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**ST PANCRAS CHURCH LANDS TRUST**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**ST PANCRAS CHURCH LANDS TRUST**

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**ST PANCRAS CHURCH LANDS TRUST**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Trustees**

The Revd A Stevens  
M J H Ogden (retired 8 April 2021)  
Dr D Brown  
A J Rouse (retired 8 April 2021)  
D Hackman  
The Very Revd D Ison  
J Powell  
S P Walsh  
D Lamont  
I Sedgwick (appointed 8 April 2021)

**Charity registered number**

212006

**Principal office**

22 South Road, Baldock, Herts, SG7 6BY

**Independent auditors**

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

**Bankers**

HSBC Bank plc, London, W1P 0AR

CAF Bank Ltd, Kent, ME19 4JQ

**Solicitors**

Teacher Stern LLP, 37-41 Bedford Row, London, WC1R 4JH

**Investment Advisors**

JM Finn&Co, 4 Coleman Street, London, EC2 R5TA

CCLA Investment Management, 85 Queen Victoria Street, London, EC4V 4ET

Ruffer Investment Co, 80 Victoria Street, London, SW1E 5JL

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## ST PANCRAS CHURCH LANDS TRUST

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The Trustees present their annual report together with the audited financial statements of the charity St Pancras Church Lands Trust for the year 1 January 2021 to 31 December 2021. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

#### **Objectives and activities**

##### **a. Policies and objectives**

The St Pancras Church Lands Trust is an ancient charitable trust, the objects of which are the raising of income for distribution amongst all the Churches or Chapels from time to time existing within the original limits of the Parish of St Pancras and having District Parishes assigned to them which are wholly within such original limits. The income is to be distributed to the Churchwardens of the beneficiary parishes, to be applied by them in or towards repairs to the Churches or Chapels and in or towards the expenses of performing divine worship in such Churches or Chapels.

The aim of the Trust is to generate income from its investments in order to meet its objectives.

The Trustees have reviewed the objectives and activities of the trust and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

#### **Achievements and performance**

##### **a. Review of activities**

During the year the value of the Trust's net assets increased by £691,769 to £7,141,493 as shown on the Balance Sheet of the financial statements and the aggregate income of the funds of the Trust was £212,023 (2020: £218,736).

The Trust has this year (2021) been able to distribute £182,427 (2020: £205,091) to its beneficiaries, the churches now resident in the Ancient Parish of St Pancras. This expenditure represents 87% (2020:89%) of the Trust's annual expenditure.

##### **b. Investment policy and performance**

The day-to-day management of the Trust's investments is delegated to its Managing Trustees, who take advice from the stockbrokers in relation to Gilts and Equities and from the Trust's chartered surveyor in relation to property investments. The guidelines that have been set down are to maintain income at a sufficient level to avoid any diminution in the quarterly distribution to beneficiary parishes and, subject to this, to achieve capital growth, but with no more than a medium risk.

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## ST PANCRAS CHURCH LANDS TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Financial review

##### a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### b. Reserves policy

At 31 December 2021 the free reserves of the charity (unrestricted reserves excluding the investment property) amounted to £5,392,155 (2020:£4,870,872).

These reserves include investments of £5,439,033 (2020:£4,857,674). Investments amounting to £3,776,563 are held in accounts at the CBF and £1,658,216 in other investments. The Trustees' policy was to retain this level of reserves in order to generate income which the charity subsequently distributes to its beneficiaries because the investments, which formed a majority of the reserves, were distributed or reduced then there would be less income generated for distribution in future years. However, the Trustees have now adapted a "total return" approach to distribution for 2022.

The policy of retaining "reserves" approximately equivalent to one year's expenditure (on raising funds, e.g. professional fees, not expenditure on charitable activities) relates to quarterly income and not reserves as they are identified in this section.

##### c. Principal funding

The Trust's main funding source is its investment income, both income from listed investments and income from investment properties. The investment properties are managed to produce the best rental income for the Trust and the Trustees receive professional advice in order to do so. The listed investments are managed on a day-to-day basis on behalf of the Trustees by professional investment managers.

##### d. Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. One of the key risks for the charity is the performance of the investments. This risk is managed by taking advice from investment managers, as set out in the Trust's Investment policy.

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## ST PANCRAS CHURCH LANDS TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **Structure, governance and management**

##### **a. Constitution**

The Trust is regulated by the Saint Pancras Ecclesiastical Regulation Act 1868 (as amended by The Charities (Church Lands Charity, in the Ancient Parish of St Pancras, London) Order 1965) and certain unrepealed sections of earlier local Acts of 1816 and 1821.

The Trustees who served during the year were:-

M J H Ogden (retired 8 April 2021)  
Dr D Brown  
A J Rouse (retired 8 April 2021)  
Ms D Hackman  
The Very Revd D Ison  
The Revd A Stevens  
J Powell  
Mr S P Walsh  
D Lamont  
I Sedgwick (appointed 8 April 2021)

##### **b. Methods of appointment or election of Trustees**

The Dean of St Paul's, the Vicar of St Pancras and the Church wardens of St Pancras are ex officio Trustees.

Other Trustees are appointed by the Trustees at the general meetings.

##### **c. Organisational structure and decision-making policies**

The Trustees are responsible for establishing the overall policy of the Trust and meet periodically to review progress in meeting the Trust's objectives. The day-to-day execution of that policy is delegated to the Committee, subject to overriding control by the trustees.

##### **Impact of the macroeconomy and plans for future periods**

The decline in markets caused by the Covid-19 pandemic adversely affected the Trust's income. However, this improved getting to the end of 2021 in line with the recovery of the macroeconomy. The Trust made the decision to only distribute income it actually receives, after allowing for expenses, so the distributions to the beneficiary parishes were reduced. In the light of the appointment of new investment advisers the Trust has decided to adopt a "total return" approach to distribution, as permitted by the Trusts (Capital and Income) Act 2013, but remaining cautious and prudent in terms of distributing any element of capital gain.

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**ST PANCRAS CHURCH LANDS TRUST**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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, Peters Elworthy & Moore, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

*Anne Stevens*  
.....  
**The Revd A Stevens**  
(Trustee)  
Date: 14 October 2022

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**ST PANCRAS CHURCH LANDS TRUST**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST PANCRAS CHURCH LANDS TRUST**

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**Opinion**

We have audited the financial statements of St Pancras Church Lands Trust (the 'charity') for the year ended 31 December 2021 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 2021 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.



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**ST PANCRAS CHURCH LANDS TRUST**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST PANCRAS CHURCH LANDS TRUST  
(CONTINUED)**

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**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.

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**ST PANCRAS CHURCH LANDS TRUST**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST PANCRAS CHURCH LANDS TRUST  
(CONTINUED)**

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**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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- we obtained an understanding of the entity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid material penalties; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing the minutes of trustees' meetings.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;

To address the risk of fraud through management bias and override of controls, we;

- we assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur;
- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias and
- we tested significant transactions, in particular the evaluation of the business rationale for any which appeared unusual or outside the company's normal course of business.

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**ST PANCRAS CHURCH LANDS TRUST**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST PANCRAS CHURCH LANDS TRUST  
(CONTINUED)**

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In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with relevant regulators such as the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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



**Peters Elworthy & Moore**  
Chartered Accountants  
Statutory Auditors  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date: 14 October 2022

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## ST PANCRAS CHURCH LANDS TRUST

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>INCOME FROM:</b>					
Investments	3	209,974	2,049	212,023	218,736
<b>TOTAL INCOME</b>		<b>209,974</b>	<b>2,049</b>	<b>212,023</b>	218,736
<b>EXPENDITURE ON:</b>					
Raising funds	4	9,363	-	9,363	9,546
Charitable activities	6	197,275	2,049	199,324	222,166
<b>TOTAL EXPENDITURE</b>	6	<b>206,638</b>	<b>2,049</b>	<b>208,687</b>	231,712
<b>NET INCOME/(EXPENDITURE) BEFORE NET GAINS/(LOSSES) ON INVESTMENTS</b>					
		3,336	-	3,336	(12,976)
Net gains/(losses) on investments		684,893	3,540	688,433	(170,326)
<b>NET MOVEMENT IN FUNDS</b>		<b>688,229</b>	<b>3,540</b>	<b>691,769</b>	(183,302)
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		6,397,172	52,552	6,449,724	6,633,026
Net movement in funds		688,229	3,540	691,769	(183,302)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>7,085,401</b>	<b>56,092</b>	<b>7,141,493</b>	6,449,724

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 12 to 23 form part of these financial statements.

## ST PANCRAS CHURCH LANDS TRUST

BALANCE SHEET  
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Investments	10	5,439,033	4,857,674
Investment property	9	1,693,246	1,526,300
		<u>7,132,279</u>	<u>6,383,974</u>
<b>CURRENT ASSETS</b>			
Debtors	11	1,843	1,498
Cash at bank and in hand		73,133	126,069
		<u>74,976</u>	<u>127,567</u>
Creditors: amounts falling due within one year	12	(65,762)	(61,817)
		<u>9,214</u>	<u>65,750</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,141,493</u>	<u>6,449,724</u>
<b>TOTAL NET ASSETS</b>		<u>7,141,493</u>	<u>6,449,724</u>
<b>CHARITY FUNDS</b>			
Restricted funds	13	56,092	52,552
Unrestricted funds	13	7,085,401	6,397,172
<b>TOTAL FUNDS</b>		<u>7,141,493</u>	<u>6,449,724</u>

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

*Anne Stevens*  
 .....  
 The Revd A Stevens  
 (Trustee)  
 Date: 14 October 2022

The notes on pages 12 to 23 form part of these financial statements.

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**ST PANCRAS CHURCH LANDS TRUST**

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

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**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.

St Pancras Church Lands Trust 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 FUND ACCOUNTING**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

**1.3 GOING CONCERN**

The Trustees have reviewed the financial position of the charity and have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis. The turbulent macroeconomy has continued to impact global stock markets and operations globally. The Trustees have considered the impact and are satisfied that it has no impact on the Charity's ability to continue on the going concern basis.

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## ST PANCRAS CHURCH LANDS TRUST

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

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Rental income is recognised when received, with any income received in advance being deferred and released in the period to which it relates.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

##### 1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs are allocated to the applicable expenditure headings.

Support costs, which includes governance costs, are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of raising funds are costs incurred in managing the investment portfolio and properties.

##### 1.6 INVESTMENT PROPERTY

Investment properties are included in the Balance Sheet at fair value determined by the trustees and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

##### 1.7 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.

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**ST PANCRAS CHURCH LANDS TRUST**

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

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**1. ACCOUNTING POLICIES (CONTINUED)****1.8 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

**1.9 DEBTORS**

Other debtors and accrued income are recognised at the settlement amount after any trade discount offered.

**1.10 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 CREDITORS 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.



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## ST PANCRAS CHURCH LANDS TRUST

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

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#### 2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **Investment properties**

Investment properties are included in the Balance Sheet at fair value determined by the trustees' and reflects the latest valuation adjusted for the housing price indices in the respective boroughs.

#### **Listed investments**

Listed investments are included in the Balance Sheet at fair value determined by the Investment Advisors. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

#### 3. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Property income	15,750	-	<b>15,750</b>	15,750
Dividends and interest from investments	194,224	2,049	<b>196,273</b>	202,986
	<u>209,974</u>	<u>2,049</u>	<u><b>212,023</b></u>	<u>218,736</u>
Total 2020	<u>216,522</u>	<u>2,214</u>	<u>218,736</u>	

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**ST PANCRAS CHURCH LANDS TRUST**

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

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**4. INVESTMENT MANAGEMENT COSTS**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Rent collection	709	<b>709</b>	1,417
Professional fees	8,654	<b>8,654</b>	8,129
	<u>9,363</u>	<u><b>9,363</b></u>	<u>9,546</u>
	<u><u>9,546</u></u>	<u><u><b>9,546</b></u></u>	
Total 2020			

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**ST PANCRAS CHURCH LANDS TRUST**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. GRANTS TO INSTITUTIONS**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Distribution to Churches in the Ancient Parish of St Pancras	180,378	2,049	<b>182,427</b>	205,091
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL 2020	202,877	2,214	205,091	
	<u>          </u>	<u>          </u>	<u>          </u>	

During the year 15 grants were awarded to Churches (2020: 15 grants):

	2021 £	2020 £
St Pancras Old Church (restricted)	2,049	2,214
St Pancras Old Church	12,256	13,756
St Pancras Parish Church	12,122	13,621
St Mark's Church, Regents Park	12,000	13,500
Holy Trinity Church, Kentish Town	12,000	13,500
St Anne's Church, Highgate	12,000	13,500
St Mary's Church, Brookfield	12,000	13,500
St Silas the Martyr, Kentish Town	12,000	13,500
St Michael's Church, Camden Town	12,000	13,500
St Benet's and All Saints Church	12,000	13,500
St Paul's Church, Camden Square	12,000	13,500
St Mary the Virgin Church, Eversholt Street	12,000	13,500
Holy Cross Church, Cromer Street	12,000	13,500
St Martin's Church, Gospel Oak	12,000	13,500
Christ Church, Hampstead	12,000	13,500
St Luke's Church, Kentish Town	12,000	13,500
	<u>182,427</u>	<u>205,091</u>

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**ST PANCRAS CHURCH LANDS TRUST**

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

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**6. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Grant funding of activities 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Charitable activities - grant funding	182,427	16,897	<b>199,324</b>	222,166
	<u>182,427</u>	<u>16,897</u>	<u>199,324</u>	<u>222,166</u>
Total 2020	205,091	17,075	222,166	
	<u>205,091</u>	<u>17,075</u>	<u>222,166</u>	

In 2021, £2,049 (2020 - £2,214) of expenditure was restricted and £180,378 (2020 - £202,877) was unrestricted.

**ANALYSIS OF SUPPORT COSTS**

	<b>Activities 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Other - General Expenses	113	<b>113</b>	291
Other - Consultancy Fees & Expenses	7,400	<b>7,400</b>	7,400
Governance - Audit fees	7,884	<b>7,884</b>	7,884
Governance - Accountancy fees	1,500	<b>1,500</b>	1,500
	<u>16,897</u>	<u><b>16,897</b></u>	<u>17,075</u>
Total 2020	17,075	17,075	
	<u>17,075</u>	<u>17,075</u>	

**7. AUDITORS' REMUNERATION**

The auditors' remuneration amounts to an auditor fee of £6,934 (2020 - £6,934), and other services of £950 (2020 - £950).

**8. TRUSTEES' REMUNERATION AND EXPENSES**

The trustees are considered to be the key management personnel of the charity and all give their time freely and expertise without any form of remuneration or other benefit in cash or kind in either 2021 or 2020.

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

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**ST PANCRAS CHURCH LANDS TRUST**

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

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**9. INVESTMENT PROPERTY**

	Freehold investment property £
<b>Valuation</b>	
At 1 January 2021	1,526,300
Surplus on revaluation	166,946
At 31 December 2021	<u>1,693,246</u>

The 2015 valuations were made by Jennifer Ellis FRICS, of Langley Taylor LLP, Chartered Surveyors, on an open market value for existing use basis. The valuations have been reconsidered by the trustees as at 31 December 2021, and the properties have been revalued based on the movement in the borough housing indices.

**10. FIXED ASSET INVESTMENTS**

	Listed investments £	Cash held at brokers £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	4,856,132	1,542	4,857,674
Additions	314,585	-	314,585
Disposals	(236,617)	-	(236,617)
Revaluations	500,679	-	500,679
Cash movement	-	2,712	2,712
AT 31 DECEMBER 2021	<u>5,434,779</u>	<u>4,254</u>	<u>5,439,033</u>

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**ST PANCRAS CHURCH LANDS TRUST**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**FIXED ASSET INVESTMENTS (CONTINUED)**

	£
<b>Investments</b>	
Property fund	3,088,378
Quoted equities	1,350,399
Quoted fixed interest	951,649
Other	44,353
	<u>5,434,779</u>

All the fixed asset investments are held in the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides a medium degree of diversification of holdings and within investment asset classes that are quoted on recognised stock exchanges.

The Trust does not make use of derivatives or similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular year will normally be corrected.

**11. DEBTORS**

	2021 £	2020 £
<b>Due within one year</b>		
Accrued income	<u>1,843</u>	<u>1,498</u>

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**ST PANCRAS CHURCH LANDS TRUST**


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


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**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Amounts payable to beneficiaries of the Trust	45,877	45,870
Other creditors	10,501	6,563
Accruals	9,384	9,384
	<u>65,762</u>	<u>61,817</u>

**13. STATEMENT OF FUNDS****STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>						
Residue Fund	6,178,973	209,974	(206,638)	218,199	684,893	7,085,401
Special Reserve Fund	218,199	-	-	(218,199)	-	-
	<u>6,397,172</u>	<u>209,974</u>	<u>(206,638)</u>	<u>-</u>	<u>684,893</u>	<u>7,085,401</u>
<b>Restricted funds</b>						
Primary Fund	52,552	2,049	(2,049)	-	3,540	56,092
<b>Total of funds</b>	<u>6,449,724</u>	<u>212,023</u>	<u>(208,687)</u>	<u>-</u>	<u>688,433</u>	<u>7,141,493</u>

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**ST PANCRAS CHURCH LANDS TRUST**


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


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**13. STATEMENT OF FUNDS (CONTINUED)****Unrestricted Funds**

The Residue Fund records the surpluses and deficits of the Trust and the income which is distributable among all parishes in the Ancient Parish of St Pancras.

The Special Reserve Fund records a reserve originally set aside to pay for special maintenance of the property of the Trust. It is however now available for loans to the parishes in the Ancient Parish of St Pancras to assist in the funding of the major works to the fabric of the Church.

During the year, the balance of the Special Reserve Fund was transferred to the Residue Fund.

**Restricted Funds**

The Primary Fund records funds held under statute, the income for which is restricted to the benefit of the Ancient parish of St Pancras (St Pancras New Church).

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>						
Residue Fund	6,349,541	204,944	(229,498)	11,578	(157,592)	6,178,973
Special Reserve Fund	229,997	11,578	-	(11,578)	(11,798)	218,199
	<u>6,579,538</u>	<u>216,522</u>	<u>(229,498)</u>	<u>-</u>	<u>(169,390)</u>	<u>6,397,172</u>
<b>Restricted funds</b>						
Primary Fund	<u>53,488</u>	<u>2,214</u>	<u>(2,214)</u>	<u>-</u>	<u>(936)</u>	<u>52,552</u>
<b>Total of funds</b>	<u><u>6,633,026</u></u>	<u><u>218,736</u></u>	<u><u>(231,712)</u></u>	<u><u>-</u></u>	<u><u>(170,326)</u></u>	<u><u>6,449,724</u></u>



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**ST PANCRAS CHURCH LANDS TRUST**


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


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**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS****ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Fixed asset investments	5,379,685	59,348	<b>5,439,033</b>
Investment property	1,693,246	-	<b>1,693,246</b>
Current assets	74,976	-	<b>74,976</b>
Creditors due within one year	(62,506)	(3,256)	<b>(65,762)</b>
<b>Total</b>	<b>7,085,401</b>	<b>56,092</b>	<b>7,141,493</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Fixed asset investments	4,804,630	53,044	4,857,674
Investment property	1,526,300	-	1,526,300
Current assets	127,567	-	127,567
Creditors due within one year	(61,325)	(492)	(61,817)
<b>Total</b>	<b>6,397,172</b>	<b>52,552</b>	<b>6,449,724</b>

**15. RELATED PARTY TRANSACTIONS**

Dorothea Hackman and Duncan Lamont trustees of the charity, were also Churchwardens of St Pancras Church, St Pancras Church received a distribution of £14,305 (2020: £15,969) during the year. Judy Powell, a trustee of the charity was also a Churchwarden of St Pauls, Camden Square. During the year St Paul's received a distribution of £13,500 (2020: £13,500).