THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL, CHESTER SQUARE

England & Wales · Charity number 1130914

Details

Other names	ST.MICHAEL'S PCC, CHESTER SQUARE
Status	Registered
Legal form	Previously excepted
Registered	2009-08-03
Register	View on the Charity Commission register

Contact

Address	The Vestry St. Michael's Church Chester Square London SW1W 9EF
Phone	02077308889
Email	office@stmichaelschestersquare.org
Website	stmichaelschestersquare.org

Activities

Objects: Promoting in the ecclesiastical parish the whole mission of the Church.

Activities: The mission statement of St Michael's Chester Square is to be a church in the heart of London with a heart for London. The strategy to achieve this purpose is to plan services, events & courses in the church & in the community. In planning activities the PCC have considered the Commission's guidance on public benefit & in particular, specific guidance on charities for the advancement of religion.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- City Of Westminster

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£680,569	£626,637	£2,696,343	8
2024-12-31	£606,776	£606,538	£2,651,404	8
2023-12-31	£664,136	£684,358	£2,646,132	9
2022-12-31	£760,368	£706,928	£2,647,268	7
2021-12-31	£641,524	£687,393	£2,543,008	7
2020-12-31	£636,529	£631,943	£2,335,562	8

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Trustees

Name	Role	Appointed
Rev James Mulvaney	Chair	2025-05-20
Abdul-Azeez Abdulai		2026-04-28
Elizabeth Berridge		2024-05-14
Elizabeth Carey		2026-04-28
Geoffrey Green		2024-05-14
Grace Wort		2019-09-15
Harvey Shaw		2025-05-20
Heidi Wiseman		2024-05-14
Helena Boase		2022-05-25
Liam Healy		2025-05-20
Mark Beard		2023-05-23
Omotola Babatunde		2022-05-25
Rev Simon Watkinson		2025-12-07
Ruth Williams		2020-11-29
Stephanie Hunt		2025-05-20
Timothy Parker		2023-05-23

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL, CHESTER S

England & Wales - Charity number 1130914

Accounts

Registered Charity no. 1130914

The Parochial Church Council Of The Ecclesiastical Parish Of St Michael, Chester Square

Known as St Michael's Church, Chester Square

Trustees Annual Report and Accounts

Year Ended 31st December 2025

St Michael's Church, Chester Square

Year Ended 31st December 2025

Legal and Administrative Information

Reference
The Charity is called “The Parochial Church Council Of The Ecclesiastical Parish Of St Michael, Chester Square”. The Parochial Church Council is known as the PCC for short. Other names which are used for the charity are "St Michael's Church, Chester Square". The church is registered with the Charity Commission for England and Wales and was registered on 13 April 2009; before this, the church was exempt from registration.

Registered Charity Number	1130914
Registered Office	St. Michael's Church Chester Square London SW1W 9EF
Website	stmichaelschestersquare.org
Primary Bankers	NatWest Bank 169 Victoria Street London SW1E 5NA
Independent Examiner	Nigel Wyatt BSC FCA Wyatt & Co Chartered Accountants 125 Main Street Garforth Leeds LS25 1AF

St Michael's Church, Chester Square

Year Ended 31st December 2025

Legal and Administrative Information

Trustees and members of the PCC
The Parochial Church Council (PCC) Members are elected or co-opted by the Annual Parochial Church Meeting in accordance with the Church Representation Rules 2020 or are ex-officio. The following people served as members of the PCC for all or part of the year.

Incumbent	Revd Jamie Mulvaney - instituted March 2025
Curates	Revd Sam Banner (stepped down September 2025)
	Revd Simon Watkinson (appointed December 2025)
	Revd Mark Beard
Churchwardens	
	David Munns (Standing Committee, stepped down May 2025)
	Ruth Williams (Deanery Synod Rep, Mission Support Group, Standing Committee)
	Harvey Shaw (appointed May 2025)
PCC members	
	Anneliese Blackwood-Lilly (lay vice chair)
	Beatrice Lovell (stepped down March 2025)
	Elizabeth Berridge
	Felicity Hunt (Hon Treasurer, stepped down May 2025)
	Geoffrey Green
	Grace Wort (Deanery Synod Rep, Mission Support Group)
	Heidi Wiseman
	Helena Boase
	Liam Healy (Hon Treasurer, appointed May 2025)
	Michael Bradley (Deanery Synod Rep, Fabric Committee)
	Paul Rolle (appointed May 2025)
	Robert Yesubrabha (stepped down January 2025)
	Stephanie Hunt (appointed May 2025)
	Timothy Parker (Finance Committee)
	Tola Babatunde
Secretary	
	Amy Kirk (non-voting member)
Other non- voting members	
	Beth Jolley

St Michael's Church, Chester Square

Year Ended 31st December 2025

Trustees' Annual Report

Structure, Governance and Management

St Michael's Parochial Church Council has the responsibility of co-operating with the Incumbent, the Revd Jamie Mulvaney, in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical. The Parochial Church Council (PCC) is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and a charity registered with the Charity Commission for England and Wales number 1130914.

Committees
The PCC operates through a number of sub-committees which meet between full meetings of the PCC.

Standing Committee
This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Mission Support Group
This covers all aspects of the local church's mission to the community and the world. A number of grants were given to individuals from St Michael's serving overseas.

Fabric Committee
This committee advise on the maintenance of the fabric of the church, and matters concerning the residential properties used by church staff.

Finance Committee
The committee consists of the Treasurer and a small group of volunteers who advise the Treasurer on the budget, financing and reserves policy.

Risk management
The PCC has reviewed the risks that St Michael's faces and established systems and controls to mitigate the significant risks, although it recognises that no system of controls can provide absolute assurance against adverse events. Below we discuss the major ongoing risks, along with the control measures we have in place.

Safeguarding and Duty of Care
In line with the House of Bishop's policy statement on promoting a Safer Church, St Michael's is committed to ensuring the care and protection of children, young people and vulnerable adults involved in its activities. Safeguarding is the responsibility of the whole church and everyone who participates in the life of St Michael's has a role to play in promoting a safer church for all. St Michael's continues to adopt and implement the recommendations, policies and procedures outlined in the Church of England Safeguarding documentation. This includes all the latest guidance issued since the last Annual Report, which covers the key roles and responsibilities of officeholders, and includes practical guidance on how to respond to, assess and manage concerns or allegations against church officers. There are multiple resources available for training and development in this area. St Michael's has appointed a Safeguarding Officer, an evidence checker and a children's champion. All staff, PCC members and volunteers with pastoral roles must make a DBS disclosure and undertake appropriate training. The Safeguarding Officer regularly updates the PCC on policy in this area.

St Michael's Church, Chester Square

Year Ended 31st December 2025

Trustees' Annual Report

Financial Risks

Misuse or misappropriation of funds due to unauthorised expenditure or misuse of cash which we address by:

- Limiting the use of cash where possible.
- The church has purchased card readers which enable cashless payments for special services, such as weddings and funerals or at events.
- PCC policy is that unbudgeted items of expenditure up to £1,000 need the approval of the treasurer or a church warden. For amounts above this, the treasurer, and both church wardens are required to give approval. Unbudgeted expenditure over £5,000 requires full PCC approval.
- PCC has approved the use of the Expense Plus operating system, which enables staff and the finance committee to control expenses at a more granular level.

Poor budgeting:

- We limit this risk by preparing an annual budget approved by PCC.
- Performance against this is monitored monthly and it is updated and amended where appropriate throughout the year.
- The Finance Committee regularly reviews our budgeting process to make sure that it remains fit for purpose.

The soundness of our financial reporting:

- A contracted bookkeeper prepares our monthly management accounts using information input by church staff. Monthly calls between him and our Director of Operations enable any financial concerns to be raised in a timely manner. Our income and assets are below the threshold for a statutory audit. During the year PCC therefore approved the Finance Committees recommendation that we use the firm of Wyatt & Co., to provide an independent examination of the accuracy of our accounts our statutory accounts.

Sudden loss of income, if key donors move away:

- As a central London church, we have regular turnover of church members. To ensure that we can meet our financial obligations, PCC plans to hold two updates on our finances each year. The first in the spring is to discuss our regular, ongoing expenditure. Towards the end of the year, we hold a Gift Day which is designed to support one-off projects and major works.
- Donation income is monitored regularly, and expenditure reviewed if this falls significantly below expectations.

Fire and Health and Safety risks

Harm could come to anyone in the church building due to lack of appropriate procedures in relation to fire and other health and safety risks:

- The PCC has appointed a health and safety officer, who monitors these issues, writes our policy and keeps staff and PCC members abreast of any possible concerns.
- Briefings are given to those involved in ushering, welcoming or making coffee.
- External parties who hire the church are briefed on our health and safety procedures.

Risks to the building

The age of our building and its central location mean that there could be legal and financial risks caused by damage or decay to the structure and fabric.

- The PCC ensures that it has adequate insurance in place to cover any accidental damage.
- In line with Diocesan recommendations, the PCC commissions a quinquennial survey and follows up on any advice given regarding repairs or maintenance.
- The PCC has appointed a buildings and fabric committee to advise on regular repairs and maintenance and monitor wear and tear.
- The office team maintain a schedule of regular checks and maintenance for the church building and other properties for which the PCC is responsible.
- The PCC sets aside part of the income from the lease on the Sicily Restaurant, at 2 Eccleston Place, to cover major repairs and capital projects.

Recruitment and Training of PCC Members
PCC Members (excluding those that hold ex officio posts or who are co-opted) are nominated and elected at the Annual Parochial Meeting. The Church Treasurer, in particular, together with other members are invited to attend central training meetings run by the Diocese. Similarly, new Council Members are invited to attend conferences held and provided with any information leaflets produced by the Diocese to equip them for their roles.

St Michael's Church, Chester Square

Year Ended 31st December 2025

Trustees' Annual Report

Objectives and activities

The mission of St Michael's is to be a church in the heart of London with a heart for London.

In planning our activities, the Parochial Church Council (PCC) has considered the Commission's guidance on public benefit. As ever, our main focus is holding weekly services and celebrating major Christian holidays, to teach Christian values and promote them in everyday life to the members of the congregation, both regulars and visitors. The Alpha Course —an internationally recognised ten-week course on the basics of Christianity —is run several times a year.

The PCC aims to donate 10% of income to support Christian work both overseas and at home. This is managed by a sub-committee, the Mission Support Group. Pastoral care for the congregation is provided in small groups and through individual counselling.

The year in review

Introduction & Vision

I had the joy of arriving in March and consulting with congregation members, the PCC, and our staff. From these conversations, I outlined a vision combining the 'who' and 'why' of our calling: to be *'a church in the heart of London, with a heart for London'*. Our supporting strategy is to *'encounter God, equip the church in ministry and mission, and evangelise London and beyond'*. Recognising the significant shifts needed to realise this, we also defined our core operating values: to be bold, empowering, and loving. We're on the way, but next year will need sustained urgency and collaborative effort to translate momentum into lasting change.

Outward Reach & Communications

Cognisant of the issues identified in the parish profile and previous annual reports, in September we launched a major rebrand that solidifies an outward focus, reflecting our reality as both a gathered and scattered church (given that few of our local congregation live directly within the parish boundaries). We detailed and reinforced this during a four-week Vision Series focused on our calling to The City (of London, and God). At our Sunday at Home in November, we also spent more time on our strategy, with an interview with Dwaine Morgan, input from our Treasurer Liam Healy and the Revd Mark Beard.

Our communications have expanded to include a substantial online presence via social media, alongside physical invitations distributed through flyers and local publications. With one of our home groups based in Switzerland, our reach is truly global, and the digital opportunities to share the good news of Jesus Christ are immense.

Sunday Gatherings & Ministries

Closer to home, we rallied around a need for greater physical presence as well as online

presence, with a renewed commitment to Sunday hospitality, supported by an expanded welcome team. Looking ahead to 2026, the PCC agreed to move the 9am service to 9.30. This change has a twofold aim: to foster greater unity by narrowing the time gap between our morning services so we can interact, and to increase our missional reach with a more accessible start time.

Our children's groups have been bustling, and we have identified the pressing need to recruit a Youth Pastor in 2026. A highlight for our young people this year was attending the Big Church Festival.

In September, Louisa Mulvaney launched *Little Stars*, a new ministry designed to reach parents, carers, and little ones through play, singing, and a short biblical thought. The group quickly had to relocate from the side chapel to the nave—prompting some to say that it was easier to count the buggies than the people!

Most of the midweek building use has been to over-55s ministries (which are continuing). *Little Stars* marks the beginning of an intentional effort to engage those in their 20s and 30s, the largest demographic in the Knightsbridge & Belgravia Ward, yet currently the most under-represented in our church.

I am grateful to Rachel Griffiths for her significant service in leading Tuesday Women, and to Rachel Heath for taking it on for 2026. Pastoral care in the church continues to be organised in the many groups including home groups, and acute pastoral care is overseen by Mark Beard, proving that our congregation comes out in force to look after one another and demonstrating our value of being loving.

Courses, Events & Life Events

Several congregation members completed a preaching course, and we were deeply blessed by the wisdom and learning they shared with us in August sermons.

Easter was a vibrant season, featuring a variety of gatherings, including six distinct services and a joyous confirmation service at St Paul's Cathedral led by Bishop Sarah, where six of our members were confirmed. Across the wider year, we celebrated two weddings, one marriage blessing, three infant baptisms, and one adult baptism, alongside holding two funerals.

We renewed our emphasis on Alpha, running two courses—one before Easter and another in the autumn—with a particular emphasis on inviting guests from our Christmas services. Additionally, Lyn Calzia piloted a new course, *Renew Relationships*, drawing on her robust research to positively impact our local communities.

In the autumn, we hosted our inaugural Michaelmas Party, named in honour of our patron saint. The event was a wonderful success, welcoming many guests and serving as a natural stepping stone into Alpha. During Advent, we filled the church with seven services,

expanding our creativity and musical styles. We offered a mix of reflective and upbeat gatherings to engage all ages. One example was taking part in the Elizabeth Street Lights Switch-On Party which saw many visitors in our church grounds and building.

All of this activity is firmly undergirded by worship and prayer. We elevated the priority of our monthly prayer meetings and introduced prayer ministry as a consistent, staple feature of our Sunday services alongside training to facilitate this.

Personnel

We farewelled Alice Nnene as Worship Leader, Sam Cole as Children's Ministry Assistant, and the Revd Sam Banner as Curate. I am deeply grateful to each of them. A particular thanks to Sam Banner for his significant contribution to St Michael's, which has spanned the tenures of three vicars.

Likewise we thanked David Munns for his exceptionally long term as Churchwarden, steering the church through two interregnums and the Vicar appointment process. Thanks to David, Ruth Williams, Mark Beard, Beth Jolley, Jack Campbell, and Sam Banner for their leadership of the church during the recent interregnum.

Looking to the future, we created several new roles and made key appointments: Dwaine Morgan as Worship Pastor, Sophie Dubreuil as Associate Children's Pastor (including Little Stars), and the Revd Simon Watkinson, who joined us in December as Associate Vicar. Each of these roles is highly strategic in furthering the church's vision, and we are prayerfully excited to see how God will work through them in 2026.

Much remains to be done to realise our full potential. Amidst the challenges there is so much to thank God for. There is a great buzz in seeing familiar faces return to St Michael's and new people join our church family. 2026 is going to be a very exciting year.

The Revd Jamie Mulvaney

Vicar

St Michael's Church, Chester Square

Year Ended 31st December 2025

Trustees' Annual Report

Treasurer’s Finance Report

Income

FYE 2025, our total income (all sources) reached £680,569 representing a material increase (+12%) YoY including double-digit increases across congregational giving (+14%), recurring giving (+10%) and rental income (+15%). With that, each category showed uplifts including donations and legacies (+8%), charitable activities (+103%), income-generating activities (+30%), and investment income (+14%). In 4Q25, intentional efforts have been agreed to focus on continuing to increase total income through increased participation from the regular attendees and shifting more towards recurring giving for planning.

Expenditure

During the period, expenses finished below budget and grew (+3%) YoY finishing at £626,637. Income growth less expenditures resulted in a surplus before gains/losses of £53,932 and after gains/losses of £44,939. Investments across ministry, audio/visual, staff and admin were nearly offset by savings across facility costs and mission support and outreach.

Balance Sheet

Net assets have grown to £2.7m while cash/cash-equivalents more than doubled and free reserves have increased by +19% including share investments. The asset base is largely illiquid (85%) made up of property investments (~£2.3m) which are concentrated with one large tenant (~£1.6m). While SMCS’s financial stability is healthy and improving, we’re managing risk with prudent stewardship.

Reserves Policy

PCC policy is to maintain liquid funds (reserves) to cover at least three months of anticipated expenses plus the costs of projected major work. FYE 25, we have free cash reserves of £209,058 and share investments (CCLA) worth £215,965 totalling £425,023 representing YoY growth (19%) and ~8 months of anticipated expenditure.

Going concern

The PCC believes that the current level of giving and other income received by the church is sufficient to pay for the expected expenses in the coming year. They prepare annual budgets and monitor expenses throughout the year. If the income should fall due to some unexpected circumstances, the PCC would adjust spending accordingly.

Grant making policy

Grants are allocated by the Mission Support Group for clearly defined goals, projects, time frames (usually three years or less) and people. The Group seeks to balance local, national and overseas needs and supports both social/historic and gospel work. Prayer support is an essential part of grant making as are reports back from Mission Partners and contact with them throughout their assignments. Grant applications are considered at the group’s meetings which take place three or four times a year. Priority is given to those applications where there is a connection to St Michael’s Church, either because the applicant is a member of the congregation, or the project directly supports the Objectives of the PCC.

Fundraising policy

In line with the reporting requirements included in the Charities Act 2016 the PCC members are pleased to confirm that all fundraising is done in compliance with best fundraising

practice. No professional fundraisers were employed during the year under review, nor were there any complaints or criticisms during the year about our fundraising activities.

Performance of fundraising against objectives
The general outlook related to performance and fundraising is positive. 2025's total income lift (+12%) was supported by congregation giving (+14%), grants (+15%), and church activities (+250%) as areas of focus and an intentional shift to more recurring giving over time.

Performance of investments against objectives
The PCC strives to keep enough cash in current accounts to fund current expenditure and has invested the remainder to yield higher returns. The main investment of the church is the lease on 2 Eccleston Place, now known as the Sicily Restaurant. We also hold an investment in the CCLA Equity Income fund.

Independent Examination
The PCC has given due thought to the annual review of our accounts. A resolution will be proposed at the Annual General Meeting that Wyatt & Co Chartered Accountants conduct an Independent Examination for the forthcoming year.

St Michael's Church, Chester Square

Year Ended 31st December 2025

Trustees' Annual Report

Trustees' Responsibilities in Relation to Financial Statements

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the Church's activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practices:

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

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, which enables them to ascertain its financial position, and which enable them to ensure the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. The trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Trustees Approval

Name of Trustee:	Jamie Mulvaney (Vicar)	Liam Healy (Treasurer)
Signed on Behalf of the Trustees:	 ……	liammhealy ……
	21/04/2026	26/04/2026
Date of approval:	……	……

St Michael's Church, Chester Square

Year Ended 31st December 2025

Independent Examiner's Report

I report to the trustees on my examination of the financial statements of St Michael's Church, Chester Square ('the charity') for the year ended 31 December 2025.

Responsibilities and Basis of Report
Members of the PCC, as trustees of the charity are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements 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 145(5)(b) of the Act.

Independent Examiner's Statement
I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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 financial statements do not accord with those records; or

3. the financial statements 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 in order to enable a proper understanding of the accounts to be reached.

Nigel Wyatt

Nigel Wyatt BSC FCA
Independent Examiner
125 Main Street
Garforth
Leeds
LS25 1AF

Date: 27/04/2026

St Michael's Chester Square

Year Ended 31st December 2025

Statement of Financial Activities

	Note	2025 Unrestricted	2025 Restricted	2025 Total	2024
		£	£	£	£
Income					
Donations and Legacies		427,161	6,935	434,096	401,222
Charitable Activities Income		7,993	-	7,993	5,297
Activities for generating income		85,790	-	85,790	66,177
Investment Income		152,691	-	152,691	134,080
Total Income	**2**	**673,634**	**6,935**	**680,569**	**606,776**
Expenditure					
Expenditure on Charitable Activities	**3**	600,199	26,438	626,637	606,538
Total Expenditure		**600,199**	**26,438**	**626,637**	**606,538**
Net Income / (Expenditure) before gains/(losses)		**73,435**	**(19,503)**	**53,932**	**238**
Gain/(loss) on revaluation of investments	**10**	(8,993)	-	(8,993)	5,034
Net Income / (Expenditure) after gains/(losses)		**64,442**	**(19,503)**	**44,939**	**5,272**
Net Income and Net Movement in Funds					
Total funds brought forward	**13**	2,624,630	26,774	2,651,404	2,646,132
Transfers	**13**	7,231	(7,231)	-	-
Total funds carried forward	**13**	**2,696,303**	**40**	**2,696,343**	**2,651,404**

All income and expenditure derive from continuing activities.

St Michael's Chester Square

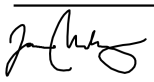
Year Ended 31st December 2025

Statement of Financial Position (Balance Sheet)

	Note	2025	2024
		£	£
Fixed Assets			
Tangible Fixed Assets	**9**	663,202	667,491
Investments	**10**	1,815,965	1,824,958
		2,479,167	2,492,449
Current Assets			
Debtors	**11**	37,536	57,388
Cash at bank and in hand		231,927	109,812
		269,463	167,200
Creditors: Amounts falling due within one year	**12**	52,286	8,245
Net Current Assets		217,177	158,955
Total Assets less Current Liabilities		2,696,343	2,651,404
Net Assets		**2,696,343**	**2,651,404**
Funds of the Charity			
Restricted Funds	**13**	40	26,774
Unrestricted Funds	**13**		
Unrestricted General		209,058	132,181
Designated funds		2,487,245	2,492,449
Total Charity Funds		**2,696,343**	**2,651,404**

Trustees' Responsibilities

These financial statements were approved by the board of trustees and authorised for issue:

Name of Trustee:	Jamie Mulvaney (Vicar)	Liam Healy (Treasurer)
Signed on behalf of the trustees:		liammhealy
Date of Approval:	21/04/2026	26/04/2026

St Michael's Chester Square

Year Ended 31st December 2025

Statement of Cash Flows

	2025	2024
	£	£
Cash Flows from Operating Activities		
Net cash provided by (used in) Operating Activities	(18,334)	(185,410)
	(18,334)	(185,410)
Cash Flows from Investing Activities		
Investment income received	152,691	134,080
Investment realisation	-	-
Purchase of Tangible Fixed Assets	(12,242)	-
Net cash provided by (used in) Investing Activities	140,449	134,080
Cash Flows from Financing Activities		
Repayments on borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by (used in) Financing Activities	-	-
Change in cash and cash equivalents in the reporting period	122,113	(51,330)
Cash and cash equivalents at the beginning of the reporting period	109,812	161,142
Cash and cash equivalents at the end of the reporting period	**231,925**	**109,812**

Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2025	2024
	£	£
Net movement in funds for reporting period (as per SoFA)	44,939	5,272
Adjustments for:		
(Gain)/loss on investment portfolio	8,993	(5,034)
Investment income received	(152,691)	(134,080)
Depreciation of Tangible Fixed Assets	16,531	14,877
(Increase)/Decrease in Debtors	19,852	(26,016)
Increase/(Decrease) in Creditors	44,041	(40,429)
Net cash provided by (used in) Operating Activities	(18,334)	(185,410)

Analysis of Cash and Cash Equivalents	**2025**	2024
	£	£
Cash at bank and in hand	231,927	109,812
Total cash and cash equivalents	**231,927**	**109,812**

St Michael's Chester Square

Year Ended 31st December 2025

Notes to the Financial Statements

1 Accounting Policies

Basis of Preparation
The financial statements have been prepared under the Charities Act 2011 and in accordance with Church Accounting Regulations 2006 together with the Charities Statement of Recommended Practice (Charities SORP (FRS102)) and Financial Reporting Standard 102 (FRS102).

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at fair value. St Michael's Church, Chester Square meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest pound. The Parochial Church Council of St Michael's Church is a Charity Registered in England and Wales No 1130914 and the Parish Office is at The Vestry, St Michael's Church Chester Square, London SW1W 9EF.

Assessment of Going Concern
At the time of approving the financial statements, the PCC members have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the PCC members continue to adopt the going concern basis of accounting in preparing the financial statements.

Fund Accounting
PCC funds are required to be analysed under specific headings, as follows:

General funds represent the ‘free’ funds of the PCC that are not subject to any restriction regarding their use and are available for application for the general purposes of the PCC.

Designated funds are earmarked by the PCC for particular purposes but are nevertheless still unrestricted as the PCC can redesignate the funds if it wishes.

Restricted Funds are funds collected or donated for a particular purpose and cannot be used by the PCC for any other purpose except by agreement with the donor.

The funds of the PCC have been appropriately analysed and the statement of financial activities has been prepared in accordance with this analysis.

St Michael's Chester Square

Year Ended 31st December 2025

Notes to the Financial Statements

Incoming Resources
All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

- All voluntary income from members of the church is recognised as donations and are included in full, with associated Gift Aid receivable in the Statement of Financial Activities.

- Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

- Incoming resources from charitable trading activities such as the letting of the building are accounted for when invoices are drawn up (as the point of entitlement).

- Donated services and facilities are included at the value to the charity where this can be quantified.

- Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

- Volunteer time, the value of voluntary support for the work of the church, is not included in the accounts but is described in the Trustees Annual Report.

- Investment income is included in the accounts when receivable.

Application of Resources
Grants and outward giving are accounted for in the SOFA when paid, unless an obligation, whether constructive or legal, exists to the recipient in accordance with the Charities SORP and FRS 102.

Parish Share and other costs directly relating to the work and activities of the Church are accounted for when they are incurred or become due and payable.

Resources Expended
Expenditure is recognised on an accruals basis as a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out the resources and the amount of the obligation can be measured with reasonable certainty.

Governance Costs
Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Liability Recognition
Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Operating Leases
Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

St Michael's Chester Square

Year Ended 31st December 2025

Notes to the Financial Statements

Tangible Fixed Assets
Consecrated and beneficed property is excluded from the accounts by S10(2)(c) of the Charities Act 2011. No value is attributed to moveable church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether for maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Assets with a value of over £1,000 are capitalized to the statement of financial position, with items of equipment and furniture and fittings with a value below this are written off in the year of purchase.

Depreciation has been provided on tangible fixed assets except consecrated land and buildings and other freehold property at the following rates which are calculated to write off the cost of the assets over their estimated useful lives:

Furniture and fittings - 4-10 years straight line
Equipment - 4-10 years straight line

Where the useful economic life and holding value of the freehold property are so great that depreciation is immaterial, it is not charged.

Pensions
The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Investments
Investments (properties, bonds and shareholding accounts) were valued at fair value at 31st December 2025 and in each subsequent year the PCC will review the valuation for any permanent impairment in value which is transferred to the Statement of Financial Activities (SOFA).

Financial Instruments
The charity only invests in basic financial products and such assets are stated at the value invested and any gains or losses are recorded when the product is sold. Current assets Amounts owing to the PCC at 31st December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

St Michael's Chester Square

Year Ended 31st December 2025

Notes to the Financial Statements

2 Analysis of Income (2025)

	Unrestricted	Restricted	**Total (2025)**
	£	£	**£**
Donations and Legacies			
Donations	360,980	717	**361,697**
Income tax recoverable	64,646	18	**64,664**
Legacies	-	-	**-**
Grants	1,535	6,200	**7,735**
	427,161	6,935	**434,096**
Charitable Activities			
Weddings and funerals	3,338	-	**3,338**
Church activities and events	4,655	-	**4,655**
	7,993	-	**7,993**
Activities for Generating Income			
Church rental income	41,810	-	**41,810**
Accommodation rental income	43,980	-	**43,980**
	85,790	-	**85,790**
Investment Income			
Dividends and interest	9,683	-	**9,683**
Lease income	143,008	-	**143,008**
	152,691	-	**152,691**
Other	-	-	**-**
Other Income	-	-	**-**
TOTAL INCOME	**673,634**	**6,935**	**680,569**

St Michael's Chester Square
Year Ended 31st December 2025

Notes to the Financial Statements

2 *Analysis of Income (2024)*

	Unrestricted	Restricted	**Total (2024)**
	£	£	**£**
Donations and Legacies			
Donations	317,276	496	**317,772**
Income tax recoverable	56,674	45	**56,719**
Legacies	20,000	-	**20,000**
Grants	1,731	5,000	**6,731**
	395,681	5,541	**401,222**
Charitable Activities			
Weddings and funerals	3,987	-	**3,987**
Church activities and events	1,310	-	**1,310**
	5,297	-	**5,297**
Activities for Generating Income			
Church rental income	36,823	-	**36,823**
Accommodation rental income	26,065	3,289	**29,354**
	62,888	3,289	**66,177**
Investment Income			
Dividends and interest	9,929		**9,929**
Lease income	124,151		**124,151**
	134,080	-	**134,080**
Other			
Other Income	-	-	**-**
TOTAL INCOME	**597,946**	**8,830**	**606,776**

St Michael's Chester Square

Year Ended 31st December 2025

Notes to the Financial Statements

3 Expenditure on Charitable Activities (2025)

	Unrestricted	Restricted	**Total (2025)**
	£	£	**£**
Accommodation	96,951	-	**96,951**
Administration	49,972	3	**49,975**
Audio visual and redecoration project	-	18,393	**18,393**
Church building running costs	54,085	-	**54,085**
Clergy costs	81,207	-	**81,207**
Diocesan quota	30,980	-	**30,980**
Depreciation	16,531	-	**16,531**
Mission support and outreach	40,274	759	**41,033**
Other ministry costs	22,051	7,283	**29,334**
Services & music	21,957	-	**21,957**
Staff costs	186,191	-	**186,191**
	600,199	26,438	**626,637**

3 Expenditure on Charitable Activities (2024)

	Unrestricted	Restricted	**Total (2024)**
	£	£	**£**
Accommodation	82,230	3,289	**85,519**
Administration	41,444	-	**41,444**
Audio visual and redecoration project	-	421	**421**
Church building running costs	69,916	-	**69,916**
Clergy costs	89,492	-	**89,492**
Diocesan quota	28,142	-	**28,142**
Depreciation	14,877	-	**14,877**
Mission support and outreach	56,860	7,206	**64,066**
Other ministry costs	12,127	2,716	**14,843**
Services & music	27,918	-	**27,918**
Staff costs	169,900	-	**169,900**
	592,906	13,632	**606,538**

Notes to the Financial Statements

4 Expenditure on charitable activities by activity

	Direct activities	Grant funding	Support costs	**Total (2025)**
	£	£	£	**£**
Accommodation	-	-	96,951	**96,951**
Administration	-	-	49,975	**49,975**
Audio visual and redecoration project	-	-	18,393	**18,393**
Church building running costs	-	-	54,085	**54,085**
Clergy costs	81,207	-	-	**81,207**
Diocesan quota	30,980	-	-	**30,980**
Depreciation	-	-	16,531	**16,531**
Mission support and outreach	-	41,033	-	**41,033**
Other ministry costs	29,334	-	-	**29,334**
Services & music	21,957	-	-	**21,957**
Staff costs	186,191	-	-	**186,191**
	349,669	41,033	235,935	**626,637**

	Direct activities	Grant funding	Support costs	**Total (2024)**
	£	£	£	**£**
Accommodation	-	-	85,519	**85,519**
Administration	-	-	41,444	**41,444**
Audio visual and redecoration project	-	-	421	**421**
Church building running costs	-	-	69,916	**69,916**
Clergy costs	89,492	-	-	**89,492**
Diocesan quota	28,142	-	-	**28,142**
Depreciation	-	-	14,877	**14,877**
Mission support and outreach	-	64,066	-	**64,066**
Other ministry costs	14,843	-	-	**14,843**
Services & music	27,918	-	-	**27,918**
Staff costs	169,900	-	-	**169,900**
	330,295	64,066	212,177	**606,538**

St Michael's Chester Square

Year Ended 31st December 2025

Notes to the Financial Statements

5 Parish Share

St Michael's Church is a parish church of the Church of England in the Diocese of London. Through Parish Share, the PCC contributes towards the funding of ministers, particularly parochial clergy, throughout the Diocese, as well as the work of various diocesan bodies and the wider work of the Church of England. The Diocese is a community resourcing a common task, and not a charity trying to raise funds to meet a need. In 2025, the amount paid by the PCC was £30,980 (2024: £28,142).

6 Independent Examination Fees

Fees payable to the Independent Examiner for:

	2025	2024
Preparation of the financial statements	-	2,371
Independent Examination of the financial statements:	1,985	
	1,985	2,371

7 Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	159,114	160,083
Social security costs (Employer NI)	6,480	5,815
Employer contribution to pension plans	3,657	3,256
Total Employment Costs	**169,251**	**169,154**

The clergy are employed by the London Diocese so their costs have not been included in the salary figures shown above.

The average head count of employees during the year was as follows:

	2025	2024
Headcount	8	8

The number of employees who received employee benefits of more than £60,000 during the year was as follows:

	2025	2024
More than £60,000	-	-

Key Management Personnel

The charity's key management personnel comprise the clergy and Operations Director. Total employment costs of Key Management Personnel were £51,950 (2024: £60,304)

Notes to the Financial Statements

8 Trustee Remuneration, Expenses, and Donations

During the year, the PCC covered the accommodation expenses of the clergy members who were also part of the PCC. The total accommodation costs paid during the year were £96,951 (2024: £63,970).

During the year five trustees (including 3 clergy) received payments for expense claims during 2025 (2024: 5). These expenses mainly related to day to day running cost of the Church along with accommodation maintenance and moving costs. The expenses reimbursed to trustees during the year totalled £15,304 (2024: £9,038).

The aggregate value of donations made by PCC members was £122,476 (2024: £106,684).

9 Tangible Fixed Assets

	Freehold Land & Buildings	Equipment	Fixtures & Fittings	Total
	£	£	£	**£**
Cost or Calculation				
At 1st January 2025	615,776	117,807	103,958	837,541
Revaluation	-	-	-	-
Additions	-	8,954	3,288	12,242
Disposals	-	-	-	-
At 31st December 2025	**615,776**	**126,761**	**107,246**	**849,783**
Depreciation				
At 1st January 2025	-	100,630	69,420	170,050
Depreciation charge	-	6,567	9,964	16,531
Depreciation disposal	-	-	-	-
At 31st December 2025	**-**	**107,197**	**79,384**	**186,581**
Net Book Value				
At 31st December 2025	**615,776**	**19,564**	**27,862**	**663,202**
At 31st December 2024	615,776	17,177	34,538	667,491

The freehold property is 24 Sullivan Road.

Notes to the Financial Statements

10 Investments

	2025	2024
	£	£
Freehold		
Fair value brought forward at 1 January 2025	1,600,000	1,600,000
Revaluation	-	-
Fair value carried brought forward at 31 December 2025	1,600,000	1,600,000
Share investment		
Fair value brought forward at 1 January 2025	224,958	219,924
Additions / (disposals) in the year	-	-
Revaluation	(8,993)	5,034
Fair value carried brought forward at 31 December 2025	215,965	224,958
Total investments	**1,815,965**	**1,824,958**

The freehold property is 2 Eccleston Place, London, SW1W 9NE, which is held on lease by Pirandello Ltd trading as "Sicily". The legal title of the property is vested in the Diocesan Authority and the London Diocesan Fund as Custodian Trustees on behalf of the Parochial Church Council. Following a valuation taken by an external valuer, the PCC determined that the value of the property increased to £1.6m at the end of 2022.

The share investment account was opened with CCLA in 2014 in order to generate higher returns than the bank interest available from high street banks. Dividends are recognised as income in the period paid. The revaluation has been provided by CCLA at the year end.

11 Debtors

	2025	2024
	£	£
Income tax recoverable	6,354	5,215
Prepayments	25,519	24,372
Other debtors	5,663	27,801
	37,536	**57,388**

12 Creditors: amounts falling due within one year

	2025	2024
	£	£
Deferred income	35,000	30
Trade creditors	7,856	2,250
Accruals	3,006	3,280
Payroll taxes and pension	4,507	2,686
Credit card bills unpaid	1,916	-
	52,286	**8,245**

St Michael's Chester Square

Year Ended 31st December 2025

Notes to the Financial Statements

13 Analysis of Charitable Funds (2025)

	1 Jan 2025	Income	Expenditure	Gain/Loss	Transfers	**31 Dec 2025**
	£	£	£	£	£	**£**
Unrestricted Funds						
General funds	132,181	673,634	(543,394)	-	(53,363)	**209,058**
	132,181	673,634	(543,394)	-	(53,363)	**209,058**
Designated						
Fixed assets	2,267,491	-	(16,531)	-	12,242	**2,263,202**
Reserves	224,958	-	-	(8,993)	-	**215,965**
Mission Support	-	-	(40,274)	-	48,352	**8,078**
Total Designated	2,492,449	-	(56,805)	(8,993)	60,594	2,487,245
Total Unrestricted	**2,624,630**	**673,634**	**(600,199)**	**(8,993)**	**7,231**	**2,696,303**
Restricted Funds						
Audiovisual and redecoratior	24,426	1,200	(18,393)	-	(7,231)	**-**
AC grant	2,284	5,000	(7,283)	-	-	**-**
Jelena	65	240	(285)	-	-	**20**
Lent appeal	-	100	(100)	-	-	**-**
Pimlico Foundation	-	307	(307)	-	-	**-**
Westminster Foodbank	-	88	(70)	-	-	**18**
Total Restricted	**26,774**	**6,935**	**(26,438)**	**-**	**(7,231)**	**40**
Total Funds						
Total	**2,651,404**	**680,569**	**(626,637)**	**(8,993)**	**-**	**2,696,343**

Material Fund Transfers 2025

Mission Support & LDF Outreach	10% of donation and lease income to support mission partnerships
Audiovisual, General fund, fixed assets	Transfer of asset values when these were purchased from the AV / General fund and transferred to the Fixed Assets fund

St Michael's Chester Square
Year Ended 31st December 2025

Notes to the Financial Statements

13 *Analysis of Charitable Funds (2024)*

	1 Jan 2024	Income	Expenditure	Gain/Loss	Transfers	**31 Dec 2024**
	£	£	£	£	£	**£**
Unrestricted Funds						
General funds	106,810	597,946	(521,169)	-	(51,406)	**132,181**
	106,810	597,946	(521,169)	-	(51,406)	**132,181**
Designated						
Fixed assets	2,282,369	-	(14,877)	-	-	**2,267,492**
Reserves	219,923	-	-	5,034	-	**224,957**
Mission Support	5,454	-	(56,860)	-	51,406	**-**
Total Designated	2,507,746	-	(71,737)	5,034	51,406	2,492,449
Total Unrestricted	**2,614,556**	**597,946**	**(592,906)**	**5,034**	**-**	**2,624,630**
Restricted Funds						
Audiovisual and redecoration	24,846	-	(421)	-	-	**24,425**
AC grant	-	5,000	(2,716)	-	-	**2,284**
Jelena	6,730	335	(7,000)	-	-	**65**
Housing deposit	-	3,289	(3,289)	-	-	**-**
Pimlico Foundation	-	206	(206)	-	-	**-**
Westminster Foodbank	-	-	-	-	-	**-**
Total Restricted	**31,576**	**8,830**	**(13,632)**	**-**	**-**	**26,774**
Total Funds						
Total	**2,646,132**	**606,776**	**(606,538)**	**5,034**	**-**	**2,651,404**

Material Fund Transfers 2024

Mission Support & LDF Outreach	Transfer from the General fund to the designated Mission Support fund for donations and grant to be made to organisations and individuals during the year.

Notes to the Financial Statements

Explanation of Funds

Designated Funds

Fixed assets	Fund to hold the year end closing balance of tangible assets and investment assets
Reserves	Fund to hold the reserves of the charity as per the reserves policy outlined in the Trustees' report
Mission Support	Designated fund for giving to mission partners and LDF outreach

Restricted Funds

Audio visual and recdecorati	Special offering collection from previous years' Gift Day
AC Grant	Restricted grant from the Arthur Cross charity
Jelena	Restricted income for supporting a mission partner
Housing deposit	A fund used to hold and pass on the deposit for rented accomodation
Lent Appeal	Funds received and donated to the Diocesan Lent appeal
Pimlico Foundation	Funds received and donated to the Pimllico Foundation charity
Westminster Foodbank	Funds received and donated to the Westminster Foodbank charity

14 Analysis of Net Assets Between Funds

	Unrestricted	Restricted	**Total (2025)**
	£	£	**£**
Fixed Assets	2,479,167	-	**2,479,167**
Current Assets	269,121	342	**269,463**
Creditors due within 1 year	(51,982)	(304)	**(52,286)**
	2,696,305	40	**2,696,345**

	Unrestricted	Restricted	**Total (2024)**
	£	£	
Fixed Assets	2,492,449	-	**2,492,449**
Current Assets	140,426	26,774	**167,200**
Creditors due within 1 year	(8,245)	-	**(8,245)**
	2,624,630	26,774	**2,651,404**

Notes to the Financial Statements

15 Related Party Transactions

During the year, the following related party payments took place:

Andrew and Elizabeth Parker received gifts to the value of £3,000 (2024: £3,000) for their charitable work with Mission Aviation Fellowship. Andrew and Elizabeth are related parties due to being close family members with Timothy Parker on the Board of Trustees (PCC member).

Louisa Mulvaney (wife of Jamie Mulvaney, Vicar and Trustee) was reimbursed £23 during 2025 for ministry expenses.

Gardiner Hunt (daughter of Stephanie Hunt, Trustee) was paid £90 for event staffing.

Marylois Beard (wife of Mark Beard, Trustee) was reimbursed £547 for event expenses.

16 Operating Lease

The total future minimum lease payments under non-cancellable operating leases relating to rent paid for property are as follows:

	2025	2024
Within one year	**33,538**	33,538
Within two to five years	**134,152**	134,152
More than five years	**180,360**	214,457
	348,050	382,147

The operating lease is held for accommodation purposes

17 Operating Lease Income as a Lessor

The church acts as a lessor for 2 Eccleston Place, in respect of property leases granted under operating lease agreements. The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2025	2024
Within one year	**139,093**	139,093
Within two to five years	**700,000**	700,000
More than five years	**338,333**	478,333
	1,177,426	1,317,426

The operating lease is held with Pirandello Ltd. The lease runs for periods of 10 years, with rent reviews every 5 years.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL, CHESTER S

England & Wales - Charity number 1130914

Accounts

Registered Charity no. 1130914

The Parochial Church Council Of The Ecclesiastical Parish Of St Michael, Chester Square

Known as St Michael's Church, Chester Square

Trustees Annual Report and Accounts

Year Ended 31st December 2024

St Michael's Church, Chester Square

Year Ended 31st December 2024

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St Michael's Church, Chester Square

Year Ended 31st December 2024

Legal and Administrative Information

Reference
The Charity is called “The Parochial Church Council Of The Ecclesiastical Parish Of St Michael, Chester Square”. The Parochial Church Council is known as the PCC for short. Other names which are used for the charity are "St Michael's Church, Chester Square". The church is registered with the Charity Commission for England and Wales and was registered on 13 April 2009; before this, the church was exempt from registration.

Registered Charity Number	1130914
Registered Office	St. Michael's Church Chester Square London SW1W 9EF
Website	www.smccs.org.uk
Primary Bankers	NatWest Bank 169 Victoria Street London SW1E 5NA
Independent Examiner	Nigel Wyatt BSC FCA Wyatt & Co Chartered Accountants 125 Main Street Garforth Leeds LS25 1AF

St Michael's Church, Chester Square

Year Ended 31st December 2024

Legal and Administrative Information

Trustees and members of the PCC

The Parochial Church Council (PCC) Members are elected or co-opted by the Annual Parochial Church Meeting in accordance with the Church Representation Rules 2020 or are ex-officio. The following people served as members of the PCC for all or part of the year.

Incumbent	Revd Jamie Mulvaney - instituted March 2025
	Revd Rupert Charkham (stepped down April 2024)
Curate	Revd Sam Banner
Curate	Revd Mark Beard
Churchwardens	
	David Munns (Standing Committee)
	Ruth Williams (Deanery Synod Rep, Mission Support Group, Standing Committee)
PCC members	
	Elizabeth Berridge - elected May 2024
	Beatrice Lovell - elected May 2024 (stepped down March 2025)
	Geoffrey Green - elected May 2024
	Heidi Wiseman - elected May 2024
	Timothy Parker (Finance Committee)
	Helena Boase
	Tola Babatunde
	Anneliese Blackwood (lay vice chair)
	Michael Bradley (Deanery Synod Rep, Fabric Committee)
	Grace Wort (Deanery Synod Rep, Mission Support Group)
	Felicity Hunt (Hon Treasurer, Finance Committee, Standing Committee)
	Robert Yesubrabha (stepped down January 2025)
	Hugo Walford (stepped down spring 2024)
	Fredrick Meissner (stepped down spring 2024)
	Elizabeth Gallagher (stepped down autumn 2024)
Secretary	
	Amy Kirk (appointed July 2024, non-voting member)

St Michael's Church, Chester Square

Year Ended 31st December 2024

Trustees' Annual Report

Structure, Governance and Management

St Michael's Parochial Church Council has the responsibility of co-operating with the Incumbent, the Revd Jamie Mulvaney, in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical. The Parochial Church Council (PCC) is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and a charity registered with the Charity Commission for England and Wales number 1130914.

Committees
The PCC operates through a number of sub-committees which meet between full meetings of the PCC.

Standing Committee
This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Mission Support Group
This covers all aspects of the local church's mission to the community and the world. A number of grants were given to individuals from St Michael's serving overseas.

Fabric Committee
This committee advise on the maintenance of the fabric of the church, and matters concerning the residential properties used by church staff.

Finance Committee
The committee consists of the Treasurer and a small group of volunteers who advise the Treasurer on the budget, financing and reserves policy.

Risk Management
The PCC has reviewed the risks that St Michael's faces and established systems and controls to mitigate the significant risks, although it recognises that no system of controls can provide absolute assurance against adverse events. Below we discuss the major ongoing risks, along with the control measures we have in place.

Safeguarding and Duty of Care
In line with the House of Bishop's policy statement on promoting a Safer Church, St Michael's is committed to ensuring the care and protection of children, young people and vulnerable adults involved in its activities. Safeguarding is the responsibility of the whole church and everyone who participates in the life of St Michael's has a role to play in promoting a safer church for all. St Michael's continues to adopt and implement the recommendations, policies and procedures outlined in the Church of England Safeguarding documentation. This includes all the latest guidance issued since the last Annual Report, which covers the key roles and responsibilities of officeholders, and includes practical guidance on how to respond to, assess and manage concerns or allegations against church officers. There are multiple resources available for training and development in this area. St Michael's has appointed a Safeguarding Officer, an evidence checker and a children's champion. All staff, PCC members and volunteers with pastoral roles must make a DBS disclosure and undertake appropriate training. The Safeguarding Officer regularly updates the PCC on policy in this area.

Financial Risks

Misuse or misappropriation of funds due to unauthorised expenditure or misuse of cash which we address by:

- Limiting the use of cash where possible.
- The church has purchased card readers which enable cashless payments for special services, such as weddings and funerals or at events.
- PCC policy is that unbudgeted items of expenditure up to £1,000 need the approval of the treasurer or a church warden. For amounts above this, the treasurer, and both church wardens are required to give approval. Unbudgeted expenditure over £5,000 requires full PCC approval.
- PCC has approved the use of the Expense Plus operating system, which enables staff and the finance committee to control expenses at a more granular level.

Poor budgeting:

- We limit this risk by preparing an annual budget approved by PCC.
- Performance against this is monitored monthly and it is updated and amended where appropriate throughout the year.
- The Finance Committee regularly reviews our budgeting process to make sure that it remains fit for purpose.

The soundness of our financial reporting:

- A team from Expense Plus prepares our monthly management accounts using information input by church staff. Monthly calls between their team, our Director of Operations and the treasurer enable any financial concerns to be raised in a timely manner. Our income and assets are below the threshold for a statutory audit. During the year PCC therefore approved the Finance Committees recommendation that we use the firm of Wyatt & Co., to provide an independent examination of the accuracy of our accounts our statutory accounts.

Sudden loss of income, if key donors move away:

- As a central London church, we have regular turnover of church members. To ensure that we can meet our financial obligations, PCC plans to hold two updates on our finances each year. The first in the spring is to discuss our regular, ongoing expenditure. Towards the end of the year, we hold a Gift Day which is designed to support one-off projects and major works.
- Donation income is monitored regularly, and expenditure reviewed if this falls significantly below expectations.

Fire and Health and Safety risks

Harm could come to anyone in the church building due to lack of appropriate procedures in relation to fire and other health and safety risks:

- The PCC has appointed a health and safety officer, who monitors these issues, writes our policy and keeps staff and PCC members abreast of any possible concerns.
- Briefings are given to those involved in ushering, welcoming or making coffee.
- External parties who hire the church are briefed on our health and safety procedures.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Trustees' Annual Report

Risks to the building

The age of our building and its central location mean that there could be legal and financial risks caused by damage or decay to the structure and fabric.

- The PCC ensures that it has adequate insurance in place to cover any accidental damage.
- In line with Diocesan recommendations, the PCC commissions a quinquennial survey and follows up on any advice given regarding repairs or maintenance.
- The PCC has appointed a buildings and fabric committee to advise on regular repairs and maintenance and monitor wear and tear.
- The office team maintain a schedule of regular checks and maintenance for the church building and other properties for which the PCC is responsible.
- The PCC sets aside part of the income from the lease on the Sicily Restaurant, at 2 Eccleston Place, to cover major repairs and capital projects.

Recruitment and Training of PCC Members
PCC Members (excluding those that hold ex officio posts or who are co-opted) are nominated and elected at the Annual Parochial Meeting. The Church Treasurer, in particular, together with other members are invited to attend central training meetings run by the Diocese. Similarly, new Council Members are invited to attend conferences held and provided with any information leaflets produced by the Diocese to equip them for their roles.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Trustees' Annual Report

Objectives and Activities

The mission of St Michael's is to enable people to Come to Christ, Learn to Love and Love to learn.

In planning our activities, the Parochial Church Council (PCC) has considered the Commission's guidance on public benefit. As ever, our main focus is holding weekly services and celebrating major Christian holidays, to teach Christian values and promote them in everyday life to the members of the congregation, both regulars and visitors. The Alpha Course —an internationally recognised ten-week course on the basics of Christianity —is organised annually.

The PCC aims to donate 10% of income to support Christian work both overseas and at home. This is managed by a sub-committee, the Mission Support Group. Pastoral care for the congregation is provided in small groups and through individual counselling.

The Year in Review

For most of the year we have been without a Vicar (an Interregnum) as Rupert Charkham stood down officially in April 2024. This has, therefore, been our second vacancy in four years. Despite this and because of it, as our Parish Profile said, we have been led "to wait on the Lord and to seek His wisdom rather than rely on our own".

We have much to be grateful for. We would like to acknowledge everyone who has prayed, encouraged, supported and been committed to our church family, for the goodwill and appreciation shown to the Interregnum Leadership Team (ILT), the church office and the PCC throughout this time. It has kept us on an even keel but even more than that, using the sailing analogy, we have sailed with the wind of the Holy Spirit and seen much blessing, much to be excited about and people being encouraged, perhaps for the first time, to use their gifts among us.

We are grateful in particular to:

-the PCC and church office team for whom the Interregnum brought unexpected additional pressures;

- those who worked on and created the Parish Profile;

- our wonderful and gifted outside speakers, especially our lay internal speakers who brought God's word and challenged us;

- those who have led and organised our prayer times and home groups; and.

- all our wonderful volunteers in whatever capacity.

Encouragements and Sorrows

- Both congregations combined on a Sunday in November for an 'At Home' morning of worship and fellowship together, led by Simon Downham.

- We had a wonderful and very well-attended Carol Service.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Trustees' Annual Report

- We celebrated Weddings, Confirmations (including for a number of our young teenagers) and Baptisms of both adults and children.

- Pastoral care of the congregation was provided in small groups and through individual help and counselling.

- Growth in the young teenage group.

- We held an evening for reflection and praise and to consider lessons learnt with the help of Jeremy Crossley.

- It's so exciting to see new people join both the 9:00 and 11:00 services but we are sorry to say goodbye to some very faithful members of our congregation including a number of families who have moved away from London, and some wonderful, faithful and valued members of our family who have gone 'home' to glory.

Personnel

Rupert Charkham stepped down as our vicar and left in April. In November, Jamie Mulvaney was appointed as our new vicar, joining us in March 2025.

Lucy Egbuta left in the autumn after many years on the staff team coordinating events and communications with willingness and creativity. Alice Nnene joined in the summer as our worship leader. She has revitalised our worship at the 11:00 service and expanded our worship team.

We were excited to welcome Melanie Searle in the summer as our new Children's pastor, who has breathed fresh life into our Children's church.

In the autumn, Jack Campbell stepped down as our operations director and Beth Jolley took over. We are grateful to Jack for all he has done and reorganised in the church office and for his insight as part of the ILT, and to Beth, who has quickly taken up the challenge, bringing huge gifts and organisational ability.

The Future

We are still conscious of the ongoing challenges set out in the Parish Profile. However, as we thank God for the past, we have this confidence that we can do "even greater things" by the Holy Spirit working in and through us with our new vicar, Jamie Mulvaney, to lead us "on this new journey ". We believe strongly that God has brought Jamie and his family to us to help us reflect Jesus and grow closer to Him as His disciples and to be 'a Church in the heart of London with a heart for London '.

Ruth Williams and David Munns, Church Wardens.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Trustees' Annual Report

Treasurer's Finance Report

Income
During the year, our total income from all sources reached £606,776, representing a slight drop of £57,360 or 9% compared to 2023. While regular giving rose by around 5% to £241,630 and the rental income we receive from the Sicily restaurant at 2, Eccleston Place rose by 24% to £124,151 on receipt of the first instalments of the newly agreed rent, we received fewer large one-off gifts and did not hold a Gift Day during the year.

Expenditure
Expenditure came in below budget at £606,538 and some £77,820 or 11% below the 2023 level.

While our costs for clergy and giving to the London diocesan fund were unchanged for the year – as no discounts are given to churches during a vacancy- most other costs fell compared to 2023, as there were fewer events, lower staff costs and lower expenditure on repairs and maintenance. The only exception was in administration costs which rose sharply during the year, due to advertising costs related to our search for a new vicar, for our children's pastor and director of operations, as well as for professional advice related to rent review on the Sicily restaurant.

We give away 10% of our income from giving and our rental income from the Sicily restaurant to mission support and outreach. (The timing of gifts to our mission partners does not always tally exactly with our monthly income.)

We ended the year with a slight surplus of £238.

In addition, our investments with CCLA (the investment fund controlled by the Church of England), gained slightly in value, by about 2% or £5,034 during the year.

Balance Sheet
Although our balance sheet might appear exceptionally strong, with total funds of £2.6m, most of this sum is accounted for by our lease on the Sicily restaurant (valued at £1.6m) and the house at 24 Sullivan Road, which until late 2023 was occupied by Matt White, our former associate vicar. Our liquid reserves (cash and investments), while sufficient, accounted for the much lower sum of £357,138.

Reserves Policy
PCC policy is to maintain liquid funds to cover at least three months' anticipated expenditure plus the costs of any projected major works. At the end of the year, we had cash at the bank and in hand of £109,812 and an investment in the CCLA global income fund (Share investment in the notes to the accounts) work £224,958. On the balance sheet, we held £57,388 in debtors and £8,254 in creditors. Then, removing £26,774 funds held for restricted purposes, this gave us liquid funds of £357,138, which represented approximately seven months' anticipated expenditure.

Going concern
The PCC believes that the current level of giving and other income received by the church is sufficient to pay for the expected expenses in the coming year. They prepare annual budgets and monitor expenses throughout the year. If the income should fall due to some unexpected circumstances, the PCC would adjust spending accordingly.

The PCC conclude that there are no material uncertainties to prevent the church from continuing as a going concern.

Grant making policy
Grants are allocated by the Mission Support Group for clearly defined goals, projects, time frames (usually three years or less) and people. The Group seeks to balance local, national and overseas needs and supports both social/historic and gospel work. Prayer support is an essential part of grant making, as are reports back from Mission Partners and contact with them throughout their assignments. Grant applications are considered at the group's meetings, which take place three or four times a year. Priority is given to those applications where there is a connection to St Michael's Church, either because the applicant is a member of the congregation, or the project directly supports the Objectives of the PCC.

Fundraising policy
In line with the reporting requirements included in the Charities Act 2016 the PCC members are pleased to confirm that all fundraising is done in compliance with best fundraising practice. No professional fundraisers were employed during the year under review, nor were there any complaints or criticisms during the year about our fundraising activities.

Performance of fundraising against objectives
The total income for the year was lower than budgeted, due to fewer large one-off gifts and some large donors moving away.

Performance of investments against objectives
The PCC strives to keep enough cash in current accounts to fund current expenditure and has invested the remainder to yield higher returns. The main investment of the church is the lease on 2 Eccleston Place, now known as the Sicily Restaurant. We also hold an investment in the CCLA Equity Income fund.

Independent Examination
The PCC has given due thought to the annual review of our accounts. A resolution will be proposed at the Annual General Meeting that Wyatt & Co Chartered Accountants conduct an Independent Examination for the forthcoming year.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Trustees' Annual Report

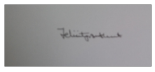
Trustees' Responsibilities in Relation to Financial Statements

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the Church's activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practices:

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

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, which enables them to ascertain its financial position, and which enable them to ensure the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. The trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Trustees Approval



Signed on behalf of the Trustees……

Felicity Anne Mary Hunt

Name of Trustee ……..

20/05/2025

Date:……..

St Michael's Church, Chester Square

Year Ended 31st December 2024

Independent Examiner's Report

I report to the trustees on my examination of the financial statements of St Michael's Church, Chester Square ('the charity') for the year ended 31 December 2024.

Responsibilities and Basis of Report
Members of the PCC, as trustees of the charity are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements 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 145(5)(b) of the Act.

Independent Examiner's Statement
I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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 financial statements do not accord with those records; or

3. the financial statements 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 in order to enable a proper understanding of the accounts to be reached.

Nigel Wyatt

Nigel Wyatt BSC FCA
Independent Examiner
125 Main Street
Garforth
Leeds
LS25 1AF

Date: 21/05/2025

St Michael's Church, Chester Square

Year Ended 31st December 2024

Statement of Financial Activities

	Note	2024 Unrestricted Funds £	2024 Restricted Funds £	**2024 Total Funds £**	2023 Total Funds £
Income					
Donations and legacies		395,681	5,541	**401,222**	497,368
Charitable activities		5,297	-	**5,297**	2,091
Activities for generating income		62,888	3,289	**66,177**	53,952
Investment income		134,080	-	**134,080**	110,325
Other		-	-	**-**	400
Total Income	**2**	597,946	8,830	**606,776**	664,136
Expenditure					
Expenditure on charitable activities	**3**	592,906	13,632	**606,538**	684,358
Total Expenditure		592,906	13,632	**606,538**	684,358
Net Income / (Expenditure) Before Gains/(Loses)		5,040	(4,802)	**238**	(20,222)
Gain/(loss) on investment portfolio	**10**	5,034	-	**5,034**	19,086
Net Income / (Expenditure) After Gains/(Loses)		10,074	(4,802)	**5,272**	(1,136)
Net Income and Net Movement in Funds					
Total funds brought forward	**13**	2,614,556	31,576	**2,646,132**	2,647,268
Transfers	**13**	-	-	**-**	-
Total Funds Carried Forward	**13**	2,624,630	26,774	**2,651,404**	2,646,132

All income and expenditure derive from continuing activities.

St Michael's Church, Chester Square

Year Ended 31st December 2024

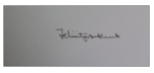
Statement of Financial Position

	Note	2024 £	2023 £
Fixed Assets			
Tangible fixed assets	**9**	667,491	682,369
Investments	**10**	1,824,958	1,819,924
		2,492,449	2,502,293
Current Assets			
Debtors	**11**	57,388	31,372
Cash at bank and in hand		109,812	161,142
		167,200	192,514
Creditors: Amounts Falling Due Within One Year	**12**	8,245	48,675
Net Current Assets		158,955	143,839
Total Assets Less Current Liabilities		**2,651,404**	**2,646,132**
Funds of the Charity			
Restricted funds	**13**	26,774	31,576
Unrestricted funds	**13**		
Unrestricted general		132,181	106,810
Designated funds		2,492,449	2,507,746
Total Charity Funds		**2,651,404**	**2,646,132**

Trustees Responsibilities

These financial statements were approved by the board of trustees and authorised for issue:

Name of Trustee: Felicity Anne Mary Hunt

Signed on Behalf of the Trustees: 

Date of Approval: 20/05/2025

St Michael's Church, Chester Square

Year Ended 31st December 2024

Statement of Cash Flows

	2024	2023
	£	£
Cash Flows From Operating Activities		
Net cash provided by (used in) operating activities	(185,410)	(246,177)
	(185,410)	(246,177)
Cash Flows From Investing Activities		
Investment income received	134,080	110,325
Investment realisation	-	5,000
Purchase of tangible fixed assets	-	(22,324)
Net cash provided by (used in) investing activities	134,080	93,001
Cash Flows From Financing Activities		
Repayments on borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	(51,330)	(153,176)
Cash and cash equivalents at the beginning of the reporting period	161,142	314,318
Cash and Cash Equivalents at the End of the Reporting Period	109,812	161,142

Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2024	2023
	£	£
Net movement in funds for the reporting period (as per the statement of financial activities)	5,272	(1,136)
Adjustments for:		
Gain/(loss) on investment portfolio	(5,034)	(19,086)
Investment income received	(134,080)	(110,325)
Depreciation of tangible fixed assets	14,877	16,752
(Increase)/decrease in debtors	(26,016)	6,278
Increase/(decrease) in creditors	(40,429)	(138,660)
Net cash provided by (used in) operating activities	(185,410)	(246,177)

Analysis of Cash and Cash Equivalents

	2024	2023
	£	£
Cash at bank and in hand	109,812	161,142
Total cash and cash equivalents	109,812	161,142

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the Charities Act 2011 and in accordance with Church Accounting Regulations 2006 together with the Charities Statement of Recommended Practice (Charities SORP (FRS102)) and Financial Reporting Standard 102 (FRS102).
The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at fair value. St Michael's Church, Chester Square meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest f. The Parochial Church Council of St Michael's Church is a Charity Registered in England and Wales No 1130914and the Parish Office is at The Vestry, St Michael's Church Chester Square, London SW1W 9EF.

Assessment of Going Concern

At the time of approving the financial statements, the PCC members have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the PCC members continue to adopt the going concern basis of accounting in preparing the financial statements.

Fund Accounting

PCC funds are required to be analysed under specific headings, as follows:

General funds represent the ‘free’ funds of the PCC that are not subject to any restriction regarding their use and are available for application for the general purposes of the PCC.

Designated funds are earmarked by the PCC for particular purposes but are nevertheless still unrestricted as the PCC can redesignate the funds if it wishes.

Restricted funds are funds collected or donated for a particular purpose and cannot be used by the PCC for any other purpose except by agreement with the donor.

The funds of the PCC have been appropriately analysed and the statement of financial activities has been prepared in accordance with this analysis.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

Incoming Resources
All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

• All voluntary income from members of the church are recognised as donations and are included in full, with associated Gift Aid receivable in the Statement of Financial Activities.

• Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

• Incoming resources from charitable trading activities such as the letting of the building are accounted for when invoices are drawn up (as the point of entitlement).

• Donated services and facilities are included at the value to the charity where this can be quantified.

• Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

• Volunteer time, the value of voluntary support for the work of the church, is not included in the accounts but is described in the trustees' annual report.

• Investment income is included in the accounts when receivable.

Application of Resources
Grants and outward giving are accounted for in the SOFA when paid, unless an obligation, whether constructive or legal, exists to the recipient in accordance with the Charities SORP and FRS 102.

Parish share and other costs directly relating to the work and activities of the Church are accounted for when they are incurred or become due and payable.

Resources Expended
Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out the resources and the amount of the obligation can be measured with reasonable certainty.

Governance Costs
Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

Liability Recognition
Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

Operating Leases
Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

Tangible Fixed Assets
Consecrated land and buildings and moveable church furnishings
Consecrated and beneficed property is excluded from the accounts by s10(2)(a) of the Charities Act 2011. No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property.

All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Assets with a value of over £1,000 are capitalized to the statement of financial position, with items of equipment and furniture and fittings with a value below this are written off in the year of purchase.

Depreciation has been provided on tangible fixed assets except consecrated land and buildings and other freehold property at the following rates which are calculated to write off the cost of the assets over their estimated useful lives:

Furniture and fittings	4 to 10 years straight line
Equipment	4 to 10 years straight line

Where the useful economic life and holding value of the freehold property are so great that depreciation is immaterial, it is not charged.

Pensions
The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Investments
Investments (properties, bonds and shareholding accounts) were valued at fair value at 31st December 2023 and in each subsequent year the PCC will review the valuation for any permanent impairment in value which is transferred to the Statement of Financial Activities (SOFA).

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

Financial Instruments

The charity only invests in basic financial products and such assets are stated at the value invested and any gains or losses are recorded when the product is sold. Current assets Amounts owing to the PCC at 31st December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

2 Analysis of Income

	Unrestricted Funds	Restricted Funds	**Total Funds 2024**
	£	£	**£**
Donations and Legacies			
Donations	317,276	496	**317,772**
Income tax recoverable	56,674	45	**56,719**
Legacies	20,000	-	**20,000**
Grants	1,731	5,000	**6,731**
	395,681	5,541	**401,222**
Charitable Activities			
Weddings and funerals	3,987	-	**3,987**
Church activities and events	1,310	-	**1,310**
	5,297	-	**5,297**
Activities for Generating Income			
Church rental income	36,823	-	**36,823**
Accommodation rental income	26,065	3,289	**29,354**
	62,888	3,289	**66,177**
Investment Income			
Dividends and interest	9,929	-	**9,929**
Lease income	124,151	-	**124,151**
	134,080	-	**134,080**
Other			
Other Income	-	-	**-**
	-	-	**-**
Total Income	**597,946**	**8,830**	**606,776**

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

2 Analysis of Income *(Continued)*

	Unrestricted Funds	Restricted Funds	**Total Funds 2023**
	£	£	**£**
Donations and Legacies			
Donations	385,320	35,161	**420,481**
Income tax recoverable	57,471	6,313	**63,784**
Legacies	-	-	**-**
Grants	8,103	5,000	**13,103**
	450,894	46,474	**497,368**
Charitable Activities			
Weddings and funerals	(178)	-	**(178)**
Church activities and events	2,269	-	**2,269**
	2,091	-	**2,091**
Activities for Generating Income			
Church rental income	53,952	-	**53,952**
Accommodation rental income	-	-	**-**
	53,952	-	**53,952**
Investment Income			
Dividends and interest	10,325	-	**10,325**
Lease income	100,000	-	**100,000**
	110,325	-	**110,325**
Other			
Other income	400	-	**400**
	-	-	**400**
Total Income	**617,262**	**46,474**	**664,136**

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

3 Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds	Restricted Funds	**Total Funds 2024**
	£	£	**£**
Accommodation	82,230	3,289	**85,519**
Administration	41,444	-	**41,444**
Audio visual and redecoration project	-	421	**421**
Church building running costs	69,916	-	**69,916**
Clergy costs	89,492	-	**89,492**
Diocesan quota	28,142	-	**28,142**
Depreciation	14,877	-	**14,877**
Mission support and outreach	56,860	7,206	**64,066**
Other ministry costs	12,127	2,716	**14,843**
Services & music	27,918	-	**27,918**
Staff costs	169,900	-	**169,900**
	592,906	13,632	**606,538**

	Unrestricted Funds	Restricted Funds	**Total Funds 2023**
	£	£	**£**
Accommodation	81,181	-	**81,181**
Administration	27,252	-	**27,252**
Audio visual and redecoration project	-	24,036	**24,036**
Church building running costs	58,266	-	**58,266**
Clergy costs	97,600	-	**97,600**
Diocesan quota	37,450	-	**37,450**
Depreciation	16,752	-	**16,752**
Mission support and outreach	64,342	3,013	**67,355**
Other ministry costs	13,935	5,000	**18,935**
Services & music	16,789	-	**16,789**
Staff costs	238,742	-	**238,742**
	652,309	32,049	**684,358**

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

4 Expenditure on charitable activities by activity

	Activities Directly Undertaken	Grant Funding	Support Costs	**Total Funds 2024**
Accommodation	-	-	85,519	**85,519**
Administration	-	-	41,444	**41,444**
Audio visual and redecoration project	-	-	421	**421**
Church building running costs	-	-	69,916	**69,916**
Clergy costs	89,492	-	-	**89,492**
Diocesan quota	28,142	-	-	**28,142**
Depreciation	-	-	14,877	**14,877**
Mission support and outreach	-	64,066	-	**64,066**
Other ministry costs	14,843	-	-	**14,843**
Services & music	27,918	-	-	**27,918**
Staff costs	169,900	-	-	**169,900**
	330,295	64,066	212,177	**606,538**

	Activities Directly Undertaken	Grant Funding	Support Costs	**Total Funds 2023**
Accommodation	-	-	81,181	**81,181**
Administration	-	-	27,252	**27,252**
Audio visual and redecoration project	-	-	24,036	**24,036**
Church building running costs	-	-	58,266	**58,266**
Clergy costs	97,600	-	-	**97,600**
Diocesan quota	37,450	-	-	**37,450**
Depreciation	-	-	16,752	**16,752**
Mission support and outreach	-	67,355	-	**67,355**
Other ministry costs	18,935	-	-	**18,935**
Services & music	16,789	-	-	**16,789**
Staff costs	238,742	-	-	**238,742**
	409,516	67,355	207,487	**684,358**

5 Parish Share

St Michael's Church is a parish church of the Church of England in the Diocese of London, by means of Parish Share, helps the funding of ministers, particularly parochial clergy, throughout the Diocese, the work of various Diocesan bodies and the work of the Church of England as a whole. The Diocese is a community resourcing a common task, and not a charity trying to raise funds to meet a need. In 2024, the amount paid by the PCC was £28,142 (2023: £37,450).

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

6 Independent Examination Fees

Fees payable to the independent examiner for:

	2024	2023
	£	£
Independent examination and accounts preparation	2,371	2,280
	2,371	2,280

7 Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	**£**
Wages and salaries	160,083	204,238
Social security costs	5,815	13,918
Employer pension contribution	3,256	5,343
Redundancy costs	-	6,129
Ex gratia payments	-	9,114
Total Employment Costs	**169,154**	**223,499**

The clergy are employed by the London Diocese so their costs have not been included in the salary figures shown above.

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

	2024	2023
Headcount	8	9

Number of employees who received employee benefits of more than £60,000 during the year was as follows:

	2024	2023
More than £60,000	-	-

Key Management Personnel

The charity's key management personnel comprise the associate ministers, communications manager, operations manager and youth & children's pastor. Total remuneration paid to key management personnel was £60,304.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

8 Trustee Remuneration, Expenses and Donations

During the year, the PCC covered the accommodation expenses of the clergy members who were also part of the PCC. The total accommodation costs paid during the year were £63,970 (2023: £81,181).

During the year five trustees received payments for expense claims during 2024 (2023: 3). These expenses mainly related to day to day running cost of the Church along with accommodation maintenance and moving costs. The expenses reimbursed to trustees during the year totalled £9,038 of (2023: £10,697).

The aggregate value of donations made by PCC members was £106,684 (2023: £62,581).

9 Tangible Fixed Assets

	Freehold Land and Buildings	Equipment	Fixtures & Fittings	**Total**
	£	£	£	**£**
Cost or Valuation				
At 1st January 2024	615,776	117,807	103,958	**837,541**
Additions	-	-	-	**-**
At 31st December 2024	**615,776**	**117,807**	**103,958**	**837,541**
Depreciation				
At 1st January 2024	-	95,047	60,125	**155,172**
Depreciation charge	-	5,583	9,295	**14,878**
At 31st December 2024	-	100,630	69,420	**170,050**
Net Book Value				
At 31st December 2024	**615,776**	**17,177**	**34,538**	**667,491**
At 31st December 2023	615,776	22,760	43,833	682,369

The freehold property is 24 Sullivan Road.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

10 Investments

	2024	2023
	£	£
Freehold		
Fair value brought forward as at 1 January 2024	1,600,000	1,600,000
Revaluation	-	-
Fair value brought forward as at 31 December 2024	1,600,000	1,600,000
Share investment		
Fair value brought forward as at 1 January 2024	219,924	200,862
Additions / (disposals) in the year	-	-
Revaluation	5,034	19,062
Fair value brought forward as at 31 December 2024	224,958	219,924
Bond		
Fair value brought forward as at 1 January 2024	-	5,000
Additions / (disposals) in the year	-	(5,000)
Fair value brought forward as at 31 December 2024	-	-
Total Investments	**1,824,958**	1,819,924

The freehold property is 2 Eccleston Place, London, SW1W 9NE, which is held on lease by Pirandello Ltd trading as "Sicily". The legal title of the property is vested in the Diocesan Authority and the London Diocesan Fund as Custodian Trustees on behalf of the Parochial Church Council. Following a valuation taken by outside counsel, the PCC determined that the value of the property increased to £1.6m at the end of 2022.

The share investment account was opened with CCLA in 2014 in order to generate higher returns than the bank interest available from high street banks. Dividends are recognised as income in the period paid. The revaluation has been provided by CCLA at the year end.

The bond was a five year bond that matured on 31 May 2023 with the London Housing Association yielding 1.25%pa.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

11 Debtors

	2024	2023
	£	£
Income tax recoverable	5,215	2,585
Prepayments	24,372	4,278
Other debtors	27,801	24,509
	57,388	31,372

12 Creditors: Amounts Falling Due Within One Year

	2024	2023
	£	£
Trade creditors	2,250	2,438
Accruals and other creditors	3,280	3,925
Deferred income	30	40,162
Payroll taxes and pension	2,686	2,150
	8,245	48,675

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

13 Analysis of Charitable Funds

	1 Jan 2024	Income	Expenditure	Gains/Loses	Transfers	**31 Dec 2024**
	£	£	£	£	£	**£**
Unrestricted Funds						
Unrestricted						
General	106,810	597,946	(521,169)	-	(51,406)	**132,181**
Total	106,810	597,946	(521,169)	-	(51,406)	**132,181**
Designated						
Fixed assets	2,282,369	-	(14,877)	-	-	**2,267,492**
Reserves	219,923	-	-	5,034	-	**224,957**
Mission Support & LDF Outreach	5,454	-	(56,860)	-	51,406	**-**
Total	2,507,746	-	(71,737)	5,034	51,406	**2,492,449**
Total Unrestricted	**2,614,556**	**597,946**	**(592,906)**	**5,034**	**-**	**2,624,630**
Restricted Funds						
Audio visual and redecoration	24,846	-	(421)	-	-	**24,425**
AC grant	-	5,000	(2,716)	-	-	**2,284**
Jelena	6,730	335	(7,000)	-	-	**65**
Housing deposit	-	3,289	(3,289)	-	-	**-**
Pimlico Foundation	-	206	(206)	-	-	**-**
Total Restricted	**31,576**	**8,830**	**(13,632)**	**-**	**-**	**26,774**
Total Funds						
Total	**2,646,132**	**606,776**	**(606,538)**	**5,034**	**-**	**2,651,404**

Material Fund Transfers 2024

Mission Support & LDF Outreach	Transfer from the General fund to the designated Mission Support fund for donations and grant to be made to organisation and individuals during the year.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

Analysis of Charitable Funds cont.

	1 Jan 2023	Income	Expenditure	Gains/Loses	Transfers	**31 Dec 2023**
	£	£	£	£	£	**£**
Unrestricted Funds						
Unrestricted						
General	112,217	617,662	(571,215)	-	(51,854)	**106,810**
Total	112,217	617,662	(571,215)	-	(51,854)	**106,810**
Designated						
Fixed assets	2,276,798	-	(16,752)	-	22,323	**2,282,369**
Reserves	205,861	-	-	19,086	(5,024)	**219,923**
Mission Support & LDF Outreach	15,942	-	(64,342)	-	53,854	**5,454**
Total	2,498,601	-	(81,094)	19,086	71,153	**2,507,746**
Total Unrestricted	**2,610,818**	**617,662**	**(652,309)**	**19,086**	**19,299**	**2,614,556**
Restricted Funds						
Audio visual and redecoration	31,512	36,669	(24,036)	-	(19,299)	**24,846**
AC grant	-	5,000	(5,000)	-	-	**-**
Jelena	4,625	2,255	(150)	-	-	**6,730**
Events for seniors	302	-	(302)	-	-	**-**
The passage	11	-	(11)	-	-	**-**
Pimlico Foundation	-	550	(550)	-	-	**-**
Mission partners	-	2,000	(2,000)	-	-	**-**
Total Restricted	**36,450**	**46,474**	**(32,049)**	**-**	**(19,299)**	**31,576**
Total Funds						
Total	**2,647,268**	**664,136**	**(684,358)**	**19,086**	**-**	**2,646,132**

Material Fund Transfers 2023

Mission Support & LDF Outreach	Transfer from the general fund to the designated Mission Support fund for donations and grant to be made to organisation and individuals during the year.

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

Fund Descriptions

Outlined below are the details for all the material funds held during the financial year.

Designated Funds

Fixed assets	Fund to hold the year end closing balance of tangible assets and investment assets.
Reserves	Fund to hold the reserves of the organisation per the reserves policy outlined in the trustees' report.
Mission Support & LDF Outreach	Designated fund for giving to mission partners.

Restricted Funds

Audio visual and redecoration	Special offering collection in 2022 for AV and building.
AC grant	Restricted grant from the Arthur Cross charity.
Jelena	Restricted income for supporting a mission partner.
Housing deposit	A fund used to hold and pass on the deposit for the rented accommodation
Events for seniors	Donation to fund the ministry.
Pimlico Foundation	Funds received and donated to this charity that works with young people in Pimlico' and lose 'in a nearby estate.
Mission partners	Restricted income for supporting missionary partners.

14 Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	**Total Funds 2024**
	£	£	**£**
Fixed Assets	2,492,449	-	**2,492,449**
Current Assets	140,426	26,774	**167,200**
Creditors less than 1 year	(8,245)	-	**(8,245)**
	2,624,630	26,774	**2,651,404**

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Fixed Assets	2,502,293	-	2,502,293
Current Assets	160,938	31,576	192,514
Creditors less than 1 year	(48,675)	-	(48,675)
	2,614,556	31,576	2,646,132

St Michael's Church, Chester Square

Year Ended 31st December 2024

Notes to the Financial Statements

15 Related Party Transactions

During the year Liz Charkham who is a close family member of trustee Rupert Charkham was employed by the church. The total remuneration received during the year including employer national insurance was £798 (2023: £3,039).

During the year Andrew and Elizabeth Parker recieved gifts to the value of of £3,000 for thier charitble work with Mission Aviation Fellowship, and Elizabeth Parker recieved a £75 gift as a visiting speaker. Andrew and Elizabeth are related parties due to being close family members with Timothy Parker on the Board of Trustees (PCC member).

16 Operating Lease

The total future minimum lease payments under non-cancellable operating leases relating to rent paid for property are as follows:

	2024	2023
	£	£
Within one year	33,538	33,538
Within two to five years	134,152	134,152
More than five years	214,457	248,554
	382,147	**416,244**

The operating lease is held for accommodation purposes

17 Operating Lease Income as a Lessor

The church acts as a lessor for 2 Eccleston Place, in respect of property leases granted under operating lease agreements. The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Within one year	139,093	126,230
Within two to five years	700,000	700,000
More than five years	478,333	618,333
	1,317,426	**1,444,563**

The operating lease is hled with Pirandello Ltd. The lease runs for periods of 10 years, with rent reviews every 5 years.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL, CHESTER S

England & Wales - Charity number 1130914

Accounts

Registered Charity no. 1130914

The Parochial Church Council Of The Ecclesiastical Parish Of St Michael, Chester Square

Known as St Michael's Church, Chester Square

Trustees Annual Report and Accounts

Year Ended 31st December 2023

St Michael's Church, Chester Square

Year Ended 31st December 2023

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St Michael's Church, Chester Square

Year Ended 31st December 2023

Legal and Administrative Information

Reference
The Charity is called “The Parochial Church Council Of The Ecclesiastical Parish Of St Michael, Chester Square”. The Parochial Church Council is known as the PCC for short. Other names which are used for the charity are "St Michael's Church, Chester Square". The church is registered with the Charity Commission for England and Wales and was registered on 13 April 2009; before this, the church was exempt from registration.

Registered Charity Number	1130914
Registered Office	St. Michael's Church Chester Square London SW1W 9EF
Website	www.smccs.org.uk
Primary Bankers	NatWest Bank 169 Victoria Street London SW1E 5NA
Independent Examiner	Nigel Wyatt BSC FCA Wyatt & Co Chartered Accountants 125 Main Street Garforth Leeds LS25 1AF

St Michael's Church, Chester Square

Year Ended 31st December 2023

Legal and Administrative Information

Trustees and members of the PCC

The Parochial Church Council (PCC) Members are elected or co-opted by the Annual Parochial Church Meeting in accordance with the Church Representation Rules 2020 or are ex-officio. The following people served as members of the PCC for all or part of the year.

Incumbent	Revd Rupert Charkham
Associate Vicar	Revd Matthew White (resigned 31 August 2023)
Curate	Revd Sam Banner
Curate	Revd Mark Beard

Churchwardens

David Munns (Standing Committee)
Ruth Williams (Standing Committee, Deanery Synod, Mission Support Group)

PCC members

Lidia Assefaw (resigned 23 January 2023)
Tola Babatunde
Marylois Beard (resigned 23 May 2023, Standing Committee)
Anneliese Blackwood (Deanery Synod till 23 May 2023)
Helena Boase
Michael Bradley (Fabric Committee, Deanery Synod from 23 May 2023)
Dominic Brown (resigned 23 May 2023)
Elizabeth Gallagher (appointed 23 May 2023)
Felicity Hunt (Hon Treasurer, Finance Committee, Standing Committee)
Fredrick Meissner
Timothy Parker (appointed 23 May 2023, Finance Committee)
Stephanie Poole (appointed 23 May 2023, resigned 31 December 2023)
Iona Thorne (resigned 23 May 2023)
Alice Vink (resigned from Deanery Synod 23 May 2023)
Hugo Walford (appointed 23 May 2023)
Ken Wiseman (resigned 23 May 2023, Finance Committee)
Grace Wort (Deanery Synod Rep from 23 May 2023, Mission Support Group)
Robert Yesubrabha (appointed 23 May 2023)

Secretary

Ken Wiseman (resigned 23 May 2023)
Sam Banner (appointed 23 May 2023)

St Michael's Church, Chester Square

Year Ended 31st December 2023

Trustees' Annual Report

Structure, Governance and Management

St Michael's Parochial Church Council has the responsibility of co-operating with the Incumbent, the Revd Rupert Charkham, in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical. The Parochial Church Council (PCC) is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and a charity registered with the Charity Commission for England and Wales number 1130914.

Committees

The PCC operates through a number of sub-committees which meet between full meetings of the PCC.

Standing Committee

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Mission Support Group

This covers all aspects of the local church's mission to the community and the world. A number of grants were given to individuals from St Michael's serving overseas.

Fabric Committee

This committee advise on the maintenance of the fabric of the church, and matters concerning the residential properties used by church staff.

Finance Committee

The committee consists of the Treasurer and a small group of volunteers who advise the Treasurer on the budget, financing and reserves policy.

Risk management

The PCC has reviewed the risks that St Michael's faces and established systems and controls to mitigate the significant risks, although it recognises that no system of controls can provide absolute assurance against adverse events. Below we discuss the major ongoing risks, along with the control measures we have in place.

Safeguarding and Duty of Care

In line with the House of Bishop's policy statement on promoting a Safer Church, St Michael's is committed to ensuring the care and protection of children, young people and vulnerable adults involved in its activities. Safeguarding is the responsibility of the whole church and everyone who participates in the life of St Michael's has a role to play in promoting a safer church for all. St Michael's continues to adopt and implement the recommendations, policies and procedures outlined in the Church of England Safeguarding documentation. This includes all the latest guidance issued since the last Annual Report, which covers the key roles and responsibilities of officeholders, and includes practical guidance on how to respond to, assess and manage concerns or allegations against church officers. There are multiple resources available for training and development in this area.

St Michael's has appointed a Safeguarding Officer, an evidence checker and a children's champion. All staff, PCC members and volunteers with pastoral roles must make a DBS disclosure and undertake appropriate training. The Safeguarding Officer regularly updates the PCC on policy in this area.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Trustees' Annual Report

Financial Risks

Misuse or misappropriation of funds due to unauthorised expenditure or misuse of cash which we address by:

- Limiting the use of cash where possible.
- The church has purchased card readers which enable cashless payments for special services, such as weddings and funerals or at events.
- PCC policy is that unbudgeted items of expenditure up to £1,000 need the approval of the treasurer or a church warden. For amounts above this, the treasurer, and both church wardens are required to give approval. Unbudgeted expenditure over £5,000 requires full PCC approval.
- PCC has approved the use of the Expense Plus operating system, which enables staff and the finance committee to control expenses at a more granular level.

Poor budgeting:

- We limit this risk by preparing an annual budget approved by PCC.
- Performance against this is monitored monthly and it is updated and amended where appropriate throughout the year.
- The Finance Committee regularly reviews our budgeting process to make sure that it remains fit for purpose.

The soundness of our financial reporting:

- A team from Expense Plus prepares our monthly management accounts using information input by church staff. Monthly calls between their team, our Director of Operations and the treasurer enable any financial concerns to be raised in a timely manner. Our income and assets are below the threshold for a statutory audit. During the year PCC therefore approved the Finance Committees recommendation that we use the firm of Wyatt & Co., to provide an independent examination of the accuracy of our accounts our statutory accounts.

Sudden loss of income, if key donors move away:

- As a central London church, we have regular turnover of church members. To ensure that we can meet our financial obligations, PCC plans to hold two updates on our finances each year. The first in the spring is to discuss our regular, ongoing expenditure. Towards the end of the year, we hold a Gift Day which is designed to support one-off projects and major works.
- Donation income is monitored regularly, and expenditure reviewed if this falls significantly below expectations.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Trustees' Annual Report

Fire and Health and Safety risks
Harm could come to anyone in the church building due to lack of appropriate procedures in relation to fire and other health and safety risks:

- The PCC has appointed a health and safety officer, who monitors these issues, writes our policy and keeps staff and PCC members abreast of any possible concerns.
- Briefings are given to those involved in ushering, welcoming or making coffee.
- External parties who hire the church are briefed on our health and safety procedures.

Risks to the building.
The age of our building and its central location mean that there could be legal and financial risks caused by damage or decay to the structure and fabric.

- The PCC ensures that it has adequate insurance in place to cover any accidental damage.
- In line with Diocesan recommendations, the PCC commissions a quinquennial survey and follows up on any advice given regarding repairs or maintenance.
- The PCC has appointed a buildings and fabric committee to advise on regular repairs and maintenance and monitor wear and tear.
- The office team maintain a schedule of regular checks and maintenance for the church building and other properties for which the PCC is responsible.
- The PCC sets aside part of the income from the lease on the Sicily Restaurant, at 2 Eccleston Place, to cover major repairs and capital projects.

Recruitment and Training of PCC Members
PCC Members (excluding those that hold ex officio posts or who are co-opted) are nominated and elected at the Annual Parochial Meeting. The Church Treasurer, in particular, together with other members are invited to attend central training meetings run by the Diocese. Similarly, new Council Members are invited to attend conferences held and provided with any information leaflets produced by the Diocese to equip them for their roles.

Key management personnel
PCC Members, including the Clergy, Wardens and holders of other offices, are the Key Management Personnel, as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration or other payments from St Michael's Church except for those disclosed in Note 8 of the accounts.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Trustees' Annual Report

Objectives and activities

The mission of St Michael's is to enable people to Come to Christ, Learn to Love and Love to learn.

In planning our activities, the Parochial Church Council (PCC) has considered the Commission's guidance on public benefit. As ever, our main focus is holding weekly services and celebrating major Christian holidays, to teach Christian values and promote them in everyday life to the members of the congregation, both regulars and visitors. The Alpha Course —an internationally recognised ten-week course on the basics of Christianity —is organised annually.

The PCC aims to donate 10% of income to support Christian work both overseas and at home. This is managed by a sub-committee, the Mission Support Group. Pastoral care for the congregation is provided in small groups and through individual counselling.

The year in review

The mission of St Michael's is to help people Come to Christ (evangelism), Love to Learn (discipleship) and Learn to Love (supporting one another and reaching out with the love of Jesus).

Encouraging developments

- Throughout the year, new people joined the worshipping community. New evening homegroups and a daytime group for mothers with young children were developed.
- A new ministry began on Wednesday afternoons offering coffee, cake and a meeting point for mostly senior members.
- A series of 'Equipped for life' seminars took place in February. One stream focused upon "Essential skills for lifelong fruitful discipleship". The seminars were; 'Reading the Bible so it changes our lives'; 'Overcoming in the Spiritual battle' and 'Developing a prayer life'. The other stream focused on responding to common situations. Those situations were having friends with cancer, how to help those sleeping rough and thinking about same-sex relationships.
- The finances of the Church remained buoyant and stable.
- A well-attended guest dinner in the Autumn was followed by an Alpha Course.
- Improvements were made to the Church building, especially to the rooms that are used for children's work on Sundays.
- The church's online presence was overhauled, modernised and upgraded.
- St Michael's continues to fully endorse the CEEC statement of faith.

Ongoing challenges

- The need to grow and develop ministry amongst 20s/30s.
- The challenge of how to develop a missional core group and gain momentum when many of the congregation are regularly out of London at weekends and find attending mid-week evening meetings difficult.
- The challenge of being a Biblically orthodox Church at a time when resolutions are passed at General Synod which fly in the face of scripture.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Trustees' Annual Report

Personnel

2023 proved to be a year of several changes on the staffing front. Matt White resigned as Associate Vicar, to accompany his wife to her new post outside London. Jo Sears, who had been leading a flourishing children's ministry, left to resume her teaching career and Liz Charkham, who had been working part-time as her assistant, stepped down at the same time. Rev. Sam Banner took over responsibility for overseeing the children's work. Sylvia Kalisch (Finance Secretary) and Andy Poole (Worship Pastor) left in the Autumn and Lucy Egbuta (Comms) went on maternity leave, with Ashley Wragg joining on a short-term maternity cover contract. Amy Kirk (Office Manager and Ministry Coordinator) joined the team in September.

The future

The Church has a vital role to play in offering the comfort, care and hope that only Christ can give to a broken, tough and often despairing world. St Michael's will continue to strive to introduce people to the love of God, through the preaching of his Word, the moving of the Holy Spirit and the love of God's people.

Rev. Rupert Charkham, Vicar

Treasurer's finance report

Income
Total income was £664,136. This was 13%, or £96,232, below the level of 2022 but 3.5% above income in 2021. In the general fund, income was approximately 9% below our initial assumptions. The main reason for the fall was a lower level of one-off gifts, as some large donors moved away. In 2023, we received one off gifts of £132k, of which £27k was received for the November Gift Day.

Expenditure
While our income is always difficult to predict, we do try and budget carefully for expenditure. In 2023, our expenditure reached £684,358, which was below budget. We spent less than anticipated in almost every category, with clergy costs lower than anticipated due to the associate vicar's departure in the summer, as well as lower ministry, accommodation, administration, and church building costs.

Balance sheet
Total funds were £2.63m. The majority of this figure is accounted for by our ownership of the lease on the Sicily Restaurant and the house that is owned in Sullivan Road SE11.

Reserves policy
The PCC maintains an appropriate cash reserve and has resolved to hold readily available funds to cover at least three months of expenditure plus the costs of any planned major works. At the end of the year, our liquid funds (cash in hand and our investments with CLCC) amounted to over £381k, effectively covering around six months anticipated expenditure.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Trustees' Annual Report

Going concern

The PCC believes that the current level of giving and other income received by the church is sufficient to pay for the expected expenses in the coming year. They prepare annual budgets and monitor expenses throughout the year. If the income should fall due to some unexpected circumstances, the PCC would adjust spending accordingly.

Grant making policy

Grants are allocated by the Mission Support Group for clearly defined goals, projects, time frames (usually three years or less) and people. The Group seeks to balance local, national and overseas needs and supports both social/historic and gospel work. Prayer support is an essential part of grant making as are reports back from Mission Partners and contact with them throughout their assignments. Grant applications are considered at the group's meetings which take place three or four times a year. Priority is given to those applications where there is a connection to St Michael's Church, either because the applicant is a member of the congregation, or the project directly supports the Objectives of the PCC.

Fundraising policy

In line with the reporting requirements included in the Charities Act 2016 the PCC members are pleased to confirm that all fundraising is done in compliance with best fundraising practice. No professional fundraisers were employed during the year under review, nor were there any complaints or criticisms during the year about our fundraising activities.

Performance of fundraising against objectives

The total income for the year was lower than budgeted, due to fewer large one-off gifts and some large donors moving away.

Performance of investments against objectives

The PCC strives to keep enough cash in current accounts to fund current expenditure and has invested the remainder to yield higher returns. The main investment of the church is the lease on 2 Eccleston Place, now known as the Sicily Restaurant. We also hold an investment in the CCLA Equity Income fund. This increased in value by 9% during the year.

Independent Examination

The PCC has given due thought to the annual review of our accounts. A resolution will be proposed at the Annual General Meeting that Wyatt & Co Chartered Accountants conduct an Independent Examination for the forthcoming year.

Signed on behalf of the Trustees……

Name of Trustee ……..

Date:……..

St Michael's Church, Chester Square

Year Ended 31st December 2023

Independent Examiner's Report

I report to the trustees on my examination of the financial statements of St Michael's Church, Chester Square ('the charity') for the year ended 31 December 2023.

Responsibilities and Basis of Report
Members of the PCC, as trustees of the charity are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements 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 145(5)(b) of the Act.

Independent Examiner's Statement
I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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 financial statements do not accord with those records; or

3. the financial statements 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 in order to enable a proper understanding of the accounts to be reached.

Nigel Wyatt BSC FCA
Independent Examiner
125 Main Street
Garforth
Leeds
LS25 1AF

Date:

St Michael's Church, Chester Square

Year Ended 31st December 2023

Statement of Financial Activities

	Note	Unrestricted Funds	2023 Restricted Funds	Total Funds	2022 Total Funds
		£	£	£	£
Income					
Donations and legacies		450,894	46,474	**497,368**	597,033
Charitable activities		2,091	-	**2,091**	8,932
Activities for generating income		53,952	-	**53,952**	42,284
Investment income		110,325	-	**110,325**	112,119
Other		400	-	**400**	-
Total Income	**2**	617,662	46,474	**664,136**	760,368
Expenditure					
Expenditure on charitable activities	**3**	652,309	32,049	**684,358**	706,928
Total Expenditure		652,309	32,049	**684,358**	706,928
Net Income / (Expenditure) Before Gains/(Loses)		(34,647)	14,425	**(20,222)**	53,440
Gain/(loss) on investment portfolio	**9**	19,086	-	**19,086**	50,820
Net Income / (Expenditure) After Gains/(Loses)		(15,561)	14,425	**(1,136)**	104,260
Net Income and Net Movement in Funds					
Total funds brought forward	**15**	2,610,818	36,450	**2,647,268**	2,543,008
Transfers	**15**	19,299	(19,299)	**-**	-
Total Funds Carried Forward	**15**	2,614,556	31,576	**2,646,132**	2,647,268

All income and expenditure derive from continuing activities.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Statement of Financial Position

	Note	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	**9**	682,369	676,797
Investments	**10**	1,819,924	1,805,862
		2,502,293	2,482,659
Current Assets			
Debtors	**11**	31,372	37,650
Cash at bank and in hand		161,142	314,318
		192,514	351,968
Creditors: Amounts Falling Due Within One Year	**12**	48,675	147,907
Net Current Assets		143,839	204,061
Total Assets Less Current Liabilities		2,646,132	2,686,720
Creditors: Amounts Falling Due After One Year	**13**	-	39,452
Net Assets	**16**	**2,646,132**	**2,647,268**
Funds of the Charity			
Restricted funds	**15**	31,576	36,450
Unrestricted funds	**15**		
Unrestricted general		106,810	112,217
Designated funds		2,507,746	2,498,601
Total Charity Funds		**2,646,132**	**2,647,268**

Trustees Responsibilities

These financial statements were approved by the board of trustees and authorised for issue:

Name of Trustee: _____

Signed on Behalf of the Trustees: _____

Date of Approval: _____

St Michael's Church, Chester Square

Year Ended 31st December 2023

Statement of Cash Flows

	2023	2022
	£	£
Cash Flows From Operating Activities		
Net cash provided by (used in) operating activities	(246,177)	(174,961)
	(246,177)	(174,961)
Cash Flows From Investing Activities		
Investment income received	110,325	112,119
Investment realisation	5,000	180,000
Purchase of tangible fixed assets	(22,324)	(9,962)
Net cash provided by (used in) investing activities	93,001	282,157
Cash Flows From Financing Activities		
Repayments on borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	(153,176)	107,196
Cash and cash equivalents at the beginning of the reporting period	314,318	207,422
Cash and Cash Equivalents at the End of the Reporting Period	161,142	314,618

Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2023	2022
	£	£
Net movement in funds for the reporting period (as per the statement of financial activities)	(1,136)	104,260
Adjustments for:		
Gain/(loss) on investment portfolio	(19,086)	(50,820)
Investment income received	(110,325)	(112,119)
Depreciation of tangible fixed assets	16,752	15,228
(Increase)/decrease in debtors	6,278	(3,174)
Increase/(decrease) in creditors	(138,660)	(128,336)
Net cash provided by (used in) operating activities	(246,177)	(174,961)

Analysis of Cash and Cash Equivalents

	2023	2022
	£	£
Cash at bank and in hand	161,142	314,318
Total cash and cash equivalents	161,142	314,318

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the Charities Act 2011 and in accordance with Church Accounting Regulations 2006 together with the Charities Statement of Recommended Practice (Charities SORP (FRS102)) and Financial Reporting Standard 102 (FRS102).

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at fair value. St Michael's Church, Chester Square meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest f. The Parochial Church Council of St Michael's Church is a Charity Registered in England and Wales No 1130914and the Parish Office is at The Vestry, St Michael's Church Chester Square, London SW1W 9EF.

Assessment of Going Concern

At the time of approving the financial statements, the PCC members have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the PCC members continue to adopt the going concern basis of accounting in preparing the financial statements.

Fund Accounting

PCC funds are required to be analysed under specific headings, as follows:

General funds represent the ‘free’ funds of the PCC that are not subject to any restriction regarding their use and are available for application for the general purposes of the PCC.

Designated funds are earmarked by the PCC for particular purposes but are nevertheless still unrestricted as the PCC can redesignate the funds if it wishes.

Restricted funds are funds collected or donated for a particular purpose and cannot be used by the PCC for any other purpose except by agreement with the donor.

The funds of the PCC have been appropriately analysed and the statement of financial activities has been prepared in accordance with this analysis.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

Incoming Resources
All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

• All voluntary income from members of the church are recognised as donations and are included in full, with associated Gift Aid receivable in the Statement of Financial Activities.

• Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

• Incoming resources from charitable trading activities such as the letting of the building are accounted for when invoices are drawn up (as the point of entitlement).

• Donated services and facilities are included at the value to the charity where this can be quantified.

• Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

• Volunteer time, the value of voluntary support for the work of the church, is not included in the accounts but is described in the trustees' annual report.

• Investment income is included in the accounts when receivable.

Application of Resources
Grants and outward giving are accounted for in the SOFA when paid, unless an obligation, whether constructive or legal, exists to the recipient in accordance with the Charities SORP and FRS 102.

Parish share and other costs directly relating to the work and activities of the Church are accounted for when they are incurred or become due and payable.

Resources Expended
Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out the resources and the amount of the obligation can be measured with reasonable certainty.

Governance Costs
Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

Liability Recognition
Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Operating Leases
Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

Tangible Fixed Assets

Consecrated land and buildings and moveable church furnishings

Consecrated and beneficed property is excluded from the accounts by s10(2)(a) of the Charities Act 2011. No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property.

All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Assets with a value of over £1,000 are capitalized to the statement of financial position, with items of equipment and furniture and fittings with a value below this are written off in the year of purchase.

Depreciation has been provided on tangible fixed assets except consecrated land and buildings and other freehold property at the following rates which are calculated to write off the cost of the assets over their estimated useful lives:

Furniture and fittings	4 to 10 years straight line
Equipment	4 to 10 years straight line

Where the useful economic life and holding value of the freehold property are so great that depreciation is immaterial, it is not charged.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Investments

Investments (properties, bonds and shareholding accounts) were valued at fair value at 31st December 2023 and in each subsequent year the PCC will review the valuation for any permanent impairment in value which is transferred to the Statement of Financial Activities (SOFA).

Financial instruments

The charity only invests in basic financial products and such assets are stated at the value invested and any gains or losses are recorded when the product is sold. Current assets Amounts owing to the PCC at 31st December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

2 Analysis of Income

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2023 £**
Donations and Legacies			
Donations	385,320	35,161	**420,481**
Income tax recoverable	57,471	6,313	**63,784**
Legacies	-	-	**-**
Grants	8,103	5,000	**13,103**
	450,894	46,474	**497,368**
Charitable Activities			
Weddings and funerals	(178)	-	**(178)**
Church activities and events	2,269	-	**2,269**
	2,091	-	**2,091**
Activities for Generating Income			
Church rental income	53,952	-	**53,952**
	53,952	-	**53,952**
Investment Income			
Dividends and interest	10,325	-	**10,325**
Lease income	100,000	-	**100,000**
	110,325	-	**110,325**
Other			
Other Income	400	-	**400**
	400	-	**400**
Total Income	**617,662**	**46,474**	**664,136**

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

2 Analysis of Income *(Continued)*

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2022 £**
Donations and Legacies			
Donations	525,316	6,820	**532,136**
Income tax recoverable	64,517	380	**64,897**
Legacies	-	-	**-**
Grants	-	-	**-**
	589,833	7,200	**597,033**
Charitable Activities			
Weddings and funerals	5,203	-	**5,203**
Church activities and events	3,729	-	**3,729**
	8,932	-	**8,932**
Activities for Generating Income			
Church rental income	42,284	-	**42,284**
	42,284	-	**42,284**
Investment Income			
Dividends and interest	12,123	-	**12,123**
Lease income	99,996	-	**99,996**
	112,119	-	**112,119**
Other			
Other income	-	-	**-**
	-	-	**-**
Total Income	**753,168**	**7,200**	**760,368**

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

3 Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds	Restricted Funds	**Total Funds 2023**
	£	£	**£**
Accommodation	81,181	-	**81,181**
Administration	27,252	-	**27,252**
Audio visual and redecoration project	-	24,036	**24,036**
Church building running costs	58,266	-	**58,266**
Clergy costs	97,600	-	**97,600**
Diocesan quota	37,450	-	**37,450**
Depreciation	16,752	-	**16,752**
Mission support and outreach	64,342	3,013	**67,355**
Other ministry costs	13,935	5,000	**18,935**
Services & music	16,789	-	**16,789**
Staff costs	238,742	-	**238,742**
	652,309	32,049	**684,358**

	Unrestricted Funds	Restricted Funds	**Total Funds 2022**
	£	£	**£**
Accommodation	100,912	-	**100,912**
Administration	36,771	-	**36,771**
Audio visual and redecoration project	-	-	**-**
Church building running costs	48,637	-	**48,637**
Clergy costs	107,815	-	**107,815**
Diocesan quota	39,735	-	**39,735**
Depreciation	15,228	-	**15,228**
Mission support and outreach	64,009	7,755	**71,764**
Other ministry costs	21,265	-	**21,265**
Services & music	21,712	-	**21,712**
Staff costs	243,089	-	**243,089**
	699,173	7,755	**706,928**

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

4 Expenditure on charitable activities by activity

	Activities Directly Undertaken	Grant Funding	Support Costs	**Total Funds 2023**
Accommodation	-	-	81,181	**81,181**
Administration	-	-	27,252	**27,252**
Audio visual and redecoration project	-	-	24,036	**24,036**
Church building running costs	-	-	58,266	**58,266**
Clergy costs	97,600	-	-	**97,600**
Diocesan quota	37,450	-	-	**37,450**
Depreciation	-	-	16,752	**16,752**
Mission support and outreach	-	67,355	-	**67,355**
Other ministry costs	18,935	-	-	**18,935**
Services & music	16,789	-	-	**16,789**
Staff costs	238,742	-	-	**238,742**
	409,516	67,355	207,487	**684,358**

	Activities Directly Undertaken	Grant Funding	Support Costs	**Total Funds 2022**
Accommodation	-	-	100,912	**100,912**
Administration	-	-	36,771	**36,771**
Audio visual and redecoration project	-	-	-	**-**
Church building running costs	-	-	48,637	**48,637**
Clergy costs	107,815	-	-	**107,815**
Diocesan quota	39,735	-	-	**39,735**
Depreciation	-	-	15,228	**15,228**
Mission support and outreach	-	71,764	-	**71,764**
Other ministry costs	21,265	-	-	**21,265**
Services & music	21,712	-	-	**21,712**
Staff costs	243,089	-	-	**243,089**
	433,616	71,764	201,548	**706,928**

5 Parish Share

St Michael's Church is a parish church of the Church of England in the Diocese of London, by means of Parish Share, helps the funding of ministers, particularly parochial clergy, throughout the Diocese, the work of various Diocesan bodies and the work of the Church of England as a whole. The Diocese is a community resourcing a common task, and not a charity trying to raise funds to meet a need. In 2023, the amount paid by the PCC was £37,450 (2022: £39,735).

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

6 Independent Examination Fees

Fees payable to the independent examiner for:

	2023	2022
	£	£
Independent examination and accounts preparation	2,280	-
Statutory audit and accounts preparation	-	6,612
	2,280	6,612

7 Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	**£**
Wages and salaries	204,238	222,654
Social security costs	13,918	14,921
Employer pension contribution	5,343	4,816
Redundancy costs	6,129	3,280
Ex gratia payments	9,114	-
Total Employment Costs	**223,499**	**242,391**

The clergy are employed by the London Diocese so their costs have not been included in the salary figures shown above.

Redundancy and Ex gratia payments

During the year a redundancy and severance payment was made in relation to one staff post which was no longer required because the workload has changed. Redundancy costs and severance payments are recognised when there is a legal or constructive obligation arising. No redundancy pay or ex gratia pay was outstanding at the year end.

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

	2023	2022
Headcount	9	13

Number of employees who received employee benefits of more than £60,000 during the year was as follows:

	2023	2022
More than £60,000	-	-

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

8 Trustee Remuneration, Expenses and Donations

During the year, the PCC covered the accommodation expenses of the clergy members who were also part of the PCC. The total accommodation costs paid during the year were £81,181 (2022: £100,912).

During the year three trustees received payments for expense claims during 2023 (2022: 7). These expenses mainly related to day to day running cost of the Church along with accommodation maintenance costs. The expenses reimbursed to trustees during the year totalled £10,697 of (2022: £23,905).

The aggregate value of donations made by PCC members was £62,581 (2022: £232,040).

9 Tangible Fixed Assets

	Freehold Land and Buildings	Equipment	Fixtures & Fittings	**Total**
	£	£	£	**£**
Cost or Valuation				
At 1st January 2023	615,776	99,288	100,153	**815,217**
Additions	-	18,519	3,805	**22,324**
At 31st December 2023	**615,776**	**117,807**	**103,958**	**837,541**
Depreciation				
At 1st January 2023	-	87,635	50,785	**138,420**
Depreciation charge	-	7,412	9,340	**16,752**
At 31st December 2023	-	95,047	60,125	**155,172**
Net Book Value				
At 31st December 2023	**615,776**	**22,760**	**43,833**	**682,369**
At 31st December 2022	615,776	11,653	49,368	676,797

The freehold property is 24 Sullivan Road.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

10 Investments

	2023	2022
	£	£
Freehold		
Fair value brought forward as at 1 January 2023	1,600,000	1,500,000
Revaluation	-	100,000
Fair value brought forward as at 31 December 2023	1,600,000	1,600,000
Share investment		
Fair value brought forward as at 1 January 2023	200,862	430,042
Additions / (disposals) in the year	-	(180,000)
Revaluation	19,062	(49,180)
Fair value brought forward as at 31 December 2023	219,924	200,862
Bond		
Fair value brought forward as at 1 January 2023	5,000	5,000
Additions / (disposals) in the year	(5,000)	-
Fair value brought forward as at 31 December 2023	-	5,000
Total Investments	**1,819,924**	1,805,862

The freehold property is 2 Eccleston Place, London, SW1W 9NE, which is held on lease by Pirandello Ltd trading as "Sicily". The legal title of the property is vested in the Diocesan Authority and the London Diocesan Fund as Custodian Trustees on behalf of the Parochial Church Council. Following a valuation taken by outside counsel, the PCC determined that the value of the property increased to £1.6m at the end of 2022.

The share investment account was opened with CCLA in 2014 in order to generate higher returns than the bank interest available from high street banks. Dividends are recognised as income in the period paid. The revaluation has been provided by CCLA at the year end.

The bond was a five year bond that matured on 31 May 2023 with the London Housing Association yielding 1.25%pa.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

11 Debtors

	2023	2022
	£	£
Income tax recoverable	2,585	4,180
Prepayments	4,278	11,821
Other debtors	24,509	21,649
	31,372	37,650

12 Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Trade creditors	2,438	5,427
Accruals and other creditors	3,925	36,703
Deferred income	40,162	100,481
Payroll taxes and pension	2,150	5,296
	48,675	147,907

13 Creditors: Amounts Falling Due After One Year

	2023	2022
	£	£
Deferred income	-	39,452
	-	39,452

14 Deferred Income

	2023	2022
	£	£
Balance at the beginning of the reporting period	139,933	239,452
Amount released to income	(99,542)	(99,042)
Amount deferred in year	(229)	(477)
Balance at the end of the reporting period	40,162	139,933

During the year, deferred income was released from the lease rental payments of the Sicily investment property for the 2023 accounting period, as well as from some wedding bookings that were initially paid in advance and occurred during the year.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

15 Analysis of Charitable Funds

	1 Jan 2023	Income	Expenditure	Gains/Loses	Transfers	31 Dec 2023
	£	£	£	£	£	**£**
Unrestricted Funds						
Unrestricted						
General	112,217	617,662	(571,215)	-	(51,854)	**106,810**
Total	112,217	617,662	(571,215)	-	(51,854)	**106,810**
Designated						
Fixed assets	2,276,798	-	(16,752)	-	22,323	**2,282,369**
Reserves	205,861	-	-	19,086	(5,024)	**219,923**
Mission Support & LDF Outreach	15,942	-	(64,342)	-	53,854	**5,454**
Total	2,498,601	-	(81,094)	19,086	71,153	**2,507,746**
Total Unrestricted	**2,610,818**	**617,662**	**(652,309)**	**19,086**	**19,299**	**2,614,556**
Restricted Funds						
Audio visual and redecoration	31,512	36,669	(24,036)	-	(19,299)	**24,846**
AC grant	-	5,000	(5,000)	-	-	**-**
Jelena	4,625	2,255	(150)	-	-	**6,730**
Events for seniors	302	-	(302)	-	-	**-**
The passage	11	-	(11)	-	-	**-**
Pimlico Foundation	-	550	(550)	-	-	**-**
Mission partners	-	2,000	(2,000)	-	-	**-**
Total Restricted	**36,450**	**46,474**	**(32,049)**	**-**	**(19,299)**	**31,576**
Total Funds						
Total	**2,647,268**	**664,136**	**(684,358)**	**19,086**	**-**	**2,646,132**

Material Fund Transfers 2023

Mission Support & LDF Outreach	Transfer from the general fund to the designated Mission Support fund for donations and grant to be made to organisation and individuals during the year.

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

Fund Descriptions
Outlined below are the details for all the material funds held during the financial year.

Designated Funds

Fixed assets	Fund to hold the year end closing balance of tangible assets and investment assets.
Reserves	Fund to hold the reserves of the organisation per the reserves policy outlined in the trustees' report.
Mission Support & LDF Outreach	Designated fund for giving to mission partners.

Restricted Funds

Audio visual and redecoration	Special offering collection in 2022 for AV and building.
AC grant	Restricted grant from the Arthur Cross charity.
Jelena	Restricted income for supporting a mission partner.
Events for seniors	Donation to fund the ministry.
The passage	Funds received to support this homeless charity.
Pimlico Foundation	Funds received and donated to this charity that works with young people in Pimlico' and lose 'in a nearby estate.
Mission partners	Restricted income for supporting missionary partners.

16 Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	**Total Funds 2023**
	£	£	**£**
Fixed Assets	2,502,293	-	**2,502,293**
Current Assets	160,938	31,576	**192,514**
Creditors less than 1 year	(48,675)	-	**(48,675)**
	2,614,556	31,576	**2,646,132**

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Fixed Assets	2,482,659	-	2,482,659
Current Assets	315,518	36,450	351,968
Creditors less than 1 year	(147,907)	-	(147,907)
	2,650,270	36,450	2,686,720

St Michael's Church, Chester Square

Year Ended 31st December 2023

Notes to the Financial Statements

17 Related Party Transactions

During the year Liz Charkham who is a close family member of trustee Rupert Charkham was employed by the church during the year. The total remuneration received during the year including employer national insurance was £3,039.

During the year Andy Poole who is a close family member of trustee Stephanie Poole was employed by the church during the year. The total remuneration received during the year including employer national insurance was £39,106.

18 Operating Lease

The total future minimum lease payments under non-cancellable operating leases relating to rent paid for property are as follows:

	2023	2022
	£	£
Within one year	33,538	33,538
Within two to five years	134,152	134,152
More than five years	248,554	282,558
	416,245	**450,249**

The operating lease is held for accommodation purposes

19 Prior period adjustment

In the prior year the accounts included the closing balance from the audio visual and redecoration fund as unrestricted. The fund should have been disclosed and included in the accounts as a restricted fund which has been adjusted within the prior period comparisons as restricted.

	2022 Original	2022 Restated
	£	£
Restricted fund closing balance	4,938	36,450
Unrestricted fund closing balance	2,642,330	2,610,818

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL, CHESTER S

England & Wales - Charity number 1130914

Accounts

ST MICHAEL'S CHURCH, CHESTER SQUARE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

Charity no: 1130914

ST MICHAEL'S CHURCH, CHESTER SQUARE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

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ST MICHAEL'S CHURCH, CHESTER SQUARE

ANNUAL REPORT FOR 2022

The St Michael's Parochial Church Council (PCC) has pleasure in presenting its report and the financial statements for the church for the year ended 31st December 2022.

Reference and administrative information

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

Incumbent:	Revd Rupert Charkham
Associate Vicar:	Revd Matthew White
Curate:	Revd Sam Banner
Churchwardens:	David Munns Iona Thorne (resigned and appointed as elected member 24 May 2022) Ruth Williams (appointed 24 May 2022)
Deanery Synod: Representatives:	Anneliese Blackwood Alice Vink Ruth Williams (appointed Church Warden 24 May 2022) Ken Wiseman
Elected members:	Lidia Assefaw (appointed 24 May 2022) Tola Babatunde (appointed 24 May 2022) Marylois Beard Helena Boase (appointed 24 May 2022) Michael Bradley Dominic Brown John Cameron (resigned 24 May 2022) Felicity Hunt (Hon Treasurer) Daniel Jeavons (resigned 24 May 2022) Fredrick Meissner (appointed 24 May 2022) Matthew Passante (resigned 24 May 2022) Rachel Senior (resigned 24 May 2022) Iona Thorne (appointed 24 May 2022) Grace Wort
Secretary:	Ken Wiseman

Electoral Roll
The 2022 Church Electoral Roll was 195.

Main office
The Vestry, St Michael's Church Chester Square, London SW1W 9EF

Main bank
NatWest Bank plc, 169 Victoria Street, London SW1E 5NA

Auditors
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

Structure, Governance and Management

St Michael's Parochial Church Council has the responsibility of co-operating with the Incumbent, the Revd Rupert Charkham, in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical. The Parochial Church Council (PCC) is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and a charity registered with the Charity Commission for England and Wales number 1130914.

Committees

The PCC operates through a number of sub-committees which meet between full meetings of the PCC.

Standing Committee

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Mission Support Group

This covers all aspects of the local church's mission to the community and the world. A number of grants were given to individuals from St Michael's serving overseas.

Building Committee

In 2009 the Church Council decided that the maintenance of the fabric of the church, and matters concerning the residential properties used by church staff, would be overseen by a Property Committee - a sub-committee of the Church Council.

Finance Committee

The committee consists of the Treasurer and a small group of volunteers who advise the Treasurer on the budget, financing and reserves policy.

Risk management

The PCC has reviewed the risks that St Michael's faces and established systems and controls to mitigate the significant risks, although it recognises that no system of controls can provide absolute assurance against adverse events. Below we discuss the major ongoing risks along with those that have arisen due the Covid-19 pandemic, along with the control measures we have in place.

Safeguarding and Duty of Care

In line with the House of Bishop's policy statement on promoting a Safer Church, St Michael's is committed to ensuring the care and protection of children, young people and vulnerable adults involved in its activities. Safeguarding is the responsibility of the whole church and everyone who participates in the life of St Michael's has a role to play in promoting a safer church for all. St Michael's continues to adopt and implement the recommendations, policies and procedures outlined in the Church of England Safeguarding documentation. This includes all the latest guidance issued since the last Annual Report. This covers the key roles and responsibilities of officeholders, including practical guidance on how to respond to, assess and manage concerns or allegations against church officers. There are multiple resources available for training and development in this area. St Michael's has appointed a Safeguarding Officer, an evidence checker and a children's champion. All staff, PCC members and volunteers with pastoral roles must make a DBS disclosure and undertake appropriate training. The Safeguarding Officer regularly updates the PCC on policy in this area.

Financial Risks

Misuse or misappropriation of funds due to unauthorised expenditure or misuse of cash which we address by:

- Limiting the use of cash where possible.
- The church has purchased card readers which enable cashless payments for special services, such as weddings and funerals or at events.

- PCC policy is that unbudgeted items of expenditure up to £1,000 need the approval of the incumbent or a church warden. For amounts above this, the incumbent, when available, and both church wardens are required to give approval and the treasurer should be notified within 48 hours.
- Expenditure over £5,000 requires full PCC approval.
- As part of updating the approval process and being able to control budget on a more focussed level, the operating system for the church accounts has been changed from Sage to Expenses Plus, a system that had been recommended by other churches.

Poor budgeting:

- We limit this risk by preparing an annual budget approved by PCC.
- Performance against this is monitored monthly and it is updated and amended where appropriate throughout the year.
- The Finance Committee regularly reviews our budgeting process to make sure that it remains fit for purpose.

The soundness of our financial reporting:

- PCC approves a full annual audit of our figures, to give us confidence that both the Management and Annual Statutory Accounts present a fair and accurate picture of its financial affairs.

Sudden loss of income, if key donors move away:

- As a central London church, we have regular turnover of church members. To ensure that we can meet our financial obligations, PCC plans to hold two updates on our finances each year. The first in the spring is to discuss our regular, ongoing expenditure. Towards the end of the year, we hold a Gift Day which is designed to support one-off projects and major works.
- Donation income is monitored regularly and expenditure reviewed if this falls significantly below expectations.

Fire and Health and Safety risks

Harm could come to anyone in the church building due to lack of appropriate procedures in relation to fire and other health and safety risks:

- The PCC has appointed a health and safety officer, who monitors these issues, writes our policy and keeps staff and PCC members abreast of any possible concerns.
- The PCC has also appointed a designated first aider.
- Briefings are given to those involved in ushering, welcoming or making coffee.
- External parties who hire the church are briefed on our health and safety procedures.

Risks to the building.

The age of our building and its central location mean that there could be legal and financial risks caused by damage or decay to the structure and fabric.

- The PCC ensures that it has adequate insurance in place to cover any accidental damage.
- In line with Diocesan recommendations, the PCC commissions a quinquennial survey and follows up on any advice given regarding repairs or maintenance.
- The PCC has appointed a buildings and fabric committee to advise on regular repairs and maintenance and monitor wear and tear.
- The office manager maintains a schedule of regular checks and maintenance for the church building and other properties for which the PCC is responsible.
- The PCC sets aside part of the income from the lease on the Sicily Restaurant, at 2 Eccleston Place, to cover major repairs and capital projects.

Recruitment and Training of PCC Members

PCC Members (excluding those that hold ex officio posts or who are co-opted) are nominated and elected at the Annual Parochial Meeting. The Church Treasurer, in particular, together with other members are invited

to attend central training meetings run by the Diocese. Similarly, new Council Members are invited to attend conferences held and provided with any information leaflets produced by the Diocese to equip them for their roles.

Key management personnel
PCC Members who include the Clergy, Wardens and holders of other offices, are considered to be the Key Management Personnel as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration or other payments from St Michael's Church except for those disclosed in Note 3 (c) of the accounts.

Objectives and activities

The mission of St Michael's is to enable people to Come to Christ, Learn to Love and Love to learn.

In planning our activities, the Parochial Church Council (PCC) has considered the Commission's guidance on public benefit. As ever, our main focus is holding weekly services and celebrating major Christian holidays, to teach Christian values and promote them in everyday life to the members of the congregation, both regulars and visitors. The Alpha Course —an internationally recognised ten-week course on the basics of Christianity —is organised annually.

The PCC aims to donate 10% of income to support Christian work both overseas and at home. This is managed by a sub-committee, the Mission Support Group. Pastoral care for the congregation is provided in small groups and through individual counselling.

The year in review

The key mission of St Michael's is to be a place where people "Come to Christ, Love to Learn and Learn to Love".

In 2022 Covid as restrictions eased it became clear that numbers post the pandemic were significantly reduced compared to pre-pandemic times. Whatever the reasons behind this, most churches spent 2022 trying to rebuild their congregations and volunteer base, and St Michael's has been no different. Little by little the church congregation has been picking up and as international travel has resumed and as companies based abroad have resumed sending people to work in London we have been joined once again by a significant number of Internationals based in central London.

In keeping with our desire to be a place where people "Come to Christ" the Alpha Course was run a number of times in the year. Homegroups continued to be a priority and play a huge part in being a place where members of the church can encourage and support one another.

Recognising that people in their 20s and 30s are significantly underrepresented in the family of St Michael's we set out to take steps to rectify this, boldly launching a new-look evening service, "St Mike's at Six" with a lot of support from Soul Survivor Church, Watford, who generously provided a worship group and key speakers to help get the service off the ground. Journeying from Watford and providing key people (often speakers as well as sound engineers and worship leaders) was a hugely sacrificial move on the part of Soul Survivor. The service was launched as a fortnightly service, and from the off it was highly experimental in feeling. Initially drawing people from far and wide, gathered mainly through posts on Instagram, and attendance was promising. However, numbers dwindled and with hindsight we recognise that failure to meet weekly prevented momentum. Late in the year the service changed to meeting weekly, but by this time Soul Survivor needed to re-think their resource allocation. Going forward, St Michael's needs to continue to work to provide for young adults and building up a ministry to 20s and 30s.

A most encouraging area has been the family's ministry to parents and children. At the beginning of the year, the average attendance on a Sunday at 11am was 87; by the end of the year it had reached 100. A number of special events for children and special training for the children's helpers have all been fruitful.

Throughout the year a number of social events were held centrally to help fulfil our aim of loving and supporting one another, these included a Sunday brunch (held between the two morning services), a Jubilee Breakfast to celebrate Queen Elizabeth II's Jubilee, and a special Hospitality Sunday on which many members met together in one another's home for lunch.

Spiritual formation, "loving to learn" remains a central priority. In addition to regular Biblical teaching on Sundays, in February we held three "Equipped for Life" evenings, offering a choice of three streams including "Responsible stewardship; How do we respond to Climate Change?", "Spiritual Gifts: what they are and how they operated in Biblical times and today" and "Apologetics, answers to the most frequently asked questions". Over the Summer months, a number of mid-week social events took place called "Summer Central".

Personnel

During the year there were a number of changes to the staff team. The following staff left: Rachel Passante (Women's Pastor), Hannah Brooks (Children's and Families Worker), Gary Smith (Verger) and Daniel Brooks (Worship Leader).

The following staff joined Jo Sears (Children's Pastor), Liz Charkham and Samantha Downham (part-time Children's Ministry Assistants) and Andy Poole (Worship Pastor). Mark Beard, a long-time member of the congregation, was ordained Deacon to serve at St Michael's (part-time) having completed a year's training on the Church of England's new "Caleb Stream".

The future

The Church has a vital role to play in offering the comfort, care and hope that only Christ can give to a broken, tough and often despairing world. Going forward, St Michael's will continue to strive to introduce people to the love of God, through the preaching of his Word, the moving of the Holy Spirit and the love of God's people.

Treasurer's finance report

Income

Total income overall increased by 19% to £760,368. Income from pledged, regular and one-off donations income rose by £125k, £31.5k of which related to our Gift Day appeal in November 2022. Income from hiring of the church by outside organisations rose by £10k (almost back to levels seen before the pandemic in 2019) while dividend and interest income rose by £1k.

Expenditure

Expenditure increased at a much lower pace, by just 3% to £706,928. Grants allocated by the Mission Support Group increased by £10k and restricted donations fell by £42k; in 2021, there had been a number of one-off restricted donations. The cost of staff and clergy increased by £73k as the Associate Vicar, Curate and Operations Director were employed for a full year in 2022. There was an increase of £23k in the cost of other ministry and church activities since more events were held and we also launched the new St Mike's @ 6 service. An increase in church running expenses of some 12%, due to general inflation and more use of the building, was offset by a drop of more than 80% or £63k in expenditure on maintenance & repairs. In 2021, we spent almost £80k on repairs to the church floor and recarpeting as well as significant redecorations of the house in Sullivan Road for use by our Associate Vicar.

Balance sheet

We generated a surplus of £53,440 for the year on our regular activities (mainly due to higher income as discussed above). The value of our investments fell by close to 7%. While an outside assessment increased the value of our ownership in the lease on the Sicily Restaurant by £100k or almost 7%, this was offset by a similar fall in value of our share investment with CCLA which was affected by weakness in world stock markets in the aftermath of the war in the Ukraine. Total funds increased by 4% to £2.6m. The vast majority of this figure is accounted for by our ownership of the lease on the Sicily Restaurant and the house we own in Sullivan Road SE 11, currently occupied by our Associate Vicar.

Reserves policy

The PCC maintains an appropriate cash reserve and has resolved that to hold readily available funds to cover at least three months of expenditure plus the costs of any planned major works. At the end of 2022, our reserves equated to over eight months' expenditure with cash at the bank £314,319 and readily realisable investments at CCLA, valued currently at £200,862.

Going concern
The PCC believes that the current level of giving and other income received by the church is sufficient to pay for the expected expenses in the coming year. They prepare annual budgets and monitor expenses throughout the year. If the income should fall due to some unexpected circumstances, the PCC would adjust spending accordingly.

Grant making policy
Grants are allocated by the Mission Support Group for clearly defined goals, projects, time frames (usually three years or less) and people. The Group seeks to balance local, national and overseas needs and supports both social/historic and gospel work. Prayer support is an essential part of grant making as are reports back from Mission Partners and contact with them throughout their assignments. Grant applications are considered at the group's meetings which take place three or four times a year. Priority is given to those applications where there is a connection to St Michael's Church, either because the applicant is a member of the congregation or the project directly supports the Objectives of the PCC.

Fundraising policy
In line with the reporting requirements included in the Charities Act 2016 the PCC members are pleased to confirm that all fundraising is done in compliance with best fundraising practice. During 2022 we did not employ any professional fundraisers. There were no complaints or criticisms during the year about our fundraising activities.

Performance of fundraising against objectives
The total income for the year was nearly £95k higher than budgeted, due partly to responses to our Day of Commitment in March, the Gift Day in November and an increase in income from events and one-off giving as Covid restrictions were lifted.

Performance of investments against objectives
The PCC strives to keep enough cash in current accounts to fund current expenditure and has invested the remainder to yield higher returns. The main investment of the church is the lease on 2 Eccleston Place, now known as the Sicily Restaurant. The income this lease generates has supported major building projects in the past several years. We also hold an investment in the CCLA Equity Income fund. While this decreased in value by 13% during the year, due to weakness in world stock markets, it also pays an annual dividend yield of nearly 3% and generates better regular returns than traditional bank savings. Recent valuations show that the investment value is reasonably stable so there is no need to adjust the valuation at the year end. The fund has performed well over several years and the total return on our investment is now nearly 56%, with dividend income predicted to remain at current levels.

Auditors
The PCC has given due thought to the annual review of our accounts and the flexibility which now exists to commission an Independent Examination instead of a full Audit. Although the Independent Examination would be materially cheaper, the PCC believes that the greater depth of analysis provided in an Audit provides +more appropriate and prudent oversight of our finances and we have therefore resolved to continue to commission an Audit each year. A resolution will be proposed at the Annual General Meeting that Jacob Cavenagh & Skeet be reappointed auditors to the church for the forthcoming year.



ON BEHALF OF THE PCC
23 MAY 2023

Revd Rupert Charkham
Incumbent

ST MICHAEL'S CHURCH, CHESTER SQUARE

STATEMENT OF PAROCHIAL CHURCH COUNCIL RESPONSIBILITIES

The Parochial Church Council is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Charity Law requires the Parochial Church Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Church and of its financial activities for that period. In preparing those financial statements the Parochial Church Council is required to:

1) select suitable accounting policies and then apply them consistently;

2) observe methods and principles in the Charities SORP;

3) make judgements and estimates that are reasonable and prudent;

4) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and

5) prepare accounts on the going concern basis unless it is inappropriate to presume that the Church will continue.

The Parochial Church Council is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Church, and enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulations made under the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

On behalf of the members of the Parochial Church Council,



Revd Rupert Charkham
Incumbent

23 May 2023

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL

Opinion
We have audited the financial statements of St Michael's Church, Chester Square Parochial Church Council] (the "PCC") for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsib3ilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. The PCC members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of PCC members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members
As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health & safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

Auditor's responsibilities for the audit of the financial statements (continued)
We determined that the principal risks were related to:

- management bias in accounting estimates
- valuation of investment property
- presentation of separately disclosed items
- management override of controls
- disclosure of related party transactions

In response to the risks identified we designed procedures which included, but were not limited to:

- challenging significant accounting estimates such as valuation of investment property
- agreeing financial statement disclosures to underlying supporting documentation
- evaluating the charity's internal controls
- identifying and testing journal entries
- reviewing PCC meeting minutes
- researching related parties and related party transactions and comparing these to those disclosed.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

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

Jacob, Cavenagh + Skeet

Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 7 June 2023

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST MICHAEL'S CHURCH, CHESTER SQUARE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	Unrestricted Funds £ 2022	Unrestricted Funds £ 2021	Restricted Funds £ 2022	Restricted Funds £ 2021	Total Funds £ 2022	Total Funds £ 2021
Income and endowments from							
Donations and legacies	2(a)	589,833	449,073	7,200	22,959	597,033	472,032
Investments	2(b)	112,119	111,128	-	-	112,119	111,128
Charitable activities	2(c)	51,216	42,937	-	-	51,216	42,937
Furlough payments claimed	2(d)	-	15,427	-	-	-	15,427
Total income and endowments		753,168	618,565	7,200	22,959	760,368	641,524
Expenditure on							
Charitable activities	3(a)	695,464	638,092	11,464	49,301	706,928	687,393
Total expenditure		695,464	638,092	11,464	49,301	706,928	687,393
Net income / (expenditure) before gains / (losses) on investments		57,704	(19,527)	(4,264)	(26,342)	53,440	(45,869)
Unrealised gain/(loss) on investments	6	50,820	253,315	-	-	50,820	253,315
Net income / (expenditure)		108,524	233,788	(4,264)	(26,342)	104,260	207,446
Transfers between funds	11	(189)	-	189	-	-	-
Net movement in funds		108,335	233,788	(4,075)	(26,342)	104,260	207,446
Reconciliation of funds							
Total funds brought forward		2,533,995	2,300,207	9,013	35,355	2,543,008	2,335,562
Total funds carried forward		2,642,330	2,533,995	4,938	9,013	2,647,268	2,543,008

ST MICHAEL'S CHURCH, CHESTER SQUARE

BALANCE SHEET
AS AT 31ST DECEMBER 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible fixed assets	5		676,797		682,063
Investments	6		1,805,861		1,935,042
			2,482,658		2,617,105
Current assets					
Debtors	7	37,650		34,476	
Cash at bank and in hand	12	314,319		207,123	
		351,969		241,599	
Creditors: amounts falling due within one year	8	147,907		176,244	
Net current assets			204,062		65,355
Total assets less current liabilities			2,686,720		2,682,460
Creditors falling due after more than one year	9		39,452		139,452
Net assets			2,647,268		2,543,008
Funds					
Unrestricted	10		2,642,330		2,533,995
Restricted income	10,11		4,938		9,013
			2,647,268		2,543,008

These financial statements were approved by the Standing Committee of the Parochial Church Council on 23 May 2023 and were signed on its behalf by:

Revd Rupert Charkham
Incumbent

Felicity Hunt
Honorary Treasurer

ST MICHAEL'S CHURCH, CHESTER SQUARE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022		2021	
	£	£	£	£
Net cash used in operating activities (see Note i):		(174,962)		(218,756)
Cash flows from investing activities:				
Dividends & interest received	12,123		11,128	
Lease income	99,996		100,000	
Net addition to fixed assets	(9,962)		(10,086)	
New investment made	-		-	
Realisation of investments	180,000		-	
Net addition to share investment	-		-	
Net cash provided by (used in) investing activities		282,157		101,042
Change in cash and cash equivalents during the year		107,196		(117,714)
Cash and cash equivalents at the beginning of the year		207,123		324,837
Cash and cash equivalents at the end of the year (see Note ii)		314,319		207,123
Note i - Reconciliation of net income / (expenditure) to net cash flow from operating activities				
Net income / (expenditure) before gains		53,440		(45,869)
Adjustments for:				
Depreciation charges & loss on disposal		15,228		11,633
Dividend & interests from investments		(112,119)		(111,128)
(Increase) / decrease in debtors		(3,174)		10,319
Increase / (decrease) in creditors		(128,337)		(83,711)
Net cash provided by (used in) operating activities		(174,962)		(218,756)
Note ii - Analysis of cash and cash equivalents				
Cash in hand		41,205		55,995
Notice deposits (less than 3 months)		273,114		151,128
		314,319		207,123

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the Charities Act 2011 and in accordance with Church Accounting Regulations 2006 together with the Charities Statement of Recommended Practice (Charities SORP (FRS102)) and Financial Reporting Standard 102 (FRS102).

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

St Michael's Church, Chester Square meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £. The Parochial Church Council of St Michael's Church is a Charity Registered in England and Wales No 1130914 and the Parish Office is at The Vestry, St Michael's Church Chester Square, London SW1W 9EF.

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 not restricted.

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

Debtors

All debtors are stated at the amount due and prepayments are valued at the amount paid.

Cash at bank and in hand

This heading includes cash, bank accounts and investments with a maturity of three months or less.

Creditors and provisions

Invoices and clear obligations to pay for costs are entered into the accounts as soon as the amount due is due or can be estimated reasonably. All amounts are stated at full value and not discounted if they need to be paid at a future date.

Going concern

At the time of approving the financial statements, the PCC members have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the PCC members continue to adopt the going concern basis of accounting in preparing the financial statements.

Income and endowments from

Voluntary income and capital sources

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

Planned giving receivable under gift aid is recognised only when received.

Income tax recoverable on gift aid donations is recognised when the income 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 probable.

Income from activities is accounted for gross.

1 ACCOUNTING POLICIES (continued)

Other ordinary income
Rental income from the letting of church premises is recognised when the rent is due. Where income is received in advance, it is recognised in the year in which the event takes place that it relates to.

Income from investments
Interest entitlements are accounted for as they accrue.

Operating leases
Where a premium is received from a lessee as an incentive to enter into a new operating lease, the relevant income is recognised on a straight line basis until a market rent will be payable.

Gains and losses on investments
Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at 31st December by transfers to the Statement of Financial Activities (SOFA).

Furlough payments under the HMRC Job Retention Scheme
Furlough income is recognised in the period that underlying salaries to furloughed staff are paid.

Expenditure on
Grants
Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. Grants payable for more than one year are accrued for in the accounts.

Church activities
Expenditure directly related to the objects of the Church is accounted for on the accruals basis. The diocesan quota or parish share is accounted for when payable. Any unpaid quota at 31st December is provided for in these accounts as an operational (although not a legal) liability and is shown as a creditor in the Balance Sheet.

Governance costs
All expenditure to fulfil statutory and legal requirements is accounted for on an accruals basis.

Fixed assets
Consecrated land and buildings and moveable church furnishings
Consecrated and beneficed property is excluded from the accounts by s10(2)(a) of the Charities Act 2011.

No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixed assets
Other fixed assets are recognised at cost.

Depreciation has been provided on tangible fixed assets except consecrated land and buildings and other freehold property at the following rates which are calculated to write off the cost of the assets over their estimated useful lives:

1 ACCOUNTING POLICIES (continued)

Furniture and fittings	–	10% per annum
Equipment	–	25% per annum

Where the useful economic life and holding value of the freehold property are so great that depreciation is immaterial, it is not charged.

Investments
Investments (properties, bonds and shareholding accounts) were valued at fair value at 31st December 2022 and in each subsequent year the PCC will review the valuation for any permanent impairment in value which is transferred to the Statement of Financial Activities (SOFA).

Financial instruments
The charity only invests in basic financial products and such assets are stated at the value invested and any gains or losses are recorded when the product is sold.

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

Deferred income
Amounts paid to the PCC during the year in respect of fees, rents or other income that relate to periods after 31st December. Movements during the year were as follows:

Deferred income	2022	2021
	£	£
Opening balance	240,279	341,060
Rents and other income relating to current year	(350)	(781)
Rents and other income relating to future periods	-	-
Lease income received	-	-
Lease income released	(99,996)	(100,000)
Closing balance	139,933	240,279

2 INCOME AND ENDOWMENTS FROM

		Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
(a)	**Donations and legacies**				
	Gift Aid donations	259,633	1,520	261,153	208,334
	Tax recoverable	64,517	380	64,897	52,075
	Church plate collections	1,444	-	1,444	1,068
	Other donations	264,239	5,300	269,539	210,555
		589,833	7,200	597,033	472,032
(b)	**Investments**				
	Rent - other properties	-	-	-	-
	Bank interest received	12,123	-	12,123	11,128
	Lease income	99,996	-	99,996	100,000
		112,119	-	112,119	111,128
(c)	**Charitable activities**				
	Rent - St Michael's Church	42,284	-	42,284	32,130
	Fees	5,203	-	5,203	5,865
	Other church activities	3,729	-	3,729	4,942
		51,216	-	51,216	42,937
(d)	**Furlough payments claimed**	-	-	-	15,427
		753,168	7,200	760,368	641,524

3 EXPENDITURE ON

		Activities Directly undertaken £	Grant funding (4a & b) £	Support Costs (3d) £	Total 2022 £	Total 2021 £
(a)	**Charitable activities**					
	Mission support and outreach	-	71,764	-	71,764	104,244
	Ministry:					
	Diocesan quota	147,550	-	-	147,550	113,858
	Other ministry costs	59,962	-	111,844	171,806	153,929
	Church activities	39,335	-		39,335	33,733
	Other activities - bookstall, groups, etc.	8,784	-	-	8,784	8,428
	Church running expenses	-	-	33,337	33,337	29,850
	Church maintenance – repairs and renewals	-	-	16,861	16,861	79,914
	Management and administration	-	-	210,879	210,879	158,031
	Governance costs			6,612	6,612	5,406
		255,631	71,764	379,533	706,928	687,393

(b) Staff costs	2022 £	2021 £
Wages and salaries	222,654	200,527
Social security costs	14,921	11,232
Pension costs	4,816	4,011
Redundancy costs	3,280	1,030
	245,671	216,800

Average number of employees	Full time equivalent		Headcount	
	2022	2021	2022	2021
Administration	6	6	12	11
Lay assistant staff	1	1	1	1
	7	7	13	12

During the year, and the preceding year, the PCC did not employ anyone who earned £60,000 per annum or more.

The redundancy payment was made in relation to a staff post which was no longer required because the workload had changed. Redundancy costs are recognised when there is a legal or constructive obligation arising. No redundancy pay was outstanding at the balance sheet date.

(c) Related parties

During the year, the PCC paid accommodation, travel costs, mobile phone expenses of £0 (2021: £2,670) for G Axelson and £23,283 to R Charkham (2021: £22,725), £36,588 (2021: £11,456) for S Banner, £7,090 for M White (2021: £3,543) and donated £6,000 (2021: £6,000) to The Pimlico Foundation of which J Cameron is a Trustee. Seven individual parties (2021: ten) were reimbursed for total of £23,905 (2021: £9,130) for pastoral care, professional fees, mobile phones, broadband, repairs, travel expenses and attending conferences.

In the year, remuneration of £1,737 (2021: £9,619) was paid to a relative of M Passante and £1,594 (2021: £0) to a relative of R Charkham. Remuneration of key management staff amounted to £42,386 (2021: £15,104).

General donations from related parties (members of the PCC) totalled £232,040 (2021 £218,744) and restricted donations totalled £0 (2021: 6,800).

(d) Support costs	2022 £	2021 £
Staff costs	171,313	136,523
Accommodation expenses	100,912	84,937
Other staff expenses	5,667	1,732
Church running and maintenance expenses	50,264	109,764
Office supplies and postage	3,095	4,165
Publicity and advertising	330	1,275
Telephone	4,386	5,251
IT costs	5,971	5,304
Auditor's remuneration	6,612	5,406
Legal & professional fees	13,378	6,854
Bank charges	2,377	361
Depreciation (Note 5)	15,228	11,632
	379,533	373,204

4 GRANTS PAYABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
(a) Grants to institutions				
Abraham's Oasis	-	-	-	1,500
Besom	-	-	-	3,183
Grace Church	194	999	1,193	-
International Justice Mission	2,000	-	2,000	-
In Deep	1,000	-	1,000	-
LDF Outreach	11,550	-	11,550	12,600
London City Mission	2,400	1,000	3,400	2,400
Mission Aviation Fellowship	3,000	500	3,500	3,500
Pimlico Foundation	6,000	825	6,825	6,825
Polish Church re Ukrainian refugees	2,000	-	2,000	-
Soul Survivor	5,000	-	5,000	-
St Barnabas Homerton	4,700	-	4,700	3,000
St Michael's Kilolo School	2,157	-	2,157	3,240
The Gate at Westminster	6,000	-	6,000	6,000
Westminster Food Bank	-	3,400	3,400	2,400
Total grants to institutions	46,001	6,724	52,725	44,648

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
(b) Grants to individuals				
Outreach & poverty relief	-	-	-	-
Clergy, ministry & training	13,713	4,430	18,143	40,176
Other gifts	896	-	896	19,420
Total grants to individuals	14,609	4,430	19,039	59,596
Total grants payable	60,610	11,154	71,764	104,244

5 TANGIBLE FIXED ASSETS – For use by the PCC

	Freehold Property	Equipment	Fixtures & Fittings	Total
	£	£	£	£
Cost				
At 1 January 2022	615,776	100,471	94,925	811,172
Additions	-	4,048	5,980	10,028
Disposals	-	(5,232)	(752)	(5,983)
At 31 December 2022	615,776	99,287	100,154	815,217
Depreciation				
At 1 January 2022	-	86,619	42,491	129,110
Charge for the year	-	6,247	8,980	15,227
Release re disposals	-	(5,232)	(686)	(5,917)
At 31 December 2022	-	87,634	50,785	138,420
Net book value				
At 31 December 2022	615,776	11,653	49,368	676,797
9 At 31 December 2021	615,776	13,852	52,434	682,062

The freehold property is 24 Sullivan Road.

6 INVESTMENTS

	2022	2021
Freehold	£	£
Fair value brought forward as at 1 January 2022	1,500,000	1,300,000
Revaluation	100,000	200,000
Fair value carried forward as at 31 December 2022	1,600,000	1,500,000
Share investment		
Fair value brought forward as at 1 January 2022	430,042	376,727
Additions / (disposals) in the year	(180,000)	-
Revaluation	(49,180)	53,315
Fair value carried forward as at 31 December 2022	200,862	430,042
Bond		
Fair value brought forward as at 1 January 2022	5,000	5,000
Additions in the year	-	-
Fair value carried forward as at 31 December 2022	5,000	5,000
Total investments	**1,805,862**	**1,935,042**

The freehold property is 2 Eccleston Place, London, SW1W 9NE, which is held on lease by Pirandello Ltd trading as "Sicily". The legal title of the property is vested in the Diocesan Authority and the London Diocesan Fund as Custodian Trustees on behalf of the Parochial Church Council. Following a valuation taken by outside counsel, the PCC has now determined that the value of the property increased to £1.6m.

The share investment account was opened with CCLA in 2014 in order to generate higher returns than the bank interest available from high street banks. Dividends are recognised as income in the period paid. The revaluation has been provided by CCLA at the year end.

The bond is a five year bond maturing on 31 May 2023 with the London Housing Association yielding 1.25%pa.

7 DEBTORS

	2022	2021
	£	£
Trade debtors	4,180	1,895
Other debtors	11,821	10,492
Prepayments	21,649	22,089
	37,650	34,476

8 CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	5,427	3,730
Accruals and deferred income	137,184	167,375
Payroll taxes due	4,384	4,273
Pension payment due	912	866
	147,907	176,244

9 CREDITORS: Amounts falling due after more than one year

	2022	2021
	£	£
Deferred income from Sicily lease due within two years	39,452	139,452
Deferred income from Sicily lease due within three to four years	-	-
Grants payable within two years	-	-
Grants payable within three years	-	-
	39,452	139,452

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Investments	Other net assets	Total
	£	£	£	£
Unrestricted funds	676,797	1,805,861	159,672	2,642,330
Restricted income funds	-	-	4,938	4,938
	676,797	1,805,861	164,610	2,647,268
Comparative figures for 2021				
Unrestricted funds	682,063	1,935,042	(83,110)	2,533,995
Restricted income funds	-	-	9,013	9,013
	682,063	1,935,042	(74,097)	2,543,008

11 RESTRICTED FUNDS

Notes on the individual funds

	Income		Expenditure		Transfers		Fund balances b/fwd	Fund balances c/fwd
	2022	2021	**2022**	2021	**2022**	2021		
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Christmas Hampers	-	350	-	3,184	-	-	-	-
Covid 19 fund	-	150	3,399	-	-	-	3,399	-
Events for Elderly People	-	-	-	-	-	-	302	302
Gifts	6,375	21,634	6,930	45,292	-	-	5,180	4,625
The Passage	-	-	-	-	-	-	11	11
Pimlico Foundation	825	825	825	825	-	-	-	-
Vicar's Discretionary Fund	-	-	310	-	189	-	121	-
	7,200	22,959	11,464	49,301	189	-	9,013	4,938

Christmas hampers – funds collected to buy goods for Christmas hampers that are distributed to needy people in the neighbourhood of the church.

Covid 19 fund – collection to help people in need in the current crisis.

Events for Elderly People - donation to fund this ministry.

Gifts – funds given to pass on to leaving members of staff, love gifts to missionaries on home visits, gifts to various individuals specifically given to St Michael's for that purpose.

The Passage – funds received to support this homeless charity.

Pimlico Foundation – funds received and donated to this charity that works with young people in a nearby estate.

Vicar's Discretionary Fund - funds used to support the pastoral work of St Michael's, at the discretion of the Vicar. The transfer in the year was made to cover the deficit on this fund.

12 CASH AT BANK AND IN HAND

	2022	**2021**
	£	**£**
National Westminster - current account	30,869	36,984
Vicar's Discretionary Account	1,446	1,446
Petty Cash & Paypal account	143	5,614
Barclays - deposit account	6,381	9,378
Barclays - current account	2,366	2,573
CCLA - deposit account	273,114	151,128
	314,319	207,123

13 LEASE COMMITMENTS

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

	Equipment	
	2022	2021
	£	£
Within one year	116	1,392
Within two to five year	-	116
	116	1,508

The operating lease charges for the year were:

Hire of equipment	1,392	1,392

	Property	
	2022	2021
	£	£
Within one year	33,538	-
Within two to five year	134,152	-
More than five years	276,023	-
	443,713	-

The property lease charges for the year were:

Rent paid for property occupied by staff	33,177	30,600

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL, CHESTER S

England & Wales - Charity number 1130914

Accounts

ST MICHAEL'S CHURCH, CHESTER SQUARE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

Charity no: 1130914

ST MICHAEL'S CHURCH, CHESTER SQUARE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

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ST MICHAEL'S CHURCH, CHESTER SQUARE

ANNUAL REPORT FOR 2021

The St Michael's Parochial Church Council (PCC) has pleasure in presenting its report and the financial statements for the church for the year ended 31st December 2021.

Reference and administrative information

Council Members

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

Incumbent:	Revd Rupert Charkham
Associate Vicar:	Revd Matthew White (appointed 31 October 21)
Curate:	Revd Guy Axelson (resigned 31 May 21) Revd Sam Banner (appointed 4 July 21)
Churchwardens:	David Munns Iona Thorne
Deanery Synod: Representatives:	Anneliese Blackwood Alice Vink Ruth Williams Ken Wiseman
Elected members:	Marylois Beard Michael Bradley Dominic Brown John Cameron Jack Campbell (resigned 31 August 21 but continues to attend meetings as a non-voting member in his capacity as Director of Operations) Felicity Hunt (Hon Treasurer) Daniel Jeavons (appointed 23 May 21) Matthew Passante (appointed 23 May 21) Rachel Senior Will Weaver (resigned 23 May 21) Grace Wort
Secretary:	Ken Wiseman

Electoral Roll

The 2021 Church Electoral Roll was 208.

Main office

The Vestry, St Michael's Church Chester Square, London SW1W 9EF

Main bank

NatWest Bank plc, 169 Victoria Street, London SW1E 5NA

Auditors

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Structure, Governance and Management

St Michael's Parochial Church Council has the responsibility of co-operating with the Incumbent, the Revd Rupert Charkham, in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical. The Parochial Church Council (PCC) is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and a charity registered with the Charity Commission for England and Wales number 1130914.

Committees

The PCC operates through a number of sub-committees which meet between full meetings of the PCC.

Standing Committee

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Mission Support Group

This covers all aspects of the local church's mission to the community and the world. A number of grants were given to individuals from St Michael's serving overseas.

Building Committee

In 2009 the Church Council decided that the maintenance of the fabric of the church, and matters concerning the residential properties used by church staff, would be overseen by a Property Committee - a sub-committee of the Church Council.

Finance Committee

During 2021, the treasurer and a small group of volunteers undertook a review of our finance policy and procedures. The committee advises the Treasurer on the budget, financing and reserves policy.

Risk management

The PCC has reviewed the risks that St Michael's faces and established systems and controls to mitigate the significant risks, although it recognises that no system of controls can provide absolute assurance against adverse events. Below we discuss the major ongoing risks along with those that have arisen due the Covid-19 pandemic, along with the control measures we have in place.

Safeguarding and Duty of Care

In line with the House of Bishop's policy statement on promoting a Safer Church, St Michael's is committed to ensuring the care and protection of children, young people and vulnerable adults involved in its activities. Safeguarding is the responsibility of the whole church and everyone who participates in the life of St Michael's has a role to play in promoting a safer church for all. St Michael's continues to adopt and implement the recommendations, policies and procedures outlined in the Church of England Safeguarding documentation. This includes all the latest guidance issued since the last Annual Report. This covers the key roles and responsibilities of officeholders, including practical guidance on how to respond to, assess and manage concerns or allegations against church officers. There are multiple resources available for training and development in this area. St Michael's has appointed a Safeguarding Officer, an evidence checker and a children's champion. All staff, PCC members and volunteers with pastoral roles must make a DBS disclosure and undertake appropriate training. The Safeguarding Officer regularly updates the PCC on policy in this area.

Financial Risks

Misuse or misappropriation of funds due to unauthorised expenditure or misuse of cash which we address by:

- Limiting the use of cash where possible.
- The church has purchased card readers which enable cashless payments for special services, such as weddings and funerals or at events.

- During the Covid-19 pandemic, few services were held in the church and no formal collections were taken. This dramatically reduced the amount of cash that church staff had to handle.
- PCC policy is that unbudgeted items of expenditure up to £1,000 need the approval of the incumbent or a church warden. For amounts above this, the incumbent, when available, and both church wardens are required to give approval and the treasurer should be notified within 48 hours.
- Expenditure over £5,000 requires full PCC approval.
- During the course of the interregnum and due to the onset of the Covid-19 pandemic, it became apparent that some of finance procedures require updating. The newly appointed finance committee expects to present updated procedures for PCC approval during the course of 2022.

Poor budgeting:

- We limit this risk by preparing an annual budget approved by PCC.
- Performance against this is monitored monthly and it is updated and amended where appropriate throughout the year.
- In 2021, we were unable to undertake certain major works, which will now take place in 2022. During the year, the Finance Committee is reviewed our budgeting process to make sure that it remains fit for purpose.

The soundness of our financial reporting:

- PCC approves a full annual audit of our figures, to give us confidence that both the Management and Annual Statutory Accounts present a fair and accurate picture of its financial affairs.

Sudden loss of income, if key donors move away:

- Besides the ongoing risk of losing key donors when they move away, the Covid-19 pandemic has put pressure on our income from all sources, in particular:
  - The inability to hold normal services has cut one off giving dramatically
  - Our income from third party events fell significantly during the year.
- In the light of the increased pressure on our income, the finance committee will also be reviewing and making new recommendations on our reserves policy.

Fire and Health and Safety risks

Harm could come to anyone in the church building due to lack of appropriate procedures in relation to fire and other health and safety risks:

- The PCC has appointed a health and safety officer, who monitors these issues, writes our policy and keeps staff and PCC members abreast of any possible concerns.
- The PCC has also appointed a designated first aider.
- Briefings are given to those involved in ushering, welcoming or making coffee.
- External parties who hire the church are briefed on our health and safety procedures.
- When the building has been open for worship during the current pandemic, numbers have been limited to prevent spreading of the virus, with a separate service for families with young children who might not be able to adhere to social distancing rules. At adult only services, worshippers were asked to use hand sanitiser on entering the building and to wear masks, with disposable masks being provided. Seating was cleaned between services and two metre distances were maintained between individuals and separate family bubbles. Stewards ensured that only one person at a time used the toilet facilities. Worshippers were encouraged to leave services promptly at the end of each service.

Risks to the building.

The age of our building and its central location mean that there could be legal and financial risks caused by damage or decay to the structure and fabric.

- The PCC ensures that it has adequate insurance in place to cover any accidental damage.

- In line with Diocesan recommendations, the PCC commissions a quinquennial survey and follows up on any advice given regarding repairs or maintenance.
- The PCC has appointed a buildings and fabric committee to advise on regular repairs and maintenance and monitor wear and tear.
- The office manager maintains a schedule of regular checks and maintenance for the church building and other properties for which the PCC is responsible.
- The PCC sets aside part of the income from the lease on the Sicily Restaurant, at 2 Eccleston Place, to cover major repairs and capital projects.

Recruitment and Training of PCC Members
PCC Members (excluding those that hold ex officio posts or who are co-opted) are nominated and elected at the Annual Parochial Meeting. The Church Treasurer, in particular, together with other members are invited to attend central training meetings run by the Diocese. Similarly, new Council Members are invited to attend conferences held and provided with any information leaflets produced by the Diocese to equip them for their roles.

Key management personnel
PCC Members who include the Clergy, Wardens and holders of other offices, are considered to be the Key Management Personnel as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration or other payments from St Michael's Church except for those disclosed in Note 3 (c) of the accounts.

Objectives and activities
The mission of St Michael's is to enable people to Come to Christ, Learn to Love and Love to learn.

In planning our activities, the Parochial Church Council (PCC) has considered the Commission's guidance on public benefit. As ever, our main focus is holding weekly services and celebrating major Christian holidays, to teach Christian values and promote them in everyday life to the members of the congregation, both regulars and visitors. The Alpha Course —an internationally recognised ten-week course on the basics of Christianity —is organised annually.

The PCC aims to donate 10% of income to support Christian work both overseas and at home. This is managed by a sub-committee, the Mission Support Group. Pastoral care for the congregation is provided in small groups and through individual counselling.

The year in review
2021 was overshadowed by Covid. In the early months of the year the Church building remained closed and instead of meeting in person, services were pre-recorded and put online. This lifeline was better than nothing but the longer term consequences of totally disrupting the worshipping patterns would prove costly. On Good Friday, April 2nd, the Church opened its doors to worshippers again and gradually throughout the year the requirements to wear face masks, the prohibition on singing, the need to keep socially distanced etc were relaxed.

During 2021, St Michael's significantly upgraded its online capabilities and began live- streaming Sunday services from April onwards, a practise which has become permanent. On average during 2021, there were between 50-130 views per service for the online services each Sunday. Sermons were also uploaded onto a podcast platform and in the same period had an average of 200 plays per month. (The online sermon library received around 1,500 plays per month). Most of our online audience is based in the United Kingdom, but we also have people regularly tuning in from the following countries: India, Philippines, Jamaica, United States, Kenya, Zambia and South Korea.

In common with nearly all Churches, St Michael's discovered, when lockdown finished and the restrictions were lifted, that the numbers of those returning to worship in the Church building on a regular basis had declined noticeably.

The key mission of St Michael's is to be a place where people "Come to Christ, Love to Learn and Learn to Love" and the values supporting this Vision are the values articulated in Acts 2.42-47. Neatly summarised as "Let the Word grow, the Love Show, the Worship Flow, the Spirit Glow and the World know".

The year had a "stop/ start" feel about it as Covid restrictions were imposed and lifted unpredictably. As well as Sunday services the Church ran an Alpha Course online, which was fruitful and much appreciated. In the autumn, instead of going away for a house party there was an "At home" day in St Michael's which was well attended and included teaching in the morning, a lunch, and afternoon activities.

Homegroups met largely via Zoom throughout the year. This meant that that groups were able to enjoy bible study, prayer and fellowship despite the restrictions and health concerns. These groups were a lifeline for many, particularly those who were feeling isolated.

Personnel

During the year, the following joined the staff team: Rev. Sam Banner (Curate), Rev. Matt White (Associate Vicar), Jo Sears (Part time Children's Pastor), and Jack Campbell (Operations Director).

The following left the staff team: Rev. Guy Axelson (Associate Vicar, having been Curate), Bolor Tsedev (Part time assistant to Director of Children's Ministry) and Juliet Fellows (Part time Director of Children's Ministry).

The future

The Church has a vital role to play in offering the comfort, care and hope that only Christ can give to a broken, tough and often despairing world. Going forward, St Michael's is committing itself with renewed determination and zeal to introducing people to the love of God, to making space for God to change lives through the preaching of his Word, the moving of the Holy Spirit and the love of God's people. An immediate challenge for 2022 will be to rebuild the volunteer base that has been eroded through the Covid months and regather and regroup after what has seemed like a period of enforced separation.

Treasurer's finance report

Income

Total Income overall increased by 1% to £641,524. A reduction of income from regular events due to Covid 19, both held by the church and by outside organisations, of £8,476 and lower investment income received because of a decrease in investment income of £7,248, were more than made up an increase in pledged and regular donations of £21,693.

Expenditure

Expenditure increased by £55,450 or 9% to £687,393. This was mainly due to an increase in expenditure on repairs to the floor and replacement of the carpet in the church, costing £48,148 and a further £12,123 in repairs to the house in Sullivan Road before Matt White joined as associate vicar, partly offset by lower staff costs, due to changes during the year.

Balance sheet

We generated a deficit of £45,869 for the year on our regular activities (mainly due to repairs mentioned above) but benefited from a 14% gain in the value of our investment in the CCLA equity income fund. Additionally, our investment in the Sicily Restaurant at 2 Eccleston Place increased by 15% following outside valuation. Total funds increased to £2.5m. The vast majority of this figure is accounted for by our ownership of the lease on the Sicily Restaurant and the house we own in Sullivan Road SE 11, which is currently occupied by our Associate Vicar and his family.

Reserves policy

The PCC maintains an appropriate cash reserve and has resolved that to hold readily available funds to cover at least three months of expenditure plus the costs of any planned major works. At the end of 2021 we held cash at the bank £207,123. In addition, our investments at CCLA, valued currently at £430,042, are readily realisable.

Going concern
The PCC believes that the current level of giving and other income received by the church is sufficient to pay for the expected expenses in the coming year. They prepare annual budgets and monitor expenses throughout the year. If the income should fall due to some unexpected circumstances, the PCC would adjust spending accordingly.

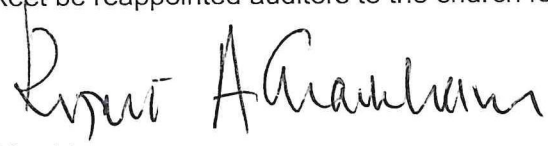
Grant making policy
Grants are allocated by the Mission Support Group for clearly defined goals, projects, time frames (usually three years or less) and people. The Group seeks to balance local, national and overseas needs and supports both social/historic and gospel work. Prayer support is an essential part of grant making as are reports back from Mission Partners and contact with them throughout their assignments. Grant applications are considered at the group's meetings which take place three or four times a year. Priority is given to those applications where there is a connection to St Michael's Church, either because the applicant is a member of the congregation or the project directly supports the Objectives of the PCC.

Fundraising policy
In line with the reporting requirements included in the Charities Act 2016 the PCC members are pleased to confirm that all fundraising is done in compliance with best fundraising practice. During 2021 we did not employ any professional fundraisers. There were no complaints or criticisms during the year about our fundraising activities.

Performance of fundraising against objectives
The total income for the year was nearly £67k higher than budgeted, mainly as a result of a Day of Commitment held in March 2021 but also because we raised higher than expected income from outside events once the Covid 19 rules were relaxed.

Performance of investments against objectives
The PCC strives to keep enough cash in current accounts to fund current expenditure and has invested the remainder to yield higher returns. The main investment of the church is the lease on 2 Eccleston Place, now known as the Sicily Restaurant. The income this lease generates has supported major building projects in the past several years. We also hold an investment in the CCLA Equity Income fund, which increased in value by 14% during the year. With an annual dividend yield of around 2.8%, the fund also generates better regular returns than traditional bank savings. In the light of the recent uncertainties following the war in the Ukraine, the PCC felt that a post year end review would be prudent and as of 3rd May 2022, the valuation had fallen by around 7% to £400k. This figure has been reasonably stable since the outbreak of the war. The decrease has been posted to the 2022 accounts and still represents a total return of 40% on our initial investment; CCLA also predicts that dividends in the fund will remain at or above the 2021 level in 2022. There is no reason therefore to amend the 2021 accounts.

Auditors
The PCC has given due thought to the annual review of our accounts and the flexibility which now exists to commission an Independent Examination instead of a full Audit. Although the Independent Examination would be materially cheaper, the PCC believes that the greater depth of analysis provided in an Audit provides more appropriate and prudent oversight of our finances and we have therefore resolved to continue to commission an Audit each year. A resolution will be proposed at the Annual General Meeting that Jacob Cavenagh & Skeet be reappointed auditors to the church for the forthcoming year.



ON BEHALF OF THE PCC
24 MAY 2022

Revd Rupert Charkham
Incumbent

ST MICHAEL'S CHURCH, CHESTER SQUARE

STATEMENT OF PAROCHIAL CHURCH COUNCIL RESPONSIBILITIES

The Parochial Church Council is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Charity Law requires the Parochial Church Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Church and of its financial activities for that period. In preparing those financial statements the Parochial Church Council is required to:

1) select suitable accounting policies and then apply them consistently;

2) observe methods and principles in the Charities SORP;

3) make judgements and estimates that are reasonable and prudent;

4) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and

5) prepare accounts on the going concern basis unless it is inappropriate to presume that the Church will continue.

The Parochial Church Council is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Church, and enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulations made under the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

On behalf of the members of the Parochial Church Council,

Revd Rupert Charkham
Incumbent

24 May 2022

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL

Opinion
We have audited the financial statements of St Michael's Church, Chester Square Parochial Church Council] (the "PCC") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. The PCC members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of PCC members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members

As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health & safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

Auditor's responsibilities for the audit of the financial statements (continued)
We determined that the principal risks were related to:

- management bias in accounting estimates
- valuation of freehold property
- presentation of separately disclosed items
- management override of controls

In response to the risks identified we designed procedures which included, but were not limited to:

- challenging significant accounting estimates such as valuation of investment property
- agreeing financial statement disclosures to underlying supporting documentation
- evaluating the charity' internal controls
- identifying and testing journal entries
- reviewing PCC meeting minutes

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

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

Jacob, Cavenagh + Skeet

Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 01/07/2022

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST MICHAEL'S CHURCH, CHESTER SQUARE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	Unrestricted Funds £ 2021	Unrestricted Funds £ 2020	Restricted Funds £ 2021	Restricted Funds £ 2020	Total Funds £ 2021	Total Funds £ 2020
Income and endowments from							
Donations and legacies	2(a)	449,073	406,877	22,959	43,462	472,032	450,339
Investments	2(b)	111,128	118,376	-	-	111,128	118,376
Charitable activities	2(c)	42,937	51,413	-	-	42,937	51,413
Furlough payments claimed	2(d)	15,427	16,401	-	-	15,427	16,401
Total income and endowments		618,565	593,067	22,959	43,462	641,524	636,529
Expenditure on							
Charitable activities	3(a)	638,092	618,093	49,301	13,850	687,393	631,943
Total expenditure		638,092	618,093	49,301	13,850	687,393	631,943
Net income / (expenditure) before gains / (losses) on investments		(19,527)	(25,026)	(26,342)	29,612	(45,869)	4,586
Unrealised gain/(loss) on investments	6	253,315	(75,760)	-	-	253,315	(75,760)
Net income / (expenditure)		233,788	(100,786)	(26,342)	29,612	207,446	(71,174)
Transfers between funds	11	-	-	-	-	-	-
Net movement in funds		233,788	(100,786)	(26,342)	29,612	207,446	(71,174)
Reconciliation of funds							
Total funds brought forward		2,300,207	2,400,993	35,355	5,743	2,335,562	2,406,736
Total funds carried forward		2,533,995	2,300,207	9,013	35,355	2,543,008	2,335,562

ST MICHAEL'S CHURCH, CHESTER SQUARE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021		2020	
	£	£	£	£
Net cash from operating activities (see Note i):		(218,756)		(173,705)
Cash flows from investing activities:				
Dividends & interest received	11,128		14,431	
Lease income	100,000		103,945	
Net addition to fixed assets	(10,086)		(13,683)	
New investment made	-		-	
Decrease in investments (now in current assets)	-		-	
Net addition to share investment	-		-	
Net cash provided by (used in) investing activities		101,042		104,693
Change in cash and cash equivalents during the year		(117,714)		(69,012)
Cash and cash equivalents at the beginning of the year		324,837		393,849
Cash and cash equivalents at the end of the year (see Note ii)		207,123		324,837
Note i - Reconciliation of net income / (expenditure) to net cash flow from operating activities				
Net income before gains		(45,869)		4,586
Adjustments for:				
Depreciation charges & loss on disposal		11,633		13,335
Dividend & interests from investments		(111,128)		(118,376)
(Increase) / decrease in debtors		10,319		9,729
Increase / (decrease) in creditors		(83,711)		(82,979)
Net cash provided by (used in) operating activities		(218,756)		(173,705)
Note ii - Analysis of cash and cash equivalents				
Cash in hand		55,995		73,802
Notice deposits (less than 3 months)		151,128		251,035
		207,123		324,837

ST MICHAEL'S CHURCH, CHESTER SQUARE

BALANCE SHEET
AS AT 31ST DECEMBER 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible fixed assets	5		682,063		683,610
Investments	6		1,935,042		1,681,727
			2,617,105		2,365,337
Current assets					
Debtors	7	34,476		44,795	
Cash at bank and in hand	12	207,123		324,837	
		241,599		369,632	
Creditors: amounts falling due within one year	8	176,244		159,955	
Net current assets			65,355		209,677
Total assets less current liabilities			2,682,460		2,575,014
Creditors falling due after more than one year	9		139,452		239,452
Net assets			2,543,008		2,335,562
Funds					
Unrestricted	10		2,533,995		2,300,207
Restricted income	10,11		9,013		35,355
			2,543,008		2,335,562

These financial statements were approved by the Standing Committee of the Parochial Church Council on 24 May 2022 and were signed on its behalf by:

Revd Rupert Charkham
Incumbent

Felicity Hunt
Honorary Treasurer

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the Charities Act 2011 and in accordance with Church Accounting Regulations 2006 together with the Charities Statement of Recommended Practice (Charities SORP (FRS102)) and Financial Reporting Standard 102 (FRS102).

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

St Michael's Church, Chester Square meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £. The Parochial Church Council of St Michael's Church is a Charity Registered in England and Wales No 1130914 and the Parish Office is at The Vestry, St Michael's Church Chester Square, London SW1W 9EF.

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 not restricted.

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

Debtors

All debtors are stated at the amount due and prepayments are valued at the amount paid.

Cash at bank and in hand

This heading includes cash, bank accounts and investments with a maturity of three months or less.

Creditors and provisions

Invoices and clear obligations to pay for costs are entered into the accounts as soon as the amount due is due or can be estimated reasonably. All amounts are stated at full value and not discounted if they need to be paid at a future date.

Going concern

At the time of approving the financial statements, the PCC members have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the PCC members continue to adopt the going concern basis of accounting in preparing the financial statements.

Income and endowments from

Voluntary income and capital sources

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

Planned giving receivable under gift aid is recognised only when received.

Income tax recoverable on gift aid donations is recognised when the income 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 probable.

Income from activities is accounted for gross.

1 ACCOUNTING POLICIES (continued)

Other ordinary income
Rental income from the letting of church premises is recognised when the rent is due. Where income is received in advance, it is recognised in the year in which the event takes place that it relates to.

Income from investments
Interest entitlements are accounted for as they accrue.

Operating leases
Where a premium is received from a lessee as an incentive to enter into a new operating lease, the relevant income is recognised on a straight line basis until a market rent will be payable.

Gains and losses on investments
Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at 31st December by transfers to the Statement of Financial Activities (SOFA).

Furlough payments under the HMRC Job Retention Scheme
Furlough income is recognised in the period that underlying salaries to furloughed staff are paid.

Expenditure on
Grants
Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. Grants payable for more than one year are accrued for in the accounts.

Church activities
Expenditure directly related to the objects of the Church is accounted for on the accruals basis. The diocesan quota or parish share is accounted for when payable. Any unpaid quota at 31st December is provided for in these accounts as an operational (although not a legal) liability and is shown as a creditor in the Balance Sheet.

Governance costs
All expenditure to fulfil statutory and legal requirements is accounted for on an accruals basis.

Fixed assets
Consecrated land and buildings and moveable church furnishings
Consecrated and beneficed property is excluded from the accounts by s10(2)(a) of the Charities Act 2011.

No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixed assets
Other fixed assets are recognised at cost.

Depreciation has been provided on tangible fixed assets except consecrated land and buildings and other freehold property at the following rates which are calculated to write off the cost of the assets over their estimated useful lives:

1 ACCOUNTING POLICIES (continued)

Furniture and fittings	–	10% per annum
Equipment	–	25% per annum

Where the useful economic life and holding value of the freehold property are so great that depreciation is immaterial, it is not charged.

Investments
Investments (properties, bonds and shareholding accounts) were valued at fair value at 31st December 2021 and in each subsequent year the PCC will review the valuation for any permanent impairment in value which is transferred to the Statement of Financial Activities (SOFA).

Financial instruments
The charity only invests in basic financial products and such assets are stated at the value invested and any gains or losses are recorded when the product is sold.

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

Deferred income
Amounts paid to the PCC during the year in respect of fees, rents or other income that relate to periods after 31st December. Movements during the year were as follows:

Deferred income	2021	2020
	£	£
Opening balance	341,060	446,810
Rents and other income relating to current year	(781)	(3,413)
Rents and other income relating to future periods	-	1,608
Lease income received	-	-
Lease income released	(100,000)	(103,945)
Closing balance	240,279	341,060

2 INCOME AND ENDOWMENTS FROM

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
(a) Donations and legacies				
Gift Aid donations	194,279	14,055	208,334	183,195
Tax recoverable	48,561	3,514	52,075	45,924
Church plate collections	1,068	-	1,068	4,517
Other donations	205,165	5,390	210,555	216,703
	449,073	22,959	472,032	450,339
(b) Investments				
Rent - other properties	-	-	-	-
Bank interest received	11,128	-	11,128	14,431
Lease income	100,000	-	100,000	103,945
	111,128	-	111,128	118,376
(c) Charitable activities				
Rent - St Michael's Church	32,130	-	32,130	36,438
Fees	5,865	-	5,865	1,911
Other church activities	4,942	-	4,942	13,064
	42,937	-	42,937	51,413
(d) Furlough payments claimed	15,427	-	15,427	16,401
	618,565	22,959	641,524	636,529

3 EXPENDITURE ON

	Activities Directly undertaken £	Grant funding (4a & b) £	Support Costs (3d) £	Total 2021 £	Total 2020 £
(a) Charitable activities					
Mission support and outreach	-	104,244	-	104,244	63,798
Ministry:					
Diocesan quota	113,858	-	-	113,858	114,186
Other ministry costs	53,926	-	100,003	153,929	152,824
Church activities	33,733	-	-	33,733	85,328
Other activities - bookstall, groups, etc.	8,428	-	-	8,428	7,217
Church running expenses	-	-	29,850	29,850	33,690
Church maintenance – repairs and renewals	-	-	79,914	79,914	13,116
Management and administration	-	-	158,031	158,031	156,636
Governance costs	-	-	5,406	5,406	5,148
	209,945	104,244	373,204	687,393	631,943

(b) Staff costs	2021 £	2020 £
Wages and salaries	200,527	221,131
Social security costs	11,232	13,345
Pension costs	4,011	4,465
Redundancy costs	1,030	13,455
	216,800	252,396

Average number of employees	Full time equivalent		Headcount	
	2021	2020	2021	2020
Administration	6	7	11	13
Lay assistant staff	1	1	1	1
	7	8	12	14

During the year, and the preceding year, the PCC did not employ anyone who earned £60,000 per annum or more.

The redundancy payment was made in relation to a staff post which was no longer required because the work load had changed. Redundancy costs are recognised when there is a legal or constructive obligation arising. No redundancy pay was outstanding at the balance sheet date.

(c) Related parties

During the year, the PCC paid accommodation, travel costs, mobile phone expenses of £0 (2020 £787) for C Marnham, £2,670 (2020: £9,744) for G Axelson and £22,725 to R Charkham (2020: £6,341), £11,456 (2020: £0) for S Banner, £3,543 for M White (2020: £0) and donated £6,000 (2020: £6,100) to The Pimlico Foundation of which J Cameron is a Trustee. Ten individual parties (2020: fourteen) were reimbursed for total of £9,130 (2020: £6,763) for pastoral care, professional fees, mobile phones, travel expenses and attending conferences. A retirement collection of £17,649 was paid to G Axelson on leaving in May 2021.

Since 23 May 2021, remuneration of £9,619 (2020: £0) was paid to a relative of M Passante. Remuneration of key management staff amounted to £15,104 (2020: £0).

Restricted donations from related parties (members of the PCC) totalled £6,800 (2020 £2,373).

(d) Support costs	2021 £	2020 £
Staff costs	136,523	108,718
Accommodation expenses	84,937	65,600
Other staff expenses	1,732	634
Church running and maintenance expenses	109,764	46,486
Office supplies and postage	4,165	4,940
Publicity and advertising	1,275	1,339
Telephone	5,251	4,447
IT costs	5,304	7,416
Auditor's remuneration	5,406	5,148
Legal & professional fees	6,854	11,473
Bad debt provision	-	18,000
Bank charges	361	546
Depreciation (Note 5)	11,632	22,496
	373,204	288,458

4 GRANTS PAYABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
(a) Grants to institutions				
Abraham's Oasis	1,500	-	1,500	-
All-Party Parliamentary Group on International Religious Freedom or Belief	-	-	-	1,200
Besom	-	3,183	3,183	6,007
LDF Outreach	12,600	-	12,600	12,600
London City Mission	2,400	-	2,400	2,400
Mission Aviation Fellowship	3,000	500	3,500	3,000
Pimlico Foundation	6,000	825	6,825	6,925
Serbian Evangelical Alliance	-	-	-	581
St Barnabas Homerton	3,000	-	3,000	3,000
St Michael's Kilolo School	3,240	-	3,240	5,300
The Freedom Story	-	-	-	765
The Gate at Westminster	6,000	-	6,000	6,000
Westminster Food Bank	2,400	-	2,400	2,900
Total grants to institutions	40,140	4,508	44,648	50,678

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
(b) Grants to individuals				
Outreach & poverty relief	-	-	-	1,323
Clergy, ministry & training	14,607	25,569	40,176	5,895
Other gifts	196	19,224	19,420	5,902
Total grants to individuals	14,803	44,793	59,596	13,120
Total grants payable	54,943	49,301	104,244	63,798

5 TANGIBLE FIXED ASSETS – For use by the PCC

	Freehold Property	Equipment	Fixtures & Fittings	Total
	£	£	£	£
Cost				
At 1 January 2021	615,776	96,979	88,331	801,086
Additions	-	3,492	6,594	10,086
Disposals	-	-	-	-
At 31 December 2021	615,776	100,471	94,925	811,172
Depreciation				
At 1 January 2021	-	82,209	35,267	117,476
Charge for the year	-	4,409	7,224	11,633
Release re disposals	-	-	-	-
At 31 December 2021	-	86,618	42,491	129,109
Net book value				
At 31 December 2021	615,776	13,853	52,434	682,063
At 31 December 2020	615,776	14,770	53,064	683,610

The freehold property is 24 Sullivan Road.

6 INVESTMENTS

	2021	2020
Freehold	£	£
Fair value brought forward as at 1 January 2021	1,300,000	1,400,000
Revaluation	200,000	(100,000)
Fair value carried forward as at 31 December 2021	1,500,000	1,300,000
Share investment		
Fair value brought forward as at 1 January 2021	376,727	352,487
Additions in the year	-	-
Revaluation	53,315	24,240
Fair value carried forward as at 31 December 2021	430,042	376,727
	14%	7%
Bond		
Fair value brought forward as at 1 January 2021	5,000	5,000
Additions in the year	-	-
Fair value carried forward as at 31 December 2021	5,000	5,000
Total investments	**1,935,042**	**1,681,727**

The freehold property is 2 Eccleston Place, London, SW1W 9NE, which is held on lease by Pirandello Ltd trading as "Sicily". The legal title of the property is vested in the Diocesan Authority and the London Diocesan Fund as Custodian Trustees on behalf of the Parochial Church Council. Following a valuation taken by outside counsel, the PCC has now determined that the value of the property increased to £1.5m.

The share investment account was opened with CCLA in 2014 in order to generate higher returns than the bank interest available from high street banks. Dividends are recognised as income in the period paid. The revaluation has been provided by CCLA at the year end.

The bond is a five year bond with the London Housing Association yielding 1.25%pa.

7 DEBTORS

	2021	2020
	£	£
Trade debtors	1,895	353
Other debtors	10,492	23,485
Prepayments	22,089	20,957
	34,476	44,795

8 CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	3,730	13,861
Accruals and deferred income	167,375	138,109
Payroll taxes due	4,273	6,932
Pension payment due	866	1,053
	176,244	159,955

9 CREDITORS: Amounts falling due after more than one year

	2021	2020
	£	£
Deferred income from Sicily lease due within two years	139,452	200,000
Deferred income from Sicily lease due within three to four years	-	39,452
Grants payable within two years	-	-
Grants payable within three years	-	-
	139,452	239,452

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Investments	Other net assets	Total
	£	£	£	£
Unrestricted funds	682,063	1,935,042	(83,110)	2,533,995
Restricted income funds	-	-	9,013	9,013
	682,063	1,935,042	(74,097)	2,543,008
Comparative figures for 2020				
Unrestricted funds	683,610	1,681,727	(65,130)	2,300,207
Restricted income funds	-	-	35,355	35,355
	683,610	1,681,727	(29,775)	2,335,562

11 RESTRICTED FUNDS
Notes on the individual funds

	Income		Expenditure		Transfers		Fund balances b/fwd	Fund balances c/fwd
	2021	2020	**2021**	2020	**2021**	2020		
	£	£	£	£	£	£	£	£
Choral scholars	-	1,000	-	1,000	-	-	-	-
Christmas Hampers	350	4,678	3,184	6,007	-	-	2,834	-
Covid 19 fund	150	4,572	-	1,323	-	-	3,249	3,399
Events for Elderly People	-	-	-	-	-	-	302	302
Gifts	21,634	32,387	45,292	4,695	-	-	28,838	5,180
The Passage	-	-	-	-	-	-	11	11
Pimlico Foundation	825	825	825	825	-	-	-	-
Vicar's Discretionary Fund	-	-	-	-	-	-	121	121
	22,959	43,462	49,301	13,850	-	-	35,355	9,013

Choral Scholars – funds collected to pay the fees of scholars who sing on 20 Sundays a year and form the core of larger choirs for events such as Carols by Candlelight.

Christmas hampers – funds collected to buy goods for Christmas hampers that are distributed to needy people in the neighbourhood of the church.

Covid 19 fund – collection to help people in need in the current crisis

Events for Elderly People - donation to fund this ministry.

Gifts – funds given to pass on to leaving members of staff, love gifts to missionaries on home visits, gifts to various individuals specifically given to St Michael's for that purpose.

The Passage – funds received to support this homeless charity.

Pimlico Foundation – funds received and donated to this charity that works with young people in a nearby estate.

Vicar's Discretionary Fund - funds used to support the pastoral work of St Michael's, at the discretion of the Vicar.

12 CASH AT BANK AND IN HAND

	2021	**2020**
	£	£
National Westminster - current account	36,984	24,628
Vicar's Discretionary Account	1,446	1,446
Petty Cash & Paypal account	5,614	3,186
Barclays - deposit account	9,378	39,374
Barclays - current account	2,573	5,168
CCLA - deposit account	151,128	251,035
	207,123	324,837

13 LEASE COMMITMENTS

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

	Equipment	
	2021	2020
	£	£
Within one year	1,392	1,392
Within two to five year	116	1,508
	1,508	2,900

The operating lease charges for the year were:

Hire of equipment	1,392	1,915

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL, CHESTER S

England & Wales - Charity number 1130914

Accounts

ST MICHAEL'S CHURCH, CHESTER SQUARE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

Charity no: 1130914

ST MICHAEL'S CHURCH, CHESTER SQUARE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

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ST MICHAEL'S CHURCH, CHESTER SQUARE

ANNUAL REPORT FOR 2020

The St. Michael's Parochial Church Council (PCC) has pleasure in presenting its report and the financial statements for the church for the year ended 31st December 2020.

Reference and administrative information

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

Incumbent:	Revd Rupert Charkham (appointed 10 September 2020)
Curate:	Revd Guy Axelson
Churchwardens:	David Munns Iona Thorne
Deanery Synod: Representatives:	Anneliese Blackwood (appointed 29 Nov 20) Sian Davies (resigned 29 Nov 20) Kate Homan (resigned 29 Nov 20) Alice Vink (appointed 29 Nov 20) Ruth Williams (appointed 29 Nov 20) Ken Wiseman
Elected members:	Marylois Beard Michael Bradley Dominic Brown (appointed 29 Nov 20) John Cameron Jack Campbell Felicity Hunt (Hon Treasurer) Rachel Senior Will Weaver Grace Wort
Secretary:	Ken Wiseman

Electoral Roll
The 2020 Church Electoral Roll was 208.

Main office
The Vestry, St Michael's Church Chester Square, London SW1W 9EF

Main bank
NatWest Bank plc, 169 Victoria Street, London SW1E 5NA

Auditors
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Structure, Governance and Management

St. Michael's Parochial Church Council has the responsibility of co-operating with the Incumbent, the Revd Rupert Charkham, in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical. The Parochial Church Council (PCC) is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and a charity registered with the Charity Commission for England and Wales number 1130914.

Committees

The PCC operates through a number of sub-committees which meet between full meetings of the PCC.

Standing Committee

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Mission Support Group

This covers all aspects of the local church's mission to the community and the world. A number of grants were given to individuals from St. Michael's serving overseas.

Building Committee

In 2009 the Church Council decided that the maintenance of the fabric of the church, and matters concerning the residential properties used by church staff, would be overseen by a Property Committee - a sub-committee of the Church Council.

Finance Committee

During 2020, the treasurer and a small group of volunteers undertook a review of our finance policy and procedures and concluded that these need some updating. A new finance committee was established at the end of the year which will make new recommendations to PCC. This has become particularly important in the light of the Covid-19 pandemic.

Risk management

The PCC has reviewed the risks that St Michael's faces and established systems and controls to mitigate the significant risks, although it recognises that no system of controls can provide absolute assurance against adverse events. Below we discuss the major ongoing risks along with those that have arisen due the Covid-19 pandemic, along with the control measures we have in place.

Safeguarding and Duty of Care

A loss of confidence by the congregation and other connected parties due to behaviour of senior leaders and staff, mitigated by:

- Clear communication of St Michael's mission and values to the congregation and the wider community
- Clear line management structures for all church staff, with additional accountability structures for those leading ministries.
- Clear and regular communication with and ongoing oversight and training for all staff members.

Harm comes to those in our care due to a lack of appropriate procedures for safeguarding children and vulnerable adults:

- We have appointed a safeguarding officer, an evidence checker and a children's champion to oversee our care of children and vulnerable adults and to make sure that PCC is aware of and compliant with Diocesan safeguarding policies.
- All staff, members of PCC and volunteers with pastoral roles must make a Disclosure and Barring Service disclosure and undertake appropriate training.
- The Safeguarding Officer regularly updates members of PCC on changes to the policy.

Financial Risks

Misuse or misappropriation of funds due to unauthorised expenditure or misuse of cash which we address by:

- Limiting the use of cash where possible.
- The church has purchased card readers which enable cashless payments for special services, such as weddings and funerals or at events.
- Due to the Covid-19 pandemic, very few services were held in the church during the year and no formal collections were taken. This dramatically reduced the amount of cash that church staff had to handle.
- PCC policy is that unbudgeted items of expenditure up to £1,000 need the approval of the incumbent or a church warden. For amounts above this, the incumbent, when available, and both church wardens are required to give approval and the treasurer should be notified within 48 hours.
- Expenditure over £5,000 requires full PCC approval.
- During the course of the interregnum and due to the onset of the Covid-19 pandemic, it became apparent that some of finance procedures require updating. The newly appointed finance committee expects to present updated procedures for PCC approval during the course of 2021.

Poor budgeting:

- We limit this risk by preparing an annual budget approved by PCC.
- Performance against this is monitored monthly and it is updated and amended where appropriate throughout the year.
- In 2020, we were unable to undertake certain major works, which will now take place in 2021. However, our budget came under pressure from a loss of one off and events income and increased costs related to recording and distributing our worship services on-line and enabling one-off outreach and pastoral events. The Finance Committee is reviewing our planning and budgeting process to ensure that it remains fit for purpose.

The soundness of our financial reporting:

- PCC approves a full annual audit of our figures, to give us confidence that both the Management and Annual Statutory Accounts present a fair and accurate picture of its financial affairs.

Sudden loss of income, if key donors move away:

- Besides the ongoing risk of losing key donors when they move away, the Covid-19 pandemic has put pressure on our income from all sources, in particular:
  - The inability to hold normal services has cut one off giving dramatically
  - Our income from third party events fell significantly during the year.
- In the light of the increased pressure on our income, the finance committee will also be reviewing and making new recommendations on our reserves policy.

Fire and Health and Safety risks

Harm could come to anyone in the church building due to lack of appropriate procedures in relation to fire and other health and safety risks:

- The PCC has appointed a health and safety officer, who monitors these issues, writes our policy and keeps staff and PCC members abreast of any possible concerns.
- The PCC has also appointed a designated first aider.
- Briefings are given to those involved in ushering, welcoming or making coffee.
- External parties who hire the church are briefed on our health and safety procedures.
- When the building has been open for worship during the current pandemic, numbers have been limited to prevent spreading of the virus, with a separate service for families with young children who might not be able to adhere to social distancing rules. At adult only services, worshippers were asked to use hand sanitiser on entering the building and to wear masks, with disposable masks being provided. Seating was cleaned between services and two metre distances were maintained between individuals and separate family bubbles. Stewards ensured that only one person at a time used the toilet facilities. Worshippers were encouraged to leave services promptly at the end of each service.

Risks to the building.
The age of our building and its central location mean that there could be legal and financial risks caused by damage or decay to the structure and fabric.

- The PCC ensures that it has adequate insurance in place to cover any accidental damage.
- In line with Diocesan recommendations, the PCC commissions a quinquennial survey and follows up on any advice given regarding repairs or maintenance.
- The PCC has appointed a buildings and fabric committee to advise on regular repairs and maintenance and monitor wear and tear.
- The office manager maintains a schedule of regular checks and maintenance for the church building and other properties for which the PCC is responsible.
- The PCC sets aside part of the income from the lease on the Sicily Restaurant, at 2 Eccleston Place, to cover major repairs and capital projects.

Recruitment and Training of PCC Members
PCC Members (excluding those that hold ex officio posts or who are co-opted) are nominated and elected at the Annual Parochial Meeting. The Church Treasurer, in particular, together with other members are invited to attend central training meetings run by the Diocese. Similarly, new Council Members are invited to attend conferences held and provided with any information leaflets produced by the Diocese to equip them for their roles.

Key management personnel
PCC Members who include the Clergy, Wardens and holders of other offices, are considered to be the Key Management Personnel as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration or other payments from St Michael's Church except for those disclosed in Note 3 (c) of the accounts.

Objectives and activities

In a year of unprecedented change and challenge, the mission statement of St Michael's Church - *Changed lives, touching other lives, making an impact for Jesus* - seemed more relevant than ever in our Covid-impacted world. Implementing the mission in our church and community during this time has required that we be alert and nimble. Within the constraints, we have sought to maintain continuity in serving our church and community, as well as grasp the unique opportunities for mission that this season provides.

In planning our activities, the Parochial Church Council (PCC) has considered the Commission's guidance on public benefit. As ever, our main focus is holding weekly services and celebrating major Christian holidays, to teach Christian values and promote them in everyday life to the members of the congregation, both regulars and visitors. The Alpha Course – an internationally recognised ten-week course on the basics of Christianity – is organised annually. The PCC aims to donate 10% of income to support Christian work both overseas and at home. This is managed by a sub-committee, the Mission Support Group. Pastoral care for the congregation is provided in small groups and through individual counselling. We endeavour to care for our parish and wider community through direct action as well as supporting local charities.

Achievements and performance

As a church we began the year with a great sense of anticipation, with the announcement that the Reverend Rupert Charkham had been appointed our new vicar. Even as the news went out, Covid-19 was already upon us as a clear and unprecedented challenge. The PCC concentrated its efforts on establishing a sense of continuity and stability for the congregation, and encouraging the church family to come together in offering support to the community as we all navigated this strange and unfamiliar season.

Our staff team responded to the changing circumstances with aplomb and dedication. Individual staff members committed extra time and effort, in some cases learning new skills, to ensure we were up and running with online services as soon as lockdown was imposed in March. Throughout the year we sought to grow and improve our online offering, and were heartened to see the majority of the congregation, as well as some newcomers, take part in virtual services. Our children and youth ministries have flourished online; our

team of staff and volunteers put together a rich and engaging weekly programme which continues to have a large following.

In September, we welcomed the arrival of Rupert and Liz Charkham with great joy and relief. Rupert's licensing service, conducted by the Bishop of London, Sarah Mullally, was capped at 30 guests, and made available for church members to view online. The slight easing of rules in the autumn meant we could hold some in-person services, and Rupert and Liz were able to meet, at social distance, some of the church family. While their settling into the parish has been hampered by the ongoing restrictions on in-person meetings, we take this as a time of preparation and look forward to emerging from this prolonged season of transition with renewed energy and purpose.

Priorities

Throughout the year we have sought to maintain our life together by focussing on:

1. **Church family**

   We continued with weekly Sunday services and our monthly church-wide prayer meeting mostly online but, when possible, in person with provisions to comply with Covid regulations in place. Children and youth enjoyed a weekly video of music, teaching and activity, and groups for teens were offered weekly Zoom meetings.

   Special efforts were made this year to nurture and resource our home groups. Every church member not already in a group was invited to join one, and so given the opportunity to grow friendships and mutual care within a smaller, more intimate context. Home groups met online weekly or fortnightly throughout the year, and were our main channel of pastoral care.

   We also established a practical help team, managed by the church office and staffed by volunteers, to respond to needs that arose within the church family during lockdown, and provided mainly online technical support and assistance shopping for food.

2. **Mission**

   A new Alpha course was launched in January, before lockdown, and we were able to hold all but the last session in church. This was a rich time of exploration for newcomers and we had the joy of seeing some attendees come to faith and become committed members of St Michael's.

   We kept up our contact and support for mission partners both at home and across the globe, praying for and responding to their particular needs during this time.

3. **Community**

   During the early weeks of lockdown, we leafleted homes and businesses throughout the parish, reminding neighbours of our presence and readiness to help.

   Members of the congregation donated to an emergency fund specifically to help the needy in our parish. Monies from the fund were used to buy food and other essentials for families who found themselves in financial crisis.

   At Christmas, we continued our practice of gifting 200 food hampers although, due to Covid restrictions, we assembled only 35 for the women's refuge and made donations to London City Mission and the local charity, In-Deep who distributed the remainder.

Personnel

In addition to the arrival of our new vicar, Rupert Charkham, new members of the staff team this year were Rachel Passante as pastor to women, and Hannah Brooks as youth worker. We bade farewell to our director of music, Mark Underwood, with our thanks and appreciation for nearly three years of service. There were also two departures from our administration team: Gemma Scharnowski, our operations manager who had been with us for nearly three years, and Kezia Ryde, who joined us just before the first lockdown and served as our communications manager for almost six months. We express our thanks and gratitude to them both.

The future

In October, shortly after his arrival, Rupert Charkham invited the congregation to two Vision Evenings. Using the description of the early church in the Book of Acts, he set out five areas of focus. As we go forward, we desire to be a church in which:

The Word Grows: letting the word of God grow in us through study, taking it to heart and obeying it.

The Worship Flows: prioritising worship, with a desire to please God and to lift up our Lord Jesus Christ.

The Love Shows: devoting ourselves to fellowship and letting our love for each other, through Jesus Christ, show in all that we do.

The Spirit Glows: fanning into flame the Spirit and seeing Him at work amongst us.

The World Knows: letting the world know the good news of Jesus Christ and sharing the reason for the hope we have.

We look forward with excitement and expectation to a new season for St Michael's as we seek to live out this vision together. As we anticipate the gradual emergence from Covid restrictions, we are full of thanks for God's protection and sustenance throughout the past year, and deeply aware that the full and long-term effects of the pandemic are yet to be seen and felt. As a church, we want to be part of God's hope and healing for our world. We venture on with our faith and confidence firmly placed in Him.

Treasurer's finance report

Income

Total Income fell by 17% to £636,529. This was mainly due to fewer one-off donations received, a reduction of income from regular events, both held by the church and by outside organisations, due to Covid 19 and a reduction in pledged and regular donations.

Expenditure

Expenditure fell by 12% compared to 2019 to £631,943. In 2019, there were significant legal expenses incurred as part of the lease renewal on the Sicily restaurant which did not recur in 2020, while major repairs to the windows and floor and replacement of the church carpet have been delayed until 2021. Some items of regular expenditure increased, most notably staff expenses, as extra hours were worked to cope with the complexity of producing on-line services and staying in contact with church members during Covid-19.

Balance sheet

We generated a surplus of £4,586 for the year on our regular activities and benefited from a 7% gain in the value of our investment in the CCLA equity income fund. However, our investment in the Sicily Restaurant at 2 Eccleston Place was written down by 7% following outside valuation; this is partly due to the uncertainty caused by the Covid-19 pandemic. Total funds fell slightly to £2.3m. The vast majority of this figure is accounted for by our ownership of the lease on the Sicily Restaurant and the house we own in Sullivan Road SE 11, which is currently occupied by our curate and his family.

Reserves policy

The PCC maintains an appropriate cash reserve and has resolved that to hold readily available funds to cover at least three months of expenditure plus the costs of any planned major works. At the end of 2020 we held cash at the bank £324,837. This accounts for about half of the anticipated expenditure in 2021, including outgoings for major works.

Going concern

The PCC believes that the current level of giving and other income received by the church is sufficient to pay for the expected expenses in the coming year. They prepare annual budgets and monitor expenses throughout the year. If the income should fall due to some unexpected circumstances, the PCC would adjust spending accordingly.

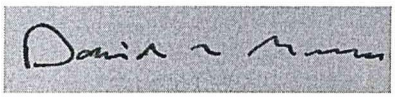
Grant making policy
Grants are allocated by the Mission Support Group for clearly defined goals, projects, time frames (usually three years or less) and people. The Group seeks to balance local, national and overseas needs and supports both social/historic and gospel work. Prayer support is an essential part of grant making as are reports back from Mission Partners and contact with them throughout their assignments. Practically, most grant applications are discussed at meetings of the group who meets three or four times a year, with priority given to those applications where there is a connection to St Michael's Church, either because the applicant is a member of the congregation or the project directly supports the Objectives of the PCC.

Fundraising policy
In line with the new reporting requirements included in the Charities Act 2016 the Trustees are pleased to confirm that all fundraising is done in compliance with best fundraising practice. All fundraising activities follow traditional methods within the Church of England which have been recognised as ethical for many years. During 2020 we did not employ any professional fundraisers. There were no complaints or criticisms during the year about our fundraising activities.

Performance of fundraising against objectives
The total actual income for the year was more or less in line with the budget prepared at the beginning of the year as the decrease in some types of income due to Covid 19 was balanced by furlough payments of over £16,000 received in the year.

Performance of investments against objectives
The PCC strives to keep enough cash in current accounts to fund current expenditure and has invested the remainder to yield higher returns. The main investment of the church is the lease on 2 Eccleston Place, now known as the Sicily Restaurant. The income this lease generates has supported major building projects in the past several years. We also hold an investment in the CCLA Equity Income fund, which increased in value by 7% during the year. With an annual dividend yield of around 3.75%, the fund also generates better regular returns than traditional bank savings. In the light of the Covid-19 related market turbulence, the PCC felt that a post year end review would be prudent and as of 2nd March 2021, the church's holding was broadly unchanged versus year end. This represents a total return of 47% on our initial investment; CCLA also predicts that dividends in the fund will remain at or above the 2020 level in 2021. Therefore the PCC saw no reason to amend the accounts.

Auditors
The PCC has given due thought to the annual review of our accounts and the flexibility which now exists to commission an Independent Examination instead of a full Audit. Although the Independent Examination would be materially cheaper, the PCC believes that the greater depth of analysis provided in an Audit provides more appropriate and prudent oversight of our finances and we have therefore resolved to continue to commission an Audit each year. A resolution will be proposed at the Annual General Meeting that Jacob Cavenagh & Skeet be reappointed auditors to the church for the forthcoming year.



ON BEHALF OF THE PCC
6 MAY 2021

David Munns

ST MICHAEL'S CHURCH, CHESTER SQUARE

STATEMENT OF PAROCHIAL CHURCH COUNCIL RESPONSIBILITIES

The Parochial Church Council is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Charity Law requires the Parochial Church Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Church and of its financial activities for that period. In preparing those financial statements the Parochial Church Council is required to:

1) select suitable accounting policies and then apply them consistently;

2) observe methods and principles in the Charities SORP;

3) make judgements and estimates that are reasonable and prudent;

4) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and

5) prepare accounts on the going concern basis unless it is inappropriate to presume that the Church will continue.

The Parochial Church Council is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Church, and enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulations made under the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

On behalf of the members of the Parochial Church Council,



David Munns

6 May 2021

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL

Opinion
We have audited the financial statements of St Michael's Church, Chester Square Parochial Church Council] (the "PCC") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. The PCC members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of PCC members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members
As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health & safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

Auditor's responsibilities for the audit of the financial statements (continued)
We determined that the principal risks were related to:

- posting inappropriate journal entries to increase revenue or reduce expenditure
- management bias in accounting estimates
- valuation of freehold property
- presentation of separately disclosed items
- government assistance – furlough income
- management override of controls

In response to the risks identified we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- testing the calculation of claims made under the Coronavirus Job Retention Scheme
- identifying and testing journal entries
- reviewing PCC meeting minutes
- evaluating the charity' internal controls
- challenging significant accounting estimates such as valuation of investment property

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

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

Jacob, Cavenagh + Skeet

Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: ..28....May...2021

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST MICHAEL'S CHURCH, CHESTER SQUARE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	Unrestricted Funds £ 2020	Unrestricted Funds £ 2019	Restricted Funds £ 2020	Restricted Funds £ 2019	Total Funds £ 2020	Total Funds £ 2019
Income and endowments from							
Donations and legacies	2(a)	406,877	526,927	43,462	26,192	450,339	553,119
Investments	2(b)	118,376	113,380	-	-	118,376	113,380
Charitable activities	2(c)	51,413	82,170	-	15,311	51,413	97,481
Furlough payments claimed	2(d)	16,401	-	-	-	16,401	-
Total income and endowments		593,067	722,477	43,462	41,503	636,529	763,980
Expenditure on							
Charitable activities	3(a)	618,093	675,328	13,850	44,792	631,943	720,120
Total expenditure		618,093	675,328	13,850	44,792	631,943	720,120
Net income / (expenditure) before gains / (losses) on investments		(25,026)	47,149	29,612	(3,289)	4,586	43,860
Unrealised gain/(loss) on investments	6	(75,760)	(391,802)	-	-	(75,760)	(391,802)
Net income / (expenditure)		(100,786)	(344,653)	29,612	(3,289)	(71,174)	(347,942)
Transfers between funds	11	-	(4,633)	-	4,633	-	-
Net movement in funds		(100,786)	(349,286)	29,612	1,344	(71,174)	(347,942)
Reconciliation of funds							
Total funds brought forward		2,400,993	2,750,279	5,743	4,399	2,406,736	2,754,678
Total funds carried forward		2,300,207	2,400,993	35,355	5,743	2,335,562	2,406,736

ST MICHAEL'S CHURCH, CHESTER SQUARE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

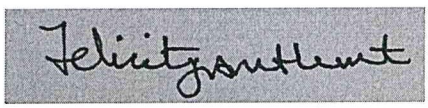
	2020		2019	
	£	£	£	£
Net cash from operating activities (see Note i):		(173,705)		354,867
Cash flows from investing activities:				
Dividends & interest received	14,431		6,777	
Lease income	103,945		106,603	
Net addition to fixed assets	(13,683)		(77,618)	
New investment made	-		(150,000)	
Decrease in investments (now in current assets)	-		-	
Net addition to share investment	-		-	
Net cash provided by (used in) investing activities		104,693		(114,238)
Change in cash and cash equivalents during the year		(69,012)		240,629
Cash and cash equivalents at the beginning of the year		393,849		153,220
Cash and cash equivalents at the end of the year (see Note ii)		324,837		393,849
Note i - Reconciliation of net income / (expenditure) to net cash flow from operating activities				
Net income before gains		4,586		43,860
Adjustments for:				
Depreciation charges & loss on disposal		13,335		22,496
Dividend & interests from investments		(118,376)		(113,380)
(Increase) / decrease in debtors		9,729		(11,181)
Increase / (decrease) in creditors		(82,979)		413,072
Net cash provided by (used in) operating activities		(173,705)		354,867
Note ii - Analysis of cash and cash equivalents				
Cash in hand		73,802		143,876
Notice deposits (less than 3 months)		251,035		249,973
		324,837		393,849

ST MICHAEL'S CHURCH, CHESTER SQUARE

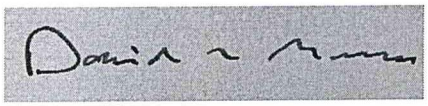
BALANCE SHEET
AS AT 31ST DECEMBER 2020

	Note	2020		2019	
		£	£	£	£
Fixed assets					
Tangible fixed assets	5		683,610		683,262
Investments	6		1,681,727		1,757,487
			2,365,337		2,440,749
Current assets					
Debtors	7	44,795		54,524	
Cash at bank and in hand	12	324,837		393,849	
		369,632		448,373	
Creditors: amounts falling due within one year	8	159,955		142,934	
Net current assets			209,677		305,439
Total assets less current liabilities			2,575,014		2,746,188
Creditors falling due after more than one year	9		239,452		339,452
Net assets			2,335,562		2,406,736
Funds					
Unrestricted	10		2,300,207		2,400,993
Restricted income	10,11		35,355		5,743
			2,335,562		2,406,736

These financial statements were approved by the Standing Committee of the Parochial Church Council on 6 May 2021 and were signed on its behalf by:



F Hunt
Honorary Treasurer



D Munns
Church Warden

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the Charities Act 2011 and in accordance with Church Accounting Regulations 2006 together with the Charities Statement of Recommended Practice (Charities SORP (FRS102)) and Financial Reporting Standard 102 (FRS102).

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

St Michael's Church, Chester Square meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £. The Parochial Church Council of St Michael's Church is a Charity Registered in England and Wales No 1130914 and the Parish Office is at The Vestry, St Michael's Church Chester Square, London SW1W 9EF.

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 not restricted.

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

Debtors
All debtors are stated at the amount due and prepayments are valued at the amount paid.

Cash at bank and in hand
This heading includes cash, bank accounts and investments with a maturity of three months or less.

Creditors and provisions
Invoices and clear obligations to pay for costs are entered into the accounts as soon as the amount due is due or can be estimated reasonably. All amounts are stated at full value and not discounted if they need to be paid at a future date.

Going concern
At the time of approving the financial statements, the PCC members have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the PCC members continue to adopt the going concern basis of accounting in preparing the financial statements.

Income and endowments from
Voluntary income and capital sources
Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under gift aid is recognised only when received.

Income tax recoverable on gift aid donations is recognised when the income 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 probable.

Income from activities is accounted for gross.

1 ACCOUNTING POLICIES (continued)

Other ordinary income
Rental income from the letting of church premises is recognised when the rent is due. Where income is received in advance, it is recognised in the year in which the event takes place that it relates to.

Income from investments
Interest entitlements are accounted for as they accrue.

Operating leases
Where a premium is received from a lessee as an incentive to enter into a new operating lease, the relevant income is recognised on a straight line basis until a market rent will be payable.

Gains and losses on investments
Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at 31st December by transfers to the Statement of Financial Activities (SOFA).

Furlough payments under the HMRC Job Retention Scheme
Furlough income is recognised in the period that underlying salaries to furloughed staff are paid.

Expenditure on
Grants
Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. Grants payable for more than one year are accrued for in the accounts.

Church activities
Expenditure directly related to the objects of the Church is accounted for on the accruals basis. The diocesan quota or parish share is accounted for when payable. Any unpaid quota at 31st December is provided for in these accounts as an operational (although not a legal) liability and is shown as a creditor in the Balance Sheet.

Governance costs
All expenditure to fulfil statutory and legal requirements is accounted for on an accruals basis.

Fixed assets
Consecrated land and buildings and moveable church furnishings
Consecrated and beneficed property is excluded from the accounts by s10(2)(a) of the Charities Act 2011.

No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixed assets
Other fixed assets are recognised at cost.

Depreciation has been provided on tangible fixed assets except consecrated land and buildings and other freehold property at the following rates which are calculated to write off the cost of the assets over their estimated useful lives:

1 ACCOUNTING POLICIES (continued)

Furniture and fittings	–	10% per annum
Equipment	–	25% per annum

Where the useful economic life and holding value of the freehold property are so great that depreciation is immaterial, it is not charged.

Capital commitments
In 2020, the church invested in streaming equipment in order to show services online and bought carpets and shelving for the new vicarage, following the appointment of Rupert Charkham as vicar. Replacement of the carpets in the church has been postponed to early 2021.

Investments
Investments (properties, bonds and shareholding accounts) were valued at fair value at 31st December 2020 and in each subsequent year the PCC will review the valuation for any permanent impairment in value which is transferred to the Statement of Financial Activities (SOFA).

Financial instruments
The charity only invests in basic financial products and such assets are stated at the value invested and any gains or losses are recorded when the product is sold.

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

Deferred income
Amounts paid to the PCC during the year in respect of fees, rents or other income that relate to periods after 31st December. Movements during the year were as follows:

Deferred income	2020	2019
	£	£
Opening balance	446,810	42,713
Rents and other income relating to current year	(3,413)	(2,713)
Rents and other income relating to future periods	1,608	3,413
Lease income received	-	510,000
Lease income released	(103,945)	(106,603)
Closing balance	341,060	446,810

2 INCOME AND ENDOWMENTS FROM

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
(a) Donations and legacies				
Gift Aid donations	177,214	5,981	183,195	241,931
Tax recoverable	44,430	1,494	45,924	62,176
Church plate collections	4,517	-	4,517	24,429
Other donations	180,716	35,987	216,703	224,583
	406,877	43,462	450,339	553,119
(b) Investments				
Rent - other properties	-	-	-	-
Bank interest received	14,431	-	14,431	6,777
Lease income	103,945	-	103,945	106,603
	118,376	-	118,376	113,380
(c) Charitable activities				
Rent - St Michael's Church	36,438	-	36,438	51,757
Fees	1,911	-	1,911	6,342
Other church activities	13,064	-	13,064	39,382
	51,413	-	51,413	97,481
(d) Furlough payments claimed	16,401	-	16,401	-
	593,067	43,462	636,529	763,980

3 EXPENDITURE ON

	Activities Directly undertaken £	Grant funding (4a & b) £	Support Costs (3d) £	Total 2020 £	Total 2019 £
(a) Charitable activities					
Mission support and outreach	-	63,798	-	63,798	90,712
Ministry:					
Diocesan quota	114,186	-	-	114,186	117,062
Other ministry costs	72,956	-	79,868	152,824	154,030
Church activities	85,328	-		85,328	95,012
Other activities - bookstall, groups, etc.	7,217	-	-	7,217	34,829
Church running expenses	-	-	33,690	33,690	37,734
Church maintenance – repairs and renewals	-	-	13,116	13,116	35,670
Management and administration	-	-	156,636	156,636	150,535
Governance costs			5,148	5,148	4,536
	279,687	63,798	288,458	631,943	720,120

(b) Staff costs	2020 £	2019 £
Wages and salaries	221,131	199,221
Social security costs	13,345	11,835
Pension costs	4,465	3,449
Redundancy costs	13,455	-
	252,396	214,505

Average number of employees	Full time equivalent		Headcount	
	2020	2019	2020	2019
Administration	7	7	13	12
Lay assistant staff	1	1	1	1
	8	8	14	13

During the year, and the preceding year, the PCC did not employ anyone who earned £60,000 per annum or more.

(c) Related parties

During the year, the PCC paid accommodation expenses of £787 for C Marnham, £9,744 (2019: £9,203) for G Axelson and £6,341 to R Charkham (2019: £0) and donated £6,100 (2019: £2,400) to The Pimlico Foundation of which J Cameron is a Trustee. Fourteen individual parties (2019: fourteen) were reimbursed for total of £6,763 (2019: £10,588) for pastoral care, professional fees, travel expenses and attending conferences. No salary payments were made to related parties in the year (2019: £12,251).

The Church Wardens and the Vicar are Trustees of the Canon Elliott Memorial Fund which was set up to give grants to students studying for the Church of England ministry at Theological College. During the year, £1,500 (2019: £4,500) was paid to one individual (2019: three) studying for ordination.

Restricted donations from related parties (members of the PCC) totalled £2,373 (2019: £2,980).

(d) Support costs	2020 £	2019 £
Staff costs	108,718	95,153
Accommodation expenses	65,600	73,243
Other staff expenses	634	4,602
Church running and maintenance expenses	46,862	73,404
Office supplies and postage	4,940	6,767
Publicity and advertising	1,339	1,754
Telephone	4,447	4,412
IT costs	7,416	6,601
Auditor's remuneration	5,148	4,536
Legal & professional fees	11,473	23,235
Bad debt provision	18,000	-
Bank charges	546	481
Depreciation (Note 5)	13,335	22,496
	288,458	316,684

4 GRANTS PAYABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
(a) Grants to institutions				
All-Party Parliamentary Group on International Religious Freedom or Belief	1,200	-	1,200	2,400
Besom	-	6,007	6,007	3,321
Church Pastoral Aid Society	-	-	-	250
CMJ UK	-	-	-	70
LDF Outreach	12,600	-	12,600	11,980
London City Mission	2,400	-	2,400	2,400
Mission Aviation Fellowship	3,000	-	3,000	3,618
Music & Worship Foundation	-	-	-	500
Operation Mercy	-	-	-	3,006
Pimlico Foundation	6,100	825	6,925	3,225
Royal British Legion re poppy appeal	-	-	-	66
Serbian Evangelical Alliance	581	-	581	6,000
St Barnabas Homerton	3,000	-	3,000	-
St Michael's Kilolo School	5,300	-	5,300	11,999
The Freedom Story	765	-	765	-
The Gate at Westminster	6,000	-	6,000	6,000
Westminster Food Bank	2,900	-	2,900	3,018
Total grants to institutions	43,846	6,832	50,678	57,853

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
(b) Grants to individuals				
Outreach & poverty relief	-	1,323	1,323	-
Clergy, ministry & training	5,895	-	5,895	14,444
Other gifts	207	5,695	5,902	18,415
Total grants to individuals	6,102	7,018	13,120	32,859
Total grants payable	49,948	13,850	63,798	90,712

5 TANGIBLE FIXED ASSETS – For use by the PCC

	Freehold Property	Equipment	Fixtures & Fittings	Total
	£	£	£	£
Cost				
At 1 January 2020	615,776	92,126	80,773	788,675
Additions	-	6,181	7,558	13,739
Disposals	-	(1,328)	-	(1,328)
At 31 December 2020	615,776	96,979	88,331	801,086
Depreciation				
At 1 January 2020	-	77,364	28,049	105,413
Charge for the year	-	6,117	7,218	13,335
Release re disposals	-	(1,272)	-	(1,272)
At 31 December 2020	-	82,209	35,267	117,476
Net book value				
At 31 December 2020	615,776	14,770	53,064	683,610
At 31 December 2019	615,776	14,762	52,724	683,262

The freehold property is 24 Sullivan Road.

6 INVESTMENTS

	2020	2019
Freehold	£	£
Fair value brought forward as at 1 January 2020	1,400,000	1,825,000
Revaluation	(100,000)	(425,000)
Fair value carried forward as at 31 December 2020	1,300,000	1,400,000
Share investment		
Fair value brought forward as at 1 January 2020	352,487	169,289
Additions in the year	-	150,000
Revaluation	24,240	33,198
Fair value carried forward as at 31 December 2020	376,727	352,487
Bond		
Fair value brought forward as at 1 January 2020	5,000	5,000
Additions in the year	-	-
Fair value carried forward as at 31 December 2020	5,000	5,000
Total investments	**1,681,727**	**1,757,487**

The freehold property is 2 Eccleston Place, London, SW1W 9NE, which is held on lease by Pirandello Ltd trading as "Sicily". The legal title of the property is vested in the Diocesan Authority and the London Diocesan Fund as Custodian Trustees on behalf of the Parochial Church Council. Following a valuation taken by outside counsel, the PCC has now determined that the value of the property decreased to £1.3m.

The share investment account was opened with CCLA in 2014 in order to generate higher returns than the bank interest available from high street banks. Dividends are recognised as income in the period paid. The revaluation has been provided by CCLA at the year end.

The bond is a five year bond with the London Housing Association yielding 1.25%pa.

7 DEBTORS

	2020	2019
	£	£
Trade debtors	353	2,585
Other debtors	23,485	26,079
Prepayments	20,957	25,860
	44,795	54,524

8 CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	13,861	12,406
Accruals and deferred income	138,109	125,591
Payroll taxes due	6,932	4,077
Pension payment due	1,053	860
	159,955	142,934

9 CREDITORS: Amounts falling due after more than one year

	2020	2019
	£	£
Deferred income from Sicily lease due within two years	200,000	200,000
Deferred income from Sicily lease due within three to four years	39,452	139,452
Grants payable within two years	-	-
Grants payable within three years	-	-
	239,452	339,452

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Investments	Other net assets	Total
	£	£	£	£
Unrestricted funds	683,610	1,681,727	(65,130)	2,300,207
Restricted income funds	-	-	35,355	35,355
	683,610	1,681,727	(29,775)	2,335,562
Comparative figures for 2019				
Unrestricted funds	683,262	1,757,487	(39,756)	2,400,993
Restricted income funds	-	-	5,743	5,743
	683,262	1,757,487	(34,013)	2,406,736

11 RESTRICTED FUNDS
Notes on the individual funds

	Income		Expenditure		Transfers		Fund balances b/fwd	Fund balances c/fwd
	2020	2019	**2020**	2019	**2020**	2019		
	£	£	£	£	£	£	£	£
Choral scholars	1,000	1,000	1,000	1,000	-	-	-	-
Christmas Hampers	4,678	4,944	6,007	3,321	-	-	4,163	2,834
Church Ministry among Jewish People	-	70	-	70	-	-	-	-
Covid 19 fund	4,572	-	1,323	-	-	-	-	3,249
Events for Elderly People	-	-	-	-	-	-	302	302
Gifts	32,387	18,050	4,695	16,904	-	-	1,146	28,838
House party	-	15,312	-	19,945	-	4,633	-	-
Mission Aviation Fellowship	-	618	-	618	-	-	-	-
The Passage	-	-	-	-	-	-	11	11
Pimlico Foundation	825	825	825	825	-	-	-	-
Royal British Legion re poppy appeal	-	66	-	66	-	-	-	-
Vicar's Discretionary Fund	-	-	-	1,425	-	-	121	121
Westminster Chapel	-	618	-	618	-	-	-	-
	43,462	41,503	13,850	44,792	-	4,633	5,743	35,355

Choral Scholars – funds collected to pay the fees of scholars who sing on 20 Sundays a year and form the core of larger choirs for events such as Carols by Candlelight.

Christmas hampers – funds collected to buy goods for Christmas hampers that are distributed to needy people in the neighbourhood of the church.

Church Ministry among Jewish People – collection at Good Friday service donated to this charity.

Covid 19 fund – collection to help people in need in the current crisis

Events for Elderly People - donation to fund this ministry.

Gifts – funds given to pass on to leaving members of staff, love gifts to missionaries on home visits, gifts to various individuals specifically given to St Michael's for that purpose.

House party – funds received (including donations to fund other members of the congregation) to attend the annual weekend away. The transfer represents costs not covered by contributions from participants and donations received.

Mission Aviation Fellowship - funds collected during carols by candlelight services given to this charity for work flying missionaries, people in need & supplies in Africa.

The Passage – funds received to support this homeless charity.

Pimlico Foundation – funds received and donated to this charity that works with young people in a nearby estate.

Royal British Legion – Funds collected and passed on for 2019 Poppy Appeal.

Vicar's Discretionary Fund - funds used to support the pastoral work of St Michael's, at the discretion of the Vicar.

Westminster Chapel - funds collected during carols by candlelight services given to this charity for the Westminster Foodbank

12 CASH AT BANK AND IN HAND

	2020	2019
	£	£
National Westminster - current account	24,628	58,566
Vicar's Discretionary Account	1,446	1,446
Petty Cash & Paypal account	3,186	220
Barclays - deposit account	39,374	80,327
Barclays - current account	5,168	3,317
CCLA - deposit account	251,035	249,973
	324,837	393,849

13 LEASE COMMITMENTS

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

	Equipment	
	2020	2019
	£	£
Within one year	1,392	696
Within two to five year	1,508	-
	2,900	696

The operating lease charges for the year were:

Hire of equipment	1,915	2,088