

Company registration number: 04821792

Charity registration number: 1138488

ST JOHN'S DOWNSHIRE HILL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

ST JOHN'S DOWNSHIRE HILL

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ST JOHN'S DOWNSHIRE HILL

CHARITY INFORMATION

St John's Downshire Hill is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

Company Registration Number 04821792

Charity Registration Number 1138488

Trustees
G Burns
C Onaka
A Naidu
D Barlow
D Scribner

Secretary E England

Registered Office
St John's Church
Downshire Hill
Hampstead
NW3 1NU

Bankers
Barclays Bank plc
28 Hampstead High Street
London
NW3 1QB

Independent Auditor
Harmer Slater Limited
Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA

Further information

For further information about the Church and its activities and to find out how you can get involved, please look at our website, www.sjdh.org. Alternatively, you would be welcome at any of our services (10.30 a.m. and 6 p.m. every Sunday, live stream details can be found here: <https://sjdh.org/livestream/>). The Church has continued to meet both online and in person in line with government guidance and regulations during the coronavirus pandemic. If you would like to contact us for any reason, please phone the church office, on 020 7099 9360.

St John's Church
Downshire Hill
Hampstead
London
NW3 1NU

Telephone: (020) 7099 9360
Email: office@sjdh.org

ST JOHN'S DOWNSHIRE HILL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 August 2022 and confirm that they comply with the requirements of the Companies' Act 2006, the Charities' Act 2011 and the 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 Republic of Ireland (Charities SORP (FRS 102)).

Purpose and Mission of St John's Downshire Hill

St John's Downshire Hill is a company limited by guarantee and was registered with the Charities Commission as a charity with effect from 20 October 2010. It is the legal entity which holds all the assets and liabilities of St John's Church, Downshire Hill, Hampstead, and which accounts for all of its income and expenditure. The church itself is a Proprietary Chapel in the Church of England, part of the Diocese of London, and therefore is accountable for its own assets and liabilities.

The Memorandum of Association of St John's Downshire Hill ("St John's") states that the church's objects are the advancement of the Christian faith for the public benefit in a way that is consistent with the fundamental truths revealed in Holy Scripture, as faithfully summarised and reflected in the Thirty-Nine Articles of Religion, The Book of Common Prayer and The Ordinal of the Church of England, as well as the Reform Covenant of 1994 and the Basis of Faith of the Fellowship of Independent Evangelical Churches (FIEC).

The mission and priority of St. John's is "living for Jesus, sharing his good news" by being transformed by his grace and equipped by his word to serve in his world.

This happens as:

- The Scriptures are taught, explained and applied (Acts 20:32)
- We unite in loving fellowship with God's people (Ephesians 3:17-19)
- We serve Christ and his church (Ephesians 4:11-13)
- We suffer for his sake (Philippians 3:10-11)

We also share the good news about Jesus through:

- The public proclamation of the gospel (Acts 17:23, Romans 11:14-15)
- the distinctive lives of Christians (Matthew 5:13-16)
- the united love of the church (John 13:34-35)
- individuals speaking about Christ as they have opportunities to do so (1 Peter 3:15-16)

ST JOHN'S DOWNSHIRE HILL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Key Activities

The church's key activities are therefore:

- The work of St. John's itself in teaching God's Word in church services, small groups and youth groups; in encouraging and supporting each other; and in evangelism.
- Service of our local community in Hampstead, in order that the love of Christ may be more widely known in this area.
- Support of gospel work in the UK and worldwide through prayer, grant-making, and other practical help where needed.

At the year end, St. John's had six salaried staff members. Apart from this, the majority of St. John's ministry is carried out by volunteers, whether working within the church in teaching, youth work, evangelism etc., or involved in caring for the missionaries we support elsewhere. The trustees would like to thank all those who volunteer their services to help run and administer St. John's. Many people give a substantial amount of time to ensure the church runs efficiently.

Public Benefit

St. John's advances the Christian faith for the public benefit by promulgating the good news of the Christian message within Hampstead and also in support of individuals, churches, and organisations elsewhere in the UK and around the world with that same aim. We believe that it is to the eternal benefit of all people to give them the opportunity to hear and respond to the invitation of salvation from our loving God.

St. John's also serves the public in many other ways:

- We run weekly English language classes for our local international community;
- We run a popular babies and toddlers group on our premises to help serve local mums and carers;
- We run after-school clubs for a variety of age groups, which are all free of charge;
- We organise musical concerts, which are open to the public, free of charge;
- We take regular school assemblies in the local Church of England school;
- Whilst St John's is not the parish church, we also conduct weddings, funerals and memorial services.

In the year ending 31 August 2022, the church continued to recover from the COVID pandemic and saw most activities resumed and return to pre-pandemic patterns.

ST JOHN'S DOWNSHIRE HILL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance

Review of Activities

Work at St. John's

Services continued to return to normal following the pandemic. The livestream is now a permanent feature and is used by those unable to attend services in person temporarily due to illness, holidays or work. It is not otherwise seen by most people as a substitute for attending in person.

In April 2022 a small group made up of staff and congregation members began a "Leading in Evangelism" learning hub led by our patrons Church Pastoral Aid Society ("CPAS"). This has enabled a renewed focus on leading the whole congregation in outreach and mission.

Every year at SJDH we see individuals and families depart for other parts of the world and the UK for work or family reasons. We also see a steady stream of newcomers. In the year ending August 2022 we saw particular growth in families and individuals joining us as they moved from Hong Kong to the UK. There have been particular efforts to help those whose English is not quite strong enough to follow everything that happens in services.

In November 2021 there was an annual vision meeting at which the senior minister with the backing of the Ministry Oversight Team and trustees outlined a vision to have a new focus on reaching older teens and young adults. To this end, the congregation were asked to consider funding a new staff post. As a result of pledges made, the new post of assistant minister was advertised and in May 2022 Aaron Ku was appointed with a starting date of 1 September 2022.

Support for Gospel Work in the UK and Overseas

St John's has continued in prayer and financial support for its ten mission partners. These include missionaries in Italy, Senegal, Switzerland, Manchester (UK), Johannesburg and London (UK), as well as the organisations London City Mission, Operation Mobilisation, Oak Hill Theological College and Open Doors.

ST JOHN'S DOWNSHIRE HILL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Performance

Spiritual growth can be both numerical and in terms of individual maturity. The latter is hard to measure although it is encouraging to see so many church members giving sacrificially of their time and money to serve the church and wider world.

Our average Sunday attendance in person gradually increased during the year as confidence following the pandemic returned. We saw attendance of up to 130 adults in the morning and 25 in the evening during this period. Our Japanese monthly service has continued with an attendance of approximately 10 adults and 3 children.

The Sunday children's clubs returned to normal with around 50 children aged 0-14 regularly involved. Towards the end of the year the 5-11s Friday club (Awesome) resumed with a handful of children attending regularly. The 11-18s youthwork continued with approximately 50 young people regularly involved. A new monthly Bible study for older teens called "Saturday Night Alive" also began with an attendance of 10-15.

During the year, 2 children and 3 adults were baptised. 1 adult and 1 teenager were confirmed by the Bishop of Maidstone. A course called "Hope Explored" ran with 1 person attending in order to investigate Christian faith.

Financial review

Principal funding sources

The principal source of funding continues to be personal giving by the congregation, alongside the tax that is recoverable on this giving from HMRC. Total donations received during the year amounted to £262,744 (2021: £367,682). Additionally, a small and variable income is derived from letting out the church building, rent from other residential properties not currently required as housing for relevant staff but we do not aim to be reliant on any of this uncertain form of income. During the year the charitable company received rent from lettings amounting to £29,175 (2021: £22,270).

Reserves policy

Excluding interest-free loans made for the purchase of 88 Upper Park Road and 19 Parliament Court, totalling £324,000 (2021: £324,000), which are repayable on 24 months' prior written notice, and provisions of £7,000 (2021: £7,000), the accounts show a net current asset position of £181,745 (2021: £236,025).

Our aim is to repay the above loans with any surplus generated.

The trustees recognise that until this reduction in debt has taken place St John's will carry no reserves, beyond what is deemed reasonably prudent for the ongoing daily costs of the ministry of St John's.

ST JOHN'S DOWNSHIRE HILL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Risk management

The trustees have sought to mitigate the major risks the charity faces. In particular:

a) on the advice of the finance task team, the trustees believe that they have adequate controls to ensure that proper records are maintained in respect of donations received under Gift Aid to reduce the risk of amounts being reclaimed by HMRC, and that records are maintained of all legacies notified to the charity to reduce the risk that all legacy income to which the charity is entitled may not actually be received or properly recorded in the accounting records. This includes procedures to deal with any chattels or property received.

b) there are controls in place to mitigate major financial risks. The finance task team prepares a budget, meets regularly to discuss significant transactions, review cash balances and reports its findings to the trustees on a regular basis.

c) the Church Safeguarding Officer and Children's Champion implement St John's safeguarding policy, which is reviewed annually by the trustees and is available on our website (www.sjdh.org). One of the staff members works in consultation with the Church Safeguarding Officer to train and supervise all those working with children. Another staff member oversees the DBS certification process.

d) the risks associated with the preparation and provision of meals from the church kitchen, and the training of all those involved in the preparation of food, has been overseen by members of the staff team who were also responsible for overseeing the Sunday and Wednesday evening catering. Food safety and hygiene guidelines are clearly posted in the kitchen and new volunteers in the kitchen are supervised initially. The trustees are satisfied that all personnel operating in the kitchen are appropriately trained and qualified in respect of food hygiene.

e) Health and safety needs are monitored to ensure that St John's remains as safe a place as it can reasonably be for workers and visitors alike.

ST JOHN'S DOWNSHIRE HILL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Trustees and the Trust

St John's Downshire Hill has no share capital, being a company limited by guarantee. The company was registered as a charity by the Charity Commission with effect from 20 October 2010.

The trustees who are trustees for the purpose of charity law and directors for the purpose of company law, who served during the financial year ended 31 August 2022 and up until the date of signing these accounts were:

G Burns

D C Choi (resigned 29 November 2021)

M Wenham (resigned 29 November 2021)

C Onaka

A Naidu

D Barlow (appointed 29 November 2021)

D Scribner (appointed 29 November 2021)

The trustees meet on a regular basis to make decisions and monitor the work of the charity. Trustees may be appointed at a general meeting by ordinary resolution.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of St John's Downshire Hill for the purposes of company law) are responsible for preparing the Trustees' Annual Report financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including its income and expenditure, for the financial period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 assume that the charitable company will continue on that basis.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ST JOHN'S DOWNSHIRE HILL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Statement of disclosure to the auditor

Each of the trustee has confirmed that so far as they are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006), of which the charitable company's auditors are unaware, and that they have taken all the required steps as trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Reappointment of auditor

Harmer Slater Limited were re-appointed as the charitable company's independent auditor during the year and have expressed their willingness to continue in that capacity.

Small companies provision statement

The trustees have taken advantage of the small companies' exemptions provided by sections 414B and 415A of the Companies Act 2006 from the requirement to prepare a strategic report and in preparing the Report of the trustees on the grounds that the charity is entitled to prepare its accounts for the year in accordance with the small companies regime.

BY ORDER OF THE BOARD

DocuSigned by:

Gareth Burns

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G Burns

Trustee

31 May 2023

ST JOHN'S DOWNSHIRE HILL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST JOHN'S DOWNSHIRE HILL

Opinion

We have audited the financial statements of St John's Downshire Hill (the 'charity') for the year ended 31 August 2022, which comprise the Statement of Financial Activities (Incorporating an Income and Expenditure account), Balance Sheet, and Notes to the Accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102- The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; 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 charity 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 charitable company'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 directors 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 Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees 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.

ST JOHN'S DOWNSHIRE HILL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST JOHN'S DOWNSHIRE HILL

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 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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

ST JOHN'S DOWNSHIRE HILL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST JOHN'S DOWNSHIRE HILL

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We considered the nature of the Charitable company's control environment, and reviewed the Charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also identified the laws and regulations applicable to the charitable company through discussions with the Trustees and other management, and from our cumulative audit, knowledge and experience of the charitable company.

We obtained an understanding of the legal and regulatory framework that the Charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies Act 2006, the Charities Act 2011, Places of Worship Act 1855, the Charities SORP, and UK financial reporting standards as issued by the Financial Reporting Council; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable company's ability to operate or to avoid a material penalty. These included the Charitable company's regulatory requirements.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls and policies in place to mitigate risks of fraud and noncompliance with laws and regulations.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of the Trustees concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of Trustees' meetings, reviewing internal audit reports and reviewing correspondence with the Charities Commission.

ST JOHN'S DOWNSHIRE HILL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST JOHN'S DOWNSHIRE HILL

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

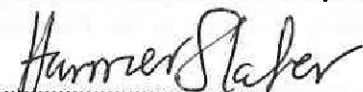
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Harmer Slater Limited
Statutory Auditor
Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA

31 May 2023

Harmer Slater Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST JOHN'S DOWNSHIRE HILL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022
(Incorporating Income and Expenditure Account)**

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income from:					
Donations		262,744	-	262,744	367,682
Other trading activities	3	41,766	-	41,766	27,302
Investment income	4	189	-	189	165
Total Incoming Resources		304,699	-	304,699	395,149
Resources Expended					
Activities in furtherance of the Charity's objectives	5	331,985	-	331,985	285,432
Governance costs	6	30,203	-	30,203	26,901
Total Resources Expended		362,188	-	362,188	312,333
Unrealised losses on investment	12	(635)	-	(635)	(101)
Net (outgoing) / incoming resources		(58,124)	-	(58,124)	82,715
Net movement in funds		(58,124)	-	(58,124)	82,715
Opening Reserves		5,915,303	701,667	6,616,970	6,534,255
Closing Reserves	18	5,857,179	701,667	6,558,846	6,616,970

Incoming resources in 2021 were fully from unrestricted funds.

All of the charity's activities derive from continuing operations during the above two periods. All gains and losses in the year are included above.

ST JOHN'S DOWNSHIRE HILL

(REGISTRATION NUMBER: 04821792)
BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	11	6,701,978	6,708,186
Investments	12	<u>3,124</u>	<u>3,759</u>
		<u>6,705,102</u>	<u>6,711,945</u>
Current assets			
Debtors	13	27,536	40,321
Cash at bank		<u>172,557</u>	<u>224,389</u>
		200,093	264,710
Creditors: amounts falling due within one year	14	<u>(18,349)</u>	<u>(28,685)</u>
Net current assets		<u>181,744</u>	<u>236,025</u>
Total assets less current liabilities		6,886,846	6,947,970
Creditors: amounts falling due after more than one year	15	(324,000)	(324,000)
Provisions for liabilities	16	<u>(4,000)</u>	<u>(7,000)</u>
Net assets		<u>6,558,846</u>	<u>6,616,970</u>
Funds			
Unrestricted income funds			
General reserve		5,674,675	5,732,164
Other reserves		<u>182,504</u>	<u>183,139</u>
		5,857,179	5,915,303
Restricted income funds		<u>701,667</u>	<u>701,667</u>
Total funds	18	<u>6,558,846</u>	<u>6,616,970</u>

ST JOHN'S DOWNSHIRE HILL

(REGISTRATION NUMBER: 04821792) BALANCE SHEET AS AT 31 AUGUST 2022

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and Charities SORP (FRS 102) and constitute the annual accounts required by the Companies Act 2006 and are for the circulation to members of the charitable company.

The trustees are satisfied that the charitable company was entitled to exemption from audit for the year ending 31 August 2022 under section 477 of the Companies Act 2006 and that members have not requested an audit in accordance with section 476 of the same Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The trustees, who are regarded as directors for the purpose of the Companies Act 2006, acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 13 to 29 were approved by the trustees and authorised for issue on 31 May 2023 and signed on their behalf by:

DocuSigned by:

AB35B7AB632647B.....
G Burns
Trustee

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

The principal accounting policies applied, judgements and key sources of estimation uncertainty in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

General information

St John's Downshire Hill is a charitable company limited by guarantee, incorporated in England and Wales under the Companies Act and registered as a charity in England and Wales. The company's registered office address is shown on page 1. The nature of the charitable company's operations and its principal activities are set out in the Trustees' Report on pages 2-8.

Going concern

The financial statements are drawn up on the going concern basis which assumes St John's Downshire Hill will continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these financial statements. The trustees have given due consideration to the working capital and cash flow requirements of St John's Downshire Hill. The trustees consider St John's Downshire Hill's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for the foreseeable future.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Church Accounting Regulations 2006 and with the 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 Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

Exemption from preparing a cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Charities SORP (FRS 102).

Judgement and key sources of estimation uncertainty

The preparation of financial statements in conformity with Charities SORP (FRS 102) requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Incoming resources

Income is recognised when the charitable company has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Incoming resources from donations represent voluntary income, which are credited in the year in which they are received. Income tax recoverable on donations received under Gift Aid, income from other activities and investment income are accounted for on an accruals basis.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Resources Expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of obligation can be measured reliably. Expenditure is included on an accruals basis inclusive of VAT, except for expenditure eligible under the Listed Places of Worship Grants Scheme, when the expenditure is included exclusive of VAT.

Expenditure is classified under the following activity headings:

- Resources expended on activities in furtherance of the charity's objectives comprise donations made as well as salaries and other resources applied by the charitable company in undertaking its work to meet its charitable objectives.
- Resources expended on governance costs comprise the costs of arrangements which relate to the general running of the charitable company, and include such items as general office costs, legal and other professional fees, external audit and depreciation of fixed assets.

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

Fixed assets

Tangible fixed assets are stated at historical cost less depreciation where appropriate. Freehold land is not depreciated, in accordance with Charities SORP (FRS 102).

The charitable company's freehold and leasehold properties were last revalued on 31 August 2008 by the trustees. At the date of transition to Charities SORP (FRS 102), the trustees elected to use the previous revaluation of the charitable company's freehold land and buildings and leasehold properties as deemed cost at the respective revaluation date.

Depreciation is charged by annual instalments estimated to write off their cost less any residual value over the expected useful lives which equate to the following rates:

Asset class	Depreciation method and rate
Organ & Piano	straight line basis over 25 years
Furniture & Equipment	straight line basis over 5 years
Freehold and Leasehold Land and Buildings	None

Fixed assets are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs in the corresponding Statement of Financial Activities category.

Investments

Investments are included in the balance sheet at their market value at the year end. Unrealised gains and losses arising from changing market value are included in other reserves.

Fund structure

The funds held by the charitable company fall into the following categories:

Unrestricted income funds - funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted income funds - funds that can only be used for a particular purpose within the objects of the charitable company. Restrictions arise when specified by a donor or when funds are raised for a particular restricted purpose.

Other reserves - cumulative effect of revaluations of freehold land and buildings and other investments to fair value at each reporting period. The funds are not distributable.

Debtors

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the debt.

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

Cash at bank and in hand

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors

Creditors are recognised where the charity has a present obligation resulting 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 normally recognised at their settlement amount after allowing for any trade discounts due.

Concessionary loans

The charitable company qualifies as a public benefit entity under FRS 102 and has chosen to account for concessionary loans received using the accounting treatment set out in paragraphs PBE34.90 to PBE34.97 of FRS102. In consequence, concessionary loans received are initially measured at the amount received and recognised as a liability in the balance sheet. In subsequent years, the carrying amount of concessionary loans received are adjusted to reflect any accrued interest payable. Concessionary loans are presented separately between amounts repayable within one year and amounts repayable after more than one year.

Taxation

The charitable company is a charity within the definition of section 467 Corporation Tax Act 2010 and is therefore able to take advantage of the exemptions given by sections 485 and 486 of that Act. Accordingly, there is no Corporation Tax charge in these accounts.

Pensions

The charitable company contributes into a defined contribution pension scheme for staff who are not members of the Church of England Funded Pension Scheme for stipendiary clergy. For defined contribution schemes the amount charged to the Statement of Financial Activities represents the contributions payable in the year.

The charitable company participates in the Church of England Funded Pension Scheme for stipendiary clergy for staff who are members of this scheme. This is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible for the charitable company to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. In accordance with Charities SORP (FRS 102), the charitable company accounts for its contribution to the scheme as if it were a defined contribution scheme. Any contributions payable relating to funding of a scheme deficit are included as a liability on the Balance Sheet and charged to the Statement of Financial Activities.

Financial instruments

The charity only has financial assets and financial 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 JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

2 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations from individuals	225,205	-	225,205	310,933
Gift aid reclaimed	37,539	-	37,539	56,749
	<u>262,744</u>	<u>-</u>	<u>262,744</u>	<u>367,682</u>

Income from donations and legacies in 2021 was fully from unrestricted funds.

3 Income from other trading activities

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Bookstall	418	-	418	20
Tenancies	15,992	-	15,992	18,475
Building hire	13,183	-	13,183	4,245
Other activity income	12,173	-	12,173	4,562
	<u>41,766</u>	<u>-</u>	<u>41,766</u>	<u>27,302</u>

Income from other trading activities in 2021 related to unrestricted funds.

4 Investment income

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Bank interest receivable	23	-	23	-
Dividends received from listed investments	166	-	166	165
	<u>189</u>	<u>-</u>	<u>189</u>	<u>165</u>

Investment income for 2021 was fully from unrestricted funds.

ST JOHN'S DOWNSHIRE HILL

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5 Activities in furtherance of the Charity's objectives

	2022 £	2021 £
Donations made:		
Crosslinks – The Aranzullas	7,800	7,800
Wycliffe UK Ltd. – The Lowrys	4,200	4,200
Crosslinks – The Millers	3,000	3,500
Open Doors	3,000	3,500
Peter M Living Costs	1,920	-
Oak Hill College	7,000	5,040
Shimizus - JCL London	5,000	5,000
Jews for Jesus UK- Stephen Pacht	-	2,000
Operation Mobilisation	3,000	3,500
St. Clements Church – The Jumps	3,000	3,000
London City Mission	6,000	6,270
Other donations of £150 and under	929	569
	<u>44,849</u>	<u>44,379</u>
Church activities:		
Utilities	18,335	13,827
Insurance	4,572	4,609
Cleaning materials & refuse collection	534	399
Cleaning	7,980	8,316
Bookstall	1,459	280
Repairs & renewals	14,832	25,666
Regular events	8,914	6,534
Occasional events	21,507	2,189
	<u>78,133</u>	<u>61,820</u>
Staff costs:		
Staff remuneration	143,829	136,806
Staff housing	48,195	40,186
Staff training	6,603	415
Other staff expenses	10,376	1,826
	<u>209,003</u>	<u>179,233</u>
	<u>331,985</u>	<u>285,432</u>

All expenditure on activities in furtherance of the charity's objects in 2022 and 2021 was from unrestricted funds.

ST JOHN'S DOWNSHIRE HILL

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6 Governance costs

	£	£	2022 £	2021 £
	Unrestricted	Restricted	Total	Total
Audit fee	2,880	-	2,880	2,784
Professional fees	10,164	-	10,164	3,664
Bank charges	146	-	146	98
Postage, stationery and other office costs	8,046	-	8,046	7,617
Telephone & internet	990	-	990	1,132
Payroll software support & computer expenses	1,610	-	1,610	5,375
TV Licence	159	-	159	151
Depreciation	6,208	-	6,208	6,080
	<u>30,203</u>	<u>-</u>	<u>30,203</u>	<u>26,901</u>

Governance costs in 2021 was fully from unrestricted funds.

7 Net outgoing resources

Net outgoing resources are stated after charging:

	2022 £	2021 £
Depreciation	6,208	6,080
Auditor's remuneration	<u>2,880</u>	<u>2,784</u>

8 Staff costs

Staff costs were as follows:

	2022 £	2021 £
Salaries	112,750	110,024
Social security costs	5,107	4,867
Staff pensions	<u>25,972</u>	<u>21,915</u>
Total	<u>143,829</u>	<u>136,806</u>

The average number of employees during the year was as follows:

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

	2022 No	2021 No
Ministerial	3	3
Governance	3	3
	<u>6</u>	<u>6</u>

No employee received emoluments of more than £60,000 during the current and prior year.

9 Trustees remuneration & related party transactions

The trustees, were not paid or received any other benefits from employment with the charitable company during the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charitable company (2021: £nil).

10 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>2,880</u>	<u>2,784</u>

11 Tangible fixed assets

	Freehold Land and Buildings £	Leasehold Land & Buildings £	Organ & Piano £	Furniture & Fittings £	Total £
Cost					
At 1 September 2021	5,638,070	1,035,019	36,907	90,978	6,800,974
At 31 August 2022	<u>5,638,070</u>	<u>1,035,019</u>	<u>36,907</u>	<u>90,978</u>	<u>6,800,974</u>
Depreciation					
At 1 September 2021	-	-	20,864	71,924	92,788
Charge for the year	-	-	1,476	4,732	6,208
At 31 August 2022	<u>-</u>	<u>-</u>	<u>22,340</u>	<u>76,656</u>	<u>98,996</u>
Net book value					
At 31 August 2022	<u>5,638,070</u>	<u>1,035,019</u>	<u>14,567</u>	<u>14,322</u>	<u>6,701,978</u>
At 31 August 2021	<u>5,638,070</u>	<u>1,035,019</u>	<u>16,043</u>	<u>19,054</u>	<u>6,708,186</u>

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

St John's Downshire Hill owns the freehold of the following properties: the church building, (St John's Church, Downshire Hill, Hampstead, NW3 1NU); 64 Pilgrims Lane, NW3 1SN; and, 88 Upper Park Road, NW3 2UJ.

St John's Downshire Hill owns the leasehold of Flat 20, South End Close, NW3 2RB and Flat 19, Parliament Court, NW3 2TS.

The charitable company's freehold and leasehold properties are stated at cost.

12 Investments

	2022 £	2021 £
Market value at 1 September	3,759	3,860
Unrealised loss	(635)	(101)
Market value at 31 August	<u>3,124</u>	<u>3,759</u>

The investments are represented by 1,192 (2021: 1,192) shares in Vodafone and 57 (2021: 57) shares in Verizon. These have been shown at their market value at the year-end.

13 Debtors

	2022 £	2021 £
Recoverable Gift Aid	10,679	11,805
Prepayments	16,769	28,428
Amazon gift cards	88	88
	<u>27,536</u>	<u>40,321</u>

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	15,649	25,985
Accruals	<u>2,700</u>	<u>2,700</u>
	<u>18,349</u>	<u>28,685</u>

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

15 Amounts falling due after more than one year

	2022 £	2021 £
Concessionary loans	324,000	324,000

The above concessionary loans are interest free and repayable on 24 months' written notice from the lender. A loan amounting to £254,000 is secured on the property known as: 88 Upper Park Road, NW3 2UJ, London.

16 Provisions

	Pension £
Provision at 1 September 2021	7,000
Movement during the year	(3,000)
Provision at 31 August 2022	4,000

Pension

The charitable company participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies (being participating employers).

A valuation of the Scheme that was carried out at 31 December 2021 revealed a deficit and consequently a deficit recovery plan was put in place until 31 December 2022. The above pension provision represents additional deficit recovery contributions payable to the Scheme and subsequent movements in the liability as at the year-end; details of the Scheme valuation and movements in the liability have been shown in Note 19.

17 Analysis of net assets between funds

Year ended 31 August 2022	Unrestricted General £	Restricted £	Total funds £
Fixed assets	6,000,311	701,667	6,701,978
Investments	3,124	-	3,124
Current assets	200,093	-	200,093
Current liabilities	(18,349)	-	(18,349)
Creditors over 1 year	(324,000)	-	(324,000)
Provisions	(4,000)	-	(4,000)
Total net assets	5,857,179	701,667	6,558,846

ST JOHN'S DOWNSHIRE HILL

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

Year ended 31 August 2021	Unrestricted General £	Restricted £	Total funds £
Fixed Assets	6,006,519	701,667	6,708,186
Investments	3,759	-	3,759
Current assets	264,710	-	264,710
Current liabilities	(28,685)	-	(28,685)
Creditors over 1 year	(324,000)	-	(324,000)
Provisions	(7,000)	-	(7,000)
Total net assets	<u>5,915,303</u>	<u>701,667</u>	<u>6,616,970</u>

18 Funds

Year ended 31 August 2022	Balance at 1 Sep 2021 £	Incoming resources £	Resources expended £	Investment gain/(loss) £	Balance at 31 Aug 2022 £
Restricted	701,667	-	-	-	701,667
Unrestricted funds					
General reserve	5,732,164	304,699	(362,188)	-	5,674,675
Other reserves	183,139	-	-	(635)	182,504
Total funds	<u>6,616,970</u>	<u>304,699</u>	<u>(362,188)</u>	<u>(635)</u>	<u>6,558,846</u>

Year ended 31 August 2021	Balance at 1 Sep 2020 £	Incoming resources £	Outgoing resources £	Investment gain/(loss) £	Balance at 31 Aug 2021 £
Restricted funds	701,667	-	-	-	701,667
Unrestricted funds					
General reserve	5,649,348	395,149	(312,333)	-	5,732,164
Other reserves	183,240	-	-	(101)	183,139
Total funds	<u>6,534,255</u>	<u>395,149</u>	<u>(312,333)</u>	<u>(101)</u>	<u>6,616,970</u>

Restricted funds

Represent the cost of freehold properties purchased using capital appeal donations.

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

Unrestricted Funds

General reserve - represents the 'free reserve' which is used to provide working capital and to finance the day to day activities of the charitable company.

Other Reserves - represent unrealised gains on revaluation of the charitable company's assets.

19 Pension and other schemes

a) Defined contribution pension scheme

The charity operates a defined contribution pension scheme for its non-ordained staff. The pension cost of £9,098 (2021: £8,860) was charged to Statement of Financial Activities.

There were no outstanding contributions payable to the scheme at the year end (2021: £nil)

b) Other pension schemes accounted for as defined contribution pension schemes

St John's Downshire Hill participates in the Church of England Funded Pension Scheme for stipendiary clergy for two members (2021: two members). This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to a specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pension cost charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year £19,230 (2021: £19,055) plus the figures highlighted in the table below as being recognised in the Statement of Financial Activities, giving a total charge of £16,230 (2021: £13,055).

Contributions totalling £Nil were payable to the scheme at the year-end (2021: £1,667) and are included in other creditors.

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at December 2019, December 2020 and December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the below table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2022 £	2021 £
Balance sheet liability at 1 January	7,000	13,000
Deficit contributions paid	(4,000)	(7,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	1,000	1,000
Balance sheet liability at 31 December	4,000	7,000

ST JOHN'S DOWNSHIRE HILL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year end.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments.

	December 2021	December 2020
Discount rate	0.0% pa	0.2% pa
Price inflation	n/a	3.1% pa
Increase in total pensionable payroll	-1.5% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, St John's Downshire Hill could become responsible for paying a share of that Responsible Body's pension liabilities.

20 Status

The company is a charitable company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

21 Events after the financial period

A new post of assistant minister was advertised and in May 2022 Aaron Ku was appointed with a starting date of 1 September 2022.

