

**PAROCHIAL CHURCH COUNCIL OF ST LUKE, BATTERSEA**

**Registered Charity No. 1131772**

**ANNUAL REPORT**

**Year Ending 31 DECEMBER 2020**

## **Parochial Church Council of St Luke, Battersea Annual Report 2020**

The trustees present their report and the audited financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### **AIM AND PURPOSES**

The Parochial Church Council of St Luke, Battersea (PCC) has the responsibility of cooperating with the Vicar to promote, in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

The PCC is also specifically responsible for the maintenance of the Church, the adjacent Community Hall and two residential properties within the parish.

### **OBJECTIVES AND ACTIVITIES**

The PCC is committed to enabling as many people as possible to worship at our church and to become part of our parish community. The PCC maintains an overview of worship throughout the parish and makes suggestions on how our services can involve the many groups that live within the parish. Our services and worship put faith into practice through prayer, scripture, preaching, music and sacrament.

When planning our activities for the year, the incumbent and the PCC have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. We try to enable ordinary people to live out their faith as part of our parish community through:

- Worship and prayer; learning about the Gospel; and developing their knowledge and trust in Jesus Christ.
- Provision of pastoral care for people living in the parish.
- Missionary and outreach work.

To facilitate this work, it is important that we maintain the fabric of the Church of St Luke, the Community Hall and the two residential properties.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Worship and Ministry**

##### *The Vicar's Report*

This past year has been an odd mix of dizzying change and boring domestic inertia, the former being caused by the latter. It has been dominated, whether we deplore it or not, by the Covid-19 pandemic. In many ways, the current year still is dominated by the pandemic and, although we are beginning to see a way out of this, it seems that such viruses are a reality we will have to live with for the foreseeable future. I appreciate that not all the decisions that I have taken have been seen as helpful by everyone, every time, but I hope

that they have been considerate. At the beginning of the lockdown, many wrote to say that we could not start livestreaming soon enough whereas near the end, many wrote that they felt the church was being over-cautious and hid under a rock as people could not wait to go back to church. It has been a delicate line to walk, and I would like to apologise for any frustration or fear my decisions may have caused. These were challenging times. It was difficult to make the right call. Putting the congregation's health and safety first, the church was closed for public services when we felt it was necessary, but the decision was not taken lightly. Thank you for your patience and understanding.

This said, the virus forced us to innovate. We upgraded our welcoming capacity on Zoom quickly and began livestreaming from home first, then gradually, from church. A legacy enabled us to make a long overdue investment to upgrade our sound and video capabilities, which will enhance our online offering to those at home.

And keep in touch we did. Our pastoral leadership team divided the parish into 'phoning districts' so that we could keep in touch with the more isolated and volunteers came forward to offer help to those who needed it. Sarah McLaughlin and I, at first, began delivering the newsletter at home to those who were homebound or lacked the ability to print it or stay in touch via Zoom. Yunghee then took over Sarah's duties.

I would like to take this opportunity to thank the churchwardens Sarah and David wholeheartedly. The former for her stalwart pastoral commitment. She has kept her finger on the pulse of the parish and helped in any way she could, even when faced with huge demands at home. David must be thanked for taking such a legendary lead in enabling us to film, record and stream services from church, whilst continuing to work full time.

The Thursday Meditation Class and the Study Group on the Gospel according to Matthew both continued online, as well as Bereavement Groups, led by Liz Freeman and Gilly Black, who did a great job in creating a safe and comfortable space for everyone who joined.

The 9am service has also continued creatively online. It is well attended by families who are engaging with our songs and storytelling, often over breakfast. Again, I must thank Ali Roche and Jordan Theis for making this possible and singlehandedly for their expertise and keeping in touch with our young people with fun and games. Without them, hosting and enabling our virtual worship, it simply could not have happened. It has been a lifeline to many families who have had to work from home and live in each other's pockets for months.

Throughout our online services and our times in church, I am grateful to the talented and committed flower team whose handiwork is such a welcome sight. When we were able to return to church, our thanks must go to the cleaning team for ensuring the church was ready to greet us.

Derek Carden and our choir must also be included in this chorus of thanks: I am massively grateful for their creativity and for the time and dedication taken to record and beautify our worship in these strange times. Amanda Palengat's name must also come up for a special mention, as she kept a vigilant eye on the safety regulations and kept the hall and church going safely and smoothly.

Yunghee's arrival has been such a blessing on every pastoral front. She had to become a 'jack of all trades' in such a short time when people were at their most private and yet managed to meet everyone in no time. She rekindled Evening Prayer in October last year. Attendance is increasing, both in church and online.

To most calamities, there is a silver lining. The lockdown forced us to innovate and we can now use these innovations for outreach! Yunghee and I intend to carry-on livestreaming most of our services. This will enable people who are housebound or now live away from St Luke's, relatives abroad and all manners of folks to share in our worship. We are convinced

that the schools will welcome the installation of our new sound system as their pupils' families often have busy, cosmopolitan families who could not otherwise join in our weekly worship.

### *Future Plans*

We used our quieter time to bring together over 70 members of the congregation into a number of discussion groups, the outcomes of which have largely formed our Mission Action Plan. I am delighted that we have taken first, small steps towards implementing aspects of it where we are able. Priority must now be given to welcoming back the schools, choirs and various groups who used to worship with us and re-connect with the many individuals and families who have felt unable to join us in virtual worship and socials, as they are utterly 'Zoomed out' or simply dislike online worship. The re-building of Junior Church will begin with a widespread parents' and carers' survey. We would like to listen to their priorities as we look to reconstruct everything from scratch. The same holds true of our re-launching of the Junior Church Choir and Community Youth Choir. We intend to revise the terms of Jordan's employment so as to enable him to carry on with the fantastic amount of youth work he has begun to do during the lockdown.

### **Pastoral Care**

St Luke's Pastoral Leadership Team (PLT) co-ordinates care and prayer for those of all ages in need in the local community. With the onset of Covid-19 and the first national lockdown, the PLT coordinated contacting everyone on the parish roll to determine whether assistance was needed, and compiled a list of volunteers willing to assist those who were sheltering. As the country moved through lockdown, and in response to the Mission Action Plan, the PLT updated and culled the database, with a view to establishing a network of street reps as the situation allows.

The ways in which the parish, including the PLT, operates moved to online formats during the year, so that events such as the Freedom Group have been replaced by the weekly coffee hour on Zoom on a Wednesday morning, and the Christmas Café Carols of 2019 became an online event. What has not been affected by covid-19 and continues as an important ministry is the Prayer Chain, coordinated by Jenny Bailey, who updates the list as advised by the clergy and the Pastoral Leadership Team. She sends the list out monthly to a faithful team who pray regularly for those in need.

### **Youth and Children**

Through to March 2020, we continued to run Junior Church and Junior Choir under the continued stewardship of Sally Newman and Jordan Theis respectively during the regular 10.00 am Service. Sparklers, the group for the youngest children, remained in the Lower Vestry with parents able to join them. The play area in church was appreciated by parents and young children and made good use of during the service.

In March the Covid-19 pandemic required the church to close its doors to the congregation, schools and wider public. Our 9.00 am Family Service was taken online from April and during the year has continued to grow with at least a dozen families regularly joining us online for services, including grandparents living overseas.

To replace the popular Games Nights for children and young people, which could not take place in our Community Hall, staff members Jordan Theis and Alison Roche took to Zoom and have held regular Film Quizzes for young people and families throughout the year.

2020 saw Messy Church continue. We held a Christingle Messy Church in February building on the success of previous craft and activity sessions, with children, parents and volunteers able to take part in a range of activities, including making their own Christingles,

before coming together at the end for an act of worship. In May we invited people to use the Messy Church at Home for VE Day.

### *Play and Pray on a Wednesday and Playgroup on a Thursday*

For the first term of the year (Jan to March), these continued to go from strength to strength until they could not be held in person. At the beginning of the pandemic, we held a Weekly Get Together for Little Ones on a Thursday afternoon until end of August. This was replaced later in the autumn by the now regular Tales, Pray & Play on a Wednesday morning. There are two stories for the children (under 3's), one biblical and one secular. There is singing and we close with prayers. At Christmas, we told the Christmas story and sang lots of carols in an online 'Carolling Along Online' service.

During this very strange year we have tried to stay engaged with the youth and children and their families through a variety of services and activities, and we look forward to building on some of the successes as we return to in person events.

### *Youth Music at St. Luke's*

The closure of schools and national lockdowns resulted in scant opportunities for young people to be involved in collective music making during 2020, the impact of this most visibly in the absence of our Junior Choir at weekly worship either online or when in church.

This is not to say that youth music making came to a complete stop. Our 9.00 am family service has grown considerably during the year. We all sing together online from our homes whilst demonstrating an endless variety of creative actions. Members of Junior Choir have recorded anthems for our fledgling online services and participated in the online Christmas services. We were fortunate to offer singing in church for young people during October, but this was halted under the renewed restrictions of the new year.

## **Social Events**

The only social event of 2020 was a successful 'Safari Supper' organised by the Welcomers team. Over 50 people attended and as always, it provided an opportunity for the newer and more experienced members of the congregation to get to know each other better. Far too many canapés were provided at the back of the church to kick everybody off before guests went 'on safari' to their hosts where the hospitality continued. A good time was had by all.

### *Christmas Market 2020*

This year, determined not to be beaten by Covid-19, the team took up the challenge and built the St Luke's Christmas Market shop online. The community rallied – making, cooking and baking to deliver a massive range of jams, preserves, cakes and baked goods, beautiful handmade masks and children's activity packs. We stocked a small variety of gifts, largely from local vendors, as well as plants, decorations and Christmas trees. Joyful teams of volunteers packed and distributed all the orders over two days at the beginning of December, with a 'click and collect' option too. Despite all obstacles, as a community we pulled together delivering a fun but Covid-19 safe event and raising an extraordinary £7,500.

## **Work in the Community**

### *Use of the Community Hall*

The year started as busy as usual with regular and one-off hirers as well as providing a shelter on Sunday nights to a group of homeless men and women. By 20<sup>th</sup> March the Hall was in lockdown and stayed that way until 1<sup>st</sup> June when our two nursery schools returned.

Since July other regular hirers have been in and out, lockdowns permitting, but in order to keep bubbles apart, the Hall has been unable to operate at full capacity. We hope all our regular hirers will return when permitted. Since 20<sup>th</sup> March there have been no social functions.

### *Glass Door*

St Luke's continues to support the work of Glass Door ([glassdoor.org.uk](http://glassdoor.org.uk)), a charity that helps people experiencing homelessness. For the last 4 years, our volunteers have provided an evening meal and overnight accommodation in the Community Hall for up to 35 guests. This year, due to Covid-19 it has not been possible to provide overnight accommodation at churches, but over 40 volunteers from the St Luke's congregation and community are continuing to provide meals to guests every Sunday.

In October, five members of the St Luke's congregation took part in the Glass Door annual sleepout fundraiser, sleeping outside on what turned out to be the wettest night since records began! Thanks to the generosity of family and friends at St Luke's and beyond, we raised over £5,000 to support the charity's work.

### *Wandsworth Foodbank*

St Luke's has continued its support of Wandsworth Foodbank with our monthly deliveries in the early part of the year. As the year progressed, with much reduced attendance in church and subsequently no congregation at all by the end of the year, our contribution has been severely limited. However, several members of the congregation have decided to make financial contributions instead which has been much appreciated. Wandsworth Foodbank itself moved out of St Mark's Battersea Rise and found more practical accommodation (although temporary) just across Wandsworth Bridge. Demand grew during lockdown and all their support of families has been done by deliveries from the base. The second lockdown enabled our support to restart on a weekly basis and the generous contributions from members of the congregation and the community have been warmly received at the Foodbank.

## **Charitable Grants**

St Luke's Charitable Grants Committee allocated the full budget of £27,400 in 2020. St. Luke's supported 10 overseas based charities, 19 local charities and 1 one off donation.

We continued to have increased applications for support and there was strong evidence that the majority of the existing charities that we support were under increased pressure at a time when their funding and income were reduced because of the effects of Covid-19. For example, from a visit to Spires it was evident that they were overwhelmed and seeing significant increase in requests for their services due to users losing their jobs, family breakdowns and housing issues.

We began supporting City Harvest in 2020 who distribute surplus food from segments of the food industry, including supermarkets, grocers, manufacturers and the catering industry. Over 4,000 tonnes of food have been rescued and redistributed to the increasing number of hungry and disadvantaged Londoners during the pandemic.

We continue to support international charities, for example, poor people in South India. The charity we funnel our donation through has changed its name from Poor People in South India to Building Better Futures International, reflecting its vision.

A one-off donation was £500 to Pinkney Ward at St. George's Hospital at the request of the Van Klaveren family whose young daughter has had treatment there.

We will have reduced funding to £18,800 in 2021 so some hard decisions will have to be made and some donations necessarily cut. There is a board at the back of the church which features all the charities we currently support so I would encourage everyone to look at it.

## **St Luke's Music Society**

2020 was a very different year for St Luke's Music Society. However, we were delighted to be able to have 5 live concerts during the year with performers such as pianists Barry Douglas and Steven Osborne, guitarist Milos, folk/comedy group Budapest Cafe Orchestra and Tasmin Little's emotional final London concert before her recent retirement. As usual we had excellent audiences for all of the concerts and we managed to arrange two evenings with two concerts of socially distanced audiences in October and December. Between April and July, we ran a series of weekly conversations with mainly young musicians under the title Lockdown Divertimenti which proved very popular with lovely Friends of St Luke's Music Society who donated very generously towards the fees that we were able to offer the young struggling musicians.

During 2020, we also established a strong relationship with Wandsworth Music which works with students every Saturday morning in Burntwood School across musical genres. The Music Society continued to make a surplus for the year and retains reserves in the church accounts of £54.7k.

## **Christian Aid**

Like so many things in 2020 Christian Aid week could not be held as originally planned. We missed the Rich/Poor Supper, wine tasting, coffee mornings, home-made bread, plant sales and the car washing. Street collections were impossible.

Unfortunately, we do not know how much St Luke's collected as most donations were made online directly to Christian Aid. More importantly, despite all the problems, Christian Aid raised over £4 million pounds in their 2020 appeal.

A big thank you to Alex Noble and Barbara Cuthbert for the local "Round Churches Walk". It was great fun and a lot was learnt from walking round and finding one or two churches locally of which we had previously been unaware. It provided a great diversion in the middle of the first lockdown. The weather was wonderful but anxiety was high and walking helped.

Enormous thanks must go to Libby Spurrier and Richard Balcer who have been a great support to Gillian Robinson in her first year co-ordinating Christian Aid on behalf of St Luke's.

## **OUR BUILDINGS**

### *The Community Hall*

The Hall Management Committee took advantage of the hall being empty during the first lockdown and agreed to all the communal areas, as well as the scheduled Shepherd Hall and Oak Room, being decorated. The permanently muddy area in the Garth, down the south side of the Shepherd Hall, was paved: an improvement particularly welcomed by Nightingale Nursery which uses that side access daily. Where necessary, the Garth trees were cut back. There have been no other significant hall projects.

### *Church Fabric*

The works to repair the dwarf wall and railings at the corner of Thurleigh and Ramsden Roads finally started in July. The wall has been replaced and the London plane tree causing the damage pollarded but the railings, due to Covid-19, are still at the blacksmith's forge in Wiltshire. It is hoped that they will be reinstated in the first half of 2021. The sound system and Wi-Fi was upgraded towards the end of the year, after receiving an interim faculty from

the DAC in recognition of the need to be able to live-stream services during lockdown. The sound system continues to be a work in progress due to the delay in receiving all the necessary components but will hopefully be fully functioning by Easter 2021. Storm Dennis, in February 2020, brought down the flagpole on the Tower but thankfully did not cause any damage to anything else. The flagpole is in the throes of being repaired and will hopefully be reinstated soon. The mobile telecommunications equipment continues to require constant monitoring and maintenance by the network company and the gale break covering the arches, to keep unwelcome objects and birds away from the equipment, was repaired in October.

#### *Canford Road*

The tenants of three years moved out in July 2020 and the house was prepared for St Luke's Associate Priest and family to move in at the end of August. Between tenants, the kitchen ceiling was replastered and the master bedroom recarpeted, the latter paid for by the outgoing tenants. Otherwise, the house was generally in good order, requiring minimal freshening up. In December the mains water supply pipe showed signs of a leak between the pavement and the house and was replaced 3 days before Christmas.

#### *Wroughton Road*

The top, 1<sup>st</sup> floor flat remains occupied by the same rent controlled long term tenant. The ground floor flat was sold during the year which revealed that the two flats shared a stop cock located inside the ground floor flat. The top floor flat now has its own stop cock. Minor work was also carried out to the windows but there has been no significant capital outlay during the year.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The method of appointment of PCC members is set out in the Church Representation Rules. At St. Luke's the membership of the PCC consists of the Vicar, the churchwardens and members elected by those members of the congregation who are on the electoral roll of the church. All those who attend our services, as members of the congregation, are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish including deciding on how the funds of the PCC are to be spent.

The PCC met nine times during the year, with eight of those meetings held using Zoom. Given its wide responsibilities the PCC has a number of committees each dealing with a particular aspect of parish life. The committees are as follows:

Charitable Grants (formerly Mission & Outreach)  
Christmas Market  
Communications  
Finance  
Hall Management  
Health and Safety  
Pastoral Leadership  
Stewardship  
Welcomers

Each committee reports back to the PCC regularly highlighting items which require PCC discussion or decision.

In addition, the Standing Committee, made up of the Vicar, Churchwardens and Treasurer, has the power to transact the business of the PCC between its meetings subject to any directions given by the Council. This committee meets prior to each PCC meeting to consider outstanding issues and plan the PCC Agenda.



The Safeguarding Officers (Child Protection) are Christine Lucia and Alison Roche. They are responsible for ensuring that a Disclosure Barring Service search is conducted on all those who work with children and vulnerable adults in the church. They are also responsible for the safeguarding of vulnerable adults in the church.

Risk assessments received their regular annual review. The Premises Manager and Church Wardens have been designated as the responsible persons with regard to fire safety and the Premises Manager ensures that the fire extinguishers are maintained annually. Health and safety risk assessments and fire risk assessments are undertaken at regular intervals.

## **RISK ASSESSMENT**

The PCC confirms that the major risks to which the Council has been exposed were identified by risk analysis exercises. The risks identified and steps taken to mitigate these risks are as follows:

- *Property fire or theft.* Insurance cover is maintained against both these risks. Fire inspections are carried out annually by a suitably qualified and experienced professional and fire extinguishers are tested and replaced as advised.
- *Liability of trustees.* Trustees' indemnity insurance cover is maintained.
- *Misappropriation of funds.* The budgeted expenditure for each year is approved by the full PCC. The amounts of cash held at any one time are not material to the Parish. Two signatories are required for all cheques and to authorise online payments. All matters involving significant unbudgeted expenditure are put to the full PCC.
- *Revenue falling below committed expenditure.* The Finance Committee operates a system of monitoring both income and expenditure throughout the year. Any anticipated deficit is addressed through a review of committed expenditure and sources of income including voluntary giving.
- *Allegations of inappropriate behaviour against persons acting on behalf of the parish.* The parish subscribes to the Diocesan scheme for screening all those involved in children's and youth work and work with vulnerable adults, including DBS checks. As is set out in 'A Safe Church', activities are structured in a way that minimises the potential for abuse or allegations of abuse to arise.
- *Covid-19.* Regular risk assessments were carried out during the year as the Church re-opened for public worship under various restrictions. Both Government and Church of England guidance was adhered to, in terms of social distancing and elements of the Eucharist services, including communion, the use of choirs, track and trace information, and entry and exit points for the building.

## **FINANCIAL REVIEW**

Key financial outcomes for the church are considered to be:

Total income for the year: £494.0k (2019: £592.8k)

Surplus/deficit for the year, before fair value gains: -£154.5k (2019: -£17.7k)

Net current unrestricted funds: £156.2k (2019: £169.8k)

During the year, the General Fund expenditure was £427.2 comprising £378.0k of church operating costs and £49.2k of depreciation of fixed assets. The income for the year was £364.4k giving a shortfall compared to operating costs of £13.6k excluding depreciation, very similar to 2019. Revaluation of our two residential investment properties resulted in a fair value gain of £8.3k and together with £50.0k transfer from the legacy fund for the sound system as a fixed asset gave a net decrease in the General Fund of £4.5k.

The Hall Management Fund decreased by £65.0k. The operation of the hall made a small surplus of £2.6k excluding the work to repair the external railings (£54.5k) and excluding the transfer of £13.1k to the Hall Repair Fund.

From the Legacies Fund £68.7k was expended, mainly on the installation of a new sound and live streaming system.

### **Church Income and Expenditure (General Fund)**

During 2020 our income stream was challenged by Covid-19. Regular stewardship giving held up well but income from envelopes and cash from collections at services was severely reduced when the church was closed or congregations limited in numbers. Voluntary giving from these sources was £190.7k compared to £215.4k in 2019. A Christmas Appeal to replace lost income raised £11.1k and we received £8.5k from two charitable trusts. Also £7.2k was received from the government job retention scheme for our children's worker who was on furlough for part of the year.

Lettings income for the church was down by £13.9k to £19.9k compared to 2019 (£33.8k) and the rent for our Canford Road house stopped in mid-year when our Associate Priest moved in.

As always, the largest component of our expenditure was the Parish Support Fund at £188.0k. This is used by the Diocese to pay clergy salaries, housing and other expenses and for diocesan staff and activities and as a well-off congregation, we rightly continued to help poorer ones. This was a reduction of £40.0k from 2019 negotiated with the diocese to allow for the costs of stipend, pension and housing for our Associate Priest starting work in the middle of 2020.

Charitable giving was in two parts: our regular giving was held at the same amount as 2019 (£27.4k) plus the collections made from time to time for specific charities (£1.3k). Church running costs included the cost of the part-time children's worker. Church building maintenance costs and other running costs were reduced as a result of Covid-19 restrictions.

For 2021 we have kept our pledge to the diocese Parish Support Fund at £188k. Overall church running expenses are expected to increase to £385.0k before adding hall depreciation and this could lead to an increased deficit for the year of £45.0k. We are holding a planned giving campaign early in the year and aiming to increase our stewardship income from the present level by £12.5k plus associated Gift Aid tax refund of £2.5k, with the objective of reducing this deficit.

### **The Community Hall (Hall Management Fund)**

During 2020 the operation of the hall cost £88.6k excluding the work to repair the external railings and made a contribution to the hall repair fund of £13.1k. The hall lettings income was much reduced by Covid-19 restrictions at £90.8k. The work to the external railings cost £54.5k and this was paid for from the Hall Management Fund. Total outgoings for the hall are expected to be £112.0k in our 2021 budget.

## **Planned Giving**

The continued thrust of Stewardship in the year was the Planned Giving campaign in Lent. The campaign proved successful raising over £24.0k from increased promises and one-off donations excluding Gift Aid. 78 responses were received, which is lower than previous years. This can be partly explained by the move into lockdown midway through the campaign. Overall, this was a very satisfactory result, particularly in the circumstances, and the Stewardship Committee are very grateful to the congregation. This was the first year of the Planned Giving campaign under Russ Hulett's chairmanship and the campaign themes focussed on young people and families and St Luke's contribution to the Diocese through the Parish Support Fund.

## **RESERVES POLICY**

### **General Fund**

Ideally, we would maintain reserves equal to six months' church running expenses, i.e. £192.5k (50% of our 2021 budget). At 31<sup>st</sup> December 2020, our unrestricted funds net current assets were £156.2k, which is sufficiently close to this target.

### **Designated Fund**

Ideally, we would maintain reserves equal to six months' hall running expenses, i.e. £56.0k (50% of our 2021 budget). At 31<sup>st</sup> December 2020, our designated funds net current assets were £133.4k, which more than meets our target.

Our reserve funds are invested in the CBF Church of England Deposit Fund, Virgin Money charity account and the Manchester Building Society.

In these unprecedented times caused by the Covid-19 pandemic the PCC believes it has adequate reserves and cash to enable it to continue to meet its liabilities as they fall due for the foreseeable future. The PCC will continue to monitor the situation and manage expenditure on an on-going basis.

## **ADMINISTRATIVE INFORMATION**

St. Luke's Church Battersea is situated on the corner of Ramsden Road and Thurleigh Road in London SW12. It is part of the Diocese of Southwark within the Church of England. The correspondence address is:

St Luke's Church Battersea  
The Parish Office  
194 Ramsden Road  
London SW12 8RQ

The full name of the charity is "The Parochial Church Council of the Ecclesiastical Parish of St. Luke, Battersea" referred to in this report as the PCC. The PCC is a body corporate (PCC Powers Measure 1956, Church Representation Rules 2006). St Luke's was registered with the Charity Commission in September 2009, Registration No.1131772. The members of the PCC are the trustees of the charity.

**Vicar:** Reverend Lorenzo Fernandez-Smal

**Associate Priest** (*from June 2020*): Reverend Yunghee Koh

**Children's Worker:** Sally Newman

**Parish Office:** Amanda Palengat and Alison Roche

**Church Wardens:** Sarah McLaughlin, Sophie Picken (*until March 2020*) and David Seward (*from April 2020*)

**Deputy Church Wardens:** Roger Black, Andrew Cheeseman, Sophie Picken, Maralee Vezie, James Vyvyan

**Deanery Synod Representatives:**

Claire Goddard, James Vyvyan, Jenny Bailey

**Parochial Church Council:** Vicar, Associate Priest (*from June 2020*), Church Wardens, Deanery Synod Representatives, Craig Abouchar, Jenny Bailey, David Barttelot, Sarah Bourke, Alice Lamb, John Lucia, Katie Ryan, Maralee Vezie,

Russell Hulett, Sally Maclean, Simon Picken, Michelle Reynolds (*all until March 2020*)

Cynthia Poole, Tim Sanders-Hewett, Sarah Walker, Timothy Walker (*all from July 2020*)

**PCC Treasurer:** John Lucia

**PCC Secretary:** Alice Lamb

**Electoral Roll Officer:** Alison Roche

**Director of Music:** Derek Carden

**Junior Choir Director:** Jordan Theis

**Safeguarding Officers:** Christine Lucia and Alison Roche

**Health and Safety Officer:** Catriona Patel

**Auditor:** Wellden Turnbull Limited

Albany House, Claremont Lane, Esher, Surrey, KT10 9FQ

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Parochial Church Council (PCC), who act as the trustees, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees must not approve the financial statements unless they are satisfied that they 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:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and estimates that are reasonable and prudent;
- d) state whether applicable accounting standards have been followed, subject to any

- material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the church will continue in operation.

The PCC are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the church and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

In so far as the PCC are aware:

- there is no relevant audit information of which the church's auditor is unaware; and
- the PCC have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the trustees on 6<sup>th</sup> April 2021 and signed on their behalf by Revd Lorenzo Fernandez-Smal (PCC Chairman).

**PAROCHIAL CHURCH COUNCIL OF ST LUKE, BATTERSEA**  
**Registered Charity No. 1131772**

**FINANCIAL STATEMENTS**  
**YEAR ENDING 31 DECEMBER 2020**

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# **INDEPENDENT AUDITOR'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE, BATTERSEA**

## **Opinion**

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of St. Luke, Battersea (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis of 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 Parochial Church Council (PCC) is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 in the Annual Report for 2020 the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management as to actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of committee and PCC meetings;
- Reviewing financial statement disclosures and verification to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business; and
- Reviewing accounting estimates for bias, specifically in relation to property fair values and fixed asset useful lives.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Use of our report**

This report is made solely to the members of the PCC, who act as 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 PCC 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 PCC as a body, for our audit work, for this report, or for the opinions we have formed.



**Mark Nelligan (FCA) Senior Statutory Auditor**

for and on behalf of

**Wellden Turnbull Limited**

Chartered Accountants and Statutory Auditors

Albany House, Claremont Lane, Esher, Surrey, KT10 9FQ

Date: 19.05.2021

**Parochial Church Council of St Luke, Battersea**  
**Statement of Financial Activities**  
**For the year ending 31 December 2020**

	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2020 £	2019 £
<b>INCOME FROM:</b>						
Donations and legacies	2(a)	275,365	-	1,349	<b>276,714</b>	269,663
Activities for generating funds	2(b)	59,340	90,814	36,511	<b>186,665</b>	270,971
Investments	2(c)	26,401	357	561	<b>27,319</b>	43,934
Church activities	2(d)	3,294	-	-	<b>3,294</b>	8,189
<b>Total</b>		<b>364,400</b>	<b>91,171</b>	<b>38,421</b>	<b>493,992</b>	<b>592,757</b>
<b>EXPENDITURE ON:</b>						
Raising funds	3(a)	8,785	-	57,186	<b>65,971</b>	79,768
Church activities	3(b)	418,394	143,108	20,990	<b>582,492</b>	530,699
<b>Total</b>		<b>427,179</b>	<b>143,108</b>	<b>78,176</b>	<b>648,463</b>	<b>610,467</b>
<b>Net income (expenditure)</b>		<b>(62,779)</b>	<b>(51,937)</b>	<b>(39,755)</b>	<b>(154,471)</b>	<b>(17,710)</b>
<b>Transfers between funds</b>	9	50,000	(13,075)	(36,925)	-	-
<b>Net income before investment gains</b>		<b>(12,779)</b>	<b>(65,012)</b>	<b>(76,680)</b>	<b>(154,471)</b>	<b>(17,710)</b>
Gains/(losses) on revaluation of fixed assets for the charity's own use	6(b)	8,333	-	-	<b>8,333</b>	-
Net gains/(losses) on investments	6(b)	-	-	-	-	245,000
<b>Net movement in funds</b>		<b>(4,446)</b>	<b>(65,012)</b>	<b>(76,680)</b>	<b>(146,138)</b>	<b>227,290</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	9	3,132,764	198,437	353,756	<b>3,684,957</b>	3,457,667
<b>Total funds carried forward</b>	9	<b>3,128,318</b>	<b>133,425</b>	<b>277,076</b>	<b>3,538,819</b>	<b>3,684,957</b>

The notes on pages 7 to 17 form part of these accounts.

**Parochial Church Council of St Luke, Battersea**  
**Balance Sheet at 31 December 2020**

	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2020 £	2019 £
<b>FIXED ASSETS</b>						
Tangible assets	6(a)	1,282,141	-	-	1,282,141	1,272,973
Residential property for church use	6(b)	1,250,000	-	-	1,250,000	-
Investment properties	6(b)	440,000	-	-	440,000	1,690,000
<b>Total fixed assets</b>		<b>2,972,141</b>	<b>-</b>	<b>-</b>	<b>2,972,141</b>	<b>2,962,973</b>
<b>CURRENT ASSETS</b>						
Debtors	7	12,824	5,523	-	18,347	44,255
Cash at bank and in hand		156,981	131,885	278,576	567,442	701,776
<b>Total current assets</b>		<b>169,805</b>	<b>137,408</b>	<b>278,576</b>	<b>585,789</b>	<b>746,031</b>
<b>LIABILITIES</b>						
Creditors: amounts falling due within one year	8	13,628	3,983	1,500	19,111	24,047
<b>Net current assets</b>		<b>156,177</b>	<b>133,425</b>	<b>277,076</b>	<b>566,678</b>	<b>721,984</b>
<b>TOTAL NET ASSETS</b>		<b>3,128,318</b>	<b>133,425</b>	<b>277,076</b>	<b>3,538,819</b>	<b>3,684,957</b>
<b>PARISH FUNDS</b>						
Unrestricted funds	9	3,128,318	-	-	3,128,318	3,132,764
Designated funds	9	-	133,425	-	133,425	198,437
Restricted funds	9	-	-	277,076	277,076	353,756
<b>Total funds</b>		<b>3,128,318</b>	<b>133,425</b>	<b>277,076</b>	<b>3,538,819</b>	<b>3,684,957</b>

Approved by the Parochial Church Council on 12th May 2021 and signed on its behalf by:



Revd Lorenzo Fernandez-Smal, Vicar



John Lucia, Treasurer

The notes on pages 7 to 17 form part of these accounts.

**Parochial Church Council of St Luke, Battersea**  
**Statement of Cash Flows**  
**For the year ending 31 December 2020**

	2020	2019
	£	£
<b>Net cash from/(used in) operating activities*</b>	(111,653)	(40,449)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(50,000)	
Interest and rent from investments	27,319	43,934
<b>Net cash provided by/(used in) investing activities</b>	(22,681)	43,934
<b>Change in cash and cash equivalents in the reporting period</b>	(134,334)	3,485
<b>Cash and cash equivalents at 1 January</b>	701,776	698,291
<b>Cash and cash equivalents at 31 December</b>	<u>567,442</u>	<u>701,776</u>
<b>Reconciliation of net income/(expenditure) before investment gains</b>		
<b>Net income before investment gains 31 December</b>	(154,471)	(17,710)
<b>Adjustments for:</b>		
Depreciation charges	49,165	28,332
Interest and rent from investments	(27,319)	(43,934)
Decrease/(increase) in debtors	25,908	(7,199)
(Decrease)/increase in creditors	(4,936)	62
<b>*Net cash from/(used in) operating activities</b>	<u>(111,653)</u>	<u>(40,449)</u>
<b>Analysis of cash and cash equivalents</b>		
Bank current accounts	169,174	143,597
Short term deposits	398,268	558,179
	<u>567,442</u>	<u>701,776</u>

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**1. ACCOUNTING POLICIES**

**1(a) General information and basis of preparation**

The full name of the charity is "The Parochial Church Council of the Ecclesiastical Parish of St. Luke, Battersea" referred to in these accounts as the PCC and is registered with the Charity Commission, registration no. 1131772. Full details of the charity's legal form, address and other administrative information are included in the trustee's Annual Report.

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' "true and fair view" provisions, together with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS102).

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at fair value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

**1(b) Funds**

**General funds** are unrestricted funds which can be used for PCC ordinary purposes. General funds also include a fair value reserve, which represents cumulative fair value gains on investment property.

**Designated funds** are unrestricted funds that are set aside by the PCC for specific purposes.

**Restricted funds** represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on an average balance basis.

**1(c) Income recognition**

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the income to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Interest is accounted for when receivable. All other income, including income from lettings, is recognised when it is receivable. All income is accounted for gross. The value of any voluntary help received is not included in the accounts but is described in the PCCs' annual report.

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**1. ACCOUNTING POLICIES (continued)**

**1(d) Expenditure and liabilities**

Liabilities are recognised as soon as there is a legal or constructive obligation and settlement is probable and quantifiable. Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish support fund contribution is accounted for when due. Amounts received specifically for mission are dealt with as restricted funds. All other expenditure is generally recognised when it is incurred and is accounted for gross.

**1(e) Fixed assets**

Consecrated and beneficed property is excluded from the accounts by s10(2)(a) of the Charities Act 2011.

Movable church furnishings held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property, listed in the church's inventory, which can be inspected (at any reasonable time). For assets acquired prior to 1999, there is insufficient cost information available and therefore such assets are not included in the financial statements.

Tangible fixed assets are accounted for at cost less depreciation.

**1(f) Residential properties**

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities (SoFA). Cumulative fair value changes are shown in a fair value reserve within General Funds.

Residential property held for church use is carried at fair value under the revaluation model less any subsequent accumulated depreciation and impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Revaluation gains and losses are recognised in Other comprehensive income and held in a revaluation reserve, unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in expenditure for the year in the SoFA.

**1(g) Depreciation**

Tangible fixed assets are depreciated as follows:

Buildings (Community Hall)	2% on cost
Equipment (Sound system)	25% on cost
Residential properties (Church use)	2% on revalued amount

Freehold land and investment properties are not depreciated.

The original equipment bought for the Community Hall was written off over 4 years. All replacement equipment is written off as the expenditure is incurred.

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**1. ACCOUNTING POLICIES (continued)**

**1(h) Current assets**

Cash at bank and in hand includes short term deposits with CBF Church of England Funds and with other major banks.

**1(i) Debtors**

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**1(j) Leases**

Rentals receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**1(k) Employee benefits**

The charity operates a 'cash balance' pension plan for the benefit of its employees. Contributions are expensed as they become payable. See Note 5(a) for further details.

**1(l) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments under FRS 102. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**1(m) Tax**

The company is a registered charity and, therefore, is not liable to income tax or capital gains tax on income or gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**1(n) Going concern**

The financial statements have been prepared on a going concern basis. The trustees have considered 12 months from the date of authorisation of these financial statements and believe that the charity is able to meet its liabilities as they fall due for the foreseeable future. In their assessment, the trustees have taken into account the ongoing uncertain impact of the COVID-19 pandemic and the adequate cash reserves of the charity as well as its significant property portfolio, which could be used as either security for future funding or sold to boost cash reserves if required.

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**1. ACCOUNTING POLICIES (continued)**

**1(o) Judgements and key sources of estimation uncertainty**

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

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the valuation of investment properties and residential property held for charity use, which are based on estimated fair values derived from independent market professionals, as set out in note 6(b)."



**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**2. INCOME FROM:**

	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>TOTAL FUNDS</b>	
				<b>2020 £</b>	<b>2019 £</b>
<b>2(a) Donations and legacies</b>					
<b>Grants</b>					
LPOW (VAT refund on building works)	2,117	-	-	2,117	1,252
Job Retention Scheme	7,218	-	-	7,218	-
sub-total	9,335	-	-	9,335	1,252
<b>Voluntary giving</b>					
Stewardship & envelopes	185,729	-	-	185,729	204,959
Loose cash	4,939	-	-	4,939	10,392
Tax refund	46,791	-	-	46,791	47,788
Donations, appeals etc.	28,571	-	1,349	29,920	5,272
sub-total	266,030	-	1,349	267,379	268,411
<b>Total</b>	<b>275,365</b>	<b>-</b>	<b>1,349</b>	<b>276,714</b>	<b>269,663</b>
<b>2(b) Activities for generating funds</b>					
Christmas market	11,201	-	-	11,201	11,397
Church & hall lettings	19,938	90,814	-	110,752	164,547
Antenna rent & cost of electricity	27,311	-	-	27,311	23,711
Church musical & social activities	890	-	36,511	37,401	71,316
<b>Total</b>	<b>59,340</b>	<b>90,814</b>	<b>36,511</b>	<b>186,665</b>	<b>270,971</b>
<b>2(c) Investments</b>					
Property lettings	24,643	-	-	24,643	40,050
Interest	1,758	357	561	2,676	3,884
<b>Total</b>	<b>26,401</b>	<b>357</b>	<b>561</b>	<b>27,319</b>	<b>43,934</b>
<b>2(d) Church activities</b>					
Parochial fees received	3,294	-	-	3,294	8,189
<b>Total</b>	<b>3,294</b>	<b>-</b>	<b>-</b>	<b>3,294</b>	<b>8,189</b>
<b>Total</b>	<b>364,400</b>	<b>91,171</b>	<b>38,421</b>	<b>493,992</b>	<b>592,757</b>

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**3. EXPENDITURE ON:**

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2020 £	2019 £
<b>3(a) Raising funds</b>					
Publicity and printing	3,720	-	-	3,720	4,242
Christmas market	3,881	-	-	3,881	2,294
Church musical & social activities	1,184	-	57,186	58,370	73,232
<b>Total</b>	<b>8,785</b>	<b>-</b>	<b>57,186</b>	<b>65,971</b>	<b>79,768</b>
<b>3(b) Church activities</b>					
<b>Missionary &amp; charitable giving</b>					
Mission and outreach	27,445	-	-	27,445	27,410
Special collections	-	-	1,349	1,349	4,257
sub-total	27,445	-	1,349	28,794	31,667
<b>Ministry</b>					
Diocesan parish support fund	188,000	-	-	188,000	228,000
Clergy costs	32,051	-	-	32,051	-
Other staff costs	19,369	-	-	19,369	22,483
Deanery synod & church schools	-	-	-	-	2,300
Parochial fees paid to diocese	1,535	-	-	1,535	3,150
Nightshelter costs	-	-	-	-	2,000
Other expenses incl petty cash	615	-	-	615	2,788
sub-total	241,570	-	-	241,570	260,721
<b>Church expenses</b>					
Repairs & maintenance	18,307	-	-	18,307	29,349
Insurance	7,876	-	-	7,876	7,764
Utilities incl antenna electricity	19,871	-	-	19,871	21,419
Cost of services incl music	13,712	-	-	13,712	13,683
Sound system installation	-	-	14,398	14,398	5,032
Sound system depreciation	12,500	-	-	12,500	-
sub-total	72,266	-	14,398	86,664	77,247
<b>Community Hall expenses</b>					
Hall improvements & major works	-	6,692	5,243	11,935	15,429
Insurance	-	1,694	-	1,694	1,783
Running expenses incl utilities	-	50,273	-	50,273	55,014
External railings renewal	-	54,519	-	54,519	7,677
Depreciation	28,332	-	-	28,332	28,332
sub-total	28,332	113,178	5,243	146,753	108,235
<b>Property expenses</b>					
Repairs & maintenance	10,653	-	-	10,653	2,220
Utilities & letting costs	1,661	-	-	1,661	525
Insurance	(1,067)	-	-	(1,067)	1,756
Depreciation on 30 Canford Road	8,333	-	-	8,333	-
sub-total	19,580	-	-	19,580	4,501
<b>Administration</b>					
Salaries & wages (office)	17,681	28,414	-	46,095	34,195
Telephone, postage, website etc.	2,403	1,449	-	3,852	3,631
Professional fees	8,239	-	-	8,239	9,236
Bank charges	878	67	-	945	1,266
sub-total	29,201	29,930	-	59,131	48,328
<b>Total</b>	<b>418,394</b>	<b>143,108</b>	<b>20,990</b>	<b>582,492</b>	<b>530,699</b>
<b>Total</b>	<b>427,179</b>	<b>143,108</b>	<b>78,176</b>	<b>648,463</b>	<b>610,467</b>

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**4. AUDITOR'S REMUNERATION**

The auditor's remuneration amounts to an audit fee of £7,500 (£8,400 in 2019) and payroll services of £739 (£716 in 2019).

**5(a) STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gross wages, salaries and benefits in kind	65,629	59,961
Employer's pension contributions	2,619	2,392
Employer's National Insurance costs	4,457	-
less Job Retention Scheme grants received	(7,218)	-
<b>Total staff costs</b>	<b>65,487</b>	<b>62,353</b>
Average number of employees in the year (including part time staff)	4	4

Eligible staff are enrolled in the Pension Builder 2014 Scheme of the Church Workers Pension Fund for lay staff. The scheme is a 'cash balance' pension scheme administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the employer and the other participating employers.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2020: £2,619, 2019: £2,392).

There are no employees who received total employee benefits (excluding employer pension costs) of more than £60,000.

During the year the church received £7,218 under the Coronavirus Job Retention Scheme for furloughed employees, which is presented within grant income in the SoFA.

**5(b) PCC MEMBER PAYMENTS AND PRIVATE BENEFIT**

No person connected with the PCC has been paid or is payable any remuneration. During the year the church reimbursed expenses of £190 (£577 in 2019) for 2 PCC members (5 in 2019) for flowers and fund raising materials.

For our Associate Priest £24,968 was paid to the diocese for her stipend, pension and other costs. In addition £6,292 was paid to her previous parish for accommodation for 3 months and £510 was paid to her for reclaimable expenses.

The house in Canford Road was being lived in by our Associate Priest and family rent free from September 2020. This private benefit equates to £31,200 per annum, being the market value of rent for the property if it were to be let commercially based on the previous lease which expired in August 2020.

There are no other PCC transactions during the period (2019: £ Nil).

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**6. FIXED ASSETS**

<b>6(a) TANGIBLE</b>	<b>All Unrestricted</b>	<b>Freehold land &amp; buildings</b>	<b>Equipment</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>
<b>Actual/Deemed Cost</b>	Balance brought forward	275,000	-	275,000
	Land around Community Hall			
	Balance brought forward	1,416,620	7,906	1,424,526
	Community Hall			
	Sound system	-	50,000	50,000
	Balance carried forward	1,691,620	57,906	1,749,526
<b>Depreciation</b>	Balance brought forward	418,648	7,905	426,553
	Depreciation charge for year 2% on Community Hall	28,332	-	28,332
	Depreciation charge for year 25% on sound system	-	12,500	12,500
	Balance carried forward	446,980	20,405	467,385
	<b>Net book value</b>			
	At 1 January 2020	1,272,972	1	1,272,973
	At 31 December 2020	1,244,640	37,501	1,282,141

**6(b) RESIDENTIAL PROPERTIES**

	<b>All Unrestricted</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Residential property for church use</b>			
30 Canford Road - house for associate priest (from August 2020)			
<b>Revalued amount</b>	Balance brought forward	-	
	Transfer from investment property	1,250,000	
		<u>1,250,000</u>	
<b>Depreciation</b>	Balance carried forward	-	
	Balance brought forward	-	
	Depreciation charge for year 2% on 30 Canford Road for 4 months	8,333	
	Elimination on revaluation	<u>(8,333)</u>	
	Balance carried forward	-	
	<b>Net book value</b>		
	At 1 January 2020	-	
	At 31 December 2020	1,250,000	-
<b>Investment properties</b>			
30 Canford Road - house for commercial letting (up to August 2020)		-	1,250,000
5a Wroughton Road - tenanted flat		440,000	440,000
<b>Total</b>		<u>440,000</u>	<u>1,690,000</u>

Reconciliation to brought forward:

Balance brought forward	1,690,000
Transfer of 30 Canford Road to residential property for church use	(1,250,000)
Net gain from fair value adjustments	-
Additions / disposals	-
	<u>440,000</u>

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**6. FIXED ASSETS (continued)**

The residential properties recognised in the accounts are held as custodian trustee by The South London Church Fund and Southwark Diocesan Board of Finance on behalf of the PCC. The charity is the beneficial owner of the freehold of both properties and has full entitlement to the sales proceeds if the properties were sold in the future.

Residential properties were valued based on market data at January 2021, by the real estate firm John Thorogood, a firm qualified by experience of over 20 years selling properties in the local area. The valuations are based on estimated open market value with vacant possession, taking into account recent sales and current demand and offers for similar properties. The PCC believe that the valuations at January 2021 represent the fair values of the residential properties held at 31 December 2020 in all material respects.

The Wroughton Road property has a protected tenant in situ. Industry guidelines would suggest a 30% haircut against the full market valuation based on vacant possession. The amount recognised in the accounts is £440,000.

The house in Canford Road ceased being let commercially in August 2020 and is now lived in by our Associate Priest and family rent free. It has therefore ceased being an investment asset.

The carrying amount of the property at the year-end had it been recorded under the historical cost convention is circa £15k based on an original cost of £63k in 1983.

**7. DEBTORS**

	<b>General Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>TOTAL FUNDS</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tax recoverable	8,311	-	-	8,311	13,016
Other debtors	4,513	5,523	-	10,036	31,239
<b>Total</b>	<b>12,824</b>	<b>5,523</b>	<b>-</b>	<b>18,347</b>	<b>44,255</b>

**8. LIABILITIES**

**Amounts falling due within one year**

Accruals and deferred income	7,500	-	-	7,500	17,700
Other creditors	6,128	3,983	1,500	11,611	6,347
<b>Total</b>	<b>13,628</b>	<b>3,983</b>	<b>1,500</b>	<b>19,111</b>	<b>24,047</b>

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**9. FUNDS**

**9(a) Fund movements**

	<b>Fund balances brought forward</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>Gains and losses</b>	<b>Fund balances carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>						
Legacies Fund	133,374	-	(18,733)	(50,000)	-	64,641
Special Collections Fund	-	1,349	(1,349)	-	-	-
Hall Repair Fund	149,314	561	(5,243)	13,075	-	157,707
Music Society Fund	71,068	36,511	(52,851)	-	-	54,728
sub-total	353,756	38,421	(78,176)	(36,925)	-	277,076
<b>Designated Funds</b>						
Hall Management Fund	198,437	91,171	(143,108)	(13,075)	-	133,425
sub-total	198,437	91,171	(143,108)	(13,075)	-	133,425
<b>General Funds</b>						
General fund	1,876,404	364,400	(427,179)	58,333	-	1,871,958
Fair value reserve	1,256,360	-	-	(866,360)	-	390,000
Revaluation reserve	-	8,333	-	858,027	-	866,360
sub-total	3,132,764	372,733	(427,179)	50,000	-	3,128,318
<b>Totals</b>	<b>3,684,957</b>	<b>502,325</b>	<b>(648,463)</b>	<b>-</b>	<b>-</b>	<b>3,538,819</b>

**9(b) Fund Purposes**

**Restricted Funds**

The Legacies Fund holds the monies received from legacies and will be used for specific purposes which accord with the wishes of the donors.

The Special Collections Fund holds monies collected for other charities which are then paid out to them.

The Hall Repair Fund is a sinking fund for long term future works to maintain the fabric of the Community Hall. It is funded by transferring 10% of hall lettings income from the Hall Management Fund.

The Music Society Fund is for the promotion of music within the church and the community.

**Designated Funds**

The Hall Management Fund relates to the running of the Community Hall. The balance of funds in excess of its requirements is for the use of the PCC for general purposes.

**General Funds**

General funds include a fair value reserve, which represents cumulative fair value gains on investment property. The fair value gain recognised in the current year was £nil (2019: £245,000). See Note 6(b) for further details.

General funds include a revaluation reserve, which represents cumulative revaluation gains on residential property held for church use. The revaluation gain recognised in the current year of £8,333 is offset by a reserves transfer for the same amount in respect of excess depreciation charged in line with the fixed asset depreciation policy for residential properties used by the church. See accounting policy 1(g) for further details.

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**10. LEASE OF DOCTORS' SURGERY LAND**

The piece of land east of the church is leased to the Doctors' Surgery for a period of 125 years for a ground rent of £100 per year from 29 September 2001 subject to a review after 25 years on 29 September 2026.

**11. MISSIONARY & CHARITABLE GIVING**

The policy of the PCC is to make donations to charities and allocates a budget each year. This budget was £27,400 for 2020.

A total of £17,500 was given to 19 charities operating in the UK, with a maximum of £1,000 each.

A total of £9,945 was given to 11 charities operating overseas, with a maximum of £1,000 each.

Special collections are also made with the proceeds being passed on to charities. A total of £1,349 was donated to three charities in this way.

**PAROCHIAL CHURCH COUNCIL OF ST LUKE, BATTERSEA**  
**Registered Charity No. 1131772**

**FINANCIAL STATEMENTS**  
**YEAR ENDING 31 DECEMBER 2020**

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# **INDEPENDENT AUDITOR'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE, BATTERSEA**

## **Opinion**

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of St. Luke, Battersea (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis of 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 Parochial Church Council (PCC) is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 in the Annual Report for 2020 the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management as to actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of committee and PCC meetings;
- Reviewing financial statement disclosures and verification to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business; and
- Reviewing accounting estimates for bias, specifically in relation to property fair values and fixed asset useful lives.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the members of the PCC, who act as 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 PCC 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 PCC as a body, for our audit work, for this report, or for the opinions we have formed.



**Mark Nelligan (FCA) Senior Statutory Auditor**

for and on behalf of

**Wellden Turnbull Limited**

Chartered Accountants and Statutory Auditors

Albany House, Claremont Lane, Esher, Surrey, KT10 9FQ

Date: 19.05.2021

**Parochial Church Council of St Luke, Battersea**  
**Statement of Financial Activities**  
**For the year ending 31 December 2020**

	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2020 £	2019 £
<b>INCOME FROM:</b>						
Donations and legacies	2(a)	275,365	-	1,349	<b>276,714</b>	269,663
Activities for generating funds	2(b)	59,340	90,814	36,511	<b>186,665</b>	270,971
Investments	2(c)	26,401	357	561	<b>27,319</b>	43,934
Church activities	2(d)	3,294	-	-	<b>3,294</b>	8,189
<b>Total</b>		<b>364,400</b>	<b>91,171</b>	<b>38,421</b>	<b>493,992</b>	<b>592,757</b>
<b>EXPENDITURE ON:</b>						
Raising funds	3(a)	8,785	-	57,186	<b>65,971</b>	79,768
Church activities	3(b)	418,394	143,108	20,990	<b>582,492</b>	530,699
<b>Total</b>		<b>427,179</b>	<b>143,108</b>	<b>78,176</b>	<b>648,463</b>	<b>610,467</b>
<b>Net income (expenditure)</b>		<b>(62,779)</b>	<b>(51,937)</b>	<b>(39,755)</b>	<b>(154,471)</b>	<b>(17,710)</b>
<b>Transfers between funds</b>	9	50,000	(13,075)	(36,925)	-	-
<b>Net income before investment gains</b>		<b>(12,779)</b>	<b>(65,012)</b>	<b>(76,680)</b>	<b>(154,471)</b>	<b>(17,710)</b>
Gains/(losses) on revaluation of fixed assets for the charity's own use	6(b)	8,333	-	-	<b>8,333</b>	-
Net gains/(losses) on investments	6(b)	-	-	-	-	245,000
<b>Net movement in funds</b>		<b>(4,446)</b>	<b>(65,012)</b>	<b>(76,680)</b>	<b>(146,138)</b>	<b>227,290</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	9	3,132,764	198,437	353,756	<b>3,684,957</b>	3,457,667
<b>Total funds carried forward</b>	9	<b>3,128,318</b>	<b>133,425</b>	<b>277,076</b>	<b>3,538,819</b>	<b>3,684,957</b>

The notes on pages 7 to 17 form part of these accounts.

**Parochial Church Council of St Luke, Battersea**  
**Balance Sheet at 31 December 2020**

	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2020 £	2019 £
<b>FIXED ASSETS</b>						
Tangible assets	6(a)	1,282,141	-	-	1,282,141	1,272,973
Residential property for church use	6(b)	1,250,000	-	-	1,250,000	-
Investment properties	6(b)	440,000	-	-	440,000	1,690,000
<b>Total fixed assets</b>		<b>2,972,141</b>	<b>-</b>	<b>-</b>	<b>2,972,141</b>	<b>2,962,973</b>
<b>CURRENT ASSETS</b>						
Debtors	7	12,824	5,523	-	18,347	44,255
Cash at bank and in hand		156,981	131,885	278,576	567,442	701,776
<b>Total current assets</b>		<b>169,805</b>	<b>137,408</b>	<b>278,576</b>	<b>585,789</b>	<b>746,031</b>
<b>LIABILITIES</b>						
Creditors: amounts falling due within one year	8	13,628	3,983	1,500	19,111	24,047
<b>Net current assets</b>		<b>156,177</b>	<b>133,425</b>	<b>277,076</b>	<b>566,678</b>	<b>721,984</b>
<b>TOTAL NET ASSETS</b>		<b>3,128,318</b>	<b>133,425</b>	<b>277,076</b>	<b>3,538,819</b>	<b>3,684,957</b>
<b>PARISH FUNDS</b>						
Unrestricted funds	9	3,128,318	-	-	3,128,318	3,132,764
Designated funds	9	-	133,425	-	133,425	198,437
Restricted funds	9	-	-	277,076	277,076	353,756
<b>Total funds</b>		<b>3,128,318</b>	<b>133,425</b>	<b>277,076</b>	<b>3,538,819</b>	<b>3,684,957</b>

Approved by the Parochial Church Council on 12th May 2021 and signed on its behalf by:



Revd Lorenzo Fernandez-Smal, Vicar



John Lucia, Treasurer

The notes on pages 7 to 17 form part of these accounts.

**Parochial Church Council of St Luke, Battersea**  
**Statement of Cash Flows**  
**For the year ending 31 December 2020**

	2020	2019
	£	£
<b>Net cash from/(used in) operating activities*</b>	(111,653)	(40,449)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(50,000)	
Interest and rent from investments	27,319	43,934
<b>Net cash provided by/(used in) investing activities</b>	(22,681)	43,934
<b>Change in cash and cash equivalents in the reporting period</b>	(134,334)	3,485
<b>Cash and cash equivalents at 1 January</b>	701,776	698,291
<b>Cash and cash equivalents at 31 December</b>	<u>567,442</u>	<u>701,776</u>
<b>Reconciliation of net income/(expenditure) before investment gains</b>		
<b>Net income before investment gains 31 December</b>	(154,471)	(17,710)
<b>Adjustments for:</b>		
Depreciation charges	49,165	28,332
Interest and rent from investments	(27,319)	(43,934)
Decrease/(increase) in debtors	25,908	(7,199)
(Decrease)/increase in creditors	(4,936)	62
<b>*Net cash from/(used in) operating activities</b>	<u>(111,653)</u>	<u>(40,449)</u>
<b>Analysis of cash and cash equivalents</b>		
Bank current accounts	169,174	143,597
Short term deposits	<u>398,268</u>	<u>558,179</u>
	<u>567,442</u>	<u>701,776</u>

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**1. ACCOUNTING POLICIES**

**1(a) General information and basis of preparation**

The full name of the charity is "The Parochial Church Council of the Ecclesiastical Parish of St. Luke, Battersea" referred to in these accounts as the PCC and is registered with the Charity Commission, registration no. 1131772. Full details of the charity's legal form, address and other administrative information are included in the trustee's Annual Report.

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' "true and fair view" provisions, together with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS102).

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at fair value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

**1(b) Funds**

**General funds** are unrestricted funds which can be used for PCC ordinary purposes. General funds also include a fair value reserve, which represents cumulative fair value gains on investment property.

**Designated funds** are unrestricted funds that are set aside by the PCC for specific purposes.

**Restricted funds** represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on an average balance basis.

**1(c) Income recognition**

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the income to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Interest is accounted for when receivable. All other income, including income from lettings, is recognised when it is receivable. All income is accounted for gross. The value of any voluntary help received is not included in the accounts but is described in the PCCs' annual report.

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
**For the year ending 31 December 2020**

**1. ACCOUNTING POLICIES (continued)**

**1(d) Expenditure and liabilities**

Liabilities are recognised as soon as there is a legal or constructive obligation and settlement is probable and quantifiable. Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish support fund contribution is accounted for when due. Amounts received specifically for mission are dealt with as restricted funds. All other expenditure is generally recognised when it is incurred and is accounted for gross.

**1(e) Fixed assets**

Consecrated and beneficed property is excluded from the accounts by s10(2)(a) of the Charities Act 2011.

Movable church furnishings held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property, listed in the church's inventory, which can be inspected (at any reasonable time). For assets acquired prior to 1999, there is insufficient cost information available and therefore such assets are not included in the financial statements.

Tangible fixed assets are accounted for at cost less depreciation.

**1(f) Residential properties**

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities (SoFA). Cumulative fair value changes are shown in a fair value reserve within General Funds.

Residential property held for church use is carried at fair value under the revaluation model less any subsequent accumulated depreciation and impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Revaluation gains and losses are recognised in Other comprehensive income and held in a revaluation reserve, unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in expenditure for the year in the SoFA.

**1(g) Depreciation**

Tangible fixed assets are depreciated as follows:

Buildings (Community Hall)	2% on cost
Equipment (Sound system)	25% on cost
Residential properties (Church use)	2% on revalued amount

Freehold land and investment properties are not depreciated.

The original equipment bought for the Community Hall was written off over 4 years. All replacement equipment is written off as the expenditure is incurred.



**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
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**1. ACCOUNTING POLICIES (continued)**

**1(h) Current assets**

Cash at bank and in hand includes short term deposits with CBF Church of England Funds and with other major banks.

**1(i) Debtors**

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**1(j) Leases**

Rentals receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**1(k) Employee benefits**

The charity operates a 'cash balance' pension plan for the benefit of its employees. Contributions are expensed as they become payable. See Note 5(a) for further details.

**1(l) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments under FRS 102. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**1(m) Tax**

The company is a registered charity and, therefore, is not liable to income tax or capital gains tax on income or gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**1(n) Going concern**

The financial statements have been prepared on a going concern basis. The trustees have considered 12 months from the date of authorisation of these financial statements and believe that the charity is able to meet its liabilities as they fall due for the foreseeable future. In their assessment, the trustees have taken into account the ongoing uncertain impact of the COVID-19 pandemic and the adequate cash reserves of the charity as well as its significant property portfolio, which could be used as either security for future funding or sold to boost cash reserves if required.

**Parochial Church Council of St Luke, Battersea**  
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**1. ACCOUNTING POLICIES (continued)**

**1(o) Judgements and key sources of estimation uncertainty**

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

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the valuation of investment properties and residential property held for charity use, which are based on estimated fair values derived from independent market professionals, as set out in note 6(b)."

**Parochial Church Council of St Luke, Battersea**  
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**2. INCOME FROM:**

	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>TOTAL FUNDS</b>	
				<b>2020 £</b>	<b>2019 £</b>
<b>2(a) Donations and legacies</b>					
<b>Grants</b>					
LPOW (VAT refund on building works)	2,117	-	-	2,117	1,252
Job Retention Scheme	7,218	-	-	7,218	-
sub-total	9,335	-	-	9,335	1,252
<b>Voluntary giving</b>					
Stewardship & envelopes	185,729	-	-	185,729	204,959
Loose cash	4,939	-	-	4,939	10,392
Tax refund	46,791	-	-	46,791	47,788
Donations, appeals etc.	28,571	-	1,349	29,920	5,272
sub-total	266,030	-	1,349	267,379	268,411
<b>Total</b>	<b>275,365</b>	<b>-</b>	<b>1,349</b>	<b>276,714</b>	<b>269,663</b>
<b>2(b) Activities for generating funds</b>					
Christmas market	11,201	-	-	11,201	11,397
Church & hall lettings	19,938	90,814	-	110,752	164,547
Antenna rent & cost of electricity	27,311	-	-	27,311	23,711
Church musical & social activities	890	-	36,511	37,401	71,316
<b>Total</b>	<b>59,340</b>	<b>90,814</b>	<b>36,511</b>	<b>186,665</b>	<b>270,971</b>
<b>2(c) Investments</b>					
Property lettings	24,643	-	-	24,643	40,050
Interest	1,758	357	561	2,676	3,884
<b>Total</b>	<b>26,401</b>	<b>357</b>	<b>561</b>	<b>27,319</b>	<b>43,934</b>
<b>2(d) Church activities</b>					
Parochial fees received	3,294	-	-	3,294	8,189
<b>Total</b>	<b>3,294</b>	<b>-</b>	<b>-</b>	<b>3,294</b>	<b>8,189</b>
<b>Total</b>	<b>364,400</b>	<b>91,171</b>	<b>38,421</b>	<b>493,992</b>	<b>592,757</b>

**Parochial Church Council of St Luke, Battersea**  
**Notes to the financial statements**  
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**3. EXPENDITURE ON:**

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2020 £	2019 £
<b>3(a) Raising funds</b>					
Publicity and printing	3,720	-	-	3,720	4,242
Christmas market	3,881	-	-	3,881	2,294
Church musical & social activities	1,184	-	57,186	58,370	73,232
<b>Total</b>	<b>8,785</b>	<b>-</b>	<b>57,186</b>	<b>65,971</b>	<b>79,768</b>
<b>3(b) Church activities</b>					
<b>Missionary &amp; charitable giving</b>					
Mission and outreach	27,445	-	-	27,445	27,410
Special collections	-	-	1,349	1,349	4,257
sub-total	27,445	-	1,349	28,794	31,667
<b>Ministry</b>					
Diocesan parish support fund	188,000	-	-	188,000	228,000
Clergy costs	32,051	-	-	32,051	-
Other staff costs	19,369	-	-	19,369	22,483
Deanery synod & church schools	-	-	-	-	2,300
Parochial fees paid to diocese	1,535	-	-	1,535	3,150
Nightshelter costs	-	-	-	-	2,000
Other expenses incl petty cash	615	-	-	615	2,788
sub-total	241,570	-	-	241,570	260,721
<b>Church expenses</b>					
Repairs & maintenance	18,307	-	-	18,307	29,349
Insurance	7,876	-	-	7,876	7,764
Utilities incl antenna electricity	19,871	-	-	19,871	21,419
Cost of services incl music	13,712	-	-	13,712	13,683
Sound system installation	-	-	14,398	14,398	5,032
Sound system depreciation	12,500	-	-	12,500	-
sub-total	72,266	-	14,398	86,664	77,247
<b>Community Hall expenses</b>					
Hall improvements & major works	-	6,692	5,243	11,935	15,429
Insurance	-	1,694	-	1,694	1,783
Running expenses incl utilities	-	50,273	-	50,273	55,014
External railings renewal	-	54,519	-	54,519	7,677
Depreciation	28,332	-	-	28,332	28,332
sub-total	28,332	113,178	5,243	146,753	108,235
<b>Property expenses</b>					
Repairs & maintenance	10,653	-	-	10,653	2,220
Utilities & letting costs	1,661	-	-	1,661	525
Insurance	(1,067)	-	-	(1,067)	1,756
Depreciation on 30 Canford Road	8,333	-	-	8,333	-
sub-total	19,580	-	-	19,580	4,501
<b>Administration</b>					
Salaries & wages (office)	17,681	28,414	-	46,095	34,195
Telephone, postage, website etc.	2,403	1,449	-	3,852	3,631
Professional fees	8,239	-	-	8,239	9,236
Bank charges	878	67	-	945	1,266
sub-total	29,201	29,930	-	59,131	48,328
<b>Total</b>	<b>418,394</b>	<b>143,108</b>	<b>20,990</b>	<b>582,492</b>	<b>530,699</b>
<b>Total</b>	<b>427,179</b>	<b>143,108</b>	<b>78,176</b>	<b>648,463</b>	<b>610,467</b>

**Parochial Church Council of St Luke, Battersea**  
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**4. AUDITOR'S REMUNERATION**

The auditor's remuneration amounts to an audit fee of £7,500 (£8,400 in 2019) and payroll services of £739 (£716 in 2019).

**5(a) STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gross wages, salaries and benefits in kind	65,629	59,961
Employer's pension contributions	2,619	2,392
Employer's National Insurance costs	4,457	-
less Job Retention Scheme grants received	(7,218)	-
<b>Total staff costs</b>	<b>65,487</b>	<b>62,353</b>
Average number of employees in the year (including part time staff)	4	4

Eligible staff are enrolled in the Pension Builder 2014 Scheme of the Church Workers Pension Fund for lay staff. The scheme is a 'cash balance' pension scheme administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the employer and the other participating employers.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2020: £2,619, 2019: £2,392).

There are no employees who received total employee benefits (excluding employer pension costs) of more than £60,000.

During the year the church received £7,218 under the Coronavirus Job Retention Scheme for furloughed employees, which is presented within grant income in the SoFA.

**5(b) PCC MEMBER PAYMENTS AND PRIVATE BENEFIT**

No person connected with the PCC has been paid or is payable any remuneration. During the year the church reimbursed expenses of £190 (£577 in 2019) for 2 PCC members (5 in 2019) for flowers and fund raising materials.

For our Associate Priest £24,968 was paid to the diocese for her stipend, pension and other costs. In addition £6,292 was paid to her previous parish for accommodation for 3 months and £510 was paid to her for reclaimable expenses.

The house in Canford Road was being lived in by our Associate Priest and family rent free from September 2020. This private benefit equates to £31,200 per annum, being the market value of rent for the property if it were to be let commercially based on the previous lease which expired in August 2020.

There are no other PCC transactions during the period (2019: £ Nil).

**Parochial Church Council of St Luke, Battersea**  
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**6. FIXED ASSETS**

6(a) TANGIBLE	All Unrestricted	Freehold land & buildings	Equipment	Total
		£	£	£
<b>Actual/Deemed Cost</b>	Balance brought forward	275,000	-	275,000
	Land around Community Hall			
	Balance brought forward	1,416,620	7,906	1,424,526
	Community Hall			
	Sound system	-	50,000	50,000
	Balance carried forward	1,691,620	57,906	1,749,526
<b>Depreciation</b>	Balance brought forward	418,648	7,905	426,553
	Depreciation charge for year 2% on Community Hall	28,332	-	28,332
	Depreciation charge for year 25% on sound system	-	12,500	12,500
	Balance carried forward	446,980	20,405	467,385
	<b>Net book value</b>			
	At 1 January 2020	1,272,972	1	1,272,973
	At 31 December 2020	1,244,640	37,501	1,282,141

**6(b) RESIDENTIAL PROPERTIES**

	All Unrestricted	2020 £	2019 £
<b>Residential property for church use</b>			
30 Canford Road - house for associate priest (from August 2020)			
<b>Revalued amount</b>	Balance brought forward	-	
	Transfer from investment property	1,250,000	
		<u>1,250,000</u>	
<b>Depreciation</b>	Balance carried forward	-	
	Balance brought forward	-	
	Depreciation charge for year 2% on 30 Canford Road for 4 months	8,333	
	Elimination on revaluation	<u>(8,333)</u>	
	Balance carried forward	-	
	<b>Net book value</b>		
	At 1 January 2020	-	
	At 31 December 2020	1,250,000	-
<b>Investment properties</b>			
30 Canford Road - house for commercial letting (up to August 2020)		-	1,250,000
5a Wroughton Road - tenanted flat		440,000	440,000
<b>Total</b>		<u>440,000</u>	<u>1,690,000</u>

Reconciliation to brought forward:

Balance brought forward	1,690,000
Transfer of 30 Canford Road to residential property for church use	(1,250,000)
Net gain from fair value adjustments	-
Additions / disposals	-
	<u>440,000</u>

**Parochial Church Council of St Luke, Battersea**  
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**6. FIXED ASSETS (continued)**

The residential properties recognised in the accounts are held as custodian trustee by The South London Church Fund and Southwark Diocesan Board of Finance on behalf of the PCC. The charity is the beneficial owner of the freehold of both properties and has full entitlement to the sales proceeds if the properties were sold in the future.

Residential properties were valued based on market data at January 2021, by the real estate firm John Thorogood, a firm qualified by experience of over 20 years selling properties in the local area. The valuations are based on estimated open market value with vacant possession, taking into account recent sales and current demand and offers for similar properties. The PCC believe that the valuations at January 2021 represent the fair values of the residential properties held at 31 December 2020 in all material respects.

The Wroughton Road property has a protected tenant in situ. Industry guidelines would suggest a 30% haircut against the full market valuation based on vacant possession. The amount recognised in the accounts is £440,000.

The house in Canford Road ceased being let commercially in August 2020 and is now lived in by our Associate Priest and family rent free. It has therefore ceased being an investment asset.

The carrying amount of the property at the year-end had it been recorded under the historical cost convention is circa £15k based on an original cost of £63k in 1983.

**7. DEBTORS**

	<b>General Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>TOTAL FUNDS</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tax recoverable	8,311	-	-	8,311	13,016
Other debtors	4,513	5,523	-	10,036	31,239
<b>Total</b>	<b>12,824</b>	<b>5,523</b>	<b>-</b>	<b>18,347</b>	<b>44,255</b>

**8. LIABILITIES**

**Amounts falling due within one year**

Accruals and deferred income	7,500	-	-	7,500	17,700
Other creditors	6,128	3,983	1,500	11,611	6,347
<b>Total</b>	<b>13,628</b>	<b>3,983</b>	<b>1,500</b>	<b>19,111</b>	<b>24,047</b>

**Parochial Church Council of St Luke, Battersea**  
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**9. FUNDS**

**9(a) Fund movements**

	<b>Fund balances brought forward</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>Gains and losses</b>	<b>Fund balances carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>						
Legacies Fund	133,374	-	(18,733)	(50,000)	-	64,641
Special Collections Fund	-	1,349	(1,349)	-	-	-
Hall Repair Fund	149,314	561	(5,243)	13,075	-	157,707
Music Society Fund	71,068	36,511	(52,851)	-	-	54,728
sub-total	353,756	38,421	(78,176)	(36,925)	-	277,076
<b>Designated Funds</b>						
Hall Management Fund	198,437	91,171	(143,108)	(13,075)	-	133,425
sub-total	198,437	91,171	(143,108)	(13,075)	-	133,425
<b>General Funds</b>						
General fund	1,876,404	364,400	(427,179)	58,333	-	1,871,958
Fair value reserve	1,256,360	-	-	(866,360)	-	390,000
Revaluation reserve	-	8,333	-	858,027	-	866,360
sub-total	3,132,764	372,733	(427,179)	50,000	-	3,128,318
<b>Totals</b>	<b>3,684,957</b>	<b>502,325</b>	<b>(648,463)</b>	<b>-</b>	<b>-</b>	<b>3,538,819</b>

**9(b) Fund Purposes**

**Restricted Funds**

The Legacies Fund holds the monies received from legacies and will be used for specific purposes which accord with the wishes of the donors.

The Special Collections Fund holds monies collected for other charities which are then paid out to them.

The Hall Repair Fund is a sinking fund for long term future works to maintain the fabric of the Community Hall. It is funded by transferring 10% of hall lettings income from the Hall Management Fund.

The Music Society Fund is for the promotion of music within the church and the community.

**Designated Funds**

The Hall Management Fund relates to the running of the Community Hall. The balance of funds in excess of its requirements is for the use of the PCC for general purposes.

**General Funds**

General funds include a fair value reserve, which represents cumulative fair value gains on investment property. The fair value gain recognised in the current year was £nil (2019: £245,000). See Note 6(b) for further details.

General funds include a revaluation reserve, which represents cumulative revaluation gains on residential property held for church use. The revaluation gain recognised in the current year of £8,333 is offset by a reserves transfer for the same amount in respect of excess depreciation charged in line with the fixed asset depreciation policy for residential properties used by the church. See accounting policy 1(g) for further details.



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**10. LEASE OF DOCTORS' SURGERY LAND**

The piece of land east of the church is leased to the Doctors' Surgery for a period of 125 years for a ground rent of £100 per year from 29 September 2001 subject to a review after 25 years on 29 September 2026.

**11. MISSIONARY & CHARITABLE GIVING**

The policy of the PCC is to make donations to charities and allocates a budget each year. This budget was £27,400 for 2020.

A total of £17,500 was given to 19 charities operating in the UK, with a maximum of £1,000 each.

A total of £9,945 was given to 11 charities operating overseas, with a maximum of £1,000 each.

Special collections are also made with the proceeds being passed on to charities. A total of £1,349 was donated to three charities in this way.