



Kensington Unitarians

112 Palace Gardens Terrace, Notting Hill Gate, London W8 4RT



Annual Report 2020

Essex Unitarian Church

Annual Report for the year ended 31st December 2020

Name of Charity

Essex Unitarian Chapel and Minister's House and Other Charities, as shown, known locally as Kensington Unitarians, 112 Palace Gardens Terrace, Kensington, London W8 4RT.

Charitable Registration

The church is registered as Charity number 230789. The original governing instrument is a conveyance dated 7th January 1783 and modified by schemes dated 9th December 1884, 15th January 1973 and 18th April 1986, which last incorporated the remaining eight charities.

Trustees:

Gina Bayley (until February 2020), Roy Clark (chair), Brian Ellis, Heidi Ferid-Hands, Howard Hague, Harold Lorenzelli, Roy Parnell and Jennifer Young (from April 2021).

The Custodian Trustee is the British and Foreign Unitarian Association Incorporated.

Management Committee

Gina Bayley (until February 2020), Roy Clark (chair), Maureen Cummings (from February 2020 until December 2020), Brian Ellis, Heidi Ferid-Hands, John Humphreys (from January 2021), Harold Lorenzelli, Jeannene Powell (from February 2021) and Jennifer Young (from July 2020).

Minister

Rev. Sarah Tinker (Retired 31 December 2020)
The Manse Flat, 112 Palace Gardens Terrace, London W8 4RT

Treasurer

Juliet Edwards
112 Palace Gardens Terrace, London W8 4RT

Warden

Jenny Moy
Warden's Flat, 112 Palace Gardens Terrace, London W8 4RT

Secretary

Jane Blackall
20 Manchester Grove, London E14 3BG

Independent Examiners and Accountants

Lindeyer Francis Ferguson Limited
North House, 198 High Street, Tonbridge, Kent, TN9 1BE

Investment Advisers

Citi Quilter
4th Floor, The Pinnacle, 73 King Street, Manchester, M2 4NG

Bankers

CAF Bank Ltd.
25 King's Hill Avenue, King's Hill, West Malling, Kent, ME19 4TA

Essex Unitarian Church

Annual Report for the year ended 31st December 2020

The Trustees submit their annual report together with the financial statements of Essex Unitarian Church for the year ended 31 December 2020. The Trustees have adopted the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP FRS 102).

The Charity's Purpose and Objectives:

Charitable Purpose and Policies

The purpose of the charity is to perpetuate public worship and to celebrate divine service every Sunday in the Unitarian manner.

Public Benefit

The Trustees have had due regard to the guidance issued by the Charity Commission on public benefit when reviewing the charity's objectives and planning future activities.

Aims and Activities of the Charity

We are here to worship, to welcome spiritual seekers, to explore our diverse faith lives, to share our experiences, to learn from each other, and to offer companionship on life's journey (including visiting the sick and comforting the bereaved). We advance Unitarianism in West London and beyond for the benefit of the public through: the holding of open Sunday services; celebrating rites of passage and multi-faith festivals; offering programmes for religious education, spiritual development, and social connection; producing and distributing Unitarian literature. The church also provides meeting spaces for other spiritual and social groups in accord with our progressive religious ethos.

Structure, Governance and Management

The running of the church is under the control of the management committee with the trustees having overall responsibility for finance and staff employment. Trustees are appointed by invitation with a maximum number of 9 trustees to serve. They manage the charity by means of regular meetings, typically meeting eight times a year. The management committee is elected at the AGM with casual vacancies filled during the year. New trustees are given copies of the church accounts and previous Annual Reports along with a Charity Commission booklet explaining the responsibilities of trustees and a verbal explanation of how the church is organised.

The trustees who have served during the year are listed, with other key personnel, on page 1.

Review of Activities

During 2020 the trustees continued to work towards key objectives identified during previous AGMs and developed new initiatives in response to the challenges presented by the Covid-19 pandemic. In particular these objectives included:

- Our commitment to maintaining a high standard in public progressive religious worship as we moved our services online.
- Making our congregation visible to the wider world through further developing a high quality presence in digital media.
- Opening up new ways for people who are unable to attend in-person activities due to work, health, family, or caring responsibilities, and those who are geographically isolated, to take a full part in the life of the church through integrated online programming.

- Widening the number of people actively involved in congregational life by offering opportunities for people to take on leadership roles, to join a varied programme of small group activities and to volunteer for tasks which support the life of the church.
- The on-going maintenance and improvement of our church building and its facilities.
- Renting space to groups whose activities are in accord with our ethos and enabling some local groups to use our building at low cost.
- Encouraging congregation members to participate in national Unitarian events in order to forge links with our wider movement.

Future Aims and Objectives

These objectives will continue to shape the trustees' future plans, with a renewed focus on developing high-quality hybrid activities which are accessible to both in-person and online congregation members, and a continuing emphasis on maintaining and improving facilities within our building. As always we commit ourselves to welcoming all who seek an open-minded and open-hearted spiritual community, reaching out to work with others, and connecting with other local groups for the benefit of our wider community.

Risks

The major risk is generating enough income to finance the charity's occupation of the building and the global pandemic of 2020 has led to a significant drop in our lettings income. The trustees and staff have worked to encourage donations and to reduce costs during these exceptional times. Trustees continue to review the risks to which the charity is exposed, systems have been established to mitigate those risks, and temporary financial losses are being managed prudently in order to ensure longer term recovery.

Financial Review

The results for the year are set out in the statement of financial activities on page 6 and the position at the end of the year is shown in the balance sheet on page 6. The total income for the year was £133,020, compared to £183,610 in 2019 and expenditure was £132,507 compared to £155,337 in 2019, which resulted in a deficit of £25,879 (2019 surplus of £100,895) after the net losses (2019 net gains) on the revaluation of investments. Excluding gains and losses on investments we achieved a surplus of £513 for the year compared to £28,273 in 2019.

Policy on Reserves

The Church's unrestricted funds at 31 December 2020 were £642,284 of which £312 was held in fixed assets leaving free reserves of £641,972. The church has invested most of the reserves in funds expected to give a reasonable rate of interest, while keeping accessible enough to cover three month's running costs, and to fund anything but very major repairs to the building.

Restrictions on Funds

All Funds/Trusts under the control of the Trustees are for the benefit of the Church other than Carlisle Income Fund (income may be expended at the sole discretion of the Minister) and Stock Bequest (income must be used for Church music). We are working towards merging the small trusts, except the Stock Bequest and the Lindsey Hall Trust, into the main Essex Church charity, in which case Carlisle Income Fund will be replaced by a sum from general church funds, agreed by the trustees, being set aside for the minister's discretionary use.

Investment Performance

Having consulted financial advisors attached to the Unitarian and Free Christian General Assembly, the church divided their financial reserves between short and long term investments, bearing in mind their duty to invest safely and sensibly.

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), including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Charity law 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, including the income and expenditure, 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 FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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. 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.

Approved on behalf of the Trustees:

.....
Roy Clark
Chair of the Congregation

Date:

ESSEX UNITARIAN CHURCH

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 Unrestricted Funds £	2020 Endowment Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Income from:					
Donations and legacies	11,334	-	-	11,334	10,442
Investments					
Dividends	11,607	-	5,013	16,620	20,401
Bank interest	2,153	-	-	2,153	2,217
Gift aid reclaim	1,342			1,342	2,331
Other trading activities					
Lettings income	78,919	-	-	78,919	148,219
Furlough Grant	22,652	-	-	22,652	-
Total income	128,007	-	5,013	133,020	183,610
Expenditure on:					
Raising funds	52,554	-	-	52,554	56,077
Charitable activities	79,953	-	-	79,953	99,260
Total expenditure	132,507	-	-	132,507	155,337
Net (loss)/ gain on investments	(7,750)	1,033	(19,675)	(26,392)	72,712
Net(expenditure)/income	(12,250)	1,033	(14,662)	(25,879)	100,985
Transfers between funds	5,013	-	(5,013)	-	-
Net movement in funds	(7,237)	1,033	(19,675)	(25,879)	100,985
Reconciliation of funds:					
Funds brought forward	649,521	1,370,873	130,051	2,150,445	2,049,460
Funds carried forward	642,284	1,371,906	110,376	2,124,566	2,150,445

In the previous year income included restricted dividends of £6,325. Net gains on investments included gains of £14,976 on restricted funds and £2,470 on endowment funds.

ESSEX UNITARIAN CHURCH

**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Notes	2020 Total Funds £	2019 Total Funds £
Fixed assets			
Tangible assets	5	1,323,021	1,323,131
Investments	6	586,340	611,299
		<u>1,909,361</u>	<u>1,934,430</u>
Current assets			
Debtors	8	7,921	11,008
Cash at bank and in hand	9	233,292	230,432
		<u>241,213</u>	<u>241,440</u>
Creditors : amounts falling due within one year	10	26,008	25,425
		<u>26,008</u>	<u>25,425</u>
Net current assets		215,205	216,015
Total net assets		<u>2,124,566</u>	<u>2,150,445</u>
The funds of the charity			
Endowment funds	11	1,371,906	1,370,873
Restricted income funds	11	110,376	130,051
Unrestricted funds	11	642,284	649,521
		<u>2,124,566</u>	<u>2,150,445</u>

Approved by the trustees on.....and signed on their behalf by:

.....
Roy Clark

1 Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the requirements of the Charities Act 2011, 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) (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Essex Unitarian Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

The financial statements are prepared in pounds sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

Incoming resources

Lettings income is recognised on a receivable basis.

Grant income is recognised when a formal offer is made in writing to the Society, unless the grant contains terms and conditions which must be met before the charity is entitled to the funds.

Donations are recognised when the charity has entitlement to the funds, any performance conditions attached to the funds have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from legacies is recognised when there has been a grant of probate, the executors have established that there are sufficient assets in the estate to pay the legacy, and any conditions attached to the legacy are within the charity's control or have been met.

Income from investments, is stated at the amount receivable.

Resources expended

Expenditure is recognised when there is a legal or constructive obligation to transfer resources to a third party, settlement is probable and the amount can be measured reliably. Expenditure is stated gross of irrecoverable VAT and has been classified under headings that aggregate all costs related to the category.

Support costs are allocated between raising funds and charitable activities based on the usage of the building.

Financial instruments

The charity only has financial instruments of a kind that qualify as basic financial instruments. Short term debtors and creditors are measured at their settlement value. Any losses from impairment are recognised in the statement of financial activities.

1 Accounting policies continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

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 any other purpose.

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 aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally the church building and the investments. The income arising on The Carlisle endowment fund can be spent at the discretion of the minister. The income arising on the other endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income.

Tangible fixed assets and depreciation

Fixed assets (excluding investments and the freehold property) are stated at cost less accumulated depreciation. The costs of minor additions, or those costing below £400 are not capitalised.

Fixtures, fittings and works of art are depreciated at rates of 10% or 20% on cost per annum, depending on the estimated useful life of the asset. Computer equipment is depreciated on a straight line basis over 3 years.

Freehold property is included at the balance sheet at its deemed cost plus the cost of subsequent improvements. The freehold property is not depreciated as in the opinion of the trustees the estimated residual value and useful economic life of the property are sufficiently high that any depreciation would be immaterial.

Investments

Investments held are stated at market value. All movements in valuation are taken to the Statement of Financial Activities.

Pension costs

The charity contributes to the Ministers Pension Fund. The assets of the scheme are held separately from those of the charity in an independently administered fund. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. However because it is not possible to attribute the scheme's assets and liabilities to specific employees, its contributions are accounted for as if it were a defined contribution scheme. The pension cost charge represents contributions payable by the charity to the fund totalling £3,884 (2019: £3,884).

The charity also operates a defined contribution scheme for the benefit of the other employees. Contributions payable are charged to the Statement of Financial Activities in the year they are payable. The charge for the year was £2,649 (2019: £3,554).

Status

The Church is a registered charity in England and Wales. The address of the registered office is given in the Report of the Trustees.

ESSEX UNITARIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies continued

Significant estimates and judgements

The key sources of estimation uncertainty at the balance sheet date relate to the assessment of the useful life and the residual value of the charity's freehold property, which is included in the financial statements at its cost of £1,322,709 including land. The trustees consider that the charity will make use of the property for at least 50 years, and that, because they intend to maintain the property to at least its current condition, the value of the property in today's prices if it were at the end of its useful life is not less than its cost.

2 Expenditure on raising funds

	2020 Unrestricted Funds £	2020 Endowment Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Staff costs	29,759	-	-	29,759	32,399
Book costs	-	-	-	-	38
Support costs (Note 4)	22,795	-	-	22,795	23,640
	<u>52,554</u>	<u>-</u>	<u>-</u>	<u>52,554</u>	<u>56,077</u>

3 Expenditure on charitable activities

Staff costs	53,876	-	-	53,876	58,519
Staff courses & training	2,049	-	-	2,049	2,221
Congregational costs	1,229	-	-	1,229	6,638
Music	2,559	-	-	2,559	10,779
Donations, grants & projects	853	-	-	853	3,145
Support costs (Note 4)	19,387	-	-	19,387	17,958
	<u>79,953</u>	<u>-</u>	<u>-</u>	<u>79,953</u>	<u>99,260</u>

4 Support costs

General support costs

Insurance	3,639	-	-	3,639	3,449
Utilities	6,817	-	-	6,817	9,595
Cleaning	1,985	-	-	1,985	1,712
Repairs and maintenance	11,763	-	-	11,763	9,252
Office costs	9,878	-	-	9,878	11,119
Depreciation	110	-	-	110	333

Governance costs

Independent Examiner fees	2,510	-	-	2,510	2,400
Other fees paid to the Independent Examiner:					
Accountancy and payroll fees	5,480	-	-	5,480	3,738
	<u>42,182</u>	<u>-</u>	<u>-</u>	<u>42,182</u>	<u>41,598</u>

ESSEX UNITARIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5 Fixed tangible assets	Freehold Property £	Fixtures & Fittings £	Total £
Cost			
At 1st January 2020	1,322,709	87,899	1,410,608
At 31st December 2020	<u>1,322,709</u>	<u>87,899</u>	<u>1,410,608</u>
Depreciation			
At 1st January 2020	-	87,477	87,477
Charge for the year	-	110	110
At 31st December 2020	<u>-</u>	<u>87,587</u>	<u>87,587</u>
Net Book Value			
At 31st December 2020	<u>1,322,709</u>	<u>312</u>	<u>1,323,021</u>
At 31st December 2019	<u>1,322,709</u>	<u>422</u>	<u>1,323,131</u>

The Freehold property relates to the Essex Church building in Palace Gardens Terrace.

6 Listed investments	General Fund £	The Stock Bequest £	The Carlisle Fund £	Endowment Funds £	Total £
Market value at 1 January 2020	463,194	129,588	11,739	6,778	611,299
Add: Additions at cost	1,433	-	-	-	1,433
Net losses on revaluation	(7,750)	(19,675)	614	419	(26,392)
Market value at 31 December 2020	<u>456,877</u>	<u>109,913</u>	<u>12,353</u>	<u>7,197</u>	<u>586,340</u>

Non-UK investments total £244,379 as at the year end. UK investments total £341,963.

7 Employee costs

There was an average of five employees in the financial year (2019: 5). The significant volume of voluntary contribution to the life of the Church by members of the congregation is not quantified in these accounts.

	Ministry £	Church Running £	2020 Total £	2019 Total £
Minister	27,735	-	27,735	29,835
Outreach Officer	18,750	-	18,750	19,616
Warden	-	17,366	17,366	19,276
Administration	-	2,169	2,169	2,246
Cleaner	-	8,420	8,420	8,181
Social security costs	1,189	357	1,546	2,883
Pension contributions	5,596	1,447	7,043	7,438
Employee costs	<u>53,270</u>	<u>29,759</u>	<u>83,029</u>	<u>89,475</u>
Locum Preachers	606	-	606	1,443
Total staff costs	<u>53,876</u>	<u>29,759</u>	<u>83,635</u>	<u>90,918</u>
Average number of staff:				
31 December 2020	<u>2</u>	<u>3</u>	<u>5</u>	
31 December 2019	<u>2</u>	<u>3</u>	<u>5</u>	

ESSEX UNITARIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7 Employee costs continued

No employee earned over £60,000 during the year.

Key management personnel are considered to be the trustees and JM Blackall, J Edwards and JE Moy. Total remuneration to key management personnel in 2020 was £39,292 (2019: £45,682.)

The trustees are not remunerated. Fees are paid to trustees for officiating at services and preaching. During the year the following fees were paid to two trustees for such services: choir fees £360 (2019: £1,545) and repairs £NIL (2019 £154).

There are no other related parties to disclose.

8 Debtors

	2020	2019
	£	£
Trade debtors	1,110	7,653
Other debtors	3,011	1,669
Prepayments	3,800	1,686
	<u>7,921</u>	<u>11,008</u>

9 Cash at bank and in hand

	2020	2019
	£	£
Cash at bank and on deposit	229,811	226,055
Cash held for rent deposit (see below)	4,381	4,377
Cash held by Stockbroker	(900)	-
	<u>233,292</u>	<u>230,432</u>

This balance represents a rental deposit received from Lucy Williamson under a revised Rent Security Deposit Deed dated August 2007. According to the revised terms of the Deed, the deposit represented half of the revised annual rent in the prior period, and approximately one month's rent for the current period, and must be held in an interest bearing account in the name of the trustees. All interest earned on this account is payable to Miss Williamson on written request.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10 Creditors : amounts falling due within one year

	2020	2019
	£	£
Trade creditors	-	1,523
Social security & pensions	2,762	2,771
Held as agent	456	(169)
Accruals and deferred income	18,409	16,923
Rent deposit	4,381	4,377
	<u>26,008</u>	<u>25,425</u>

Income is deferred on the letting of the nursery billed quarterly. Movement on deferred income is as follows:

	2020	2019
	£	£
As at 1 January	4,620	4,620
Released	(4,620)	(4,620)
Additions	4,620	4,620
As at 31 December	<u>4,620</u>	<u>4,620</u>

Funds held as agent refer to donations collected by the church on behalf of other agencies. During the year £456 (2019: £169) was received and is shown in creditors due within one year.

11 Analysis of funds - current year

	Brought forward	Net movement	Movement on investments	Carried forward
	£	£	£	£
Endowment Funds				
* Permanent Endowment	1,316,255	-	-	1,316,255
Carlisle Capital Fund	10,139	-	614	10,753
Theophilus Lindsey	2,378	-	-	2,378
Percival North	535	-	-	535
Harriet Pearson	1,464	-	-	1,464
Thomas Scott	2,162	-	-	2,162
Mrs M L Whyte	2,825	-	-	2,825
Lindsey Hall	35,115	-	419	35,534
Total endowment funds	<u>1,370,873</u>	<u>-</u>	<u>1,033</u>	<u>1,371,906</u>

Endowment Funds:

The endowments listed above comprise the original charity, known from 1793 as the Essex Unitarian Chapel and Minister's House, together with a number of other charities founded between the 19th and 20th centuries. These have been brought together by a number of Schemes of the Charity Commissioners, the most recent dated 18 April 1986. Under the terms of the Scheme, these charities are administered as a single charitable body. The smaller charities are accounted for as Endowment Funds, with the exception of the Stock bequest (for the Choir Fund).

- * The permanent endowment fund consists of the deemed cost of the property from which the charity operates and is not a readily convertible asset.

ESSEX UNITARIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

11 Analysis of funds - current year continued

	Brought forward £	Net movement £	Movement on investments £	Carried forward £
Restricted Funds				
A E Stock Bequest	130,051	-	(19,675)	110,376
Total restricted funds	<u>130,051</u>	<u>-</u>	<u>(19,675)</u>	<u>110,376</u>

The AE Stock Bequest funds were a bequest for the use of the choir.

Unrestricted Funds				
General Fund	649,521	513	(7,750)	642,284
Total Funds	<u>2,150,445</u>	<u>513</u>	<u>(26,392)</u>	<u>2,124,566</u>

Net movement in funds, included in the above, are as follows:

	Income £	Expenditure £	Transfers £	Net movement £
Restricted and Endowment Funds				
A E Stock Bequest	4,722	-	(4,722)	-
Carlisle Income Fund	291	-	(291)	-
	<u>5,013</u>	<u>-</u>	<u>(5,013)</u>	<u>-</u>
Unrestricted Funds				
General Fund	128,007	(132,507)	5,013	513
	<u>133,020</u>	<u>(132,507)</u>	<u>-</u>	<u>513</u>

The income received on the A E Stock Bequest Fund and the Carlisle Income Fund have been transferred from restricted and endowment funds to unrestricted because any income arising from the investments can be used at the discretion of the trustees.

12 Analysis of funds - prior year

	Brought forward £	Net movement £	Movement on investments £	Carried forward £
Endowment Funds				
Permanent Endowment	1,316,255	-	-	1,316,255
Carlisle Capital Fund	8,698	-	1,441	10,139
Theophilus Lindsey	2,378	-	-	2,378
Percival North	535	-	-	535
Harriet Pearson	1,464	-	-	1,464
Thomas Scott	2,162	-	-	2,162
Mrs M L Whyte	2,825	-	-	2,825
Lindsey Hall	34,086	-	1,029	35,115
Total endowment funds	<u>1,368,403</u>	<u>-</u>	<u>2,470</u>	<u>1,370,873</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12 Analysis of funds - prior year continued

	Brought forward £	Net movement £	Movement on investments £	Carried forward £
Restricted Funds				
A E Stock Bequest	115,075	-	14,976	130,051
Total restricted funds	<u>115,075</u>	<u>-</u>	<u>14,976</u>	<u>130,051</u>
Unrestricted Funds				
General Fund	565,982	28,273	55,266	649,521
	<u>565,982</u>	<u>28,273</u>	<u>55,266</u>	<u>649,521</u>
Total Funds	<u><u>2,049,460</u></u>	<u><u>28,273</u></u>	<u><u>72,712</u></u>	<u><u>2,150,445</u></u>

Net movement in funds, included in the above, are as follows:

	Income £	Expenditure £	Transfers £	Net movement £
Endowment Funds				
Permanent Endowment	-	-	-	-
Restricted Funds				
A E Stock Bequest	6,039	-	(6,039)	-
Carlisle Fund Income Fund	286	-	(286)	-
	<u>6,325</u>	<u>-</u>	<u>(6,325)</u>	<u>-</u>
Unrestricted Funds				
General Fund	177,285	(155,337)	6,325	28,273
	<u>183,610</u>	<u>(155,337)</u>	<u>-</u>	<u>28,273</u>

13 Analysis of net assets between funds

	Unrestricted Funds 2020 £	Endowment Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Current year					
Tangible assets	312	1,322,709	-	1,323,021	1,323,131
Investments	456,877	19,550	109,913	586,340	611,299
Net assets	185,095	29,647	463	215,205	216,015
	<u>642,284</u>	<u>1,371,906</u>	<u>110,376</u>	<u>2,124,566</u>	<u>2,150,445</u>
Prior year					
Tangible assets	422	1,322,709	-	1,323,131	1,323,464
Investments	463,194	18,517	129,588	611,299	536,917
Net assets	185,905	29,647	463	216,015	189,079
	<u>649,521</u>	<u>1,370,873</u>	<u>130,051</u>	<u>2,150,445</u>	<u>2,049,460</u>

Treasurer's Report

Essex Church (Kensington Unitarians) is keeping on Keeping On. January and February were almost normal, financially, although we were aware of what was becoming a world pandemic. Then 'lockdown' began.

Much of the church's income is from lettings and they came to an end and of course our investments lost value too. Jenny will explain in her report which lettings were able to open again during the year.

We had to stop holding services in the church, which meant, financially, we did not have weekly 'collections' which would normally be about £100. I circulated an email explaining this and asking anyone who was not going to be under financial pressure themselves to make a contribution either by a one off donation or by setting up a standing order to make a monthly donation. Our congregation has been very generous and donations were soon made easier by the installation of a button on our Kensington Unitarians website which would take you to a PayPal site (though it was not necessary to use PayPal to arrange a payment). We currently hold our services and other events online. Who would have thought that a new expense would have been two Zoom licences!

The Government helped the situation by initiating a furlough scheme which helped us to pay our employees when there was, slightly, less work to be done. Until the end of the year Sarah Tinker, Jenny Moy, Jane Blackall and I took a 20% reduction in our salaries.

With some regret but having reached the time she could receive her State Pension, Sarah Tinker announced her intention to retire, on December 31st 2020. It was a generous decision on Sarah's part. We can save our resources until we can afford to have a fulltime minister again and we hope to rent out the Manse Flat for a while too.

I invited members of our congregation, near and far, old and new to contribute to a Testimonial for Sarah to show how much we appreciate and love her. She was minister at Essex Church for 15 years. We were able to give her a cheque for £1,801 and there were some separate donations too, which reached just under £3,000 in total. When we are back in our beloved church again we owe Sarah a splendid party.

The pandemic has had a serious effect on the income of most charities and businesses and Essex Church has, of course been no exception to this. We will continue to be affected financially in 2021. But our congregation has been in existence since 1774 and as treasurer I am confident we can weather these difficult times and emerge with the resources we need to continue as a thriving spiritual community.

Juliet Edwards
Congregational Treasurer

Chair of Trustees and Management Committee's Report

Every year in the life of our church community brings changes, challenges, joys and sorrows, arrivals and departures. This year has undoubtedly seen all of those happenings in extremis as we have grappled with the impact of the Coronavirus pandemic.

When the government announced the first set of restrictive measures and lockdown due to Covid-19 back in March of this year, our staff and trustees sprang into action. In short order a revised budget and lettings programme were established and new protocols for entering and using the building. A building subcommittee was promptly set up to manage and plan all aspects of building management and sustainability for the period of the pandemic and its aftermath. Our Warden Jenny Moy was pivotal in all of these developments and a key factor in their continuing success in protecting staff and visitors and stabilising our revenue streams.

Given the severe disruption and subsequent loss of much of our rental income this year, our church finances, although very significantly reduced, remain healthy. This is in part due to prudent financial management in the past resulting in a good level of reserves. We have also been helped financially by the UK Government furlough scheme.

A further important factor has been the generosity of members of the congregation. Like any charitable organisation, we are grateful to receive donations that help us continue our work in the world, especially at this time as the aforementioned fall in lettings income is unlikely to recover for some considerable time.

The other major development to report (in terms of our church life) is that our long standing Minister Sarah Tinker retired on December 31st after 15 years of outstanding service to Kensington Unitarians. She has been a wonderful and inspiring minister and we wish her every happiness as she leaves us to enjoy a both a well-earned rest and the challenge of other roles within the Unitarian movement. We look forward to the whole congregation celebrating her ministry in person once the pandemic has eased.

Our Outreach Officer and Ministry Student Jane Blackall will be stepping up to the newly created role of Ministry Coordinator. As well as maintaining many of her existing administrative functions, going forward Jane will assume responsibility for programme and pastoral matters. During the past few months Jane has already taken on many of our Sunday and midweek services, coffee mornings and other activities. As we have not been able to gather to worship in person due to the Covid crisis, Jane has developed digital delivery methods through Zoom/podcasts and YouTube uploads. On behalf of the Trustees I would like to thank and commend Jane on her exceptional service at this time of need.

It is anticipated that the congregation will not look to appoint a new full time Minister until 2022.

I would like to end by thanking my fellow trustees and members of the Church Management Committee for their wisdom, good humour, sound good sense, hard work and energy in guiding our church during these immensely challenging times.

Roy Clark
Chair of the Congregation

Minister's Report

I wonder how many of us remembered this old saying at some point during the year 2020: if you want to make the gods smile, tell them your plans. The global pandemic brought our habitual ways of being to a rapid halt and altered most people's plans. As the year progressed and the serious effect on church finances became apparent, I decided to bring forward my retirement by one year and leave this ministry at the end of 2020. A minister is an expensive investment for any congregation and after 15 years serving Kensington Unitarians, it felt the right time to step away. When income allows, this congregation will offer a marvellous opportunity for a new minister, who can bring fresh energy and ideas for our changed and changing times.

In the meantime I am very grateful to be leaving this congregation in such capable hands – hands of both paid staff and volunteers. My thanks go to Jenny Moy as our resident warden, who has kept us so up to date with the latest government requirements and the science of virology. My thanks go to Jane Blackall, now our Ministry Coordinator, who so quickly set up various innovative ways of keeping us in touch online as a worshipping community. Who could have known that Zoom coffee mornings would be such fun! My thanks go to all our trustees who have stepped up so willingly to take the reins of responsibility in this time of transition.

And my greatest thanks go to every person who has been part of the Kensington Unitarians congregation, for welcoming me into a first ministry back in 2005, for engaging so enthusiastically with ministry as a shared path and for raising such a very generous collection for my 'kayak fund' as a leaving gift. I'll look forward to a time when we can hold a leaving celebration in person, when I can thank each of you face to face, hand in hand.

Once our building closed in March 2020, we had to find new ways of 'doing' and 'being' church. Not everybody has been able to adapt to online worship and social gatherings, so I am especially grateful to those congregation members who have made the effort to keep in touch with others by phone, sending cards and meeting up outdoors. This has helped us stay strong as a community and has been a healthy reminder that a congregation exists beyond a church building. A congregation exists through relatedness and care, and we have shown both these qualities as a community during this year of challenge and disruption. The pandemic has disrupted so many people's working lives and I have been so aware of how it has particularly affected musicians and others involved with the arts world. Thanks go to the musicians connected with our Kensington Unitarians community, who have stepped up and provided high quality music recordings and videos for our online services on Zoom.

Our trustees have always encouraged my involvement with our wider Unitarian movement and that continued in 2020, when I continued to serve as chair of the interview Panel and as interim chair of the Ministry Strategy Group. Our national connections have been strengthened by Jane Blackall's highly regarded online Heart and Soul sessions, our involvement in the Summer School online initiative and the FUSE (Festival of Unitarianism in the

South East) events. My involvement with national and international Unitarianism will continue and it will be a pleasure to meet people at various Unitarian gatherings, including our West London GreenSpirit group meetings, which weave together our spirituality and our environmental concerns.

This congregation's history stretches back to 1774 when an Anglican minister formed a new church in which people could be free to articulate their own beliefs. That commitment to freedom in religion continues to this day and is accompanied by a passion for social justice and a yearning for inclusion. We live in a world that needs these qualities as much as ever and I trust that Kensington Unitarians will continue to play their part in this work in the years ahead. It won't be easy stepping forward into an unknown future after the Covid-19 pandemic. Life won't simply fit back into old ways of being. My hope for us all is that we can spot the new paths and new opportunities that await and continue to make best use of the resources bequeathed to us by previous generations. Go well everyone and blessed be.

Rev. Sarah Tinker
Minister with Kensington Unitarians

Warden's Report

The first two months of 2020 were like many previous years. Lettings income was around £15k as expected and we had an interesting new booking - a weeklong psychology training by Internal Family Systems - with two follow up weeks booked for later in the year. Then, in early March, the first warning signs of global pandemic became obvious - as a few hirers started cancelling events. We started displaying posters encouraging hand-washing and tried to show understanding by halving and then waiving cancellation charges - but within a few weeks the trickle of cancellations was becoming a tsunami and on March 16th, Sarah and I decided to close the building completely, as the UK went into its first national lockdown.

In my previous 15 years of wardening here, the longest period we've ever locked the doors was the week between Xmas and New Year. Even then, there was often building work going on, or I might organise a dance event. Now, week after week went by with no-one entering the building except me and Sarah - Gitana didn't come to clean, Jackie wasn't doing the garden, Brian didn't pop by to decorate or repair. Even Sarah and I carefully avoided being in the same room together - and held our weekly check-ins in the garden. Thankfully it was a warm and beautiful spring, so that was no great hardship.

In early June, I wrote a report for trustees predicting the building might remain closed for the rest of the year - but later that month we were approached by Cypher Coders about running summer holiday camps. After some debate, Sarah and I decided to accept this offer - which necessitated removal of all extraneous fittings and furniture, installation of touch-free soap and sanitiser dispensers and dividing the floor with masking tape to create social distancing boxes (12 in the church, 6 in the hall). We also had to arrange thorough daily cleaning.

Cypher Coders ran five weeks of summer camps (generating £3.5k income) and returned at October half-term and Xmas. Taking this booking gave us confidence to welcome back three other regular hirers during the autumn term - but most of our previous users suspended their activities, or found ways to take them online. Additionally we had to close the building again for the second UK lockdown in November and again just before Xmas as the whole country was put into Tier 4.

Total income from post-pandemic lettings was therefore only £12.5k, which together with the income before we closed and some very kind donations from long-standing users who continued to pay for space they were not using (Ashtanga Yoga, C G Jung psychotherapists, Tse Qigung and Sufi Zikr) gave a year's total of just under £30k - compared to the £85k projected in our 2021 budget. Under the circumstances, we economised as much as possible on building maintenance, but we did complete the year with a full electrical survey of the building - including the Manse and Warden's flats and nursery. The electricians were also able to repair the church sidelights and replace defunct bulbs in the outdoor spotlights and noticeboard, which had been a problem for some time.

The nursery missed a quarterly rent payment in May, while they were forced to close during the first lockdown, but was able to re-open in June and resume paying the next quarter's rent in monthly instalments. Our financial situation was also improved by furloughing me and Gitana completely while the building was closed and keeping us flexibly furloughed on reduced hours, even as we re-opened. Jackie our Gardener stopped coming in March - as she cares for an elderly parent. Gitana returned to Lithuania just before the November lockdown, to seek treatment for an injured shoulder - and has been on sick leave since.

All in all, a unique year - and although there were many stressful times, it was also a privilege to be able to get to know the building in a different way as I spent so many months alone here. Early in the pandemic, I started a WhatsApp group called 'Spring at Essex Church' so I could share garden photos with congregation members. As our many keen photographers also started contributing, this evolved into 'Nature Carries On - a place to share images which remind us that however challenged human societies may be by the new SARS virus, 99.9% of the natural world continues to thrive'. As I write this, David Carter has just posted a picture of a bee amongst his bluebells.

David Carter was also very helpful in encouraging us to organise some small onsite worship gatherings, once this became permitted. COVID restrictions forbade singing and refreshments and made it compulsory to wear masks - so we set up a circle of eight chairs 2m apart in the Hall. Sarah led seven Saturday sessions, with themes such as Masks We Wear and Glimpses of Joy and Brian offered a Heart and Soul in December with the theme Plus ca Change. It was strange not to be able to hug, or see each other's smiling faces, but still very comforting just to be able to look each other in the eye while we shared experiences from this unprecedented year and lit candles for our suffering world.

I'll close with ten principles Sarah and I formulated for our first Zoom trustee meeting.

Suggested Guiding Principles as we walk this Path:

1. Our most important task as individuals and as an organisation, is to nurture the life of the Spirit
2. During this pandemic period, we will prioritise human life and health
3. We have a particular duty of care to individuals connected to this church
4. Our building is a precious asset that we need to cherish and maintain carefully
5. We aim to get to a financially sustainable situation as soon as possible
6. We wish the burden of needed efforts, sacrifices and long term impacts to be shared justly
7. We are concerned for the wellbeing of the planet and all living beings
8. We don't just aim to return to where we were, but to get somewhere better
9. We are developing a vision for the long term future of this church
10. During this pandemic period, we wish to collaborate with local, national and global efforts to minimise harm

Jenny Moy
Essex Church Warden

Outreach Officer's Report

In the early months of 2020 it was 'business as usual' in my former role as Outreach Officer: producing our monthly newsletter and weekly orders of service, looking after our website and podcast, coordinating our volunteers, and working with Sarah our minister to plan our programme of worship and other activities. We were heading into our fourth year of thematic ministry and the worship team (me, Sarah, and Jeannene Powell) had set our monthly themes for the rest of 2020. In February I set up a new website to promote our 'Heart and Soul' gatherings (www.heartandsoulcircles.org.uk), and share guidelines and resources, in the hope of encouraging other Unitarian congregations around the country to run them. Jeannene and I launched the new 'Heart and Soul' website at FUSE (Festival of Unitarians in the South East) in Worthing.

In early March, as the Covid-19 pandemic loomed, our staff team and church committee were faced with difficult decisions. Our final regular on-site service took place on Sunday 15th March. We switched to producing short-format podcasts containing a weekly reflection from our minister, and released them each Sunday morning from 22nd March, as a temporary measure while we considered other options and adjusted to the rapidly-changing situation.

At a very early stage I wondered about the possibility of holding 'Heart and Soul' online and so invited a dozen volunteers to join me for a first experimental gathering on Zoom on Sunday 15th March. There was a clear and urgent need for such a space for people to come together and process what they were going through in the early days of the pandemic. I offered a

new themed 'Heart and Soul' every week and repeated it on Sundays, Tuesdays, and Fridays throughout spring/summer (in the autumn I dropped down to twice-weekly but other volunteer leaders from other congregations around the country are offering 'repeats' so as many people as possible can access the gatherings). In these early weeks I encouraged congregation members to get to grips with Zoom and helped coach people who were less technically confident to use it. These online 'Heart and Soul' gatherings have been open to all-comers and have brought in people who did not previously attend our in-person events and also helped to build valuable relationships between Unitarians in different congregations.

We added a weekly Zoom coffee morning to our programme on Tuesday 31st March and this has continued ever since. This is not something we've offered on-site in all the years I've been at the church but it has proved a great success online, and I anticipate it is something we will continue long-term, as it is easier for our geographically widespread congregation to 'drop in' in the middle of their day. Many congregation members have commented that these online small-group gatherings have provided an unexpected opportunity to deepen their sense of connection with others in the congregation.

Production of our monthly newsletter was suspended after the March issue, as I turned my energies to facilitating our online programme, though we assembled a one-off 'Lockdown Chronicle' in June to record congregation members' reflection on the experience of the early months of the pandemic. We switched instead to producing a weekly Friday email and adding a form on our website for people to sign up to our e-mailing list for details of our events; this has brought in quite a few visitors.

As it became apparent that things would not be returning to normal anytime soon we thought hard about how to adapt our Sunday services so they would work online. We are committed to offering high quality worship and so there were plenty of behind-the-scenes discussions, rehearsals, and drafting of protocols before we held our first Zoom service on 5th July. Many thanks to Jeannene, Sarah, Jenny, and John Davies for their hard work and patience in getting to grips with Zoom hosting. Thanks also to our team of regular musicians who have adapted to a new way of working. I think we can take pride in the quality of our online offerings and particularly in the fact that our services are interactive, so that we can see each other's faces and feel connected, take part in candles of joy and concern, and stay to chat for virtual coffee time in breakout rooms. I also set up a new Kensington Unitarians YouTube channel so all our online services will be archived there in perpetuity. We have also committed to putting the full text of services online for the benefit of those who find it helpful to follow along with the text of a service, or re-read it afterwards, or share it with friends. I am hopeful that both of these initiatives may, in due course, prove to help new people discover our community. Over the past year we have discovered that lots of people who could not previously join us at in-person services – congregation members who have had to move away from London, or those who have health issues, family responsibilities, or work commitments preventing them from attending on-site services – are now regularly attending our services and events in the online realm.

With the announcement of Sarah's retirement we made plans for a two-year transition period to 'keep the show on the road' while the post-pandemic financial picture becomes clearer. As the year ended the committee created a new role of 'Ministry Coordinator' so in 2021 my role will expand to include oversight of worship and the rest of the church programme. It has been a wonderful experience to work alongside Sarah and learn from her for the last fifteen years. I hope we can do her proud, in taking our next steps together as a community, and rising to meet the challenges of a changing world.

Jane Blackall
Ministry Coordinator
(formerly Outreach Officer)