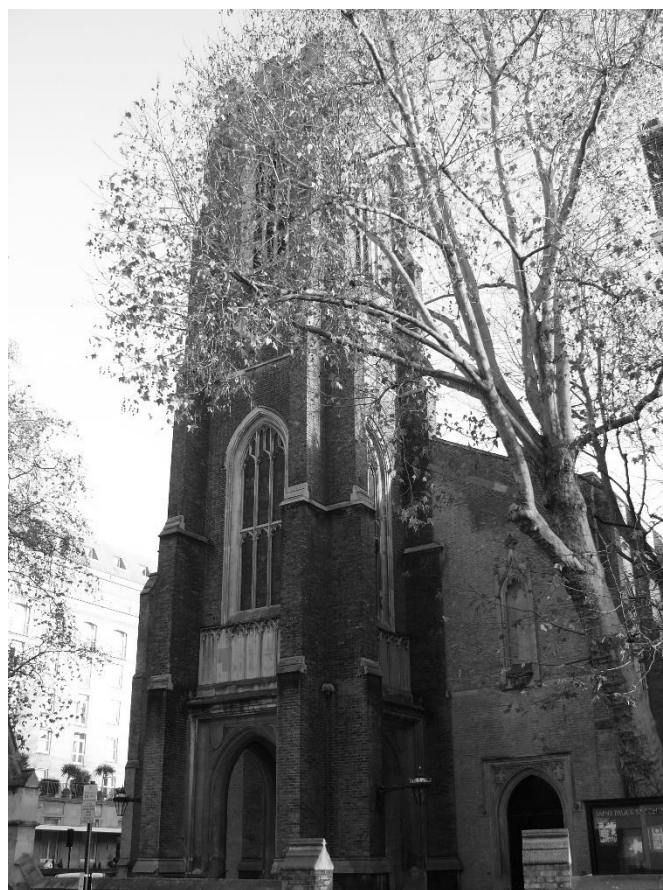


ST PAUL'S

KNIGHTSBRIDGE



Financial Statements and Annual Report for the year ended 31st December 2021

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

Financial Statements and Annual Report for the year ended 31st December 2021

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

Contents	Page
Annual Report of the Parochial Church Council	1-7
Independent Examiners' Report	8
Statement of Financial Activities	9
Balance Sheet	10
Statement of Cash Flows	11
Notes to the Financial Statements	12-21

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 2021

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 (APCM) in accordance with the Church Representation Rules. Nominations are invited from church members in the lead up to the APCM. New trustees are provided with information on their legal obligations under charity law and an explanation of what the role will entail. New trustees are introduced to fellow trustees and encouraged to attend appropriate external and diocesan training events when available. 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 ‡ - Vice chair 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 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
<i>Until APCM 2024</i>	Hobson Barnes Claudio Cornini Jamie De Freitas David Kemmis Betty Jean Wooley

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

Member by virtue of being licensed to the parish:

The Rev'd Luigi Gioia

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

Until 31st May 2021

Serena Butt
Caroline Docker
Gardenia Griffith
Sarah Tytherleigh

Until 31st May 2023

Philip Davies (*not a member of the PCC*)
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 279 at the year-end. Average Sunday attendance (in-person and online) is currently 120 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 2021

The Proceedings of the PCC in 2021

GOVERNANCE & THE PCC

The PCC met four times during the year. Agenda items included mission, formation, finance and stewardship, regular revision of the risk assessment in relation to COVID-19, safeguarding, ministry to children and families, church maintenance and administration. The Standing Committee met in between full meetings of the Council to formulate the agenda and to transact routine business.

WORSHIP & PASTORAL SERVICES

2021 began in lockdown with choral Sunday worship being live-streamed from the church. Ash Wednesday was observed with an evening Eucharist with Imposition of Ashes in church, and regular 'in-person' services in the building resumed on Palm Sunday. A particular liturgical highlight was the return of congregational hymn singing in the early summer.

In the autumn, a revised pattern of worship was established with the usual Solemn Eucharist at 11AM each Sunday, a Low Mass each Wednesday evening, and the Offices of Morning Prayer and Evening Prayer being said daily, in the building and via Zoom respectively.

As COVID restrictions eased in the second half of the year, we saw large congregations return for some thirty pastoral services - weddings, baptisms, funerals, and memorials. During the month of December we hosted twelve carol services and concerts, supporting a number of charities in raising significant funds for their work.

A state-of-the-art video streaming system was installed during the year, made possible by a generous grant from the St Paul's Knightsbridge Foundation. This enabled the live-streaming of regular services to those unable to attend church in-person, and also for family and friends unable to travel during the pandemic, to participate in pastoral services online.

THEOLOGY & FORMATION

During the season of Lent, the clergy team along with Michael Koenig (assistant organist) produced a series of daily video reflections to stimulate thinking from theological, poetic, musical, visual and historical perspectives. Towards the end of the year Fr Luigi Gioia, Director of the QUEST formation programme launched a 'New Voices in Theology' lecture series, providing a platform to five young female theologians to share their wisdom on community, worship and society. The lectures attracted participants both from within our congregation and further afield, with invitations being extended to theologians, teachers, and students across the country.

CLERGY, STAFF & VOLUNTEERS

Fr Alan Gyle (Vicar) was supported in delivering worship, formation, and pastoral care by clerical colleagues Fr Luigi Gioia, Fr Victor Stock and Bishop Michael Colclough. Roland Brunner served as Licensed Lay Minister.

Phil Davies worked on co-ordinating the response to the ever-changing rules around the pandemic, developing live video streaming capabilities, and overseeing governance and operations, with Adam Modzelewski caring for the church building and hall. In the autumn Katja Behrens joined as Executive Assistant to provide office support to the team, and to manage the programme of Christmas charity carol services, special pastoral services and other bookings.

Lorna Gradden and Robert Clouston (Churchwardens) were well supported by a team of dedicated volunteers to provide welcome to those attending worship. Robert Thomas continued as Head Server. Tempe Brickhill (Lady Verger) assisted by Abraham de Wit provided verger support at special pastoral services, and Caroline Docker managed the ever-growing team of volunteers who provided a warm welcome and hospitality to guests at the Songhaven dementia-friendly concerts.

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

MUSIC

Following Stephen Farr's resignation at Easter 2020, we were grateful to Dan Ludford-Thomas for taking up the role of Interim Director of Music to cover an uncertain period during the pandemic. In the autumn of 2021, with the guidance of James O'Donnell (Organist and Master of the Choristers, Westminster Abbey) and Gulliver Ralston (Director of Music, The University of Roehampton), we undertook a process to appoint a new Director of Music, and were delighted to appoint Joseph Fort, who took up his appointment on Advent Sunday.

It was with sadness that we bade farewell to Timothy Wakerell as Organist & Assistant Director of Music in January, and Michael Koenig, Assistant Organist, stepped up to undertake the organ playing until the autumn, when he began his doctoral studies in Oxford. In the autumn, James Orford was appointed Interim Organist, with Michael continuing as Assistant Organist. Findlay Spence, continued to enrich our music offering as Cello Scholar.

In April, we were delighted to host the Royal College of Organists for a week of online broadcasts related to 'interNational Organ Day', utilizing the newly-installed video system to live-stream interviews and organ recitals to viewers across the world. The programme culminated with our own choir, directed by Dan Ludford-Thomas, performing Zoltan Kodály's masterpiece for organ and choir, *Laudes Organi*.

PASTORAL & SOCIAL

During the period of lockdown at the beginning of the year, we returned to a series of online social events via Zoom, including regular coffee mornings, afternoon tea events for those living and working in the parish, and an online pancake party on Shrove Tuesday. Following the relaxation of pandemic rules we were delighted to see in the autumn with the traditional Vicarage garden party in early September, and to resume the series of monthly dementia-friendly tea concerts in conjunction with Songhaven. The Berkeley Hotel generously hosted our traditional 'Music Dinner' in their ballroom, raising c. £30,000 towards the cost of the regular music programme.

PUBLIC BENEFIT STATEMENT

The PCC had due regard to Charity Commission guidance on public benefit when planning and reviewing the activities outlined in this report.

REPORT ON FABRIC GOODS & ORNAMENTS

A rolling programme of minor repairs and renovations continued in the Church and Church Hall in Kinnerton Street. A video-streaming system was installed in church to enable the live-streaming of services and other events such as lectures and recitals. The plane trees in the churchyard were pruned to protect the historic fabric of the church building, and the south garden was cleared of largely self-sown trees and shrubs to create a usable space for the community. The Quinquennial inspection of the church building was undertaken during the month of December. The Terrier and Inventory were maintained and the Churchwardens were content that the Fabric, Goods and Ornaments of the church were being well maintained.

Finance overview

The year-end financial result of a £48,953 deficit on the general fund (2020: £10,941) and a restricted fund surplus of £1,741 (2020: £33,071).

Voluntary income was slightly higher than in 2020, but still below pre-pandemic levels. Collection at regular services and pledged giving by standing order or direct debit were both reduced compared to pre-pandemic levels. Restricted grants were received from the St Paul's Knightsbridge Foundation to fund the Director of QUEST role (£32,000), and to contribute to the cost of installing video streaming equipment (£40,000). The Music Dinner raised c.£30,000, the proceeds of which were applied to the cost of music at regular services.

Earned income was higher than in 2020, mainly due to the return of pastoral services (weddings, baptisms, funerals and memorial services) as COVID restrictions were eased in the second half of the year, and increased up-take in parking spaces.

Costs Most of the PCC's costs are fixed and do not fluctuate with activity level. Staff costs were higher than in 2020 largely due to a new Executive Assistant role from September, and the full year impact of the Director of QUEST role (2020: half

ST PAUL'S, KNIGHTSBRIDGE

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

year from July). Maintenance costs were higher than in 2020 due to works to pruning the plane trees in the churchyard, and the costs associated with increased use of the building in 2021. 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.

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 2021 the Electoral Roll stood at 279. Average Sunday attendance at all services was 120.

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.

Future Plans

The PCC aims to continue to maintain the highest standards in public worship, pastoral care, Christian formation, and outreach in the wider community. Planned initiatives in 2022 include becoming a 'Healthy Healing Hub' of GOHealth (the Guild of Health & St Raphael) and appointing an Associate Priest to shape this work. As we emerge from the pandemic, new patterns of worship are being established, including Evening Prayer being said daily via Zoom to drive wider participation, and an innovative mid-week liturgy will be introduced to complement the Sunday Solemn Eucharist. There is a plan to set up a Sunday morning creche for families wishing to attend the Solemn Eucharist. The PCC is mindful of the importance of environmental sustainability, and will undertake a feasibility study to explore options for becoming a net carbon zero church.

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 2021

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 increased requirements of potential hirers.	• reduction in use of building by third parties resulting in reduced income	• focus on fundraising efforts for the capital appeal

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. £125,000. 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 (2020: deficit of £160,136) on the Capital Project Fund exceeds the General Unrestricted Fund of £147,924, leaving free funds of £nil (2020: £35,727). 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 2021

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 (Churchwarden) served as trustees of the Foundation during 2021.

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 2021.

Signed on behalf of the PCC

The Rev'd Alan Gyle
Chairman

Date: 29th March 2022

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 2021 set out on pages 9 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:

ST PAUL'S, KNIGHTSBRIDGE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDING 31ST DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
Income from:									
Voluntary income	2(a)	239,574	107,313	-	346,887	245,969	91,783	-	337,752
Investments	2(b)	107	1	-	108	57	-	-	57
Church activities	2(c)	95,041	-	-	95,041	56,567	-	-	56,567
Activities for generating funds	2(d)	72,905	-	-	72,905	66,273	-	-	66,273
Other income	2(e)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,348</u>	<u>-</u>	<u>-</u>	<u>9,348</u>
Total income		<u>407,627</u>	<u>107,314</u>	<u>-</u>	<u>514,941</u>	<u>378,214</u>	<u>91,783</u>	<u>-</u>	<u>469,997</u>
Expenditure on:									
Raising funds	3(a)	971	-	-	971	1,170	-	-	1,170
Church activities	3(b)	<u>485,399</u>	<u>75,783</u>	<u>-</u>	<u>561,182</u>	<u>438,985</u>	<u>7,712</u>	<u>-</u>	<u>446,697</u>
Total expenditure		<u>486,370</u>	<u>75,783</u>	<u>-</u>	<u>562,153</u>	<u>440,155</u>	<u>7,712</u>	<u>-</u>	<u>447,867</u>
Net income/(expenditure)		(78,743)	31,531	-	(47,212)	(61,941)	84,071	-	22,130
Transfers between funds	10	<u>29,790</u>	<u>(29,790)</u>	<u>-</u>	<u>-</u>	<u>51,000</u>	<u>(51,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(48,953)	1,741	-	(47,212)	(10,941)	33,071	-	22,130
Funds brought forward at 1 January 2021		<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>
Funds carried forward at 31 December 2021		<u>227,997</u>	<u>(90,606)</u>	<u>10,000</u>	<u>147,391</u>	<u>276,950</u>	<u>(92,347)</u>	<u>10,000</u>	<u>194,603</u>

ST PAUL'S, KNIGHTSBRIDGE
BALANCE SHEET
AS AT 31ST DECEMBER 2021

		2021		2020	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	6		80,073		81,087
Current assets					
Debtors	7	50,909		51,283	
Cash at bank and in Hand		<u>109,162</u>		<u>151,316</u>	
		160,071		202,599	
Creditors					
Amounts falling due within one year	8	<u>92,753</u>		<u>89,083</u>	
Net current assets			<u>67,318</u>		<u>113,516</u>
Net assets	11		<u>147,391</u>		<u>194,603</u>
Parish Funds					
Unrestricted	9		227,997		276,950
Restricted	10		(90,606)		(92,347)
Endowment	10		<u>10,000</u>		<u>10,000</u>
			<u>147,391</u>		<u>194,603</u>

Approved by the Parochial Church Council 29th March 2022 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 2021

	2021		2020	
	£	£	£	£
Cash (used)/ from operating activities (see below)		(33,908)		16,900
Cash flows (used in)/ from investing activities				
Interest receivable	108		57	
Payments to acquire tangible fixed assets	(8,354)		—	
Cash (used in)/from investing activities		(8,246)		57
Net cash (outflow)/inflow		(42,154)		16,957
Cash and cash equivalents at 1 January 2021		<u>151,316</u>		<u>134,359</u>
Cash and cash equivalents at 31 December 2021		<u>109,162</u>		<u>151,316</u>
 Cash (used in)/provided by operating activities				
Net (expenditure)/income		(47,212)		22,130
Interest received shown in investing activities		(108)		(57)
Depreciation		9,368		9,283
Decrease/(increase) in debtors		374		(3,238)
Increase(Decrease) in creditors		<u>3,670</u>		<u>(11,218)</u>
		<u>(33,908)</u>		<u>16,900</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st 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). 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 (continued)
FOR THE YEAR ENDED 31st DECEMBER 2021

1 ACCOUNTING POLICIES (continued)

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 or 20 years
Movable Church furnishings	- Straight line over 20 years
Furniture, fittings & equipment	- Straight line over 4 or 7 years

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31st DECEMBER 2021

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 2021 £	Total 2020 £
2(a) Voluntary income				
Gift Aid donations	135,800	-	135,800	145,882
Grants awarded	-	-	-	7,328
Other donations	64,250	-	64,250	50,857
Income Tax Recovered	32,601	-	32,601	38,078
Collections (Open Plate)	6,923	-	6,923	3,824
Lent Appeal	-	840	840	2,259
Capital project fund	-	-	-	38,209
Dunhill Medical Trust income	-	5	5	55
QUEST income	-	32,000	32,000	16,000
Video Equipment Installation Grant	-	40,000	40,000	-
Sundry Donations and Appeals	-	34,468	34,468	35,260
	<u>239,574</u>	<u>107,313</u>	<u>346,887</u>	<u>337,752</u>
2(b) Investments				
Bank Interest Receivable (UK)	<u>107</u>	<u>1</u>	<u>108</u>	<u>57</u>
	<u>107</u>	<u>1</u>	<u>108</u>	<u>57</u>
2(c) Church activities				
Weddings and Blessings	5,697	-	5,697	1,010
Funerals and Memorials	12,380	-	12,380	3,931
Special Service Music Fees	45,233	-	45,233	17,541
Church Lettings	25,275	-	25,275	10,275
Hall Lettings	4,806	-	4,806	3,200
Production costs	-	-	-	20,500
Other Income	<u>1,650</u>	<u>-</u>	<u>1,650</u>	<u>110</u>
	<u>95,041</u>	<u>-</u>	<u>95,041</u>	<u>56,567</u>
2(d) Activities for generating funds				
Car Park Income	54,220	-	54,220	48,540
Network rental income	17,731	-	17,731	16,731
Insurance claims	-	-	-	812
Events	<u>954</u>	<u>-</u>	<u>954</u>	<u>190</u>
	<u>72,905</u>	<u>-</u>	<u>72,905</u>	<u>66,273</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31st DECEMBER 2021
2 INCOME (continued)
2(e) Other income

Government grants receivable - CJRS	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,348</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,348</u>
Total income	<u>407,627</u>	<u>107,314</u>	<u>514,941</u>	<u>469,997</u>

3 EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
3(a) Raising Funds				
Fundraising	<u>971</u>	<u>-</u>	<u>971</u>	<u>1,170</u>
	<u>971</u>	<u>-</u>	<u>971</u>	<u>1,170</u>
3(b) Church Activities				
Grants - Lent Appeal	-	1,050	1,050	2,259
Grants – Westminster schools	-	-	-	1,606
Common Fund	93,750	-	93,750	93,750
Incumbent Costs	557	-	557	543
Vicarage Expenses	1,913	-	1,913	2,553
Assistant Staff – Non-Stipendiary	4,800	-	4,800	4,800
Church Running Costs	33,342	-	33,342	23,712
Church Maintenance	37,270	-	37,270	18,255
Upkeep of Services	1,936	-	1,936	3,009
Hall Costs	4,288	-	4,288	5,402
Music Staff & Choir	58,016	-	58,016	64,860
Special Service Music Fees	44,845	-	44,845	18,954
Hall Rental	18,096	-	18,096	17,346
Staff Costs	102,440	30,341	132,781	113,659
Parish Office Expenses	43,230	-	43,230	27,890
Other Support Costs	1,558	-	1,558	2,017
Other Professional Services	9,198	-	9,198	9,274
Programme Costs	291	-	291	4,272
Independent Examination and accountancy	5,000	-	5,000	5,510
Video Production Costs	-	-	-	12,290
Vicar's discretionary	-	-	-	574
Music Appeal	-	4,392	4,392	4,200
Mental Health First Aid Programme	-	-	-	679
Video equipment installation	15,501	40,000	55,501	-
Depreciation	<u>9,368</u>	<u>-</u>	<u>9,368</u>	<u>9,283</u>
	<u>485,399</u>	<u>75,783</u>	<u>561,182</u>	<u>446,697</u>
Total expenditure	<u>486,370</u>	<u>75,783</u>	<u>562,153</u>	<u>447,867</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31st DECEMBER 2021

4 STAFF COSTS

	2021 £	2020 £
Wages and salaries	104,759	89,132
Pension costs	7,943	7,216
Social security costs	7,644	6,717
Redundancy costs (included when legal agreement is reached)	-	4,580
	<u>120,346</u>	<u>107,645</u>

The number of staff members during the year was 4 (2020: 5).

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

	2021 £	2020 £
The PCC made the following charitable grants during the year:		
Westminster Deanery Schools	-	1,606
Bishop of London's Lent Appeal	<u>1,050</u>	<u>2,259</u>
Total grants	<u>1,050</u>	<u>3,865</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 2021	100,000	13,190	137,870	19,695	186,383	457,138
Additions	-	-	-	-	<u>8,354</u>	<u>8,354</u>
At 31st December 2021	<u>100,000</u>	<u>13,190</u>	<u>137,870</u>	<u>19,695</u>	<u>194,737</u>	<u>465,492</u>
Depreciation						
At 1st January 2021	36,764	13,190	137,870	13,596	174,631	376,051
Charge for the year	<u>1,471</u>	-	-	<u>1,144</u>	<u>6,753</u>	<u>9,368</u>
At 31st December 2021	<u>38,235</u>	<u>13,190</u>	<u>137,870</u>	<u>14,740</u>	<u>181,384</u>	<u>385,419</u>
Net Book Value						
At 31st December 2021	<u>61,765</u>	-	-	<u>4,955</u>	<u>13,353</u>	<u>80,073</u>
At 31st December 2020	<u>63,236</u>	-	-	<u>6,099</u>	<u>11,752</u>	<u>81,087</u>

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31st DECEMBER 2021

7 DEBTORS

	2021	2020
	£	£
Income tax recoverable	8,980	13,612
Other debtors	34,668	29,237
Prepayments and accrued income	<u>7,261</u>	<u>8,434</u>
	<u>50,909</u>	<u>51,283</u>

8 CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Other creditors	13,956	15,962
Accruals and deferred income	74,161	70,378
Social security and other taxes	<u>4,636</u>	<u>2,743</u>
	<u>92,753</u>	<u>89,083</u>

9 UNRESTRICTED FUNDS

	General Fund	Fixed Asset Fund	Total Unrestricted Funds
	2021	2021	2021
	£	£	£
Income	407,627	-	407,627
Expenditure	<u>(477,002)</u>	<u>(9,368)</u>	<u>(486,370)</u>
Net income/(expenditure)	(69,375)	(9,368)	(78,743)
Transfers	<u>21,436</u>	<u>8,354</u>	<u>29,790</u>
Net movement in funds	(47,939)	(1,014)	(48,953)
Balance brought forward at 1 st January 2021	<u>195,863</u>	<u>81,087</u>	<u>276,950</u>
Balance carried forward at 31 st December 2021	<u>147,924</u>	<u>80,073</u>	<u>227,997</u>

ST PAUL'S, KNIGHTSBRIDGE**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31st DECEMBER 2021****9 UNRESTRICTED FUNDS (continued)**

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

10 RESTRICTED AND ENDOWMENT FUNDS

	Brought forward 2021 £	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Carried forward 2021 £
Restricted Funds					
Dunhill Medical Trust	1,748	6	-	-	1,754
Eric Day Fund	34,702	-	-	-	34,702
Vicar's Discretionary fund	10,217	-	-	-	10,217
Music Fund	4,750	34,468	(4,392)	(30,000)	4,826
Capital project fund	(160,136)	-	-	-	(160,136)
John King Church Plate Fund	8,500	-	-	-	8,500
Mental Health First Aid Programme	7,872	-	-	-	7,872
Lent Appeal	-	840	(1,050)	210	-
QUEST fund	-	32,000	(30,341)	-	1,659
Video Equipment Installation Grant	-	40,000	(40,000)	-	-
	<u>(92,347)</u>	<u>107,314</u>	<u>(75,783)</u>	<u>(29,790)</u>	<u>(90,606)</u>

ST PAUL'S, KNIGHTSBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31st DECEMBER 2021

10 RESTRICTED AND ENDOWMENT FUNDS (continued)

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

	Brought forward 2021 £	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Carried forward 2021 £
Endowment Funds					
<i>Dunhill Capital Fund</i>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>

	<i>Brought forward</i> 2020 £	<i>Income</i> 2020 £	<i>Expenditure</i> 2020 £	<i>Transfers</i> 2020 £	<i>Carried forward</i> 2020 £
Endowment Funds					
<i>Dunhill Capital Fund</i>	<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 (continued)

FOR THE YEAR ENDED 31st DECEMBER 2021

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.

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. The transfer during the year was made to cover the Gift Aid claimed on these donations.

QUEST Fund

This fund represents grants from the St Paul's Knightsbridge Foundation to fund the Director of QUEST role.

Video Equipment Installation Grant

This is a grant received from the St Paul's Knightsbridge Foundation towards the cost of installing a new video equipment.

Dunhill Capital Fund

Restricted capital funds comprises of £10,000 (2020: £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.

ST PAUL'S, KNIGHTSBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31st DECEMBER 2021

11 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £
Fixed assets	80,073	-	-	80,073
Current assets	240,677	(90,606)	10,000	160,071
Current liabilities	(92,753)	-	-	(92,753)
	<u>227,997</u>	<u>(90,606)</u>	<u>10,000</u>	<u>147,391</u>

	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>

12 COMMITMENTS

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

	2021 £	2020 £
Within one year	23,801	23,801
After one year but within five years	<u>33,521</u>	<u>56,205</u>
	<u>57,322</u>	<u>80,006</u>

The operating lease charges for the year were:

	2021 £	2020 £
Land	17,321	17,321
Other	<u>4,560</u>	<u>6,520</u>
	<u>21,881</u>	<u>23,841</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 (2020: £Nil). During the year, unrestricted income of £28,375 (2020: £30,176) and restricted income of £3,150 (2020: £23,200) 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 £72,000 from The St Paul's Knightsbridge Foundation (2020: £16,000). This has been recognised in the financial statements as Video Equipment Installation and QUEST Fund in restricted funds. The St Paul's Knightsbridge Foundation paid professional costs of £15,720 (2020: £nil) on behalf of the Church. These amounts have been recognised in these financial statements as Other donation income and Church activities expenditure.

The Church also received a restricted grant of £nil (2020: £38,209) and an unrestricted grant of £nil (2020: £5,288) from the American Friends of St Paul's.