

**THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**(Registered Charity No. 1133092)**

**THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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<b>CONTENTS</b>	<b>Page</b>
Legal and administrative information	3
Trustees' report	4
Independent auditor's report	9
Statement of financial activities	12
Balance sheet	13
Cash Flow Statement	14
Notes to the accounts	15

## THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH

### LEGAL AND ADMINISTRATIVE DETAILS

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#### TRUSTEES

The Reverend Prebendary Dr Brian Leathard  
The Reverend Sam Hole  
The Reverend John Russell (Resigned April 2020)  
The Reverend Samuel Rylands (appointed 2 September 2020)  
Alexander Banbury  
Elizabeth Brutus  
Andrew Cameron  
Charles Combe  
Rachael Drake  
John Ellard  
Nicola Ellard  
Kate Elwell  
Jamie Gibbs  
Brenda Hagerty (appointed 2 September 2020)  
Simon Hills (Resigned March 2020)  
Richard Jordan  
Elizabeth Watson-Steele  
Tim McKean  
Aidus McVeigh  
Helen Morgan Edwards (Resigned September 2020)  
Jacqueline Poysden (appointed 2 September 2020)  
Isabel Sinagola (appointed 2 September 2020)  
Nicholas Smith  
Atholl Taylor-Hudson  
Fleur de Villiers

#### CHARITY NUMBER

1133092

#### AUDITORS

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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**Rector's Report to the Annual Parochial Church Meeting 2021**

Every survey of the past year has pointed out how this has been a year like no other. Indeed so. On the other hand, it has also been, in the life of our parish, a year like every other. These two contrasting truths are what has made this past year such a difficult one to review, but also such an important one to acknowledge.

Firstly then, a year like no other. As it became clear that the pandemic was spreading with huge speed it was obvious that I should return a month early from sabbatical. I, of course, had every trust that Fr Sam and the Parish Office team could cope with everything necessary in their creative and caring way. But for me, it felt just wrong not to be among the people whose 'cure of souls' I hold. With Lockdown 1 imminent, we made plans to stay in contact with the vulnerable, isolated and lonely. We committed ourselves to phoning all on our electoral roll for whom we had concerns. This resulted in the amazingly well received outreach programme each week, with Julie and Tracy delivering up to 75 meals each Tuesday.

Equally, at this time the House of Bishops decided that all public worship must cease in our parish churches. Many of our congregations took exception to the fact that the clergy were also prohibited from saying daily prayers in our churches, even if we were alone. There ensued for many in the Church of England a sense that we had perhaps vacated the very spot we needed to occupy- we had left unoccupied our sacred spaces, our churches, and exited from public engagement. Locked churches speak forcibly of hopelessness and abandonment, the very absence of God. For many this was compounded in 2020 as we were unable to mark even the most important Christian Festival of Holy Week, and Easter. Advent is usually a time when we hardly dare breathe, our churches are full daily, often several times over, with Carol Services- yet silence reigned in both our churches. Weddings and Baptisms were postponed, re-arranged and cancelled with sad repetitiveness. Funerals were regularly bleak with the sense of sudden loss, often without goodbyes, spilling over into restricted funeral rites.

Groups and meetings fell away too. Some, particularly support groups- like AA, outreach groups- like our Youth Group, were sorely missed. Strangely, other meetings were not missed and this year of stripping out has certainly revealed areas of unnecessary bureaucracy and a culture of meetings which develop a life of their own, without necessarily impacting outcomes.

But, above all, we missed each other- we missed being with each other in worship, we missed those occasional conversations in the Gardens, the chat outside Christ Church school gate or in Waitrose. We missed the soaring of the spirit which we find through the music of our choirs and organists. We came to realise how we need each other and we affirmed that whatever comes next surely can't just be the same as what was before. There seemed, amidst all the loss, a sense of a new direction for the future.

Secondly, this was, of course, a year like every other. The church's year was kept, albeit on-line, and here we must thank the tenacity and technical savvy of Fr Sam. Week by week electronic messaging, use of social media platforms and live-streaming has enabled us to have a presence in the virtual world we could barely have dreamt of previously. Our children's work flourished both on a weekly basis and around the feast days with on-line egg panting for Easter, crown making for Epiphany and pancake tossing for Shrove Tuesday among other things. Necessity proved indeed to be the mother of invention.

As we attempted to stay in touch with people, we had some wonderfully generous responses to need. Parishioners donated money for use in the provision of meals to the isolated and help in keeping children connected while home-schooling. This generosity was also witnessed in the giving of time by members of our churches and the local community, along with Mutual Aid, in setting up the Foodbank Club in October 2020- rapidly gaining in strength to be a powerful resource for this community in the issue of food insecurity here in Chelsea. We're now serving 65 families each week, including over 100 children from the streets of our parish.

The Summer Programme, so crucially important during the summer holidays, seemed to hang in the balance until the very last minute in 2020. When we decided to go ahead, we were aware that we were somewhat out on a limb- but it proved invaluable, providing social contact, friendship and the most basic contentment to 80 youngsters in our parish. Gone were the trips and outings, at heart, they just wanted to be together, to play, to tell their stories, to laugh and cry with each other.

And there was a great outpouring of relief, that Samuel Rylands managed to return-eventually- from being stranded with the Melanesian Brothers in the Solomon Islands. Samuel and Lily moved into the flat in St Luke's Street in July and ordination as Deacon happened, duly if weirdly, in an almost empty St Paul's Cathedral. Samuel's ministry among us as a



**THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH**

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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Deacon has brought new strengths, particularly in youth work and an ability to bring Chelsea Football Club into much of his preaching.

Now we are facing the re-opening of our life amidst the stunning blossom of this spring. It feels almost as if the natural world has taken our loss to heart and produced a more abundant burgeoning of colour and hope than ever before. Worship, which never stopped in its daily and weekly rhythm, is back physically, baptisms and marriages are pouring in!

We are in good heart in this community, via the love of God expressed in so many people and in so many ways through commitment, care and compassion over the past year. Thank you for the part you have played in making this a year unlike any other and yet a year like every year in which following in the steps of Jesus of Nazareth is our way, our truth and our life.

**The Revd Prebendary Dr Brian Leathard, Rector**

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Financial review**

Total income was £638,503 (2019: £917,200) of which £629,770 (2019: £896,553) was unrestricted. Total receipts decreased by 30% (increased by 16% in 2019). Restricted income of £8,733 (2019: £20,647) related to special collection and investment income. The Crypt offices, church vestries and parking spaces on the forecourt of St Luke's continue to be let and provide the PCC with total other income of £168, (2019: £233,699),

The parish's major recurring expense is its contribution of £186,000 (2019: £180,000), to the Common Fund, which is money given by every parish to provide and support clergy, and to further the London Diocese's work in every parish.

Although the majority of our Common Fund contribution returns to the PCC as clergy stipends and other support, as a wealthier parish we pay about 30% more than our 'Parish Standard Cost'. In doing so our churches in Chelsea help other parishes that are less able to meet their Common Fund costs continue to spread the Good News.

The Covid Pandemic posed a risk to our income. In order to mitigate this, the PCC reviewed and reduced our spending. We also appealed to parishioners to maintain or enhance giving wherever possible. The overall outcome was less damaging to our reserves than initially feared.

The balances on restricted funds, and an explanation of the purposes of each fund, is shown in the notes to the Financial Statements.

**Reserves policy**

It is the PCC's policy to maintain a balance on unrestricted funds which equates to six months of unrestricted expenditure. It is held to smooth out fluctuations in cash flow, to cover management and administration and to respond to any major expenditure that may arise. This policy has ensured that in 2020, as Covid-19 closed our churches to physical worship, our PCC has been able to develop new ways of worshipping together and continue to support our parish activities, pay parish office staff salaries and remain up to date with Common Fund payments.

At the end of 2020 the PCC currently has £468,298 (2019: £501,923) in unrestricted free reserves and believes this is sufficient to meet this reserves policy, noting that in 2019 the trustees of the two church halls have continued to be generous supporters of our parish's activities, the costs of which are not met by congregational giving and other PCC income.

**Pay policy**

The PCC commits to paying at least the London Living wage and encourages its suppliers and contractors to do the same. When setting pay levels and in accordance with a decision taken by the PCC on 7<sup>th</sup> November 2019 the PCC expects that pay rates would normally be increased by the September RPI multiplied by 1.25, subject to the RPI being below 5%, with increases applying from the beginning of the next calendar year.

Clergy stipends are paid by the Diocese of London to which the church contributes through its Common Fund contributions.

The Curate lives in accommodation provided by St Luke's Hall trustees, the costs of which are shared between our two churches. PCC Trustees and the Rector are considered key management roles and are not remunerated by the PCC. The Parish is committed to providing equal opportunities in employment.

**Volunteers**

It would not be possible for the PCC to operate as efficiently as it does without the number of volunteers that give up their time so willingly to make it possible for the PCC to stage its activities and carry out its objectives. These are too numerous to mention individually here but we would like to thank all volunteers who work so hard to make the churches within the parish the lively and vibrant community that it is. This help comes in so many and varied forms that it is not possible to place a financial worth on the time donated.



The principal risks and uncertainties identified by the charity are as follows:

Risk identified	Action taken to mitigate the risk
Fire damage to churches	Appropriate levels of insurance cover to rebuild after damage. Fall-back plans to use the halls or rent another building while work is taking place so that church services can continue.
Severe damage to halls that renders them unusable and leads to loss of income	Hall trustees have increased insurance cover for loss of income over a sustained period due to fire or building damage.
Safeguarding concerns	A safeguarding policy adopted by the PCC and reviewed annually is displayed in both Parish churches. Two safeguarding officers have been appointed for the Parish, with appropriate training provided by a third-party provider.
Burglary and forced entry, staff personal safety	Shield personal alarms are supplied to all staff. A lock up procedure has been adopted in the Parish office to ensure the building is secured and alarmed when unoccupied. Motion-sensor safety lights have been installed.
Counting and banking of cash	A policy has been adopted to secure cash donations after services/concerts. Counters always act in pairs, supervise each other in varying combinations and record and sign for the total to be banked.
Cyber risk including loss of data, hacking, theft of funds	Computer software is updated regularly. All staff are trained to deal with phishing and similar scams. GDPR and actions required in the event of a breach are a standing item for staff meetings at regular intervals.
Continuance of the Covid-19 pandemic	Cost control and forward cash flow planning; providing new avenues of congregational giving; online services; broadening range of contacts with parishioners.

### Investment Policy and Objectives

The Investment Strategy is set by the Trustees. Currently, it is the policy of the Trustees to invest the bulk of cash on deposit with the CBF Church of England Deposit Fund and CAF Bank. Smaller balances are held on deposit with NatWest Bank Plc and Lloyds Bank Plc. Restricted Fund Investments are mainly held in Unit and Investment Trusts managed either by the CBF Church of England, or by professional fund managers as permitted by the relevant Acts and the Charity Commission guidelines.

The overall objective of the fund managers is to maintain an appropriate level of risk whilst retaining the real value of capital through long-term investments. Reports are received quarterly from the fund managers and the Treasurer meets annually and discusses the performance with the fund managers.

### Capital expenditure

As recommended in the 2016 Quinquennial review the final repairs were completed on the stonework and rainwater management equipment at St Luke's.

### Auditors

Haysmacintyre LLP have expressed their willingness to continue in office as auditors. A resolution proposing that Haysmacintyre LLP be reappointed as auditors of the charity for the forthcoming year will be put to members at the Annual General Meeting.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

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**Future Plans**

The PCC continues to regularly review all aspects of its work and engage with the local community. The Trustees will be looking at some key areas over the next 12 months:

- Making the most of operational facilities and increasing income
- Welcoming newcomers and encouraging others to visit and attend services
- Reviewing and considering our range of activities with a view to extending and improving the PCC's work in the local community

**Fundraising**

The PCC does not solicit funds via phone, email, direct mail or by using third party commercial fundraisers and does not fundraise via a general call for support. Funds are instead raised via the congregations and events held at the churches and halls. The Charity is committed to being accountable and responsible and if its fundraising approach changes in the future, the Charity will register with the UK fundraising regulator.

The Charity did not receive any complaints about fundraising activity during 2020.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board of Trustees and dated:



.....  
The Reverend Prebendary Dr B Leathard  
Trustee

Date: 27 October 2021



**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF  
THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Independent auditor's report to the trustees of The Parish Church of Chelsea: St Luke's & Christ Church**

**Opinion**

We have audited the financial statements of The Parochial Church Council of St Luke's and Christ Church Chelsea for the year-ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement 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 charity's affairs as at 31 December 2020 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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 and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law and regulation, 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 Charities Act 2011 and consider other factors such as relevant taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular unusual items; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**



**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF**

**THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



**Haysmacintyre LLP**

**Statutory Auditors**

**Date:** 28 October 2021

**10 Queen Street Place**

**London**

**EC4R 1AG**

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Total Funds 2019
	Notes	£	£	£	£
<b>INCOME:</b>					
Donations & Legacies		460,879	-	460,879	627,758
Activities for generating funds		168,446	-	168,446	249,614
Investments		-	8,733	8,733	5,834
Church Activities		445	-	445	33,994
<b>Total income</b>	2	<b>629,770</b>	<b>8,733</b>	<b>638,503</b>	<b>917,200</b>
<b>EXPENDITURE:</b>					
Church Activities		663,395	28,320	691,715	984,572
<b>Total Expenditure</b>	3	<b>663,395</b>	<b>28,320</b>	<b>691,715</b>	<b>984,572</b>
<b>Net (expenditure) before gains</b>		<b>(33,625)</b>	<b>(19,587)</b>	<b>(53,212)</b>	<b>(67,372)</b>
<b>Gains on investment assets</b>	6	<b>-</b>	<b>43,246</b>	<b>43,246</b>	<b>37,191</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(33,625)</b>	<b>23,659</b>	<b>(9,966)</b>	<b>(30,181)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		501,923	518,539	1,020,462	1,050,643
<b>Total funds carried forward</b>		<b>468,298</b>	<b>542,198</b>	<b>1,010,496</b>	<b>1,020,462</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes pages 15 to 23 form part of the financial statements.

THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Fixed Assets	5		-		-
Investments	6		472,348		428,844
<b>TOTAL FIXED ASSETS</b>			<u>472,348</u>		<u>428,844</u>
<b>CURRENT ASSETS</b>					
Debtors	7	78,164		68,833	
Cash at bank and in hand		538,462		559,831	
		<u>616,626</u>		<u>628,664</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	8	(78,478)		(37,046)	
<b>NET CURRENT ASSETS</b>			<u>538,148</u>		<u>591,618</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,010,496</u>		<u>1,020,462</u>
Restricted income funds	9		542,198		518,539
Unrestricted funds					
- General			238,298		271,923
- Designated for restoration			30,000		30,000
- Designated for music			200,000		200,000
<b>TOTAL CHARITY FUNDS</b>			<u>1,010,496</u>		<u>1,020,462</u>

The notes on pages 15 to 23 form part of the financial statements.

The accounts were approved by the Trustees on 2021 and were signed below on its behalf by:

  
 .....  
 The Reverend Prebendary Dr B Leathard  
 Trustee

Date: 27 October 2021

CASH FLOW STATEMENT

AS AT 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
<b>Cash flows from operating activities:</b>				
<i>Net cash (used in) by operating activities</i>		(29,844)		(73,874)
<b>Cash flows from investing activities:</b>				
Purchase of investments	(80,141)		(61,216)	
Sale of investments	87,523		167,032	
Movement in investment cash	(7,640)		22,199	
Dividends and interest	8,733		5,834	
<i>Net cash inflow from investing activities</i>		8,475		133,849
<b>Change in cash and cash equivalents in the year ended 31 December 2020</b>		(21,369)		59,975
Cash and cash equivalents at the beginning of the year		559,831		499,856
Cash and cash equivalents at the end of the reporting period		538,462		559,831
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
			<b>2020</b>	<b>2019</b>
			£	£
<b>Net (expenditure) for the year (as per the statement of financial activities)</b>			(53,212)	(67,372)
<b>Net movement in funds for the year (as per the statement of financial activities)</b>				
Adjustments for:				
Depreciation charges			-	6,072
Interest and dividends			(8,733)	(5,834)
(Increase)/decrease in debtors			(9,331)	20,488
Increase/(decrease) in creditors			41,432	(27,228)
<b>Net cash (outflow) from operating activities</b>			(29,844)	(73,874)
<b>Analysis of cash and cash equivalents</b>			<b>2020</b>	<b>2019</b>
			£	£
Cash held in current accounts and short-term deposits			538,462	559,831

No statement of changes in net debt and been presented as the charity has no borrowings and consequently no net debt.

The notes on page 15 to 23 form part of the financial statements.



## 1. ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements have been prepared in accordance with the Charities Act 2011 together with the 'Statement of Recommended Practice' for Charities (SORP, second edition), and the applicable accounting standard (FRS102).

The financial statements include all transactions, assets and liabilities for which the Parochial Church Council (PCC) is responsible in law. They do not include the accounts of church groups that owe their affiliation to another body or those which are informal gatherings of church members.

### **Consolidation**

The financial statements aggregate the activities for the Parochial Church Council as well as the Christ Church DCC and St Luke's DCC as they are considered to be the same entity by the diocese.

The two halls (Hall of Remembrance and St Luke's Hall) are however not included in the consolidation as the management and trustees of the Halls consider these two as separate entities.

Legal advice is being sought to determine if the halls themselves should be brought into the Parochial Church Council or register themselves as separate entities.

### **Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

### **Funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **Income**

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity; however, it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

**1. ACCOUNTING POLICIES (continued)**

**Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably, it is categorised under the following headings:

- Expenditure on charitable activities includes salaries and expenses relating to the running of the PCC, choir, Sunday school and other activities;
- Other expenditure represents those items not falling into the categories above; and
- Irrecoverable VAT is charged as an expense against the charity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

The Diocesan common fund is accounted for when payable, and any common fund unpaid at the balance sheet date is shown as a creditor.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

**Tangible fixed assets**

Fixed assets over £2,000 are capitalised and depreciated over their useful life as follows: Fixtures and fittings: Straight line over 3 years.

Consecrated and benefice property is excluded from the accounts by virtue of the exemption claimed by the Church of England under s.10(2)(a)(c) of the Charities Act 2011.

All expenditure incurred during the year on consecrated buildings and movable church furnishing, whether maintenance or improvement, is written off as expenditure in the year in which it is incurred.

**Consecrated land and buildings and moveable church furnishings**

Consecrated and benefice property is excluded from the accounts by virtue of the exemption claimed by the Church of England under s.10(2)(a)(c) 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 consider this to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable furnishings, whether maintenance or improvements, is written off as incurred.

**Investments**

Fixed assets investments are stated at market value with changes recognised in 'net gains/(losses) on investments' in the SOFA.

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

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ACCOUNTING POLICIES (continued)

**Debtors**

Debtors and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

**Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.



## NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

2.	INCOME AND ENDOWMENTS	Unrestricted funds	Restricted funds	Total 2020	Total 2019
		£	£	£	£
2(a)	<b>Donations &amp; legacies</b>				
	<b>Planned giving:</b>				
	Gift Aid donations	69,994	-	69,994	36,880
	<b>Collections:</b>				
	Collections and Open plate	24,509	-	24,509	24,505
	Special Collections	-	-	-	14,813
	<b>Tax recoverable:</b>				
	Tax recoverable	28,234	-	28,234	23,723
	<b>Grants and Legacies:</b>				
	Legacies and other	118,242	-	118,242	330,988
	Hall Donations	219,900	-	219,900	196,849
		<u>460,879</u>	<u>-</u>	<u>460,879</u>	<u>627,758</u>
2(b)	<b>Activities for generating funds</b>				
	Parish magazine (advertising)	25	-	25	2,350
	Summer Fete and Christmas bazaar	130	-	130	13,565
	Church and other rentals	149,941	-	149,941	209,064
	Car Parking	18,350	-	18,350	24,635
		<u>168,446</u>	<u>-</u>	<u>168,446</u>	<u>249,614</u>
2(c)	<b>Income from investments</b>				
	Dividends and interest	-	8,733	8,733	5,834
		<u>-</u>	<u>8,733</u>	<u>8,733</u>	<u>5,834</u>
2 (d)	<b>Income from church activities</b>				
	Fees – weddings, funerals and other church activities	445	-	445	33,994
		<u>445</u>	<u>-</u>	<u>445</u>	<u>33,994</u>
	<b>Total income</b>	<u><u>629,770</u></u>	<u><u>8,733</u></u>	<u><u>638,503</u></u>	<u><u>917,200</u></u>

## NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2020 £	2019 £
<b>3. EXPENDITURE</b>				
<b>3(a) Church activities</b>				
Donations paid	5,913	-	5,913	-
<b>Parish Expenses:</b>				
Running Costs	8,737	-	8,737	20,789
Repairs and Maintenance	38,405	28,320	66,725	290,854
Music & Choir Costs	40,806	-	40,806	54,191
Depreciation on Computer Equipment	-	-	-	6,072
Sunday School Costs	3,498	-	3,498	12,835
Parish Magazine Costs	8,870	-	8,870	12,715
Diocesan Common fund	186,000	-	186,000	180,000
Printing and Stationery	11,195	-	11,195	14,098
Computer Costs	12,637	-	12,637	10,129
Insurance	29,190	-	29,190	36,679
Churchyard Upkeep	2,599	-	2,599	1,196
Other Ministry Costs	16,426	-	16,426	15,479
Curate Costs	26,309	-	26,309	20,253
Cleaning	38,502	-	38,502	49,495
Staff Salaries Cost	116,591	-	116,591	139,902
Accountancy	13,891	-	13,891	13,312
Audit Remuneration	22,697	-	22,697	45,582
Legal & Professional	4,199	-	4,199	-
Chancel Costs	4,368	-	4,368	3,300
Utilities & Rates	26,222	-	26,222	29,221
Telephone & Internet	8,231	-	8,231	8,411
Postage	2,639	-	2,639	3,315
Bank Charges	2,155	-	2,155	1,931
Bad Debt	6,395	-	6,395	-
Other Costs	26,920	-	26,920	-
	<u>663,395</u>	<u>28,320</u>	<u>691,715</u>	<u>969,759</u>
<b>Other:</b>				
Special collections paid	-	-	-	14,813
<b>Total expenditure</b>	<u><u>663,395</u></u>	<u><u>28,320</u></u>	<u><u>691,715</u></u>	<u><u>984,572</u></u>

## NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

## 4. EMPLOYEES

	2020 Number	2019 Number
<b>Number of employees</b>		
The average monthly number of employees during the year was:		
All employees	6	5
	<u>£</u>	<u>£</u>
<b>Employment costs</b>		
Wages and salaries	112,044	122,407
Social security	9,007	10,403
Other pension costs	7,689	7,092
	<u>128,740</u>	<u>139,902</u>

Total redundancy and termination payments amounted to £Nil (2019: £Nil).

There were no employees whose annual remuneration was £60,000 or more. The total remuneration and benefits of the key management was £Nil (2019-£Nil). The key management comprises the Trustees and Rector who are not remunerated by the PCC.

## 5. TANGIBLE FIXED ASSETS

	Furnishings and Equipment	2020 Total
	£	£
<b>Cost or Valuation</b>		
At 1 January 2020	21,478	21,478
Additions	-	-
	<u>-</u>	<u>-</u>
As 31 December 2020	-	-
	<u>-</u>	<u>-</u>
<b>Depreciation</b>		
At 1 January 2020	21,478	21,478
Charge for the year	-	-
	<u>-</u>	<u>-</u>
At 31 December 2020	-	-
	<u>-</u>	<u>-</u>
<b>Net Book Value</b>		
At 31 December 2020	-	-
	<u>-</u>	<u>-</u>
At 31 December 2019	-	-
	<u>-</u>	<u>-</u>
	^	^



6. FIXED ASSET INVESTMENTS

Listed  
Investments  
£

Market value at 1 January 2020	428,844
Additions at cost	80,141
Disposals at proceeds	(87,523)
Realised and unrealised gains and losses	43,246
Movement in investment cash	7,640
<b>Market value at 31 December 2020</b>	<b>472,348</b>

7. DEBTORS

2020  
£

2019  
£

Trade debtors	5,350	17,173
Other debtors	72,814	51,660
	<u>78,164</u>	<u>68,833</u>

8. CREDITORS: amounts falling due within one year

2020  
£

2019  
£

Trade creditors	55,255	4,293
Accruals and deferred income	19,800	28,000
Other creditors	3,423	4,753
	<u>78,478</u>	<u>37,046</u>

9. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance as at 1 January 2020 £	Income £	Expenditure £	Movement in funds Unrealised Gain £	Transfers £	Balance at 31 December 2020 £
Restoration fund	518,539	8,733	(28,320)	43,246	-	542,198
Special collections	-	-	-	-	-	-
	<u>518,539</u>	<u>8,733</u>	<u>(28,320)</u>	<u>43,246</u>	<u>-</u>	<u>542,198</u>

## NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

## 9. RESTRICTED FUNDS (continued)

	Balance as at 1 January 2019	Income	Expenditure	Movement in funds Unrealised Gain	Transfers	Balance at 31 December 2019
	£	£	£	£	£	£
Restoration fund	632,639	5,834	(157,125)	37,191	-	518,539
Special collections	-	14,813	(14,813)	-	-	-
	<u>632,639</u>	<u>20,647</u>	<u>(171,938)</u>	<u>37,191</u>	<u>-</u>	<u>518,539</u>

**Restoration Fund:** This fund was initiated to provide resources for any future restoration and repair to the fabric of the church building at St Luke's. The church building at St Luke's is grade 1 listed.

**Special Collections:** From time to time both churches make collections for specific charitable organisations, following religious services, on its own behalf and for other parties. These specific collections are accounted for separately and are paid over during the year to the nominated charities.

## 10. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2020

	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2020 are represented by:			
Fixed Assets	-	-	-
Investments	-	472,348	472,348
Current assets	546,876	69,850	616,726
Creditors: amounts falling due within one year	(78,478)	-	(78,478)
	<u>468,298</u>	<u>542,198</u>	<u>1,010,496</u>

## ANALYSIS OF NET ASSETS BETWEEN FUNDS 2019

	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2019 are represented by:			
Fixed Assets	-	-	-
Investments	-	428,844	428,844
Current assets	538,969	89,695	628,664
Creditors: amounts falling due within one year	(37,046)	-	(37,046)
	<u>501,923</u>	<u>518,539</u>	<u>1,020,462</u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

11. RELATED PARTIES

The PCC of St Luke and Christ Church Chelsea has related parties in the forms of Christ Church Chelsea Hall of Remembrance and St Luke's Chelsea Church Hall. During the year the charity received monthly voluntary Donations from St Luke's Chelsea Church Hall totalling £80,700 (2019: £69,450).

The charity received monthly voluntary Donations from Christ Church Chelsea Hall of Remembrance totalling of £139,200 (2019: £127,399).

At the balance sheet date, the balance due from St Luke's Chelsea Church Hall was £Nil (2019: £1,672) and £Nil from Christ Church Chelsea Hall of Remembrance (2019: £1,248 due from).

12. STATEMENT OF FINANCIAL ACTIVITIES FOR PRIOR YEAR

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
<b>INCOME:</b>				
Donations & Legacies		612,945	14,813	627,758
Activities for generating funds		249,614	-	249,614
Investments		-	5,834	5,834
Church Activities		33,994	-	33,994
<b>Total income</b>	<b>2</b>	<b>896,553</b>	<b>20,647</b>	<b>917,200</b>
<b>EXPENDITURE:</b>				
Church Activities		812,634	171,938	984,572
Other		-	-	-
<b>Total Expenditure</b>	<b>3</b>	<b>812,634</b>	<b>171,938</b>	<b>984,572</b>
<b>Net income/(expenditure) before gains/(losses)</b>	<b>6</b>	<b>83,919</b>	<b>(151,291)</b>	<b>(67,372)</b>
<b>Gains on investment assets</b>		<b>-</b>	<b>37,191</b>	<b>37,191</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>83,919</b>	<b>(114,100)</b>	<b>(30,181)</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		418,004	632,639	1,050,643
<b>Total funds carried forward</b>		<b>501,923</b>	<b>518,539</b>	<b>1,020,462</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.