



**THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF WATERLOO**

(St John the Evangelist with St Andrew)

Diocese of Southwark

Report & Financial Statements

31 December 2021

Registered Charity Number: 1132457

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Report and Financial Statements 2021 Contents

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Legal and Administrative Information

Name	The Parochial Church Council of the Ecclesiastical Parish of Waterloo		
Address	St John's Waterloo, Waterloo Road, London SE1 8TY. The correspondence address is: The Vicarage, 1 Secker Street, London SE1 8UF		
Charity Registration no	1132457. The church was registered with the Charity Commission on 4 November 2009		
The Governing Document	Parochial Church Council Powers Measure (1956) as amended and Church Representation Rules.		
Members of the PCC	Those who served from 1 January 2021 to the date this report was approved are:		
	Clergy	The Revd Canon Giles Goddard The Revd Dr Godfrey Kaziro The Revd Lisa Bewick Ester Kawoya	Incumbent, Chair Hon Assistant Curate until 30 September 2021 Reader
	Churchwardens	Belinda Taylor C Faye Clinch Elaine Thomas	Until 16 May 2021 From 16 May 2021
	Deanery Synod	Elizabeth Clarson Deborah Watkins	
	Elected Members	Rebecca Boardman Jacek Borek Declan Dunford-Crozier C Faye Clinch Sean Galpin Ken Hamilton Connie Kaweesa Alice Kawoya Terry McLeman Philippa Owen Peter Omoghene-Osario Robert Smeath Pat Thomas	From 16 May 2021 Until 16 May 2021 From 16 May 2021 From 16 May 2021 From 16 May 2021 Treasurer, from 16 May 2021 Secretary
Key Management Personnel	Those in charge of directing, controlling, running and operating the Church on a day to day basis are the enabling committee comprising the incumbent, associate priest/curate, churchwardens, secretary, treasurer and sub-committee chairs.		
Bankers	CAF Bank Ltd 5 Kings Hill Avenue West Malling ME19 4TA		
Solicitors	Winckworth Sherwood		
Independent Auditor	Peter Barton Kreston Reeves		
Quinquennial Inspector	Roderick MacLennan RIBA AABC		

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Report of the Parochial Church Council

The Parochial Church Council of the Ecclesiastical Parish of Waterloo (St John the Evangelist with St Andrew) ("PCC") submits its report and the financial statements of the PCC for the year ended 31 December 2021. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2015) and the Financial Reporting Standard 102. The legal and administrative information set out earlier in this document forms part of this report.

The PCC co-operates with the incumbent, Revd Canon Giles Goddard, in promoting the whole mission of the Church within its Parish and beyond. It also has responsibility for the non-stipendiary staff and the maintenance of the Church buildings. In essence, the PCC is a consultative body that represents the views of the congregation as well as its own. It should communicate, where appropriate, any decisions of the PCC or its committees to the church; oversee and advise in the financial affairs of the church; pray and champion the vision for the church.

I. Structure, governance and management

The PCC is a corporate body established by the Church of England which operates under the Parochial Church Council Powers Measure. The PCC of St John with St Andrew Waterloo was registered with the Charity Commission in November 2009. Within the parish there are two churches: St John the Evangelist, Waterloo Road and St Andrew, Short Street.

The PCC includes representatives from the congregation and the clergy team. It meets on a roughly two-monthly basis, with an average of six meetings per year. This complies with regulations which stipulate that PCCs must meet no fewer than four times a year. The appointment of PCC members is governed by the Church Representation Rules. There is a process in place for the recruitment, induction and training of PCC members, making use of diocesan or deanery training courses when available. The PCC complies with diocesan requirements on safeguarding policies and risk assessment. It also complies with statutory requirements regarding employment, access and health and safety.

The PCC and the incumbent share the responsibility for taking forward the work of the parish. They address issues such as long-term financial planning; quinquennial report and capital spend plans; team ministry issues; annual worship review; annual tithe allocation review; fundraising strategy; managing policies and processes around risk management, safeguarding policies; health and safety; disability discrimination legislation.

I.1 Enabling Committee (Standing Committee)

This is the only sub-committee required by law. It is the leadership team of the PCC and plans the work of the full PCC over the year. It has power to transact the business of the PCC between its meetings, subject to any directions given by the PCC. Its membership comprises the incumbent, associate priest/curate, churchwardens, the PCC secretary and treasurer and sub-committee chairs.

I.2 Church Attendance

The electoral roll is completely reviewed and revised once every six years and has been updated. At the last APCM the electoral roll stood at 125 (2021: 116).

I.3 Risk Management

The PCC acknowledge that they have a responsibility for the identification and proper management of risks faced by the church in achieving its primary aims. The PCC has therefore assessed the major risks to which the church is exposed, in particular, those relating to the specific operational areas of the church, its investments and its finances. The PCC believes that, by monitoring reserves levels, by ensuring that controls exist over key financial systems, and by examining the operational risks faced by the church, it has established effective systems and procedures to mitigate those risks. A comprehensive risk register was undertaken in 2019. A brief summary follows.

Operational Area	Risk	Management
Security & Safeguarding	There is a major security, safeguarding, or health & safety incident	Safeguarding – there is a safeguarding policy in place and two designated safeguarding officers. All volunteers who have direct contact with children or vulnerable adults as well as Pastoral team members are

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		required to have a DBS, which is renewable every three years; we ensure that insurance policies are up-to-date and cover us for identified risks; we maintain up-to-date incident logs
Finances	Income and expenditure: there is a risk that expenditure could exceed income	To mitigate these potential risks the PCC has approved an unrestricted funds budget which shows a surplus of income over expenditure. Monthly management accounts are prepared comparing income and expenditure with budget; PCC officials ensure proper authorisation of expenditure in line with the target operational cash reserves of three months' budgeted expenditure; major expenditure on our St John's Development Project is contingent on related grant and donation income first being secured
	Potential liabilities: there is an uninsured liability which crystallises	To mitigate this potential risk, we ensure that insurance policies are up-to-date and include employer's liability, public liability, buildings insurance, contents insurance and property owner's liability

Clearly, during 2021, Covid-19 presented as the greatest risk overshadowing all others. The cautious reopening of buildings during 2021 was carefully monitored by the church's COVID planning group.

This small group developed a financial model of both PCC and TBAW together, so that the key performance indicators could be monitored and managed very closely. It met online as often as was necessary to monitor developments and to plan the way ahead in light of them – roughly monthly and after every change in the rules. Expenditure was minimised, making full use of furlough and available grants. As reopening took place, we introduced the necessary measures to reduce infection, and we were pleased with the supportive response by members of the congregation. Financially, we noted that bookings returned to St Andrew's quite quickly.

The other major risks were those resulting from the closure of St John's and the commencement of works by our contractor, Buxtons Ltd. To mitigate these risks, we carried out due diligence before entering into the construction contract. We included a contingency of 10% of the contract sum in our assumptions. We entered into all necessary insurances. We also carried out all the recommended pre-contract surveys so that information as full as possible was available for the contractors.

1.4 Quinquennial inspection. As a result of the extensive planned building works, the Archdeacon advised that the 2021 quinquennial should be postponed until the completion of the redevelopment.

1.5 Terriers – the inventory of the church's property. These have been fully revised and updated for both St John's and St Andrew's. All property is in place and in acceptable condition. As part of the closure process, all the contents of St John's identified in the Terrier were stored carefully in the Vicarage garage and attic, or at St Andrew's.

2. Objectives and activities

During the year we continued to advance our plans for a major development of St John's, branded as the ReIGNITE Project. This will bring disused parts of the crypt back into use as well as dramatically improving accessibility to the whole

building and the welcome we can offer in much improved facilities. It will also enhance the opportunities to increase the income from letting our facilities to a range of community, amateur, charitable and commercial organisations. Fundraising continued throughout the year bringing the target within reach. As a result of the delay caused by COVID we re-tendered the project and identified a new contractor, Buxtons Ltd. The building was closed in early July 2021 and services continued at St Andrew's.

We also hosted the ninth Waterloo Festival, both online and in person. It was a great success, attracting around 1,700 people to a wide range of events, including interviews, podcasts, chamber concerts, and creative projects.

We are pleased to support the work of various charities who use our buildings on a reduced or no-cost basis. These include Southbank Sinfonia, an orchestra offering young musicians the experience of playing professionally; Futures Theatre, a company creating interactive drama in schools to address societal issues, such as drug abuse and youth

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pregnancy; a counselling service for those with long-term alcohol dependency; a coffee morning and a community bingo evening. The pandemic caused many of these activities to be suspended but we hope that they will begin again soon.

The PCC is committed to enabling as many people as possible to worship at the churches and to be at the heart of our parish community of Waterloo. The PCC maintains an overview of worship throughout the parish and makes suggestions on how the services can involve many diverse groups that live, work and pass through within the Parish.

Particular attention is paid to ensuring that the services offered at the different churches complement each other and therefore enable as many people as possible to take part. Our services and worship put faith into practice through prayer and scripture, music and sacrament.

When planning the activities for the year, the incumbent and the PCC have considered the Charity Commission's guidance on public benefit and the specific guidance to charities for the advancement of religion.

In particular, we try to enable ordinary people to live out their faith as part of our parish community through:

- Regular worship and prayer open to all: learning about the Gospel and developing their knowledge and trust in Jesus Christ;
- Provision of sacred spaces for personal prayer and contemplation;
- Provision of pastoral care for people living within the parish;
- The teaching of Christianity through sermons, courses and small groups;
- The provision of facilities for charitable organisations offering opportunities for learning and development;
- The promotion of Christianity through the staging of events and meetings;
- Promotion of the whole mission of the Church through the provision of activities for specific groups;
- Supporting other charities in the UK and overseas selected annually by the congregation.

To facilitate this work, it is crucial that we maintain the fabric of the two churches and ensure its fitness for the purposes of the wide variety community users.

Recognising our unique position in the neighbourhood, our annually-evaluated Mission Action Plan seeks to address neighbourhood as well as congregational need while reaching out to the wider London community, based on the Diocese' "Five Marks of Mission" and St John's 2016 vision statement, in the final year of its five-year life.

Work has continued on developing new five-year vision to reflect the development and evolving focus of St John's, adopting as the overarching purpose for the parish the new strap line "Here for You". A Mission Action Plan for 2021/2 was agreed. The MAP will be further developed for 2023 – 6 once we have reoccupied St John's Church.

Despite Covid-19, it was good year for the churchyard, with senior community gardener Viv Williamson continuing to make a great impact on the efficient running and maintenance in liaison with Lambeth as well as through her Bridge at Waterloo work with our Roots and Shoots and ex-St Mungo's volunteers, all of whom have made progress under her mentorship. The day-to-day work in the churchyard had to be reduced, but it provided a great resource for people during their daily exercise in lockdown. Our vision for the churchyard as a key opportunity for mission is building on its promise among the wider user-group. We have received strong support from the local community.

The Bridge at Waterloo, our Community Engagement charity, obtained grant funding for a new workstream – Waterloo Well – working in local homelessness hostels to offer horticulture, wellbeing, and creative courses.

3. Achievements and performance

St John's with St Andrew's continued to make progress in line with all our plans during 2021. As noted above ReIGNITE, our renovation project, started on site in July.

Worship, Prayer and Study

We made a swift adaptation to Covid-19, by moving our worship on to Zoom. We maintained the pattern of regular

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worship: a 9am morning prayer service and a Eucharist at 10:30 on Sundays, and daily morning prayer at 8:30. The services were well attended on Zoom, and once we were permitted to have worship in church again, we developed a hybrid way of working which worked well.

All are welcome to attend these regular services and we have welcomed many new people online – literally all over the world during the year. At the last annual meeting there were 116 parishioners on the combined Church Electoral Roll. Because of Covid-19 we were unable to carry out our regular count, but attendance at worship was maintained at a broadly similar or slightly increased level from the previous year. Attendance at Morning Prayer has increased by around 30%.

We have continued to take our aspiration to be a fully inclusive church seriously. We also welcomed the publication of the Church of England's Living in Love and Faith resources on identity, gender and sexual orientation, and used the resources in 2021.

The services for Holy Week were all online. These were open to all and are publicised via our website, individual household invitations and church magazines. Our Column Inches parish magazine also moved online, with a very positive reception: we continued to print copies for those who do not have access to the internet.

The total attending Christmas services including carols, in person and online, for congregation and community was approximately 200. The combined total Christmas Eve and Christmas Day attendance of adults and children was 90 at all the special services.

Deepening the spiritual life of the parish was a key focus during 2021. We continued to build our Rule of Life engagement, with over 30 people involved, and we also ran a Living in Love and Faith course in February and March 2021, attracting over 25 people.

We hosted one weddings and no funerals during 2021.

As part of our mission to develop personal engagement in worship and community, groups continue to be responsible at Sunday Eucharist for welcome, offertory, collection (and subsequent counting) with others trained in lesson reading and intercessions.

Our relationship with Okusinja Church continues to be valued. Okusinja's worship also moved to St Mark's, Kennington for the duration of ReIGNITE.

The teaching of Christianity takes place in all services via the use of sermons, readings and talks. In addition, the vicarage hosts 'Face-to-Faith' – also online during 2021.

St John's Development Project

2021 was known to be a critical year for the project, and the objectives set for the year have been met allowing the project to stay on course. As a result of the Covid-19 pandemic, the planned works were delayed until 2021, and we identified significant savings to the proposals by simplifying the design, without compromising the planned outputs.

The fundraising continued during the year as the halfway point was reached. This involved application to trusts, the London Borough of Lambeth, community fundraising events, the generosity of members of the congregation, reallocation of one of our funds, more appropriate use of our assets and discussions with our bank. It was also necessary for us to obtain confirmation that the existing grant offers would remain valid in the light of the delay and we are pleased that all our grant funders have indeed confirmed the continuation of their offers. We also obtained a grant of £850k from the London Borough of Lambeth, from Section 106 funding for the South Bank Place site.

A long-term Business Plan was developed with particular emphasis on quantifying and testing the realistic income assumption after the work is completed, as this will be essential to the sustainability of the project in the short and longer term.

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The PCC continues to delegate the detail work to two Committees. The Design Committee which is overseeing the architects' proposals and the Finance and Major Fundraising Committee which is overseeing the costs and fundraising.

Deanery Synod

Two members of the PCC sit on the Deanery Synod (currently one vacancy) and this provides the PCC with an important link between the parish and the wider structures of the church.

Pastoral Care

The Parish is blessed with a Southwark Pastoral Auxiliary (SPA) who, along with the Clergy Team, visit those who are unable to attend church due to sickness or age and enable these people to take communion on a regular basis

Environment and Social Justice

The Environment and Social Justice Committee carries responsibility for the parish's wider mission; with a key objective of raising awareness within the congregation of the spread of our existing activities and encouraging participation where possible.

Please note that some of the actions and events mentioned below are sometimes overlaps or areas also covered by other PCC sub-committees, clergy or congregation members and their very own efforts:

PCC Outward Giving / Charity of the Month. St John's is still supported our core charities in 2021: Christian Aid, USPG and the Bishops Lent Call. We also encourage members of our congregation to be generous in their own support for other good causes.

Maintaining links with Foodbank, Robes and other projects for the homeless

Due to COVID the Foodbank remained delivery only, from a warehouse in Streatham. We supported Robes Project guests by providing material support at the hotel in which they were resident, in Peckham.

Maintaining Links with Christian Aid. Jenny and Kate participated in fundraising events for Christian Aid: this was restricted by lockdowns.

The regular **Fair Trade and Zaytoun** stall continued in church after the services, twice a year

Links with Citizens UK / Lambeth Citizens and other organizations. At St John's we were aiming to have 25 people of the congregation to attend the London **Citizens Mayoral Hustings** on April 21, 2021 but the event was cancelled due to the pandemic

Climate change took a central role in our work in 2021 as we were very engaged in COP26 – both as a church and through our work with Faith for the Climate, founded at St John's Waterloo and chaired by Giles. The conference was attended by Giles and Shanon.

Virtual Lobby with our MP - Part of the campaign by the Climate Coalition to lobby our MPs for a green recovery. Shanon and Giles organised a virtual lobby session in June with Florence Eshalomi, our MP, with members of St John's and ESJ attending.

Faith and a Green Recovery - Thinking Global, Acting Local event hosted by Shanon (with Faith for the Climate) in July.

Participation in **Mums for lungs** poster campaign in July (Nicola)

Climate Sunday on October 4th was followed up by our support for the South Bank Churches Vigil for COP26 at Southwark Cathedral, and the Greenfaith International day of action.

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Eco Church – St John's currently holds a silver certificate. The application for a gold certificate for our church was put on hold due to the church building imminent redevelopment - it was agreed with Giles to apply instead when the church reopens after the building works.

The ESJ Future Direction Jam. In November the ESJ committee had a consultation session on Zoom opened to anyone in the congregation interested in attending to discuss the future needs and priorities in terms of the environment and social justice in our community, especially at this unprecedented time. The outcome of the jam session is to define the ESJ plan of action for 2021.

Charitable Support

As well as its charitable giving, the PCC also decided to increase its payments to the Diocesan Parish Support Fund. In 2021, despite the pandemic, we were able to keep our pledge and pay £81,200 (2020: £81,200). In 2022, £81,900 has been pledged. Our ambition in future is to help the Diocese fund parishes that are less fortunate than ours.

Use of the Crypt - the PCC and Board of TBAW have an agreed policy of allowing organisations that support our Vision to occupy space in the Crypt on licence fees of 60% of the normal rates in Waterloo. All organisations contribute fully to the service charges.

Neighbourhood Audit

An audit working party was created by the PCC and reported regularly to both the PCC and its Enabling Committee, where the purpose and objectives have been co-designed. Work on the audit was suspended with the onset of the pandemic but we will pick this up again once the redevelopment is on site, so that we are fully informed of local needs and opportunities when St John's reopens.

Use of Church Buildings

The PCC has responsibility for the two sites where the churches are situated.

St John the Evangelist: this consists of a large church and crypt. The church is normally open every day and is extensively used by local people and local, London-wide and national institutions such as the Southbank Sinfonia, Christian Aid and the Diocese of Southwark. The crypt normally provides a home for four arts organisations: Southbank Sinfonia, Futures Theatre Company, Bankside Keys and Prisoner Penfriends. As mentioned earlier, our St John's Development Project will regenerate the whole building so that it is in a good state for at least the next 50 years.

St Andrew's became a larger focus when St John's was closed. It is used by numerous local, London-wide and national groups as well as being a worship space – for example, National Childbirth Trust, Young Vic Theatre, National Theatre, Pregnancy Yoga, Lambeth CRUSE bereavement services.

The Bridge at Waterloo

The members of the company are the incumbent and two churchwardens ex officio.

TBAW continued its operations throughout Covid-19 despite a 60% decline in income from bookings. The furlough programme was extremely helpful for the finances of TBAW and we were pleased that all the tenants of our offices were able to continue to pay their rent. We were also able to bring back some of the staff to enable the projects to develop. A new relationship was developed with BigLocal Bermondsey, where its employment training programme "Here for Work" continued to produce good results.

We were successful in raising new funding for an innovative Covid-19 response programme 'Waterloo Well' which is working with the residents of local homelessness hostels and also with local young people to provide therapeutic, horticultural, arts and employment support.

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In 2021 St John's provided a loan on call of £45,000 to help finance TBAW's working capital. Initially, repayment was not expected for the foreseeable future. After Covid-19 struck, TBAW lost most of its income during the lockdown period. To help ensure TBAW remains a going concern, PCC resolved to convert the loan to a grant in April 2021.

4. Going Concern

The Church of course was impacted greatly by the lockdown restrictions made necessary by the Covid-19 pandemic, which broke out in early March 2020. It was very good that both the PCC and TBAW ended 2021 with an operational surplus, due to the measures taken to reduce costs and the increase in grant funding TBAW obtained.

Each year it's the PCC's responsibility to state whether or not the annual accounts have been drawn up on a going concern basis (see the accounting policy note on page 22). Going concern is the assumption that an entity, in this case the PCC, has the resources (financial and other) needed to continue operating for the foreseeable future and, in particular, for at least 12 months from the date of approval by the PCC of these annual accounts. If the going concern principle did not apply then the accounts would be drawn up on an insolvent basis.

As part of this year's going concern review, the PCC has had to consider the likely impact of Covid-19 pandemic on its ministry. The PCC has been able to maintain our Parish Support Fund pledge in 2021, its largest single item of expenditure.

The PCC will continue to keep both the short-term and longer-term impact under review and in particular, the 'degree of return to normality' was actively monitored in the latter part of 2021, with a view to assessing the likely carryover into 2022 and the effect on the 2022 budget.

5. Financial Review

Total income on unrestricted funds was £224,228 (2020: £412,984) and is detailed in note 2. It should be noted that the 2020 figure includes legacies totalling £161,315. This includes property licence fee of 29.5% (2020: 29.5%) from The Bridge at Waterloo (TBAW), a registered charity. Letting of the church flat, the commercial offices and ground rents at St Andrew's continue as income to the PCC.

Payments totalling £200,970 (2020: £258,467) were made on unrestricted general church activities including the Diocese Parish Support Fund, maintenance and staff, and are detailed in note 3. 2020 included the gift of the loan of £45,000 to TBAW, included in the Missionary and charitable giving figure of £61,929.

Unrestricted general receipts exceeded payments by £23,258 (2020: £154,517). The PCC decided to reserve £4,800 (2020: £6,000) to charitable giving in line with previously agreed policies, also £90,490 to the St John's Development fund, largely made possible by the sale of (previously endowment) investments for £90,490. That leaves a balance of £348,755 carried forward - reflecting our own commitment to the Project

Restricted funds continue to be used for St John's Development Project, Waterloo Festival, and other specified activities and causes.

6. Reserves Policy

The PCC currently follows a policy of maintaining a balance on unrestricted funds of at least three months of its unrestricted payments to cover emergency situations that may arise from time to time, and should these funds drop below this level the PCC will normally take immediate steps to restore the unrestricted funds to three months of unrestricted expenditure. At 31 December 2021, the PCC had net free reserves of £64,485 (2020: £77,027) as follows:

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	2021 £	2020 £
Total reserves	2,177,601	1,666,602
Less: designated funds	(1,475,791)	(1,381,949)
Less: restricted funds	(637,325)	(120,061)
Less: endowment funds	-	(87,565)
Free reserves	64,485	77,027
Free reserves requirement:		
3 month's budgeted routine expenditure	62,417	62,487

Our financial projections anticipate the level of free reserves to fall to around 2 months whilst the church is closed. However, the projections show that this is sustainable until the church reopens and income recovers and begins to grow. Nevertheless, this will be monitored very closely by the Enabling and Finance and Major Fundraising Committees and remedial action taken if necessary.

7. Investment Policy

7.1 General Funds

The PCC holds investments in local property to provide a regular rental income for the church. Amounts held over and above funds required for working capital are held in bank short term deposits.

7.2 Restricted Funds

Amounts held over and above funds required for working capital are held in bank short term deposits.

7.3 Endowment Fund

The endowment fund is invested in CBF investment fund shares and the objective is to provide a high level of income whilst maintaining the capital value. An application was made to the Charity Commission for permission to liquidate the fund and apply the proceeds to the St John's Development Project. In April 2021, the Charity Commission concurred with the PCC resolution to do this. We're pleased to say the way is clear for us to carry out our plans.

8. Plans for Future Periods

The church was closed for renovation in July 2021, and the main contractors, Buxtons Ltd, began their work. The renovation will transform the building, enabling St John's to offer much better facilities for worship, for community use and for arts events. Reopening is planned for July 2022. Worship continued at St Andrew's Church, Short Street.

9. Responsibilities of Trustees for the Financial Statements

The PCC is responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Charity law in England and Wales requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the PCC and of the incoming resources and application of resources of the PCC for that period.

In preparing those financial statements, the PCC is required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles of the Charities SORP;

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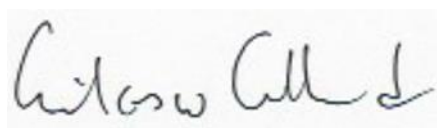
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- Make judgements and estimates that are reasonable and prudent;
 - State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
 - Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the PCC will continue.

The PCC is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the PCC and enables them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing document.

The PCC is also responsible for safeguarding the assets of the PCC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the PCC and financial information included in the PCC website.

10. Approval

Approved by the Parochial Church Council on xx May 2022 and signed on its behalf by:



Canon Giles Goddard
Chair

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Report of the Independent Auditor to the Parochial Church Council of Waterloo Parochial Church Council

Opinion

We have audited the financial statements of The Parochial Church Council (the 'PCC') of the Ecclesiastical Parish of Waterloo (the 'charity') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the period 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 and the Church Accounting Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 PCC's 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 PCC with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The PCC is responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Report of the Independent Auditor to the Parochial Church Council of Waterloo Parochial Church Council

-
- the information given in the Report of the PCC 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 and returns; or
 - certain disclosures of the PCC's remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC

As explained more fully in the Responsibilities of Church Council Statement, the PCC is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the PCC determines 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 PCC is 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 PCC either intends 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 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and the sector as a whole, and through discussion with the PCC and other management (as required by auditing standards), we evaluated the PCC's and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions.

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

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Report of the Independent Auditor to the Parochial Church Council of Waterloo Parochial Church Council

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

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

Use of our report

This report is made solely to the Parochial Church Council of the Ecclesiastical Parish of Waterloo, 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 Parochial Church Council of the Ecclesiastical Parish of Waterloo as a body, for our audit work, for this report, or for the opinions we have formed.

**Kreston Reeves
LLP**

Chartered Accountants
Statutory Auditor

London

Date:

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO
(St John the Evangelist with St Andrew)

Statement of Financial Activities
For the year ended 31 December 2021

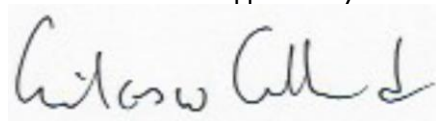
	Note	Unrestricted Funds		Restricted Funds	Endowment Funds	Total	Unrestricted Funds		Restricted Funds	Endowment Funds	Total
		General 2021	Designated 2021	2021	2021	2021	General 2020	Designated 2020	2020	2020	2020
		£	£	£	£	£	£	£	£	£	£
Income from:	2										
Donations and legacies		111,364	-	1,415,392	-	1,526,756	305,965	-	358,920	-	664,885
Charitable activities		659	-	34,606	-	35,265	323	-	8,000	-	8,323
Other trading activities		61,371	-	65,095	-	126,466	56,179	-	7,626	-	63,805
Investments		50,834	-	195	2,925	53,954	50,517	-	293	2,413	53,223
Total Income		224,228	0	1,515,288	2,925	1,742,441	412,984	0	374,839	2,413	790,236
Expenditure on:	3										
Raising funds		-	-	72,094	-	72,094	-	-	12,512	-	12,512
Charitable activities		200,970	22,448	935,930	-	1,159,348	258,467	8,674	290,613	-	557,754
Total Expenditure		200,970	22,448	1,008,024	0	1,231,442	258,467	8,674	303,125	0	570,266
Net gains on investments		-	-	-	-	-	-	-	-	5,624	5,624
Net Income/(Expenditure)		23,258	(22,448)	507,264	2,925	510,999	154,517	(8,674)	71,714	8,037	225,594
Transfers between funds		(7,800)	98,290	-	(90,490)	-	(202,315)	202,315	-	-	-
Other recognised gains/(losses)		-	-	-	-	-	-	-	-	-	-
Net movement in funds		15,458	75,842	507,264	(87,565)	510,999	(47,798)	193,641	71,714	8,037	225,594
Total funds brought forward		77,027	1,381,949	120,061	87,565	1,666,602	124,825	1,188,308	48,347	79,528	1,441,008
Total funds carried forward		92,485	1,457,791	627,325	0	2,177,601	77,027	1,381,949	120,061	87,565	1,666,602

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
WATERLOO (St John the Evangelist with St Andrew)**

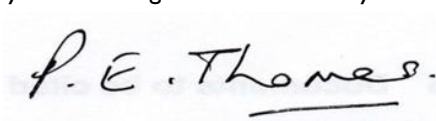
**Balance sheet
As at 31 December 2021**

	Note	Unrestricted Funds General 2021 £	Designated 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
FIXED ASSETS						
Tangible	4	-	-	-	-	924
Investments	5	-	1,100,000	-	1,100,000	1,187,565
		0	1,100,000	0	1,100,000	1,188,489
CURRENT ASSETS						
Debtors	6	5,064	-	247,411	252,475	182,264
Short term deposits	7	88,382	348,755	188,336	625,473	335,133
Cash at bank and in hand		37,121	9,036	381,533	427,690	51,625
		130,567	357,791	817,280	1,305,638	569,022
CURRENT LIABILITIES						
Creditors - amounts falling due within one year	8	38,082	-	189,955	228,037	90,909
NET CURRENT ASSETS		92,485	357,791	627,325	1,077,601	478,113
NET ASSETS		92,485	1,457,791	627,325	2,177,601	1,666,602
Financed by:						
Unrestricted Funds:	9					
General Fund		92,485	-	-	92,485	73,527
Designated Funds		-	1,457,791	-	1,457,791	1,381,949
Restricted Funds	10	-	-	627,325	627,325	123,561
Endowment Funds	11	-	-	-	-	87,565
TOTAL FUNDS		92,485	1,457,791	627,325	2,177,601	1,666,602

The accounts were approved by the PCC on xx May 2022 and signed on its behalf by:



**Canon Giles Goddard
PCC Chair**



**Pat Thomas
PCC Secretary**

The notes on pages 17-27 form part of these financial statements.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
WATERLOO (St John the Evangelist with St Andrew)**

Cash Flow Statement

For the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £	Total 2020 £
Net cash flows from operating activities	12	86,573	438,313	-	524,886	145,942
Cash flows from investing activities:						
Dividends, interest and rents from investments		50,834	195	2,925	53,954	53,233
Proceeds from sale of investments		90,490	-	-	90,490	
Purchase of investments		-	-	(2,925)	(2,925)	(2,413)
Net cash provided by (used in) investing activities		141,324	195	0	141,519	50,820
Cash flows from financing activities						
Repayments of borrowing		-	-	-	-	-
Net cash used in financing activities		0	0	0	0	0
Change in cash and cash equivalents in the reporting period		227,897	438,508	0	666,405	196,762
Cash and cash equivalents brought forward		255,397	131,361	-	386,758	189,996
Cash and cash equivalents carried forward		483,294	569,869	0	1,053,163	386,758

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Notes to the Financial Statements For the year ended 31 December 2021

I. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (the Charities SORP) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting except for the revaluation of freehold land and buildings which are shown at market 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 an affiliation to another body or those that are informal gatherings of church members.

The PCC meets the definition of a public benefit entity under FRS 102.

Going Concern

There are no material uncertainties about the charity's ability to continue as a going concern and accordingly the accounts have been drawn up on a going concern basis.

Income recognition

Voluntary income and donations (including legacies) are included when the PCC becomes entitled to, probably will receive, and can reliably measure the income. Income from the recovery of tax on gift aided donations is recorded in the period to which the relevant donation is received. Grant income is recognised on a receivable basis.

The income from trading activities includes rental income from the letting of church premises and freehold land and buildings which is accounted for when earned. It is shown gross, with the associated costs included in fundraising costs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable and the amount can be measured reliably. The PCC is not registered for VAT so expenditure includes VAT.

Expenditure included in Raising Funds includes property maintenance costs.

Charitable expenditure includes those costs in fulfilling the PCC's principal objects, as outlined in the Report of the PCC. These include grants payable, governance costs and an apportionment of support costs.

- Grants payable are payments made to third parties in furtherance of the PCC's objects. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the PCC.
- Governance costs comprise all costs involving the public accountability of the PCC and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees.

The PCC contributes to certain employees' personal pension plans. These are defined contribution schemes, the assets of which are held separately from those of the charity. The cost in the accounts is the amount of contributions paid and payable during the year.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Notes to the Financial Statements For the year ended 31 December 2021

I. Accounting Policies (continued)

Tangible Fixed Assets

Consecrated Property and Moveable Church Furnishings

Consecrated land and benefice property such as the church building and vicarage is excluded from the accounts in accordance with s10 of the Charities Act 2011. Moveable 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). They are capitalised at cost and depreciated over their useful economic life other than where insufficient cost information is available. In this case the item is not capitalised, but all items are included in the church's inventory in any case.

Freehold Land & Buildings

Freehold land and buildings are stated at market value on a 5 yearly basis and the next valuation is due on 31 December 2022. No depreciation is provided on buildings as the currently estimated residual value of the properties (discounted for monetary inflation since their capitalisation) is not less than their carrying value and the remaining useful life of these assets currently exceeds 50 years, so that any depreciation charges would be immaterial. If the carrying value of the buildings looks greater than their current value on this basis, an impairment review would be carried out and any resultant loss included in expenditure for the year.

Other Fixtures, Fittings & Office Equipment

These are capitalised if they can be used for more than one year and cost at least £1,000. They are valued at cost or else, for gifts-in-kind, at a reasonable estimate of their open market value on receipt. Depreciation is calculated to write off fixed assets over their estimated useful lives as follows:

- Fixtures & Fittings 20 years
- Sound System 5 years
- Office Equipment & Computers 3 years

Investments

Freehold land and buildings are stated at fair value. Quoted investments are stated at market value. Realised and unrealised gains and losses on investments are reflected through the Statement of Financial Activities.

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Borrowings

The PCC has one category of borrowings - concessionary loans from members of the congregation (on which no interest is payable), which are recognised at the amount received.

Fund accounting

The funds held by the charity are either:

- Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Endowment funds - these are funds whose capital must be maintained.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Notes to the Financial Statements For the year ended 31 December 2021

2. Income

	Unrestricted Funds General 2021 £	Designated 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £	2020 £
Donations and legacies						
Planned giving	84,065	-	-	-	84,065	78,613
Open plate collections	340	-	-	-	340	826
One-off Gift Aid gifts	3,708	-	-	-	3,708	22,817
Donations and appeals	385	-	193,120	-	194,505	85,115
Tax recoverable on Gift Aid	15,129	-	26,681	-	41,810	37,228
Legacies	-	-	-	-	-	165,856
Grants (see note below)	7,737	-	1,195,591	-	1,203,328	274,430
	111,364	0	1,415,392	0	1,527,756	664,885
Charitable Activities						
Parish events and activities (see note below)	-	-	34,606	-	34,606	8,000
Parochial fees (weddings and funerals) (net)	659	-	-	-	659	323
	659	0	34,606	0	35,265	8,323
Other trading activities						
Licence fee income (TBAW)	39,379	-	-	-	39,379	33,807
Church building lettings	8,688	-	-	-	8,688	22,372
Fundraising events	-	-	65,095	-	65,095	7,626
Salaries recharge (TBAW)	13,304	-	-	-	13,304	-
	61,371	0	65,095	0	126,466	63,805
Investments						
Rent from buildings	50,789	-	-	-	50,789	50,275
Bank interest	45	-	195	-	240	535
Dividends	-	-	-	2,925	2,925	2,413
	50,834	0	195	2,925	53,954	53,223
	224,228	0	1,515,288	2,925	1,743,441	790,236

The following central and local government grants were received during the year:

- Listed Places of Worship Grant Scheme: £44,768 (2020: £71,282)
- Job Retention Scheme: £13,358 (2020: £nil)
- Lambeth Council: £5,000 (2020: £nil)

Parish events and activities includes all of the income from the Waterloo Festival which includes donations, sponsorship, ticket sales and tax recoverable on Gift Aided donations.

3. Expenditure

3.1 Expenditure on Raising Funds

	Unrestricted Funds General 2021 £	Designated 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £	2020 £
Costs of Waterloo Festival	-	-	34,865	-	34,865	5,013
Direct costs of other fundraising events and activities	-	-	37,229	-	37,229	7,499
	0	0	72,094	0	72,094	12,512

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Notes to the Financial Statements For the year ended 31 December 2021

3.2 Expenditure on Charitable Activities

	Unrestricted Funds General 2021 £	Designated 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £	Total 2020 £
Missionary and charitable giving						
Missions and churches	-	2,400	-	-	2,400	2,800
Relief & development agencies	-	2,400	-	-	2,400	2,400
Other charitable donations	-	6,000	550	-	6,550	65,149
	0	10,800	550	0	11,350	70,349
Ministry						
Diocesan Parish Support Fund	81,200	-	-	-	81,200	81,200
Parish mission expenses	3,136	-	-	-	3,136	3,737
	84,336	0	0	0	84,336	84,937
Staff costs						
Gross salaries	36,192	-	2,162	-	38,354	66,196
Employers National Insurance	1,682	-	333	-	2,015	3,681
Employer's Allowance	(1,682)	-	(333)	-	(2,015)	(2,804)
Pension costs	1,480	-	79	-	1,559	2,266
Recharges from TBAW	12,224	-	3,294	-	15,518	-
Staff training & welfare	748	-	-	-	748	-
	50,644	0	5,535	0	56,179	69,339
Church Life & Outreach						
Upkeep of services	1,349	-	-	-	1,349	3,354
	1,349	0	0	0	1,349	3,354
Administration						
Postage & stationery	110	-	-	-	110	696
Office telephone & internet	4,242	-	-	-	4,242	2,582
Photocopier & printing	426	-	-	-	426	914
Computer & website	2,768	-	-	-	2,768	5,132
Accountancy services	2,911	-	-	-	2,911	1,691
Subscriptions	3,021	-	-	-	3,021	4,422
Bank charges	1,407	-	-	-	1,407	897
Legal & professional	4,880	-	-	-	4,880	-
Depreciation	-	924	-	-	924	1,474
Miscellaneous expenses	1,875	-	-	-	1,875	9,204
	21,640	924	0	0	22,564	27,012
Church Property Costs						
Insurance	11,952	-	-	-	11,952	10,558
Heat, light & water	18,069	-	-	-	18,069	16,161
General maintenance (incl churchyard)	5,654	10,724	-	-	16,378	3,188
Cleaning	1,526	-	-	-	1,526	2,922
Curate's accommodation	-	-	-	-	-	664
St Johns Development Project costs	-	-	929,845	-	929,845	267,350
	37,201	10,724	929,845	0	977,770	300,843
Governance Costs						
Independent examiner fee	-	-	-	-	-	990
Audit fee	4,800	-	-	-	4,800	-
Preparation of financial statements	1,000	-	-	-	1,000	930
	5,800	0	0	0	5,800	1,920
	200,970	22,448	935,930	0	1,159,348	557,754

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Notes to the Financial Statements For the year ended 31 December 2021

3.2 Expenditure on Charitable Activities (continued)

Staff Costs

Staff costs are disclosed in the table above. During the year, the PCC employed 5 staff (2020: 5 staff). All staff employed received at least the London Living Wage. No employee received emoluments of over £60,000 during the year (2020: none).

4. Tangible Fixed Assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2021	16,941
Additions	-
Disposals	-
	<u>16,941</u>
At 1 January and 31 December 2021	<u>16,941</u>
Depreciation	
At 1 January 2021	16,017
Charge for Year	924
Disposals	-
	<u>16,941</u>
At 31 December 2021	<u>16,941</u>
Net Book Value	
At 31 December 2021	<u>0</u>
At 31 December 2020	<u>924</u>

5. Fixed Asset Investments

	Freehold land & buildings £	Investments £	2021 £	2020 £
Market value at 1 January	1,100,000	87,565	1,187,565	1,179,528
Additions at cost (incl dividends reinvested)	-	2,925	2,925	2,413
Disposals	-	(90,490)	(90,490)	-
Revaluation gain/(loss)	-	-	-	5,624
Market value at 31 December	<u>1,100,000</u>	<u>0</u>	<u>1,100,000</u>	<u>1,187,565</u>
Investments are represented by:				
21 Windmill House, Windmill Walk, London SE1	300,000	-	300,000	300,000
Theatre View, Short Street	800,000	-	800,000	800,000
CBF investment fund shares	-	-	-	87,565
Market value at 31 December	<u>1,100,000</u>	<u>0</u>	<u>1,100,000</u>	<u>1,187,565</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Notes to the Financial Statements For the year ended 31 December 2021

5. Fixed Asset Investments (continued)

Freehold land and buildings consist of:

(1) Flat at 21 Windmill House, Windmill Walk, London SE1, which is an investment property held to generate rent and or/to house key Parish personnel, and is therefore not depreciated. It was revalued in 2012 on a "walk by" basis at £300,000.

(2) The office at Theatre View, Short Street. This is valued at £800,000, based on the current rent (reviewed in 2020 for five years) of £40,000 per annum with a gross yield of 5%.

We are advised that this basis of valuation is sufficiently transparent - so as not to incur full valuation fees.

Investments are held in respect of Trust T0074. The trust funds are held by the Diocese of Southwark as custodian trustee on behalf of the PCC.

6. Debtors

	2021 £	2020 £
Prepayments	300	1,368
Income tax recoverable	4,689	7,736
Lettings receivable	-	2,333
Grants receivable	-	10,374
Legacy receivable	-	146,315
Accrued income	247,411	12,438
The Bridge at Waterloo	75	-
Other debtors	-	1,700
	252,475	182,264

7. Short Term Deposits

	2021 £	2020 £
CCLA 637006002D (PCC General)	70,382	90,338
CCLA 637006006D (Project Account, St John's)	555,091	244,795
	625,473	335,133

8. Creditors - Amounts Falling Due Within One Year

	2021 £	2020 £
Trade creditors	174,534	35,890
Accruals	23,283	5,167
The Bridge at Waterloo	-	21,721
Rental deposits held	18,919	16,831
Loans payable (see note 10 below)	11,300	11,300
	228,036	90,909

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Notes to the Financial Statements For the year ended 31 December 2021

9. Unrestricted Funds

9a Current year

	At 1 January 2021 As restated £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	At 31 December 2021 £
Unrestricted: General Fund	77,027	224,228	(200,970)	-	(7,800)	92,485
Designated Funds:						
Tangible Fixed Assets Fund	924	-	(924)	-	-	0
Investments – Freehold Land & Buildings Fund	1,100,000	-	-	-	-	1,100,000
Quinquennial Maintenance Fund	13,751	-	(10,724)	-	-	3,027
Mission & Charities	4,809	-	(4,800)	-	4,800	4,809
St Johns Development Fund	261,265	-	(6,000)	-	93,490	348,755
Robes project	1,200	-	-	-	-	1,200
	1,381,949	0	(22,448)	0	98,290	1,457,791
	1,458,976	224,228	(223,418)	0	90,490	1,550,276

Reasons for the transfers were as follows:

- From unrestricted general fund to designated St John's Development fund (£15,000): to fund the St John's Development fund
- From unrestricted general fund to designated mission & charities (£4,800): to fund annual mission and charities giving
- From designated St John's development Fund to unrestricted general fund (£12,000): to recognise loss of income to the PCC as a result of the building project
- From endowment fund to designated St John's development Fund (£90,490): to fund the St John's Development fund upon liquidation of the endowment fund

9b Prior year

	At 1 January 2020 As restated £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	At 31 December 2020 £
Unrestricted: General Fund	124,825	412,984	(258,467)	-	(202,315)	77,027
Designated Funds:						
Tangible Fixed Assets Fund	2,398	-	(1,474)	-	-	924
Investments – Freehold Land & Buildings Fund	1,100,000	-	-	-	-	1,100,000
Quinquennial Maintenance Fund	13,751	-	-	-	-	13,751
Mission & Charities	6,009	-	(7,200)	-	6,000	4,809
St Johns Development Fund	64,950	-	-	-	196,315	261,265
Robes project	1,200	-	-	-	-	1,200
	1,188,308	0	(8,674)	0	202,315	1,381,949
	1,313,133	412,984	(267,141)	0	0	1,458,976

Reasons for the transfers were as follows:

- From unrestricted general fund to designated St John's Development fund (£196,315): to fund the St John's Development fund
- From unrestricted general fund to designated mission & charities (£6,000): to fund annual mission and charities giving

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9. Unrestricted Funds (continued)

The descriptions of the main funds are as follows:

- **Tangible Fixed Assets Fund** – The balance consists of the net book value of office, sound and computer equipment.
- **Investments – Freehold Land and Buildings** – the PCC decided to set up this fund to show the assets which are held to generate an income. The major two items in this Fund are the flat in Windmill House (current value £300,000) and the office at Theatre View, Short Street (current value £800,000).
- **Quinquennial Maintenance Fund** – created to set aside funds to enable repair of the church buildings in accordance with the Quinquennial Report received in 2020.
- **Mission & Charities Fund** – the PCC decided that it should aim to give away 5% of its disposable income and this fund has been set up for this purpose.
- **St John's Development Fund** – This designated fund reflects St John's commitment to the development of our building and community. Last year, the PCC has approved £15,000 a year for 2021. This was reviewed when the 2021 budget was set and £2,500 a month was approved from October 2021 to June 2021 inclusive, when the main works were set to begin. The fund will be used to finance work which isn't immediately covered by grant income. If funds remain when the Project is complete and paid for, any remaining funds will be released back to general fund unless needed elsewhere.

10. Restricted Funds

10a Current year

	At 1 January 2021 £	Incoming Resources £	Resources Expended £	Gains/ (losses) £	Transfers £	At 31 December 2021 £
The St Johns Development Fund:						
Main Fund	69,919	1,430,922	(958,809)	-	-	542,032
Lady Chapel Fund	30,000	-	-	-	-	30,000
Accessibility Fund	7,376	-	-	-	-	7,376
Waterloo Festival	3,155	34,606	(36,930)	-	-	831
Flower Fund	1,167	-	(30)	-	-	1,137
Christmas Lunch	432	-	-	-	-	432
Robes Project	7,634	-	(5,500)	-	-	2,134
Lent Appeal	0	550	(550)	-	-	0
Foodbank	140	112	-	-	-	252
Belfrey fund	238	-	-	-	-	238
Passion Trail 2021	0	4,500	(4,500)	-	-	0
SoWN	0	19,398	(1,505)	-	-	17,893
COP26 Prayer Vigil	0	200	(200)	-	-	0
Reaching Communities Grant	0	25,000	-	-	-	25,000
	120,061	1,515,288	(1,008,024)	0	0	627,325

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Notes to the Financial Statements For the year ended 31 December 2021

10. Restricted Funds (continued)

10b Prior year	At 1 January 2021 £	Incoming Resources £	Resources Expended £	Gains/ (losses) £	Transfers £	At 31 December 2021 £
The St Johns Development Fund:						
Main Fund	5,340	357,509	(292,930)	-	-	69,919
Lady Chapel Fund	30,000	-	-	-	-	30,000
Accessibility Fund	7,376	-	-	-	-	7,376
Waterloo Festival	3,668	8,000	(8,513)	-	-	3,155
Flower Fund	573	829	(235)	-	-	1,167
Christmas Lunch	432	-	-	-	-	432
Robes Project	570	7,075	(11)	-	-	7,634
Lent Appeal	0	220	(220)	-	-	0
Foodbank	150	206	(216)	-	-	140
Belfrey fund	238	-	-	-	-	238
Harvest/Manna Society	0	1,000	(1,000)	-	-	0
	48,347	374,839	(303,125)	0	0	120,061

The descriptions of the main funds are as follows:

- **The St Johns Development Fund.** A fund set up to enable the development of St John's Church as a place of engagement and innovation in the arts and to make explicit connections between art and faith, particularly for young people in giving them employability skills. The fund is currently in three parts:
 - **Main Fund**
 - **Lady Chapel Fund** – a fund set up for the refurbishment of the Lady Chapel in memory of the late Revd Alison Warner.
 - **Accessibility Fund** – this fund holds a specific gift towards improving the accessibility of the Crypt.
- **Waterloo Festival** – restricted donations received for the Waterloo Festival.
- **Christmas Lunch** – fund created to provide a Christmas Lunch for the wider community of St John's, especially those in need and those alone at Christmas.
- **Robes Project** – funds received to support our contribution to hosting homeless guests throughout the winter
- **Churchyard** – funds received to fund the works to the churchyard at St John's. From May 2021, this was transferred to TBAW which is now responsible for this work as part of its mission to provide employability skills.
- **COP26 Prayer Vigil** - funding for COP26 Prayer Vigil organised by Southbank Churches in October 2021.
- **Passion Trail 2021** – funding for the Lambeth North Deanery one-off Lent event "Passion Trail 2021"
- **Reaching Communities Grant** – this is the revenue element of the Big Lottery Fund - Reaching Communities. Grant towards staff costs for developing the new community resources.
- **SoWN** - funds received and held on behalf of SoWN (Southbank and Waterloo Neighbours)

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF WATERLOO (St John the Evangelist with St Andrew)

Notes to the Financial Statements For the year ended 31 December 2021

11. Endowment Funds

11a Current year	At 1 January 2021 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	At 31 December 2021 £
Trust Fund T0074	87,565	2,925	-	-	(90,490)	0

The reason for the transfer from endowment fund to designated St John's development Fund (£90,490) was to fund the St John's Development fund upon liquidation of the endowment fund.

11a Prior year	At 1 January 2021 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	At 31 December 2021 £
Trust Fund T0074	79,528	2,413	-	5,624	-	87,565

The endowment funds originate from the previous parish of St Thomas, Lambeth, which was completely bombed out during World War II and became absorbed by St John's. There were two funds T0074 & T0075: T0074 indicates that it was the St Thomas Curatage and Endowment Fund, and T0075 refers to St Thomas General Purposes Endowment Fund. There is little to indicate, in either case, whether or not the funds are expendable. During 2020 T0075 was transferred to T0074 to save costs and hopefully improve income. The funds are managed by the Diocese of Southwark as custodian trustee on behalf of the PCC.

Of the original capital sum of about £55,000, the Church borrowed £21,167 in 1977 and a further £5,842 in 2007. Any income and gains generated from the funds is used to replace the capital borrowed.

During 2021 the PCC, with permission from the Charity Commission, liquidate the endowment and transferred the assets to the designated St John's Redevelopment Fund.

12. Reconciliation of net income to net cash flow from operating activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £	Total 2020 £
Net movement in funds for the reporting period (as per the statement of financial activities)	810	507,264	2,925	510,999	225,594
Adjustments for:					
Depreciation charges	924	-	-	924	1,474
(Gains)/losses on investments	-	-	-	-	(5,624)
Dividends and interest from investments	(50,834)	(195)	(2,925)	(53,954)	(53,233)
(Increase)/decrease in stocks	-	-	-	-	-
(Increase)/decrease in debtors	177,200	(247,411)	-	(70,211)	(7,167)
Increase/(decrease) in creditors	(41,527)	178,655	-	137,128	(15,102)
Net cash provided by (used in) operating activities	86,573	438,313	0	524,886	145,942

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Notes to the Financial Statements For the year ended 31 December 2021

13. Related Party Transactions and Balances

The Revd Canon Giles Goddard and Belinda Taylor, both members of the PCC, also served as trustees of The Bridge at Waterloo ("TBAW") (charity registered no. 1167768) during the year. The following were the transactions between the two entities:

- Licence Fee. Whilst the PCC has overall responsibility for the two church buildings, St John the Evangelist and St Andrew, TBAW manages the maintenance of both church buildings and all lettings. Income and expenditure relating to the use of St John's church (as opposed to the crypt) is allocated to the PCC. All other income and expenditure relating to use by external parties of all other parts of the two buildings is retained/incurred by TBAW in exchange for a licence fee payable to the PCC. During the year a licence fee of £39,379 (2020 - £33,807) was payable to the PCC.
- Donation from PCC to TBAW to compensate for TBAW's loss of income whilst the building project is in process: £6,000 (2020: £nil).
- Salaries recharge from TBAW to PCC; £15,518 (2020: £nil).
- Salaries recharge from PCC to TBAW: £13,304 (2020: £nil).

As a result of all of these transactions, together with brought forward amounts, the net amount due to the PCC from TBAW at 31st December 2021 was £75 (2020: amount due from the PCC from TBAW: £21,721).

One member (2020: one) of the PCC, together with their partner, have made interest free loans totalling £10,000 (2020: £10,000) to the church in respect of the St Johns Development Project.

Members of the PCC gave a total of £19,186 (2020: £32,155) in unrestricted offerings and donations during the year