

THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(Registered Charity No. 1133092)

THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH
FOR THE YEAR ENDED 31 DECEMBER 2021

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

LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES

The Reverend Prebendary Dr Brian Leathard
The Reverend Sam Hole
The Reverend Samuel Rylands
Alexander Banbury
Elizabeth Brutus
Andrew Cameron
Charles Combe
Rachael Drake (Resigned June 2021)
John Ellard
Nicola Ellard
Kate Elwell (Resigned July 2021)
Jamie Gibbs
Brenda Hagerty
Richard Jordan
Tim McKean
Aidus McVeigh
Jonathan Price (Appointed 19 May 2021)
Louisa Price (Appointed 19 May 2021)
Jacqueline Poysden
Isabel Sinagola
Nicholas Smith
Fleur de Villiers
Atholl Taylor-Hudson (Deceased 29 November 2021)
Elizabeth Watson-Steele

CHARITY NUMBER

1133092

PRINCIPAL OFFICE

The Parish Office
St Luke's Crypt
Sydney Street
London
SW3 6NH

AUDITORS

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Rector's Report to the Annual Parochial Church Meeting 2022

"With you: whoever you are, whatever your story" – so runs the strapline of our newly re-invigorated website. It is a deliberate choice of words, not only chosen to describe the inclusivity, welcome and embrace which we believe our parish can offer, but chosen also to echo the fundamental Christian belief in a God who so totally identifies with humankind that in Jesus of Nazareth, God with us, Emmanuel, we have a pattern of living which weaves together the human and the divine. As we have slowly come to terms with living with COVID 19 over the past year, so we have also come to realise more profoundly the human need for community – being together, we have at last understood that this is more than the sum of the parts.

As the people of God in this parish, we have in this last year, delighted in Father Samuel's priesting and the birth of Felicity to Emily and Father Sam. We have been grieved by some sudden and unexpected deaths in our congregation. We have been sad to lose faithful families to lives scattered across the country and far beyond as they have decided to leave London. We have been enriched by the presence of refugees in our midst with their stories of both loss and hope. We have been thrilled to baptize, confirm and marry parishioners in growing numbers once again as people seek God's blessing in the sacraments and we have also opened our doors to many as they have sought healing in memorial services for loved ones whose funerals had to take place at the time of severe COVID restrictions. All of this, of course, is woven into the fundamental life of worship which has, with change in medium, but without interruption, continued everyday in morning prayer and every Sunday in the eucharist. How many of us delighted to see the streets full of the cross, the choirs, the donkey and so many parishioners young and old processing between our churches once again on Palm Sunday 2022!

Like the journey of faith itself, our parish life is never static. This past year has seen both continuance and innovation in response to our parish's situation. The Autumn Talks on "Forgotten Books of the Bible" and Lent Course on "The Christian Life" respectively, drew large numbers to participate. The Working Faith group with its monthly meeting over supper for younger adults has grown to 40 regular attenders. The Bible Study Group has diversified to a hybrid model in the PIFFER Chapel enabling both in-person and online participation. Our children's activities (even with delayed pizza delivery!) have proven hugely attractive and enriching. We have added a monthly children and family focused eucharist at 9.30 at Christ Church, strictly lasting no more than 40 minutes, which, with a little more settling will prove an important development. Our Youth Group flourishes, with 12-15 participants fortnightly, now sharing their opportunities and challenges with other churches in similar traditions in the Kensington Episcopal area. Our Uniformed Organisations thrive under dedicated leadership and relationships with our parish School continue to blossom. The Summer Programme in 2021 drew in 8-15 year olds from across the community – up to 80 a day for three weeks – and this year was supplemented in the Easter holidays by a week of Study opportunity for teenagers facing GCSE and A Levels, who were able to benefit from space, quiet, young tutors and IT – individuals but together in learning.

Douai Abbey was, once again, the venue for our parish retreat in a cold and frosty January in which space, time and the hospitality of the monks gave people a chance to thaw in their experiences of the last lockdown season and to reflect on the missing episodes of Christ's life – as evidenced by the gaps in the Gospels, relating this to the gaps in our own lives, not least the gaps in community caused by COVID.

None of this – and so much more – would have been possible without the creativity, positivity and imagination of many, supported by the dedication, hard work and loyalty of both our amazing staff and volunteers. Thanks in this form seems too little for the depth of gratitude we owe to so many in our parish's life. The office team, the Church Wardens and Deputies, the PCC members, the Hall Trustees, Musicians, Café staff and the ready and willing volunteers, all contributing to worship, service and pastoral care. And thanks, not least to my fellow priests Father Sam and Father Samuel making this parish truly what it is: **"With you: whoever you are, whatever your story"**.

The Revd Prebendary Dr Brian Leathard, Rector

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

Total income was £875,986 (2020: £638,503) of which £835,683 (2020: £629,770) was unrestricted. This represented a total increase of 37% (decrease of 30% in 2020). Restricted income of £40,303 related to special collections, investment income and donations towards the Foodbank (2020: £8,733 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 £332,309 (2020: £168,291).

The parish's major recurring expense is its contribution of £186,000 (2020: £186,000), 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 ongoing Covid-19 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.

Continuing government restrictions meant that church bookings, usually a major source of income, remained far lower than those seen in 2019. However, we have been fortunate that our long-term tenants all paid their rent in full throughout the pandemic, and we have continued to receive generous financial support from the Trustees of the Hall of Remembrance and St Luke's Hall.

In the second quarter of the year, we also signed a contract to host Covid-19 testing facility in the grounds of ST Luke's. The rent received from this contract provided a great deal of support to our finances and has continued until March 2022.

As the year progressed, we saw a gradual increase in church bookings in line with the easing of Covid-19 restrictions and were delighted that 90% of our regular carol concert bookings returned in December.

The overall outcome to our reserves has consequently been less damaging than we had 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 ensured that when 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 2021 the PCC currently has £546,169 (2020: £468,298) in unrestricted free reserves and believes this is sufficient to meet this reserves policy, noting that in 2021 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 7th 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 PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Objects and governance structure

The charity is established by a trust deed dated 29 June 1918. The object of the charity is to promote the whole mission of the Church in the ecclesiastical parish.

PCC members (trustees) are appointed in line with the Church Representation Rules, and include the incumbent, the associate vicar, the curate, churchwardens and members elected by those members of the congregation who are on the electoral roll of the two churches. New members receive training in the workings of the PCC.

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
- Working towards a bronze Eco Church Award, which is an environmental award scheme for churches in England and Wales.

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 2021.

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: 18 May 2022

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 2021 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 2021 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.

**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Use of our report

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: 25 October 2022

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 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
	Notes	£	£	£	£
INCOME:					
Donations & Legacies		483,754	30,236	513,990	460,879
Activities for generating funds		345,549	-	345,549	168,446
Investments		-	10,067	10,067	8,733
Church Activities		6,380	-	6,380	445
Total income	2	835,683	40,303	875,986	638,503
EXPENDITURE:					
Church Activities		750,034	22,960	772,994	691,715
Total Expenditure	3	750,034	22,960	772,994	691,715
Net (expenditure) before gains		85,649	17,343	102,992	(53,212)
Gains on investment assets	6	-	58,780	58,780	43,246
Transfers between funds		-	-	-	-
Net movement in funds		85,649	76,123	161,772	(9,966)
Reconciliation of funds:					
Total funds brought forward		468,298	542,198	1,010,496	1,020,462
Total funds carried forward		553,947	618,321	1,172,268	1,010,496

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 14 to 22 form part of the financial statements.

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

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
FIXED ASSETS					
Fixed Assets	5		-		-
Investments	6		528,441		472,348
TOTAL FIXED ASSETS			<u>528,441</u>		<u>472,348</u>
CURRENT ASSETS					
Debtors	7	60,993		78,164	
Cash at bank and in hand		625,427		538,462	
		<u>686,420</u>		<u>616,626</u>	
Liabilities:					
Creditors: amounts falling due within one year	8	(42,593)		(78,478)	
NET CURRENT ASSETS			<u>643,827</u>		<u>538,148</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,172,268</u>		<u>1,010,496</u>
Restricted income funds	9		618,321		542,198
Unrestricted funds					
- General			323,947		238,298
- Designated for restoration			30,000		30,000
- Designated for music			200,000		200,000
TOTAL CHARITY FUNDS			<u>1,172,268</u>		<u>1,010,496</u>

The notes on pages 14 to 22 form part of the financial statements.

The accounts were approved by the Trustees on 18 May 2022 and were signed below on their behalf by:

B Leathard

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

CASH FLOW STATEMENT

AS AT 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Cash flows from operating activities:				
<i>Net cash provided by/ (used in) by operating activities</i>		74,211		(29,844)
Cash flows from investing activities:				
Purchase of investments	(28,135)		(80,141)	
Sale of investments	20,533		87,523	
Movement in investment cash	10,289		(7,640)	
Dividends and interest	10,067		8,733	
<i>Net cash inflow from investing activities</i>		12,754		8,475
Change in cash and cash equivalents in the year		86,965		(21,369)
Cash and cash equivalents at the beginning of the year		538,462		559,831
Cash and cash equivalents at the end of the reporting period		625,427		538,462
Reconciliation of net movements in funds to net cash flow from operating activities			2021	2020
			£	£
Net (expenditure) for the year (as per the statement of financial activities)			102,992	(53,212)
Net movement in funds for the year (as per the statement of financial activities)				
Adjustments for:				
Depreciation charges			-	-
Interest and dividends			(10,067)	(8,733)
(Increase) in debtors			17,171	(9,331)
(Increase)/decrease in creditors			(35,885)	41,432
Net cash inflow/(outflow) from operating activities			74,211	(29,844)
Analysis of cash and cash equivalents			2021	2020
			£	£
Cash held in current accounts and short-term deposits			625,427	538,462

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 14 to 22 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.

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 2021

2.	INCOME AND ENDOWMENTS	Unrestricted funds	Restricted funds	Total	Total
		£	£	2021 £	2020 £
2(a)	Donations & legacies				
	Planned giving:				
	Gift Aid donations	81,337	-	81,337	69,994
	Collections:				
	Collections and Open plate	24,678	-	24,678	24,509
	Special Collections	-	23,236	23,236	-
	Tax recoverable:				
	Tax recoverable	11,821	-	11,821	28,234
	Grants and Legacies:				
	Legacies and other	91,735	7,000	98,735	118,242
	Hall Donations	274,183	-	274,183	219,900
		<u>483,754</u>	<u>30,236</u>	<u>513,990</u>	<u>460,879</u>
2(b)	Activities for generating funds				
	Parish magazine (advertising)	-	-	-	-
	Summer Fete and Christmas bazaar	13,240	-	13,240	155
	Church and other rentals	306,059	-	306,059	149,941
	Car Parking	26,250	-	26,250	18,350
		<u>345,549</u>	<u>-</u>	<u>345,549</u>	<u>168,446</u>
2(c)	Income from investments				
	Dividends and interest	-	10,067	10,067	8,733
		<u>-</u>	<u>10,067</u>	<u>10,067</u>	<u>8,733</u>
2(d)	Income from church activities				
	Fees – weddings, funerals and other church activities	6,380	-	6,380	445
		<u>6,380</u>	<u>-</u>	<u>6,380</u>	<u>445</u>
	Total income	<u>835,683</u>	<u>40,303</u>	<u>875,986</u>	<u>638,503</u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Unrestricted funds	Restricted funds	Total	Total
3. EXPENDITURE	£	£	2021 £	2020 £
3(a) Church activities				
Donations paid	8,598	-	8,598	5,913
Parish Expenses:				
Running Costs	18,249	-	18,249	8,737
Repairs and Maintenance	94,043	-	94,043	66,725
Music & Choir Costs	39,761	-	39,761	40,806
Depreciation on Computer Equipment	-	-	-	-
Sunday School Costs	3,529	-	3,529	3,498
Parish Magazine Costs	9,601	-	9,601	8,870
Diocesan Common fund	186,000	-	186,000	186,000
Printing and Stationery	20,876	-	20,876	11,195
Computer Costs	27,827	-	27,827	12,637
Insurance	27,894	-	27,894	29,190
Churchyard Upkeep	4,130	-	4,130	2,599
Other Ministry Costs	25,199	-	25,199	16,426
Curate Costs	20,069	-	20,069	26,309
Cleaning	41,699	-	41,699	38,502
Staff Salaries Cost	127,355	-	127,355	116,591
Accountancy	25,620	-	25,620	13,891
Audit Remuneration	12,000	-	12,000	22,697
Legal & Professional	7,065	-	7,065	4,199
Chancel Costs	2,465	-	2,465	4,368
Utilities & Rates	33,503	-	33,503	26,222
Telephone & Internet	8,374	-	8,374	8,231
Bank Charges	3,073	-	3,073	2,155
Bad Debt	1,592	-	1,592	6,395
Other Costs	1,512	-	1,512	29,559
	<hr/>	<hr/>	<hr/>	<hr/>
	750,034	-	750,034	691,715
Other:				
Special collections paid	-	22,960	22,960	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	750,034	22,960	772,994	691,715

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

4. EMPLOYEES	2021 Number	2020 Number
Number of employees		
The average monthly number of employees during the year was:		
All employees	7	6
	<u>£</u>	<u>£</u>
Employment costs		
Wages and salaries	112,047	112,044
Social security	8,662	9,007
Other pension costs	6,646	7,689
	<u>127,355</u>	<u>128,740</u>

Total redundancy and termination payments amounted to £ Nil (2020: £Nil).

There were no employees whose annual remuneration was £60,000 or more. The total remuneration and benefits of the key management was £Nil (2020: £Nil). The key management comprises the Trustees and Rector who are not remunerated by the PCC.

5. TANGIBLE FIXED ASSETS

	Furnishings and Equipment	2021 Total
	<u>£</u>	<u>£</u>
Cost or Valuation		
At 1 January 2021	21,478	21,478
Additions	-	-
	<u>-</u>	<u>-</u>
As 31 December 2021	-	-
	<u>-</u>	<u>-</u>
Depreciation		
At 1 January 2021	21,478	21,478
Charge for the year	-	-
	<u>-</u>	<u>-</u>
At 31 December 2021	-	-
	<u>-</u>	<u>-</u>
Net Book Value		
At 31 December 2021	-	-
	<u>-</u>	<u>-</u>
At 31 December 2020	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

9. RESTRICTED FUNDS (continued)

	Balance as at 1 January 2020 £	Income £	Expenditure £	Movement in funds		Balance at 31 December 2020 £
				Unrealised Gain £	Transfers £	
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>

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 I 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.

Foodbank: This fund represents amounts towards providing a Foodbank received in 2021 and to be expended subsequently.

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2021

	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2021 are represented by:			
Fixed Assets	-	-	-
Investments	-	528,441	528,441
Current assets	596,540	89,880	686,420
Creditors: amounts falling due within one year	(42,593)	-	(42,593)
	<u>553,947</u>	<u>618,321</u>	<u>1,172,268</u>

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	546,776	69,850	616,626
Creditors: amounts falling due within one year	(78,478)	-	(78,478)
	<u>468,298</u>	<u>542,198</u>	<u>1,010,496</u>

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 £105,463 (2020: £80,700).

The charity received monthly voluntary Donations from Christ Church Chelsea Hall of Remembrance totalling of £168,720 (2020: £139,200).

At the balance sheet date, the balance due from/to St Luke's Chelsea Church Hall was £nil (2020: £ Nil) and £nil from/to Christ Church Chelsea Hall of Remembrance (2020: £Nil).

12. STATEMENT OF FINANCIAL ACTIVITIES FOR PRIOR YEAR

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
INCOME:				
Donations & Legacies		460,879	-	460,879
Activities for generating funds		168,446	-	168,446
Investments		-	8,733	8,733
Church Activities		445	-	445
Total income	2	629,770	8,733	638,503
EXPENDITURE:				
Church Activities		663,395	28,320	691,715
Total Expenditure	3	663,395	28,320	691,715
Net (expenditure) before gains		(33,625)	(19,587)	(53,212)
Gains on investment assets	6	-	43,246	43,246
Transfers between funds		-	-	-
Net movement in funds		(33,625)	23,659	(9,966)
Reconciliation of funds:				
Total funds brought forward		501,923	518,539	1,020,462
Total funds carried forward		468,298	542,198	1,010,496

All income and expenditure derive from continuing activities.

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