THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE AND CHRIST CHURCH, CHELSEA

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Registered Charity No: 1133092

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE AND CHRIST CHURCH, CHELSEA

LEGAL AND ADMINISTRATIVE INFORMATION

Principal address	The Parish Office St Luke's Crypt Sydney Street London SW3 6NH
Trustees	The Reverend Prebendary Dr Brian Leathard (Chair) (Resigned May 2025) Alexander Banbury (Co-Chair from May 2025) Elizabeth Brutus (Co-Chair from May 2025) Rev Baxter McRolston Rev Dr Daniel Inman Julie Clancy (Appointed May 2025) Nicola Ellard Brenda Hagerty Millie Kirkland (Appointed May 2025) Timothy McKean Jacqueline Poysden Jonathan Price Louisa Price Owen Ryan Barbara Schwepcke (Resigned May 2025) Elizabeth Watson-Steele Sophie Wilson
Key Management Personnel	John McVeigh
Charity number	1133092
Independent Auditor	Azets Audit Services First Floor River House 1 Maidstone Road Sidcup Kent DA14 5RH

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE AND CHRIST CHURCH, CHELSEA

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees have pleasure in presenting their Annual Report and financial statements for the year ended 31 December 2025.

The financial statement has been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Charities Act 2022 and 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 issued in October 2019.

Objectives and Activities

Introduction

The Parochial Church Council (PCC) is the Trustee Body in every Church of England parish and is chaired by the Rector. The PCC has a Standing Committee which acts on urgent matters between PCC meetings. The Standing Committee is comprised of the Churchwardens and the PCC Treasurer.
The Trustees would like to extend their heartfelt thanks Revd Prebendary Dr Brian Lethard for his dedication and support to the PCC over the years.
In the absence of an Incumbent the Rector's Report has been replaced by a Churchwardens Report which includes a summary of activities both Pastoral (relating to the spiritual life of the Parish) and Temporal (relating to the governance and administration of the Parish).

Overview

It has been another significant and extremely active year in the life of our parish, characterised in equal measure by change and continuity.

Following the 200th anniversary celebrations of the consecration of St Luke's, the retirement of our Incumbent, the Revd Prebendary Dr Brian Leathard, in May 2025 marked the beginning of an interregnum (vacancy). This gave the parish an opportunity to take stock, reflect on the past, and discern its future direction.

The interregnum has provided the parish with valuable space both to reflect on the past 19 years of Fr Brian's ministry as Rector and to look ahead, shaping a vision for the future through the preparation of a Parish Profile and, in due course, the appointment of a new Incumbent.

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The Churchwardens also assumed additional responsibility for the day-to-day leadership and oversight of the parish during the interregnum, working closely with the Area Dean (the Revd Dave Matthews), the Archdeacon of Middlesex (the Ven. Richard Frank), and diocesan officers to provide stability and guidance over the last twelve months. The Churchwardens wish to extend our thanks to the PCC for its active participation and thoughtful support. We also thank our Parish Representatives, Nicola Ellard and Owen Ryan (Treasurer), and our Patron, the Earl Cadogan, who diligently oversaw the process of interviewing and selecting our new Incumbent.

Pastoral

In 2025 the PCC continued with its usual pattern of meetings to discuss and decide on matters spiritual, pastoral, material and financial, encompassing the parish's life. The PCC met in February, April, June, September and November 2025 and the Annual Parochial Church Meeting was held in May 2025 in accordance with the provision of the Church Representation Rules. 2025 saw one change in clergy personnel, with the retirement of The Revd Prebendary Brian Leaathard on 31st May 2025.

The spiritual life of the parish continued through Daily Services of Morning Prayer, the weekly lunchtime eucharist and Sunday services in both churches. The monthly Family Eucharist at Christ Church, introduced in 2024, is now firmly embedded in the parish's life with regular attendance of 100 children and 130 adults. The annual parish Retreat took place at Douai Abbey and both Lent and Autumn study evenings occurred as well as the weekly bible study. There were 30 Baptisms, 14 Confirmations, 3 Marriages/Blessings and 18 Funerals/Memorials during the year. The conversion to electronic parish magazine (with provision for hard copy to those who would prefer this) has been successfully implemented and well received.

Pastoral visiting continued throughout the year, supporting parishioners in hospitals, hospices and care homes, as well as individuals and families in their own homes. We are deeply grateful to clergy from local and more distant parishes, and to retired clergy, who generously provided cover at both St Luke's and Christ Church during the vacancy.

Pastoral (cont)
The PCC also wishes to draw particular attention to the commitment of our clergy, parish office team during the busier periods in the parish calendar: the time leading up to the Summer Fair, followed quickly by the Youth Summer Programme; from Shrove Tuesday onwards with the Lent series then all the Easter services, with the Step Up Programme thrown into the mix; and finally Advent and Christmas with various services and activities balanced alongside the plethora of private hires and carol services.

The PCC discussed the care and provision of youth ministry and young people's ministry, acknowledging the continued collaboration with Youth Ministry in Communion (YMIC) across the Kensington Episcopal Area. The PCC also noted the ongoing success of the Step Up programme (supporting teenagers preparing for public examinations) and the three-week Summer Programme, and offers thanks for the funding received and to everyone who helps deliver these initiatives. Youth Group meet fortnightly at St Luke's Vestry led by Jess Masters-Carrer & Fr Baxter. Chelsea Academy Christian Union meet every at the school led by Jess Masters-Carrer.

The PCC welcomed the continued invaluable work of our volunteers, including the gardening team who care for our church grounds, the volunteers who support the weekly foodbank at St Luke's vestry, and those who sustain the Wednesday Group for isolated older people, led jointly by our Police Community Support Officer and Anna Stamenova, our Children and Families Worker.
Safeguarding issues were drawn to the attention of the PCC anonymously at each meeting and the safeguarding officers for the PCC continued to be aware confidentially of issues raised to them by the clergy.

Temporal
The day-to-day financial life of the parish was overseen by our Operations Manager and Bursar with the active oversight of the PCC Treasurer. The Treasurer continues to focus on ensuring financial stability for the continued ministry and mission of the parish. The agreed changes to both provision of accounting and bookkeeping services for 2025 onwards has been implemented successfully. Thanks go to the Parish Office staff for their continued work in the life of our parish as well as the large number of volunteers in every aspect of parish life.

The PCC continues to balance the responsibility of maintaining both churches as vital religious, historic, and community assets against the considerable costs involved. St Luke's Grade I listed status, in particular, brings significant financial implications due to the specialist nature of required works. This places additional strain on already constrained parish finances.

The buildings and gardens at both St Luke's and Christ Church remain in good condition. A variety of maintenance and improvement works have been carried out at both churches including in particular. The annual sanding and repairs to the floor in St Luke's vestry and St Luke's hall took place in the summer 2025. The refectory area at the Hall of Remembrance was repainted and the ceiling was replaced. The dais at St Luke's was varnished and stained.

Conclusion
In conclusion the Churchwardens wish to reiterate their enormous thanks to our clergy, administrative staff and volunteers for their on-going support during the Interregnum.

Sophie Wilson and Tim McKean
(Churchwardens, St Luke's)

Louisa & Jonathan Price and Julie & Millie Kirkland
(Churchwardens, Christ Church)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025

Financial Review

Total income was £930,986 (2024: £9,079,928 of which £9,071,214 was unrestricted.
Unrestricted income for 2024 included £7,384,587 which represents the valuation of the Church halls, which were introduced on 30 September 2024)

Total donations of £305,071 was a decrease on 2024 (£8,644,397 which included the valuation of the halls and the transfer of monies from the hall accounts). Donations via collections and open plate were £27,661 vs. £23,454 in 2024. Planned Giving was £61,924 which was approximately £2,500 lower.

The PCC received grants for St Luke's Summer Programme of £10,850 from Royal Borough of Kensington & and Chelsea and the Peter Harrington Foundation.

We saw an increase in church rentals from £373,166 to £503,869.
Total parish expenditure increased from £970,153 in 2024 to £1,193,087. This was down to a combination of an increase in cleaning costs due to incorporation of the halls, music and utility costs offset by a decrease in salaries.

The parish's major recurring expense is its contribution of £191,610 (2023: £165,120) 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 majority of our Common Fund contribution returns to the PCC as clergy stipends and other support. The Church paid all of the Common Fund request in full for the year.

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.

At the end of 2025 the PCC currently has £8,356,111 (2024: £8,600,172) in unrestricted free reserves and believes this is sufficient to meet this reserves policy. It should be noted that included in the 2025 unrestricted reserves is an amount of £7,236,895 which represents the current carrying value of the halls which may not be encumbered or sold. Notwithstanding the PCC still believes the residual is sufficient to meet our reserves policy.

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 for all including key management, 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 trustees, the costs of which are shared between our two churches. 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.

Key risks
The principal risks and uncertainties identified by the charity are as follows:

Risk Identified	Acition 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. Annual servicing of fire extinguishers in line with what is required in the legislation.
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. Both Halls undergo regular maintenance.
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	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.

Investment Policy and Objectives
The Investment Strategy is set by the Trustees. Currently, it is the policy of the Trustees to invest the bulk of cash on deposit with CCLA and CAF Bank. Other balances are held on deposit with NatWest Bank Plc.. Restricted Fund Investments are mainly held in Unit and Investment Trusts managed either by Evelyn Partners (now Coutts & Co) or by professional fund managers as permitted by the relevant Acts and the Charity Commission guidelines.

All other financial assets are invested in bank accounts and other forms of deposit to achieve the Trustees' objective of reducing financial risk and maintaining liquidity.

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
Last year, the halls were brought into the Parochial Church Council accounts. The Halls are shown on the Balance Sheet as a unrestricted fixed asset. They were brought in on the basis of insurance rebuild costs. Income from the Halls will contribute towards the running costs of the Parish. They will depreciate 2% every year.

A prior year adjustment has been made to the 2025 accounts to reflect the associated Church Hall bank accounts. See Note 20 for further details.

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.

Objects and governance structure
The charity is established by a trust deed dated 29 June 1918 and is associated with the Diocese of London. The object of the charity is to promote the whole mission of the Church in the ecclesiastical parish. The PCC was registered with the Charity Commission on 3 December 2009.

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, and all PCC members receive support and training from the Archdeacon's office.

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:

- Welcoming our new Rector Revd Dr. Lydia Cook who is due to start in September
- 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 Silver 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 2025.

Going concern
The trustees have given due consideration to the PCC's financial position and future prospects. This includes a review of reserves, cash flow forecasts and the expected level of income from planned giving, collections, hall lettings and other sources. The trustees have also considered the potential impact of economic pressures on both income and expenditure.

While there remain uncertainties regarding future income levels, the trustees are satisfied that the PCC has sufficient resources to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these accounts. The trustees will continue to monitor the financial position closely and take appropriate action where necessary.

On this basis, the trustees consider that it is appropriate to prepare the financial statements on a going concern basis.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025

Trustees' responsibilities
The Trustees are responsible for preparing the Trustees' Annual 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 the incoming resources and application of resources of the charity 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 in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the 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 the auditors
We, The trustees of the charity who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

A resolution proposing that Azets Audit Services be reappointed as auditor of the Trust will be put to the Trustees.

Approved by the Trustees on 17/07/26 and signed on their behalf by: -

.....
Owen Ryan
Treasurer

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE AND CHRIST CHURCH, CHELSEA

Opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of St Luke and Christ Church, Chelsea (the 'charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025, and of the charity's 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 properly prepared in accordance with the requirements of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE AND CHRIST CHURCH, CHELSEA

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; o
- 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 set out on page 4, the trustees are responsible for the preparation of 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Auditor's responsibilities for the audit of the financial statements (continued)
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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

First Floor
River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH

S Holmes FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services, Statutory Auditor

Date: 18 August 2026

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE AND CHRIST CHURCH, CHELSEA

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Restated Total 2024 £
Income from:					
Donations and legacies	2	286,356	18,715	305,071	8,644,397
Charitable activities	3	68,831	-	68,831	-
Other trading activities	4	544,012	-	544,012	417,111
Investments	5	10,482	-	10,482	10,037
Other income	6	2,590	-	2,590	8,383
Total income		912,271	18,715	930,986	9,079,928
Expenditure on					
Charitable activities	7	1,156,332	36,755	1,193,087	970,153
Total expenditure		1,156,332	36,755	1,193,087	970,153
Net movement in funds before other recognised gain/(losses)		(244,061)	(18,040)	(262,101)	8,109,775
Other recognised gains/(losses):					
Gain/(Loss) on investments		-	64,128	64,128	18,798
Net income/(expenditure) for the year		(244,061)	46,088	(197,973)	8,128,573
Transfers between funds		-	-	-	-
Net movement in funds for the year		**(244,061)**	**46,088**	**(197,973)**	**8,128,573**
Reconciliation of funds:					
Fund balances brought forward 1 January 2025		8,600,172	531,815	9,131,987	1,003,414
Fund balances carried forward 31 December 2025		**8,356,111**	**577,903**	**8,934,014**	**9,131,987**

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

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE AND CHRIST CHURCH, CHELSEA

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note	2025 £	£	Restated 2024 £	£
Fixed assets					
Tangible assets	10		7,236,895		7,384,587
Investments	11		517,471		469,407
			7,754,366		7,853,994
Current assets					
Debtors	12	121,274		392,390	
Cash at bank and in hand		1,219,048		999,023	
		1,340,322		1,391,413	
Creditors: amounts falling due within one year	13	(160,674)		(113,420)	
Net current assets			1,179,648		1,277,993
Total assets less current liabilities			8,934,014		9,131,987
Represented by:					
Restricted funds	15		577,903		531,815
Unrestricted funds:					
General funds		905,415		1,001,784	
Designated for halls		7,236,895		7,384,587	
Designated for restoration		30,000		30,000	
Designated for music		183,801		183,801	
Total unrestricted funds			8,356,111		8,600,172
	14				
			8,934,014		**9,131,987**

The financial statements were approved and authorised for issue by the Board on 17/07/26

Signed on behalf of the board of Trustees

.....

Owen Ryan
Treasurer

The notes on pages 14 to 23 form part of these financial statements.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE AND CHRIST CHURCH, CHELSEA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Total 2025 £	Restated Total 2024 £
Cash flows from operating activities			
Net cash providing/used in operating activities	17	193,479	673,604
Cash flows from investing activities			
Dividends, interests and rent from investments		10,482	10,037
Proceeds from sale of investments		82,968	40,209
Purchase of investments		(60,299)	(35,150)
Movement in investment cash		(6,605)	1,417
Net cash provided by operating/investing activities		220,025	690,117
Cash flows from financing activities		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		220,025	690,117
Cash and cash equivalents at the beginning of the year		999,023	308,906
Cash and cash equivalents at the end of the year		**1,219,048**	**999,023**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting Policies

1.1 General information and basis of preparation

The Parochial Church Council of the Ecclesiastical Parish of St Luke and Christ Church, Chelsea is a registered charity with the Charity Commission in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on page 6 of the financial statements, under the heading 'Objects and governance structure'.

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The Parochial Church Council of the Ecclesiastical Parish of St Luke and Christ Church, Chelsea meets the definition of a bublic 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.

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.

1.2 Going concern

The trustees have reviewed the financial position of the Parochial Church Council and both Christ Church DCC and St Luke's DCC and are satisfied that, having considered the level of reserves held, expected income streams (including voluntary giving, grants and other parish income), and planned expenditure, the PCC has adequate resources to continue its activities for the foreseeable future.
In making this assessment, the trustees have considered the potential impact of economic conditions on income and costs, and have reviewed cash flow forecasts covering a period of at least twelve months from the date of approval of these financial statements. The PCC continues to monitor its financial performance closely and to take appropriate action to manage expenditure and maintain financial sustainability.

Accordingly, the trustees consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Fund accounting

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.
Designated funds are unrestricted funds that have been allocated for a specific purpose by the trustees.
Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income recognition

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 always possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

1.5 Expenditure recognition

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:

1 **Accounting Policies (continued)**

1.5 **Expenditure recognition**

- 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.

The Diocesan common fund is accounted for when payable, and any common fund unpaid at the balance sheet date is shown as a creditor.

1.6 **Tangible fixed assets**

Fixed assets over £2,000 are capitalised and depreciated over their useful life as follows:

Halls	2% straight line basis
Fixtures and fittings	33.33% straight line

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 buildings and movable church furnishing, whether maintenance or improvement, is written off as expenditure in the year in which is incurred.

1.7 **Fixed asset investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

1.8 **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 discount due.

1.9 **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 is has received as advanced payments for the goods or services it must provided.

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 SoFA as a finance cost.

1.10 **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.

1.11 **Taxation**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 **Judgements and key sources of estimation uncertainty**

Accounting estimates and judgements 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.

1 **Accounting Policies (continued)**

1.12 **Judgements and key sources of estimation uncertainty**

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

Church Hall Valuation

A key area of judgement is the valuation of the Church Halls. The valuation of each property is reassessed annually. They are amended when necessary to reflect current estimates.

2 **Donations and legacies**

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Restated Total 2024 £
Planned giving				
Gift Aid donations	61,924	-	61,924	64,479
Collections				
Collections and open plate	27,661	-	27,661	23,454
Special collections	-	4,015	4,015	3,863
Sundry donations	44,803	-	44,803	3,863
Tax recoverable	89,780	-	89,780	22,114
Grants and legacies				
Legacies and other grants	53,750	-	53,750	522,231
Hall Donations	-	-	-	415,577
Foodbank	-	3,850	3,850	4,850
Summer Programme	-	10,850	10,850	3,600
Other donations	8,438	-	8,438	5,961
Church hall valuations introduced	-	-	-	7,384,587
Church hall bank balances introduced	-	-	-	193,681
	286,356	18,715	305,071	8,648,260

3 **Charitable activities**

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Church fees	68,831	-	68,831	-
	68,831	-	68,831	-

4 **Other trading activities**

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Summer fete and Christmas bazaar	11,736	-	11,736	20,612
Church and other rentals	503,869	-	503,869	373,166
Car parking	26,517	-	26,517	23,333
Other church activities	1,890	-	1,890	-
	544,012	-	544,012	417,111

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2025

5 Income from investments

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Dividends and interest	10,482	-	10,482	10,037
	10,482	-	10,482	10,037

6 Other income

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Other income	2,590	-	2,590	8,383
	2,590	-	2,590	8,383

7 Analysis of expenditure on charitable activities
Summary by fund type

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Church activities	1,654	-	1,654	3,841
Parish expense	1,154,678	34,258	1,188,936	962,419
Foodbank expense	-	2,497	2,497	3,893
	1,156,332	36,755	1,193,087	970,153

8 Analysis of expenditure on charitable activities
Summary by activity

	Direct costs 2025 £	Other costs 2025 £	Support costs 2025 £	Total 2025 £	Total 2024 £
Church activities	1,654	-	-	1,654	3,841
Parish expense	623,357	-	565,579	1,188,936	962,419
Foodbank expense	-	2,497	-	2,497	3,893
	625,011	2,497	565,579	1,193,087	970,153

Analysis of direct costs

	2025 £	2024 £
Donations paid	1,654	8,618
Running costs	64,905	49,271
Repairs and maintenance	72,972	58,330
Music & Choir costs	84,572	94,820
Sunday school costs	616	3,321
Parish magazine costs	5,000	11,754
Diocesan Common Fund	168,981	191,610
Churchyard upkeep	2,153	1,234
Other ministry costs	59,967	15,987
Staff salaries costs	160,932	188,757
Chancel costs	3,259	8,065
	625,011	631,767

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2025

8 Analysis of expenditure on charitable activities (continued)
Analysis of support costs

	2025	2024
	£	£
Depreciation	147,692	-
Printing & stationery	8,260	24,332
Computer costs	9,729	8,556
Insurance	40,558	34,852
Cleaning	90,839	63,366
Accountancy	52,976	33,451
Auditor remuneration	34,200	34,400
Legal & professional	27,170	16,971
Utilities & rates	84,724	59,757
Telephone & internet	5,932	4,647
Bank charges	(475)	4,525
Other costs	58,970	24,588
Bad debt	5,004	-
	565,579	309,445

9 Staff costs

	2025	2024
	£	£
Wages and salaries	142,361	173,512
Social security costs	10,430	5,294
Other pension costs	8,141	9,951
	160,932	188,757

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

	2025	2024
	No.	No.
	6	6

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

The total remuneration and benefits of key management was £Nil (2024: £Nil). The key management comprises the Trustees and Rector, who are not remunerated by the PCC. Expenses were reimbursed to 5 trustees (2024: 0) in respect of expenses incurred in performance of their duties, amounting to £8,101 (2024: £Nil).

10 Tangible fixed assets

	Church halls	Furnishings and equipment	Total
	£	£	£
Cost			
As at 1 January 2025	7,384,587	21,478	7,406,065
As at 31 December 2025	7,384,587	21,478	7,406,065
Depreciation			
As at 1 January 2025	-	21,478	21,478
Charge for the year	147,692	-	147,692
As at 31 December 2025	147,692	21,478	169,170
Net book value			
As at 31 December 2025	7,236,895	-	7,236,895
As at 31 December 2024	7,384,587	-	7,384,587

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2025

11 Investments

	Listed investments £
As at 1 January 2025	469,407
Additions	60,299
Disposals	(82,968)
Revaluations	64,128
Movement in investment cash	6,605
As at 31 December 2025	517,471
Net book value	
As at 31 December 2025	517,471
At 31 December 2024	469,407

12 Debtors

	2025 £	Restated 2024 £
Trade debtors	43,488	39,001
Other debtors	77,786	159,708
Accrued income	-	193,681
	121,274	392,390

13 Creditors: amounts falling due within one year

	2025 £	Restated 2024 £
Trade creditors	47,467	15,812
Accruals and deferred income	87,278	95,847
Other creditors	25,929	1,761
	160,674	113,420

14 Deferred Income

	2025 £	2024 £
Deferred income at 1 January 2025	22,630	10,700
Released from previous years	(22,630)	-10,200
Resources deferred in the year	30,997	22,130
	30,997	22,630

Deferred income consists of payments received in advance.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2025

15 Statement of funds
2025

	Restated Balance at 1 January 2025	Income	Expenditure	Gains/ (losses)	Transfers	Balance at 31 December 2025
	£	£	£	£	£	£
Unrestricted funds						
General funds	1,001,784	912,271	(1,008,640)	-	-	905,415
Designated for restoration	30,000	-	-	-	-	30,000
Designated for music	183,801	-	-	-	-	183,801
Designated for halls	7,384,587	-	(147,692)	-	-	7,236,895
	8,600,172	912,271	(1,156,332)	-	-	8,356,111
Restricted funds						
Restricted funds	531,202	14,865	(34,258)	64,128	-	575,937
Special collections	613	-	-	-	-	613
Foodbank	-	3,850	(2,497)	-	-	1,353
	531,815	18,715	(36,755)	64,128	-	577,903
Total funds	**9,131,987**	**930,986**	**(1,193,087)**	**64,128**	**-**	**8,934,014**

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 1 listed.

Music Fund: This fund was set up as a bequent from a former parishioner, who wished the money to be used for music at St Luke's.

Halls Fund: This fund was established based on the introduction of the halls in 2024.

Restricted Fund: This comprises the Bell Fund, Investment fund and the CCLA funds.

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 expended from the foodbank, which was set up in 2023.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2025

15 Statement of funds (continued)

2024

	Restated Balance at 1 January 2024 £	Restated Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2024 £
Unrestricted funds						
General funds	255,258	1,686,627	(939,757)	-	(344)	1,001,784
Designated for restoration	30,000	-	-	-	-	30,000
Designated for music	183,801	-	-	-	-	183,801
Designated for halls	-	7,384,587	-	-	-	7,384,587
	469,059	9,071,214	(939,757)	-	(344)	8,600,172
Restricted funds						
Restricted funds	535,043	3,864	(26,503)	18,798	-	531,202
Special collections	613	-	-	-	-	613
Foodbank	(1,301)	4,850	(3,893)	-	344	-
	534,355	8,714	(30,396)	18,798	344	531,815
Total funds	**1,003,414**	**9,079,928**	**(970,153)**	**18,798**	**-**	**9,131,987**

16 Analysis of net assets between funds

2025

	Unrestricted funds £	Restricted funds £	Total £
Tangible assets	7,236,895	-	7,236,895
Fixed asset investments	-	517,471	517,471
Current assets	1,279,890	60,432	1,340,322
Current liabilities	(160,674)	-	(160,674)
Total	**8,356,111**	**577,903**	**8,934,014**

2024 (Restated)

	Unrestricted funds £	Restricted funds £	Total £
Tangible assets	7,384,587	-	7,384,587
Fixed asset investments	-	469,407	469,407
Current assets	1,369,373	62,408	1,431,781
Current liabilities	(153,788)	-	(153,788)
Total	**8,600,172**	**531,815**	**9,131,987**

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

	2025 £	Restated 2024 £
Net (loss)/income for the year (as per Statement of Financial Activities)	(197,973)	8,128,573
Adjustments for:		
Depreciation charge	147,692	-
Gains/(losses) on investments	(64,128)	(18,798)
Donation of halls	-	(7,384,587)
Dividends, interests and rents from investments	(10,482)	(10,037)
(Increase) / decrease in debtors	271,116	(46,057)
Increase / (decrease) in creditors	47,254	4,510
	193,479	**673,604**

18 Future Commitments

Operating Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025 £	2024 £
Within one year	17,238	2,873
Between two and five years	41,229	10,059
In over five years	-	-
	58,467	**12,932**

19 Related party transactions

The former rector, Rev Brian Leathard, retired on the 14 May 2025. The charity paid him a retirement gift of £6,750. This was fully funded by donations from trustees and members of the congregation.

On the 14 May 2025, Millie Kirkland was appointed as a trustee. Millie Kirkland is contracted to manage social media, the website, the magazine and hall bookings for the charity. From the date of her appointment, the charity paid her £7,826 (2024: £nil).

On the 14 May 2025, Julie Clancy was appointed as a trustee. Julie Clancy rents a part of the church to run a café. From the date of her appointment, she paid the charity £6,800 (2024: £nil) for rent. In this time, she was also remunerated for performing catering services for a number of parish events. From the date of her appointment, the charity paid her £2,143.

During the year, the charity paid £197,510 (2024: £191,610) to the Diocese of London.

20 Prior year adjustment

During the year the charity recognised an error in relation to the trade creditor listing. The listing included liabilities of 40,368 which had been settled in prior years but were still recorded as outstanding as at 31 December 2025. On review, items had been incorrectly posted dating back to 2020. The charity also identified an income invoice for £7,000 which had been incorrectly written off and instead should be included within debtors.

The charity also identified an income invoice for £7,000 which had been incorrectly written off and instead should be included within debtors.

It was also identified that the bank accounts held in the name of the Church Halls which were transferred in 2024 should have also been transferred at the same date. A donation of £193,681 has therefore been recognised in 2024 which has increased the income within 2024 accounts.

The comparative figures have been restated to reflcect the correct treatment.

Impact on the balance sheet for year ended 31 December 2025:

	As previously stated	Adjustment	Restated
Income	8,886,247	193,681	9,079,928
Debtors	191,709	7,000	198,709
Creditors	153,788	- 40,368	113,420
Net assets	8,890,938	241,049	9,131,987

This adjustment increased unrestricted funds by £241,049. Opening balances as at 1 January 2024 and 2025 have been restated accordingly.