1,735,780)
Provisions	*10*	(270,190)	-
NET ASSETS	*13*	**4,699,589**	**5,015,545**
FUNDS:			
Unrestricted funds	*15*	477,240	369,218
Restricted funds	*14*	3,233,172	3,130,743
Endowment funds	*14*	989,177	1,515,584
		4,699,589	**5,015,545**

Approved by the Parochial Church Council on 29th October 2023 and signed on its behalf by:



M A Hewitt
Church Warden

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQUARE (AND THE GROSVENOR CHAPEL)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021 (as restated)	
	£	£	£	£
Cash (used in) operating activities (see below)		(281,234)		(209,614)
Cash flows from investing activities				
Interest and dividends received	152,516		114,955	
Payments to acquire tangible fixed assets	(11,976)		(6,823)	
Additions to investment property	(253,454)		-	
Proceeds from disposal of investments	450,000		-	
Cash provided by investing activities		**337,086**		**108,132**
Net cash (outflow)		55,852		(101,482)
Cash and cash equivalents at 1 January 2022		260,522		362,004
Cash and cash equivalents at 31 December 2022		**316,373**		**260,522**
Cash flows from operating activities:				
Net income/(expenditure)		(315,956)		(339,472)
Interest and dividends received shown in investing activities		(152,516)		(125,077)
Depreciation		6,965		3,827
Unrealised (gain) on revaluation of investment property		(129,663)		(226,000)
Unrealised (gain)/loss on revaluation of investments		83,576		(186,129)
(Increase) in debtors		(194,220)		(30,075)
Increase/(decrease) in creditors		420,579		(14,368)
Cash (used in) for operating activities		**(281,234)**		**(209,614)**

1 ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). They have been prepared on the accruals basis and under the historical cost convention except for the valuation of investments, which are shown at fair value. The financial statements have not been consolidated, as the PCC has taken advantage of exemption from preparing consolidated accounts on the basis that its total income is below £1m. The PCC meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The presentation currency of the financial statements is the Pound Sterling (£).

Going concern

The Parochial Church Council of the Ecclesiastical Parish of St George Hanover Square (And The Grosvenor Chapel) (the PCC) has reviewed the circumstances of the Church and considers that adequate resources continue to be available to meet its financial obligations as they fall due in the coming 12 months.

In light of the above, based on the most recent budgeting exercise, the PCC believes that there will be adequate resources available to fund the activities of the Church for the foreseeable future. The PCC is therefore of the view that the Church is a going concern.

Significant judgements and estimates

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for trustees to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statement and the reporting amounts of income and expenses during the year. Actual outcomes could differ from those estimates and assumptions used. The accounting judgements and estimates that could have significant impact on the results of the charity are set out below and should be read in conjunction with the information provided in the Notes to the financial statements:

<u>Critical Judgements</u>

• Management determine whether financial instruments are basic or advanced and when to deal with recognising, derecognising, measuring and disclosing financial instruments. These decisions depend on an assessment made of the accounting standards.

1 ACCOUNTING POLICIES (continued)

Significant Estimates

• To determine the fair value of the charity's investment assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

• To determine whether there are indicators of impairment of the charity's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Funds designated by the PCC for a specific purpose are also unrestricted.

Restricted funds are those subject to specific trusts, which may be declared by the donor or with their authority. The restricted funds of the PCC, are restricted income funds which are expendable at the discretion of the PCC in furtherance of some particular aspects of the activities of the church.

A permanent endowment fund is a particular type of restricted fund which must be held permanently.

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

Income

Donations and legacies

- Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.
- Conditional grants receivable are recognised as restricted income on the date the contract agreement is signed, reflecting the full amount expected to spend or claim by the end of the grant period.

Income from investments

- Interest and dividends from investments are accounted for when receivable.
- Rental income from the letting of investment properties is recognised in accordance with the terms of the rental leases when the rental is due.

Other trading activities and other income

- The churches charge fees for events held in the churches, which are recognised when the event takes place.
- The churches also hire out the various rooms and car parking spaces available, which are recognised in accordance with the licencing agreements, over the period of hire.
- The PCC makes claims through the Listed Places of Worship VAT recovery scheme, which is recognised in the period the related expenditure is incurred.

Expenditure

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

1 ACCOUNTING POLICIES (continued)

Expenditure is allocated to the activities the Charity undertakes in proportion to the level of resources used by each activity. During the current and previous years all expenditure has related to the single activity of furthering the Mission of the PCC.

Church activities

- Gifts and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.
- The diocesan parish quota is accounted for when payable. Any quota unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.
- All costs in support of achieving the church's objectives are accounted for in this category. This includes governance costs which represent all costs in ensuring that the church complies with all legal and regulatory requirements that are relevant to it.

Fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated or beneficed property is excluded from the accounts by section 10(2)(a) of the Charities Act 2011. Movable church furnishings held by the Rector and Church Wardens on special trust for the PCC and which require a faculty for disposal, are accounted as inalienable property unless consecrated. They are listed in the Church's Inventory which can be inspected (at any reasonable time). For inalienable property acquired prior to 31 December 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. All expenditure incurred during the year on consecrated or benefice buildings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings and office equipment and ministry equipment

Equipment used within the church premises is depreciated on a straight-line basis over 4 to 5 years with the exception of a boiler which is depreciated over 20 years. Individual items of equipment with a purchase price of £250 or less are written off when the asset is acquired. The piano is depreciated on a straight-line basis over 10 years.

Investments

Investments include investment shares in the Central Bond of Finance of the Church of England and M&G Securities Charifund income units (together the "portfolio investments") and two investment properties. Portfolio investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The charity does not acquire put options, derivatives or other complex financial instruments. Investment properties are valued at fair value at the year-end based on available market data on or close to the year end date, taking into account any variables that may arise in the intervening period.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on portfolio investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1 ACCOUNTING POLICIES (continued)

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

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

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

Taxation
The PCC is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Charity's activities are exempt from VAT and accordingly irrecoverable VAT is charged to the Statement of Financial Activities when incurred and included within the expenditure category to which it relates or capitalised under tangible fixed assets if relating to capital expenditure.

The charity is however eligible to recover VAT relating to repairs of over £1,000 to listed buildings used as places of worship by way of a grant under the Listed Places of Worship grant scheme and receipts from this are treated as other income as described above.

2 INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total £	2021 (as restated) Total £
a] Donations and legacies					
Gift Aid and tax recoverable	12,213	-	-	12,213	18,777
Collections	64,898	80	-	64,978	45,388
Grants	173,002	-	-	173,002	128,960
Donations	54,780	28,476	-	83,257	83,339
Legacies	-	-	-	-	5,250
	304,893	28,556	-	333,449	281,714
b] Investment income					
Interest	80,977	-	-	80,977	51,530
Dividends	1,529	70,008	-	71,537	73,547
Rents receivable	42,948	-	-	42,948	46,492
	125,455	70,008	-	195,464	171,569
c] Church activities					
Fees	91,389	-	-	91,389	56,087
Music and concerts	51,805	-	-	51,805	35,651
Church Hall lettings	30,188	-	-	30,188	16,050
Flower stall and car parking	98,137	-	-	98,137	35,320
	271,519	-	-	271,519	143,108
d] Other income					
Cost recoveries	1,300	-	-	1,300	16,642
VAT recoverable	-	25,694	-	25,694	20,075
Other income	385	-	-	385	5,173
	1,685	25,694	-	27,379	41,890
Total income	**703,552**	**124,259**	**-**	**827,810**	**638,281**

3 EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £	2021 Total £
a] Church activities					
Direct costs					
Ministry: Diocesan quota	112,080	-	-	112,080	100,883
Ministry: Rector's and verger's accommodation	115,244	9,798	-	125,042	50,937
Church running costs	117,988	-	-	117,988	87,287
Church maintenance	22,548	431,243	-	453,791	143,833
Choir and organist	44,368	89,626	-	133,994	89,627
Staff and other staff related costs	99,247	-	-	99,247	112,772
Grants and other giving	-	-	-	-	13,684
Total direct costs	511,475	530,667	-	1,042,142	599,023
Support costs					
Office running costs	6,880	-	-	6,880	11,327
Accountancy fees	7,192	-	-	7,192	10,687
Audit fees	12,263	-	-	12,263	10,747
Professional fees	5,600	-	-	5,600	11,703
Total support costs	31,935	-	-	31,935	44,464
	543,410	530,667	-	1,074,077	643,487
b] Raising funds					
Investment property costs	49,128	-	-	49,128	23,197
Interest on loan from Hyde Park Place Estate Charity	66,648	-	-	66,648	44,254
	115,776	-	-	115,776	67,451
Total expenditure	**659,186**	**530,667**	**-**	**1,189,853**	**710,938**

Governance costs comprise audit and accountancy fees and totalled £19,455 (2021: £21,434).

Grants and other giving made mainly comprise the onwards transmission of Special Offerings and Homelessness Vouchers received.

3 EXPENDITURE (continued)

Total expenditure is stated after charging:

	2022 £	2021 £
Auditor's remuneration in respect of auditing the accounts	12,263	10,747
Auditor's remuneration in respect of non-audit related compliance services	-	10,687
Depreciation charges for the year	6,965	3,827
	19,228	25,261

4 STAFF COSTS

	2022 £	2021 £
Total staff costs comprise the following:		
Wages and salaries	82,298	93,302
Social security costs	7,585	2,954
Pension costs	1,374	1,229
Other staff costs	7,990	15,287
	99,247	**112,772**
Numbers of employees by headcount	3	4
During the year none of the employees were paid more than £60,000 per year.		
Aggregate employee benefits of the Key Management Personnel were	59,507	55,112

5 TRUSTEE'S REMUNERATION AND EXPENSES

The trustees received no remuneration or other benefits during the year ended 31 December 2022 (2021: £nil).

Out of pocket expenses were reimbursed to trustees as follows:

	2022		2021	
	£	No. of trustees	£	No. of trustees
Verger and clergy fees	3,447	2	-	-
Administration	110	1	-	-
Rectory costs	6,541	2	1,237	1
Travel	326	1	232	1
Subsistence & office costs	8,461	3	3,843	2
	18,884		**5,313**	

6 TANGIBLE FIXED ASSETS

	Ministry equipment £	Valuables £	Piano £	Computer equipment £	Fixtures & Fittings	Total £
COST						
Brought forward 1 January 2022	**49,575**	**7,435**	**15,250**	**21,062**		**93,322**
Additions	**414**	**-**	**-**	**-**	**11,562**	**11,976**
Carried forward 31 December 2022	**49,989**	**7,435**	**15,250**	**21,062**	**11,562**	**105,298**
ACCUMULATED DEPRECIATION						
Brought forward 1 January 2022	**8,499**	**-**	**15,250**	**20,833**	**-**	**44,582**
Charge for the year	3,844	-	-	229	2,891	6,964
Carried forward 31 December 2022	**12,343**	**-**	**15,250**	**21,063**	**2,891**	**51,546**
Net book value – 31 December 2022	**37,646**	**7,435**	**-**	**-**	**8,672**	**53,752**
Net book value – 31 December 2021	**41,076**	**7,435**	**-**	**229**	**-**	**48,740**

The Church also own 2 charitable properties which are shown at £nil (2021: £nil).

7 INVESTMENTS

	Investment property	Quoted investments	Total
	£	£	£
Market value at 1 January 2022	**3,010,000**	**1,574,158**	**4,584,158**
Additions	253,453		253,453
Disposals		(450,000)	(450,000)
Unrealised gain / (loss)		(83,576)	(83,576)
Gain on revaluation of investment property	129,663	-	129,663
Market value at 31 December 2022	**3,393,116**	**1,040,582**	**4,433,698**

There were no additions or disposals of investments in the year.

Investments comprise the following:-	**2022 £**
Investment shares in the Central Bond of Finance of the Church of England	51,406
M&G Securities Charifund income units	989,176
Flats 3 & 7 Grosvenor Hill Court, London, W1	3,393,116
	4,433,698

The flats at 3 and 7 Grosvenor Hill Court were re-valued as at 31 December 2022 by review of post year-end sale agreements for one of the flats for a total of £3,393,116. The PCC is not aware of any material change since this valuation.

During 2023, the PCC took the decision to sell one of the two flats which make up the investment properties above. As this decision was taken after the year-end, this is a non-adjusting post balance sheet event and the flat has not been moved to current asset investments.

The quoted investments were valued on the basis of the available market data.

Permission was received to access and utilise up to £450,000 from the M&G Securities Charifund income units to fund the required investment in Flats 3 & 7 Grosvenor Hill Court, London, W1 together with the other properties held.

8 DEBTORS

	2022 £	2021 (as restated) £
Debtors due after more than one year:		
Amounts owed by SGHS Enterprises	**2,127,500**	**1,952,659**
Debtors due in less than one year:		
Prepayments and accrued income	61,306	20,202
Other debtors	5,679	27,404
	66,985	**47,606**
Total debtors	**2,194,485**	**2,000,265**

The loan balance above is owed by a trading subsidiary, receives interest at the Barclays base rate plus 2.75% and is repayable on demand. The balance is included in debtors due in more than one year because the charity does not intend to recall this until the trading subsidiary has begun trading.

9 CREDITORS

	2022 £	2021 £
Creditors due within one year:		
Other creditors	59,036	33,959
Accruals and deferred income	69,785	46,390
Loan from the Hyde Park Place Estate Charity	1,897,427	60,000
HMRC creditors	2,281	2,011
	2,028,529	**142,360**

The deferred income relates to rental income relating to a property sold in 2023.

Creditors due after more than one year:		
Loan from the Hyde Park Place Estate Charity	**-**	**1,735,780**
Total creditors	**2,298,719**	**1,878,140**

10 PROVISIONS

	2022 £	2021 £
Portico repair costs	270,190	-
	270,190	**-**

During the year the portico of St George Hanover Square sustained significant damage, as the PCC has an obligation to repair this, a provision was recognised. The provision has been calculated on the basis of actual and estimated costs calculated prior to the date of signing this report.

The PCC expects to receive donations during 2023 to cover the full cost of repairs.

11 PRIOR YEAR ADJUSTMENTS

Included in long term debtors is an amount due from SGHS Enterprises Limited, a trading subsidiary. A recalculation of this loan balance based on the terms as set out in the loan agreement was performed in the year, and this identified that interest income had not been fully recognised in prior periods.

The comparative figures have been restated as follows, as at 31 December 2021 long term debtors have increased by £33,765 and unrestricted funds brought forward have increased by £23,643. Investment income for the year ended 31 December 2021 has increased by £10,122.

12 RELATED PARTY TRANSACTIONS AND SUBSIDIARY UNDERTAKINGS

PCC Members
Reimbursed expenses of £15,328 (2021: £6,697) for parish expenses and utility bills were reimbursed to 2 PCC members. No expenses were paid to third parties on behalf of the PCC.

During the year, total unrestricted income of £10,600 (2021: £9,300) was received from PCC members.

This is in the trustees expenses note

The PCC has two subsidiaries, the St George's Hanover Square Foundation and SGHS Enterprises Limited. A summary of these together with the transactions with the two entities follows:

The St George's Hanover Square Foundation – an entity which provides support to the church

Address: St George's Vestry, 2a Mill Street, London, W1S 1FX

Gross assets:	£ 268,035
Liabilities:	£ (2,100)
Turnover:	£ 48,655
Expenditure:	£ 60,445
Surplus (deficit):	£ (11,790)

During the year, the Church

- received grants of £60,000 (2021: £60,000) from the Foundation.

At the year end the Church owed the Foundation £nil (2021: £nil).

SGHS Enterprises Limited – a trading subsidiary of the church

Address: St George's Vestry, 2a Mill Street, London, W1S 1FX

Gross assets:	£ 1,844,189
Liabilities:	£ (2,188,638)
Turnover:	£ 97
Expenditure:	£ 73,220
Profit (loss):	£ (73,123)

During the year, the Church

- made a loan of £120,000 (2021: nil) to the company, and
- charged interest of £79,842 (2021: £51,490 as restated) to the company.

At the year end the Church was owed £2,127,500 (2021: £1,952,659 as restated) by the company.

As stated in the accounting policy the financial statements have not been consolidated, as PCC have taken advantage of exemption from the "Charities Act 2011 and the PCC", not to prepare consolidated accounts on the basis that its total income is below £1m.

12 RELATED PARTY TRANSACTIONS AND SUBSIDIARY UNDERTAKINGS (continued)

The Hyde Park Place Estate Charity (HPPEC) – an entity under common control
During the year, the Church

- received grants of £113,002 (2021: £68,960) from HPPEC, and
- unpaid interest due of £66,648 (2021: £44,254) to HPPEC.

HPPEC arranged a loan for the PCC at an annual interest rate of 2.75% over base. At the beginning of the year an amount of £1,795,780 was owed, and after a further £95,000 had been drawn down and interest of £66,648 charged, an amount of £1,897,427 was owed.

13 ANALYSIS OF NET ASSETS BY FUND

Current year

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Tangible fixed assets	53,752	-	-	53,752
Investments	51,405	3,393,116	989,177	4,433,698
Long term debtor	2,127,500	-	-	2,127,500
Net current (liabilities)/assets	(1,755,417)	(159,944)	-	(1,915,361)
Total	**477,240**	**3,233,172**	**989,177**	**4,699,589**

Prior year (as restated)

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Tangible fixed assets	48,740	-	-	48,740
Investments	58,574	3,010,000	1,515,584	4,584,158
Long term debtor	1,918,894	-	-	1,918,894
Net current (liabilities)/assets	45,025	120,743	-	165,768
Long term liability	(1,702,015)	-	-	(1,702,015)
Total	**369,218**	**3,130,743**	**1,515,584**	**5,015,545**

14 RESTRICTED AND ENDOWMENT FUNDS

Restricted Funds
Current year

	1 January 2022 (as restated)	Income	Expenditure	Unrealised gain	Transfers	31 December 2022
	£	£	£	£	£	£
Burial Ground Fund	22,469	70,008	(96,424)	-	3,947	-
Chapel external redecoration	27,814	29,979	(159,365)	-	101,571	-
Chapel Priest in charge discretion	25,452	-	-	-	-	25,452
Chapel Special collections	-	2,652	-	-	-	2,652
Church Organ Fund	13,750	1,250	-	-	1,250	16,250
Church Special collections	605	1,363	(1,363)	-	-	605
Homeless vouchers	18,726	9,100	-	-	-	27,826
Hymns and Pimms	3,196	-	-	-	-	3,196
Music for special services	1,500	2,470	-	-	-	3,970
Organ Scholar Fund	3,640	-	(3,000)	-	-	640
Pilgrimage	120	3,951	(325)	-	-	3,746
RAA Art Project	951	-	-	-	-	951
Rector & Church Wardens Property	3,010,000	-	-	129,663	253,453	3,393,116
Vestments Fund	2,520	-	-	-	-	2,520
Portico	-	-	(270,190)	-	-	(270,190)
South Street	-	-	(114,416)	-	136,855	22,436
Total	**3,130,743**	**120,773**	**(645,083)**	**129,663**	**497,076**	**3,233,172**

14 RESTRICTED AND ENDOWMENT FUNDS (continued)

Prior year

	1 January 2021	Income	Expenditure	Unrealised gain	Transfers	31 December 2021
	£	£	£	£	£	£
Burial Ground Fund	11,759	72,069	(61,359)	-	-	22,469
Chapel external redecoration	1,349	25,575	-	-	890	27,814
Chapel Organ fund	5,441	250	(250)	-	(5,441)	-
Chapel Priest in charge discretion	25,452	-	-	-	-	25,452
Chapel Special collections	3,841	30	(3,871)	-	-	-
Church Organ Fund	11,250	1,250	-	-	1,250	13,750
Church Special collections	626	983	(1,004)	-	-	605
Homeless vouchers	18,626	100	-	-	-	18,726
Hymns and Pimms	3,196	-	-	-	-	3,196
Music for special services	9,366	4,680	(12,546)	-	-	1,500
Organ Scholar Fund	1,640	3,000	(1,000)	-	-	3,640
Pilgrimage	120	-	-	-	-	120
RAA Art Project	951	-	-	-	-	951
Rector & Church Wardens Property	2,784,000	-	-	226,000	-	3,010,000
Sound System Fund	210	-	(210)	-	-	-
South Street Fund	30,189	-	(46,884)	-	16,695	-
Vestments Fund	2,020	500	-	-	-	2,520
Westminster Foundation	302	-	(302)	-	-	-
Total	**2,910,338**	**108,437**	**(127,426)**	**226,000**	**13,394**	**3,130,743**

The purposes of the funds are:

Burial Ground Fund – Income from the funds from the sale of the old Burial Ground of St George's Church which is applied to the following:

- provision of living accommodation for the Rector and his successors
- the preservation and maintenance of the fabric and organ of the parish church
- the formation of a fund, the income of which shall be used for the maintenance of the parish church and its services.

Chapel external redecoration – Grosvenor Chapel donations for external redecoration of the chapel. A transfer of £101,757 was made from unrestricted funds to restricted funds to cover the deficit on this fund.

Chapel Priest-in-Charge discretion – Grosvenor Chapel donations given to be used at the discretion of the Priest-in-Charge.

Chapel Special Collections Fund – Chapel collections to be paid to other charities and causes.

Church Organ Fund – Donations received to preserve the new organ in St George's through a planned schedule of maintenance by the makers. A transfer of £1,250 was made from the general fund, to match the £1,250 grant received from HPPEC.

14 RESTRICTED AND ENDOWMENT FUNDS (continued)

Church Special Collections Fund – Church collections to be paid to other charities and causes.

Homeless vouchers – Donations received to support a food programme for the Homeless.

Hymns and Pimms – An outreach programme serving those with dementia and their carers.

Music for Special Services – includes grant received from the Champniss Foundation to fund the Choir.

Organ Scholar Fund – Donations to assist with the expenses of an Organ Scholar at the Chapel.

RAA Art Project – Donations to pay for costs and professional time in connection with the 'Gardens of the Imagination' project and exhibition at the Chapel.

Rector & Church Wardens Property – Funds held for the provision of accommodation for the Rector and Verger.

Sound System Fund – Donations towards a sound system for the Chapel.

South Street Fund – Funds received for the repair, maintenance and upkeep of the properties at 49 and 49A South Street, London W1. A transfer of £136,852 was made from the endowment fund and as at the year-end the fund included an amount to be paid next year.

Vestments Fund – Donations for maintenance and repair of Chapel vestments.

Westminster Foundation – A charitable grant from the Foundation to offset the cost of employing a Community and Events Officer at Grosvenor Chapel.

Portico – To repair damage suffered to the St George Square Hanover church at the end of 2022. The PCC intend to collect donations to fund the required repair works and thereby cover the deficit on this balance, which arose because the PCC has an obligation to make these repairs.

The PCC expects to receive adequate income to cover this, so it is acceptable to record this as a negative fund balance. Any potential shortfall in the fundraising will be made up from the general fund.

Endowment Fund
Current year

	1 January 2022 £	Income £	Expenditure £	Gain on Investments £	Transfer Transfer	31 December 2022 £
Endowment fund	1,515,584			(76,407)	(450,000)	989,177

Prior year

	1 January 2021 £	Income £	Expenditure £	Gain on Investments £	31 December 2021 £
Endowment fund	1,336,747	-	-	178,837	1,515,584

14 RESTRICTED AND ENDOWMENT FUNDS (continued)

Endowment Fund

Burial Ground Fund

Funds from the sale of the old Burial Ground of St. George's Church which in accordance with the St. George Hanover Square Burial Ground Act 1964 section 6 (3) is to be applied as to capital and the income from which is to be applied as noted above, as a permanent endowment fund.

As disclosed above, permission was received to transfer £450,000 out of this fund for the maintenance of properties. £253,453 was transferred to the Rector and Churchwardens fund for the maintenance of the investment property and £136,855 was transferred to the South Street fund for the maintenance of the properties described above. The remaining £59,692 was transferred to the unrestricted general fund to reimburse costs incurred in the prior year.

15 UNRESTRICTED FUNDS

Current year

	1 January 2022	Income	Expenditure	Gains on investments	Transfers	31 December 2022
	£	£	£	£	£	£
General Funds	369,218	707,037	(544,770)	(7,169)	(47,076)	477,240
	369,218	707,037	(544,770)	(7,169)	(47,076)	477,240

Prior year (as restated)

	1 January 2021	Income	Expenditure	Gains on investments	Transfers	31 December 2021
	£	£	£	£	£	£
General Funds	308,988	529,844	(464,402)	7,292	(12,504)	335,453
Designated Funds						
Chapel external redecoration	120,000	-	(119,110)	-	(890)	-
	428,988	529,844	(583,512)	7,292	(13,394)	335,453

16 CAPITAL COMMITMENTS

At the year end, the charity had no capital commitments (2021: £nil).

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQ

England & Wales - Charity number 1134811

Accounts

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET

ANNUAL REPORT
AND FINANCIAL STATEMENTS
OF THE
PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED
31 DECEMBER 2021

Charity No 1134811

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET

ANNUAL REPORT
AND FINANCIAL STATEMENTS
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PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED
31 DECEMBER 2021

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OFFICERS AND ADVISORS

Rector	The Reverend R N S Leece
Priest-in-Charge	The Reverend Dr R M Fermer
Correspondence Addresses	St George's Vestry 2A Mill Street London W1S 1FX Grosvenor Chapel Office 24 South Audley Street London W1K 2PA
Bankers	The Royal Bank of Scotland plc London Drummonds Branch 49 Charing Cross London SW1A 2DX CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Auditor	Mazars LLP 6 Sutton Plaza Sutton Court Road Sutton Surrey, SM1 4FS
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT
Parish Reference	0311 - St George's Hanover Square 0311A - Grosvenor Chapel
Charity No	1134811

ANNUAL REPORT

The Parochial Church Council has pleasure in presenting its report and the financial statements of the church for the year ended 31st December 2021.

Reference and administrative information

Council Membership

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. Following the elections of PCC members at the APCM on 23rd May 2021, the PCC was constituted as follows:

Rector of St George's, Hanover Square:	The Reverend Roderick N S Leece
Priest-in-Charge of the Grosvenor Chapel:	The Reverend Dr Richard M Fermer
Non-stipendiary Assistant Priest at St George's:	The Reverend Dr Alan McCormack
Non-stipendiary Assistant Priest at Grosvenor Chapel:	The Reverend Dr Alan Piggot
Church Wardens:	Mr Mark A Hewitt Mr Graham E Barnes
Grosvenor Chapel Wardens:	Mrs Denise Scots-Knight Mr Philip Eyre
Deputy Church Wardens:	Mr Alistair Milward Mr Stewart Munro Mr Philip Eyre Mrs Denise Scots-Knight
Other Elected Members:	Mr George Bingham Mr Andrew Jones Mr Charles Stephens Ms Pamela Atekpe Mr Alistair Milward Mr M C Mr Stewart Munro
Deanery Synod Representatives:	Mr John Crichton Mrs Diana Dennis Mrs Alicia Mather Mrs Janet St John-Austen (Chapel representative) Mr Gary Eaborn (Chapel Representative) Ms Sally Rieu (Chapel Representative)

Secretary to the PCC:	Mr John-Paul de Soissons
Hon. Secretary to the Chapel Committee:	Mrs Jennifer Eyre
Parish Treasurer:	Mr Mark Hewitt
Lay Vice Chairman of the PCC:	Mr Mark Hewitt

Standing Committee: Rector, Church Wardens, (Treasurer), Messrs Alistair Milward & Stewart Munro, the Priest-in-charge & the Chapel Wardens

Finance & Fundraising Committee: Mr Mark Hewitt (Chairman & Treasurer), Rector, Messrs George Bingham, Stewart Munro, Charles Stephens & Oliver Chubb (Chapel Treasurer)

Fabric Committee: Mr Graham Barnes (Chairman), Rector, Ms Pamela Atekpe, Messrs Andrew Jones, Alistair Milward & Charles Stephens

Grosvenor Chapel Committee: The Revd Dr Richard Fermer (Priest-in-Charge), Mr Philip Eyre (Chapel Warden), Mrs Denise Scots-Knight (Chapel Warden), Mrs Jennifer Eyre (Hon Secretary), Mr Oliver Chubb (Hon Treasurer), Ms Janet St John-Austen (Deanery Synod representative), Mr Gary Eaborn (Chapel Representative), Ms Sally Rieu (Chapel Representative, Mr Richard Hobson (Ex officio), Messrs, Rory Gordon, Robert Coleman, Nathan Bedwell & Nathaniel Campbell-Brown, The Revd Dr Alan Piggot, Ms Irene Anggard Agnell, Messrs Evan Flowers, Godfrey Barker & Edward Hasted

Safeguarding Officers:	Mr Graham Barnes (SG's Safeguarding Officer) Mrs Sarah Jackson-Stevens (SG's Children's Champion) Mrs Jennifer Eyre (GC Safeguarding Officer) Ms Virginia Allel Mazar and Ms Fumiko Sekiguchi (GC Children's Champions)
Stewardship Records Officers:	Mr John-Paul de Soissons Ms Janet St John-Austen
Electoral Roll Officers:	Mr John-Paul de Soissons Ms Lorraine Fraser
Main Office:	The Vestry, St. George's Church, 2a Mill Street, London W1S 1FX Tel. 020 7629 0874

Structure, Governance and Management

The Parochial Church Council (PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity.

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

Committees

The Standing Committee is the only committee of the PCC which is required by Law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Four other committees continued to co-ordinate key areas of PCC business. The Finance Committee and the Fabric Committee at St George's and the Grosvenor Chapel Committee met periodically throughout the year. The Standing Committee met as required.

Appointment and induction of PCC members

PCC members are elected at the Annual Parochial Council Meeting and are eligible for re-election annually.

New PCC members are required to familiarise themselves with the day-to-day running of the Parish which may include an induction to brief them on their legal obligations under charity and church law, the Council and the decision making processes and the recent performance of the church. They meet key employees and the other PCC members.

Risk assessment policy

The PCC and sub-committees, which meet on a regular basis, consider any risk as and when necessary. From these Committee meetings appropriate recommendations are made to the PCC members. At its meeting on 22nd April 2015 the PCC adopted a comprehensive Risk Register. This analysed governance, existential, financial and operational risks and was able to give details of measures to mitigate all the risks identified. The Risk Register will be reviewed annually and updated as necessary. In addition, the Trustees do not consider that Brexit will have any direct or significant impact on the operations or finances of the Church.

We have considered the potential impact of the global Covid-19 (Coronavirus) virus worldwide, Ukraine war and the cost-of-living crisis on the charity. Increasing energy prices, rising pressure on inflation rates, unease in the stock market and interest rate rises are likely to affect the Church's performance. The funds of the Church are unlikely to be materially affected, however there may be fluctuations in the value of the Church's investment assets. We will closely monitor the Church's performance, and a prudent investment strategy is in place to protect the asset value.

Organisational policy

The PCC members meet every three months and there are sub-committees covering issues relating to Fabric, Finances, the Grosvenor Chapel and Standing Committee (as required). Other sub-committees are formed as and when required. Administrators are appointed to manage the day-to-day operations of the parish.

To facilitate effective operations, the Parish Administrator at St George's and the Administrator, Chapel Wardens and Honorary Treasurer at Grosvenor Chapel have delegated authority, within the terms of delegation approved by the PCC members, for operational matters including finance, employment and other elements of the charitable work of the parish and its places of worship. As such they are deemed to be Key Management Personnel along with the Rector and Churchwardens and the Priest-in-Charge of Grosvenor Chapel.

The Administrators' remuneration is disclosed in note 4 to the Financial Statements. The pay of all staff is reviewed annually and normally increased in accordance with average earnings. No formal bench marking with salaries paid by similar charities is in place. The PCC is committed to paying all staff in excess of the agreed London Living Wage.

As is the case with most churches, the Parish of St George is heavily dependent on the input of volunteers.

Objectives and activities

St George's PCC has the responsibility of co-operating with the incumbent, The Revd Roderick Leece and the Priest-in-Charge of the Grosvenor Chapel, The Revd Dr Richard Fermer, in promoting within and beyond the ecclesiastical parish the whole mission of the Church: spiritual, pastoral, social and ecumenical. It also has responsibilities for maintaining the Church of St George, Hanover Square and the Grosvenor Chapel, South Audley Street. The PCC confirms that it has had due regard to the guidance on public benefit issued by the Charity Commission when planning its objectives and activities for the year.

Policy of the Church

The policy of the Parish is to promote the Gospel of our Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC endeavours to cooperate with the priests in the whole mission of the Church: spiritual, pastoral, social and ecumenical. The strategies it has adopted to fulfil this are to provide regular services of worship, access to the holy sacraments, teaching through the Sunday school and spiritual guidance for the parishioners and visitors to the Parish. The church seeks to be a Christian Community in the catholic tradition of the Church standing as a beacon of faith in the heart of Mayfair, with a welcoming, friendly and supporting congregation.

The number of parishioners on the Church Electoral Roll at the 2021 APCM was 276 (262), of whom 27 (29) were resident in the parish. These figures break down as follows: St George's Church 150 (148) of whom 8 (10) were resident in the parish; & Grosvenor Chapel, 126 (114) of whom 19 (19) were resident in the parish. The figures for 2020 are in brackets.

The usual Sunday attendance at St George's, during October 2021, was 62 (2020: 30).

At the Grosvenor Chapel the usual Sunday attendance, during October 2021, was 40 (2020: 42).

A. Special Services held in the year

	St George's	**Grosvenor Chapel**
Baptisms	7 (5)	11 (6)
Weddings & marriage blessings	6 (2)	12 (2)
Funerals & memorials	4 (1)	2 (4)
Confirmations	0 (4)	0 (0)
Admission to Holy Communion	0 (0)	0 (0)

Review of operations for the year

2021 was once again a busy year for both churches in the parish. Messrs Mark Hewitt and Graham Barnes were re-elected Church Wardens at the Annual Parochial Church Meeting held on 23rd May 2021.

The PCC met four times during the year with a good attendance at all meetings, held virtually due to COVID restrictions. Policies covering employment, safeguarding and health and safety were reviewed. As in previous years, the Parish remains a net contributor to the Diocesan Common Fund.

During the year the PCC sub-committees continued to meet regularly online due to COVID restrictions. The Finance Committee under the chairmanship of Mr Hewitt approved a budget for 2021 and monitored its implementation throughout the year, particularly with the on-going effects of COVID and reduced attendance at both places of worship. The Fabric Committee, chaired by Mr Graham Barnes, continued the task of maintaining St George's wonderful building and preparing a list of refurbishment projects to be phased in time for the Tercentenary year starting in 2024 and ending on 23rd March 2025.

St George's Hanover Square

The main issue for the year was the continuing effect of the Coronavirus on both congregation numbers and parish finances. We had re-opened for congregations to gather in person, and to the public for silent prayer and silent reflection during the week, when we were allowed. St George's remained open throughout thereafter when a number of other churches closed again.

The negative effects on the church's finances continued through 2021, with voluntary donations still well down compared to before the pandemic. Thus, the church continued with reduced costs as much as was practical, which

included a continued reduction in the annual Common Fund contribution as well as a temporary decision to have half-choir sung services.

2021 saw investment income continuing as it had in 2020 at reduced levels, but a big reduction in rents receivable arose when two flats owned by the Parish were vacated by their tenants in May, citing COVID-related challenges. A significant reduction in the value of monetary investments in 2020 was partially reversed in 2021. Income from church activities (weddings, concerts etc.) however in 2021 was nearly double the level of 2020, though still below pre-COVID levels.

Following the unexpected and untimely death in June 2020 of our much loved Parish Administrator, Dee Prior, we were at last able to hold a Service of Thanksgiving for Dee's life, friendship and work on 23rd September 2021 to a full congregation.

Amidst great sorrow for many at St George's, our former Verger, Seamus O'Hare (in post for a quarter of a century) died on 30th October. His funeral was held at St George's on Wednesday 17th November, again with a gratifying turnout.

In May 2021, Seamus's successor during his four year retirement, Richard Buck, left us to become Steward of the Queen's Chapel of the Savoy. This represented a very good progression in Richard's career and we were very grateful to him for his four years of sterling service. We were delighted that Matthew Turner was appointed as Verger in Richard's place. Matthew brings a wealth of Verging experience as a result of previous roles at Lincoln Cathedral and York Minster.

What is the outlook into the coming year?

2022, with incidences of the new variant reducing, has thankfully seen a progressive normalisation of congregation size, but unfortunately not yet to pre-Covid levels, and donations have remained well below pre-COVID levels.

Unfortunately, this has coincided with a time when the church's fixed asset investments have required significant investment. First, the leases on both of the Grosvenor Hill flats required extending in order to retain and enhance their intrinsic value. Secondly, both of these flats, which historically have provided substantial rental income to the church, remained empty through the larger part of 2021, with tenants having given notice to vacate their flats in May 2021 due to COVID-related challenges. In order to re-let these the Church was advised that both properties required substantial renovation. Finally, the building next door to St George's Hanover Square School which contains the Verger's and one other flat has required significant repair and maintenance work. In light of this unavoidable requirement for significant spend on these properties, considerable time and effort has been spent on identifying and accessing the funds necessary to address each of the requirements, a solution to which was sourced in April 2022. Once the refurbishment of the Grosvenor Hill Court flats is completed, the re-letting of the flats later in the year is expected to deliver improved rental income for the church for the foreseeable future.

Weddings, baptisms and concert activity continue to increase, and prospects for the 2022 Advent season's concert and carol service activity are good. Nonetheless, the PCC continues to keep a tight rein on expenditure.

St George's, Hanover Square School – The School were able to restore School Speech Day in July, and a well-organised event took place in church. There was an informal social gathering with drinks and snacks in Berkeley Square, which was further enhanced by a troupe of travelling minstrels who alighted from a double-decker bus spontaneously and entertained us with their jazzy numbers, and both children and parents, staff and governors were delighted to join in the fun.

The school began the Academic year with a celebration of the Eucharist for staff back in September, and Petra Slater (Acting Head) and her team have been working very hard to raise standards - interventions and strategies were already in place prior to an OFSTED inspection, and though the school was sadly found to Require Improvement, there were many positive comments and an acknowledgement that the school was already addressing some areas of weakness. Unfortunately numbers on the school roll have dropped yet further, partly as a result of demographic changes throughout Westminster, but this year numbers have been at less than half our capacity of 210. Given the finances of schools depend on numbers of children, SGHS school is in a very weak and vulnerable situation, and at the top of a list of 12 schools in the borough whose future is under threat. The Governors are doing all they can to raise the school's profile and fundraise to meet any shortfall.

The Undercroft – SGHS Enterprises has continued to search for a partner to open up the planned hospitality space in the Undercroft, and a preferred partner has been found, with an opening anticipated in Autumn 2022.

ANNUAL REPORT (continued)

Little Dragons – Sunday school participation remained low in number due to COVID restrictions but, despite this, it has met in the Undercroft a few times.

Churches Together in Westminster, of which the Rector is an executive member, continued its work mostly online, but progressively in 2021 moved to live face-to-face events, often with online alternatives, and a restoration of more regular interfaith worship. The usual Advent Carol Service took place in December at St James Piccadilly. The Annual Meeting covering 2021 activities was held on 17th 2022 January and looked at the topic of the *"Beyond Cop26 – What Next? EcoChurch & other steps"*.

The London Prisons Mission continued in 2021, involving a number of St George's volunteers. During the pandemic, prison visiting has not been possible and the focus of efforts and energy has been on the Safer Homes for Women Leaving Prison initiative – successfully gathering together a range of partners which has had some impact in both Houses of Parliament and also the London Assembly. John Plummer (founder) is retiring to take more of a supporting role and the LPM is undergoing a process of reflection and regrouping for the future.

In 2020 a series of walks (***Rector's Rambles***) had been organised, as a response to the need for a socially distanced way of getting together, on Friday evenings with a selection of leaders choosing different routes around Mayfair and the local area, ending up at various hostelries. This was continued in 2021, notably on 14th May when there was a Rogation/Ascension-tide walk following the route of the Tyburn River through Mayfair led by the Rector.

St George's links with ***The Royal Society of St George*** were celebrated on Sunday 31st October 2021 with their Annual Parade Service celebrating the feast of All Saints. With the ***Réunion des Gastronomes*** we celebrated their Annual Church Service at Sung Eucharist on Sunday 5th December.

The ***Food Voucher*** scheme redeemable at the Cabman's Shelter in Hanover Square remained in abeyance throughout 2021, and continues to be so because of works in Hanover Square associated with Crossrail.

Grosvenor Chapel: The year has seen a good recovery from the COVID pandemic, both financially and in terms of church attendance. Numbers vary week-in, week-out, but in general they are only slightly under pre-COVID levels. A greater challenge has been the return to regularity of commitment to volunteering to support services. Occasional offices have also recovered with 11 baptisms, 12 weddings/blessings, and two funeral/memorial services within the calendar year.

The Chapel Committee has taken forward plans to redecorate the South and East Fronts of the Chapel, building on the completion of the redecoration of the West Front in Q1 of 2021. We are hoping that final permissions will be granted in the coming weeks and work should begin in the summer through to early autumn 2022.

Unfortunately, the installation of a new Fire System, which the Committee had aimed to put in place in 2021 has been delayed because of lack of parts in the supply chain.

Events during the year included the return of the Mount St Gardens Summer Fair organised with the Parish School, Carol Singing from the top of a bus through the West End in aid of an NHS Charity, our well attended Community Carol Service, and continued ecumenical services held with Farm St Church and the Ukrainian Catholic Cathedral. We also launched our first ever Family Service in July 2021 to target families coming to the Chapel for Baptisms. Our Thursday Lunch Club for refugees and international homeless also restarted in the second half of 2021 to the appreciation of our guests.

The results for the year ended 31 December 2021 are set out in the Statement of Financial Activities on page 16 which show net income of £329,350 (2020: net expenditure £89,171) in the year.

Financial review

The parish is dependent on funding from charitable trusts, regular giving by members of the congregation, income from events and special services and income generated by investments, rental properties, room hire and parking bays plus occasional legacies. As a direct result of the pandemic and the resulting Government COVID restrictions, all of these sources of income were significantly negatively affected from March 2020 and continued to be negatively affected throughout 2021. Additionally, as mentioned above, the effect of both tenants in Grosvenor Hill Court ending their tenancies, due to challenges caused by COVID, was to materially reduce the annual rental income to the church for the year as a whole.

As a result, tight control on costs and expenses was maintained throughout the year, with reduced expenditure on music and continuing reduced contribution to the Diocesan Common Fund.

Despite these efforts, before the non-cash effects of revaluation of the Parish's investments, 2021 saw a net cash deficit in the year of (£82,778). The comparable figure in 2020 was a small surplus of £44,042. On the balance sheet, 2021 saw a material recovery of the value of the Parish's investments (total uplift £412,129 to give the positive net movement in funds to be found on page 16 of £329,350 (2020 negative £89,171).

Investment policy

It is the Church's policy to invest funds with the CBF Church of England Investment Fund and M&G Securities Charifund. The Church has made such investments to generate a return and has no social investments currently in place. 2021 saw a material recovery in the value and the Parish's listed investments and a small uplift in the value of its real estate. As a long-term investor, the PCC has no plans to change its investment policy. In order to fund the required investments in the Church's fixed asset investments, permission was received from the Charity Commission in April 2022 to utilise up to £450,000 of the investment funds held at M&G.

Reserves policy

The Council considers that it is appropriate to maintain a level of income reserves equivalent to approximately six months' expenditure of unrestricted funds in order to meet its needs, including its legal and constructive obligations. The Council still intends to build up unrestricted reserves to this level as soon as practicable.

During the course of the year under review the total reserves stood at £4,981,780 of which £4,646,327 are set aside for restricted and endowment purposes. Of these, £3,010,000 is included in the Rector and Churchwardens' Property Fund, which could be realised on the disposal of investment properties, and the Endowment Fund of £1,515,584, which could be realised on the disposal of the M&G Securities Charifund income units. The level of unrestricted free funds at the year-end, shown in Note 12 below, amounted to assets of £103,599 (including investments) which is below the levels anticipated by the reserves policy.

Related parties

The Hyde Park Place Estate Charity is a grant making charity. The Rector, the Revd R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity.

The St George's Hanover Square Foundation, is a charity whose objective is the repair, restoration and enhancement of St George's Church Hanover Square. The Rector, the Revd. R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity.

SGHS Enterprises Limited, is a company registered in England and Wales (number 10023760). The activities of this company are the restoration of the fabric of St George's Undercroft and, once this is complete, the Undercroft's operation as a semi-autonomous revenue-generating facility in the building. The Revd R N S Leece, Mr W M C Beckett, Mr M A Hewitt and Mr G E Barnes are Directors of this company. The Church has made loans to this company during the year.

Details of transactions taking place between the Church and its related parties, including the St George's Hanover Square Foundation, the Hyde Park Place Estate Charity and SGHS Enterprises Limited are shown in note 9 to the financial statements.

Plans for the future

Subsequent to the Church's year end, there has been a continuing recovery of congregation numbers, but not to pre-COVID levels and collection proceeds remain well down. Wedding and baptism numbers are also increasing, as is concert activity, and barring further setback, this is expected to continue.

The events diary in the run up to Christmas 2022 is virtually full, which is gratifying.

Importantly, as mentioned above, it is anticipated that the Grosvenor Hill Court flats will become income producing again in the latter part of 2022.

The Trustees will continue to monitor the situation closely and are ready to react as required to any emerging issues. COVID-19 has also impacted on the activity of our trading subsidiary and has resulted in its ability to commence trading being delayed. We still anticipate that the full amount due from our subsidiary will be recovered but this may now take much longer to achieve than was originally anticipated.

Both Church and Chapel have in recent years been obliged to devote significant energy to restoring the fabric of their respective buildings. The intention is to develop a costed, phased programme of packages of refurbishment works to be delivered between 2022 and 2024 at St George's to mark the Church's Tercentenary, including a focussed, phased response to the recently issued Quinquennial Inspection Report.

Both elements of the Parish continue to concentrate on their mission to the community in which they are situated.

Auditors

A resolution was proposed and passed at the Annual Parochial Church Council meeting on 23rd May 2021 that Mazars be re-appointed as auditors.

PCC members' responsibilities

The PCC members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law 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 church and of its financial activities for that period.

In preparing those financial statements, the PCC members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the church will continue.

The PCC members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and enables them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE COUNCIL

Dated: 28-Oct-2022

Mark A Hewitt
Mark A Hewitt (Oct 28, 2022 11:47 GMT+1)

M A Hewitt
Church Warden

INDEPENDENT AUDITOR'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF ST GEORGE'S CHURCH, HANOVER SQUARE WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET

Opinion

We have audited the financial statements of St George's Church, Hanover Square with the Grosvenor Chapel, South Audley Street Parochial Church Council (the 'PCC') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and 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 PCC's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC 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 PCC'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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The PCC members are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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

In light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

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

- the information given in the financial statements is inconsistent in any material respect with the Annual Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of PCC members

As explained more fully in the PCC members' responsibilities statement set out on page 12, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the PCC members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC members are responsible for assessing 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 PCC members either intend to liquidate 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Charities Act 2011 and Charities Statement of Recommended Practice.

In addition, we evaluated the PCC members' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to income recognition and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the PCC members and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit report

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

Signed:

Mazars LLP

Mazars LLP (Oct 28, 2022 14:16 GMT+1)

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Dated: 28-Oct-2022

Mazars LLP is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Income from:									
Donations and legacies	*2a*	265,421	16,293	-	**281,714**	334,577	58,788	-	**393,365**
Other trading activities	*2b*	-	-	-	**-**	-	-	-	**-**
Investment income	*2c*	89,378	72,069	-	**161,447**	147,764	65,251	-	**213,015**
Church activities income	*2d*	143,108	-	-	**143,108**	78,172	-	-	**78,172**
Other income	*2e*	21,815	20,075	-	**41,890**	36,847	-	-	**36,847**
Total income		**519,722**	**108,437**	**-**	**628,159**	**597,360**	**124,039**	**-**	**721,399**
Expenditure on:									
Church activities expenditure	*3a*	516,061	127,426	-	**643,487**	475,768	132,895	-	**608,663**
Raising funds	*3b*	67,451	-	-	**67,451**	68,694	-	-	**68,694**
Total expenditure		**583,512**	**127,426**	**-**	**710,938**	**544,462**	**132,895**	**-**	**677,357**
Gain on revaluation of investment property		-	226,000	-	**226,000**	-	144,000	-	**144,000**
Gain/(Loss) on investments	*6*	7,292	-	178,837	**186,129**	3,387	-	(280,600)	**(277,213)**
Net income/(expenditure) Income before transfers		**(56,498)**	**207,011**	**178,837**	**329,350**	**56,285**	**135,144**	**(280,600)**	**(89,171)**
Transfer of funds		(13,394)	13,394	-	**-**	(1,250)	1,250	-	**-**
Net movement in funds		**(69,892)**	**220,405**	**178,837**	**329,350**	**55,035**	**136,394**	**(280,600)**	**(89,171)**
Reconciliation of funds:									
Total funds brought forward		405,345	2,910,338	1,336,747	**4,652,430**	350,310	2,773,944	1,617,347	**4,741,601**
Total funds carried forward		**335,453**	**3,130,743**	**1,515,584**	**4,981,780**	**405,345**	**2,910,338**	**1,336,747**	**4,652,430**

All activities are continuing. There were no recognised gains or losses other than those shown above.

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	*5*	48,740	45,744
Investments	*6*	4,584,158	4,172,029
		4,632,898	**4,217,773**
LONG TERM DEBTORS	*7*	1,918,894	1,877,525
CURRENT ASSETS			
Debtors	*7*	47,606	58,900
Short term deposits		44,447	44,424
Cash at bank and in hand		216,075	317,580
		308,128	**420,904**
CREDITORS: amounts falling due within one year	*8*	(142,360)	(112,246)
NET CURRENT ASSETS		**165,768**	**308,658**
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,717,560**	**6,403,956**
CREDITORS: amounts falling due more than one year	*8*	(1,735,780)	(1,751,526)
NET ASSETS	*10*	**4,981,780**	**4,652,430**
FUNDS:			
Unrestricted funds	*12*	335,453	405,345
Restricted funds	*11*	3,130,743	2,910,338
Endowment funds	*11*	1,515,584	1,336,747
		4,981,780	**4,652,430**

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

Mark A Hewitt
Mark A Hewitt (Oct 28, 2022 11:47 GMT+1)

M A Hewitt
Church Warden

Date: 28-Oct-2022

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Cash (used in) operating activities (see below)		(209,614)		(128,287)
Cash flows from investing activities				
Interest and dividends received	114,955		110,742	
Payments to acquire tangible fixed assets	(6,823)		-	
Cash provided by investing activities		**108,132**		**110,742**
Net cash (outflow)		(101,482)		(17,545)
Cash and cash equivalents at 1 January 2021		362,004		379,549
Cash and cash equivalents at 31 December 2021		**260,522**		**362,004**
Cash flows from operating activities:				
Net income/(expenditure)		329,350		(89,171)
Interest and dividends received shown in investing activities		(114,955)		(110,742)
Depreciation		3,827		4,332
Unrealised (gain) on revaluation of investment property		(226,000)		(144,000)
Unrealised (gain)/loss on revaluation of investments		(186,129)		277,213
(Increase) in debtors		(30,075)		(36,635)
Increase/(decrease) in creditors		14,368		(29,284)
Cash (used in) for operating activities		**(209,614)**		**(128,287)**

1 ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). They have been prepared on the accruals basis and under the historical cost convention except for the valuation of investments, which are shown at fair value. The financial statements have not been consolidated, as PCC have taken advantage of exemption from the "Charities Act 2011 and the PCC", not to prepare consolidated accounts on the basis that its total income is below £1m. St George's Church, Hanover Square with the Grosvenor Chapel meets the definition of a public benefit entity under FRS 102.

Going concern

The PCC has reviewed the circumstances of the Church and considers that adequate resources continue to be available to meet its financial obligations as they fall due in the coming 12 months.

In addition, the Church has recently received an agreement by the Charity Commission to vary the terms of the trust governing a portion of its listed investments, whereby an additional up to £450,000 in liquid funds will be available to the Church for specified purposes.

In light of the above, based on the most recent budgeting exercise, the PCC believes that there will be adequate resources available to fund the activities of the Church for the foreseeable future. The PCC is therefore of the view that the Church is a going concern.

Funds

General funds represent the funds of the Parochial Church Council (PCC) that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Funds designated by the PCC for a specific purpose are also unrestricted.

Restricted funds are those subject to specific trusts, which may be declared by the donor or with their authority. The restricted funds of St George's Church, Hanover Square, are restricted income funds which are expendable at the discretion of the PCC in furtherance of some particular aspects of the activities of the church.

A permanent endowment fund is a particular type of restricted fund which must be held permanently.

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

1 ACCOUNTING POLICIES (continued)

Income

Donations and legacies

- Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.
- Conditional grants receivable are recognised as restricted income on the date the contract agreement is signed, reflecting the full amount expected to spend or claim by the end of the grant period.

Other trading activities and other income

- Rental income from the letting of investment properties is recognised when the rental is due.
- Funds raised from fetes and similar events and bookstall receipts are accounted for when received gross.

Income from investments

- Interest, dividends and rental income from investment properties are accounted for when receivable.

Expenditure

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

Church activities

- Gifts and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.
- The diocesan parish quota is accounted for when payable. Any quota unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.
- All costs in support of achieving the church's objectives are accounted for in this category. This includes governance costs which represent all costs in ensuring that the church complies with all legal and regulatory requirements that are relevant to it.

Fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated or beneficed property is excluded from the accounts by section 10(2)(a) of the Charities Act 2011. Movable church furnishings held by the Rector and Church Wardens on special trust for the PCC and which require a faculty for disposal, are accounted as inalienable property unless consecrated. They are listed in the Church's Inventory which can be inspected (at any reasonable time). For inalienable property acquired prior to 31 December 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. All expenditure incurred during the year on consecrated or benefice buildings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings and office equipment and ministry equipment

Equipment used within the church premises is depreciated on a straight-line basis over 4 to 5 years with the exception of a boiler which is depreciated over 20 years. Individual items of equipment with a purchase price of £250 or less are written off when the asset is acquired. The piano is depreciated on a straight-line basis over 10 years.

1 ACCOUNTING POLICIES (continued)

Investments
Investments are valued at fair value at the year end. Unrealised gains or losses are accounted for on revaluation of fixed assets and recognised in the SOFA for the year and are shown as a component of net income.

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

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

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

2 INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
a] Donations and legacies					
Gift Aid and tax recoverable	18,777	-	-	18,777	18,657
Collections	45,388	-	-	45,388	46,105
Grants	128,960	-	-	128,960	199,954
Donations	67,046	16,293	-	83,339	118,649
Legacies	5,250	-	-	5,250	10,000
	265,421	16,293	-	281,714	393,365
b] Other trading activities					
Fundraising	-	-	-	-	-
	-	-	-	-	-
c] Investment income					
Interest and dividends	42,886	72,069	-	114,955	110,742
Rents receivable	46,492	-	-	46,492	102,273
	89,378	72,069	-	161,447	213,015
d] Church activities					
Fees	56,087	-	-	56,087	28,955
Music and concerts	35,651	-	-	35,651	10,291
Church Hall lettings	16,050	-	-	16,050	9,538
Flower stall and car parking	35,320	-	-	35,320	29,388
	143,108	-	-	143,108	78,172
e] Other income					
Cost recoveries	16,642	-	-	16,642	26,714
VAT recoverable	-	20,075	-	20,075	4,273
CJRS income	-	-	-	-	4,060
Other income	5,173	-	-	5,173	1,800
	21,815	20,075	-	41,890	36,847
Total income	**519,722**	**108,437**	**-**	**628,159**	**721,399**

3 EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £	2020 Total £
a] Church activities					
Ministry: Diocesan quota	100,883	-	-	100,883	111,347
Ministry: Rector's and verger's accommodation	3,379	47,558	-	50,937	11,524
Church running costs	86,179	1,108	-	87,287	87,604
Church maintenance	143,833	-	-	143,833	154,897
Choir and organist	23,016	66,611	-	89,627	64,897
Staff and other staff related costs	112,312	460	-	112,772	117,071
Grants and other giving	1,995	11,689	-	13,684	19,153
Office running costs	11,327	-	-	11,327	7,858
Accountancy fees	10,687	-	-	10,687	12,055
Audit fees	10,747	-	-	10,747	8,952
Professional fees	11,703	-	-	11,703	9,893
Other	-	-	-	-	3,412
	516,061	127,426	-	643,487	608,663
b] Raising funds					
Investment property costs	23,197	-	-	23,197	19,007
Interest on loan from Hyde Park Place Estate Charity	44,254	-	-	44,254	48,487
Publicity	-	-	-	-	1,200
	67,451	-	-	67,451	68,694
Total expenditure	**583,512**	**127,426**	**-**	**710,938**	**677,357**

Grants and other giving made mainly comprise the onwards transmission of Special Offerings and Homelessness Vouchers received.

4 STAFF COSTS

	2021	2020
	£	£
Total staff costs comprise the following:		
Wages and Salaries	93,302	100,176
Social security costs	2,954	1,738
Pension costs	1,229	1,073
Other staff costs	15,287	13,868
	112,772	**116,855**
Numbers of employees by headcount	4	5

During the year none of the employees were paid more than £60,000 per year.

Aggregate employee benefits of the Key Management Personnel were	55,112	53,075

5 TANGIBLE FIXED ASSETS

	Ministry equipment £	Valuables £	Piano £	Computer equipment £	Total £
COST					
Brought forward 1 January 2021	**42,752**	**7,435**	**15,250**	**21,062**	**86,499**
Additions	**6,823**	**-**	**-**	**-**	**6,823**
Carried forward 31 December 2021	**49,575**	**7,435**	**15,250**	**21,062**	**93,322**
ACCUMULATED DEPRECIATION					
Brought forward 1 January 2021	**5,860**	**-**	**15,250**	**19,645**	**40,755**
Charge for the year	2,639	-	-	1,188	3,827
Carried forward 31 December 2021	**8,499**	**-**	**15,250**	**20,833**	**44,582**
Net book value – 31 December 2021	**41,076**	**7,435**	**-**	**229**	**48,740**
Net book value – 31 December 2020	**36,892**	**7,435**	**-**	**1,417**	**45,744**

The Church also own 2 charitable properties which are shown at £nil (2020: £nil).

6 INVESTMENTS

	Investment property	Quoted investments	Total
	£	£	£
Market value at 1 January 2021	**2,784,000**	**1,388,029**	**4,172,029**
Unrealised gain		186,129	186,129
Gain on revaluation of investment property	226,000	-	226,000
Market value at 31 December 2021	**3,010,000**	**1,574,158**	**4,584,158**

There were no additions or disposals of investments in the year.

Investments comprise the following:-	**2021 £**
Investment shares in the Central Bond of Finance of the Church of England	58,264
3.5% War loan	310
M&G Securities Charifund income units	1,515,584
Flats 3 & 7 Grosvenor Hill Court, London, W1	3,010,000
	4,584,158

The flats at 3 and 7 Grosvenor Hill Court were re-valued as at 31 December 2021 by W Leefe FRICS Chartered Surveyor for a total of £3,010,000. The PCC is not aware of any material change since this valuation.

As noted above, permission has been received to access and utilise up to £450,000 from the M&G Securities Charifund income units to fund the required investment in Flats 3 & 7 Grosvenor Hill Court, London, W1 together with the other properties held.

7 DEBTORS

	2021 £	2020 £
Debtors due after more than one year:		
Amounts owed by SGHS Enterprises	**1,918,894**	**1,877,525**
Debtors due in less than one year:		
Prepayments and accrued income	20,202	44,721
Other debtors	27,404	14,179
	47,606	**58,900**
Total debtors	**1,966,500**	**1,936,425**

8 CREDITORS

	2021 £	2020 £
Creditors due within one year:		
Other creditors	33,959	19,034
Accruals and deferred income	46,390	31,215
Loan from the Hyde Park Place Estate Charity	60,000	60,000
HMRC creditors	2,011	1,997
	142,360	**112,246**
Creditors due after more than one year:		
Loan from the Hyde Park Place Estate Charity	**1,735,780**	**1,751,526**
Total creditors	**1,878,140**	**1,863,772**

9 RELATED PARTY TRANSACTIONS

PCC Members
Reimbursed expenses of £6,697 (2020: £6,040) for parish expenses and utility bills were reimbursed to 2 PCC members. No expenses were paid to third parties on behalf of the PCC.

During the year, total unrestricted income of £9,300 (2020: £9,025) was received from PCC members.

The PCC has 2 subsidiaries, the St George's Hanover Square Foundation and SGHS Enterprises Limited. Transactions with the 2 entities are as follows:

The St George's Hanover Square Foundation
During the year, the Church

- received grants of £60,000 (2020: £60,000) from the Foundation.

At the year end the Church owed the Foundation £nil (2020: £nil).

SGHS Enterprises Limited
During the year, the Church

- made a loan of £nil (2020: nil) to the company, and
- charged interest of £41,368 (2020: £43,689) to the company.

At the year end the Church was owed £1,918,894 (2020: £1,877,525) by the company.

As stated in the accounting policy the financial statements have not been consolidated, as PCC have taken advantage of exemption from the "Charities Act 2011 and the PCC", not to prepare consolidated accounts on the basis that its total income is below £1m.

The Hyde Park Place Estate Charity (HPPEC)
During the year, the Church

- received grants of £68,960 (2020: £139,954) from HPPEC, and
- unpaid interest due of £44,254 (2020: unpaid interest due of £43,580) to HPPEC.

The loan made by this charity to the Church is made at an annual interest rate of 2.75% over base. The Church repaid £60,000 (2020: £60,000) in the year. At the year end, the Church owed the charity £1,795,780 (2020: £1,811,526).

10 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Tangible fixed assets	48,740	-	-	48,740
Investments	58,574	3,010,000	1,515,584	4,584,158
Long term debtor	1,918,894	-	-	1,918,894
Net current (liabilities)/assets	45,025	120,743	-	165,768
Long term liability	(1,735,780)	-	-	(1,735,780)
Total	**335,453**	**3,130,743**	**1,515,584**	**4,981,780**

11 RESTRICTED AND ENDOWMENT FUNDS

Restricted Funds

	1 January 2021	Income	Expenditure	Unrealised gain	Transfers	31 December 2021
	£	£	£	£	£	£
Burial Ground Fund	11,759	72,069	(61,359)	-	-	22,469
Chapel external redecoration	1,349	25,575	-	-	890	27,814
Chapel Organ fund	5,441	250	(250)	-	(5,441)	-
Chapel Priest in charge discretion	25,452	-	-	-	-	25,452
Chapel Special collections	3,841	30	(3,871)	-	-	-
Church Organ Fund	11,250	1,250	-	-	1,250	13,750
Church Special collections	626	983	(1,004)	-	-	605
Homeless vouchers	18,626	100	-	-	-	18,726
Hymns and Pimms	3,196	-	-	-	-	3,196
Music for special services	9,366	4,680	(12,546)	-	-	1,500
Organ Scholar Fund	1,640	3,000	(1,000)	-	-	3,640
Pilgrimage	120	-	-	-	-	120
RAA Art Project	951	-	-	-	-	951
Rector & Church Wardens Property	2,784,000	-	-	226,000	-	3,010,000
Sound System Fund	210	-	(210)	-	-	-
South Street Fund	30,189	-	(46,884)	-	16,695	-
Vestments Fund	2,020	500	-	-	-	2,520
Westminster Foundation	302	-	(302)	-	-	-
Total	**2,910,338**	**108,437**	**(127,426)**	**226,000**	**13,394**	**3,130,743**

The purposes of the funds are:
.

Burial Ground Fund – Income from the funds from the sale of the old Burial Ground of St George's Church which is applied to the following:

- provision of living accommodation for the Rector and his successors
- the preservation and maintenance of the fabric and organ of the parish church
- the formation of a fund, the income of which shall be used for the maintenance of the parish church and its services.

11 RESTRICTED AND ENDOWMENT FUNDS (continued)

Chapel external redecoration – Grosvenor Chapel donations for external redecoration of the chapel. A transfer of £890 was made from designated funds to restricted funds against decoration.

Chapel Organ Fund – Donations received to provide for maintenance of the Chapel organ. A transfer of £5,441 was made to the general fund, to account for expenditure against this fund in previous years which was charged against the general fund.

Chapel Priest-in-Charge discretion – Grosvenor Chapel donations given to be used at the discretion of the Priest-in-Charge.

Chapel Special Collections Fund – Chapel collections to be paid to other charities and causes.

Church Organ Fund – Donations received to preserve the new organ in St George's through a planned schedule of maintenance by the makers. A transfer of £1,250 was made from the general fund, to match the £1,250 grant received from HPPEC.

Church Special Collections Fund – Church collections to be paid to other charities and causes.

Homeless vouchers – Donations received to support a food programme for the Homeless.

Hymns and Pimms – An outreach programme serving those with dementia and their carers.

Music for Special Services – includes grant received from the Champniss Foundation to fund the Choir.

Organ Scholar Fund – Donations to assist with the expenses of an Organ Scholar at the Chapel.

RAA Art Project – Donations to pay for costs and professional time in connection with the 'Gardens of the Imagination' project and exhibition at the Chapel.

Rector & Church Wardens Property – Funds held for the provision of accommodation for the Rector and Verger.

Sound System Fund – Donations towards a sound system for the Chapel.

South Street Fund – Funds received for the repair, maintenance and upkeep of the properties at 49 and 49A South Street, London W1. A transfer of £16,695 was made from the general fund to reduce the deficit on this fund to £nil.

Vestments Fund – Donations for maintenance and repair of Chapel vestments.

Westminster Foundation – A charitable grant from the Foundation to offset the cost of employing a Community and Events Officer at Grosvenor Chapel.

Endowment Fund

	1 January 2021 £	Income £	Expenditure £	Gain on Investments £	31 December 2021 £
Endowment fund	1,336,747	-	-	178,837	1,515,584

Endowment Fund

Burial Ground Fund Funds from the sale of the old Burial Ground of St. George's Church which in accordance with the St. George Hanover Square Burial Ground Act 1964 section 6 (3) is to be applied as to capital and the income from which is to be applied as noted above.

12 UNRESTRICTED FUNDS

	1 January 2021 £	Income £	Expenditure £	Gains on investments £	Transfers £	31 December 2021 £
General Funds	285,345	519,722	(464,402)	7,292	(12,504)	335,453
Designated Funds						
Chapel external redecoration	120,000	-	(119,110)	-	(890)	-
	405,345	519,722	(583,512)	7,292	(13,394)	335,453

The Chapel external redecoration fund was used for the redecoration of the West Front of the Chapel.

13 CAPITAL COMMITMENTS

At the year end, the Chapel and Church had no capital commitments (2020: £nil).

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST GEORGE HANOVER SQ

England & Wales - Charity number 1134811

Accounts

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET

ANNUAL REPORT
AND FINANCIAL STATEMENTS
OF THE
PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED
31 DECEMBER 2020

Charity No 1134811

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET

ANNUAL REPORT
AND FINANCIAL STATEMENTS
OF THE
PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED
31 DECEMBER 2020

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OFFICERS AND ADVISORS

Rector	The Reverend R N S Leece
Priest-in-Charge	The Reverend Dr R M Fermer
Correspondence Addresses	St George's Vestry 2A Mill Street London W1S 1FX Grosvenor Chapel Office South Audley Street London W1K 2PA
Bankers	The Royal Bank of Scotland plc 28 Cavendish Square London W1G 0DB National Westminster Bank plc Berkeley House 1-4 Berkeley Square London W1J 6BR
Independent Auditor	Mazars LLP 6 Sutton Plaza Sutton Court Road Sutton Surrey, SM1 4FS
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT
Parish Reference	0311 - St George's Hanover Square 0311A - Grosvenor Chapel
Charity No	1134811

ANNUAL REPORT

The Parochial Church Council has pleasure in presenting its report and the financial statements of the church for the year ended 31st December 2020.

Reference and administrative information

Council Membership

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. Following the elections of PCC members at the APCM on 13th September 2020, the PCC was constituted as follows:

Rector of St George's, Hanover Square:	The Reverend Roderick N S Leece
Priest-in-Charge of the Grosvenor Chapel:	The Reverend Dr Richard M Fermer
Non-stipendiary Assistant Priest at St George's:	The Reverend Dr Alan McCormack
Non-stipendiary Assistant Priest at Grosvenor Chapel:	The Reverend Dr Alan Piggot
Church Wardens:	Mr Mark A Hewitt Mr Graham E Barnes
Grosvenor Chapel Wardens:	Mrs Denise Scots-Knight Mr Philip Eyre
Deputy Church Wardens:	Mr Alistair Milward Mr Stewart Munro Mr Philip Eyre Mrs Denise Scots-Knight
Other Elected Members:	Mr George Bingham Mr Andrew Jones Mr Charles Stephens Ms Pamela Atekpe Mr Alistair Milward Mr M C Mr Stewart Munro Mr John Crichton
Deanery Synod Representatives:	Ms Karen Belton Mrs Diana Dennis Mrs Alicia Mather Mrs Janet St John-Austen (Chapel representative) Mr Gary Eaborn (Chapel Representative) Ms Sally Rieu (Chapel Representative)

ANNUAL REPORT (continued)

Secretary to the PCC:	Mr John-Paul de Soissons
Hon. Secretary to the Chapel Committee:	Mrs Jennifer Eyre
Parish Treasurer:	Mr Mark Hewitt
Lay Vice Chairman of the PCC:	Mr Mark Hewitt

Standing Committee: Rector, Church Wardens, (Treasurer), Messrs Alistair Milward & Stewart Munro, the Priest-in-charge & the Chapel Wardens

Finance & Fundraising Committee: Mr Mark Hewitt (Chairman & Treasurer), Rector, Messrs George Bingham, Stewart Munro, Charles Stephens & Oliver Chubb (Chapel Treasurer)

Fabric Committee: Mr Graham Barnes (Chairman), Rector, Ms Pamela Atekpe, Messrs Andrew Jones, Alistair Milward & Charles Stephens

Grosvenor Chapel Committee: The Revd Dr Richard Fermer (Priest-in-Charge), Mr Philip Eyre (Chapel Warden), Mrs Denise Scots-Knight (Chapel Warden), Mrs Jennifer Eyre (Hon Secretary), Mr Oliver Chubb (Hon Treasurer), Ms Janet St John-Austen (Deanery Synod representative), Mr Gary Eaborn (Chapel Representative), Ms Sally Rieu (Chapel Representative, Mr Richard Hobson (Ex officio), Messrs Neil Anderson, Nathan Bedwell & Nathaniel Campbell-Brown, Mrs Francine Coleman, Messrs Evan Flowers, Godfrey Barker & Edward Hasted

Safeguarding Officers:	Mr Graham Barnes (SG's Safeguarding Officer) Mrs Sarah Jackson-Stevens (SG's Children's Champion) Mrs Jennifer Eyre (GC Safeguarding Officer) Ms Virginia Allel Mazar and Ms Fumiko Sekiguchi (GC Children's Champions)
Stewardship Records Officers:	Mrs Dee Prior (until her passing on 11 June 2020) Mr John-Paul de Soissons (elected 13 September 2020) Ms Janet St John-Austen
Electoral Roll Officers:	Mrs Dee Prior (until her passing on 11 June 2020) Mr John-Paul de Soissons (elected 13 September 2020) Ms Lorraine Fraser
Main Office:	The Vestry, St. George's Church, 2a Mill Street, London W1S 1FX Tel. 020 7629 0874

Structure, Governance and Management

The Parochial Church Council (PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity.

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

ANNUAL REPORT (continued)

Committees

The Standing Committee is the only committee of the PCC which is required by Law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Four other committees continued to co-ordinate key areas of PCC business. The Finance Committee and the Fabric Committee at St George's and the Grosvenor Chapel Committee met periodically throughout the year. The Standing Committee met as required.

Appointment and induction of PCC members

PCC members are elected at the Annual Parochial Council Meeting and are eligible for re-election annually.

New PCC members are required to familiarise themselves with the day-to-day running of the Parish which may include an induction to brief them on their legal obligations under charity and church law, the Council and the decision making processes and the recent performance of the church. They meet key employees and the other PCC members.

Risk assessment policy

The PCC and sub-committees, which meet on a regular basis, consider any risk as and when necessary. From these Committee meetings appropriate recommendations are made to the PCC members. At its meeting on 22nd April 2015 the PCC adopted a comprehensive Risk Register. This analysed governance, existential, financial and operational risks and was able to give details of measures to mitigate all the risks identified. The Risk Register will be reviewed annually and updated as necessary. In addition, the Trustees do not consider that Brexit will have any direct or significant impact on the operations or finances of the Church.

Organisational policy

The PCC members meet every three months and there are sub-committees covering issues relating to Fabric, Finances, the Grosvenor Chapel and Standing Committee (as required). Other sub-committees are formed as and when required. Administrators are appointed to manage the day-to-day operations of the parish.

To facilitate effective operations, the Parish Administrator at St George's and the Administrator, Chapel Wardens and Honorary Treasurer at Grosvenor Chapel have delegated authority, within the terms of delegation approved by the PCC members, for operational matters including finance, employment and other elements of the charitable work of the parish and its places of worship. As such they are deemed to be Key Management Personnel along with the Rector and Churchwardens and the Priest-in-Charge of Grosvenor Chapel.

The Administrators' remuneration is disclosed in note 4 to the Financial Statements. The pay of all staff is reviewed annually and normally increased in accordance with average earnings. No formal bench marking with salaries paid by similar charities is in place. The PCC is committed to paying all staff in excess of the agreed London Living Wage.

As is the case with most churches, the Parish of St George is heavily dependent on the input of volunteers.

Objectives and activities

St George's PCC has the responsibility of co-operating with the incumbent, The Revd Roderick Leece and the Priest-in-Charge of the Grosvenor Chapel, The Revd Dr Richard Fermer, in promoting within and beyond the ecclesiastical parish the whole mission of the Church: spiritual, pastoral, social and ecumenical. It also has responsibilities for maintaining the Church of St George, Hanover Square and the Grosvenor Chapel, South Audley Street. The PCC confirms that it has had due regard to the guidance on public benefit issued by the Charity Commission when planning its objectives and activities for the year.

ANNUAL REPORT (continued)

Policy of the Church
The policy of the Parish is to promote the Gospel of our Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC endeavours to cooperate with the priests in the whole mission of the Church: spiritual, pastoral, social and ecumenical. The strategies it has adopted to fulfil this are to provide regular services of worship, access to the holy sacraments, teaching through the Sunday school and spiritual guidance for the parishioners and visitors to the Parish. The church seeks to be a Christian Community in the catholic tradition of the Church standing as a beacon of faith in the heart of Mayfair, with a welcoming, friendly and supporting congregation.

The number of parishioners on the Church Electoral Roll at the 2020 APCM was 262 (224), of whom 29 (29) were resident in the parish. These figures break down as follows: St George's Church 148 (123) of whom 10 (11) were resident in the parish; & Grosvenor Chapel, 114 (101) of whom 19 (18) were resident in the parish. The figures for 2019 are in brackets.

The usual Sunday attendance at St George's, during October 2020, was 30 (2019: 65).

At the Grosvenor Chapel the usual Sunday attendance, during October 2020, was 42 (2019: 61).

A. Special Services held in the year

	St George's	**Grosvenor Chapel**
Baptisms	5 (14)	6 (14)
Weddings & marriage blessings	2 (13)	2 (5)
Funerals & memorials	1 (2)	4 (3)
Confirmations	4 (0)	0 (0)
Admission to Holy Communion	0 (0)	0 (0)

Review of operations for the year

2020 was once again a busy year for both churches in the parish. Messrs Mark Hewitt and Graham Barnes were re-elected Church Wardens at the COVID-delayed Annual Parochial Church Meeting held on 13th September 2020.

The PCC met three times during the year with a good attendance at all meetings, with most being held virtually due to COVID restrictions. Policies covering employment, safeguarding and health and safety were reviewed. As in previous years, the Parish remains a net contributor to the Diocesan Common Fund.

During the year the PCC sub-committees continued to meet regularly, mainly online due to COVID restrictions. The Finance Committee under the chairmanship of Mr Hewitt approved a budget for 2020 and monitored its implementation throughout the year, particularly with the on-going effects of COVID and the temporary forced closure of both places of worship. The Fabric Committee, chaired by Mr Graham Barnes, appointed a new advising architect Karen Butti of Thomas Ford & Partners (succeeding Colin Kerr) and continued the task of maintaining St George's wonderful building and preparing a list of refurbishment projects to be phased in time for the Tercentenary year starting in 2024 and ending on 23rd March 2025.

St George's Hanover Square
The main issue for the year was the effect of the Coronavirus, the government's guidance on which mandated the closure of all places of worship. As a result, the church was closed from March to July 2020, with services being provided online via Zoom for members of the congregation. The church then opened for private prayer during the week and held services with a much-reduced congregation on Sundays, also continuing via Zoom.

This closure had significant effects on the church's finances, with voluntary income reducing substantially. As a result, the church reduced costs as much as was practical, which included a significant reduction in the annual Common Fund contribution as well as a reduction in the fees paid to the choir. Unlike a number of other churches, though, we did continue to make these payments, albeit reduced, to choir members to support them where possible.

The pandemic also affected investment income from both financial investments and rental income. A significant reduction in the value of monetary investments was recorded during the year.

The church used the forced closure to allow some much needed repairs and maintenance to be completed, most notably on the floors throughout, supported by a grant from the HPPEC.

Very early during the pandemic in March we lost Alan Fairbrass, former Churchwarden, Server, past Master of the Worshipful Company of Cooks and Past President of the Réunion des Gastronomes, who had been at the centre of life at St George's for many decades, and a close friend and support to former Rector Bill Atkins. We miss him greatly, as we do Dee Prior who though with us as Parish Administrator for less than 9 months made a huge and significant impact on St George's, and whose energy and enthusiasm achieved so much in a short space – not least the restoration of the flooring.

Dee's unexpected and untimely death in June has been sorely felt. Her successor, John-Paul de Soissons, who was already known to us, commenced work in July.

What is the outlook into the coming year?

Whilst the church remained open during Lockdown 3 (with services being both in person and streamed live via Zoom), safety rules restricted voluntary donations during services, which only had small congregations anyway. As a result, voluntary donations are expected to remain lower than a normal year.

With the expected lifting of Lockdown 3 we are more positive in relation to income from other events, particularly concerts and Christmas and so expect contributions to be higher than recorded in 2020. Additionally, we also expect financial investments to improve during the year.

Our hope is that the activity of the church will return to normal in autumn 2021, until which time a tight rein will remain on expenditure.

St George's, Hanover Square School – Pupil numbers are down in most Westminster schools as there is over-capacity of about 15% and like some other schools in the area we now have space for about 30% more pupils. The fact that fewer people now work in central London makes matters even more uncertain. The Governors, led by Fr Guy Pope and his Deputy Alistair Milward (member of SGHS PCC and also Karen Belton, Morag Scanlon, and Sarah Jackson-Stevens are members of SGHS), are working hard to promote the profile of our wonderful school. Low numbers are leaving about a dozen Westminster Schools vulnerable and at risk – not least because of the financial ramifications,

Rebecca Harris moved on from her position as Executive Headteacher in the autumn and rather sooner than was agreed. Paul Musetti led the school briefly for the Michaelmas term until Petra Slater was appointed as Acting Head of School, thereby giving much needed continuity and stability.

Since the initial COVID-19 lockdown in March 2020 the school has been ahead of other schools in the scope and speed of its response to the COVID-19 virus, and the staff have worked incredibly hard and harmoniously.

The Undercroft – SGHS Enterprises has continued to search for a partner to open up the planned hospitality space in the Undercroft, and a preferred partner has been found. Draft legal documents have been agreed in principle, though not yet signed at the date of this report, and the space is expected to be open by Autumn 2021.

Little Dragons – Sunday school have been few in number due to both the forced closure of St George's and then as a result of low attendance once lockdown restrictions began to be lifted but, despite this, have met in the Undercroft a few times.

ANNUAL REPORT (continued)

Churches Together in Westminster continues its work though mostly online. The usual Advent Carol Service took place in December at St James Piccadilly and a gathering for Pentecost is planned for this year. The Annual Meeting was held on Zoom in January and looked at the topic of the *Spiritual Health of the Nation.* The London Prisons Mission which continues to involve a number of St George's volunteers was set up as a registered Charity in November. Volunteers are looking forward to being able to resume prison visits. Another high quality booklet resource was produced for Prisons Week – this year focusing on women. But the major initiative has been for LPM to gather partners – including political ones for the Safe Homes for Women leaving Prison project and significant progress has been made in government circles.

We continue to support the ***Marriage Preparation Day*** led by Grosvenor Chapel.

In the summer and autumn, a number of walks (***Rector's Rambles***) were organised on Friday evenings with a selection of leaders choosing different routes around Mayfair and the local area, ending up in various hostelries.

St George's links with the ***Réunion des Gastronomes*** this year were in the form of on online Christmas gathering due to restrictions, but ***The Royal Society of St George*** were able to gather a small number in church for their annual Parade Service on All Saints' Day (with some attending via Zoom).

The ***Food Voucher*** scheme redeemable at the Cabman's Shelter in Hanover Square was in temporary abeyance during 2020, and continues to be so – not only because of the pandemic but also because of works in Hanover Square associated with Crossrail.

Grosvenor Chapel: The New Year brought the passing of a long-time Chapel member, Joan Constantinidi, almost exactly a year after the Funeral of her husband Michael; and the Week of Prayer for Christian Unity with the visit of Fr. Michael Holman SJ to preach.

We continued with our monthly post-Service "Fellowship Group" on Sundays with Fr Alan and the Ministerial Experience Intern, to discuss the readings of the day and apply them to our lives; and a pop-in weekly lunchtime service called "Music & Mindfulness", combining music, reflection and prayer. As a result of the first "lockdown" this went online, as a series of recorded prayers set to music, as did our daily services, which were live-streamed by our Ministry Team – Frs Richard, Alan and Alistair, and layperson Gary Eaborn, and with contributions also by Natacha Tinteroff – using the Facebook platform. To begin with and in Holy Week, we were getting between 250 – 350 views for our principal services. Numbers levelled off as "Lockdown" continued and the novelty and perhaps urgency of online church waned. Santou Beurklian-Carter also took the Sunday Club on Zoom with parental supervision.

The project to repair and replace many of the flagstones in the central nave of the Chapel was undertaken in January and February. The Chapel Committee decided to progress plans to redecorate and restore the West Front of the Chapel with the spire, with the technical help of staff from Grosvenor Estates who helped draw up the specification and works started at the beginning of November to be carried over into next year.

Our Lent Course focused on Sam Wells' book "A Future that's bigger than the Past" and involved guest preachers at our Sunday Liturgy, followed by lunch and discussion after the Service. Amongst the preachers were: Dr Ivan Khovacs, Dr Emily Kempson, and Fr Richard Carter. It was an attempt to encourage the Chapel congregation to think more imaginatively about its mission. Unfortunately, the programme was never completed because of the onset of the "Lockdown".

Our two Outreach Projects, "Hymns & Pimms" to those living with dementia and their carers, and our "Thursday Lunch Club" for refugees and foreign nationals with no recourse to public funds, continued up until "lockdown". After this, we fundraised to help house some of our guests from the Lunch Club, who were not covered by WCC or national provision, during "lockdown". Lis Hasted, who co-ordinates "Hymns & Pimms" has continued to stay in touch with members and sent them gift boxes to stimulate this relationship with the Chapel.

"In-person Church" began again on Sunday 5th July, after a big push to make the Chapel compliant with social distancing and hygiene requirements, in a way which did not destroy the aesthetic of the Chapel. Our full choir returned on Sunday 6th September, courtesy of a grant we have received from The Champniss Foundation, which helps us cover music costs, during this challenging time financially for the Chapel.

Live-streaming of daily Services, our Thursday Eucharist and our Sunday Eucharist continued. We also conducted five Occasional Offices both "in-person" and live-streamed from the Chapel to meet the regulations on numbers. From September to the end of October we started a Zoom teaching/discussion series entitled, "Rebuilding the Church", looking at the renewal of a post-pandemic church, followed by an Advent Series that started in November.

The Choir continued to sing during the "Second Lockdown" of November, in our live-streamed Service in the Chapel. We were also able to deliver our annual Community Carol Service according to the limits of social distancing and all our usual Christmas Services.

To address the financial challenges presented by the pandemic, the Chapel Standing Committee and Chapel Committee implemented a three-pronged strategy:

1) Income Generation. We began the first stage of a Stewardship Campaign that considerably increased the level of regular giving.
2) Savings in Expenditure. We were able to encourage St George's to finally disentangle us from their decision to continue Terrorism Cover, and so saved around £7,000 from our Insurance Premium this year. We furloughed one member of staff until the end of his contract in July. Finally, we negotiated a proportionate reduction in our Common Fund with the Diocese.
3) Recourse to our Reserves. They stood as a recourse of ultimate resort and were used in the year.

The results for the year ended 31 December 2020 are set out in the Statement of Financial Activities on page 16 which show net expenditure of £89,171 (2019: net income £275,170) in the year.

Financial review

The parish is dependent on funding from charitable trusts, regular giving by members of the congregation, income from events and special services and income generated by investments, rental properties, room hire and parking bays plus occasional legacies. As a direct result of the pandemic and the resulting Government COVID restrictions, all of these sources of income were significantly negatively affected from March 2020, resulting in a material reduction in income. Whilst there was a short permitted re-opening of places of worship later in the year, this had little effect on the income streams of the parish. As a direct and immediate result of these challenges, discretionary expenditure was immediately reduced throughout the Parish, including a reduction in contributions to the Diocese's Common Fund. Despite these efforts, the effect of the financial downturn on the Parish's investments meant that a financial loss was recorded for the year, though cash flow remained positive from its day-to-day operations, before adjustments to investment values.

Investment policy

It is the Church's policy to invest funds with the CBF Church of England Investment Fund and M&G Securities Charifund. The Church has made such investments to generate a return and has no social investments currently in place. The falls in world stock markets, as a result of Coronavirus, resulted in a material reduction in income from invested funds for the remainder of 2020. The financial effect of this was partly offset by a revaluation uplift in the value of property held. Being a long-term investor, the PCC has no plans to change its investment policy.

Reserves policy

The Council considers that it is appropriate to maintain a level of income reserves equivalent to approximately six months' expenditure of unrestricted funds in order to meet its needs, including its legal and constructive obligations. The Council still intends to build up unrestricted reserves to this level as soon as practicable.

During the course of the year under review the total reserves stood at £4,652,430 of which £4,247,085 are set aside for restricted and endowment purposes. Of these, £2,784,000 is included in the Rector and Churchwardens' Property Fund, which could be realised on the disposal of investment properties, and the Endowment Fund of £1,336,747, which could be realised on the disposal of the M&G Securities Charifund income units. The level of unrestricted free funds at the year-end, shown in Note 12 below, amounted to assets of £113,602 (including investments) which is below the £224,000 required by the reserves' policy. In light of the ongoing financial effects of the Coronavirus pandemic during 2021, it is possible that the PCC may need to draw on reserves to fund ongoing expenditure, following the reduction in income, for a short period of time.

The expected effect of this will be that the reserves' policy may be missed during 2021. The Council will keep the situation under constant review and does not expect any material issues as a result. If required, the Church would have the opportunity to seek additional funding from the Hyde Park Estate Charity by way of a loan if so required.

Related parties

The Hyde Park Place Estate Charity is a grant making charity. The Rector, the Revd R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity.

The St George's Hanover Square Foundation, is a charity whose objective is the repair, restoration and enhancement of St George's Church Hanover Square. The Rector, the Revd. R N S Leece, and the Churchwardens, Mr M A Hewitt, and Mr G E Barnes are Trustees of this charity. The Church receives grant funding and loans from this charity.

SGHS Enterprises Limited, is a company registered in England and Wales (number 10023760). The activities of this company are the restoration of the fabric of St George's Undercroft and, once this is complete, the Undercroft's operation as a semi-autonomous revenue-generating facility in the building. The Revd R N S Leece, Mr W M C Beckett, Mr M A Hewitt and Mr G E Barnes are Directors of this company. The Church has made loans to this company during the year.

Details of transactions taking place between the Church and its related parties, including the St George's Hanover Square Foundation, the Hyde Park Place Estate Charity and SGHS Enterprises Limited are shown in note 9 to the financial statements.

Plans for the future

COVID-19

Subsequent to the Church's year end, the scale and spread of COVID-19 (Coronavirus) worldwide and the actions taken by the Government has caused and will continue to cause disruption to the Church's activities. Whilst the outbreak is anticipated to have an ongoing significant financial impact on the Church during 2021, an increase in income over 2020 is expected from collections, special services, weddings and concerts, and the Trustees are monitoring the situation very closely and ready to react as required to any emerging issues. COVID-19 has also impacted on the activity of our trading subsidiary and has resulted in its ability to commence trading being delayed. We still anticipate that the full amount due from our subsidiary will be recovered but this may now take longer to achieve than was originally anticipated.

Both Church and Chapel have in recent years been obliged to devote significant energy to restoring the fabric of their respective buildings.

Despite the on-going lockdown, St George's has remained focussed on its long-considered plan to bring back its Undercroft into active use and, although unavoidably delayed by the economic effects of the Coronavirus pandemic, once fully open, this will have a profound impact on the way it operates. A preferred partner has been identified and draft agreements agreed. As a result, there is a reasonable expectation that operations may begin before Autumn 2021. In addition, the intention is to develop a costed, phased programme of packages of refurbishment works to be delivered between 2021 and 2024 to mark the Church's Tercentenary.

As previously reported, the Chapel continues to have fabric-related concerns and will have to seek funds to defray significant expenditure on such work.

That said, both elements of the Parish also concentrate on their mission to the community in which they are situated.

Auditors

A resolution was proposed and passed at the Annual Parochial Church Council meeting on 13th September 2020 that Mazars be re-appointed as auditors.

PCC members' responsibilities

The PCC members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law 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 church and of its financial activities for that period.

In preparing those financial statements, the PCC members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the church will continue.

The PCC members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and enables them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE COUNCIL

Dated: 23 May 2021

M A Hewitt
Church Warden

INDEPENDENT AUDITOR'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF ST GEORGE'S CHURCH, HANOVER SQUARE WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET

Opinion

We have audited the financial statements of St George's Church, Hanover Square with the Grosvenor Chapel, South Audley Street Parochial Church Council (the 'PCC') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and 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 PCC's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC 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 PCC'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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The PCC members are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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

In light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

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

- the information given in the financial statements is inconsistent in any material respect with the Annual Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of PCC members

As explained more fully in the PCC members' responsibilities statement set out on page 12, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the PCC members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC members are responsible for assessing 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 PCC members either intend to liquidate 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the 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. Based on our understanding of the PCC and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, 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 2011 and the Charities Statement of Recommended Practice.

We evaluated the PCC members' and 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the PCC members and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the PCC which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the PCC members and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit report

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

Signed: MazarsLLP
Mazars LLP (May 28, 2021 12:51 GMT+1)

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Dated: 28-May-2021

Mazars LLP is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £
Income from:									
Donations and legacies	*2a*	334,577	58,788	-	**393,365**	253,044	71,270	-	**324,314**
Other trading activities	*2b*	-	-	-	**-**	-	-	-	**-**
Investment income	*2c*	147,764	65,251	-	**213,015**	146,346	80,834	-	**227,180**
Church activities income	*2d*	78,172	-	-	**78,172**	198,711	-	-	**198,711**
Other income	*2e*	36,847	-	-	**36,847**	20,326	-	-	**20,326**
Total income		**597,360**	**124,039**	**-**	**721,399**	**618,427**	**152,104**	**-**	**770,531**
Expenditure on:									
Church activities expenditure	*3a*	475,768	132,895	-	**608,663**	527,179	130,140	-	**657,319**
Raising funds	*3b*	68,694	-	-	**68,694**	76,030	-	-	**76,030**
Total expenditure		**544,462**	**132,895**	**-**	**677,357**	**603,209**	**130,140**	**-**	**733,349**
Gain on revaluation of investment property		-	144,000	-	**144,000**	-	-	-	**-**
Gain/(Loss) on investments	*6*	3,387	-	(280,600)	**(277,213)**	7,505	-	230,483	**237,988**
Net Income / (expenditure) before transfers		**56,285**	**135,144**	**(280,600)**	**(89,171)**	**22,723**	**21,964**	**230,483**	**275,170**
Transfer of funds		(1,250)	1,250	-	**-**	32,313	(32,313)	-	**-**
Net movement in funds		**55,035**	**136,394**	**(280,600)**	**(89,171)**	**55,036**	**(10,349)**	**230,483**	**275,170**
Reconciliation of funds:									
Total funds brought forward		350,310	2,773,944	1,617,347	**4,741,601**	295,274	2,784,293	1,386,864	**4,466,431**
Total funds carried forward		**405,345**	**2,910,338**	**1,336,747**	**4,652,430**	**350,310**	**2,773,944**	**1,617,347**	**4,741,601**

All activities are continuing. There were no recognised gains or losses other than those shown above.

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible fixed assets	5	45,744	50,076
Investments	6	4,172,029	4,305,242
		4,217,773	**4,355,318**
LONG TERM DEBTORS	7	1,877,525	**1,833,837**
CURRENT ASSETS			
Debtors	7	58,900	65,953
Short term deposits		44,424	44,236
Cash at bank and in hand		317,580	335,313
		420,904	**445,502**
CREDITORS: amounts falling due within one year	8	(112,246)	(130,018)
NET CURRENT ASSETS		**308,658**	**315,484**
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,403,956**	**6,504,639**
CREDITORS: amounts falling due more than one year	8	(1,751,526)	(1,763, 038)
NET ASSETS	10	**4,652,430**	**4,741,601**
FUNDS:			
Unrestricted funds	12	405,345	350,310
Restricted funds	11	2,910,338	2,773,944
Endowment funds	11	1,336,747	1,617,347
		4,652,430	**4,741,601**

Approved by the Parochial Church Council on 19 May 2021 and signed on its behalf by:

M A Hewitt
Church Warden

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Cash (used in) operating activities (see below)		(128,287)		(191,197)
Cash flows from investing activities				
Interest and dividends received	110,742		133,568	
Payments to acquire tangible fixed assets	-		(30,777)	
Cash provided by investing activities		**110,742**		**102,791**
Net cash (outflow)		(17,545)		(88,406)
Cash and cash equivalents at 1 January 2020		379,549		467,955
Cash and cash equivalents at 31 December 2020		**362,004**		**379,549**
Cash flows from operating activities:				
Net (expenditure)/income		(89,171)		275,170
Interest and dividends received shown in investing activities		(110,742)		(133,568)
Depreciation		4,332		4,869
Unrealised (gain) on revaluation of investment property		(144,000)		-
Unrealised loss/(gain) on revaluation of investments		277,213		(237,988)
(Increase) in debtors		(36,635)		(351,850)
(Decrease)/increase in creditors		(29,284)		252,170
Cash (used in) for operating activities		**(128,287)**		**(191,197)**

1 ACCOUNTING POLICIES

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

Basis of preparation
The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). They have been prepared on the accruals basis and under the historical cost convention except for the valuation of investments, which are shown at fair value. The financial statements have not been consolidated, as PCC have taken advantage of exemption from the "Charities Act 2011 and the PCC", not to prepare consolidated accounts on the basis that its total income is below £1m. St George's Church, Hanover Square with the Grosvenor Chapel meets the definition of a public benefit entity under FRS 102.

Going concern
The PCC has reviewed the circumstances of the Church to ensure that it will have the resources to meet its financial obligations as they fall due in the coming 12 months, particularly in light of the continuing and significant effects of the Coronavirus pandemic. Whilst the church has remained open during the early part of 2021, attendance at both places of worship has been significantly down when compared to pre-COVID times.

The fact that the Parish receives a significant proportion of its income from investments and property provides a backbone of financial robustness against the uncertainty relating to its discretionary income, which has reduced under the current situation. Although the level of income from financial investments is expected to rise when compared to 2020, a short-term void in rental income is anticipated both for the Parish's properties and car park spaces, thereby reducing income from these sources. This fall is expected to be partly offset by an increase in income from concerts, special services and weddings when compared to 2020, following an easing of the current COVID restrictions.

In light of the above, based on the most recent budgeting exercise, the PCC believes that there will be adequate resources available to fund the activities of the Church for the foreseeable future. The PCC are therefore of the view that the Church is a going concern.

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

Funds designated by the PCC for a specific purpose are also unrestricted.

Restricted funds are those subject to specific trusts, which may be declared by the donor or with their authority. The restricted funds of St George's Church, Hanover Square, are restricted income funds which are expendable at the discretion of the PCC in furtherance of some particular aspects of the activities of the church.

A permanent endowment fund is a particular type of restricted fund which must be held permanently.

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

1 ACCOUNTING POLICIES (continued)

Income

Donations and legacies

- Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.
- Conditional grants receivable are recognised as restricted income on the date the contract agreement is signed, reflecting the full amount expected to spend or claim by the end of the grant period.

Other trading activities and other income

- Rental income from the letting of investment properties is recognised when the rental is due.
- Funds raised from fetes and similar events and bookstall receipts are accounted for when received gross.

Income from investments

- Interest, dividends and rental income from investment properties are accounted for when receivable.

Expenditure

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

Church activities

- Gifts and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.
- The diocesan parish quota is accounted for when payable. Any quota unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.
- All costs in support of achieving the church's objectives are accounted for in this category. This includes governance costs which represent all costs in ensuring that the church complies with all legal and regulatory requirements that are relevant to it.

Fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated or beneficed property is excluded from the accounts by section 10(2)(a) of the Charities Act 2011. Movable church furnishings held by the Rector and Church Wardens on special trust for the PCC and which require a faculty for disposal, are accounted as inalienable property unless consecrated. They are listed in the Church's Inventory which can be inspected (at any reasonable time). For inalienable property acquired prior to 31 December 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. All expenditure incurred during the year on consecrated or benefice buildings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings and office equipment and ministry equipment

Equipment used within the church premises is depreciated on a straight-line basis over 4 to 5 years with the exception of a boiler which is depreciated over 20 years. Individual items of equipment with a purchase price of £250 or less are written off when the asset is acquired. The piano is depreciated on a straight-line basis over 10 years.

1 ACCOUNTING POLICIES (continued)

Investments
Investments are valued at fair value at the year end. Unrealised gains or losses are accounted for on revaluation of fixed assets and recognised in the SOFA for the year and are shown as a component of net income.

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

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

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

2 INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total £	2019 Total £
a] Donations and legacies					
Gift Aid and tax recoverable	18,657	-	-	18,657	19,087
Collections	46,105	-	-	46,105	61,747
Grants	199,954	-	-	199,954	140,618
Donations	59,861	58,788	-	118,649	95,362
Legacies	10,000	-	-	10,000	7,500
	334,577	58,788	-	393,365	324,314
b] Other trading activities					
Fundraising	-	-	-	-	-
	-	-	-	-	-
c] Investment income					
Interest and dividends	45,491	65,251	-	110,742	133,568
Rents receivable	102,273	-	-	102,273	93,612
	147,764	65,251	-	213,015	227,180
d] Church activities					
Fees	28,955	-	-	28,955	53,723
Music and concerts	10,291	-	-	10,291	47,195
Church Hall lettings	9,538	-	-	9,538	39,243
Flower stall and car parking	29,388	-	-	29,388	58,550
	78,172	-	-	78,172	198,711
e] Other income					
Cost recoveries	26,714	-	-	26,714	14,859
Vat recoverables	4,273	-	-	4,273	-
CJRS income	4,060	-	-	4,060	-
Other income	1,800	-	-	1,800	5,467
	36,847	-	-	36,847	20,326
Total income	**597,360**	**124,039**	**-**	**721,399**	**770,531**

3 EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £	2019 Total £
a] Church activities					
Ministry: Diocesan quota	111,347	-	-	111,347	126,953
Ministry: Rector's and verger's accommodation	3,302	8,222	-	11,524	10,027
Church running costs	86,375	1,229	-	87,604	100,913
Church maintenance	95,984	58,913	-	154,897	72,587
Choir and organist	18,601	46,296	-	64,897	123,078
Staff and other staff related costs	116,855	216	-	117,071	139,586
Grants and other giving	1,134	18,019	-	19,153	39,140
Office running costs	7,858	-	-	7,858	17,691
Accountancy fees	12,055	-	-	12,055	14,698
Audit fees	8,952	-	-	8,952	8,640
Professional fees	9,893	-	-	9,893	4,006
Other	3,412	-	-	3,412	-
	475,768	132,895	-	608,663	657,319
b] Raising funds					
Investment property costs	19,007	-	-	19,007	18,041
Interest on loan from Hyde Park Place Estate Charity	48,487	-	-	48,487	57,869
Publicity	1,200	-	-	1,200	120
	68,694	-	-	68,694	76,030
Total expenditure	**544,462**	**132,895**	**-**	**677,357**	**733,349**

Grants and other giving made mainly comprise the onwards transmission of Special Offerings and Homelessness Vouchers received.

4 STAFF COSTS

	2020	2019
	£	£
Total staff costs comprise the following:		
Wages and Salaries	100,176	111,669
Social security costs	1,738	3,465
Pension costs	1,073	12,249
Other staff costs	13,868	10,623
	116,855	**138,006**
Numbers of employees by headcount	5	6

During the year none of the employees was paid more than £60,000 per year.

Aggregate employee benefits of the Key Management Personnel were	53,075	37,432

5 TANGIBLE FIXED ASSETS

	Ministry equipment £	Valuables £	Piano £	Computer equipment £	Total £
COST					
Brought forward 1 January 2020	42,752	7,435	15,250	21,062	86,499
Carried forward 31 December 2020	**42,752**	**7,435**	**15,250**	**21,062**	**86,499**
ACCUMULATED DEPRECIATION					
Brought forward 1 January 2020	3,348	-	15,250	17,825	36,423
Charge for the year	2,512	-	-	1,820	4,332
Carried forward 31 December 2020	**5,860**	**-**	**15,250**	**19,645**	**40,755**
Net book value – 31 December 2020	**36,892**	**7,435**	**-**	**1,417**	**45,744**
Net book value – 31 December 2019	**39,404**	**7,435**	**-**	**3,237**	**50,076**

The Church also owns 2 charitable properties which are shown at £nil (2019: £nil).

6 INVESTMENTS

	Investment property £	Quoted investments £	Total £
Market value at 1 January 2020	2,640,000	1,665,242	4,305,242
Unrealised (loss)	-	(277,213)	(277,213)
Gain on revaluation of investment property	144,000	-	144,000
Market value at 31 December 2020	**2,784,000**	**1,388,029**	**4,172,029**

There were no additions or disposals of investments in the year.

Investments comprise the following:-	**2020 £**
Investment shares in the Central Bond of Finance of the Church of England	50,973
3.5% War loan	310
M&G Securities Charifund income units	1,336,746
Flats 3 & 7 Grosvenor Hill Court, London, W1	2,784,000
	4,172,029

The flats at 3 and 7 Grosvenor Hill Court were re-valued as at 31 December 2020 by W Leefe FRICS Chartered Surveyor for a total of £2,784,000. The PCC is not aware of any material change since this valuation.

7 DEBTORS

	2020 £	2019 £
Debtors due after more than one year:		
Amounts owed by SGHS Enterprises	**1,877,525**	**1,833,837**
Debtors due in less than one year:		
Prepayments and accrued income	44,721	13,957
Other debtors	14,179	51,996
	58,900	**65,953**
Total debtors	**1,936,425**	**1,899,790**

8 CREDITORS

	2020 £	2019 £
Creditors due within one year:		
Other creditors	19,034	33,250
Accruals and deferred income	31,215	33,652
Loan from the Hyde Park Place Estate Charity	60,000	60,000
HMRC creditors	1,997	3,116
	112,246	**130,018**
Creditors due after more than one year:		
Loan from the Hyde Park Place Estate Charity	**1,751,526**	**1,763,038**
Total creditors	**1,863,772**	**1,893,056**

9 RELATED PARTY TRANSACTIONS

PCC Members

Reimbursed expenses of £6,040 (2019: £6,030) for parish expenses and utility bills were reimbursed to 2 PCC members. No expenses were paid to third parties on behalf of the PCC.

During the year, total unrestricted income of £9,025 (2019: £7,680) was received from PCC members.

The PCC has 2 subsidiaries, the St George's Hanover Square Foundation and SGHS Enterprises Limited. Transactions with the 2 entities are as follows:

The St George's Hanover Square Foundation

During the year, the Church

- received grants of £60,000 (2019: £60,000) from the Foundation.

At the year end the Church owed the Foundation £nil (2019: £nil).

SGHS Enterprises Limited

During the year, the Church

- made a loan of £nil (2019: £535,000) to the company, and
- charged interest of £43,689 (2019: £52,485) to the company.

At the year end the Church was owed £1,877,525 (2019: £1,833,837) by the company.

As stated in the accounting policy the financial statements have not been consolidated, as PCC have taken advantage of exemption from the "Charities Act 2011 and the PCC", not to prepare consolidated accounts on the basis that its total income is below £1m.

The Hyde Park Place Estate Charity (HPPEC)

During the year, the Church

- received grants of £139,954 (2019: £113,227) from HPPEC, and
- received a loan advance of £nil (2019: £300,000) from HPPEC, and
- unpaid interest due of £43,580 (2019: paid interest of £24,612 with unpaid interest due of £25,687) to HPPEC.

The loan made by this charity to the Church is made at an annual interest rate of 2.75% over base. The Church repaid £60,000 (2019: £60,000) in the year. At the year end, the Church owed the charity £1,811,526 (2019: £1,823,038).

10 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	45,744	-	-	45,744
Investments	255,282	2,580,000	1,336,747	4,172,029
Long term debtor	1,877,525	-	-	1,877,525
Net current (liabilities)/assets	(21,680)	330,338	-	308,658
Long term liability	(1,751,526)	-	-	(1,751,526)
Total	**405,345**	**2,910,338**	**1,336,747**	**4,647,230**

11 RESTRICTED AND ENDOWMENT FUNDS

Restricted Funds

	1 January 2020	Income	Expenditure	Unrealised gain	Transfers	31 December 2020
	£	£	£	£	£	£
Burial Ground Fund	(327)	65,251	(53,164)	-	-	11,760
Chapel external redecoration	27,205	21,526	(47,382)	-	-	1,349
Chapel flooring	11,384	-	(11,384)	-	-	-
Chapel Organ fund	495	4,946	-	-	-	5,441
Chapel Priest in charge discretion	30,650	-	(5,198)	-	-	25,452
Chapel Special collections	3,496	5,445	(5,100)	-	-	3,841
Church Organ Fund	8,750	1,250	-	-	1,250	11,250
Church Special collections	826	-	(200)	-	-	626
Homeless vouchers	8,626	14,000	(4,000)	-	-	18,626
Hymns and Pimms	3,163	65	(32)	-	-	3,196
Music for special services	1,300	11,556	(3,490)	-	-	9,366
Organ Scholar Fund	3,640	-	(2,000)	-	-	1,640
Pilgrimage	119	-	-	-	-	119
RAA Art Project	951	-	-	-	-	951
Rector & Church Wardens Property	2,640,000	-	-	144,000	-	2,784,000
Sound System Fund	357	-	(147)	-	-	210
South Street Fund	30,189	-	-	-	-	30,189
Vestments Fund	2,020	-	-	-	-	2,020
Westminster Foundation	1,100	-	(798)	-	-	302
Total	**2,773,944**	**124,039**	**(132,895)**	**144,000**	**1,250**	**2,910,338**

The purposes of the funds are:

Burial Ground Fund – Income from the funds from the sale of the old Burial Ground of St George's Church which is applied to the following:

- provision of living accommodation for the Rector and his successors
- the preservation and maintenance of the fabric and organ of the parish church
- the formation of a fund, the income of which shall be used for the maintenance of the parish church and its services.

11 RESTRICTED AND ENDOWMENT FUNDS (continued)

Chapel external redecoration – Grosvenor Chapel donations for external redecoration of the chapel.

Chapel flooring – Grosvenor Chapel donations for flooring in the chapel.

Chapel Organ Fund – Donations received to provide for maintenance of the Chapel organ

Chapel Priest-in-Charge discretion – Grosvenor Chapel donations given to be used at the discretion of the Priest-in-Charge.

Chapel Special Collections Fund – Chapel collections to be paid to other charities and causes.

Church Organ Fund – Donations received to preserve the new organ in St George's through a planned schedule of maintenance by the makers. A transfer of £1,250 was made from the general fund, to match the £1,250 grant received from HPPEC.

Church Special Collections Fund – Church collections to be paid to other charities and causes.

Homeless vouchers – Donations received to support a food programme for the Homeless.

Hymns and Pimms – An outreach programme serving those with dementia and their carers.

Music for Special Services – includes grant received from the Champniss Foundation to fund the Choir.

Organ Scholar Fund – Donations to assist with the expenses of an Organ Scholar at the Chapel.

RAA Art Project – Donations to pay for costs and professional time in connection with the 'Gardens of the Imagination' project and exhibition at the Chapel.

Rector & Church Wardens Property – Funds held for the provision of accommodation for the Rector and Verger.

Sound System Fund – Donations towards a sound system for the Chapel.

South Street Fund – Funds received for the repair, maintenance and upkeep of the properties at 49 and 49A South Street, London W1.

Vestments Fund – Donations for maintenance and repair of Chapel vestments.

Westminster Foundation – A charitable grant from the Foundation to offset the cost of employing a Community and Events Officer at Grosvenor Chapel.

Endowment Fund

	1 January 2020 £	Income £	Expenditure £	Gain on Investments £	31 December 2020 £
Endowment fund	1,617,347	-	-	(280,600)	1,336,747

Endowment Fund

Burial Ground Fund

Funds from the sale of the old Burial Ground of St. George's Church which in accordance with the St. George Hanover Square Burial Ground Act 1964 section 6 (3) is to be applied as to capital and the income from which is to be applied as noted above.

12 UNRESTRICTED FUNDS

	1 January 2020 £	Income £	Expenditure £	Gains on investments £	Transfers £	31 December 2020 £
General Funds	230,310	597,360	(544,462)	3,387	(1,250)	285,345
Designated Funds						
Chapel external redecoration	120,000	-	-	-	-	120,000
	350,310	**597,360**	**(544,462)**	**3,387**	**(1,250)**	**405,345**

The Chapel external redecoration fund will be used for the redecoration of the West Front of the Chapel.

13 CAPITAL COMMITMENTS

At the year end, the Chapel and Church had no capital commitments (2019: £nil).