

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

Registered Charity No. 1131772

ANNUAL REPORT

Year Ending 31 DECEMBER 2021

Parochial Church Council of St Luke, Battersea Annual Report 2021

The trustees present their report and the audited financial statements of the charity for the year ended 31 December 2021. 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.

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

Our overarching concern as the parish emerged from a pandemic, the aftermath of which still impacting our lives, has been to re-open the services and ministries that had to be interrupted. Some activities carried on regardless of Covid, on Zoom. The study group on the Gospel according to Matthew, which was begun right at the start of the first lockdown, is about to finish. The tenacity and interest of its members shall now pass into legend. We are about to begin a new study group on the Gospel according to John. It will of course be open to all... but it may very well last a couple of years too! The Monday Bible study group organised by Christine Lucia has also continued through the year online and then in person.

Yunghee has similarly maintained evening prayer online as a way to encourage to join and to keep in touch with those who cannot be there in person. Meditation now takes place at 8.30am three times a week.

The school services have returned fully, albeit alternating between upper and lower schools to accommodate safely a suitable number of parents who wish to attend. We have begun a termly staff service for the teachers of Thomas' school. We have an excellent relationship with the two new headteachers who began their job in such strange circumstances and attend almost every week.

Weddings, baptisms and funerals have also resumed without restriction and in 2021, we celebrated three weddings, four funerals and twenty-seven baptisms as well as less ordinary life event celebrations. Divine worship has resumed and is gradually approximating the shape it had before the epidemic.

Our Sunday attendance is on average 129 adults and 24 children, most of the latter can be found at the 9am communion service but with Junior Church re-opening in 2022, we hope to slowly attract older children back. We hope to resume bigger events as soon as a Youth and Families Officer is recruited. Our average weekly attendance is 377 adults and 523 children, the drop being caused by the alternation of upper and lower schools rather than all school services every week.

The Lent Groups were organised by Yunghee this year, based on the St Martin in the Field 'Art and the Bible Story'. All groups ran online and both the theme and format proved extremely popular and thought-provoking. In September, we also finally managed to have the long-overdue postponed party with a Korean BBQ to welcome Yunghee to the parish as well as to thank the two previous wardens, Sarah McLaughlin and Sophie Seddon who worked tirelessly for the church.

I am hugely grateful for Timothy Walker's review of services, still ongoing, to be concluded this year. Some of the projects that were abandoned last year can now be tried again. I will therefore try to see if there is an interest for a regular service of communion in French among the many francophone families that live nearby. We will base it on the Canadian prayerbook. Hopefully, by September next year, we will begin a meditation class for children who find it difficult to concentrate or manage their emotions. We are also planning to have St Luke's Passion Play on 9th April 2022. The script was written by Libby Spurrier and Anthony Ogg and we are currently recruiting the cast and volunteers throughout the parish to involve the community in the event.

Music at St Luke's

St Luke's owes a great debt of gratitude to its Director of Music, Derek Carden, for leading the choir through a very difficult year due to the pandemic.

The year started in lockdown, with all the 10.30 services being broadcast on Zoom and Facebook to the congregation. Until Easter, the music was sung by a solo Cantor accompanied by Derek Carden. A number of the choir members volunteered to sing solo as Cantor. Most had not been soloists before and with Derek's support and training they surpassed their own expectations in maintaining a good standard and added considerably to the services.

From Easter, the choir returned initially in limited numbers due to the restrictions on choral singing, but by the summer, a full choir was allowed even though the congregation were not allowed to sing until the autumn.

The annual Christmas carol service was excellent and musically showed that a return to normality was coming back. However with a new variant of COVID proving very persistent, the numbers in the congregation had to be limited.

Youth and Children

Our 9.00 am Family Service continued online until April when we welcomed everyone back into church. The service continues to be live-streamed to enable families to join online.

Staff members Jordan Theis and Alison Roche continued to engage with some of the younger members of the congregation on Zoom and held regular Film Quizzes for young people and families throughout the year.

We held a successful online Christingle and Mothering Sunday services with packs delivered to families to join in from home. We invited one family to help in church with the services to demonstrate the crafts and lead the prayers and readings.

At Christmas, the children and families joined with the older members of the congregation for Café Carols, a service of readings and lots of music. This was followed by mulled wine, coffee and mince pies.

Jordan Theis, our Junior Choir director, organised a great Nativity with a group of children singing the story of the nativity. This had to be scaled back with the restrictions of the Omicron variant. There were two services with people joining on-line, with a limited number of people in church. Unfortunately, Jordan left us at Christmas for pastures new and his replacement is to be appointed in 2022.

Play and Pray on a Wednesday and Playgroup on a Thursday

Tales, Play & Pray continued online from January with the same format of two stories for the under 3's, singing and prayers at the end. At Easter, we held a craft event online. Craft packs were delivered to families to do at home, with wooden eggs to decorate while joining a Zoom call. Families were then encouraged to come to church to decorate the Easter Tree with their creations and join in the Easter Dawn Service when we were able to return to church. Over the summer months of May, June, July and August, we held in person Tales, Play & Pray and from September returned to weekly dates.

In September we were delighted to re-open our Drop In Playgroup in the Community Hall each Thursday afternoon.

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 2021, 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. Jordan resumed his Youth Choir practises with the choir working towards joining in the Nine Lessons and Carols and the Nativity Service at Christmas. This sadly had to be scaled back.

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. During the last year, social events and celebrations have been returning to in person events. Special mention should be made of the parish wide BBQ in September, the patronal festival in October with its emphasis on recognising and thanking all the volunteers who have helped throughout the pandemic, and Christmas Café Carols,

which were back in person. Wednesday mornings, with Pray and Play, a coffee morning, and morning Eucharist, offers opportunities for different age groups to meet and is becoming an established feature of our ministry to the community.

Organising baptisms, and recruiting and training baptismal assistants, is an important part of the PLT's remit, especially as the church continues to work through the backlog generated by the restrictions of the pandemic. The Prayer Chain, updated monthly and circulated among a faithful team who pray regularly for those in need, is another important ministry managed by the PLT.

The PLT keeps abreast of what is happening in the various ministries at St Luke's while not being involved directly.

Social Events

The highlight of St Luke's Social events was a Korean Barbecue held in September. This had been postponed from the Summer when the annual St Luke's Barbecue is usually held because of the continuing pandemic. Over 150 members of the congregation and the community attended with the widest possible range of ages, and we were blessed with excellent weather throughout the event. The Korean influence was particularly felt in the amazing food organised by Associate Priest Yunghee Koh and some of her family and friends who came over from one of previous parishes in New Malden. The Korean food was supplemented by a huge array of salads and desserts provided by many church members.

As the darkness began to fall games for the children were organised and a special presentation was made to Sophie Seddon and Sarah McLaughlin who had stepped down as churchwardens during the previous two years.

There had not been any Parish social events since the start of the Pandemic and so this magnificent event will hopefully be the launch pad for a fuller programme of events bringing us all together.

Christmas Market 2021

It was wonderful to enter St Luke's and see the 2021 Christmas Market set out for all to enjoy. While it is one of the major fundraising events of the year, it is also a wonderful social event for the Parish bringing everybody together to enjoy the many stalls and the excellent refreshments. While the online Christmas Market in 2020 worked well, the amazing atmosphere of the live event gave everyone a lift as the worries of Covid began to be of concern again. Huge congratulations are due to the organisers Maralee Vezie and Anne Abouchar who attracted an excellent quality of stalls including all the old favourites, a new Christmas gift stall and the launch of a new history of St Luke's by Timothy Walker. For the second year Christmas trees were on sale and were all snapped up.

Another great day in St Luke's year and nearly £10,000 was made for vital St Luke's funds at this difficult time.

Work in the Community

Use of the Community Hall

Against all Covid-odds, the Hall has seen a busy year. One-off bookings began to return in the Autumn and while a handful of regular hirers opted to continue their classes on Zoom rather than return to St Luke's, the hall has nonetheless been busy with regular hirers. Unfortunately for a second winter running, the Sunday Night Shelter was not with us but it is very much hoped that they will return in 2022. Current regular hirers include two nursery schools, two drama clubs, rugby classes for pre-school children, handwriting classes and an

adult pilates class, as well as various Uniformed Groups. We continue to host sport and drama holiday clubs.

Glass Door

The year has been a frustrating one for all those volunteers from St Luke's who have helped to run a Night Shelter on Sunday evenings in conjunction with Glass Door. This is particularly so for Tim Slorick and Cate Noble who lead the project.

Because of Covid and lockdown restrictions, Glass Door were unable to run a Night Shelter scheme either in the winter of 2020/1 or 2021/2. However, in the early part of 2021, a team of our volunteers did supply food to the Church of the Ascension in Malwood Road where guests could go to have a meal on a Sunday night. This then was not possible in the later part of the year and so the project is on hold at present.

Wandsworth Foodbank

St Luke's congregation has continued to contribute to the Wandsworth Foodbank even during Lockdown. In the early months of the year, a collection point was organised weekly outside the church which was welcomed by many local people both to deliver food to be taken to the Foodbank and as a meeting point for people during Lockdown. When the church fully reopened the collection returned to the back of church and the Hall.

Charitable Grants

Because of the financial situation of the church finances as a result of the pandemic, the Charitable Grants committee were faced with a reduction in funds allocated from £27,400 in 2020 to £18,800 in 2021. As a result, some hard decisions had to be made by the committee, both to reduce the number of charities that it could support and the amount that it could give to the supported charities.

As a result, 10 overseas charities and 20 local charities received support. This meant that overall, four charities were sadly not able to be supported. These were City Harvest, New Bridge, Mental Health Research UK and the Zimbabwe Diocese link. Reductions of between a quarter and a half in grants were made to the charities supported.

During the year, visits from charities to church services were made, including Mosaic supporting the work of St George's Church in Baghdad, Little Village supporting young families in need with children up to 5 years old with clothes and baby equipment and St George's Church of England Primary School, one of two church primary schools in the local area.

The PCC received a report from the Committee in the autumn and gave their encouragement to Amanda Williams and the Charitable Grants Committee for their work. It became clear in the discussion that members of the congregation volunteered at some of the charities that are supported. This includes volunteers at Little Village and a governor at Christ Church CofE primary school. The committee will look at other volunteering opportunities with our supported charities in the future.

Christian Aid

Christian Aid week 2021 was 10th to 16th May. The country was still in level 2 Covid restrictions meaning that socialising indoors was restricted to your support bubble. Churches were open for worship but there was no socialising.

Despite these restrictions, St Luke's ran a plant stall held outside on a rather grey day and an online Cake Sale. Many thanks to Laurie Lowrie, Barbara McPhee and their teams of helpers.

Door to door collections were not possible but a couple of streets collected via their Whatsapp groups and others contributed either by the Church website or directly to Christian Aid.

St Luke's raised over £3000. A very big thank to the Christian Aid committee led by Gillian Robinson and the wider congregation. Christian Aid like most charities has seen its income fall since the pandemic; Christian Aid week has been particularly badly affected with revenue reduced by nearly 50%. Hopefully the easing of restrictions will encourage more fund-raising events.

St Luke's Music Society

2021 was a very strange year for the Music Society. Although two concerts had taken place in the Autumn of 2020, lockdown restrictions meant that the rest of the 2020/21 season had to be cancelled in the first 5 months of 2021. However, during that time, there was optimism that the 2021/22 season would be able to happen and that optimism was rewarded.

A summer concert took place in June with a gala concert of young musicians who had supported the Music Society during Lockdown and for many of the audience, this was their first experience of live music for over a year. The Festival Chorus also gave a concert during the same June weekend.

The 2021/22 season began in September with concerts by soprano Louise Alder and pianist Mitsuko Uchida. This was followed in October by a return from saxophonist Jess Gillam, in November by a Shakespeare inspired concert by Carolyn Sampson, Roderick Williams and Joseph Middleton and in December a jazz concert by The Chris Barber Band.

After a long period of fairly unsatisfactory Zoom rehearsals, the Festival Chorus returned to a normal rehearsal schedule and in November gave their first full programme including a new work by Louise Drewett originally scheduled for March 2020.

The Music Society managed to cover its costs in the year and retains reserves in the church accounts of £63.0k which includes advance ticket sales for the early concerts in 2022.

OUR BUILDINGS

The Community Hall

In response to a request from Nightingale Nursery, a gate was made for and installed at the top of the basement steps: the Nursery continues to use the side return for their drop off and collection point and the unprotected basement steps presented a safety issue. New gardeners started at the Hall in August: they have replaced the rotting playgroup shed, laid paving slabs to improve the approach to the bicycle rack in front of the Hall and are tackling all overgrown areas, as well as general maintenance. They are a very welcome addition. Due to reduced use and the extended decoration program in 2020, no internal decorating was carried out in 2021. There have been no other significant hall projects.

Church Fabric

The Quinquennial Inspection fell due this year and was carried out in April. Our newly appointed architect, Nicholas Weedon of Hanslip & Co, reported the church to be generally in good order but nonetheless listed a few areas requiring attention. The lion's share of this work was completed in-house but quotations are being sought for areas of brick and roof work.

The works to repair the dwarf wall and railings at the corner of Thurleigh and Ramsden Roads was finally completed in September and the work to reinstate the memorial garden will start in the new year. The sound system and live-streaming facility is now fully functioning and very much appreciated by the schools at Christmas, as well as St Luke's

generally. The mobile telecommunications equipment continues to require constant monitoring and maintenance by the network company and an extensive upgrade was carried out over the summer, finally completing, later than scheduled, in October.

Canford Road

This house is occupied by St Luke's Associate Priest, Yunghee Koh and family. There had been no significant capital outlay during the year until two days before Christmas when a leak from the bathroom came through the kitchen ceiling. A plumber was eventually found to stop the leak and our regular plumber completed the job in the new year.

Wroughton Road

The top, 1st floor flat remains occupied by the same rent controlled long term tenant. The ground floor flat tenant approached us for consent to extend the ground floor into the garden and is currently in correspondence with the Diocese who are also required to give consent to the proposed works. 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 eight times during the year, with five of those meetings held using Zoom and in person from September onwards. 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
St Luke's Music Society
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: £631.5k (2020: £494.0k)

Surplus/deficit for the year, before fair value gains: £32.5k (2020: -£154.5k)

Net current unrestricted funds: £124.4k (2020: £156.2k)

During the year, the General Fund expenditure was £449.8k comprising £383.3k of church operating costs and £66.5k of depreciation of fixed assets. The income for the year was £351.5k giving a shortfall compared to operating costs of £31.8k excluding depreciation,

considerably more than 2020 but expected in our budget for the year. Revaluation of our two residential properties resulted in a fair value gain of £52.5k which gave a net decrease in the General Fund of £45.8k.

The Hall Management Fund increased by £24.2k. The operation of the hall made a surplus of £39.0k excluding the work to repair the external railings (£5.7k) and excluding the transfer of £9.1k to the Hall Repair Fund.

The Legacies Fund received two new legacies of £94.6k from the estate of Dorothy Sherburn and another of £1.0k from the estate of Audrey Kelly. £6.5k was expended on an addition to the new sound system and on choir costs giving an increase in the fund of £89.1k.

Church Income and Expenditure (General Fund)

During 2021 our income stream was still 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 £194.4k compared to £190.7k in 2020. Other one off donations raised £23.5k and £42.7k was received in Gift Aid tax reclaims. Also £3.2k was received from the government job retention scheme for our children's worker who was on furlough for the first 3 months of the year.

Lettings income for the church was up by £4.5k to £24.4k compared to 2020 (£19.9k). Property income was reduced by £13.6k as our Canford Road house is now lived in by our Associate Priest.

As always, the largest component of our expenditure was the Parish Support Fund at £188.0k, the same as in 2020. 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 parishes.

Charitable giving was in two parts: our regular giving was £18.8k reduced from 2020 (£27.4k) plus the collections made from time to time for specific charities (£2.9k). Church operating costs included the cost of our Associate Priest for the full year (£40.4k) and the part-time children's worker who was made redundant at the end of March (£12.9k). Church building maintenance costs and other running costs were similar to 2020.

For 2022 we have reduced our pledge to the diocese Parish Support Fund by £25.0k to £163.0k as a result of which our overall church operating expenses are expected to reduce to £345.0k before adding depreciation costs and this should lead to a moderate deficit for the year of £12.0k. We are holding a planned giving campaign early in the year and aiming to increase our stewardship income from the present level by £5.0k plus associated Gift Aid tax refund of £1.0k, with the objective of reducing this deficit.

The Community Hall (Hall Management Fund)

During 2021 the operation of the hall cost £79.6k excluding the work to repair the external railings and in addition made a contribution to the hall repair fund of £9.1k. The hall lettings income was affected by Covid-19 at £118.5k but improved from 2020 (£90.8k). The work to complete the external railings cost £5.7k and this was paid for from the Hall Management Fund. Total outgoings for the hall are expected to be £110.0k in our 2022 budget.

Planned Giving

The continued thrust of Stewardship in the year was the Planned Giving campaign in Lent. The campaign proved successful raising over £29.0k from increased promises and one-off

donations excluding Gift Aid. Approximately 60 responses were received, which is lower than previous years. Whilst the number of responses was down on previous years, the overall amount raised was higher than 2020 by about £5.0k. Overall, this was a very satisfactory result, particularly in the circumstances, and the Stewardship Committee are very grateful to the congregation. This year's Planned Giving campaign was run by Russ Hulett (Stewardship Committee Chairman) 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 operating expenses, i.e. £172.5k (50% of our 2022 budget). At 31st December 2021, our unrestricted funds net current assets were £124.4k, which is sufficiently close to this target.

Designated Fund

Ideally, we would maintain reserves equal to six months' hall operating expenses, i.e. £55.0k (50% of our 2022 budget). At 31st December 2021, our designated funds net current assets were £157.6k, 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 the 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: Reverend Yunghee Koh

Children's Worker: Sally Newman (*until March 2021*)

Parish Office: Amanda Palengat and Alison Roche

Church Wardens: David Seward, Sarah McLaughlin (*until May 2021*), Antony Lewis-Crosby (*from May 2021*)

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

Deanery Synod Representatives:

Jenny Bailey, Claire Goddard, James Vyvyan

Parochial Church Council: Vicar, Associate Priest, Church Wardens, Deanery Synod Representatives, Craig Abouchar, Sarah Bourke, Alice Lamb, John Lucia, Cynthia Poole, Katie Ryan, Tim Sanders-Hewett, Maralee Vezie, Sarah Walker, Timothy Walker

David Barttelot (*until May 2021*)

Tony Blurton, Rosie Collins, David Powell (*all from May 2021*)

PCC Treasurer: John Lucia

PCC Secretary: Alice Lamb

Electoral Roll Officer: Alison Roche

Director of Music: Derek Carden

Junior Choir Director: Jordan Theis (*until December 2021*)

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

ATTENDANCES AND LIFE EVENTS

Sunday Services average attendance:

Adults – 129, Children -24

Weekday Services average attendance:

Adults – 377, Children – 523

Life events during 2021:

Weddings – 3, Funerals – 4, Baptisms - 27

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.

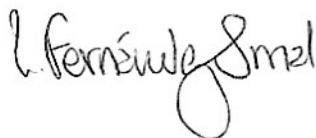
The PCC are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the church and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They 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 5th April 2022 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 2021

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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 2021 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 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis 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 2021 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;
- Reviewing legacy income against underlying probate documentation and legal paperwork to ensure that income has been recognised in the correct accounting period and that the funds allocation is consistent with the donor's wishes; 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: 27 April 2022

Parochial Church Council of St Luke, Battersea
Statement of Financial Activities
For the year ending 31 December 2021

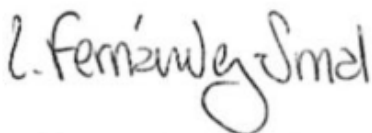
	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2021 £	2020 £
INCOME FROM:						
Donations and legacies	2(a)	264,958	-	98,551	363,509	276,714
Activities for generating funds	2(b)	72,149	118,542	62,719	253,410	186,665
Investments	2(c)	11,056	44	174	11,274	27,319
Church activities	2(d)	3,296	-	-	3,296	3,294
Total		351,459	118,586	161,444	631,489	493,992
EXPENDITURE ON:						
Raising funds	3(a)	15,292	-	58,743	74,035	65,971
Church activities	3(b)	434,487	85,327	5,101	524,915	582,492
Total		449,779	85,327	63,844	598,950	648,463
Net income (expenditure)		(98,320)	33,259	97,600	32,539	(154,471)
Transfers between funds	9	25,700	(9,081)	9,081	25,700	-
Net income before investment gains		(72,620)	24,178	106,681	58,239	(154,471)
Gains/(losses) on revaluation of fixed assets for the charity's own use	6(b)	35,000	-	-	35,000	8,333
Net gains/(losses) on investments	6(b)	17,500	-	-	17,500	-
Net movement in funds		(20,120)	24,178	106,681	110,739	(146,138)
Reconciliation of funds						
Total funds brought forward	9	3,128,318	133,425	277,076	3,538,819	3,684,957
Total funds carried forward	9	3,108,198	157,603	383,757	3,649,558	3,538,819

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

Parochial Church Council of St Luke, Battersea
Balance Sheet at 31 December 2021

	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2021 £	2020 £
FIXED ASSETS						
Tangible assets	6(a)	1,241,309	-	-	1,241,309	1,282,141
Residential property for church use	6(b)	1,285,000	-	-	1,285,000	1,250,000
Investment properties	6(b)	457,500	-	-	457,500	440,000
Total fixed assets		2,983,809	-	-	2,983,809	2,972,141
CURRENT ASSETS						
Debtors	7	11,407	16,469	-	27,876	18,347
Cash at bank and in hand		123,275	142,959	383,757	649,991	567,442
Total current assets		134,682	159,428	383,757	677,867	585,789
LIABILITIES						
Creditors: amounts falling due within one year	8	10,293	1,825	-	12,118	19,111
Net current assets		124,389	157,603	383,757	665,749	566,678
TOTAL NET ASSETS		3,108,198	157,603	383,757	3,649,558	3,538,819
PARISH FUNDS						
Unrestricted funds	9	3,108,198	-	-	3,108,198	3,128,318
Designated funds	9	-	157,603	-	157,603	133,425
Restricted funds	9	-	-	383,757	383,757	277,076
Total funds		3,108,198	157,603	383,757	3,649,558	3,538,819

Approved by the Parochial Church Council on 5th April 2022 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 2021

	2021	2020
	£	£
Net cash from/(used in) operating activities*	96,975	(111,653)
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(50,000)
Interest and rent from investments	11,274	27,319
Net cash provided by/(used in) investing activities	11,274	(22,681)
Change in cash and cash equivalents in the reporting period	108,249	(134,334)
Cash and cash equivalents at 1 January	567,442	701,776
Cash and cash equivalents at 31 December	675,691	567,442
Reconciliation of net income/(expenditure) before investment gains		
Net income before investment gains 31 December	58,239	(154,471)
Adjustments for:		
Depreciation charges	66,532	49,165
Interest and rent from investments	(11,274)	(27,319)
Decrease/(increase) in debtors	(9,529)	25,908
(Decrease)/increase in creditors	(6,993)	(4,936)
*Net cash from/(used in) operating activities	96,975	(111,653)
Analysis of cash and cash equivalents		
Bank current accounts	171,417	169,174
Short term deposits	478,574	398,268
	649,991	567,442

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2021

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 2021

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 2021

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 2021

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 2021

2. INCOME FROM:

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2021 £	2020 £
2(a) Donations and legacies					
Grants					
LPOW (VAT refund on building works)	1,222	-	-	1,222	2,117
Job Retention Scheme	3,196	-	-	3,196	7,218
sub-total	4,418	-	-	4,418	9,335
Voluntary giving					
Stewardship & envelopes	186,812	-	-	186,812	185,729
Loose cash	7,569	-	-	7,569	4,939
Tax refund	42,676	-	-	42,676	46,791
Donations, appeals etc.	23,483	-	2,909	26,392	29,920
Legacies	-	-	95,642	95,642	-
sub-total	260,540	-	98,551	359,091	267,379
Total	264,958	-	98,551	363,509	276,714
2(b) Activities for generating funds					
Christmas market	17,896	-	-	17,896	11,201
Church & hall lettings	24,415	118,542	-	142,957	110,752
Antenna rent & cost of electricity	26,487	-	-	26,487	27,311
Church musical & social activities	3,351	-	62,719	66,070	37,401
Total	72,149	118,542	62,719	253,410	186,665
2(c) Investments					
Property lettings	10,964	-	-	10,964	24,643
Interest	92	44	174	310	2,676
Total	11,056	44	174	11,274	27,319
2(d) Church activities					
Parochial fees received	3,296	-	-	3,296	3,294
Total	3,296	-	-	3,296	3,294
Total	351,459	118,586	161,444	631,489	493,992

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2021

3. EXPENDITURE ON:

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2021 £	2020 £
3(a) Raising funds					
Publicity and printing	4,315	-	-	4,315	3,720
Christmas market	9,159	-	-	9,159	3,881
Church musical & social activities	1,818	-	58,743	60,561	58,370
Total	15,292	-	58,743	74,035	65,971
3(b) Church activities					
Missionary & charitable giving					
Mission and outreach	18,800	-	-	18,800	27,445
Special collections	-	-	2,909	2,909	1,349
sub-total	18,800	-	2,909	21,709	28,794
Ministry					
Diocesan parish support fund	188,000	-	-	188,000	188,000
Clergy costs	40,429	-	-	40,429	32,051
Other staff costs	13,446	-	-	13,446	19,369
Parochial fees paid to diocese	1,181	-	-	1,181	1,535
Nightshelter costs	1,260	-	-	1,260	-
Other expenses incl petty cash	3,384	-	-	3,384	615
sub-total	247,700	-	-	247,700	241,570
Church expenses					
Repairs & maintenance	15,380	-	-	15,380	18,307
Insurance	7,450	-	-	7,450	7,876
Utilities incl antenna electricity	20,123	-	-	20,123	19,871
Cost of services incl music	15,187	-	-	15,187	13,712
Sound system installation	-	-	2,192	2,192	14,398
Sound system depreciation	12,500	-	-	12,500	12,500
sub-total	70,640	-	2,192	72,832	86,664
Community Hall expenses					
Hall improvements & major works	-	1,352	-	1,352	11,935
Insurance	-	1,694	-	1,694	1,694
Running expenses incl utilities	-	50,005	-	50,005	50,273
External railings renewal	-	5,714	-	5,714	54,519
Depreciation	28,332	-	-	28,332	28,332
sub-total	28,332	58,765	-	87,097	146,753
Property expenses					
Repairs & maintenance	11,437	-	-	11,437	10,653
Utilities & council tax	2,396	-	-	2,396	1,661
Insurance	1,575	-	-	1,575	(1,067)
Depreciation on 30 Canford Road	25,700	-	-	25,700	8,333
sub-total	41,108	-	-	41,108	19,580
Administration					
Salaries & wages (office)	15,970	25,135	-	41,105	46,095
Telephone, postage, website etc.	2,906	1,369	-	4,275	3,852
Professional fees	8,239	-	-	8,239	8,239
Bank charges	792	58	-	850	945
sub-total	27,907	26,562	-	54,469	59,131
Total	434,487	85,327	5,101	524,915	582,492
Total	449,779	85,327	63,844	598,950	648,463

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2021

4. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to an audit fee of £7,500 (£7,500 in 2020) and payroll services of £739 (£739 in 2020).

5(a) STAFF COSTS

	2021	2020
	£	£
Gross wages, salaries and benefits in kind	61,522	65,629
Employer's pension contributions	2,201	2,619
Employer's National Insurance costs	(2,111)	4,457
less Job Retention Scheme grants received	(3,197)	(7,218)
Total staff costs	58,415	65,487
Average number of employees in the year (including part time staff)	3	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 (2021: £2,201, 2020: £2,619).

There are no employees who received total employee benefits (excluding employer pension costs) of more than £60,000 (2020: None).

During the year the church received £3,197 (2020: £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 (2020: None).

During the year the church reimbursed expenses of £1,257 (2020: £190) for 4 PCC members (2020: 2) including event costs and Music Society expenses.

For our Associate Priest £39,307 (2020: £24,968) was paid to the diocese for her stipend, pension and other costs. In addition £1,062 (2020: £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 onwards. This private benefit equates to circa £31,000 per annum based on market rents for the property if it were to be let commercially.

There are no other PCC transactions during the period (2020: £ Nil).

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2021

6. FIXED ASSETS

6(a)	TANGIBLE	All Unrestricted	Freehold land & buildings	Equipment	Total
			£	£	£
	Actual/Deemed Cost	Balance brought forward	275,000	-	275,000
		Land around Community Hall			
		Balance brought forward	1,416,620	7,906	1,424,526
		Community Hall			
		Balance brought forward	-	50,000	50,000
		Sound system			
		Balance carried forward	1,691,620	57,906	1,749,526
	Depreciation	Balance brought forward	446,980	20,405	467,385
		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	475,312	32,905	508,217
		Net book value			
		At 1 January 2021	1,244,640	37,501	1,282,141
		At 31 December 2021	1,216,308	25,001	1,241,309

6(b) RESIDENTIAL PROPERTIES

	All Unrestricted	2021 £	2020 £
Residential property for church use			
30 Canford Road - house for associate priest			
Revalued amount	Balance brought forward	1,250,000	-
	Transfer from investment property	-	1,250,000
	Revaluation	35,000	-
	Balance carried forward	1,285,000	1,250,000
Depreciation	Balance brought forward	-	-
	Depreciation charge for year 2% on 30 Canford Road for full year	25,700	8,333
	Elimination on revaluation	(25,700)	(8,333)
	Balance carried forward	-	-
	Net book value		
	At 1 January 2021	1,250,000	-
	At 31 December 2021	1,285,000	1,250,000
Investment properties			
5a Wroughton Road - tenanted flat		457,500	440,000
Total		457,500	440,000
Reconciliation to brought forward:			
	Balance brought forward	440,000	1,690,000
	Transfer of 30 Canford Road to residential property for church use	-	(1,250,000)
	Net gain from fair value adjustments	17,500	-
	Additions / disposals	-	-
		457,500	440,000

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2021

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 2022, 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 2022 represent the fair values of the residential properties held at 31 December 2021 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 £457,500.

The house in Canford Road ceased being let commercially in August 2020 and has since been lived in by our Associate Priest and family rent free. It therefore ceased being an investment asset during the prior period.

The carrying amount of the property at the year-end had it been recorded under the historical cost convention is circa £14k (2020: £15k) based on an original cost of £63k in 1983.

7. DEBTORS

	General Funds	Designated Funds	Restricted Funds	TOTAL FUNDS	
	£	£	£	2021 £	2020 £
Tax recoverable	8,837	-	-	8,837	8,311
Other debtors	2,570	16,469	-	19,039	10,036
Total	11,407	16,469	-	27,876	18,347

8. LIABILITIES

Amounts falling due within one year

Accruals and deferred income	7,500	-	-	7,500	7,500
Other creditors	2,793	1,825	-	4,618	11,611
Total	10,293	1,825	-	12,118	19,111

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9. FUNDS

9(a) Fund movements

	Fund balances brought forward	Incoming resources	Outgoing resources	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
Restricted Funds						
Legacies Fund	64,641	95,642	(6,527)		-	153,756
Special Collections Fund	-	2,909	(2,909)	-	-	-
Hall Repair Fund	157,707	174	-	9,081	-	166,962
Music Society Fund	54,728	62,719	(54,408)	-	-	63,039
sub-total	277,076	161,444	(63,844)	9,081	-	383,757
Designated Funds						
Hall Management Fund	133,425	118,586	(85,327)	(9,081)	-	157,603
sub-total	133,425	118,586	(85,327)	(9,081)	-	157,603
General Funds						
General fund	1,871,958	351,459	(449,779)	25,700	-	1,799,338
Fair value reserve	390,000	-	-	-	17,500	407,500
Revaluation reserve	866,360	25,700	-	(25,700)	35,000	901,360
sub-total	3,128,318	377,159	(449,779)	-	52,500	3,108,198
Totals	3,538,819	657,189	(598,950)	-	52,500	3,649,558

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 £17,500 (2020: £Nil). 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 £35,000 is offset by a reserves transfer for £25,700 (2020: £8,333) 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 £18,800 for 2021 (2020: £27,400).

A total of £13,100 (2020: £17,500) was given to 20 (2020: 19) charities operating in the UK, with a maximum of £1,250 each (2020: £1,000).

A total of £5,700 (2020: £9,945) was given to 10 UK charities which operate overseas (2020: 11), with a maximum of £750 each (2020: £1,000).

Special collections are also made with the proceeds being passed on to charities. A total of £2,909 (2020: £1,349) was donated to 3 charities in this way.