
THE PARISH CHURCH OF ST CUTHBERT WITH ST MATTHIAS

PHILBEACH GARDENS, EARLS COURT, KENSINGTON

LONDON SW5 9EB

ANNUAL REPORT AND FINANCIAL STATEMENTS

OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2021

Registered Charity 1182543

The Clergy House
50 Philbeach Gardens
London SW5 9EB

Bankers

National Westminster Bank Pic
South Kensington Station Branch
18 Cromwell Place
London SW7 2LB

Independent Examiner

M B Boydell FCA
Boydell & Co
Chartered Accountants
146B Chiswick High Road
London
W4 1PU

THE PARISH CHURCH OF ST CUTHBERT WITH ST MATTHIAS

REPORT OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2021

A registered charity (number 1182543), being part of the Church of England in the Diocese of London, Kensington Episcopal Area, Archdeaconry of Middlesex. The Parish is under the Pastoral Jurisdiction of the Bishop of Fulham under the London Plan and " Alternative Episcopal Oversight" was requested on 5 th March 2017.

The Parochial Church Council presents its Annual Report with the financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

St Cuthbert's PCC has the responsibility of co-operating with the Vicar, in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has responsibilities for the maintenance and upkeep of the buildings and contents of the Church and The Philbeach Halls complex.

MEMBERS (TRUSTEES)

Members of the PCC are either ex-officio, co-opted or elected by the Annual Parochial Church Meeting in accordance with the Church Representation Rules. The last APCM was held on 11 October 2020 and during the calendar year 2020 the following served as members of the PCC.

Ex-officio members

Vicar:	The Reverend Paul	(Chairman)
Churchwarden	Bagott	(also Hon.
	Prof. N J B Green	Treasurer)
	Mr P A Hills	
Deanery Synod Representative:	Mrs E Gomez	

<u>Elected</u>	Mrs H Gore	
	Mr B Troop	(PCC secretary)
	Mr B E Parsons	
	Mr P Scutt	
	Mrs T Harvey	(elected 31* March 2019) (elected 31* March
	Mrs N Faddul	2019) (elected 11th October 2020)
	Mrs J P	
	Llewellyn	

THE PARISH CHURCH OF ST CUTHBERT WITH ST MATTHIAS

REPORT OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2021

(CONTINUED)

COMMITTEES

The PCC also operates through three committees which meet between its Rill meetings.

THE STANDING COMMITTEE

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

MISSION AND OUTREACH COMMITTEE

The committee members attend to the ministry of the parish church to the local community of Earls Court and seeks ways of reaching out to people by distributing leaflets to homes and hotels advertising the major festival services of Easter, Harvest Thanksgiving and Christmas. Also the members see to the matter of welcoming newcomers to Church services and arrange for all members of the congregation to be invited to refreshments after the sung services on Sundays and major festivals.

MUSIC AND LITURGY COMMITTEE

The Committee members under the direction of the Vicar discuss Musical and Liturgical matters relating to Church Services throughout the year and what is required of the Director of music, the organist and choir.

REVIEW OF THE YEAR

The full PCC met four times during the calendar year 2021 when reports were received from the Vicar, Churchwardens and the Hon Treasurer. Reports were also received on the matters of the Church Primary School and Chelsea Deanery Synod.

CHURCH ATTENDANCE

There were 106 members on the electoral roll as at 31 March 2020 of whom 49 were resident in the parish (46%) and 57 were non-resident (54%). The usual Sunday congregations numbered around 55 but larger numbers attended the major festivals throughout the year.

However, because of the Covid 19 Pandemic the weekly attendance was greatly changed and there were periods of lockdown when the Church was closed. Church Services were Live Streamed with an increased on-line attendance.

REPORT OF THE PAROCHIAL CHURCH COUNCIL

THE PARISH CHURCH OF ST CUTHBERT WITH ST MATTHIAS

FOR THE YEAR ENDED 31 DECEMBER 2021

(CONTINUED)

FINANCIAL RESULTS FOR 2021

For the year ended 31st December 2021 there was a surplus of £ 28,363 made up of a surplus of £10,734 on the unrestricted fund and a surplus of £ 17,629 on the restricted (Church Restoration) fund after the transfer of £ 15,000 from the unrestricted fund.

RISK MANAGEMENT

The trustees continue to monitor the risks to which the Church and the Philbeach Halls are exposed and mitigate these risks with appropriate policies and practices, particularly in relation to the safeguarding of Children & Vulnerable Adults, Premises and Cash.

RESERVES POLICY

The unrestricted reserves at 31 December 2021 were £ 86,182 (excluding the Philbeach Halls freehold property which is included in the accounts at a valuation of £ 4,672,222).

It is PCC policy to maintain a balance on free reserves of at least 3 months unrestricted expenditure which is estimated at around £50,000. More work needs to be done to maintain this level and this is now a priority for the Trustees.

THE CHURCH SCHOOL

The Vicar is an ex officio Governor of St Cuthbert with St Matthias Church of England Primary School in Warwick Road, Earls Court, and one other member of the PCC is also a Governor. The PCC supports the school in many ways and there is a very strong link between Church and School.

CHURCH RESTORATION

Fortunately the PCC was able to repay the sum of £ 15,000 off the loan of £ 35,000 to the Diocese which was provided towards the renewal of the nave roof many years ago, and it is hoped that £10,000 annual repayments can continue in future years until the loan is repaid in full. A further Church Restoration Project currently under way is the conversion of the undercroft and crypt for local community and parish office use.

THE PARISH CHURCH OF ST CUTHBERT WITH ST MATTHIAS

REPORT OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

CHARITABLE ACTIVITY

The PCC gives some small grants through lent appeals, and other activities. The focus of support for charities is through the availability of the Church premises for community and charity fundraising. This has included support for Age UK Kensington, St Cuthbert's primary school, Christmas Carol Service for St Lazarus charity for leprosy, Christian Aid and St. Cuthberts' Centre. This was also subject to major changes when the Church was closed during the periods of lockdown due to the Covid 19 Pandemic restrictions.

THE PHILBEACH HALLS TRUST

The Vicar and the PCC are jointly the administrative trustees of the Philbeach Halls Trust and they manage the building, receive the income and pay the expenses therefrom. This building provides an important part of the Church's mission to Earls Court and beyond by the letting out of the premises to Registered Charities which offer much needed help to those suffering from illness, poverty and distress.

St Cuthbert's Centre (Registered Charity Number 803638) is a Day Centre for the poor and homeless providing inexpensive hot meals, advice and recreation etc., five days a week. The project, which operates from the main Church Hall, originated in 1987 thanks to the vision of Father Bill Kirkpatrick, who sadly died on 4th January 2018.

Victim Support Kensington & Chelsea is a Registered Charity independent of the Church which provides help and support for those people who are victims of crime within the Royal Borough. Its counselling rooms/offices are situated in the Lower Philbeach Hall. The RAHAB Project Counselling rooms are situated in the offices behind the stage of the upper Philbeach Hall. This is also a registered charity.

Rental income received from our property enabled a grant of £93,500 to be made to the PCC in 2021 to cover the shortfall of general income for the running of St Cuthbert's Church (£78,500) and The Church Restoration Fund (£15,000). This continued financial help is vital for the future of the parish church.

On behalf of the Parochial Church Council

.....
The Reverend Paul Bagott
(Chairman)

2^{4th} April 2022

THE PARISH CHURCH OF ST CUTHBERT WITH ST MATTHIAS

RESPONSIBILITIES OF THE MEMBERS OF THE CHURCH COUNCIL

Charity Law requires the members of the Church Council 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 the results for that year. In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

THE PARISH CHURCH OF ST CUTHBERT WITH ST MATTHIAS

STATEMENT OF FINANCIAL ACTIVITIES

317,898

328,632

FOR THE YEAR ENDED 31 DECEMBER 2021

TOTAL FUNDS		Unrestricted Funds	Restricted Funds	TOTAL	TOTAL
		2021	2021	2020	2021
		£	£	£	£
BALANCES BROUGHT FORWARD					
AT 1 JANUARY 2021	parNote 1				
BALANCES CARRIED FORWARD					
AT 31 DECEMBER 2021	uation (1 & 5)				
INCOMING RESOURCES					

BALANCE SHEET

AT 31 DECEMBER 2021

	Notes	2021 £	2019 £
TANGIBLE FIXED ASSETS			
Freehold property	(1&5)	4,672,222	4,354,324
CURRENT ASSETS			
Debtors	(6)	8,130	6,938
COIF deposit accounts		1,900	1,895
Cash at bank		28,033	41,433
Cash in hand		200	200
		38,263	50,466
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	(7)	(24,741)	(44,448)
NET CURRENT LIABILITIES		(13,522)	6,018
TOTAL ASSETS LESS LIABILITIES		4,685,774	4,360,342
NET ASSETS		£ 4,685,774	£ 4,360,342
FUNDS	(8)		
Unrestricted		4,758,404	4,433,038
Restricted		(72,660)	(72,696)
		£ 4,685,774	£ 4,360,342

Approved by the Parochial Church Council on 24th April 2022 and signed on its behalf by

.....
The Reverend Paul Bagott
(Chairman)

.....
Prof. N J B Green (Churchwarden and
Honorary Treasurer)

The notes on pages 8 to 13 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Charities SORP 2015.

The financial statements have been prepared under the historical cost convention except for the valuation of freehold property (the church halls) which is shown at the trustees' valuation (based on the insurance valuation at 31 December 2021).

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

Funds

Unrestricted funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application for the general purposes of the PCC. Funds designated for a particular purpose are restricted.

Incoming Resources

Voluntary income and capital sources.

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

Planned giving receivable under Gift Aid is recognised only when received. Income tax recoverable on Gift Aid donations and church collections is recognised when the income is received. Sales of goods and magazines from the church bookstall are accounted for gross.

Other ordinary income

Rental income from the letting of church hall premises is recognised when the rental is due.

Income from investments

Dividends and interest are accounted for when receivable. Tax recoverable on such income is recognised in the same accounting year.

Gains and losses on investments

Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Resources used

Grants

Grants and donations are accounted for when paid over.

Activities directly relating to the work of the Church

The diocesan common fund quota is accounted for when due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (Continued)

Tangible Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with s.10(2)(a) and (c) of the Charities Act 2011.

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

No cost information is available for the church halls, so they are included at a deemed cost by the trustees on 31 December 2020 (based on the insurance valuation).

Current assets

Amounts owing to the PCC at 31 December 2021 in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

2. INCOMING RESOURCES

		Unrestricted Funds	Restricted Funds	TOTAL	TOTAL	TOTAL
	2021	2020	2020	2020	2019	2021
	£	£	£	£	£	£
2(a)						
) Voluntary income						
Planned giving:						
Gift Aid	22,102	22,892	-	22,892	9,448	22,103
Tax recoverable	8,497	8,832	-	8,832	7,145	8,497
Other	317	522	-	522	382	317
Church Collections	3,708	2,440	-	2,440	4,933	3,708
Donations and concert takings	6,180	5,282	1,76	11,632	4,824	7,940
Hire of Church	10,105	1,924	-	2,174	6,565	10,105
			3,000	—	—	3,000
	50, 910	41,892	4,76	48,492	33,297	55,670
2(b) Other voluntary incoming resources						
Grants	2,50	-	-	-	22,529	2,500

Fund raising events	-	100	-	100	100	-
	2,500	100	-	100	22,629	2,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	Unrestricted Funds 2020	Restricted Funds 2020	TOTAL 2020	TOTAL 2019	TOTAL 2021
	£	£1	£	£	£	
2(c) Income from church activities						
Bookstall	-	-	-	95	82	-
Property lettings - (Rent & service	129,574	143,218	-	143,218	234,43	129,574
Fees - funerals and weddings	1,203	900	-	900	955	1,203
	130,777	144,118	-	144,213	235,47	130,777

2. INCOMING RESOURCES (Continued)

2(d) Income from investments						
Dividends and interest including any reclaimed tax	-		4	1	5	-
	184,187					
TOTAL INCOMING RESOURCES		186,114	4,760	192,810	188,947	

FOR THE YEAR ENDED 31 DECEMBER 2021

3. RESOURCES EXPENDED	2021	Unrestricted Funds	Restricted Fund	TOTAL 2020	TOTAL 2019	TOTAL 2021
	£	2020 £	2020 £	2020 £	2019 £	2021
3(a) Raising Funds:						
Stewardship expenses		-	-	-	89	-
	-	-	-	-	89	
3(b) Church activities:						
Donations to charitable	600	100		100	100	600
Diocesan Common Fund	30,000	60,00		60,00	60,000	30,000
Clergy expenses	-	-		-	234	-
Incumbents working	195	-		-	790	195
Upkeep of services	1,979	1,54		1,54	2,345	1,979
Repairs and	15,224	15,13	33,64	48,78	17,118	15,224
Choir fees	12,110	10,10		10,10	8,075	12,110
Director of music and	13,862	12,38		12,38	11,095	13,862
Music expenses	1,837	625		625	307	1,837
Organ and piano tuning	2,442	2,29		2,29	2,214	2,442
Insurance premiums	19,587	20,26		20,26	19,703	19,587
Flowers and	866	852		852	705	866
Gas	9,375	9,52		9,52	10,370	9375
Electricity	3,375	1,80		1,80	2,518	3375
Water	606	143		143	126	606
Furniture and	2,682	4,96		4,96	1,352	2,682
Refreshments and	2,163	357		357	4,995	2,192
Travelling expenses	445	276		276	335	445
Council Tax	1,848	1,98		1,98	-	1,843
Cleaning	3,978	3,69		3,69	2,457	3,978
Telephone	964	930		930	1,130	964
Advertisements	54	-		-	173	54
Administration	18,610	22,28	7	22,35	21,941	18,610
Independent examiner's						
accountancy fees	5,898	5,50	-	5,50	5,361	5,898
Bank charges	511	506	-	506	446	511
Interest on loan account	-	-	57	572	910	369
Legal and professional	9,247	4,11	-	4,11	37,448	10,980
costs	8	8				
	158,453	179,380	2,131	213,669	212,248	160,584
TOTAL RESOURCES		£158,45	£	£	£	£160,584
USED	3	2,131		213,669	212,337	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4. TRUSTEES EMOLUMENTS AND STAFF COSTS

No emoluments were paid to Trustees during the year and there were no related party transactions with any Trustees.

Gross salaries paid in 2021 were £ 27,640 (2020 £ 26,500) and social security costs were £ 723 (2020 £ 785).

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

5. TANGIBLE FIXED ASSETS

	2021	2020	2019
Freehold property: (Church halls)			
Deemed cost:			
Balance at 1 January 2020	4,354,324	4,354,324	4,243,970
Surplus on revaluation	317,898	-	110,354
At 31 December 2020	£4,672,222	£ 4,354,324	£4,354,324

6. DEBTORS

	2021	2020	2019
Income tax recoverable	£8,361	£ 8,600	£ 6,938

7. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020	2019
Sundry creditors / accruals	4,741	4,559	4,448
Other creditors/loans			
London Diocesan Fund	20,000	35,000	40,000
	£24,741	£ 39,559	£ 44,448

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8. FUNDS

Fund movements:

Church Restoration Fund (Restricted Fund)

	2021	2020	2019
Balance at 1 January 2021	(90,289)	(72,696)	(111,750)
Incoming resources	22,760	16,696	41,430
Resources expended	5,131	(34,289)	(2,376)
Balance at 31 December 2021	£ (72,660)	£ (90,289)	£ (72,696)

Analysis of net assets by fund:

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Tangible fixed assets (Freehold property)	4,672,222	-	4,672,222
Current assets	28,682	4,840	33,520
Liabilities:			
Due within one year - Diocesan and other	-	(20,000)	(20,000)
Loan from unrestricted fund account to restricted fund account re 2005 church restoration commitment	57,500	(57,500)	-
Fund balances	£ 4,758,404	£ (72,660)	£ 4,685,744

INDEPENDENT EXAMINER'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF

THE PARISH CHURCH OF ST CUTHBERT WITH ST MATTHIAS

Registered Charity Number 1182543

This report on the accounts of the PCC for the year ended 31 December 2021, which are set out on pages 6 to 13, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and s.145 of the Charities Act 2011 ("the 2011 Act").

Respective responsibilities of trustees and examiner

As members of the PCC you are responsible for the preparation of the accounts; you consider that the audit requirement of the Regulations and section 144(2) of the 2011 Act does not apply and that an independent examination is needed.

It is my responsibility to:

examine the accounts under section 145 of the 2011 Act, and the Regulations;
to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
to state whether particular matters have come to my attention.

Basis of this report

My examination was carried out in accordance with the General Directions given by the Charity Commission to be found in the Church guidance 2006 edition. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement:

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements to keep accounting records in accordance with section 130 of the 2011 Act; and to prepare accounts which accord with the accounting records and to comply with the requirements of the Act and the Regulations have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M B Boydell FCA
Boydell & Co
Chartered Accountants 146B Chiswick High Road London
W4 2PU