

**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

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WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**

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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 benchmarking 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.

ANNUAL REPORT (continued)

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 hosteleries.

St George's links with the **Réunion des Gastronomes** this year were in the form of an 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.

ANNUAL REPORT (continued)

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.

ANNUAL REPORT (continued)

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.

ANNUAL REPORT (continued)

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.

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

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.

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

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 (Reg No. 1127112) (11)

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**

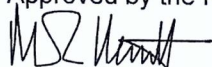
	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £
Income from:									
Donations and legacies	2a	334,577	58,788	-	393,365	253,044	71,270	-	324,314
Other trading activities	2b	-	-	-	-	-	-	-	-
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**

	<i>Notes</i>	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)

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)

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.

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)**

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.

ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)

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
	<u>334,577</u>	<u>58,788</u>	<u>-</u>	<u>393,365</u>	<u>324,314</u>
b] Other trading activities					
Fundraising	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
c] Investment income					
Interest and dividends	45,491	65,251	-	110,742	133,568
Rents receivable	102,273	-	-	102,273	93,612
	<u>147,764</u>	<u>65,251</u>	<u>-</u>	<u>213,015</u>	<u>227,180</u>
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
	<u>78,172</u>	<u>-</u>	<u>-</u>	<u>78,172</u>	<u>198,711</u>
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
	<u>36,847</u>	<u>-</u>	<u>-</u>	<u>36,847</u>	<u>20,326</u>
Total income	<u>597,360</u>	<u>124,039</u>	<u>-</u>	<u>721,399</u>	<u>770,531</u>

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)

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 vergers' 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	-
	<u>475,768</u>	<u>132,895</u>	<u>-</u>	<u>608,663</u>	<u>657,319</u>
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
	<u>68,694</u>	<u>-</u>	<u>-</u>	<u>68,694</u>	<u>76,030</u>
Total expenditure	<u>544,462</u>	<u>132,895</u>	<u>-</u>	<u>677,357</u>	<u>733,349</u>

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

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)

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
	<u>116,855</u>	<u>138,006</u>
Numbers of employees by headcount	<u>5</u>	<u>6</u>
During the year none of the employees was paid more than £60,000 per year.		
Aggregate employee benefits of the Key Management Personnel were	<u>53,075</u>	<u>37,432</u>

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	<u>42,752</u>	<u>7,435</u>	<u>15,250</u>	<u>21,062</u>	<u>86,499</u>
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	<u>5,860</u>	<u>-</u>	<u>15,250</u>	<u>19,645</u>	<u>40,755</u>
Net book value – 31 December 2020	<u>36,892</u>	<u>7,435</u>	<u>-</u>	<u>1,417</u>	<u>45,744</u>
Net book value – 31 December 2019	<u>39,404</u>	<u>7,435</u>	<u>-</u>	<u>3,237</u>	<u>50,076</u>

The Church also owns 2 charitable properties which are shown at £nil (2019: £nil).

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)**

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.

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)**

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
	<u>58,900</u>	<u>65,953</u>
Total debtors	<u>1,936,425</u>	<u>1,899,790</u>

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
	<u>112,246</u>	<u>130,018</u>
Creditors due after more than one year:		
Loan from the Hyde Park Place Estate Charity	1,751,526	1,763,038
Total creditors	<u>1,863,772</u>	<u>1,893,056</u>

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)**

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).

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)

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

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)

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.

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)**

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.

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(continued)

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
	<u>350,310</u>	<u>597,360</u>	<u>(544,462)</u>	<u>3,387</u>	<u>(1,250)</u>	<u>405,345</u>

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).