

THE PARISH CHURCH OF ST JOHN-AT-HAMPSTEAD

Registered Charity No 1129264

ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE PAROCHIAL CHURCH COUNCIL for the year ended 31 December 2021

Vicar

The Revd Jeremy Fletcher

Churchwardens

Martin Evans
Sheena Ginnings

Bankers

HSBC Bank plc
12 Hampstead High Street
London NW3 1PY

Independent Examiner

Robert Ashdown ACA
75 Brookville Road
London SW6 7BH

The Parish Church of St John-at-Hampstead

Reference and Administrative Details

Full Name: The Parochial Church Council of the Ecclesiastical Parish of St John-at-Hampstead ("the PCC").

Charity Registration Number: 1129264

Address and Website: Church Row, London NW3 6UU / www.hampsteadparishchurch.org.uk

Trustees under an Act of Parliament of 1827

Ex Officio

| | |
|--------------------------|-------------------------------------|
| The Revd Jeremy Fletcher | Vicar |
| Martin Evans | Churchwarden |
| Sheena Ginnings | Churchwarden (from 26 April 2021) |
| Jenny Lupa | Churchwarden (until 26 April 2021) |
| The Revd Graham Dunn | Assistant Curate (from 3 July 2021) |

Membership of the PCC

Ex Officio

| | |
|----------------------------|---|
| The Revd Jeremy Fletcher * | Vicar and PCC Chairman |
| Martin Evans * | Churchwarden and (from 26 April 2021) PCC Vice Chairman |
| Sheena Ginnings* | Churchwarden (from 26 April 2021) |
| Jenny Lupa * | Churchwarden and PCC Vice Chairman (until 26 April 2021 and also an elected member) |
| The Revd Graham Dunn | Assistant Curate (from 3 July 2021) |

As lay members of the London Diocesan Synod

| | |
|----------------|---|
| Peter Ginnings | (until 31 July 2021 and an ex officio member of the Deanery Synod until 31 July 2021 and an elected member until 26 April 2021) |
| Inigo Woolf * | Treasurer (also an ex officio member and an elected member of the Deanery Synod) |

As lay members of the Camden Deanery Synod

| | |
|---------------------|---|
| John Barker | |
| Vanessa Fitzpatrick | (also an elected member) |
| Angela Gardner * | Deputy Churchwarden (until 26 April 2021) |
| Rosemary Loyd | |

Elected Members

| | |
|----------------------|--|
| Gaynor Bassey-Fish | |
| Elizabeth Beesley | |
| Sarah Cheriton-Jones | |
| Hagar Cliff | (from 26 April 2021) |
| Jonathan Davey | |
| Helen Evans | (until 26 April 2021) |
| Karunesh Evans | |
| Seka Graovac | |
| Jean Harrison | |
| Jenny Lupa | Deputy Churchwarden (from 26 April 2021) |
| Jon Siddall * | Deputy Churchwarden |
| Handley Stevens | |
| Nicholas Walser * | PCC Secretary |
| Deborah Zandstra | Safeguarding Officer |

Co-opted Member

| | |
|----------------------|------------------|
| The Revd Jan Rushton | Associate Priest |
|----------------------|------------------|

(Those marked with an asterisk * served as members of the Standing Committee for all or part of the year)

The Parish Church of St John-at-Hampstead

Background

The church of St John-at-Hampstead, commonly known as Hampstead Parish Church, was consecrated in 1747 as the latest in a series of buildings on this site, which are believed to go back to 986.

The PCC has the responsibility of co-operating with the incumbent in the task of participation in God's mission to the world, and taking counsel together for the sake of the pastoral, evangelistic, educational, social and ecumenical ministry of the church in the ecclesiastical parish which covers a large part of central Hampstead.

Aims and Objectives

Building an inclusive community of Christian love, faith, witness and action

The Mission Action Plan for 2018-2022 was adopted in November 2018 following a comprehensive review of the church's vision, mission and strategy. The plan is kept under regular review to ensure that the church's activities remain consistent with its aims and objectives and in keeping with its headline priorities.

Our Aims

Hampstead Parish Church aims to be:

- a compassionate, open church, both locally rooted and globally connected;
- confidently sharing the good news of God, Father, Son and Holy Spirit;
- seeking justice, welcoming all, and walking alongside another in love and faith.

Our Objectives

With God's help, Hampstead Parish Church is committed to:

- growing in impact and numbers;
- offering open welcome and active invitation;
- helping people of all ages to come to and deepen faith;
- being creative and generous in offering worship, developing mission and working for justice;
- acting in partnership with others to pursue shared goals.

Our Values

In every aspect of church life Hampstead Parish Church aims to be:

- inclusive and loving;
- reflective and experimental;
- transparent and accountable;
- accessible and participative.

The PCC is committed to monitoring its activities so that these values permeate every aspect of the church's language, behaviours, meeting pattern and use of resources.

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Achievements and Performance

The coronavirus pandemic once again shaped the course of the year. Some activities could not go ahead as planned, including the Spring Fair, and others were either curtailed or had to be delivered in a different way, most notably through online services, meetings and discussion groups. This enabled many, who might otherwise have felt excluded, to remain actively involved albeit from a distance. Thanks to a dedicated volunteer group the church remained open for much of the time, providing a much-needed place of prayer, worship and sense of community. At the end of the year, the re-introduction of the usual pattern of Christmas services symbolised a return to some degree of normality while still maintaining appropriate health and safety procedures to allay any continuing concerns. The collective response and efforts of so many to such extraordinary times has been immense and has enabled the church to come through relatively unscathed and determined for the future.

The PCC met five times during the year (as well as immediately following the Annual Parochial Church Meeting in April primarily for the purpose of electing the Officers and appointing the Standing Committee). All meetings were held remotely by Zoom with decisions confirmed in writing and recorded in accordance with the applicable rules and guidance.

Working within the limitations that the ongoing pandemic has imposed, further efforts have been made to deliver the PCC's headline priorities and outcomes as set out in the Mission Action Plan. Key developments have included:

Headline Priorities

- *A Church known for Invitation, Inclusion, Outreach and Service* - the retention of an online facility to attend services alongside a commitment to keep the church open for prayer on a daily basis even through lockdown provided great comfort and flexibility to a broad group. Our commitment to the more marginalised in society was again demonstrated, for example through our involvement in providing volunteers for the C4WS night shelter for the homeless.
- *New Ways for People to Worship and Grow in Faith* - an adapted pattern of services and daily prayers combined with other activities including the Arts and Faith initiative, 'Inside Out' and the Bible Book Club, ensured that the needs of this audience were met.
- *Attract and Retain 20s-30s* - progress has remained slow during the pandemic but renewed efforts are planned to make the church's offering more appealing to this age group.
- *Support and Develop Work with Children and Young People* - the experience and popularity of "Bubble Church" helped to inform the planning and implementation of a remodelled All Age Eucharist alongside the re-formed Junior Church groups. The full resumption of the Junior Choir's activities in the autumn after a year's absence was widely welcomed.
- *Ensure Facilities and Buildings facilitate the Vision and Reduce Environmental Impact* - a provisional list of priority projects has been drawn up to explore further under the professional guidance of the newly-appointed inspecting architect.

Headline Outcomes

- *Growth in Numbers across Generations / Background* - year on year comparisons are difficult in the current environment but the numbers attending services since the church re-opened fully have been encouraging, particularly when the online presence is taken into account. The number of regular givers has held up well and collection plate income has to a great extent been replaced by 'contactless' giving.
- *Positive Collaborations with External Partners* - the main focus has been on retaining the many strong existing relationships that the church enjoys including those with Age UK Camden

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(Henderson Court), Traidcraft, and Arts 4 Dementia who hosted a fundraising event 'A Festive Winter's Eve' in December. Other musical collaborations including those with the Hampstead Collective helped to maintain an active presence in the church.

- *Deepening of Faith, Confidence and Understanding* - the extended provision of activities and materials online has added a further effective means of achieving this both individually and collectively.
- *Increased Working for Reconciliation, Justice and Righteousness* - we added to our ongoing support of a refugee family under the Vulnerable Persons Resettlement Scheme by taking on another refugee worker, sponsored by a different group, as a gardener. The work of the Racial Justice Group, including a project to build awareness and understanding on matters of race or ethnicity, evidenced our growing efforts in this area. Black History Month in October was again marked with another thought-provoking display in church.
- *Increased Creativity in all we do* - following last year's focus on showing creativity through an enhanced presence on Facebook and the launch of the church's own YouTube channel, the emphasis turned, in the enforced absence of the Spring Fair, to putting on a series of mini-events in church including a craft fair, a book fair and a plant sale - all well received and helpful in raising funds.
- *A Culture of Compassion, Generosity, Invitation and Hospitality* - the gradual easing of restrictions to combat the pandemic meant that we were able to re-open the church's facilities for community use including hosting local support groups. Although income from hire was understandably lower, the decision was taken to maintain the church's well-established financial donations to selected local, national and international charitable activities at pre-pandemic levels.

Future Plans

The Mission Action Plan lies at the heart of the church's future plans and its main priorities remain valid although the opportunity will be taken to revisit and update them as a new MAP is developed for the next three to four year period. As we emerge from the worst of the pandemic, and adapt to the "new normal", the task of progressing and delivering these priorities should become easier to plan and implement. A number of key actions identified previously remain apposite:

- reviewing the nature and content of our services in the light of the pandemic so that they offer an appropriate range of opportunities for worship and growth in faith, including online participation.
- building on our work in providing pastoral care, recognising in particular the needs of the lonely and isolated including those most affected by the pandemic.
- deepening our relationship with Hampstead Parochial School and developing our engagement with other local schools, establishing further out of school and holiday activities.
- finding new ways of meeting the needs of the most disadvantaged in our community as part of our firm commitment to embracing justice.
- further developing our social media presence - the launch of our new website in 2022 will help in addressing the needs of key audiences and supporters.
- agreeing the next phase of a costed and prioritised programme for the further upgrading of the church's facilities to accommodate present and anticipated needs, with the creative adaptation and refurbishment of the choir vestry and surrounding area an early priority.
- identifying and securing additional sources of regular income to meet recurring annual costs.

The significant legacy income received in recent years, when combined with other fundraising for specific projects, will help facilitate the rolling programme of capital projects that is planned to accommodate the full range of church activities. Achieving growth in planned giving and other

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regular sources of income will be key to covering the church's annual running costs without having to call on the church's designated reserves and legacy income.

Public Benefit

The PCC is aware of the Charity Commission's guidance on public benefit and the advancement of religion. It believes that working with the Vicar, Assistant Curate and Associate Priest for the promotion of the mission of the Church in the parish, and in the wider community, it benefits the public, in particular, by providing:

- 1) a variety of forms of public worship, pastoral care and spiritual, moral and intellectual development for the wide range of its members and for any member of the public wishing to take advantage of the services and opportunities which the church offers;
- 2) space, facilities and encouragement for educational and community activities and for recreation; and
- 3) financial, moral and practical support for numerous other charities which benefit sections of the public that are in need locally and national and international charities.

Structure, Governance and Management

Act of Parliament relating to St John-at-Hampstead

The Church building and the Churchyard are vested in the Vicar. Under an Act of Parliament of 14 June 1827 ("the Act") a group of trustees was established in whom were vested the organ, fixtures and furniture of the Church, and who have responsibility for maintaining the Church in good repair, and insuring the buildings, fixtures and furniture against damage by fire. The Act provides for the election of up to 21 trustees to serve for a period of nine years although the qualification for election as a trustee (being liable for poor relief rate) is now obsolete as is the trustees' source of funding (pew rents). The Vicar, churchwardens, and curate(s) are trustees *ex officio*. In 2013 it was decided to elect no new trustees which means that, since April 2019, the sole trustees under the Act are the Vicar, churchwardens, and any licensed assistant curate(s) *ex officio*.

The PCC

The PCC is a corporate body established by the Church of England. It operates under the Parochial Church Council Powers Measure 1956 (as amended) and the Church Representation Rules. It is also a registered charity.

The appointment of PCC members is governed by the Church Representation Rules. Membership of the PCC comprises: the licensed clergy, the two churchwardens, and lay members of the diocesan and deanery synods (*ex officio*); and 15 lay members elected by the Annual Parochial Church Meeting ("the APCM") who serve three year terms. In addition, the PCC may co-opt up to three members annually.

The churchwardens are elected annually at the meeting of Parishioners immediately preceding the APCM and, by custom, serve a maximum of four years consecutively.

Members must be communicants of sixteen years and upwards and on the electoral roll of the parish. The PCC normally meets five times a year. At the first meeting of the new PCC after the APCM an introduction is given to the responsibilities of the PCC members and the regulations which control their conduct of business.

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Joint Meetings of the Trustees under the Act and the PCC

Since the responsibilities of the trustees under the Act relating to the fabric of the building overlap with those of the PCC relating to the life of the church, it has long been the custom to agree, at the first meeting of the PCC after the APCM, that the trustees under the Act and PCC members (who are themselves registered with the Charity Commission as trustees of the charity) should meet jointly.

Electoral Roll

There were 232 names on the Electoral Roll at 1 January 2021. During the calendar year 4 new names were added and 2 removed either through death or relocation. This resulted in a total Electoral Roll of 234 at 31 December 2021.

Standing Committee

As required by the Church Representation Rules, a Standing Committee is appointed annually by the PCC. It has full power to transact the business of the PCC between its meetings, subject to such directions as the PCC may give. Its function is to support the Vicar in his role as the promoter and “guardian” of the parish’s Mission Action Plan and it also monitors and encourages implementation of agreed plans by the PCC’s Committees and Working Parties. It meets between the full meetings of the PCC and in an emergency if necessary.

Committees, Delivery Groups and Development Forums

The PCC appoints a number of Committees and Groups to develop, support and carry out the plans and programme of activities approved by the PCC. Appointments (other than those serving ex-officio) are made by the PCC for three year terms on the recommendation of the Vicar and the relevant Chair. Membership of the Development Forums, which by their nature are more open and short term, is generally by invitation and representative of those with a particular expertise or interest in the area concerned. A major review was completed during the year resulting in the establishment of a revised structure of Committees, Groups and Forums as follows:

- *Oversight / Strategy Committees* which monitor the implementation of the MAP strategy and develop ideas and proposals in response to changing circumstances.
- *Delivery Groups* which take forward day to day implementation plans and activities.
- *Development Forums* which develop our thinking in areas of church life where we do not yet have specific strategies or action plans to form a Delivery Group.

Oversight / Strategy Committees

- *Standing Committee* supports the Vicar and PCC in developing and integrating plans and proposals across the range of activities for PCC approval.
- *Finance Committee* oversees all financial activities of the church including generating stewardship and other income to resource the MAP and ensuring that budgets and expenditure reflect MAP priorities.
- *Mission Strategy Group (including Buildings for Mission Group)* monitors overall progress and priorities in implementation of the MAP and anticipates new or changing needs and opportunities.
- *Communications Strategy Committee* develops a better informed and more engaged congregation and communicates clearly with a variety of external audiences using a wide range of media.
- *Children and Young People Committee* provides strategy, oversight and vision to grow our work with all children and young people.
- *Social Justice Committee* creates tangible links between our faith, beliefs and actions which

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enables us to demonstrate God's love in the world.

Delivery Groups

- *Staff Meeting* ensures the effective day to day administration and management of the church and related facilities, the church diary and the arrangements for worship.
- *Junior Church Planning Meeting* plans and carries out the detail of our work with children and young people particularly on Sundays.
- *Pastoral Care Group* implements the MAP vision to care for the church community, particularly those with specific needs, and for newcomers.
- *Buildings and Facilities Groups* ensures the day to day repair and maintenance of all buildings and facilities.
- *Community Sponsorship Group* supports a Syrian refugee family under the terms of the UK's Vulnerable Person Resettlement Programme.
- *Racial Justice Group* raises awareness within the church of the issues associated with race in society today and uses every opportunity to promote equality and inclusion.
- *Website Group* redevelops the church website in accordance with the brief agreed by the PCC.

Development Forums

- *Worship and Spirituality Forum* is reviewing existing patterns of worship and education in the light of experience gained during 2020 and 2021 and developing proposals to meet changing needs and opportunities.
- *Arts Development Forum* establishes the range of our work in the arts and proposes how we can use arts more effectively to enrich church life and worship.
- *Community Life Forum* is seeking ways of building up community life through meetings, volunteering and hospitality as congregations come out of lockdown.
- *Environment Forum* advises the church on options to become more eco-friendly and to move as quickly as possible to net zero emissions.
- *Living in Love and Faith Forum* helps organise, lead and participate in our discussion of LLF material, possibly in partnership with another church of a different tradition.

Annual Meetings

Due to the ongoing coronavirus pandemic, the special directions issued by the Bishop of London were extended to permit Annual Meetings to be held using an online platform.

At the meeting of Parishioners held by Zoom on 26 April 2021, Martin Evans and Sheena Ginnings were elected as churchwardens. Jenny Lupa, who stepped down as churchwarden having completed the customary four years' service was warmly thanked for the excellent contribution that she had made during this period. Jenny Lupa and Jon Siddall were elected as deputy churchwardens. Grateful thanks were also expressed to Angela Gardner as she stepped down as deputy churchwarden at the end of her term.

At the Annual Parochial Church Meeting which followed Hagar Cliff, Vanessa Fitzpatrick, Jean Harrison and Deborah Zandstra were elected as parochial representatives of the laity on the PCC for a three year term leaving one casual vacancy to be filled in the PCC's discretion. Helen Evans and Peter Ginnings, who had completed their terms of office, were warmly thanked.

The Vicar expressed his grateful thanks to the ministry and staff teams and the many volunteers who had responded so willingly to the many challenges presented by the coronavirus pandemic which had made it an extremely difficult year. The response of the membership in adapting readily to change through online worship and the many restrictions that were necessarily put in place to

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combat the pandemic had been heartening as had the generosity of many parishioners to an appeal to address an anticipated significant deficit. There was every reason to feel confident about the future.

Sincere thanks were recorded to the Vicar for his dedicated efforts in leading the church with great determination and spirit through what had been a challenging year.

Clergy, Lay Ministers and Staff Team

The Reverend Graham Dunn was welcomed as Assistant Curate at a service held on Sunday 4 July 2021 following his ordination as Deacon the previous day. The Reverend Jeremy Fletcher successfully led the church through another extraordinary year of great challenge ably supported by the Reverend Jan Rushton (Associate Priest), Handley Stevens and Andrew Penny (Lay Ministers), and by Graham Dunn following his arrival in July.

Courtney Terwilliger's contribution as Parish Administrator was invaluable in keeping the church running smoothly through the year with many of the tasks being successfully carried out remotely when the office, by necessity, remained closed. Maureen Smith's commitment as Children and Youth Worker was amply demonstrated by her commendable efforts in delivering the popular "Bubble Church". Her retirement at the end of the year presented a challenge to build on the foundations that she had put in place in developing the church's work with children and young people.

Peter Foggitt left his position as Director of Music in April to pursue other opportunities following his relocation to Cambridge. Geoffrey Webber was appointed as his successor in November having amply demonstrated his experience and credentials as Organist during the preceding eighteen months. He has already made his mark in bringing out the best in the professional choir and the music in worship generally. This task has been made more achievable as a result of the continued significant support of the Hampstead Church Music Trust. The relaxation of the coronavirus restrictions in the autumn enabled the activities of the junior choir and the community choir to resume under the enthusiastic and accomplished lead of their director, Aidan Coburn.

Financial Review

2021 was the second year where Covid-19 has had a major impact on the finances of Hampstead Parish Church. Not knowing how the year would unfold, the PCC set a deficit budget of £33,166 with the intention that £20,000 would be drawn down from reserves, if required, and that the balance would be found through reducing expenditure.

At the end of June the deficit on the unrestricted fund had reached £21,000. But as the year unfolded the Church was able to resume more of its activities and more income was generated than had been anticipated.

Careful attention was given to controlling costs, and it was possible to shave £11,000 off budgeted overall expenditure. Music expenditure included costs associated with a new Director of Music.

A surplus in the third quarter of £4,000 was followed by a substantial surplus of £23,000 in the fourth quarter. Half of this amount came from generous giving during the autumn Stewardship appeal.

In total unrestricted expenditure was £21,000 below the original budget, notwithstanding an increase in energy costs of £2,000. Coupled with the increase in income this led to a positive out-turn for the year of £6,047 in the unrestricted general fund before adjusting for the actuarial

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gain/loss in the defined benefit pension scheme. No draw-down from reserves was therefore necessary.

The Parish Development Fund was also able to maintain its grant to the unrestricted fund at £25,000 as the investment property remained fully let throughout 2021.

One of the big positive surprises in 2021 was the success of the voluntary rate appeal with some £16,000 raised - £10,000 more than we usually raise. As the receipts form part of our restricted funds, the PCC was able to use this fund to cover £10,613 of expenditure which would otherwise have been charged to the unrestricted general fund.

Giving to Charities

The PCC has a policy that 10% of the previous year's voluntary and hire income should be given to charity. The impact of Covid-19 in 2020 would have led to an overall reduction in donations to charities in 2021 but the PCC decided that regular donations to charities should not be reduced, and this has been appreciated by the recipients. Unrestricted and restricted giving to charities is recorded at £30,582 (2020: £33,554) and the apparent reduction reflects that in 2020 there were specific appeals at the height of lockdown by Caris Haringey and Caris Camden which were generously supported by church members.

Designated Unrestricted Fund

The PCC has a policy of placing legacies in a designated unrestricted fund where the funds are not going to be spent within the year of receipt.

In 2021, £6,416 was spent on commissioning a new chest for housing the altar frontals and a refresh of the Church website. It is anticipated that these projects will be completed in 2022 when further payments of up to £8,400 will become due.

Restricted - Fabric Repair Reserve Fund

The PCC also operates a restricted fund for repairing the fabric. As mentioned above the voluntary rate contributed most of the income for the year of £17,624 and there were gains on investments of £3,713. After expenditure on maintenance of the building of £17,959 including £2,949 spent on replacing the humidifier for the organ, the fund increased in value to £59,425.

Expendable Endowment Funds including the Parish Development Fund

The main assets of the Parish Development Fund are two properties. One is a leasehold flat in West Hampstead which was purchased some years ago to house a curate and the other is the freehold of 100 Frognal together with the leasehold of a flat there. The combined value of the two properties is £1.4m. The flat at Frognal has been let throughout the year and £25,000 of this income has been transferred to the General Fund as a grant in support of ministry to children and young people.

Cash Management

Following the receipt of several legacies in recent years, the PCC held £663,564 in cash and on deposit at the year end. Charities are advised to hold cash where they plan to spend surplus funds within five years, and this is kept under review by the Finance Committee. Prior to deployment of the reserves, funds are held on deposit with HSBC and with the Central Board of Finance of the Church of England. During the year interest rates fell to almost zero but at the end of the year, interest rates started rising, with the overnight deposit rate at the CBFCE increasing to 0.20%.

In 2020 the PCC lent £57,424 to the Trustees of Holly Bush Vale (the Vicar & Churchwardens) who refurbished a house on the Hampstead Parochial School site for teacher accommodation. The loan

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is interest free over 5 years and £10,000 was repaid in 2021 from the Trustees' rental income.

Risk Management

The PCC reviews the risk register every year and a theme in recent years has been the need to broaden the donor base. In 2021 there was some success in replacing donors but overall, the risk is increasing as the average age of generous donors is increasing as is the number of retirements from paid employment.

A substantial amount of cash is held following the receipt of legacies in recent years. The PCC has designated these gifts for investing in the fabric of the Church within five years and Charity Commission guidance advises against investing in funds which might put the capital at risk. In following this guidance, the PCC is cognisant of the need to take responsible steps to safeguard our reserves against the risk of rising inflation.

Impact of Coronavirus / COVID-19

The PCC continued to take careful note of the potential negative impact of the coronavirus pandemic on the church's financial and operational position and appropriate measures were implemented to mitigate and limit this as far as possible. The annual stewardship appeal, and a further trimming of expenditure, helped offset a reduction in certain regular sources of income caused by the pandemic. The dedicated efforts of the cleaning and welcoming teams enabled the church to remain open for the most part as a place of safety and welcome. Where appropriate or necessary, core activities were maintained online. The policy of holding surplus funds mainly in cash to finance planned future projects meant that reserves, and the stability of the church's finances, have not been adversely affected. The church's position therefore remains robust.

Investment Policy

The PCC's investment objective is to preserve the real value of investments as measured by the consumer price index over a five year period.

The PCC retains investments in property and pooled investment funds to provide an asset base on which borrowings can be secured if necessary to support major improvements and renovations such as the planned complete redecoration of the church.

Each pooled investment fund manager must have a responsible investment policy which is compatible with any guidance provided by the Church of England and the Diocese of London.

Reserves Policy

The PCC reviews its policy for the unrestricted fund each year and it remains unchanged - namely a free cash reserve is to be maintained in the range of £20,000 to £30,000 to ensure that there is sufficient working capital to meet expenditure as and when it is incurred without the need to make transfers from designated funds. At the end of the year the Financial Statements show that the unrestricted reserve was £37,500 (2020: £18,686) net of the deficit in the pension scheme of £4,401. During 2021, the pension scheme deficit was reduced by £12,767 following the triennial valuation and the amount added to unrestricted reserves. Reserves are now above the recommended range and will enable the PCC to fund a deficit in 2022 and possibly 2023.

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Budget for 2022

We have provided for a rise in expenditure of 4.3% to reflect known increases in our main costs as well as the greater level of activities anticipated in 2022 when compared with the early part of 2021 when Covid-19 was rampant in London.

Income especially from voluntary giving is unlikely to match the inflation in costs as disposable incomes will be coming under pressure from higher energy costs. As such the budget shows a deficit for the year of £8,957. It is hoped that fund raising during the year will enable the deficit to be eliminated and hence avoid a drawdown of reserves.

Safeguarding

The PCC has complied with its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 to have regard to the House of Bishops' guidance on safeguarding children and vulnerable adults.

Approved by the Parochial Church Council on 21 February 2022 and signed on its behalf by:



Jeremy Fletcher
Vicar and PCC Chairman

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Statement of financial activities for the year ended 31 December 2021

| | Notes | General Fund £ | Designated Fund £ | Restricted Funds £ | Endowment Funds £ | 2021 Combined £ | 2020 Combined £ |
|---|-------|----------------------|-------------------------|--------------------------|-------------------------|-----------------------|-----------------------|
| Income from: | | | | | | | |
| Donations and legacies | 3 | 274,395 | - | 25,756 | - | 300,151 | 435,069 |
| Other trading activities | 4 | 30,865 | - | 6,523 | - | 37,388 | 22,983 |
| Investments | 5 | 383 | - | 798 | 47,805 | 48,986 | 54,982 |
| Total income | | 305,643 | - | 33,077 | 47,805 | 386,525 | 513,034 |
| Expenditure on: | | | | | | | |
| Charitable activities | 7 | 322,087 | 7,416 | 32,148 | 666 | 362,317 | 451,090 |
| Raising funds | 9 | 2,509 | - | 5,329 | 16,870 | 24,708 | 19,464 |
| Total resources expended | | 324,596 | 7,416 | 37,477 | 17,536 | 387,025 | 470,554 |
| Net income before gains and losses on investments | | (18,953) | (7,416) | (4,400) | 30,269 | (500) | 42,480 |
| Gains/(Losses) on investments | 14 | - | - | 3,713 | 5,895 | 9,608 | (4,153) |
| Net income before transfers | | (18,953) | (7,416) | (687) | 36,164 | 9,108 | 38,327 |
| Transfers between funds | 12 | 25,000 | - | - | (25,000) | - | - |
| Net income after transfers | | 6,047 | (7,416) | (687) | 11,164 | 9,108 | 38,327 |
| Other recognised gains/losses: | | | | | | | |
| Actuarial gain/(losses) on defined benefit pension scheme | 21 | 12,767 | - | - | - | 12,767 | 3,345 |
| Net movement in funds | | 18,814 | (7,416) | (687) | 11,164 | 21,875 | 41,672 |
| <i>Reconciliation of Funds</i> | | | | | | | |
| Total Funds brought forward | | 18,686 | 577,035 | 73,395 | 1,421,245 | 2,090,361 | 2,048,689 |
| Total Funds carried forward | | 37,500 | 569,619 | 72,708 | 1,432,409 | 2,112,236 | 2,090,361 |

The attached notes (1 - 23) form part of these financial statements

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Balance Sheet at 31 December 2021

| | | 2021 | | | | 2020 | |
|---|-------|----------------------|-------------------------|--------------------------|-------------------------|------------------|------------------|
| | Notes | General Fund £ | Designated Fund £ | Restricted Funds £ | Endowment Funds £ | Combined £ | Combined £ |
| Fixed assets | | | | | | | |
| Plant and equipment | 13 | - | - | 1,124 | - | 1,124 | 2,249 |
| Financial assets | 14 | - | - | 29,671 | 1,428,941 | 1,458,612 | 1,449,003 |
| Total fixed assets | | - | - | 30,795 | 1,428,941 | 1,459,736 | 1,451,252 |
| Current assets | | | | | | | |
| Debtors | | | | | | | |
| Gift aid recoverable | | 1,469 | - | - | - | 1,469 | 3,674 |
| Hollybush Vale Trustees | 16 | - | 47,424 | - | - | 47,424 | 57,424 |
| Trade debtors | | 692 | - | - | - | 692 | 639 |
| | | 2,161 | 47,424 | - | - | 49,585 | 61,737 |
| Cash at bank and in hand | | 62,934 | 522,195 | 49,967 | 28,468 | 663,564 | 647,843 |
| Total current assets | | 65,095 | 569,619 | 49,967 | 28,468 | 713,149 | 709,580 |
| Liabilities: amounts falling due within one year | | | | | | | |
| Creditors for goods and services | | (5,050) | - | - | - | (5,050) | (5,517) |
| Clients account for 100 Frognal | | - | - | (2,426) | - | (2,426) | (3,710) |
| Clients account Hollybush Vale | | - | - | (5,628) | - | (5,628) | - |
| Other Creditors | 15 | (18,504) | - | - | (25,000) | (43,504) | (44,436) |
| | | (23,554) | - | (8,054) | (25,000) | (56,608) | (53,663) |
| Net current assets | | 41,541 | 569,619 | 41,913 | 3,468 | 656,541 | 655,917 |
| Creditors falling due after one year | | | | | | | |
| pension scheme liability | 21 | (4,041) | - | - | - | (4,041) | (16,808) |
| Net assets | | 37,500 | 569,619 | 72,708 | 1,432,409 | 2,112,236 | 2,090,361 |
| Funds: | | | | | | | |
| Unrestricted General Fund | | 37,500 | - | - | - | 37,500 | 18,686 |
| Designated for Future Repairs | | - | 569,619 | - | - | 569,619 | 577,035 |
| Restricted Funds | 17 | - | - | 72,708 | - | 72,708 | 73,395 |
| Endowment Funds | 18 | - | - | - | 1,432,409 | 1,432,409 | 1,421,245 |
| | | 37,500 | 569,619 | 72,708 | 1,432,409 | 2,112,236 | 2,090,361 |

Approved by the Parochial Church Council on 21 February 2022 and signed on its behalf by:



J FLETCHER, Vicar



I R M WOOLF, Hon Treasurer

The attached notes (1 - 23) form part of these financial statements

The Parish Church of St John-at-Hampstead

CASH FLOW STATEMENT AT 31 DECEMBER 2021

| | 2021 | | 2020 | |
|---|--------|----------|----------|----------|
| | £ | £ | £ | £ |
| Net cash from operating activities | | (43,265) | | 1,344 |
| Cash flows from investing activities | | | | |
| Dividends, interest and rent from investments | 48,986 | | 54,982 | |
| Proceeds from the sale of investments | - | | 19,945 | |
| Purchase of investments | - | | (20,000) | |
| | - | | - | |
| Net cash provided by/(used in) investing activities | 48,986 | 48,986 | 54,927 | 54,927 |
| Cash flows from financing activities | | | | |
| Loan repayments from Trustees of Holly Bush Vale | 10,000 | 10,000 | | |
| Loan to Trustees of Holly Bush Vale | - | - | (57,424) | |
| Net cash provided by/(used in) financing activities | 10,000 | 10,000 | (57,424) | (57,424) |
| Change in cash and cash equivalents in the reporting period | | 15,721 | | (1,153) |
| Cash and cash equivalents at 1 January | | 647,843 | | 648,996 |
| Cash and cash equivalents at 31 December | | 663,564 | | 647,843 |
| | | | | |
| Reconciliation of net income/(expenditure) before investment gains | | | | |
| Net income before investment gains 31 December | | (500) | | 42,480 |
| Adjustments for: | | | | |
| Depreciation charges | | 1,125 | | 1,125 |
| Dividends, interest and rent from investments | | (48,986) | | (54,982) |
| Interest paid on borrowings | | - | | - |
| Decrease/(increase) in debtors | | 2,151 | | 13,158 |
| (Decrease)/increase in creditors | | 2,945 | | (437) |
| Net cash provided by/(used in) operating activities | | (43,265) | | 1,344 |
| | | | | |
| Analysis of cash and cash equivalents | | | | |
| Cash in hand | | 46,921 | | 37,668 |
| Deposit for fixed period | | 200,000 | | 200,000 |
| Deposits less than 3 months | | 416,643 | | 410,175 |
| | | 663,564 | | 647,843 |

The Parish Church of St John-at-Hampstead

Notes to the financial statements

Note 1: BASIS OF PREPARATION

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' "true and fair view" provisions, together with FRS102(2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice: Accounting and Reporting by Charities {SORP(FRS 102)}.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets which are shown at fair value.

The Parochial Church Council (PCC) is a public benefit entity within the meaning of FRS 102.

1.2 GOING CONCERN

There are no material uncertainties related to events or conditions that cast significant doubt on the PCC's ability to continue as a going concern.

1.3 CHANGE IN ACCOUNTING POLICY

The accounts present a true and fair view and the accounting policies are as outlined in this note. There have been no changes of accounting policies in this period.

1.4 CHANGES TO ACCOUNTING ESTIMATES

There have been no changes to accounting estimates in this period.

1.5 MATERIAL PRIOR YEAR ERRORS

No material prior year errors have been identified in the reporting period.

Note 2: ACCOUNTING POLICIES

2.1 RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING POLICIES

No reconciliations with previous generally accepted accounting policies are required.

2.2 INCOME

Recognition of income

Congregational giving, donations, grants, interest, rents, dividends and other income are included in the Statement of Financial Activities (SOFA) when the PCC becomes entitled to the resources and the monetary value can be measured with sufficient reliability.

Offsetting

There has been no offsetting of assets and liabilities in the SOFA or income and expenses, unless required or permitted by the FRS 102 SORP.

Tax reclaims on donations and gifts

Gift aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid recovered on a donation is considered to be part of that gift and is credited to the same fund as the initial donation unless the donor has specified otherwise.

Legacies

Legacies are included in the SOFA when receipt is probable, that is, when there has been a grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the PCC or can be met.

Volunteer help

The value of voluntary help received is not included in the accounts but is described in the PCC's annual report.

Investment gains and losses

This includes any realized and unrealized gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

The Parish Church of St John-at-Hampstead

2.3 EXPENDITURE AND LIABILITIES

Liability recognition

Liabilities are recognized where it is more likely than not that there is a legal or constructive obligation committing the PCC to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance

Governance costs are charged to 'Charitable Activities'.

Redundancy costs

The PCC has made no redundancy payments during the reporting period.

Deferred income

No material item of deferred income has been included in the financial statements.

Creditors

The PCC has creditors which are measured at settlement amounts less any trade discounts.

Certain interest free loans have been provided without a repayment date and these are accounted for as being repayable on demand.

Provisions for liabilities

A liability is measured at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

2.4 ASSETS

Tangible fixed assets for use by the PCC

Consecrated and benefited property is excluded from the accounts by s.10(2)(a) and (c) of the Charities Act 2011. Other fixed assets are capitalized if they can be used for more than one year, and cost at least £2,000.

Movable church furnishings held by the Vicar and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted as inalienable property unless consecrated. They are listed in the church inventory, which can be inspected. Items acquired prior to 2000 are not valued in the accounts as there is insufficient cost information available.

Financial assets

Fixed asset investments in quoted shares and pooled investment funds are valued initially at cost and subsequently at fair value (market value) at the year end. The long leasehold properties are stated at estimated fair values for investment properties.

Debtors

Debtors including trade debtors and gift aid recoverable are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the PCC. Subsequently they are measured at the cash or other consideration expected to be received.

Cash at bank

Cash at bank and in hand include deposits with the Central Board of Finance of the Church of England. These deposits are repayable on demand. There is also a fixed term deposit maturing within 12 months.

2.5 FUNDS

Unrestricted Funds represent the remaining income funds of the PCC that are available for spending on the general purposes of the PCC.

The **Designated Fund** is an unrestricted fund which represents the amount set aside by the PCC to meet future repair liabilities; it is not regarded as part of the 'free reserves' as disclosed in the PCC's report. Income earned on the cash balances held by the Fund is recorded in the General Unrestricted Fund.

The **Restricted Funds** are income funds that must be spent on restricted purposes and details of the funds held and restrictions provided are set out in Note 17.

The **Endowment Funds** are all individual funds, of which the Parish Development Fund is the most significant, where there is a discretionary power to spend capital as income. Full details of the funds and their restrictions are set out in Note 18.

The Parish Church of St John-at-Hampstead

Note 3 Donations and legacies

| | Notes | General Fund | Designated Funds | Restricted Funds | Endowment Funds | 2021 Combined | 2020 Combined |
|-----------------------------------|-------|----------------|------------------|------------------|-----------------|----------------|----------------|
| Planned giving including gift aid | | 156,030 | - | - | - | 156,030 | 176,859 |
| Income tax recoverable | | 40,765 | - | - | - | 40,765 | 41,017 |
| Collections: ordinary services | | 13,589 | - | - | - | 13,589 | 9,862 |
| Collections: special services | | - | - | 3,953 | - | 3,953 | 1,736 |
| Donations | | 6,737 | - | 5,377 | - | 12,114 | 28,158 |
| Voluntary rate | | - | - | 16,426 | - | 16,426 | 6,336 |
| Legacies | 6 | 53 | - | - | - | 53 | 101,000 |
| Social events | | 1,210 | - | - | - | 1,210 | 322 |
| Grants received: | | | | | | | |
| Friends of the Drama | 16 | 4,000 | - | - | - | 4,000 | 3,500 |
| Hampstead Church Music Trust | 16 | 50,070 | - | - | - | 50,070 | 52,500 |
| Listed Places of Worship re VAT | | 1,941 | - | - | - | 1,941 | 13,779 |
| | | 274,395 | - | 25,756 | - | 300,151 | 435,069 |

Note 4 Other trading activities

| | | | | | | | |
|------------------------------|--|---------------|----------|--------------|----------|---------------|---------------|
| Fees for use of Church | | 5,315 | - | - | - | 5,315 | 2,920 |
| Parish rooms | | 18,118 | - | - | - | 18,118 | 12,194 |
| Spring fair and other events | | 6,464 | - | 385 | - | 6,849 | 1,363 |
| Printing and books | | 20 | - | - | - | 20 | 50 |
| Community choir | | - | - | 3,799 | - | 3,799 | 3,422 |
| Feed in Tariff | | 948 | - | - | - | 948 | 549 |
| Traidcraft stall | | - | - | 2,339 | - | 2,339 | 2,485 |
| | | 30,865 | - | 6,523 | - | 37,388 | 22,983 |

Note 5 Income from Investments

| | | | | | | | |
|-------------------------------|--|------------|----------|------------|---------------|---------------|---------------|
| Rent Dennington Park Mansions | | - | - | - | 4,900 | 4,900 | 6,000 |
| Rent 100 Frogmal | | - | - | - | 40,680 | 40,680 | 40,526 |
| Dividends and Interest | | 383 | - | 798 | 2,225 | 3,406 | 8,456 |
| | | 383 | - | 798 | 47,805 | 48,986 | 54,982 |

Note 6 Legacies received

| | | | | | | | |
|------------------------------|--|-----------|----------|----------|----------|-----------|----------------|
| The Estate of P George | | - | - | - | - | - | - |
| - final distribution | | 53 | - | - | - | 53 | - |
| The Estate of E Spottiswoode | | - | - | - | - | - | 100,000 |
| The Estate of E Rose | | - | - | - | - | - | 1,000 |
| | | 53 | - | - | - | 53 | 101,000 |

The Parish Church of St John-at-Hampstead

Note 7 Activities relating directly to the work of the Church

| | Notes | General Fund | Designated Fund | Restricted Funds | Endowment Funds | 2021 Combined | 2020 Combined |
|--------------------------------|-------|-----------------|--------------------|---------------------|--------------------|------------------|------------------|
| Ministry: diocesan common fund | | 90,000 | | - | - | 90,000 | 90,000 |
| clergy expenses | 10 | 3,735 | | - | - | 3,735 | 4,943 |
| accommodation | | 6,804 | | - | - | 6,804 | 9,503 |
| Children & Youth worker | 11 | 26,927 | | - | - | 26,927 | 26,400 |
| Parish Administrator | 11 | 27,265 | | - | - | 27,265 | 26,884 |
| Pension deficit apportionment | 11 | 3,954 | | - | - | 3,954 | 3,838 |
| Music staff | 11 | 31,877 | | 3,362 | 149 | 35,388 | 30,110 |
| Choir - adults and children | | 42,967 | | - | - | 42,967 | 49,720 |
| Other music costs | | 2,402 | | 115 | 67 | 2,584 | 7,454 |
| Children and Youth | | 1,179 | | - | - | 1,179 | 1,591 |
| Heat & light | | 9,396 | | - | - | 9,396 | 6,827 |
| Fabric expenditure/maintenance | | 7,578 | 7,416 | 14,126 | - | 29,120 | 70,175 |
| Parish rooms | | 11,093 | | - | - | 11,093 | 11,310 |
| recoverable VAT on repairs | | 1,941 | | - | - | 1,941 | 8,137 |
| Depreciation | 13 | - | | 1,125 | - | 1,125 | 1,125 |
| Insurance | | 10,597 | | - | - | 10,597 | 11,306 |
| General expenses | | 12,571 | | - | - | 12,571 | 16,931 |
| IT and communications | | 4,554 | | - | - | 4,554 | 5,555 |
| Social events | | 424 | | - | - | 424 | 135 |
| Flowers | | - | | 601 | - | 601 | 587 |
| Grants made | 8 | 24,573 | | 5,559 | 450 | 30,582 | 64,116 |
| Refugee sponsorship | | | | 7,260 | | 7,260 | 2,193 |
| Independent Examination fee | | 2,250 | | - | | 2,250 | 2,250 |
| | | <u>322,087</u> | <u>7,416</u> | <u>32,148</u> | <u>666</u> | <u>362,317</u> | <u>451,090</u> |

Note 8 Grants made

| | | | | | | | |
|------------------------------------|----|---------------|--|--------------|------------|---------------|---------------|
| Church overseas: | | | | | | | |
| - missionary societies | | 5,400 | | - | - | 5,400 | 5,400 |
| - relief and development agencies | | 7,000 | | 975 | - | 7,975 | 7,715 |
| UK missions/other Church Societies | | 8,600 | | 2,695 | - | 11,295 | 12,449 |
| Secular charities | | 2,573 | | 1,889 | - | 4,462 | 6,440 |
| Churches together in Hampstead | | - | | - | - | - | 30,562 |
| Individuals for relief of poverty | | - | | - | 450 | 450 | 550 |
| Hampstead Parochial School | | 1,000 | | - | - | 1,000 | 1,000 |
| | 22 | <u>24,573</u> | | <u>5,559</u> | <u>450</u> | <u>30,582</u> | <u>64,116</u> |

Note 9 Expenditure on raising funds

| | | | | | | | |
|-----------------------------------|--|--------------|--|--------------|---------------|---------------|---------------|
| Services, voluntary rate & events | | - | | 2,708 | - | 2,708 | 2,209 |
| Printing and books | | 2,509 | | - | - | 2,509 | 2,490 |
| Traidcraft stall | | - | | 2,621 | - | 2,621 | 1,114 |
| Dennington Park Mansions | | - | | - | 3,753 | 3,753 | 1,461 |
| 100 Froggnal | | - | | - | 13,117 | 13,117 | 12,190 |
| | | <u>2,509</u> | | <u>5,329</u> | <u>16,870</u> | <u>24,708</u> | <u>19,464</u> |

Note 10 Expenses paid to Members of the Parochial Church Council

Expenses of the Clergy, who are members of the PCC, totalling £3,735 (2020: £4,943) were reimbursed. Members of the PCC engaged in teaching in the Junior Church had their expenses reimbursed as did the Churchwardens' relevant expenses.

The Parish Church of St John-at-Hampstead

Note 11 Staff costs

The Clergy are paid by the Church Commissioners but funded by the Parish's contributions to the Common Fund. During the year the PCC employed a parish administrator, a children and youth worker and 3 part time staff.

| | 2021 | 2020 |
|-----------------|---------------|---------------|
| Salaries | 84,482 | 78,666 |
| Social Security | 1,230 | 961 |
| Pension costs | 7,822 | 8,240 |
| | <u>93,534</u> | <u>87,867</u> |

No employee received employee benefits in excess of £60,000.

The PCC operates a money purchase scheme through IPI Retirement Solutions for staff.

Note 12 Transfers between funds

£25,000 grant from Parish Development Fund to the General Fund (2020: £25,000).

Note 13 Fixed assets - equipment

| | Equipment | Depreciation | Net Book Value |
|-------------------------|---------------|-----------------|----------------|
| Assets at start of year | 25,679 | (23,430) | 2,249 |
| Additions | - | (1,124) | (1,124) |
| Disposals | - | - | - |
| Assets at end of year | <u>25,679</u> | <u>(24,554)</u> | <u>1,125</u> |

Note 14 Financial assets

The significance of financial investments to the PCC's financial position is set out in the PCC's annual report.

| Investments at fair value: | 1 January 2021 | Purchases (Sales) | Investment Gains(Losses) | 31 December 2021 |
|---|-------------------|----------------------|-----------------------------|---------------------|
| -Restricted | | | | |
| 1267 CBF Investment Fund shares | 25,957 | - | 3,713 | 29,670 |
| | <u>25,957</u> | <u>-</u> | <u>3,713</u> | <u>29,670</u> |
| -Endowment | | | | |
| Freehold of 100 Frognaal and long lease of Flat A | 981,000 | - | - | 981,000 |
| Long lease of Flat 10a, Dennington Park Mansions | 399,500 | - | - | 399,500 |
| 2,338 CBF Investment Fund shares | 21,944 | - | 3,139 | 25,083 |
| 1,501 M & G Charifund units | 20,602 | - | 2,756 | 23,358 |
| | <u>1,423,046</u> | <u>-</u> | <u>5,895</u> | <u>1,428,941</u> |

The freehold and long leasehold properties are valued as investment properties by Inigo Woolf FCIB, a member of the PCC, as at 31 December 2021.

| Investments at cost: | 1 January 2021 | Purchases | Sales | 31 December 2021 |
|---|-------------------|-----------|----------|---------------------|
| -Restricted | | | | |
| 1267 CBF Investment Fund shares | 5,909 | - | - | 5,909 |
| | <u>5,909</u> | <u>-</u> | <u>-</u> | <u>5,909</u> |
| Freehold of 100 Frognaal and long lease of Flat A | 784,700 | - | - | 784,700 |
| Long lease of Flat 10a, Dennington Park Mansions | 438,500 | - | - | 438,500 |
| 2,338 CBF Investment Fund shares | 20,000 | - | - | 20,000 |
| 1,501 M & G Charifund units | 18,000 | - | - | 18,000 |
| | <u>1,261,200</u> | <u>-</u> | <u>-</u> | <u>1,261,200</u> |

The Parish Church of St John-at-Hampstead

Note 15 Creditors

Other Creditors include related party balances due to the Friends of the Drama £15,509 and a £25,000 interest free loan from Parishioners. (2020: £11,896 and £25,000 respectively). Note 16 has further details on related parties.

Note 16 Related parties

Hampstead Parochial Charities (established 1617) provides relief for the poor in the former Metropolitan Borough of Hampstead. The Trustees comprise the Vicar and Churchwardens.

Hampstead Additional Burial Ground (established 1810) provides a discrete burial ground in Church Row. The Trustees comprise the Vicar, Churchwardens and up to 21 trustees who are resident in the former Metropolitan Borough of Hampstead. Collected income of £4,676 and paid expenses of £6,237 in year (2020: collected £837 and paid £500).

- Trustees of Holly Bush Vale (established 1856) provide a site and teacher accommodation for Hampstead Parochial School. The Trustees of this educational charity are the Vicar and Churchwardens. The interest free unsecured loan of £57,424 drawn down in 2020 is due to be repaid through quarterly payments from rental income, with full repayment by 31 December 2026. Repaid £10,000 in 2021.

Friends of the Music, Hampstead Parish Church (established 1947) supports the choirs and promotes non-liturgical music at Hampstead Parish Church. The Friends receive no funding from the PCC.

Hampstead Church Music Trust (established 1975) maintains and promotes the performance and appreciation of church music in Hampstead and in particular Hampstead Parish Church. The Trustees comprise the Vicar, up to two trustees appointed by the PCC, up to three trustees appointed by the Friends of the Music and up to four trustees appointed by the trustees themselves. At 31 December 2021 three trustees were also members of the PCC. The PCC received grants of £50,070 towards the cost of the choir (£52,500 in 2020) and £1,500 towards staff cost for the Hampstead Community Choir.

The Friends of the Drama, Hampstead Parish Church (established 1977) seeks to promote the mission of the Church and in particular Hampstead Parish Church through the medium of drama. The Vicar & Churchwardens are ex officio members of the General Committee. The PCC received A grant of £4,000 for the General Fund (£3,500 in 2020). In addition the Friends participated in fundraising events for the Fabric Repair Reserve Fund.

| Note 17 Restricted funds | Balances 1 January 2021 | Income | Expenditure | Transfers | Gains on investments | Balances 31 December 2021 |
|-----------------------------|-------------------------------|---------------|-----------------|-----------|----------------------------|---------------------------------|
| Fabric and Plant Reserve | 56,047 | 17,624 | (17,959) | | 3,713 | 59,425 |
| Giving Away Fund | - | 5,536 | (5,536) | | | - |
| Traidcraft | 1,371 | 2,339 | (2,621) | | | 1,089 |
| Flowers | 2,793 | 400 | (601) | | | 2,592 |
| Refugee sponsorship | 12,454 | 3,356 | (7,260) | | | 8,550 |
| Community Choir | 122 | 3,799 | (3,362) | | | 559 |
| Donald Barnes Memorial Fund | 608 | - | - | | | 608 |
| | <u>73,395</u> | <u>33,054</u> | <u>(37,339)</u> | - | <u>3,713</u> | <u>72,823</u> |
| 2020 | 91,589 | 31,299 | (51,163) | - | 1,670 | 73,395 |

Fabric and Plant Reserve

The purpose of the reserve is to hold sufficient funds to meet the repair obligations placed upon the trustees of the Church by the Act of Parliament of 1827 Paragraph 51. The Voluntary Rate, donations and earmarked gifts from parishioners are the main sources of income. In addition to the restricted reserve there is an unrestricted designated repair reserve with a balance of £569,619 (2020: £577,035).

Traidcraft

Goods purchased from Traidcraft are sold to parishioners and surplus funds are gifted to Traidcraft Exchange.

The Parish Church of St John-at-Hampstead

Refugee Sponsorship and Churches Together in Hampstead
Support for refugees coming from the Middle East to live in North London.

Donald Barnes Memorial Fund
Fund created in 2013 in memory of the late Revd. Donald Barnes for the purpose of holding an annual lecture at St Peter's Church, Belsize Park. The lectures are organized by the Hampstead Christian Study Centre.

| Note 18 Endowment funds | Balances 1 January 2021 | Income | Expenditure | (Losses)/ Gains on investments | Transfers between Funds | Balances 31 December 2021 |
|----------------------------------|-------------------------------|---------------|-----------------|--------------------------------------|-------------------------------|---------------------------------|
| Frances Grossfield Memorial Fund | 9,760 | 447 | (67) | 1,108 | | 11,248 |
| John Cooling Fund | 15,596 | 515 | (450) | 1,279 | | 16,940 |
| Frederick Eickhoff Memorial Fund | 2,869 | 149 | (149) | 369 | | 3,238 |
| Parish Development Fund | 1,393,020 | 46,694 | (16,870) | 3,139 | (25,000) | 1,400,983 |
| | <u>1,421,245</u> | <u>47,805</u> | <u>(17,536)</u> | <u>5,895</u> | <u>(25,000)</u> | <u>1,432,409</u> |
| 2020 | 1,414,997 | 51,765 | (14,694) | (5,823) | (25,000) | 1,421,245 |

Frances Grossfield Memorial Fund (established 1994) encourages young musicians to participate in the choir thereby maintaining and enhancing the musical tradition of Hampstead Parish Church.

John Cooling Fund for relief of poverty (established 1997) can be used by the Vicar for such charitable purposes for the relief of poverty as he, in his absolute discretion, shall think fit.

Frederick Eickhoff Memorial Fund (established 2008) supports the training of the junior choir.

Parish Development Fund (established 2000) to be used by the PCC for investment in parish projects with income generated within the Fund to be used at its discretion.

Each Fund is an Expendable Endowment as defined by the Charities Act, 2011.

Note 19 Contingent liabilities There are no contingent liabilities (2020: nil).

Note 20 Capital commitments Contracted by the PCC nil (2020: nil).
Authorised by the PCC but not contracted nil (2020: nil)

Note 21 Pensions liability

SCHEME: TPT Retirement Solutions- The Growth Plan

The PCC participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the PCC to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the PCC is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The Parish Church of St John-at-Hampstead

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions: From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly).

The scheme's previous valuation was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 January 2025: £11.24m per annum (payable monthly and increasing by 3% on each 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the PCC has agreed to a deficit funding arrangement, the PCC recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

| PRESENT VALUES OF PROVISION | 31 December 2021 £ | 31 December 2020 £ |
|-----------------------------|--------------------------|--------------------------|
| Present value of provision | 4,041 | 16,808 |

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

| | | |
|--|-----------------|----------------|
| Provision at start of year | 16,808 | 20,153 |
| Unwinding of the discount factor (interest expense) | 40 | 204 |
| Deficit contribution paid | (3,953) | (3,838) |
| Remeasurements - impact of any change in assumptions | (46) | 289 |
| Remeasurements - amendments to the contribution schedule | (8,808) | - |
| | <u>(12,767)</u> | <u>(3,345)</u> |
| Provision at end of year | <u>4,041</u> | <u>16,808</u> |

IMPACT ON STATEMENT OF FINANCIAL ACTIVITIES

| | | | |
|--|--------|---------|-------|
| Interest expense | | 40 | 204 |
| Remeasurements - impact of any change in assumptions | | (46) | 289 |
| Remeasurements - amendments to the contribution schedule | | (8,808) | - |
| Contributions paid in respect of future service* | | 3,664 | 4,402 |
| Costs recognised in income and expenditure account | Note 7 | 42,967 | 3,838 |

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

| ASSUMPTION | 31 December | Combined | 2020 | 2019 |
|------------------|-------------|----------|-------|-------|
| Rate of discount | | 1.18% | 0.27% | 1.13% |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The Parish Church of St John-at-Hampstead

| Note 22 Grants and donations to charities | 2021 Unrestricted | 2021 Restricted | 2021 Combined | 2020 Combined | 2020 £ |
|--|----------------------|--------------------|------------------|------------------|---------------|
| Church Overseas- Missionary Societies | | | | | |
| ALMA | 1,800 | - | | 1,800 | |
| Embrace the Middle East | 1,800 | | | 1,800 | |
| US. unrestricted | 1,800 | - | | 1,800 | |
| | 5,400 | - | 5,400 | | 5,400 |
| Overseas- Relief & Development Agencies | | | | | |
| Asra Hawariat School | 1,000 | - | | 1,000 | |
| Bethlehem Arab Society for Rehabilitation | 1,000 | - | | 1,000 | |
| Practical Action | 1,000 | - | | 1,000 | |
| Island Hospice Zimbabwe | 1,000 | - | | 1,000 | |
| Send a Cow | - | 975 | | 715 | |
| Sightsavers | 1,000 | - | | 1,000 | |
| Christian Aid | 2,000 | - | | 2,000 | |
| | 7,000 | 975 | 7,975 | | 7,715 |
| UK Missions and other Church organisations | | | | | |
| Bishop of Edmonton's Discretionary Fund | - | 695 | | - | |
| Bishop of London's Lent Appeal | - | 919 | | - | |
| Caris Haringey | 2,000 | 156 | | 4,489 | |
| Church of England's Children Society | 2,000 | 862 | | 2,641 | |
| Caris Camden/Caris Families | 2,000 | - | | 2,688 | |
| London Churches Refugee Fund | 2,000 | - | | 2,000 | |
| C4WS | - | 63 | | 31 | |
| PSALM | 600 | - | | 600 | |
| | 8,600 | 2,695 | 11,295 | | 12,449 |
| Hampstead Parochial School | 1,000 | - | 1,000 | 1,000 | 1,000 |
| Relief of Poverty (John Cooling Fund) | | 450 | 450 | 550 | 550 |
| Secular charities | | | | | |
| Citizens UK | - | - | | 700 | |
| Marie Curie | - | 209 | | - | |
| Solace | - | - | | 640 | |
| Soldiers Sailors & Airmen's Families Assn | - | 735 | | - | |
| Age UK (Camden) | - | - | | 1,500 | |
| Traidcraft Foundation | - | 465 | | 600 | |
| XLP | 573 | 427 | | 1,000 | |
| Freedom from Torture | 2,000 | 53 | | 2,000 | |
| | 2,573 | 1,889 | 4,462 | | 6,440 |
| TOTAL | 24,573 | 6,009 | 30,582 | | 33,554 |

The Parish Church of St John-at-Hampstead

Note 23 Prior period comparative statement of financial activities.

Statement of Activities for year ending 31 December 2020

| Income from: | General Fund £ | Designated Fund £ | Restricted Funds £ | Endowment Funds £ | Combined £ |
|---|----------------------|-------------------------|--------------------------|-------------------------|------------------|
| Donations and legacies | 307,551 | 100,000 | 27,518 | - | 435,069 |
| Other trading activities | 16,519 | - | 6,464 | - | 22,983 |
| Investments | 2,127 | - | 1,090 | 51,765 | 54,982 |
| | <u>326,197</u> | <u>100,000</u> | <u>35,072</u> | <u>51,765</u> | <u>513,034</u> |
| Expenditure on: | | | | | |
| Raising funds | 349,648 | 48,786 | 51,613 | 1,043 | 451,090 |
| Charitable activities | 2,490 | - | 3,323 | 13,651 | 19,464 |
| Total resources expended | <u>352,138</u> | <u>48,786</u> | <u>54,936</u> | <u>14,694</u> | <u>470,554</u> |
| Net income before gains on investments | (25,941) | 51,214 | (19,864) | 37,071 | 42,480 |
| Net Gain on investments | - | - | 1,670 | (5,823) | (4,153) |
| Net income before transfers | (25,941) | 51,214 | (18,194) | 31,248 | 38,327 |
| Transfers between funds | 25,000 | - | - | (25,000) | - |
| Net income after transfers | (941) | 51,214 | (18,194) | 6,248 | 38,327 |
| Other recognised gains/losses: | | | | | |
| Actuarial gain on defined benefit pension scheme | 21 3,345 | - | - | - | 3,345 |
| Net movement in funds | 2,404 | 51,214 | (18,194) | 6,248 | 41,672 |
| <i>Reconciliation of Funds</i> | | | | | |
| Total Funds brought forward | <u>16,282</u> | <u>525,821</u> | <u>91,589</u> | <u>1,414,997</u> | <u>2,048,689</u> |
| Total Funds carried forward | <u>18,686</u> | <u>577,035</u> | <u>73,395</u> | <u>1,421,245</u> | <u>2,090,361</u> |

The Parish Church of St John-at-Hampstead

Independent examiner's report to the members of the Parochial Church Council of St John-at-Hampstead (registered charity 1129264)

I report to the PCC on my examination of the accounts of the PCC of St John-at-Hampstead for the year ended 31 December 2021.

Responsibilities and basis of report

As the members of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

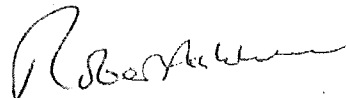
I report in respect of my examination of the PCC's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 154(5)(b) of the Act. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not comply with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) 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.

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 to enable a proper understanding of the accounts to be reached.



Robert Ashdown
Chartered Accountant
75 Brookville Road, London, SW6 7BH
21 February 2022