

**ST. LUKE'S & ST. FRANCIS
PAROCHIAL CHURCH COUNCIL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

**Caroline Jackson
Independent Examiner
77 Penderyn Way
London N7 0EY**

ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL

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ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL LEGAL AND ADMINISTRATIVE INFORMATION

Parochial Name	St Luke's and St Francis
Correspondent Address	St. Luke's & St. Francis Parochial Church Council, St. Luke's Vicarage, Penn Road London. N7 9RE.
PCC Members of the Church	During the year the following served as members of the PCC:
The Incumbent	The Revd. John MacKenzie
Assistant Curate	The Revd. Elizabeth Campbell
Associate Priest	The Revd. Martin Wroe
Wardens	Joy Hinson Jif Thompson
Adminstrator	Cristina Cooney
Treasurer	Mike Dark
Music Director	Justin Butcher
Assistant Music Director	Rick Leigh (until 27 June 2021)
Deanery Synod Representatives	Mike Dark Liz Curran Catherine Waithaka
Elected Members	Rebecca Adeyeye (from 16 May to 17 November 2021) Julius Ajeigbe (from 16 May 2021) Dayo Ashaye Iain Cathcart (until 16 May 2021) Jacqueline Christian Adam Hardy (from 16 May 2021) Daniel Northam-Jones Grace Pengelly (until 16 May 2021) Rosemary Sheldon Tom Turner Avis Venning (until 16 May 2021) Jonathan Ward
Co-opted Members	Sheena Cruse - safeguarding Susie Holland - children and young people Justin Butcher - music
Charitable Status	St. Luke's Parochial Church Council is registered with the Charity Commission Registered Charity Number 1128923
Bankers	National Westminster Bank plc, 490 Holloway Road, London. N7 6HN.
Independent Examiner	Caroline Jackson

ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL FINANCE REPORT

The St Luke's community, like communities up and down the UK, has been impacted in a range of different ways as a result of two years of the Covid 19 pandemic. This is reflected in our accounts which, for the first time in many years, are showing a deficit for the year ended 31 December 2021 of £21,781 (surplus £25,047 in 2020).

Total income for the year ended 31 December 2021 was £164,878, down from £176,697 in 2020. At the same time expenditure has increased from £151,650 to £186,659. This increase in expenditure, coupled with the drop in income, has led to the swing from surplus to deficit between 2020 and 2021.

Overall donations from the congregation were £80,017. This is a reduction from the £99,726 recorded in 2020. The fall is partly explained by a one off extraordinary donation of £10,000 in 2020. It also reflects a reduction in weekly giving from passing the hat since the church building was closed for services at the start of 2021 due to Covid restrictions. Whilst people have returned to the building gradually since April 2021, numbers have not yet returned to pre-pandemic levels. These changes reflect wider society trends where some people have moved away from London and others have not returned to a pattern of regular church attendance after the disruption caused by the pandemic.

Due to ongoing Covid restrictions throughout 2021 lettings income from St Luke's remained below the levels recorded in 2019. St. Luke's lettings began to pick up as restrictions eased in the second half of the year and we anticipate an increase in this income in 2022. The long-term rental income from St Francis was not affected. Total lettings income at £70,101 showed a slight increase from the 2020 figure of £63,363.

Expenditure during the year has risen from £151,650 to £186,659. The detail by category, with comparison to the prior year, is given in Note 3 to the accounts.

Notable increases between the two years include the addition of St Luke's contribution to the cost of hosting a curate in the Parish of c. £8,500 plus an increase in general ministry costs of c. £2,000. There was an increase in costs relating to the St Francis building this year of c. £11,500. Repairs, renewals and maintenance as well as utilities increased c. £6,000 as the church reopened its doors this year. We expect further increases in costs next year due to having the church open for a full twelve months, energy price increases and a full year of curacy costs.

Restricted funds can only be spent on the projects for which the funds have been given. At 31 December 2021 restricted funds stood at £13,888 down from £17,276 in 2020; unrestricted funds (also known as general reserves) stood at £110,571, down from £128,964 in 2020. Opening unrestricted reserves have been restated upwards by a prior year adjustment of £1,909 equating to the balance of the St Luke's Lettings account which was omitted in error from the 2020 accounts. See note 11.

ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL FINANCE REPORT (continued)

St Luke's PCC has a policy of maintaining a minimum of £40,000 in unrestricted funds (general reserves) as a contingency against unexpected risks and to maintain adequate cashflow to operate. This figure represents a little under three months of unrestricted expenditure at 2021 levels.

After making appropriate enquiries, the PCC have a reasonable expectation that St Luke's has adequate resources to continue in operational existence for the foreseeable future, and in particular for at least 12 months from the date of the approval of these accounts. For this reason, they adopt the going concern basis in preparing the financial statements.

Financial hardship and challenges have faced many organisations this year. Perhaps we can consider ourselves fortunate to end the year with a deficit of only £21,781. In addition, we benefit enormously from the regular and ongoing donations from Cloudesley, a charity which provides generous support up to twice a year to churches in Islington for building maintenance. We gratefully acknowledge grants of £5,000 in 2021 (£10,700 in 2020) from Cloudesley in note 2b of the accounts. We are also thankful for commitments from Cloudesley of support towards upcoming major repairs and sustainability improvement projects at St Luke's. We will continue to be mindful of achieving value for money and prudence in all resources expended in delivering the registered charitable objectives of St Luke's.

The year ahead contains financial challenges for the church, as well as the parishioners and congregation we aim to serve, including rising inflation and the cost of living crisis. We are emerging into a new world as we start to adjust and set our priorities for life after the initial phase of the pandemic and we look forward, with hope, to a full year of the church being open for worship and other activities.

These challenges will require us to consider how we, the people who make St Luke's St Luke's, can increase our financial contributions, so that we can meet our day to day, week to week, month to month operating costs. Beyond the c. £25,000 that we need to stand still, if we want to do more, if we want to realise the ambition of the Mission Action Plan then we will need to increase our income from donations and fundraising events as well as looking for new sources of grant funding which supports community work.

ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL
TRUSTEES' (PCC MEMBERS') RESPONSIBILITIES

PCC Members responsibilities in relation to the financial statements

Law applicable to charities in England and Wales requires that the trustees prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements the trustees are required to:

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent
3. State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the members of the PCC and signed on their behalf by:



Signature

Name Revd John MacKenzie

Date 29 April 2022

INDEPENDENT EXAMINERS' REPORT TO THE ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL

This report on the financial statements of the PCC for the year ended 31 December 2021, which are set out on pages 7 to 13, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ('the Regulations') and s.43 of the Charities Act 1993 ('the Act').

Respective Responsibilities of the PCC and the Examiner

As members of the PCC you are responsible for the preparation of the financial statements: you consider that the audit requirement of the Regulations and s.43(2) of the Act does not apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission under s.43(7)(b) of the Act and to be found in the Church guidance, 2006 edition. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the financial statements and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Unqualified Statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - (a) to keep accounting records in accordance with Section 41 of the Act; and
 - (b) to prepare financial statements, which accord with the accounting records and comply with the requirements of the Act and the Regulations have not been met; or
2. to which in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Caroline Jackson
77 Penderyn Way
London N7 0EY



Date

ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds £	Restricted Funds £	2021 £	2020 Restated £
INCOMING RESOURCES					
Voluntary Income from Donors	2a	79,394	623	80,017	99,726
Other Voluntary Income	2b	2,800	5,000	7,800	11,370
Activities for Generating Funds	2c	70,101	-	70,101	63,363
Investment Income	2d	14	-	14	116
Incoming Resources from Charitable Activities	2e	6,348	50	6,398	2,120
Other Incoming Resources	2f	548	-	548	2
TOTAL INCOMING RESOURCES		159,205	5,673	164,878	176,697
RESOURCES USED					
Grants	3a	881	-	881	2,443
Direct Charitable Expenditure	3b	157,600	10,561	168,161	132,024
Cost of Generating Funds	3c	828	-	828	528
Support Costs	3d	16,789	-	16,789	16,655
TOTAL RESOURCES USED		176,098	10,561	186,659	151,650
NET (OUTGOING) / INCOMING RESOURCES		(16,893)	(4,888)	(21,781)	25,047
Transfer from unrestricted to restricted funds		(1,500)	1,500	-	-
NET MOVEMENTS IN FUNDS		(18,393)	(3,388)	(21,781)	25,047
Funds Brought Forward at 1 January (as previously stated)		127,055	17,276	144,330	119,283
Prior Year Adjustment	11	1,909	-	1,909	-
Funds Brought Forward at 1 January (restated)		128,964	17,276	146,240	119,283
Funds Carried Forward at 31 December		110,571	13,888	124,459	146,240

Movements in funds and all recognised gains and losses are shown above. All of the charity's operations are classed as continuing.

The notes on pages 9 to 14 form part of these financial statements.

**ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL
BALANCE SHEET
AS AT 31 DECEMBER 2021**

		2021		2020 Restated	
	Notes	£	£	£	£
Current Assets					
Cash at Bank	5	133,569		159,211	
Debtors	6	6,451		2,639	
		<u>140,019</u>		<u>161,851</u>	
Creditors					
Amounts falling due within one year	7	(15,561)		(15,611)	
NET CURRENT ASSETS			124,459		146,240
CAPITAL AND RESERVES					
General Funds			110,571		128,964
Restricted Funds	4		13,888		17,276
			124,459		146,240

Approved by the members of the PCC and signed on their behalf by:



Signature

Name Revd John MacKenzie

Date 29 April 2022

**ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

The financial statements of the PCC have been prepared in accordance with the Church Accounting Regulations 2006 and s.43 of the Charities Act 1993 together with applicable accounting standards and the Charities SORP.

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds are those funds that must be spent on restricted purposes and details of the funds held and restrictions are provided in note 4.

The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the financial statements of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

Incoming Resources

Voluntary Income and capital sources:

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under covenant is recognised only when received.

Tax recoverable on Gift Aid donations is recognised when the donation is recognised.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is reasonably certain.

Other income

Rental income from the letting of church premises is recognised when the rental is due.

Income from Investments

Dividends are accounted for when due and payable, and interest entitlements are accounted for as they accrue. Tax recoverable on such income is recognised in the same accounting year.

Resources Used

Grants

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

Activities directly relating to the work of the church

The diocesan parish share "common fund" is accounted for when due. Any parish share unpaid at 31 December is provided for in these financial statements as an operational, though not a legal liability and is shown as a creditor in the balance sheet.

Current Assets

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

Short-term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.

ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. INCOMING RESOURCES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
a) Voluntary Income from Donors				
Planned Giving	56,711	-	56,711	59,873
Collections	14,436	623	15,060	28,568
Gift Days	-	-	-	-
Gift Aid	8,247	-	8,247	11,286
	79,394	623	80,017	99,726
b) Other Voluntary Income				
Grants: Cloudesley	-	5,000	5,000	10,700
Diocesan contribution to curacy costs	2,800	-	2,800	-
Fundraising	-	-	-	670
	2,800	5,000	7,800	11,370
c) Activities for Generating Funds				
Church Hall and Rents	70,101	-	70,101	63,363
	70,101	-	70,101	63,363
d) Investment Income				
Bank Interest	14	-	14	116
	14	-	14	116
e) Incoming Resources from Charitable Activities				
Ministry & Fees	6,348	50	6,398	2,120
	6,348	50	6,398	2,120
f) Other Incoming Resources				
Extra Ordinary Income	548	-	548	2
	548	-	548	2

ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. RESOURCES USED

	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
a) Grants				
Christian Aid	381	-	381	260
Bishop's Discretionary Fund	-	-	-	325
Islington Giving	500	-	500	-
Discretionary fund	-	-	-	200
Housing Justice	-	-	-	500
Street Link	-	-	-	500
Raising Voices	-	-	-	58
Centre 404	-	-	-	500
Community Action on Prison Expansion (CAPE)	-	-	-	100
	881	-	881	2,443

b) Direct Charitable Expenditure

Diocesan Quota - Common Fund	85,200	-	85,200	85,200
Curacy costs	8,505	-	8,505	-
Worship	1,483	-	1,483	379
Sunday School/Youth Club	189	-	189	54
Other Ministry	4,770	-	4,770	2,711
Churchyard	8	-	8	174
Repairs, Renewals & Maintenance	8,863	-	8,863	5,073
Music costs	10,400	-	10,400	10,622
Verger	600	-	600	80
Church Running Expenses - Utilities	9,970	-	9,970	7,851
Church Running Expenses - Cleaning	2,410	-	2,410	1,747
Church Running Expenses - Household	817	-	817	705
Church Running Expenses - Insurance	6,396	-	6,396	6,573
Postage, Printing & Stationery	2,529	-	2,529	1,183
St. Francis	13,382	-	13,382	1,914
Cost of governance	270	-	270	-
Other Expenditure	1,428	-	1,428	23
Bank Charges	380	-	380	416
Nightshelter Fund	-	-	-	318
Sustainability Fund	-	4,599	4,599	3,600
Stonework/solar panels fund	-	3,600	3,600	-
AV equipment and IT Fund	-	2,022	2,022	2,260
Vestry Fund	-	-	-	1,141
Light Staging Fund	-	340	340	-
	157,600	10,561	168,161	132,024

c) Costs of Generating Funds

Fundraising and Publicity	828	-	828	528
	828	-	828	528

d) Support Costs

Administration Costs	16,789	-	16,789	16,655
	16,789	-	16,789	16,655

Total resources used	176,098	10,561	186,659	151,650
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ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. RESTRICTED FUNDS	Balance at 1 Jan 21 £	Income £	Expenditure £	Transfer from General £	Balance at 31 Dec 21 £
Sustainability Fund	6,925	-	(4,599)	-	2,326
AV equipment and IT Fund	2,740	5,000	(2,022)	-	5,718
Nightshelter Fund	2,292	-	-	-	2,292
Lighting and Staging Fund	2,134	50	(340)	-	1,844
Stonework and Solar panels Fund	2,100	50	(3,600)	1,500	50
Net Zero Fund	-	573	-	-	573
Vestry Fund	1,084	-	-	-	1,084
	17,276	5,673	(10,561)	1,500	13,888

The charity spends all restricted monies that it receives and makes good any deficit on restricted funds from its general unrestricted funds.

Sustainability Fund

Funds received and expended to improve the sustainability of the church

Net Zero Fund

Funds received and expended to assist the church moving to carbon neutrality

AV Equipment and IT Fund

Funds received and expended to enable the church to live stream services

Nightshelter Fund

Funds received and expended to support the work of the Nightshelter project for homeless people that is hosted by St Luke's.

Lighting and Staging Fund

Funds received and expended to upgrade the lighting and staging.

Stonework and solar panels Fund

Funds received and expended to repair the stonework of the south wall and to install solar panels on that side of the church

Vestry Fund

Funds received and expended to upgrade the vestry.

5. CASH AT BANK AND IN HAND	TOTAL 2021 £	TOTAL 2020 Restated £
St. Luke's Deposit Account	128,056	155,302
St. Luke's Current Account	2,000	2,000
St Luke's Lettings Account	3,513	1,909
	133,569	159,211

ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. DEBTORS	TOTAL 2021 £	TOTAL 2020 £
Prepayments	1,200	-
Accrued Income	5,251	2,639
	6,451	2,639

7. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR	TOTAL 2021 £	TOTAL 2020 £
Accruals	3,411	3,611
Deferred Income	12,150	12,000
Loans due in less than 1 year	-	-
	15,561	15,611

8. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 Restated £
Current Assets	126,131	13,888	140,019	161,851
Current Liabilities	(15,561)	-	(15,561)	(15,611)
Liabilities > 1 year	-	-	-	-
	110,571	13,888	124,459	146,240

9. STAFF COSTS

Salary and social security costs of £2,990 were paid in 2021 (nil - 2020).

The average number of full time employees in the year was 0.083 (nil - 2020).

No employees had total benefits (excluding pension contributions and employer's National Insurance) in excess of £60,000.

ST. LUKE'S & ST. FRANCIS PAROCHIAL CHURCH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. RELATED PARTY TRANSACTIONS

The PCC members received no remuneration in relation to fulfilling their role as trustees.

During the year, payments totalling of £6,625 (£1,750 in 2020, part year) were made to Justin Butcher in connection with the provision of musical services as music director.

Miscellaneous expenses totalling £6,776 (£4,349 in 2020) were paid to 8 (6 in 2020) PCC members during the financial year 2021. These were reimbursements of routine items including maintenance, purchase of IT equipment, charitable donations, youth club/Sunday school, accounting software or other expenses incurred on behalf of the church. These items were agreed in advance and were paid on production of an invoice or receipt.

Donations totalling £15,213 was received in 2021 from 16 PCC members and related parties (£15,645 in 2020).

Payments totalling £8,400 were made in relation to the provision of accommodation for the Assistant Curate, Rev. Elizabeth Campbell. Contributions of £2,800 were received from the Diocese of London towards the cost of this provision.

Vox Holloway (N7 Community Choir) rehearses and performs in St. Luke's. It made donations to St. Luke's totalling £1,599 in 2021 (£1599 - 2020). Sheena Cruse, co-opted member of St. Luke's PCC, was also a trustee of Vox Holloway during the period.

11. PRIOR PERIOD ADJUSTMENT

The 2020 figures have been restated throughout to correct the omission, in error, in 2020 of the St Luke's lettings bank account which at 31 December 2020 had a balance of £1,909. This has therefore increased brought forward funds at 1 January 2021 by £1,909.

The impact on individual balances is shown below.

£

Cash at Bank

At 31 December 2020 - as previously stated	157,302
Prior Year Adjustment	<u>1,909</u>
At 31 December 2020 - restated	<u>159,211</u>

Net Current Assets

At 31 December 2020 - as previously stated	144,330
Prior Year Adjustment	<u>1,909</u>
At 31 December 2020 - restated	<u>146,240</u>

General / Unrestricted Funds

At 31 December 2020 - as previously stated	127,055
Prior Year Adjustment	<u>1,909</u>
At 31 December 2020 - restated	<u>128,964</u>