

ST PAUL'S

KNIGHTSBRIDGE



Financial Statements and Annual Report for the year ended 31st December 2020

St Paul's Church, Knightsbridge
The Diocese of London
Reg. Charity no. 1134857

Financial Statements and Annual Report for the year ended 31st December 2020

St Paul's Church, Knightsbridge
The Diocese of London
Reg. Charity no. 1134857

Contents	Page
Annual Report of the Parochial Church Council	1-6
Independent Examiners' Report	7
Statement of Financial Activities	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-21

The Annual report of the Parochial Church Council will be read to the Annual Meeting, and copies will be available from the Church Office, 32A Wilton Place, London SW1.

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

St Paul's Parochial Church Council (PCC) is required, as stated in the Parochial Church Councils (Powers) Measure 1956, to co-operate with the minister in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical. It also has maintenance responsibilities for St Paul's Hall, 77 Kinnerton Street, London SW1.

Membership of the Parochial Church Council

Members of the PCC are either ex-officio or elected by the Annual Parochial Church Meeting in accordance with the Church Representation Rules. During the year the following served as members of the PCC:

Officers:

Chairman:	The Rev'd Alan Gyle – Vicar of the Parish ‡
Churchwardens:	Lorna Gradden ‡ (<i>Lay co-chair</i>) Robert Clouston ‡
Secretary:	Philip Davies
Treasurer:	Noel Craven ‡
Electoral Roll Officer:	Iago Griffith
Safeguarding Officer:	David Hayton
Children's Advocate:	Virginia Craven

‡ denotes Standing Committee member

PCC Members:

<i>Until APCM 2020</i>	Bramble Badenach-Nicolson Lorraine Bondarenko William Cudmore Lorna Gradden ‡ Christopher Stephens ‡
<i>Until APCM 2021</i>	Roland Brunner Patricia Dopheide Thomas Tull Rachel Vosper John White
<i>Until APCM 2022</i>	Noel Craven ‡ David Hayton Anna Keighley ‡ Melissa Longley Robert Thomas
<i>Until APCM 2023</i>	Serena Butt Tempe Brickhill Sophia Galitzine Aidan Linton-Smith Rupert Powell

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Representatives on the Deanery Synod of St Margaret's Westminster:

<i>Until 31st May 2020</i>	Serena Butt Caroline Docker Gardenia Griffith Sarah Tytherleigh
<i>Until 31st May 2023</i>	Philip Davies Caroline Docker Gardenia Griffith Christopher Stephens John White

Key Management Personnel

The Standing Committee members listed on page 1 are considered to be key management personnel as they are in charge of directing, controlling, running and operating the church on a day to day basis. All such personnel give of their time freely or are remunerated by the Diocese, and therefore received no remuneration from the church in the year. Details of PCC members' expenses and other related party transactions are disclosed in Note 13 to the financial statements.

Standing committee

This is the only Committee required by law. It meets about six times a year.

Church attendance

The parish Electoral Roll stood at 263 at the year-end. Average Sunday attendance is currently 135 people.

Advisers

Bankers	C Hoare & Co 32 Lowndes Street London SW1X 9HZ
Independent Examiners	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
Correspondence Address	The Parish Office 32a Wilton Place London SW1X 9SH

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

The life of the parish in 2020

Along with the rest of the world, 2020 was a challenging year dominated by the impact of the global COVID-19 pandemic. During the year we:

- Moved our worship online during lockdowns and continued to live-stream services once worship in the building was allowed.
- Produced 125 online daily time of prayer between March and August. Since September we continued with daily Podcasts with a mid-week discussion group.
- Kept people connected socially through pastoral calling, and several Zoom social events each week
- Enabled 12 charities to have virtual carol services involving our musicians creating a high quality online fundraising and engagement opportunity for the charities and income for musicians.
- Made the building available to a number of music groups for rehearsals and recordings.
- Connected with the local business community through initiatives such as daily tea breaks for people to keep connected whilst working from home.

Finance overview

The year-end financial result of a £10,941 deficit on the general fund (*2019: deficit of £3,938*) and a restricted fund surplus of £33,071 (*2019: surplus of £164,111*) was a good result, given the exceptional challenges presented by being unable to generate funds through our usual activities including fundraising events and lettings.

Voluntary income suffered as a result of no collections at services, although pledged giving by standing order or direct debit remained at a similar level to 2019. The reduction in the value of collections was partially offset by generous one-off donations which were gratefully received. It's a matter of some concern that the number of donations fell by about 75% and the PCC will need to work to restore giving levels as the pandemic restrictions are eased.

Earned income was generally lower than in 2019, although the loss of regular income as a result of the pandemic was mitigated by letting a larger number of parking spaces in the churchyard, putting together a programme of Virtual Charity Carol Services, and an online music dinner involving our musicians raised c. £15,000.

Costs Most of the PCC's costs are fixed and do not fluctuate with activity level. The PCC's obligations were met, including the additional 10% on Common Fund to support the work of the wider church in London. A donation was made to the diocesan Lent Appeal and a contribution to church schools within the deanery. The PCC also claimed a grant from the government's Coronavirus Job Retention Scheme.

Staff changes

The Reverend Luigi Gioia joined the team as Director of QUEST – a half-time role to lead on formation and theological education within the parish. Dr Stephen Farr resigned as Director of Music to take up a new post at All Saints' Margaret Street, and Dan Ludford-Thomas stepped in as Interim Director of Music. Timothy Wakerell was appointed Organist & Assistant Director of Liturgical Music. In October we bade farewell to Felicity Cranfield after nearly nine years' service in various roles, most recently working on events.

Report on Church Attendance and the Electoral Roll

Responsibility for maintaining a record of those eligible to stand for election to the PCC and of those eligible to vote in parochial elections lies with the Electoral Roll Officer. Each year the Parochial Church Council is required to revise the parish Electoral Roll. In December 2020 the Electoral Roll stood at 281. Average Sunday attendance at all services was 165 (*2019: 130*) – a clear indication of the impact of increased engagement through online channels.

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Report on the Fabric, Goods & Ornaments

The lockdowns provided our caretaker with the opportunity to undertake a number of maintenance projects, such as renovating the Victorian floor tiles in the nave of the church and maintaining a high standard of presentation in both church building and churchyard. No major works were undertaken.

The Terrier and Inventory were maintained and the Churchwardens were content that the Fabric, Goods and Ornaments of the church were being satisfactorily maintained.

Safeguarding

David Hayton (Safeguarding Officer) continued to oversee the PCC's Safeguarding policies and procedures. The PCC is of the view that it has complied with the duty to have 'due regard' to the House of Bishops' Safeguarding Policy and Practice Guidance.

Statement of PCC responsibilities

The Parochial Church Council (PCC) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Church Accounting Regulations 2006 require the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Council and of its financial activities for that period. In preparing those financial statements, the PCC is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 charity will continue in business.

The PCC are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Risk assessment

The PCC is satisfied that there are procedures in place to mitigate exposure to major risks. The PCC considers the principal risks and uncertainties facing the Church and their plans and strategies for managing these risks to be:

Potential Risk	Potential Impact	Steps to mitigate risk
Security of assets	• loss or damage • theft of assets	• review security arrangements • asset register and inspection programme • review insurance cover
Fund-raising	• unsatisfactory returns • lower number of donations due to COVID pandemic • reputational risks of campaign or methods used • actions of agents and commercial fund-raisers • compliance with law and regulation	• implement appraisal, budgeting and authorisation procedures • review regulatory compliance • monitor the adequacy of financial returns achieved • stewardship review
Disaster recovery and planning	• computer system failures or loss of data • destruction of property, equipment, records through fire, flood or similar damage	• agree IT recovery plan • implement data back up procedures and security measures • review insurance cover • create disaster recovery plan
Cash flow sensitivities	• inability to meet commitments • lack of liquidity to cover variance in costs • impact on operational activities	• ensure adequate cash flow projections (prudence of assumptions) • identify major sensitivities • ensure adequate information flow from operational managers • monitor arrangements and reporting
Building facilities not suitable for meeting needs of potential hirers in light of COVID-19	• reduction in use of building by third parties resulting in reduced income	• focus on fundraising efforts for the capital appeal
Ongoing social distancing requirements	• reduced opportunity for larger fundraising events	• review fundraising and stewardship methods

Reserves Policy

The PCC has established a policy whereby general unrestricted reserves held by the church should equate to approximately three months' worth of unrestricted resources expended, currently c. £115,000. At this level, the PCC feel that they would be able to continue the current activities of the church in the event of a significant drop in funding.

The deficit of £160,136 (2019: deficit of £198,345) on the Capital Project Fund is covered by the General Unrestricted Fund of £195,863, leaving free funds of £35,727 (2019: negative £824). The PCC intends to reinstate its reserve through fundraising activities for the Capital Appeal.

Fundraising

The PCC engaged in fundraising, in the form of receiving free-will offerings/donations, some of which were gift-aided, from members of our fellowship. The PCC did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. The PCC is satisfied that its fundraising practices are ethical. No complaints were received about our fundraising practices.

Investment Policy

The church (through its trustees) has the power to invest in such stocks, shares, investments and property in the UK as deemed fit. The charity has made such investments to generate a return and has made no social investments.

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Related parties

The St Paul's Knightsbridge Foundation is a registered charity whose objects are to maintain and support in office a curate to the Vicar of St Paul's Knightsbridge, London SW1 and to contribute towards the maintenance of the fabric, furnishings and equipment of the church, and support worship including performance of the choir and musical or artistic activities intended to encourage worship in St Paul's Church.

The Reverend Alan Gyle (Vicar) and Ms Lorna Gradden served as trustees of the Foundation during 2020.

American Friends of St Paul's Knightsbridge is a charitable organisation established in the United States of America whose object is to raise funds from American supporters of the church towards the Capital Appeal.

Noel Craven (PCC Treasurer) served as a trustee of the American charity during 2020.

Signed on behalf of the PCC

A handwritten signature in black ink, appearing to read 'Alan Gyle', with a large, sweeping loop at the end.

The Rev'd Alan Gyle
Chairman

Date: 23rd March 2021

ST PAUL'S, KNIGHTSBRIDGE
INDEPENDENT EXAMINERS' REPORT TO
THE PAROCHIAL CHURCH COUNCIL OF ST PAUL'S, KNIGHTSBRIDGE

I report to the charity trustees on my examination of the accounts of the St Paul's Parochial Church Council for the year ended 31 December 2020 set out on pages 8 to 21.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts as carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Report) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Miriam Hickson CTA FCA
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW



Date: 29/4/2021

ST PAUL'S, KNIGHTSBRIDGE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDING 31ST DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Income from:									
Voluntary income	2(a)	245,969	91,783	-	337,752	264,941	221,662	-	486,603
Investments	2(b)	57	-	-	57	162	147	-	309
Church activities	2(c)	56,567	-	-	56,567	108,541	-	-	108,541
Activities for generating funds	2(d)	66,273	-	-	66,273	58,106	-	-	58,106
Other income	2(e)	9,348	-	-	9,348	-	-	-	-
Total income		<u>378,214</u>	<u>91,783</u>	<u>-</u>	<u>469,997</u>	<u>431,750</u>	<u>221,809</u>	<u>-</u>	<u>653,559</u>
Expenditure on:									
Raising funds	3(a)	1,170	-	-	1,170	2,032	-	-	2,032
Church activities	3(b)	438,985	7,712	-	446,697	463,793	27,561	-	491,354
Total expenditure		<u>440,155</u>	<u>7,712</u>	<u>-</u>	<u>447,867</u>	<u>465,825</u>	<u>27,561</u>	<u>-</u>	<u>493,386</u>
Net income/(expenditure)		<u>(61,941)</u>	<u>84,071</u>	<u>-</u>	<u>22,130</u>	<u>(34,075)</u>	<u>194,248</u>	<u>-</u>	<u>160,173</u>
Transfers between funds	10	51,000	(51,000)	-	-	30,137	(30,137)	-	-
Net movement in funds		<u>(10,941)</u>	<u>33,071</u>	<u>-</u>	<u>22,130</u>	<u>(3,938)</u>	<u>164,111</u>	<u>-</u>	<u>160,173</u>
Funds brought forward at 1 January 2020		287,891	(125,418)	10,000	172,473	291,829	(289,529)	10,000	12,300
Funds carried forward at 31 December 2020		<u>276,950</u>	<u>(92,347)</u>	<u>10,000</u>	<u>194,603</u>	<u>287,891</u>	<u>(125,418)</u>	<u>10,000</u>	<u>172,473</u>

ST PAUL'S, KNIGHTSBRIDGE
BALANCE SHEET
AS AT 31ST DECEMBER 2020

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	6		81,087		90,370
Current assets					
Debtors	7	51,283		48,045	
Cash at bank and in Hand		<u>151,316</u>		<u>134,359</u>	
		202,599		182,404	
Creditors					
Amounts falling due within one year	8	<u>89,083</u>		<u>100,301</u>	
Net current assets			<u>113,516</u>		<u>82,103</u>
Net assets	11		<u>194,603</u>		<u>172,473</u>
Parish Funds					
Unrestricted	9		276,950		287,891
Restricted	10		(92,347)		(125,418)
Endowment	10		<u>10,000</u>		<u>10,000</u>
			<u>194,603</u>		<u>172,473</u>

Approved by the Parochial Church Council on 23rd March 2021 and signed on its behalf by:



The Rev'd Alan Gyle
Chairman

ST PAUL'S, KNIGHTSBRIDGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020		2019	
	£	£	£	£
Cash from operating activities (see below)		16,900		101,669
Cash flows from investing activities				
Interest receivable	57		309	
Payments to acquire tangible fixed assets	<u>-</u>		<u>(8,146)</u>	
Cash from/(used in) investing activities		<u>57</u>		<u>(7,837)</u>
Net cash inflow		16,957		93,832
Cash and cash equivalents at 1 January 2020		<u>134,359</u>		<u>40,527</u>
Cash and cash equivalents at 31 December 2020		<u>151,316</u>		<u>134,359</u>
 Cash used in operating activities				
Net income/(expenditure)		22,130		160,173
Interest received shown in investing activities		(57)		(309)
Depreciation		9,283		14,527
Decrease/(increase) in debtors		(3,238)		14,596
Increase/(decrease) in creditors		<u>(11,218)</u>		<u>(87,318)</u>
		<u>16,900</u>		<u>101,669</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st 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). The financial statements have been prepared under the historical cost convention. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The PCC have prepared detailed forecasts and cash flow projections which they believe are based upon reasonable assumptions. The forecasts show that the church should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

Funds

General unrestricted 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 for a particular purpose by the PCC 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 Paul's, Knightsbridge include restricted income funds which are expendable at the discretion of the PCC in furtherance of some particular aspects of the activities of the Church, and a restricted capital fund, whose income is restricted.

Income

Voluntary income

- 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.

Income from investments

- Interest entitlements are accounted for as they accrue.
- Dividends are accounted for when due and payable.

Church activities

- Income from church lettings and fee income is recognised when the rental or fee is due.
- All other income is recognised gross, and on a receivable basis.

Activities for generating funds

- Funds raised by the garden party and similar events are accounted for gross.
- Car park and hall letting income are recognised when receivable.

Other income

- For JRS grant income, the income is recognised in the period to which the underlying furloughed staff costs relate to.

Expenditure

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

Activities directly relating to the work of the Church

The Common Fund contribution is accounted for when payable. Any Common Fund payments unpaid at 31st 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. It also includes costs incurred or payments made which are an integral part of expenditure on the PCC's objects. These include governance costs which comprise all the expenditure incurred in connection with ensuring that the Parochial Church Council complies fully with its legal and regulatory obligations.

Raising Funds

This relates to the costs in respect of fundraising events and costs associated with the upkeep of the car park.

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

Grants

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

Pension costs

The Church participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers. The Church Workers Pension Fund has a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014. The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors. Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable as set out in the Staff Costs note.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPF valuation date, 31 December 2016.

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.

Moveable church furnishings held by the churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for 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 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Items acquired since 1st January 2000 have been capitalised and depreciated on a straight-line basis in the accounts over their currently anticipated useful economic life

All expenditure incurred during the year on consecrated or benefice buildings, individual items under £1,000 or on repair of movable church furnishings acquired before 1st January 2000 is written off.

Other assets

The church hall has been included at 1996 valuation by the Parochial Church Council and is being depreciated over the period of the lease, which runs from 1996 to 2065. Improvements to the basement flat, which has been made available for the Church's use, have been capitalised at cost. Equipment used within the church premises with a purchase price exceeding £1,000 is capitalised. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired.

Depreciation is provided at the following rates to write off fixed assets over their useful lives:

Leasehold Church hall	- Straight line over 68 years
Improvements to basement flat	- Straight line over 7 years
Organ restoration	- Straight line over 10 - 20 years
Movable Church furnishings	- Straight line over 20 years
Furniture, fittings & equipment	- Straight line over 4 - 7 years

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

1 ACCOUNTING POLICIES (continued)

Current assets

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

Creditors and provisions

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

Financial instruments

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

2 INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
2(a) Voluntary income				
Gift Aid donations	145,882	-	145,882	141,177
Legacies	-	-	-	335
Grants awarded	7,328	-	7,328	-
Other donations	50,857	-	50,857	72,115
Income Tax Recovered	38,078	-	38,078	36,191
Collections (Open Plate)	3,824	-	3,824	15,123
Lent Appeal	-	2,259	2,259	1,998
Capital project fund	-	38,209	38,209	158,120
Mental Health First Aid Programme	-	-	-	9,375
John King Church Plate Fund	-	-	-	10,000
Dunhill Medical Trust income	-	55	55	-
QUEST income	-	16,000	16,000	-
Sundry Donations and Appeals	-	35,260	35,260	42,169
	<u>245,969</u>	<u>91,783</u>	<u>337,752</u>	<u>486,603</u>
2(b) Investments				
Bank Interest Receivable (UK)	<u>57</u>	-	<u>57</u>	<u>309</u>
	<u>57</u>	-	<u>57</u>	<u>309</u>
2(c) Church activities				
Weddings and Blessings	1,010	-	1,010	5,138
Funerals and Memorials	3,931	-	3,931	9,945
Special Service Music Fees	17,541	-	17,541	42,549
Church Lettings	10,275	-	10,275	36,843
Hall Lettings	3,200	-	3,200	11,871
Production costs	20,500	-	20,500	-
Other Income	<u>110</u>	-	<u>110</u>	<u>2,195</u>
	<u>56,567</u>	-	<u>56,567</u>	<u>108,541</u>
2(d) Activities for generating funds				
Car Park Income	48,540	-	48,540	32,258
Network rental income	16,731	-	16,731	16,731
Insurance claims	812	-	812	-
Events	<u>190</u>	-	<u>190</u>	<u>9,117</u>
	<u>66,273</u>	-	<u>66,273</u>	<u>58,106</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

2 INCOME (continued)

2(e) Other income				
Government grants receivable - CJRS	<u>9,348</u>	<u>-</u>	<u>9,348</u>	<u>-</u>
	<u>9,348</u>	<u>-</u>	<u>9,348</u>	<u>-</u>
Total income	<u>378,214</u>	<u>91,783</u>	<u>469,997</u>	<u>653,559</u>

3 EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
3(a) Raising Funds				
Fundraising	<u>1,170</u>	<u>-</u>	<u>1,170</u>	<u>2,032</u>
	<u>1,170</u>	<u>-</u>	<u>1,170</u>	<u>2,032</u>
3(b) Church Activities				
Grants - Lent Appeal	-	2,259	2,259	2,160
Grants – Westminster schools	1,606	-	1,606	-
Common Fund	93,750	-	93,750	92,500
Incumbent Costs	543	-	543	652
Vicarage Expenses	2,553	-	2,553	2,534
Assistant Staff – Non-Stipendiary	4,800	-	4,800	6,600
Church Running Costs	23,712	-	23,712	18,306
Church Maintenance	18,255	-	18,255	20,860
Upkeep of Services	3,009	-	3,009	4,931
Hall Costs	5,402	-	5,402	3,089
Music Staff & Choir	64,860	-	64,860	59,695
Special Service Music Fees	18,954	-	18,954	40,732
Hall Rental	17,346	-	17,346	17,880
Staff Costs	113,659	-	113,659	110,119
Parish Office Expenses	27,890	-	27,890	47,469
Other Support Costs	2,017	-	2,017	4,764
Other Professional Services	9,274	-	9,274	13,816
Programme Costs	4,272	-	4,272	569
Independent Examination and accountancy	5,510	-	5,510	4,750
Video Production Costs	12,290	-	12,290	-
Vicar's discretionary	-	574	574	2,750
Capital Project	-	-	-	365
Music Appeal	-	4,200	4,200	19,962
Mental Health First Aid Programme	-	679	679	824
John Kings Church Plate	-	-	-	1,500
Depreciation	<u>9,283</u>	<u>-</u>	<u>9,283</u>	<u>14,527</u>
	<u>438,985</u>	<u>7,712</u>	<u>446,697</u>	<u>491,354</u>
Total expenditure	<u>440,155</u>	<u>7,712</u>	<u>447,867</u>	<u>493,386</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

4 STAFF COSTS

	2020 £	2019 £
Wages and salaries	89,132	85,181
Pension costs	7,216	5,827
Social security costs	6,717	7,777
Redundancy costs (included when legal agreement is reached)	4,580	-
	<u>107,645</u>	<u>98,785</u>

The number of staff members during the year was 5 (2019: 4).

No employee was paid more than £60,000 in this or the preceding year.

The key management personnel listed on page 1 (members of the Standing Committee), received no remuneration from the church.

5 GRANTS PAYABLE

	2020 £	2019 £
The PCC made the following charitable grants during the year:		
Westminster Deanery Schools	1,606	-
Bishop of London's Lent Appeal	<u>2,259</u>	<u>2,160</u>
Total grants	<u>3,865</u>	<u>2,160</u>

6 FIXED ASSETS FOR USE BY THE PCC

	Leasehold church hall £	Improvements to basement flat £	Organ restoration £	Moveable church furnishings £	Furniture, fittings & equipment £	Total £
Cost or Valuation						
At 1st January 2020	100,000	13,190	137,870	19,695	186,383	457,138
Additions	-	-	-	-	-	-
At 31st December 2020	<u>100,000</u>	<u>13,190</u>	<u>137,870</u>	<u>19,695</u>	<u>186,383</u>	<u>457,138</u>
Depreciation						
At 1st January 2020	35,293	13,190	135,806	12,514	169,965	366,768
Charge for the year	<u>1,471</u>	-	<u>2,064</u>	<u>1,082</u>	<u>4,666</u>	<u>9,283</u>
At 31st December 2020	<u>36,764</u>	<u>13,190</u>	<u>137,870</u>	<u>13,596</u>	<u>174,631</u>	<u>376,051</u>
Net Book Value						
At 31st December 2020	<u>63,236</u>	<u>-</u>	<u>-</u>	<u>6,099</u>	<u>11,752</u>	<u>81,087</u>
At 31st December 2019	<u>64,707</u>	<u>-</u>	<u>2,064</u>	<u>7,181</u>	<u>16,418</u>	<u>90,370</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

7 DEBTORS

	2020	2019
	£	£
Income tax recoverable	13,612	4,034
Other debtors	29,237	33,113
Prepayments and accrued income	<u>8,434</u>	<u>10,898</u>
	<u>51,283</u>	<u>48,045</u>

8 CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Other creditors	15,962	15,691
Accruals and deferred income	70,378	81,853
Social security and other taxes	<u>2,743</u>	<u>2,757</u>
	<u>89,083</u>	<u>100,301</u>

9 UNRESTRICTED FUNDS

	General Fund	Fixed Asset Fund	Total Unrestricted Funds
	2020	2020	2020
	£	£	£
Income	378,214	-	378,214
Expenditure	<u>(430,872)</u>	<u>(9,283)</u>	<u>(440,155)</u>
Net income/(expenditure)	(52,658)	(9,283)	(61,941)
Transfers	<u>51,000</u>	<u>-</u>	<u>51,000</u>
Net movement in funds	(1,658)	(9,283)	(10,941)
Balance brought forward at 1 st January 2020	<u>197,521</u>	<u>90,370</u>	<u>287,891</u>
Balance carried forward at 31 st December 2020	<u>195,863</u>	<u>81,087</u>	<u>276,950</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

9 UNRESTRICTED FUNDS (continued)

	General Fund 2019 £	Fixed Asset Fund 2019 £	Total Unrestricted Funds 2019 £
Income	431,750	-	431,750
Expenditure	<u>(451,298)</u>	<u>(14,527)</u>	<u>(465,825)</u>
Net income/(expenditure)	(19,548)	(14,527)	(34,075)
Transfers	<u>3,214</u>	<u>26,923</u>	<u>30,137</u>
Net movement in funds	(16,334)	12,396	(3,938)
Balance brought forward at 1 st January 2019	<u>213,855</u>	<u>77,974</u>	<u>291,829</u>
Balance carried forward at 31 st December 2019	<u>197,521</u>	<u>90,370</u>	<u>287,891</u>

10 RESTRICTED AND ENDOWMENT FUNDS

	Brought forward 2020 £	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	Carried forward 2020 £
Restricted Funds					
Dunhill Medical Trust	1,693	55	-	-	1,748
Eric Day Fund	34,702	-	-	-	34,702
Vicar's Discretionary fund	10,791	-	(574)	-	10,217
Music Fund	8,690	35,260	(4,200)	(35,000)	4,750
Capital project fund	(198,345)	38,209	-	-	(160,136)
John King Church Plate Fund	8,500	-	-	-	8,500
QUEST fund	-	16,000	-	(16,000)	-
Mental Health First Aid Programme	8,551	-	(679)	-	7,872
Lent Appeal	-	<u>2,259</u>	<u>(2,259)</u>	-	-
	<u>(125,418)</u>	<u>91,783</u>	<u>(7,712)</u>	<u>(51,000)</u>	<u>(92,347)</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

10 RESTRICTED AND ENDOWMENT FUNDS (continued)

	Brought forward 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019 £	Carried forward 2019 £
Restricted Funds					
Dunhill Medical Trust	1,546	147	-	-	1,693
Eric Day Fund	34,702	-	-	-	34,702
Vicar's Discretionary fund	11,268	2,273	(2,750)	-	10,791
Music Fund	19,055	37,597	(19,962)	(28,000)	8,690
Capital project fund	(356,100)	158,120	(365)	-	(198,345)
John King Church Plate Fund	-	10,000	(1,500)	-	8,500
Moirs Stations of The Cross project	-	-	-	-	-
OFCOM Fund	-	2,299	-	(2,299)	-
Mental Health First Aid Programme	-	9,375	(824)	-	8,551
Lent Appeal	-	1,998	(2,160)	162	-
	<u>(289,529)</u>	<u>221,809</u>	<u>(27,561)</u>	<u>(30,137)</u>	<u>(125,418)</u>

	Brought forward 2020 £	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	Carried forward 2020 £
Endowment Funds					
Dunhill Capital Fund	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>

	Brought forward 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019 £	Carried forward 2019 £
Endowment Funds					
Dunhill Capital Fund	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>

Dunhill Medical Trust

This Fund is the income and expenditure relating to the Dunhill Medical Trust restricted capital (endowment) fund (see below).

Eric Day Fund

This fund represents a legacy received from the estate of Eric Charles Day. It is to be expended on the maintenance of the furnishings and fabric of the Chancel Sanctuary or St Luke's Chapel.

Vicar's Discretionary Fund

This fund represents monies available for the Vicar to spend on pastoral matters at his discretion.

Music Fund

This fund supports and extends the music making of the Church both in regular and occasional services, recitals and concerts, maintaining musical instruments and supporting the musical life of the Church. The transfer during the year comprises the surplus from the Music Dinner applied, as advertised, towards the regular music costs of the church.

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

Capital Project Fund

This has been embarked upon in order to significantly enhance the fabric of St. Paul's Knightsbridge so as to accommodate the ever changing uses of this beautiful public building. Fundraising began during 2018 and it is anticipated that future fundraising will cover the deficit on this fund.

John King Church Plate Fund

This fund represents a grant received from the St Paul's Knightsbridge Foundation, in memory of the late John King, sometime head server at St Paul's, and is to be expended on the acquisition, maintenance and/or conservation of church plate and/or vestments.

Ofcom Fund

This is a grant received from OFCOM towards the cost of replacing sound system equipment. The transfer during 2019 was made to cover expenditure on the purchase of new sound system equipment.

Mental Health First aid Programme

This fund represents donations received towards the setting up of a Mental Health First Aid training programme.

Lent Appeal Fund

This is a fundraising event during lent from which the amount raised is ordinarily contributed to the dioceses chosen charities. On occasion charities selected by the PCC are in receipt of funds from the lent appeal.

Other Restricted Funds

This remembers sundry amounts received throughout the year with specific restrictions attached. These amounts have been passed on in accordance with these restrictions.

Dunhill Capital Fund

Restricted capital funds comprises of £10,000 (2019: £10,000) attributable to the Dunhill Medical Trust. This is a permanent endowment, which requires the income to be spent on work with the elderly members of the congregation.

QUEST Fund

This fund represents grants from the St Paul's Knightsbridge Foundation to fund the Director of QUEST role. The transfer in the year is in respect of the staff costs incurred.

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

11 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £
Fixed assets	81,087	-	-	81,087
Current assets	284,946	(92,347)	10,000	202,599
Current liabilities	(89,083)	-	-	(89,083)
	<u>276,950</u>	<u>(92,347)</u>	<u>10,000</u>	<u>194,603</u>

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £
Fixed assets	90,370	-	-	90,370
Current assets	297,822	(125,418)	10,000	182,404
Current liabilities	(100,301)	-	-	(100,301)
	<u>287,891</u>	<u>(125,418)</u>	<u>10,000</u>	<u>172,473</u>

12 COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are payable:

	2020 £	2019 £
Within one year	20,601	25,193
After one year but within five years	<u>34,643</u>	<u>55,244</u>
	<u>55,244</u>	<u>80,437</u>

The operating lease charges for the year were:

	2020 £	2019 £
Land	17,321	17,321
Other	<u>3,280</u>	<u>7,872</u>
	<u>20,601</u>	<u>25,193</u>

13 RELATED PARTY TRANSACTIONS

PCC members are not remunerated and no PCC member was reimbursed during the year for expenses in relation to their work as trustees (2019: £Nil). During the year, unrestricted income of £30,176 (2019: £22,526) and restricted income of £23,200 (2019: £43,310) was received from PCC members and their related parties. The premium paid for the trustees and individual liability insurance in the year was included within the overall insurance policy purchased.

During the year, PCC received a restricted grant of £nil from The St Paul's Knightsbridge Foundation (2019: £10,000) This has been recognised in the financial statements as John King Church Plate Fund in restricted funds. The St Paul's Knightsbridge Foundation paid professional costs of £nil (2019: £15,720) on behalf of the Church. These amounts have been recognised in these financial statements as Other donation income and Church activities expenditure.

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2020

13 RELATED PARTY TRANSACTIONS (continued)

The Church also received a restricted grant of £38,209 (2019: £100,000) and an unrestricted grant of £5,288 (2019: £nil) from the American Friends of St Paul's. The restricted grant has been recognised as income in the Capital Project Fund.

