

PAROCHIAL CHURCH COUNCIL OF ST LUKE, BATTERSEA

Registered Charity No. 1131772

ANNUAL REPORT

Year Ending 31 DECEMBER 2022

Parochial Church Council of St Luke, Battersea Annual Report 2022

The trustees present their report and the audited financial statements of the charity for the year ended 31 December 2022. 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

Looking back on the year that is past, it would be easy to assume that it was uneventful, but this would be a little rash. Post-pandemic, a full year of all of St Luke's services and ministries made us realise how much we do.

The return of the common cup at communion was uneventful. Again, one of the welcome outcomes of the pandemic remains our new broadcasting and sound system, still allowing homebound (or far away!) people to join us for worship on any Sunday morning.

Morning meditations have taken place three times a week and Yunghee and her team continued to meet every weekday on Zoom for Evening Prayer.

There have been many events throughout the year. Following on from the success of the Lent Course in 2021, 'Inspired to Follow', under the overarching title, 'Art and the Bible Story', we had another successful Lent Course following 'A River through the Desert' provided by St George's College in Jerusalem, taking a virtual pilgrim journey to the Holy Land. I greatly enjoyed leading the study of the Gospel according to Matthew from the pandemic till September. Zoom is a fantastic tool and allowed us to study in detail. It has taken us about two years to read, mark and inwardly digest the whole text.

The Passion Play was also very successful. It was a wonderful occasion, bringing together people from the wider community, as well as from within our congregation. It took a great collaboration of creative talents to bring the performance together. On 5th June, we celebrated together for the Queen's Platinum Jubilee at the 10.30am service followed by a Hog Roast for the Parish. This of course was sadly followed later on in the year with a Requiem for our beloved late Majesty the Queen Elizabeth. This year's Harvest Festival was marked with a Barn Dance and 'Thanksgiving Parish Lunch' taking an opportunity to thank everyone who has contributed and continues to contribute and support St Luke's and to the community. We also continued our format of Café Church style services, repeating Café Carols for family and children during the Christmas season which was well attended. We are planning to have more Cafe church services on other special occasions. We are also hoping to have Youth Group meetings in the New Year to meet the needs of a teenage group.

As occasional services quickly resumed, a lot of babies born during lockdown came to be baptised, with 46 Christenings celebrated in 2022. We had one wedding and no funerals.

As Broomwood schools came under new management, Lady Colquhoun's love of evensong was sadly side-lined. Both Northcote Lodge and Broomwood upper school decided to give up on offering evensong, much to the dismay of many parents and music teachers. Thomas' have decided not to resume evensong immediately.

On a more personal front, I would like to say that after two years that have been very demanding both workwise and emotionally, I became unwell at the end of 2022 and I have taken some time off to recuperate. Sadly, I was unable to celebrate Christmas with everyone. I hope to be back to work fully very soon. I would like to thank our Wardens, Ali Roche and the office, as well as all the visiting clergy for stepping into the breach at such a busy time, together with all those who volunteer their time to ensure St Luke's runs so smoothly.

Rev Lorenzo Fernandez-Smal

Music at St Luke's

A return (after the pandemic) to full choral singing has been a great relief at St. Luke's. The Parish Choir continued to sing faithfully at every main service of the church's year, and at many other occasions, at the great festivals, weddings, funerals, memorials etc. Membership remains completely amateur, and accessible, in that as long as a passable standard of sight singing is available you may come and join us at a moment's notice. On this basis, new members are always welcome.

On big occasions we have been very grateful for extra singers coming particularly from The Festival Chorus, and from Quorum, and past members of the choir.

Since the beginning of September, we have welcomed Patricia Cheung into our midst. Patricia is an undergraduate from Hong Kong, currently studying at university in London, and is our Apprentice Organist. As a member of the music staff, she has so far taken playing responsibility for the 9 am Family Service, as well as occasionally assisting with the 10.30 Eucharist, and also teaching songs

at Junior Church, which we hope will eventually result in a resurgence of Junior Choir, who, sadly, are not flourishing at present.

Families, Children and Youth

We were delighted to restart Junior Church in March 2022 during the 10.30am service. There have been a few regular families attending and the children are enjoying being together out of the service. We hope that over the next year the number of children will begin to grow. We are grateful to the parents who volunteer to help on a Sunday morning with this very important part of our mission to children and young people

We held our Christingle Service during the 9am Family Service at the end of January and on Mothering Sunday celebrated with bunches of daffodils being given out to the congregation by the children in church.

At Halloween the children came together for a party in the Community Hall with Lorenzo at the helm of the activities. The party was held concurrently with a sung Requiem in church for the parents. All the activities, stories and songs centred the Christian heritage of this feast: All Hallows Eve, the day of the dead. It was so well attended that we sorely lacked volunteers to invigilate some of the tables. Much cleaning was required; fortunately, many of the parents stayed behind to help.

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. A great time was had by all.

Because Lorenzo was not with us at Christmas, Ali Roche and Derek Carden organized the Nativity Service from the perspective of Angel Gabriel. It was really wonderful and amusing as the children took part and sang together. It was enjoyed by them all. A packed church with many families from the Parish attending the service. Back in full for the first time since the pandemic, it was such a great and successful event.

Play and Pray on a Wednesday & Playgroup on a Thursday

Starting our Wednesday morning community sessions, 'Play & Pray' continued to go from strength to strength beginning with free play and everyone coming together for a story, singing and prayers at the end for about 15 minutes. There are regularly over 20 parents and carers with their young children.

The Thursday afternoon playgroup is a Drop in playgroup that has many regular parents and carers who come to both our toddler groups. Those that only come on a Thursday are so grateful for the support they get from a group running in the afternoon. The children are only with us for a short time before they head off to nursery school or full-time care but younger siblings soon follow.

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 and takes a role in various gatherings. Simple Lent Lunches were held each Wednesday during Lent and served as a fundraiser for the Bishop's Lent Appeal. Special mention should be made of the Jubilee hog roast celebration in June, and Christmas Café Carols, an all-age event, which was back in person for the second year running.

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 in 2022 were the Platinum Jubilee Hog Roast held in June and the Korean Barbecue and Harvest Barn Dance held in September. The Parish community celebrated in style at both events for these two occasions, with young and old from across our congregations and groups coming together.

In September we also came together to mourn the passing of Her Majesty with a streaming of the funeral in church for those who wanted to join together to watch the ceremony.

There were also wonderful Courtyard Cafés in May for Christian Aid and September for Macmillan Cancer. A lovely social way to get together and raise funds for two great causes.

Passion Play

Taking Yunghee's original idea of putting on a play for the wider community, the Passion Play was performed on Saturday 9th April 2022 in the church and welcomed an audience of over 100 people. It was written by Libby Spurrier and Anthony Ogg, and directed by Libby and Garrick Hagon, who brought the magic of their skills to the project. We were fortunate to have Justin Roxburgh in the role of Jesus. The script sought to integrate elements of the medieval mystery plays, and the music used came from the music arranged by John Tams for the Bill Bryden production of the cycle at the National Theatre. The cast and crew numbered 40 people with an age range from 4 through to ... shall we say over 70s. As hoped, it was a real community project, involving people from the congregations of all our regular services as well as those who do not attend St Luke's services. Alongside our own young people, we welcomed to the cast children from the LET'S ACT school which uses the church hall to rehearse. Thanks go to Nicola Robson who was responsible for looking after the children on the day. The cast worked tirelessly, Laurie Lowrie did marvels with costumes and the piece de resistance – the donkey! Richard Balcer was brilliant with the sound system, which was provided by R G Jones, Jem Stagg sorted out the lighting, everyone helped with props and placards and stage managing, tea and coffee and doughnuts were provided at rehearsals by the tea team and Yunghee, and a great group of singers turned up to help with the music.

Christmas Market 2022

For the second year in a row, the Christmas Market was back in person. 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. Yunghee once again donned her chef's cap and apron to huge success, the mulled wine and mince pies sold out, as did the cakes. Special thanks must go to Catherine Deptford and her team of Karen Cole and Carolyn Fairnie who organised and ran the "Swish" stall with such success. Huge congratulations are due to the organisers Maralee Vezie and Catherine Deptford who brought together an excellent quality of both inside stalls, including all the old favourites, in addition to the new "Swish" stall, and outside vendors.

Another great day in St Luke's year which generated £10,000 profit for St Luke's and its ministry.

In the Community

Wednesday mornings, with Pray and Play, a coffee morning, and morning Eucharist, offer opportunities for different age groups to meet. In the autumn, it was extended into a more general

Living Room 'warm space' initiative to run through till March 2023. It has proved an increasingly popular initiative, strengthening our direct involvement and offering to our local community.

Glass Door

We are delighted to have been able to restart the full Night Shelter support with Glass Door on Sunday evenings this year. The 2022-23 season started a little later in December and the number of guests for the Wandsworth circuit has been around 22 per night. We are, as ever, indebted to our wonderful volunteers who are operating in four separate teams to set up the community hall, prepare a three-course meal, welcome guests, serve dinner and ensure everything is squared away early on Monday morning in time for the beginning of the week. Despite the challenges of Covid over the past couple of years, we are blessed to have over 40 people from St Luke's congregation and wider community regularly supporting Glass Door's crucial work.

Wandsworth Foodbank

St Luke's has continued to support the Wandsworth Foodbank with regular deliveries about every three weeks. With the cost-of-living crisis affecting many people across the Borough and following on from the pandemic, the needs of the Foodbank continue to increase. The generosity of St Luke's congregation as well as other users of the Community Hall is deeply appreciated.

It has been a difficult year for the Foodbank as they have had to find new premises for their storage and it is good that that has now been resolved. Deborah Drakesmith is one of the team leaders at the Foodbank and our deliveries are taken to the store by Suzy Lamont, Liz Butler and Antony Lewis-Crosby.

Use of the Community Hall

St Luke's Community Hall continues to host our regular customers including two nursery schools, the Uniformed Groups, two drama classes, three adult yoga and Pilates classes, indoor rugby for pre-school children, a choir and, once a month, the Wandsworth Carers Dementia Café. During the school holidays, it hosts holiday camps for children and exam revision classes.

There are up to three party bookings most weekends. Glassdoor has returned this year on Sunday evenings over the winter, accommodating up to 25 guests. They use both the Shepherd Hall and the Oak Room.

The Community Hall hosts a wide range of groups, ages and charities and all the rooms and spaces are used to near full capacity.

Charitable Grants

The Charitable Grants Committee distributed a total of £18,800 to local and international charities in 2022. We were able to give support to a total of 25 charities which included 18 local charities and 7 International Charities with grants ranging from £250 up to £1K.

These local charities included support for two local State schools, rehabilitation charities, a food bank, a mediation charity, and community projects especially for underprivileged young. International charities include projects for orphans, inmates in prisons, and education.

Each committee member is responsible for and links with 2 to 3 charities. The member maintains contact to ensure our donations are used appropriately and that we receive regular updates from the benefitting charity. We make regular visits, where and when appropriate. Whilst we cannot visit the international charities, we remain in regular contact via the internet and emails.

An example of our contact, in this case with a local charity, was when two committee members attended Nehemiah's Graduation Day in their property in Tooting. Nehemiah is a rehabilitation

charity for ex-offenders who have alcohol or drug dependency. They spend up to two years with Nehemiah where they address their dependency, work on re-establishing contact with fractured family and friend relationships whilst working towards employment and learning to live in a community, cooking and maintaining a good living space during their rehab. It was a very moving ceremony where graduating residents gave their testimonies leaving us in no doubt our donation was well-used.

We are also delighted to offer one of our charities the opportunity to preach on a Sunday during Lent. This year, we welcomed George Carney of Carney's Community. As a result of his sermon, the charity received a donation of £10,000 via a member of the congregation. We hope to invite more of our charities to our services.

Christian Aid

Christian Aid Week was 15th to 21st May. After the last two years of curtailed activities, it was very nice to be back in Church and running fundraising events as usual, including the very popular Courtyard Café, plant sale, car washing and wine-tasting. We also held a very successful lunch, with a quiz to test attendees' general knowledge as well as some questions about St Luke's and Christian Aid. A good time was had by all!

A very big thank you to Gillian Robinson for leading the team and all those who arranged and held events. A huge amount of time and effort goes into these - you are all very much appreciated.

St Luke's raised £6071.25. Whilst some may be disappointed that we did not raise more or as much as we have in the past, the difference is mainly accounted for by street collections. Christian Aid are promoting online giving by their e-envelope. Whilst we may not raise as much locally, we must respect their guidelines. Times have changed and many people do not have cash and are not willing to open their door to strangers.

We should all be proud that as a community we come together once a year to raise money for such a good cause. Long may it continue.

St Luke's Music Society 2022

The Music Society was delighted that it was able to stage a full year of concerts for the first time since 2019 and it proved to be a very successful year with outstanding concerts and excellent audiences.

The season was enjoyed by close to 3000 people revelling in the quality of performers and the superb St Luke's acoustic. From the brass sound of the A4 brass quartet and the fun of the Budapest Cafe Orchestra to the intimacy of the violinist Jennifer Pike and cellist Steven Isserlis and the choral sound of the Tallis Scholars and the Vasari Singers, they all showed up the glorious sound of St Luke's and enjoyed the warm atmosphere of the Music Society concerts.

The Festival Chorus also gave two concerts in the Music Society season under their excellent new conductor Rosie Howarth – Haydn's Creation and Elgar's Dream of Gerontius.

Tribute must be paid to the organising team: Pippa McDonald, Liz Butler, Robin Cooke-Hurle, Timothy Walker, Liz Bracken, Jem Stagg, Derek Carden and Antony Lewis-Crosby, most of whom have been involved since we started in 2003. We are now in our 20th season.

Over the past year the Music Society has developed its relationship with Wandsworth Music, the Saturday morning music hub for young people. Several of the performers have given masterclasses prior to their concerts and students are invited to attend the concerts in the evening. We are

delighted to be supporting the work of Wandsworth Music in inspiring young people's interest in performing and enjoying music making.

The Music Society managed to cover its costs over the year and retains £60K in the church accounts which includes advance ticket sales for the early concerts of 2023.

OUR BUILDINGS

The Community Hall

The Shepherd Hall, Oak Room, Allison Room and the Eagle Room were decorated.

The drainage around the Garth was causing issues and this has hopefully been rectified by the removal of debris that has built up over the years. The gardens continue to be well maintained and are kept tidy.

The disabled lift adjacent to the Allison Room needs replacing and does not currently work. Its replacement is being looked into.

There was a leak into the Shepherd Hall as a result of cracked tiles and some damaged lead flashing which was repaired.

There has been no significant work undertaken in 2022 involving the Community Hall.

Church Fabric

Following the Quinquennial Inspection last year, the roofing work required has been undertaken and quotes have been obtained for the brickwork which has been highlighted in the report. A faculty application for this work was submitted to the Diocese.

The memorial garden has been landscaped and many positive comments have been received.

There has been no other significant work undertaken or required on the church over 2022.

Canford Road

This house is occupied by St Luke's Associate Priest, Yunghee Koh and family. The damage to the bathroom and kitchen caused by the blocked drain in December 2021 was repaired. Rotten garden decking was removed and rebuilt. There has been no significant capital outlay during the year.

Wroughton Road

The top, first floor flat remains occupied by the same rent-controlled long-term tenant. Negotiations are continuing with the ground floor leaseholder regarding an extension request. It is hoped that a decision will be reached in the New Year. There has been no significant capital outlay during the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The method of appointment of Parochial Church Council (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 funds are to be spent.

The PCC met six times during the year, all in person. 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.* We continue to follow both Government and Church of England guidance.

FINANCIAL REVIEW

Key financial outcomes for the church are considered to be:

Total income for the year: £561.6k (2021: £631.5k)

Surplus/(deficit) for the year, before investment gains/(losses): £20.7k (2021: £58.2k)

Net current unrestricted funds: £157.3k (2021: £124.4k)

During the year, the General Fund expenditure was £405.0k comprising £339.7k of church operating costs and £65.3k of depreciation of fixed assets. The income for the year was £372.5k giving a surplus compared to operating costs of £32.8k excluding depreciation, a considerably better outturn than 2021. Revaluation of our two residential properties resulted in a fair value loss of £56.3k which gave a net decrease in the General Fund of £64.2k.

The Hall Management Fund increased by £20.2k. The operation of the hall made a surplus of £34.0k excluding the investment fund loss of £2.0k and excluding the transfer of £11.8k to the Hall Repair Fund.

From the Legacies Fund £3.3k was expended on a passion play production in church.

During the later months of the year £350.0k of our reserve funds were invested in the CBF Church of England Investment Fund (Accumulation Shares) with a view to safeguarding against inflation over the next five years. Shares can be sold should the need arise in that period.

Church Income and Expenditure (General Fund)

During 2022 regular stewardship giving increased by £4.7k and income from envelopes and cash from collections at services, including by card reader, started to increase as congregations returned. Voluntary giving from these sources was £203.0k compared to £194.4k in 2021. Other one-off donations raised £25.1k including a generous £10.0k from a charitable trust and £42.5k was received in Gift Aid tax reclaims.

Lettings income for the church was up by £13.2k to £37.6k compared to 2021 (£24.4k). Property income from our Wroughton Road flat remained at £10.1k as 2021.

As always, the largest component of our expenditure was the Parish Support Fund at £163.0k, a reduction of £25.0k as agreed with the diocese. 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, the same as in 2021, plus the collections made from time to time for specific charities (£1.3k). Church running costs included the cost of our Associate Priest for the full year (£39.9k). Church building maintenance costs and other running costs were similar to 2021.

For 2023 we have maintained our pledge to the diocese Parish Support Fund at £163.0k and as a result of much increased utilities costs our overall church operating expenses before adding depreciation costs will lead to a substantial deficit for the year of £25.0k. The cost of the Families and Community Coordinator will be taken from our Legacy Fund. 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 2022 the operation of the hall cost £96.4 and made a contribution to the hall repair fund of £11.9k. The hall lettings income increased to £129.4k improved from 2021 (£118.5k). Total outgoings for the hall are expected to be £128k in our 2023 budget as a result of increased utility costs and necessary increased working hours by our office staff.

RESERVES POLICY

General Fund

Ideally, we would maintain reserves equal to six months' church operating expenses, i.e. £189.3k (50% of our 2023 budget). At 31st December 2022, our unrestricted funds net current assets were £157.3k, which is sufficiently close to this target.

Designated Fund

Ideally, we would maintain reserves equal to six months' hall operating expenses, i.e. £64.0k (50% of our 2023 budget). At 31st December 2022, our designated funds net current assets were £177.8k, which more than meets our target.

Our reserve funds are invested in the CBF Church of England Deposit Fund and CBF Church of England Investment Fund.

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.

Planned Giving

The continued thrust of Stewardship in the year was the Planned Giving campaign in Lent. The campaign proved successful raising over £21k from increased promises and one-off donations excluding Gift Aid. 57 responses were received, which is marginally lower than previous years and this corresponded with a lower return of approximately £8k. Overall, this was considered a satisfactory result, particularly considering the cost of living crisis and demands from other worthy causes, such as Ukraine, 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 rebuilding St Luke's financially and growing the congregation, particularly for families and young people.

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

Parish Office: Amanda Palengat (*until September 2022*), Alison Roche (*until Sept 2022*)

Premises Manager: Sophie Seddon (*from September 2022*)

Communities and Families Coordinator: Alison Roche (*from September 2022*)

Parish Office Manager: Claire Healey (*from November 2022*), and Josie Ogg (*from November 2022*)

Church Wardens: David Seward, Antony Lewis-Crosby (*until May 2022*), Maralee Vezie (*from May 2022*)

Deputy Church Wardens: Roger Black, Andrew Cheeseman, Sophie Seddon, Maralee Vezie (*until May 2022*), James Vyvyan

Deanery Synod Representatives: Jenny Bailey, Claire Goddard, James Vyvyan

Parochial Church Council: Vicar, Associate Priest, Church Wardens, Deanery Synod Representatives, Craig Abouchar, Tony Blurton, Sarah Bourke, Rosie Collins, John Lucia, Cynthia Poole, David Powell, Katie Ryan, Tim Sanders-Hewett, Sarah Walker, Timothy Walker

Alice Lamb (*until May 2022*)

Gery Roberts, Libby Spurrier (*from May 2022*)

PCC Treasurer: John Lucia

PCC Secretary: Alice Lamb (*until May 2022*), Gilly Black (*from May 2022*)

Electoral Roll Officer: Alison Roche

Director of Music: Derek Carden

Apprentice Organist: Patricia Cheung (*from October 2022*)

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.

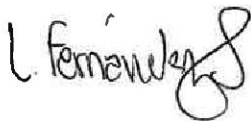
The PCC are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the church and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They 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 31st May 2023 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 2022

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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 2022 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 2022 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. We have identified the greatest risk of a material impact on the financial statements from irregularities, including fraud, to relate to the timing and recognition of income, the override of controls by management, and the valuation of the charities, residential properties. We have obtained an understanding of the legal and regulatory frameworks that the Charity operates within including both those that directly have an impact on the financial statements and more widely those for which non-compliance could have a significant impact on the Charity's operations and reputation. The Charities Act 2011, employment law, health and safety legislation and data protection are those we have identified in this regard. Auditing standards limit the required procedures as to non-compliance with laws and regulations to enquiries of those charged with governance and review of any applicable correspondence. 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: 07/06/2023.

Parochial Church Council of St Luke, Battersea
Statement of Financial Activities
For the year ending 31 December 2022

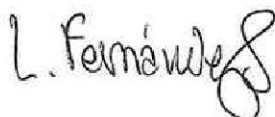
	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2022 £	2021 £
INCOME FROM:						
Donations and legacies	2(a)	273,132	-	1,308	274,440	363,509
Activities for generating funds	2(b)	85,560	129,374	56,735	271,669	253,410
Investments	2(c)	12,425	1,100	604	14,129	11,274
Church activities	2(d)	1,396	-	-	1,396	3,296
Total		372,513	130,474	58,647	561,634	631,489
EXPENDITURE ON:						
Raising funds	3(a)	12,888	-	62,699	75,587	74,035
Church activities	3(b)	392,081	96,442	1,308	489,831	524,915
Total		404,969	96,442	64,007	565,418	598,950
Net income (expenditure)		(32,456)	34,032	(5,360)	(3,784)	32,539
Transfers between funds	9	24,500	(11,854)	11,854	24,500	25,700
Net income before investment gains		(7,956)	22,178	6,494	20,716	58,239
Gains/losses on investment funds	7(a)	-	(2,015)	(5,410)	(7,425)	-
Gains/(losses) on revaluation of fixed assets for the charity's own use	6(b)	(60,000)	-	-	(60,000)	35,000
Net gains/(losses) on investment properties	6(b)	3,750	-	-	3,750	17,500
Net movement in funds		(64,206)	20,163	1,084	(42,959)	110,739
Reconciliation of funds						
Total funds brought forward	9	3,108,198	157,603	383,757	3,649,558	3,538,819
Total funds carried forward	9	3,043,992	177,766	384,841	3,606,599	3,649,558

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

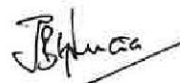
Parochial Church Council of St Luke, Battersea
Balance Sheet at 31 December 2022

	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2022 £	2021 £
FIXED ASSETS						
Tangible assets	6(a)	1,200,477	-	-	1,200,477	1,241,309
Residential property for church use	6(b)	1,225,000	-	-	1,225,000	1,285,000
Investment properties	6(b)	461,250	-	-	461,250	457,500
Total fixed assets		2,886,727	-	-	2,886,727	2,983,809
CURRENT ASSETS						
Investment funds	7(a)	-	92,985	249,590	342,575	-
Debtors	7(b)	18,366	11,185	-	29,551	27,876
Cash at bank and in hand		152,272	73,996	135,251	361,519	649,991
Total current assets		170,638	178,166	384,841	733,645	677,867
LIABILITIES						
Creditors: amounts falling due within one year	8	13,373	400	-	13,773	12,118
Net current assets		157,265	177,766	384,841	719,872	665,749
TOTAL NET ASSETS		3,043,992	177,766	384,841	3,606,599	3,649,558
PARISH FUNDS						
Unrestricted funds	9	3,043,992	-	-	3,043,992	3,108,198
Designated funds	9	-	177,766	-	177,766	157,603
Restricted funds	9	-	-	384,841	384,841	383,757
Total funds		3,043,992	177,766	384,841	3,606,599	3,649,558

Approved by the Parochial Church Council on 31st May 2023 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 2022

	2022	2021
	£	£
Net cash from/(used in) operating activities*	39,974	71,275
Cash flows from investing activities		
Purchase of tangible fixed assets	-	-
Interest and rent from investments	14,129	11,274
Net cash provided by/(used in) investing activities	14,129	11,274
Change in cash and cash equivalents in the reporting period	54,103	82,549
Cash and cash equivalents at 1 January	649,991	567,442
Cash and cash equivalents at 31 December	<u>704,094</u>	<u>649,991</u>
Reconciliation of net income/(expenditure) before investment gains		
Net income before investment gains 31 December	20,716	58,239
Adjustments for:		
Depreciation charges	40,832	40,832
Interest and rent from investments	(14,129)	(11,274)
Decrease/(increase) in debtors	(1,675)	(9,529)
(Decrease)/increase in creditors	1,655	(6,993)
Gains/(losses) on investment funds	(7,425)	-
*Net cash from/(used in) operating activities	<u>39,974</u>	<u>71,275</u>
Analysis of cash and cash equivalents		
Bank current accounts	159,051	171,417
Short term deposits	202,468	478,574
Investment funds	342,575	-
	<u>704,094</u>	<u>649,991</u>

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2022

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 and Charities (Accounts and Reports) Regulations 2008 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 2022

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 2022

1. ACCOUNTING POLICIES (continued)

1(h) Current assets

Cash at bank and in hand includes short term deposits and investment funds with CBF Church of England Funds.

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, which means that the charity can be expected to meet its liabilities as they fall due for the foreseeable future. In assessing the appropriateness of the going concern basis of preparation, the trustees have taken into account the key risks to the charity, as well as the available cash reserves and other assets, including the Charity's property portfolio, which, if necessary, could be used as security for future funding or sold to boost cash reserves.

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2022

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 2022

2. INCOME FROM:

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2022 £	2021 £
2(a) Donations and legacies					
Grants					
LPOW (VAT refund on building works)	853	-	-	853	1,222
Battersea Synod grant	230	-	-	230	-
Diocese energy grant	1,400	-	-	1,400	-
Job Retention Scheme	-	-	-	-	3,196
sub-total	2,483	-	-	2,483	4,418
Voluntary giving					
Stewardship & envelopes	191,475	-	-	191,475	186,812
Loose cash	11,569	-	-	11,569	7,569
Tax refund	42,547	-	-	42,547	42,676
Donations, appeals etc.	25,058	-	1,308	26,366	26,392
Legacies	-	-	-	-	95,642
sub-total	270,649	-	1,308	271,957	359,091
Total	273,132	-	1,308	274,440	363,509
2(b) Activities for generating funds					
Christmas market	14,345	-	-	14,345	17,896
Church & hall lettings	37,579	129,374	-	166,953	142,957
Antenna rent & cost of electricity	29,686	-	-	29,686	26,487
Church musical & social activities	3,950	-	56,735	60,685	66,070
Total	85,560	129,374	56,735	271,669	253,410
2(c) Investments					
Property lettings	10,064	-	-	10,064	10,964
Interest	2,361	1,100	604	4,065	310
Total	12,425	1,100	604	14,129	11,274
2(d) Church activities					
Parochial fees received	1,396	-	-	1,396	3,296
Total	1,396	-	-	1,396	3,296
Total	372,513	130,474	58,647	561,634	631,489

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2022

3. EXPENDITURE ON:

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2022 £	2021 £
3(a) Raising funds					
Publicity and printing	3,290	-	-	3,290	4,315
Christmas market	3,569	-	-	3,569	9,159
Church musical & social activities	6,029	-	62,699	68,728	60,561
Total	12,888	-	62,699	75,587	74,035
3(b) Church activities					
Missionary & charitable giving					
Mission and outreach	18,800	-	-	18,800	18,800
Special collections	-	-	1,308	1,308	2,909
sub-total	18,800	-	1,308	20,108	21,709
Ministry					
Diocesan parish support fund	163,000	-	-	163,000	188,000
Clergy costs	39,942	-	-	39,942	40,429
Other staff costs	2,440	-	-	2,440	13,446
Parochial fees paid to diocese	218	-	-	218	1,181
Nightshelter costs	1,008	-	-	1,008	1,260
Other expenses incl petty cash	3,525	-	-	3,525	3,384
sub-total	210,133	-	-	210,133	247,700
Church expenses					
Repairs & maintenance	9,363	-	-	9,363	15,380
Insurance	7,690	-	-	7,690	7,450
Utilities incl antenna electricity	20,643	-	-	20,643	20,123
Cost of services incl music	16,131	-	-	16,131	15,187
Sound system installation	-	-	-	-	2,192
Sound system depreciation	12,500	-	-	12,500	12,500
sub-total	66,327	-	-	66,327	72,832
Community Hall expenses					
Hall improvements & major works	-	-	-	-	1,352
Insurance	-	1,799	-	1,799	1,694
Running expenses incl utilities	-	66,326	-	66,326	50,005
External railings renewal	-	-	-	-	5,714
Depreciation	28,332	-	-	28,332	28,332
sub-total	28,332	68,125	-	96,457	87,097
Property expenses					
Repairs & maintenance	8,944	-	-	8,944	11,437
Utilities & council tax	2,476	-	-	2,476	2,396
Insurance	2,420	-	-	2,420	1,575
Depreciation on 30 Canford Road	24,500	-	-	24,500	25,700
sub-total	38,340	-	-	38,340	41,108
Administration					
Salaries & wages (office)	16,748	26,672	-	43,420	41,105
Telephone, postage, website etc.	3,305	1,561	-	4,866	4,275
Professional fees	9,251	-	-	9,251	8,239
Bank charges	845	84	-	929	850
sub-total	30,149	28,317	-	58,466	54,469
Total	392,081	96,442	1,308	489,831	524,915
Total	404,969	96,442	64,007	565,418	598,950

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2022

4. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to an audit fee of £8,400 (£7,500 in 2021) and payroll services of £851 (£739 in 2021).

5(a) STAFF COSTS

	2022 £	2021 £
Gross wages, salaries and benefits in kind	45,860	61,522
Employer's pension contributions	1,925	2,201
Employer's National Insurance costs	-	(2,111)
less Job Retention Scheme grants received	-	(3,197)
Total staff costs	47,785	58,415
Average number of employees in the year (including part time staff)	3	3

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 (2022: £1,925, 2021: £2,201).

There are no employees who received total employee benefits (excluding employer pension costs) of more than £60,000 (2021: None).

During the year the church received £Nil (2021: £3,197) 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 (2021: None).

During the year the church reimbursed expenses of £2,305 (2021: £1,257) for 7 PCC members (2021: 4) including event costs and Music Society expenses.

For our Associate Priest £38,750 (2021: £39,307) was paid to the diocese for her stipend, pension and other costs. In addition £1,521 (2021: £1,062) was paid to her for reclaimable expenses.

The house in Canford Road was being lived in by our Associate Priest and family rent free for the year. 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 (2021: £ Nil).

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2022

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	475,312	32,905	508,217
	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	503,644	45,405	549,049
	Net book value			
	At 1 January 2022	1,216,308	25,001	1,241,309
	At 31 December 2022	1,187,976	12,501	1,200,477

6(b) RESIDENTIAL PROPERTIES

	All Unrestricted	2022 £	2021 £
Residential property for church use			
30 Canford Road - house for associate priest			
Revalued amount	Balance brought forward	1,285,000	1,250,000
	Revaluation	(60,000)	35,000
	Balance carried forward	1,225,000	1,285,000
Depreciation	Balance brought forward	-	-
	Depreciation charge for year 2% on 30 Canford Road for full year	24,500	25,700
	Elimination on revaluation	(24,500)	(25,700)
	Balance carried forward	-	-
	Net book value		
	At 1 January 2022	1,285,000	1,250,000
	At 31 December 2022	1,225,000	1,285,000
Investment properties			
5a Wroughton Road - tenanted flat		461,250	457,500
Total		461,250	457,500
Reconciliation to brought forward:			
	Balance brought forward	457,500	440,000
	Net gain/(loss) from fair value adjustments	3,750	17,500
	Additions / disposals	-	-
		461,250	457,500

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2022

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 2023, 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 2023 represent the fair values of the residential properties held at 31 December 2022 in all material respects.

The Wroughton Road property has a protected tenant in situ. Industry guidelines would suggest a 25% haircut against the full market valuation based on vacant possession. The amount recognised in the accounts is £461,250.

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.

The carrying amount of the property at the year-end had it been recorded under the historical cost convention is circa £13k (2021: £14k) based on an original cost of £63k in 1983.

7. CURRENT ASSETS

7(a) INVESTMENTS

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2022 £	2021 £
Purchases at cost	-	95,000	255,000	350,000	-
Revaluation loss	-	(2,015)	(5,410)	(7,425)	-
Market value at 31 December 2022	-	92,985	249,590	342,575	-

New investments have been made during the year in the CBF Church of England Investment Fund. The holding at 31 December 2022 was 6,457.84 accumulation shares which cost £350,000.

7(b) DEBTORS

Tax recoverable	8,341	-	-	8,341	8,837
Other debtors	10,025	11,185	-	21,210	19,039
Total	18,366	11,185	-	29,551	27,876

8. LIABILITIES

Amounts falling due within one year

Accruals and deferred income	8,400	-	-	8,400	7,500
Other creditors	4,973	400	-	5,373	4,618
Total	13,373	400	-	13,773	12,118

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2022

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	153,756	-	(3,282)		(2,334)	148,140
Special Collections Fund	-	1,308	(1,308)	-	-	-
Hall Repair Fund	166,962	604	-	11,854	(3,076)	176,344
Music Society Fund	63,039	56,735	(59,417)	-	-	60,357
sub-total	383,757	58,647	(64,007)	11,854	(5,410)	384,841
Designated Funds						
Hall Management Fund	157,603	130,474	(96,442)	(11,854)	(2,015)	177,766
sub-total	157,603	130,474	(96,442)	(11,854)	(2,015)	177,766
General Funds						
General fund	1,799,338	372,513	(404,969)	24,500	-	1,791,382
Fair value reserve	407,500	-	-	-	3,750	411,250
Revaluation reserve	901,360	24,500	-	(24,500)	(60,000)	841,360
sub-total	3,108,198	397,013	(404,969)	-	(56,250)	3,043,992
Totals	3,649,558	586,134	(565,418)	-	(63,675)	3,606,599

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 £3,750 (2021: gain £17,500). 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 loss recognised in the current year of £60,000 is offset by a reserves transfer for £24,500 (2021: £25,700) 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 2022

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 2022 (2021: £18,800).

A total of £13,000 (2021: £13,100) was given to 16 (2021: 20) charities operating in the UK, with a maximum of £1,250 each (2021: £1,250).

A total of £5,800 (2021: £5,700) was given to 8 UK charities which operate overseas (2021: 10), with a maximum of £1,000 each (2021: £750).

Special collections are also made with the proceeds being passed on to charities. A total of £1,308 (2021: £2,909) was donated to 4 charities in this way.

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

FINANCIAL STATEMENTS
YEAR ENDING 31 DECEMBER 2022

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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 2022 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 2022 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. We have identified the greatest risk of a material impact on the financial statements from irregularities, including fraud, to relate to the timing and recognition of income, the override of controls by management, and the valuation of the charities, residential properties. We have obtained an understanding of the legal and regulatory frameworks that the Charity operates within including both those that directly have an impact on the financial statements and more widely those for which non-compliance could have a significant impact on the Charity's operations and reputation. The Charities Act 2011, employment law, health and safety legislation and data protection are those we have identified in this regard. Auditing standards limit the required procedures as to non-compliance with laws and regulations to enquiries of those charged with governance and review of any applicable correspondence. 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: 07/06/2023 .

Parochial Church Council of St Luke, Battersea
Statement of Financial Activities
For the year ending 31 December 2022

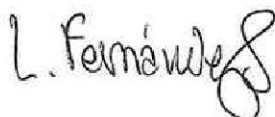
	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2022 £	2021 £
INCOME FROM:						
Donations and legacies	2(a)	273,132	-	1,308	274,440	363,509
Activities for generating funds	2(b)	85,560	129,374	56,735	271,669	253,410
Investments	2(c)	12,425	1,100	604	14,129	11,274
Church activities	2(d)	1,396	-	-	1,396	3,296
Total		372,513	130,474	58,647	561,634	631,489
EXPENDITURE ON:						
Raising funds	3(a)	12,888	-	62,699	75,587	74,035
Church activities	3(b)	392,081	96,442	1,308	489,831	524,915
Total		404,969	96,442	64,007	565,418	598,950
Net income (expenditure)		(32,456)	34,032	(5,360)	(3,784)	32,539
Transfers between funds	9	24,500	(11,854)	11,854	24,500	25,700
Net income before investment gains		(7,956)	22,178	6,494	20,716	58,239
Gains/losses on investment funds	7(a)	-	(2,015)	(5,410)	(7,425)	-
Gains/(losses) on revaluation of fixed assets for the charity's own use	6(b)	(60,000)	-	-	(60,000)	35,000
Net gains/(losses) on investment properties	6(b)	3,750	-	-	3,750	17,500
Net movement in funds		(64,206)	20,163	1,084	(42,959)	110,739
Reconciliation of funds						
Total funds brought forward	9	3,108,198	157,603	383,757	3,649,558	3,538,819
Total funds carried forward	9	3,043,992	177,766	384,841	3,606,599	3,649,558

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

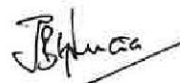
Parochial Church Council of St Luke, Battersea
Balance Sheet at 31 December 2022

	Note	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
					2022 £	2021 £
FIXED ASSETS						
Tangible assets	6(a)	1,200,477	-	-	1,200,477	1,241,309
Residential property for church use	6(b)	1,225,000	-	-	1,225,000	1,285,000
Investment properties	6(b)	461,250	-	-	461,250	457,500
Total fixed assets		<u>2,886,727</u>	<u>-</u>	<u>-</u>	<u>2,886,727</u>	<u>2,983,809</u>
CURRENT ASSETS						
Investment funds	7(a)	-	92,985	249,590	342,575	-
Debtors	7(b)	18,366	11,185	-	29,551	27,876
Cash at bank and in hand		152,272	73,996	135,251	361,519	649,991
Total current assets		<u>170,638</u>	<u>178,166</u>	<u>384,841</u>	<u>733,645</u>	<u>677,867</u>
LIABILITIES						
Creditors: amounts falling due within one year	8	13,373	400	-	13,773	12,118
Net current assets		<u>157,265</u>	<u>177,766</u>	<u>384,841</u>	<u>719,872</u>	<u>665,749</u>
TOTAL NET ASSETS		<u>3,043,992</u>	<u>177,766</u>	<u>384,841</u>	<u>3,606,599</u>	<u>3,649,558</u>
PARISH FUNDS						
Unrestricted funds	9	3,043,992	-	-	3,043,992	3,108,198
Designated funds	9	-	177,766	-	177,766	157,603
Restricted funds	9	-	-	384,841	384,841	383,757
Total funds		<u>3,043,992</u>	<u>177,766</u>	<u>384,841</u>	<u>3,606,599</u>	<u>3,649,558</u>

Approved by the Parochial Church Council on 31st May 2023 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 2022

	2022	2021
	£	£
Net cash from/(used in) operating activities*	39,974	71,275
Cash flows from investing activities		
Purchase of tangible fixed assets	-	
Interest and rent from investments	14,129	11,274
Net cash provided by/(used in) investing activities	14,129	11,274
Change in cash and cash equivalents in the reporting period	54,103	82,549
Cash and cash equivalents at 1 January	649,991	567,442
Cash and cash equivalents at 31 December	<u>704,094</u>	<u>649,991</u>
Reconciliation of net income/(expenditure) before investment gains		
Net income before investment gains 31 December	20,716	58,239
Adjustments for:		
Depreciation charges	40,832	40,832
Interest and rent from investments	(14,129)	(11,274)
Decrease/(increase) in debtors	(1,675)	(9,529)
(Decrease)/increase in creditors	1,655	(6,993)
Gains/(losses) on investment funds	(7,425)	-
*Net cash from/(used in) operating activities	<u>39,974</u>	<u>71,275</u>
Analysis of cash and cash equivalents		
Bank current accounts	159,051	171,417
Short term deposits	202,468	478,574
Investment funds	342,575	-
	<u>704,094</u>	<u>649,991</u>

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2022

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 and Charities (Accounts and Reports) Regulations 2008 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 2022

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 2022

1. ACCOUNTING POLICIES (continued)

1(h) Current assets

Cash at bank and in hand includes short term deposits and investment funds with CBF Church of England Funds.

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, which means that the charity can be expected to meet its liabilities as they fall due for the foreseeable future. In assessing the appropriateness of the going concern basis of preparation, the trustees have taken into account the key risks to the charity, as well as the available cash reserves and other assets, including the Charity's property portfolio, which, if necessary, could be used as security for future funding or sold to boost cash reserves.

Parochial Church Council of St Luke, Battersea
Notes to the financial statements
For the year ending 31 December 2022

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 2022

2. INCOME FROM:

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2022 £	2021 £
2(a) Donations and legacies					
Grants					
LPOW (VAT refund on building works)	853	-	-	853	1,222
Battersea Synod grant	230	-	-	230	-
Diocese energy grant	1,400	-	-	1,400	-
Job Retention Scheme	-	-	-	-	3,196
sub-total	2,483	-	-	2,483	4,418
Voluntary giving					
Stewardship & envelopes	191,475	-	-	191,475	186,812
Loose cash	11,569	-	-	11,569	7,569
Tax refund	42,547	-	-	42,547	42,676
Donations, appeals etc.	25,058	-	1,308	26,366	26,392
Legacies	-	-	-	-	95,642
sub-total	270,649	-	1,308	271,957	359,091
Total	273,132	-	1,308	274,440	363,509
2(b) Activities for generating funds					
Christmas market	14,345	-	-	14,345	17,896
Church & hall lettings	37,579	129,374	-	166,953	142,957
Antenna rent & cost of electricity	29,686	-	-	29,686	26,487
Church musical & social activities	3,950	-	56,735	60,685	66,070
Total	85,560	129,374	56,735	271,669	253,410
2(c) Investments					
Property lettings	10,064	-	-	10,064	10,964
Interest	2,361	1,100	604	4,065	310
Total	12,425	1,100	604	14,129	11,274
2(d) Church activities					
Parochial fees received	1,396	-	-	1,396	3,296
Total	1,396	-	-	1,396	3,296
Total	372,513	130,474	58,647	561,634	631,489

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3. EXPENDITURE ON:

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2022 £	2021 £
3(a) Raising funds					
Publicity and printing	3,290	-	-	3,290	4,315
Christmas market	3,569	-	-	3,569	9,159
Church musical & social activities	6,029	-	62,699	68,728	60,561
Total	12,888	-	62,699	75,587	74,035
3(b) Church activities					
Missionary & charitable giving					
Mission and outreach	18,800	-	-	18,800	18,800
Special collections	-	-	1,308	1,308	2,909
sub-total	18,800	-	1,308	20,108	21,709
Ministry					
Diocesan parish support fund	163,000	-	-	163,000	188,000
Clergy costs	39,942	-	-	39,942	40,429
Other staff costs	2,440	-	-	2,440	13,446
Parochial fees paid to diocese	218	-	-	218	1,181
Nightshelter costs	1,008	-	-	1,008	1,260
Other expenses incl petty cash	3,525	-	-	3,525	3,384
sub-total	210,133	-	-	210,133	247,700
Church expenses					
Repairs & maintenance	9,363	-	-	9,363	15,380
Insurance	7,690	-	-	7,690	7,450
Utilities incl antenna electricity	20,643	-	-	20,643	20,123
Cost of services incl music	16,131	-	-	16,131	15,187
Sound system installation	-	-	-	-	2,192
Sound system depreciation	12,500	-	-	12,500	12,500
sub-total	66,327	-	-	66,327	72,832
Community Hall expenses					
Hall improvements & major works	-	-	-	-	1,352
Insurance	-	1,799	-	1,799	1,694
Running expenses incl utilities	-	66,326	-	66,326	50,005
External railings renewal	-	-	-	-	5,714
Depreciation	28,332	-	-	28,332	28,332
sub-total	28,332	68,125	-	96,457	87,097
Property expenses					
Repairs & maintenance	8,944	-	-	8,944	11,437
Utilities & council tax	2,476	-	-	2,476	2,396
Insurance	2,420	-	-	2,420	1,575
Depreciation on 30 Canford Road	24,500	-	-	24,500	25,700
sub-total	38,340	-	-	38,340	41,108
Administration					
Salaries & wages (office)	16,748	26,672	-	43,420	41,105
Telephone, postage, website etc.	3,305	1,561	-	4,866	4,275
Professional fees	9,251	-	-	9,251	8,239
Bank charges	845	84	-	929	850
sub-total	30,149	28,317	-	58,466	54,469
Total	392,081	96,442	1,308	489,831	524,915
Total	404,969	96,442	64,007	565,418	598,950

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4. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to an audit fee of £8,400 (£7,500 in 2021) and payroll services of £851 (£739 in 2021).

5(a) STAFF COSTS

	2022 £	2021 £
Gross wages, salaries and benefits in kind	45,860	61,522
Employer's pension contributions	1,925	2,201
Employer's National Insurance costs	-	(2,111)
less Job Retention Scheme grants received	-	(3,197)
Total staff costs	47,785	58,415
Average number of employees in the year (including part time staff)	3	3

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 (2022: £1,925, 2021: £2,201).

There are no employees who received total employee benefits (excluding employer pension costs) of more than £60,000 (2021: None).

During the year the church received £Nil (2021: £3,197) 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 (2021: None).

During the year the church reimbursed expenses of £2,305 (2021: £1,257) for 7 PCC members (2021: 4) including event costs and Music Society expenses.

For our Associate Priest £38,750 (2021: £39,307) was paid to the diocese for her stipend, pension and other costs. In addition £1,521 (2021: £1,062) was paid to her for reclaimable expenses.

The house in Canford Road was being lived in by our Associate Priest and family rent free for the year. 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 (2021: £ Nil).

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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	475,312	32,905	508,217
	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	503,644	45,405	549,049
	Net book value			
	At 1 January 2022	1,216,308	25,001	1,241,309
	At 31 December 2022	1,187,976	12,501	1,200,477

6(b) RESIDENTIAL PROPERTIES

	All Unrestricted	2022 £	2021 £
Residential property for church use			
30 Canford Road - house for associate priest			
Revalued amount	Balance brought forward	1,285,000	1,250,000
	Revaluation	(60,000)	35,000
	Balance carried forward	1,225,000	1,285,000
Depreciation	Balance brought forward	-	-
	Depreciation charge for year 2% on 30 Canford Road for full year	24,500	25,700
	Elimination on revaluation	(24,500)	(25,700)
	Balance carried forward	-	-
	Net book value		
	At 1 January 2022	1,285,000	1,250,000
	At 31 December 2022	1,225,000	1,285,000
Investment properties			
5a Wroughton Road - tenanted flat		461,250	457,500
Total		461,250	457,500
Reconciliation to brought forward:			
	Balance brought forward	457,500	440,000
	Net gain/(loss) from fair value adjustments	3,750	17,500
	Additions / disposals	-	-
		461,250	457,500

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 2023, 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 2023 represent the fair values of the residential properties held at 31 December 2022 in all material respects.

The Wroughton Road property has a protected tenant in situ. Industry guidelines would suggest a 25% haircut against the full market valuation based on vacant possession. The amount recognised in the accounts is £461,250.

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.

The carrying amount of the property at the year-end had it been recorded under the historical cost convention is circa £13k (2021: £14k) based on an original cost of £63k in 1983.

7. CURRENT ASSETS

7(a) INVESTMENTS

	General Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS	
				2022 £	2021 £
Purchases at cost	-	95,000	255,000	350,000	-
Revaluation loss	-	(2,015)	(5,410)	(7,425)	-
Market value at 31 December 2022	-	92,985	249,590	342,575	-

New investments have been made during the year in the CBF Church of England Investment Fund. The holding at 31 December 2022 was 6,457.84 accumulation shares which cost £350,000.

7(b) DEBTORS

Tax recoverable	8,341	-	-	8,341	8,837
Other debtors	10,025	11,185	-	21,210	19,039
Total	18,366	11,185	-	29,551	27,876

8. LIABILITIES

Amounts falling due within one year

Accruals and deferred income	8,400	-	-	8,400	7,500
Other creditors	4,973	400	-	5,373	4,618
Total	13,373	400	-	13,773	12,118

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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	153,756	-	(3,282)		(2,334)	148,140
Special Collections Fund	-	1,308	(1,308)	-	-	-
Hall Repair Fund	166,962	604	-	11,854	(3,076)	176,344
Music Society Fund	63,039	56,735	(59,417)	-	-	60,357
sub-total	383,757	58,647	(64,007)	11,854	(5,410)	384,841
Designated Funds						
Hall Management Fund	157,603	130,474	(96,442)	(11,854)	(2,015)	177,766
sub-total	157,603	130,474	(96,442)	(11,854)	(2,015)	177,766
General Funds						
General fund	1,799,338	372,513	(404,969)	24,500	-	1,791,382
Fair value reserve	407,500	-	-	-	3,750	411,250
Revaluation reserve	901,360	24,500	-	(24,500)	(60,000)	841,360
sub-total	3,108,198	397,013	(404,969)	-	(56,250)	3,043,992
Totals	3,649,558	586,134	(565,418)	-	(63,675)	3,606,599

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 £3,750 (2021: gain £17,500). 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 loss recognised in the current year of £60,000 is offset by a reserves transfer for £24,500 (2021: £25,700) 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 2022 (2021: £18,800).

A total of £13,000 (2021: £13,100) was given to 16 (2021: 20) charities operating in the UK, with a maximum of £1,250 each (2021: £1,250).

A total of £5,800 (2021: £5,700) was given to 8 UK charities which operate overseas (2021: 10), with a maximum of £1,000 each (2021: £750).

Special collections are also made with the proceeds being passed on to charities. A total of £1,308 (2021: £2,909) was donated to 4 charities in this way.