

The Parochial Church Council of the Ecclesiastical Parish of St Cuthbert with St Matthias Earl's Court

Report and Accounts
Year ended 31 December 2023

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**PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST CUTHBERT
WITH ST MATTHIAS EARL'S COURT**

LEGAL & ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2023

ADDRESS FOR CORRESPONDENCE	The Clergy House 50 Philbeach Gardens London SW5 9EB
GOVERNING DOCUMENTS	PCC Powers Measure 1956 and the Church Representation Rules 2011
CHARITY REGISTRATION NUMBER	1182543
MEMBERS OF THE PCC	<i>Ex Officio members:</i> The Reverend Paul Bagott (incumbent) Prof. N J B Green (church warden and treasurer) Mr P A Hills (church warden) Mr T Atkinson (church warden) (elected 23 April 2023) Mrs E Gomez (Deanery Synod representative) <i>Elected members</i> Mr B Troop (PCC secretary) Mr B E Parsons Mr P Scutt Mrs N Faddul Mrs J P Llewellyn Ms G Nichols Mr R Drake Mr P Costello (elected 23 April 2023) Mrs A Parshall (elected 23 April 2023)
INDEPENDENT EXAMINER	Ajay Rajani FCIE Stewardship 1 Lamb's Passage LONDON EC1Y 8AB

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**REPORT OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST CUTHBERT WITH ST MATTHIAS EARL'S COURT**

FOR THE YEAR ENDED 31 DECEMBER 2023

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 5th March 2017.

The Parochial Church Council presents its Annual Report with the financial statements for the year ended 31 December 2023.

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.

In planning activities, the PCC have applied the guidance on public benefit issued by the Charity Commission.

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 23rd April 2023 and the members of the PCC who have served since 1 January 2023 are listed on page 1.

COMMITTEES

The PCC also operates through three committees which meet between its full 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, 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.

REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2023
(CONTINUED)

REVIEW OF THE YEAR

The full PCC met six times during the calendar year 2023 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 118 members on the electoral roll as 31 March 2023 of whom 49 were resident in the parish (42%) and 69 were non-resident (58%). The usual Sunday congregations numbered around 55 but larger numbers attended the major festivals throughout the year. There were two deaths during the year.

The weekly attendance has begun to improve since the period of lockdown and there is a steady increase of new and regular members attending. The Church Services continue to be live streamed attracting some 75/100 on-line attendees.

FINANCIAL REVIEW

This year the PCC decided to take advantage of the option to prepare simpler Receipts and Payments accounts rather than accruals accounts prepared in accordance with the Charities SORP. In making this transition, the results reported previously (which are comparatives disclosed in these accounts) have been restated and details of the restatement can be found in note 5 to the accounts.

During the year income increased by £55,294 to £223,540 and expenditure increased by £51,483 to £224,047. As a result, the cash deficit for the year was £508 (2022: £4,318). The PCC ended the year with cash of £25,307, of which £14,717 is unrestricted.

Voluntary income increased by £34,154 due to an increase in giving from church members, an increase in legacy income, new grant income and receipts of gift aid. The PCC also received £13,905 from an insurance claim and lettings income increased by £6,481.

Ministry expenses increased by £21,070, which was largely due to increased worship ministry costs. Administrative expenses increased by £15,098 following a decision to increase administrative support and due to higher legal and professional fees. Property related expense increased by £5,315 and the PCC made a loan repayment of £10,000 to the Diocese.

RESERVES POLICY

The trustees have determined that the PCC should aim to hold free reserves (defined as being unrestricted cash) of no less than £50,000 (which equates to about 3 months' unrestricted expenditure) so that the PCC could continue to operate smoothly should income and / or expenditure vary unexpectedly. The PCC ended the year with unrestricted cash of £14,717. This is below the target set by the trustees however rent arrears of £37,000 are due to be received shortly, which will improve the reserves position considerably. The trustees recognise that more work needs to be done to improve the reserves position and this is now a priority.

REPORT OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2023

(CONTINUED)

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.

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, in 2023 the PCC was able to repay the sum of £10,000 off the loan of £ 20,000 to the Diocese which was provided towards the renewal of the nave roof many years ago. The PCC hopes to repay the remaining £10,000 during 2024.

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, Alcoholics Anonymous, The community of Sant Egidio and St. Cuthbert's Centre.

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.

Rental income (net of expenses) received from our property contributed £98,593 towards the PCC's running costs. This continued financial help is vital for the future of the parish church.

**REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2023**

(CONTINUED)

RESPONSIBILITIES OF TRUSTEES

Charity law requires the PCC to prepare financial statements for each accounting year which record the receipts and payments of the charity for the year.

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with the Charities Act 2011.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

APPROVAL

This report was approved by the trustees and signed on their behalf by:

PABagott
PABagott (Aug 6, 2024 16:38 GMT+1)
.....

Aug 6, 2024
Date:.....

The Reverend Paul Bagott Chairman

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST CUTHBERT
WITH ST MATTHIAS EARL'S COURT

I report to the trustees on my examination of the accounts of the Parochial Church Council of the Ecclesiastical Parish of St Cuthbert with St Matthias Earl's Court ('the charity') for the year ended 31 December 2023 on pages 7 to 10 following.

Responsibilities and basis of report

As the trustees of the charity, the members of the PCC are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in accordance with section 130 of the 2011 Act; or
2. the accounts do not accord with the accounting records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ajay Rajani
Ajay Rajani (Aug 6, 2024 17:37 GMT+1)

Ajay Rajani FCIE
Stewardship
1 Lamb's Passage
LONDON
EC1Y 8AB

Date: Aug 6, 2024

**PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST CUTHBERT
WITH ST MATTHIAS EARL'S COURT**

RECEIPTS AND PAYMENTS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
<i>Income receipts</i>					
Voluntary receipts	2(a)	37,402	22,093	59,495	25,341
Church activities	2(b)	1,217	-	1,217	529
Lettings income	2(c)	148,839	-	148,839	142,358
Interest received		84	-	84	18
Insurance claims		7,952	5,952	13,905	-
<i>Total receipts</i>		<u>195,494</u>	<u>28,045</u>	<u>223,540</u>	<u>168,246</u>
<i>Payments</i>					
Diocesan common fund		45,000	-	45,000	45,000
Ministry expenses	3(a)	50,498	10,137	60,635	39,565
Property expenses	3(b)	53,457	-	53,457	48,142
Administrative expenses	3(c)	54,289	666	54,955	39,857
		<u>203,244</u>	<u>10,803</u>	<u>214,047</u>	<u>172,564</u>
Loan repayments		10,000	-	10,000	-
<i>Total payments</i>		<u>213,244</u>	<u>10,803</u>	<u>224,047</u>	<u>172,564</u>
Net of receipts / (payments) before transfers		(17,750)	17,242	(508)	(4,318)
Transfers between funds		6,651	(6,651)	-	-
<i>Net movement in funds</i>		<u>(11,098)</u>	<u>10,591</u>	<u>(508)</u>	<u>(4,318)</u>
Cash funds as at last year end		25,815	-	25,815	30,133
<i>Cash funds at this year end</i>	A	<u>14,717</u>	<u>10,591</u>	<u>25,307</u>	<u>25,815</u>

The notes on pages 9 to 10 form part of these accounts.

**PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST CUTHBERT
WITH ST MATTHIAS EARL'S COURT**

**STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
A Cash funds				
Cash at bank	12,714	10,591	23,305	23,696
COIF deposit accounts	2,003	-	2,003	1,919
Cash in hand	-	-	-	200
	14,717	10,591	25,307	25,815
B Other monetary assets				
Gift aid due to charity	10,149	-	10,149	12,633
Rent, utilities and service charges owed in respect of Philbeach Hall	32,542	-	32,542	21,315
Insurance claims	-	3,048	3,048	-
	42,691	3,048	45,738	33,948
C Liabilities				
Falling due within one year				
Loan from Diocese	-	10,160	10,160	10,000
Heating system repairs	2,640	-	2,640	-
Fees payable to previous independent examiner	-	-	-	4,979
Fees payable to new independent examiner	1,500	-	1,500	-
Fees payable to the Diocese	465	-	465	-
Other creditors	300	-	300	360
	4,905	10,160	15,065	15,339
Falling due after one year:				
Loan from Diocese	-	-	-	10,000
Total	4,905	10,160	15,065	25,339

D Assets retained for charity's own use

	Fund to which asset belongs
Philbeach Hall	Endowment

The incumbent and the PCC are the joint managing trustees of The Philbeach Halls Trust, which owns Philbeach Hall. The property is held in an endowment fund for the benefit of the PCC and the PCC is entitled to the net income arising from letting the property. The current value of the Philbeach Hall is difficult to estimate reliably. The Hall is insured for just under £5,600,000 however its current market value could be very different.

Consecrated property, beneficed property and moveable church furnishings which require a special faculty for disposal are excluded from the above list of charity assets.

The accounts were approved by the trustees and signed on their behalf by:

PABagott
PABagott (Aug 6, 2024 16:38 GMT+1)

The Reverend Paul Bagott

Date: Aug 6, 2024

The notes on pages 9 to 10 form part of these accounts.

**PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST CUTHBERT
WITH ST MATTHIAS EARL'S COURT**

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

The accounts have been prepared on a receipts and payments basis and comprise a statement that shows the charity's receipts and payments, a statement that summarises the charity's assets and liabilities and related notes. The accountancy profession have determined that only accounts prepared in accordance with applicable accounting standards present a 'true and fair' view and, as these receipts and payments accounts have not (and cannot) be prepared in accordance with accounting standards, these accounts do not present (and are not intended to present) a 'true and fair' view of the charity's financial activities and state of affairs.

This year, as the charity's income is less than £250,000, the charity has taken advantage of the option to prepare its accounts on a receipts and payments basis and the results reported previously have been restated; further information is given in note 5 below.

Unrestricted funds are funds which are available for use at the discretion of the PCC in furtherance of the general objectives of the charity. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
2 a) Voluntary income				
Direct bank giving and giving by gift aid envelopes	15,689	2,000	17,689	12,392
Collections at services	9,122	-	9,122	5,457
Other donations	2,303	4,828	7,130	6,992
Gift aid recovered	7,789	-	7,789	-
Legacies	-	7,845	7,845	500
Grants	2,500	7,420	9,920	-
	<u>37,402</u>	<u>22,093</u>	<u>59,495</u>	<u>25,341</u>
b) Church activities				
Fees for weddings and funerals	1,091	-	1,091	529
Sales of parish guides	126	-	126	-
	<u>1,217</u>	<u>-</u>	<u>1,217</u>	<u>529</u>
c) Lettings income				
Letting income from church facilities	22,473	-	22,473	11,152
Letting income from Philbeach Hall	126,366	-	126,366	131,206
	<u>148,839</u>	<u>-</u>	<u>148,839</u>	<u>142,358</u>
	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
3 a) Ministry expenses				
Director of music and organist employment costs	17,123	-	17,123	13,715
Musican fees and choral scholarship support	15,241	8,490	23,731	10,395
Organ and piano tuning and repairs	2,700	519	3,220	5,183
Other music expenses	1,127	490	1,617	867
Upkeep of services and sacristy supplies	7,331	-	7,331	4,103
Refreshments and catering expenses	3,871	-	3,871	2,684
Flowers and decorations	558	318	876	1,570
Other ministry expenses	1,986	320	2,306	604
Clergy expenses	306	-	306	444
Gifts to other charities	255	-	255	-
	<u>50,498</u>	<u>10,137</u>	<u>60,635</u>	<u>39,565</u>
b) Property expenses				
Insurance premiums	23,375	-	23,375	20,364
Utilities and council tax	10,474	-	10,474	15,006
Repairs and maintenance	12,546	-	12,546	4,252
Furniture and equipment	3,905	-	3,905	3,770
Cleaning	3,157	-	3,157	4,750
	<u>53,457</u>	<u>-</u>	<u>53,457</u>	<u>48,142</u>

**PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST CUTHBERT
WITH ST MATTHIAS EARL'S COURT**

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Expenditure continued.....

c) Administrative expenses

Administration fees, salaries and expenses	32,630	-	32,630	23,933
Telephone and internet	1,784	-	1,784	1,802
Legal and professional fees	12,975	-	12,975	7,638
Accountancy, payroll and examination fees charged by previous independent examiner	6,135	-	6,135	5,506
Bank charges	765	18	783	525
Loan interest	-	648	648	453
	<u>54,289</u>	<u>666</u>	<u>54,955</u>	<u>39,857</u>

4 Movement on restricted funds

	Opening balance £	Change of basis £	Receipts £	Payments £	Transfers £	Closing balance £
Church restoration fund	(72,810)	72,810	7,945	(649)	(7,296)	-
Organ restoration fund	-	-	7,952	(519)	-	7,433
Choral scholarship fund	-	-	10,400	(7,508)	265	3,157
Christmas music fund	-	-	1,020	(1,130)	110	-
Other small funds	-	-	728	(998)	270	-
	<u>(72,810)</u>	<u>72,810</u>	<u>28,045</u>	<u>(10,803)</u>	<u>(6,651)</u>	<u>10,591</u>

Church restoration fund

The accounts for the previous year had reported that the restricted Church restoration fund was in deficit by £72,810. As it is not certain that sufficient restricted income will be received in future years to cover the deficit, it was decided that £72,810 should be transferred from unrestricted funds to the restricted Church restoration fund during the transition to these Receipts and Payments accounts. Subsequently in 2023 some further restricted income was received and £7,296 has been returned to unrestricted funds to help repay part of the loan received from the Diocese for the restoration work.

5 Reconciliation with previously reported funds

As explained in note 1 'Accounting Policies', in the previous year the charity prepared its accounts using the accruals basis; in the current year the charity's income was less than £250,000 and the charity has taken advantage of the option to prepare its accounts on a receipts and payments basis. The comparatives presented in these accounts have been re-stated using the receipts and payments basis and a reconciliation with the reserves and results reported previously follows:

Reconciliation of reserves

	2022 £	2021 £
Previously reported reserves, at 31 December	5,438,925	4,685,744
Adjustments arising from use of receipts and payments basis:		
Exclusion of previously included fixed assets	(5,425,816)	(4,672,222)
Exclusion of previously included debtors	(12,633)	(8,130)
Exclusion of previously included creditors	25,339	24,741
Re-stated reserves, at 31 December	<u>25,815</u>	<u>30,133</u>

Reconciliation of results

	2022 £
Previously reported results	753,181
Adjustments arising from use of receipts and payments basis:	
Excluded gain on revaluation of property	(753,594)
Excluded movements in debtors resulting in the recognition of more / (less) income	(4,503)
Excluded movements in creditors resulting in the recognition of less / (more) expenditure	598
Re-stated results	<u>(4,318)</u>