

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

Contents Page

	Page
Legal and Administrative Information	1
Trustees' Annual Report	3
Independent Examiner's Report	9
Statement of Financial Activities	10
Statement of Financial Position	11
Statement of Cash Flow	12
Notes to the Financial Statements	13

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

		Unrestricted Funds	2023 Restricted Funds	Total Funds	2022 Total Funds
	Note	£	£	£	£
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	<u>617,662</u>	<u>46,474</u>	<u>664,136</u>	<u>760,368</u>
Expenditure					
Expenditure on charitable activities	3	<u>652,309</u>	<u>32,049</u>	<u>684,358</u>	<u>706,928</u>
Total Expenditure		<u>652,309</u>	<u>32,049</u>	<u>684,358</u>	<u>706,928</u>
Net Income / (Expenditure) Before Gains/(Losses)		<u>(34,647)</u>	<u>14,425</u>	<u>(20,222)</u>	<u>53,440</u>
Gain/(loss) on investment portfolio	9	<u>19,086</u>	<u>-</u>	<u>19,086</u>	<u>50,820</u>
Net Income / (Expenditure) After Gains/(Losses)		<u>(15,561)</u>	<u>14,425</u>	<u>(1,136)</u>	<u>104,260</u>
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	<u>19,299</u>	<u>(19,299)</u>	<u>-</u>	<u>-</u>
Total Funds Carried Forward	15	<u>2,614,556</u>	<u>31,576</u>	<u>2,646,132</u>	<u>2,647,268</u>

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
		<u>2,502,293</u>	<u>2,482,659</u>
Current Assets			
Debtors	11	31,372	37,650
Cash at bank and in hand		161,142	314,318
		<u>192,514</u>	<u>351,968</u>
Creditors: Amounts Falling Due Within One Year	12	<u>48,675</u>	<u>147,907</u>
Net Current Assets		<u>143,839</u>	<u>204,061</u>
Total Assets Less Current Liabilities		<u>2,646,132</u>	<u>2,686,720</u>
Creditors: Amounts Falling Due After One Year	13	<u>-</u>	<u>39,452</u>
Net Assets	16	<u>2,646,132</u>	<u>2,647,268</u>
Funds of the Charity			
Restricted funds	15	31,576	36,450
Unrestricted funds	15		
Unrestricted general		106,810	112,217
Designated funds		<u>2,507,746</u>	<u>2,498,601</u>
Total Charity Funds		<u>2,646,132</u>	<u>2,647,268</u>

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)
	<u>(246,177)</u>	<u>(174,961)</u>
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	<u>93,001</u>	<u>282,157</u>
Cash Flows From Financing Activities		
Repayments on borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
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	<u>314,318</u>	<u>207,422</u>
Cash and Cash Equivalents at the End of the Reporting Period	<u>161,142</u>	<u>314,618</u>

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	<u>(246,177)</u>	<u>(174,961)</u>

Analysis of Cash and Cash Equivalents

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

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 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 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
	<u>450,894</u>	<u>46,474</u>	<u>497,368</u>
Charitable Activities			
Weddings and funerals	(178)	-	(178)
Church activities and events	2,269	-	2,269
	<u>2,091</u>	<u>-</u>	<u>2,091</u>
Activities for Generating Income			
Church rental income	53,952	-	53,952
	<u>53,952</u>	<u>-</u>	<u>53,952</u>
Investment Income			
Dividends and interest	10,325	-	10,325
Lease income	100,000	-	100,000
	<u>110,325</u>	<u>-</u>	<u>110,325</u>
Other			
Other Income	400	-	400
	<u>400</u>	<u>-</u>	<u>400</u>
Total Income	<u>617,662</u>	<u>46,474</u>	<u>664,136</u>

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	-	-	-
	<u>589,833</u>	<u>7,200</u>	<u>597,033</u>
Charitable Activities			
Weddings and funerals	5,203	-	5,203
Church activities and events	3,729	-	3,729
	<u>8,932</u>	<u>-</u>	<u>8,932</u>
Activities for Generating Income			
Church rental income	42,284	-	42,284
	<u>42,284</u>	<u>-</u>	<u>42,284</u>
Investment Income			
Dividends and interest	12,123	-	12,123
Lease income	99,996	-	99,996
	<u>112,119</u>	<u>-</u>	<u>112,119</u>
Other			
Other income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Income	<u>753,168</u>	<u>7,200</u>	<u>760,368</u>

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
	<u>652,309</u>	<u>32,049</u>	<u>684,358</u>

	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
	<u>699,173</u>	<u>7,755</u>	<u>706,928</u>

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
	<u>409,516</u>	<u>67,355</u>	<u>207,487</u>	<u>684,358</u>

	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
	<u>433,616</u>	<u>71,764</u>	<u>201,548</u>	<u>706,928</u>

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
	<u>2,280</u>	<u>6,612</u>

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	<u>223,499</u>	<u>242,391</u>

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	<u>1,600,000</u>	<u>1,600,000</u>
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	<u>219,924</u>	<u>200,862</u>
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	<u>-</u>	<u>5,000</u>
Total Investments	<u>1,819,924</u>	<u>1,805,862</u>

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
	<u>31,372</u>	<u>37,650</u>

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
	<u>48,675</u>	<u>147,907</u>

13 Creditors: Amounts Falling Due After One Year

	2023	2022
	£	£
Deferred income	-	39,452
	<u>-</u>	<u>39,452</u>

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	<u>40,162</u>	<u>139,933</u>

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)
	<u>2,614,556</u>	<u>31,576</u>	<u>2,646,132</u>

	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)
	<u>2,650,270</u>	<u>36,450</u>	<u>2,686,720</u>

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
	<u>416,245</u>	<u>450,249</u>

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