

**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

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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 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)

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, 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.

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.

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.

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 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 hostelrys. 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.

ANNUAL REPORT (continued)

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.

ANNUAL REPORT (continued)

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.

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: 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.

**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.

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.

**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 (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**

	<i>Notes</i>	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	<u>108,132</u>		<u>110,742</u>
Net cash (outflow)	<u>(101,482)</u>		<u>(17,545)</u>
Cash and cash equivalents at 1 January 2021	362,004		379,549
Cash and cash equivalents at 31 December 2021	<u><u>260,522</u></u>		<u><u>362,004</u></u>
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	<u><u>(209,614)</u></u>		<u><u>(128,287)</u></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 2021**

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.

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(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 2021
(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 2021
(continued)

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
	<u>265,421</u>	<u>16,293</u>	<u>-</u>	<u>281,714</u>	<u>393,365</u>
b] Other trading activities					
Fundraising	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
c] Investment income					
Interest and dividends	42,886	72,069	-	114,955	110,742
Rents receivable	46,492	-	-	46,492	102,273
	<u>89,378</u>	<u>72,069</u>	<u>-</u>	<u>161,447</u>	<u>213,015</u>
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
	<u>143,108</u>	<u>-</u>	<u>-</u>	<u>143,108</u>	<u>78,172</u>
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
	<u>21,815</u>	<u>20,075</u>	<u>-</u>	<u>41,890</u>	<u>36,847</u>
Total income	<u>519,722</u>	<u>108,437</u>	<u>-</u>	<u>628,159</u>	<u>721,399</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 2021
(continued)

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 vergers' 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
	<u>516,061</u>	<u>127,426</u>	<u>-</u>	<u>643,487</u>	<u>608,663</u>
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
	<u>67,451</u>	<u>-</u>	<u>-</u>	<u>67,451</u>	<u>68,694</u>
Total expenditure	<u>583,512</u>	<u>127,426</u>	<u>-</u>	<u>710,938</u>	<u>677,357</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 2021
(continued)

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
	<hr/>	<hr/>
Numbers of employees by headcount	4	5
	<hr/>	<hr/>
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
	<hr/>	<hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value – 31 December 2021	41,076	7,435	-	229	48,740
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value – 31 December 2020	36,892	7,435	-	1,417	45,744
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Church also own 2 charitable properties which are shown at £nil (2020: £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 2021
(continued)**

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.

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)**

7 DEBTORS

	2021	2020
	£	£
Debtors due after more than one year:		
Amounts owed by SGHS Enterprises	1,918,894	1,877,525
	<hr/>	<hr/>
Debtors due in less than one year:		
Prepayments and accrued income	20,202	44,721
Other debtors	27,404	14,179
	<hr/>	<hr/>
	47,606	58,900
	<hr/>	<hr/>
Total debtors	1,966,500	1,936,425
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	142,360	112,246
	<hr/>	<hr/>
Creditors due after more than one year:		
Loan from the Hyde Park Place Estate Charity	1,735,780	1,751,526
	<hr/>	<hr/>
Total creditors	1,878,140	1,863,772
	<hr/>	<hr/>

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)

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).

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)

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

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)**

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:

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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 2021
(continued)**

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 Champriss 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.

**ST GEORGE'S CHURCH, HANOVER SQUARE
WITH THE GROSVENOR CHAPEL, SOUTH AUDLEY STREET**
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)

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).