

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees	The Reverend Prebendary Dr Brian Leathard The Reverend Sam Hole The Reverend Baxter McRolston (Appointed June 2023) Alexander Banbury Elizabeth Brutus Andrew Cameron (Resigned 28 March 2023) Fleur de Villiers (Deceased 7 February 2023) Nicola Ellard Elizabeth Watson-Steele Brenda Hagerty Richard Jordan Tim McKean Aidus McVeigh Jonathan Price Louisa Price Jacqueline Poysden Isabel Sinagola (Resigned 28 March 2023) Barbara Schwepcke
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Charity registered number	1133092
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Principal office	The Parish Office ST Luke's Crypt Sydney Street London SW3 6NH
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Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
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THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Rector's Report to the Annual Parochial Church Meeting 2023

2023 was, in many ways, a year for resetting the dial after the hiatus of the COVID years. Parish life re-blossomed, even though we had lost families who had decided to move away from London as a result of the pandemic and in continuing response to Brexit implementation.

Amidst our very substantial work -- with children and families, the Epiphany Party, Shrove Tuesday pancakes, ABC Club, and weekly Sunday School attendances of up to 110 children across the two churches, as well as half-term activities -- enables us to celebrate a church that is committed to Christian formation for children right now, rather than thinking of potential Christian futures. This became evidenced particularly in the monthly Family Eucharist, a 30-minute celebration of worship at Christ Church. Our Youth Work, too, developed substantially, not least in the Summer Programme - 130 young people over 3 weeks - and the Step Up programme at Easter, which brings safe study space with tutors for those who have little access to help revise for GCSE and A-Levels. Additionally, our regular fortnightly youth group was supplemented with a week in Taizé, France, at half term and opportunities to meet through our participation in Youth Ministry in Communion with other Kensington area parishes.

At the other end of the age spectrum, 2023 saw the death of one of our most devoted parishioners, Fleur de Villiers, may she rest in peace. Fleur, a tough and feisty Christian, brought joy and transformation to so many situations both in church and the world. A devoted disciple of Jesus Christ.

We host every week, both a Foodbank, staffed by volunteers and serving up to 65 families and the winter Night Shelter of Glass Door in the Hall of Remembrance giving good food, warm sleeping and case work for our guests to move out of homelessness. Equally, on Wednesdays we host a club for older isolated members of the community, facilitated through our dedicated PCSO Miriam. The Summer Fair and St Nicholas Fair united our communities with their presence and vibrancy and are great incarnational witnesses to our mission.

Services have continued every day and the demand for baptisms, confirmation, weddings, funerals, and memorials, for donkeys on Palm Sunday as well as the well-known carol services for major charities, continue to grow. Everyday St Luke's opened its doors to those who would come in to pray, sit or rest awhile as well as for corporate worship. We believe over 500 people per week come into church other than for services. This is an amazing gift to be able to offer.

The Clergy have also spent many hours in our schools both leading collective worship as well as serving on their Governing Boards. Chelsea Academy, our local C of E Comprehensive School, as well as our primary schools in the Federation of Christ Church and Holy Trinity make strong use of our buildings for worship and celebration.

Parish life is deepened and challenged through studying together and this has been the case for 2023 also, particularly in the Annual Retreat at Douai Abbey and through the Lent and Autumn study programmes. The Parochial Church Council met regularly, and, between meetings, the Standing Committee was consulted on urgent matters.

Alas, we said goodbye at Easter to Fr Samuel Rylands, with Lily and Jos, but rejoice greatly in everything that they brought to our parish's life and energy. Fr Sam is now Vicar of St Andrew, Fulham Fields. Fr Sam Hole devoted great care to our teaching ministry and to our social media presence as well as to our worshipping life, for which I would want to express great gratitude. Equally, my thanks go to all those in the parish office, to wardens, PCC members and officers, musicians, to so many volunteers, worship participants, cleaning and maintenance staff, the Café team and to clergy spouses and families, for enabling us together to live out Christ's life and love in our parish.

The Revd Prebendary Dr Brian Leathard, Rector

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

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

(continued)

Finance Review

Total income was £777,659 (2022: £775,503) of which £761,871 (2022: £742,054) was unrestricted. This represented a total increase of 3% (decrease of 11% in 2022). Restricted income of £15,788 related to special collections and investment income (2021: £33,450).

Total donations of £474k were slightly reduced on 2022 (£485k). Donations via collections and open plate were £34k vs. £50k in 2022, a function of our churches reopening. Similarly, legacies and other donations of £87k in 2023 were higher than in 2022.

The PCC received grants for the Summer Programme of £17,920 from Young K&C in 2022, which meant a considerably expanded programme, reaching 130 youngsters. This was not repeated in 2023.

While we saw an increase in church rentals from £243k to £250k as the contract for the Covid-19 testing facility in the grounds of St Luke's came to an end in March 2022. This had contributed £111k of income and £33k in the 2021 and 2022 financial years respectively, and provided a great deal of support to our finances during the pandemic. Our car parking income also reduced by approximately half due to tenants' reduced requirements, however income from the Crypt offices remained stable.

The PCC continues to rely heavily on financial support from the Trustees of the Hall of Remembrance and of St Luke's Hall (donations received £206k vs. £267k in 2022). Despite this generous support, the PCC still recorded a deficit of £37k before investment losses. The PCC is consequently committed to reducing its reliance on the halls and has been actively looking at ways to both increase its income and urgently reduce its expenditure to achieve this.

Total parish expenditure decreased from £891k in 2022 to £815k. This was down to a combination of parish life reopening after the pandemic, a considerable decrease in Repairs and Maintenance from £142k in 2022 to £72k in 2023 (mostly for repairs at Christ Church, which was partially funded by the generosity of the trustees of the Hall of Remembrance) and higher utility costs following Russia's invasion of Ukraine in February 2022.

Music and choir costs rose from £71k in 2022 to £89k in 2023, which was largely as a result of a one-off cost for St Luke's choir to record a CD. This was funded through a bequest that had been designated for music.

The decrease in running costs from £31k in 2022 to £25k in 2023 is partly driven by a greater number of parish events and partly due to increased costs of running the St Luke's summer fair, which correspondingly saw a considerable rise in income from 2021.

Much of the increase in Other Ministry Costs (from £38k in 2022 to £39k in 2023) was due to an expanded Summer Programme which, as noted above, drew in 130 children over a 3-week period. This was funded through a variety of grants as well as donations from the halls.

The parish's major recurring expense is its contribution of £165,120 (2022: £191,580) 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.

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

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

(continued)

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 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 worshiping 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 2023 the PCC currently has £421,690 (2022: £435,120) in unrestricted reserves and believes this is sufficient to meet this reserves policy. The PCC also notes that in 2023 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. As noted below, the PCC is in the process of bringing the halls into the Parochial Church Council during 2023, which will further strengthen reserves.

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 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 PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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. Fallback 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.

Objectives and Policies

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. Other 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.

Church Halls

During the financial year, both the PCC and the trustees of the two halls agreed to bring the halls into the Parochial Church Council, and this was approved by the Charity Commission during 2022. The consolidation commenced in October 2024.

Public Benefit

The Charity confirms that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance and have referred to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

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

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023.

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

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Haysmacintyre LLP, have indicated their willingness to continue in office. 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.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Brian Leathard

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The Reverend Prebendary Dr B Leathard
Trustee

Date: 30 October 2024

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PARISH 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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the 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

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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:

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 judgments 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 Auditors' Report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PARISH OF CHELSEA: ST LUKE'S & CHRIST CHURCH (CONTINUED)

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 31 October 2024

Haysmacintyre LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	2	457,999	15,788	473,787	485,393
Activities for generating funds	3	287,845	-	287,845	276,034
Investments	4	11,232	-	11,232	11,130
Other income	5	4,795	-	4,795	2,946
Total income		<u>761,871</u>	<u>15,788</u>	<u>777,659</u>	<u>775,503</u>
Expenditure on:					
Charitable activities	7	775,301	39,702	815,003	891,164
Total expenditure		<u>775,301</u>	<u>39,702</u>	<u>815,003</u>	<u>891,164</u>
Net movement in funds before other recognised gains/(losses)		(13,430)	(23,914)	(37,344)	(115,661)
Other recognised gains/(losses):					
Gains/(Loss) on investment asset		-	26,456	26,456	(89,674)
Net movement in funds		<u>(13,430)</u>	<u>2,542</u>	<u>(10,888)</u>	<u>(205,335)</u>
Reconciliation of funds:					
Total funds brought forward		435,120	531,813	966,933	1,172,268
Total funds carried forward	14	<u>421,690</u>	<u>534,355</u>	<u>956,045</u>	<u>966,933</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 29 form part of these financial statements.

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

BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	-	-
Investments	11	457,085	436,468
		<hr/>	<hr/>
		457,085	436,468
Current assets			
Debtors	12	145,652	76,526
Cash at bank and in hand		502,587	548,106
		<hr/>	<hr/>
		648,239	624,632
Creditors: amounts falling due within one year	13	(149,278)	(94,167)
		<hr/>	<hr/>
Net current assets		498,961	530,465
		<hr/>	<hr/>
Total assets less current liabilities		956,046	966,933
		<hr/>	<hr/>
Charity funds			
Restricted funds	14	534,355	531,813
Unrestricted funds			
General funds	14	207,890	221,319
Designated for restoration	14	30,000	30,000
Designated for music	14	183,801	183,801
		<hr/>	<hr/>
Total unrestricted funds	14	421,691	435,120
		<hr/>	<hr/>
Total funds		956,046	966,933
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Brian Leathard

The Reverend Prebendary Dr Brian Leathard
Trustee
Date: 30 October 2024

The notes on pages 15 to 29 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities (note 17)	(47,746)	(103,020)
Cash flows from investing activities		
Dividends, interests and rents from investments	11,232	11,130
Proceeds from sale of investments	26,524	39,041
Purchase of investments	(23,933)	(32,906)
Movement in investment cash	(11,596)	8,434
Net cash provided by investing activities	2,227	25,699
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(45,519)	(77,321)
Cash and cash equivalents at the beginning of the year (note 18, 19)	548,106	625,427
Cash and cash equivalents at the end of the year	502,587	548,106

The notes on pages 15 to 29 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Parish Of Chelsea: St Luke's & Christ Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 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 not included in the consolidation as the management and trustees of the Halls consider these two as separate entities. However, during the financial year, both the PCC and the Trustees of the two halls agreed to bring the halls into the Parochial Church Council and this was approved by the Charity Commission during 2022. The process has concluded in the 2024 financial year.

1.3 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 14 months from authorising these financial statements. The budgeted income and expenditure that now includes all consolidated income and expenditure from the Halls, is sufficient with the level of reserves for the charity, to be able to continue as a going concern.

1.4 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 use 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting policies (continued)

1.5 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.

1.6 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 are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting policies (continued)

1.7 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 furnishings, 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.

1.8 Investments

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

1.9 Debtors

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

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.11 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Income and endowments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Planned giving:				
Gift Aid donations	70,552	-	70,552	69,206
Collections:				
Collections and Open plate	33,929	-	33,929	49,847
Special Collections	12,415	-	12,415	17,507
Tax recoverable				
Tax recoverable	47,000	-	47,000	19,902
Grants and Legacies				
Legacies and other	87,366	-	87,366	39,815
Hall Donations	205,795	-	205,795	266,796
Foodbank	-	15,788	15,788	4,380
Summer Programme	-	-	-	17,940
	<hr/> 457,057	<hr/> 15,788	<hr/> 472,845	<hr/> 485,393
Legacies	(405)	-	(405)	-
Grants	973	-	973	-
Government grants	374	-	374	-
Subtotal	<hr/> 942	<hr/> -	<hr/> 942	<hr/> -
Total 2023	<hr/> <hr/> 457,999	<hr/> <hr/> 15,788	<hr/> <hr/> 473,787	<hr/> <hr/> 485,393

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3. Activities for generating funds

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Summer Fete and Christmas bazaar	16,211	16,211	20,801
Church and other rentals	250,342	250,342	243,025
Car Parking	21,292	21,292	12,208
	<u>287,845</u>	<u>287,845</u>	<u>276,034</u>

4. Income from investments

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Dividends and interest	11,232	11,232	11,130
	<u>11,232</u>	<u>11,232</u>	<u>11,130</u>

5. Income from church activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other Church Activities	4,795	4,795	2,946
	<u>4,795</u>	<u>4,795</u>	<u>2,946</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. Other expenditures

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Foodbank	12,995	12,995	12,681
Special collections paid	-	-	17,603
	<u>12,995</u>	<u>12,995</u>	<u>30,284</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Church activities	11,702	-	11,702	8,484
Parish expense	763,599	26,707	790,306	852,396
Foodbank	-	12,995	12,995	12,681
Special collections paid	-	-	-	17,603
	<u>775,301</u>	<u>39,702</u>	<u>815,003</u>	<u>891,164</u>

8. Analysis of expenditure by activities

	Direct costs 2023 £	Other 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Church activities	11,702	-	-	11,702	8,484
Parish expense	561,843	-	228,463	790,306	852,396
Foodbank	-	12,995	-	12,995	12,681
Special collections paid	-	-	-	-	17,603
	<u>573,545</u>	<u>12,995</u>	<u>228,463</u>	<u>815,003</u>	<u>891,164</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Donations paid	11,702	8,484
Running Costs	25,178	30,870
Repairs and Maintenance	72,029	141,626
Music & Choir Costs	89,535	71,034
Sunday School Costs	5,229	6,473
Parish Magazine Costs	13,900	11,266
Diocesan Common fund	165,120	191,580
Churchyard Upkeep	622	7,367
Other Ministry Costs	38,924	38,383
Staff Salaries Cost	149,469	126,254
Chancel Costs	1,836	2,904
	<hr/> 573,544 <hr/>	<hr/> 636,241 <hr/>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Printing and Stationery	27,148	24,166
Computer Costs	15,498	7,033
Insurance	30,237	28,047
Cleaning	33,984	44,853
Accountancy	28,887	28,110
Audit Remuneration	15,372	14,640
Legal & Professional	10,401	11,292
Utilities & Rates	49,898	50,552
Telephone & Internet	5,647	8,521
Bank Charges	4,378	4,560
Other Costs	7,013	2,865
	<u>228,463</u>	<u>224,639</u>

Included in Support costs are Governance costs totaling: £24,780 (2022: £24,840)

9. Staff costs

	2023 £	2022 £
Wages and salaries	134,944	114,172
Social security costs	6,317	5,016
Other pension costs	8,208	7,066
	<u>149,469</u>	<u>126,254</u>

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Employees	<u>8</u>	<u>6</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

The total remuneration and benefits of the key management was £Nil (2022- £Nil). The key management comprises the Trustees and Rector who are not remunerated by the PCC.

10. Tangible fixed assets

	Furnishings and Equipment £
Cost or valuation	
At 1 January 2023	21,478
At 31 December 2023	<u>21,478</u>
Depreciation	
At 1 January 2023	21,478
Charge for the year	-
At 31 December 2023	<u>21,478</u>
Net book value	
At 31 December 2023	<u>-</u>
At 31 December 2022	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2023	436,468
Additions	23,933
Disposals	(26,524)
Revaluations	34,804
Movement in investment cash	(11,596)
At 31 December 2023	<u>457,085</u>
Net book value	
At 31 December 2023	<u>457,085</u>
At 31 December 2022	<u>436,468</u>

12. Debtors

	2023 £	2022 £
Trade debtors	37,124	17,141
Other debtors	108,528	59,385
	<u>145,652</u>	<u>76,526</u>

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	55,233	52,091
Accruals and deferred income	74,074	23,367
Other creditors	19,971	18,709
	<u>149,278</u>	<u>94,167</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

14. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds					
General Funds - all funds	221,319	761,872	(775,301)	-	207,890
Designated for restoration	30,000	-	-	-	30,000
Designated for music	183,801	-	-	-	183,801
	<u>435,120</u>	<u>761,872</u>	<u>(775,301)</u>	<u>-</u>	<u>421,691</u>
Restricted funds					
Restricted Funds - all funds	532,501	15,788	(39,702)	26,456	535,043
Special collections	613	-	-	-	613
Foodbank	(1,301)	-	-	-	(1,301)
	<u>531,813</u>	<u>15,788</u>	<u>(39,702)</u>	<u>26,456</u>	<u>534,355</u>
Total of funds	<u>966,933</u>	<u>777,660</u>	<u>(815,003)</u>	<u>26,456</u>	<u>956,046</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 2023 and to be expended subsequently.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General Funds - all funds	323,947	750,569	(869,396)	-	205,120
Designated for restoration	30,000	-	-	-	30,000
Designated for music	200,000	-	-	-	200,000
	<u>553,947</u>	<u>750,569</u>	<u>(869,396)</u>	<u>-</u>	<u>435,120</u>
Restricted funds					
Restricted Funds - all funds	611,045	11,130	-	(89,674)	532,501
Special collections	276	17,940	(17,603)	-	613
Foodbank	7,000	4,380	(12,681)	-	(1,301)
	<u>618,321</u>	<u>33,450</u>	<u>(30,284)</u>	<u>(89,674)</u>	<u>531,813</u>
Total of funds	<u>1,172,268</u>	<u>784,019</u>	<u>(899,680)</u>	<u>(89,674)</u>	<u>966,933</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Summary of funds

Summary of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
General funds	435,120	761,872	(775,301)	-	421,691
Restricted funds	531,813	15,788	(39,702)	26,456	534,355
	<u>966,933</u>	<u>777,660</u>	<u>(815,003)</u>	<u>26,456</u>	<u>956,046</u>

Summary of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
General funds	553,947	750,569	(869,396)	-	435,120
Restricted funds	618,321	33,450	(30,284)	(89,674)	531,813
	<u>1,172,268</u>	<u>784,019</u>	<u>(899,680)</u>	<u>(89,674)</u>	<u>966,933</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Fixed asset investments	-	457,085	457,085
Current assets	570,969	77,270	648,239
Creditors due within one year	(149,278)	-	(149,278)
Total	421,691	534,355	956,046

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Fixed asset investments	-	436,468	436,468
Current assets	624,632	-	624,632
Creditors due within one year	(94,167)	-	(94,167)
Total	530,465	436,468	966,933

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(37,344)	(115,661)
Adjustments for:		
Gains/(losses) on investments	14,845	(12,270)
Dividends, interests and rents from investments	(11,232)	(11,130)
Increase in debtors	(69,126)	(15,533)
Increase in creditors	55,111	51,574
Net cash used in operating activities	(47,746)	(103,020)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

18. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	502,587	548,106
	<u>502,587</u>	<u>548,106</u>

19. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	548,106	(45,519)	502,587
	<u>548,106</u>	<u>(45,519)</u>	<u>502,587</u>

20. Related party transactions

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 totaling £66,000 (2022: £86,960).

The charity received monthly voluntary Donations from Christ Church Chelsea Hall of Remembrance totaling of £139,200 (2022: £179,836).

21. Post balance sheet events

On 1 October 2024, the charity commenced the consolidation of its church halls. This process involves restructuring the management and operations of these facilities to improve efficiency and enhance the support to the community.

Whilst this event occurred after the balance sheet date, it is anticipated to have positive effect on the charity's long-term financial position and operational effectiveness.