



## Annual Report and Financial Statements Year ended 31 December 2020

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**Charity Information**

Charity: The Parochial Church Council of the Ecclesiastical Parish of St Michael & All Angels Blackheath Park SE3

Trustees (Parochial Church Council [PCC] members):

*Vicar:*

Rev. Alexander Christie (Chair)

*Other Clergy:*

Rev Timothy Ajayi

*Reader:*

John Clark (vice Chair)

*Wardens:*

Clare Bartram (appointed October 2020)

Rustom Pringle-Kanga

Gregory Smye-Rumsby (resigned October 2020)

*Representatives on the Deanery Synod:*

Charles Aki-Bell (resigned October 2020)

Stephen Hingston

Margaret Holland (until October 2020)

Dru Vesty (resigned October 2020)

Khai Vualnam (appointed October 2020)

*Other elected members:*

Christopher Ashworth (resigned October 2020)

Clare Bartram (until October 2020)

Louise Dolan (appointed October 2020)

Matthew Hall (appointed October 2020)

David Harrison

David Hawkett

Maya Heppell (resigned October 2020)

Margaret Holland (appointed October 2020)

Tim Peters

Christine Sellick (appointed October 2020)

Carolyn Watkins

Stephen Wristworth (resigned October 2020)

Administrator:

Marion Lane

Charity Number:

1133778

Governing Document:

Parochial Church Councils (Powers) Measure 1956  
Church Representation Rules 2020

Registered Office:

1 Pond Road SE3 9JL

Independent Examiner:

Archie McDowall BA, CA  
Stewardship  
1 Lamb's Passage  
London  
EC1Y 8AB

Bankers:

CAF Bank Ltd  
Lloyds Bank plc  
National Westminster Bank plc

**Trustees' Annual Report  
For the year ended 31 December 2020**

The trustees of St Michael & All Angels (The Parochial Church Council of the Ecclesiastical Parish of St Michael & All Angels Blackheath Park SE3) are pleased to present their report together with the financial statements, for the year ended 31 December 2020.

**Objects of the charity**

The charity is responsible for co-operating with the incumbent, in promoting in the ecclesiastical parish, the whole mission of the Church be it pastoral, evangelistic, social, or ecumenical. The PCC is also responsible for maintaining certain church property situated within the parish, namely the church, halls, bungalow, and storage area within our grounds.

**Main activities and achievements**

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The church's work in advancing the Christian faith is done primarily through weekly services, through marriage, baptism, and funeral services, and through pastoral work within the parish. The public benefit is achieved through enhancing the spiritual well-being of the beneficiaries.

The church's work in relieving poverty is done primarily through gifts to other charities, working both within and outside the UK, and through activities in the local community. The public benefit is achieved through the delivery of material, social, and spiritual benefits to beneficiaries.

The church's work in advancing education is done by systematic teaching of the Bible each Sunday to adults and young people. The public benefit is achieved because such teaching is open to all.

**Services**

Our normal pattern is that we provide both morning and evening services on Sunday, including the monthly 9.00 am Book of Common Prayer Holy Communion service, as well as weddings, baptisms, and funerals. However, during 2020, the Covid pandemic has caused this pattern to be interrupted. We were able to hold normal services up to 15 March 2020. From 22 March to 26 July the church building was closed for worship, and we provided recorded online morning services only. During August evening services resumed (with suitable precautions), while online morning services continued. From 6 September until the end of December both morning and evening services took place, again with suitable precautions in place. Many regular attenders stayed away in order to feel safe.

**Pastoral Care**

The vicar and curate are committed to providing pastoral care throughout the parish as needed, and members of the pastoral team also care for members of the congregation. Carolyn Watkins, licensed as a Southwark Pastoral Auxiliary, serves as the pastoral minister. Pastoral care is also provided through the home group structure in which some 65 members are involved. The Covid pandemic meant that pastoral care had to become more intentional and this was achieved by allocating to each PCC member a number of households to contact regularly by phone.

**Youth ministry**

The church employs a part-time Youth Minister, Lauren Crisp-Hihn, who is responsible for the work with young people, ages 11 – 18, which normally includes the Friday night youth café, midweek coffee group and youth home group. The Covid pandemic has meant that much of the work of keeping in touch with young people has had to be done remotely.

**Trustees' Annual Report (continued)**  
**For the year ended 31 December 2020****Halls**

The church administrator, who works part time, has an office in the halls and takes responsibility for their upkeep, as well as ensuring the welfare of hall users. The halls, a major community resource, are normally very well used day and night during the working week and on Saturday, being only for church use on Sundays. However, the Covid pandemic meant that most Halls activities closed down for periods during 2020 and the administrator worked from home.

**World Focus**

The church gives 10% of its general income (excluding halls income) to mission, which we call World Focus. Through World Focus we support five primary agencies: Bible Society, Church Mission Society, Crosslinks, OMF International, and Greenwich Youth for Christ. These agencies receive consistent financial and prayer support from the church. In addition we have three personal missionary links: in Ukraine (CMS), Nigeria (Crosslinks), and in Japan (OMF).

**Lighting Scheme**

In 2018 we were approached by local residents suggesting that an external lighting scheme be installed, with donations being offered to fund much of the cost. During 2020, after obtaining planning permission from the Royal Borough of Greenwich and a faculty from the Diocese of Southwark, work on the scheme was undertaken and successfully completed.

**Boundary Wall**

During 2020 we were awarded a grant of £53k by Viridor Environmental Credits Company to restore the boundary wall, work which, due to lack of funds, had been omitted from the main phase of the PRISM project, completed in 2018. The work was successfully completed during 2020.

**Landscape**

During the year Miles Dennison, a church member and landscape architect, produced a draft landscape plan which was presented to the PCC and to the Annual Church meeting in October. A landscape design group is working to bring forward detailed proposals to be actioned in 2021 and succeeding years.

**Volunteers**

The majority of the work of the church is undertaken by volunteers. Everything not done by our two stipendiary clergy (who are paid by the Diocese) and our three part-time staff (administrator, youth minister, and church cleaner) is done by volunteers. This includes home Bible study groups, the editing, design, and distribution of the Messenger magazine, the flower team, acting as Sunday School teachers and assistants, running services through the stewarding team, AV team, readers, and music group, as well as leading and preaching, the finance team, the maintenance team, the pastoral team, the prayer ministry, Food Bank collections, the Art Gallery, organising social events, the Autumn Fair, and our annual Holiday Club. It is impossible to place too high a value on such work.

**Structure, Governance, and Management**

St Michael and All Angels was registered as a charity on 26 January 2010, having existed as a church since 1830.

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting in accordance with the Church Representation Rules.

**Trustees' Annual Report (continued)**  
**For the year ended 31 December 2020**

The trustees normally meet 9 times a year. Day-to-day management of the church is undertaken by the Vicar and the staff team, comprising the curate, youth minister, pastoral minister, and administrator. The trustees delegate detailed financial matters to the Treasurer and Deputy Treasurer, and to the Standing & Finance Committee, which meets 10 times a year. Other bodies with delegated spending powers are the Church Halls Management Committee and the World Focus (mission) Team.

Much of the meeting work during 2020 has been undertaken remotely on zoom.

St Michael and All Angels is a parish church within the Diocese of Southwark, and within the local Episcopal area of Woolwich, in the Deanery of Charlton. It is also accountable in certain matters to the Archdeacon of Lewisham and Greenwich.

The church is linked to the Southwark Diocesan Evangelical Union and is a member of the Evangelical Alliance.

The trustees have recognised their responsibility for the management of risk, have identified risk factors, measured their potential impact on the church, and taken the necessary steps to manage these risks. In particular they have appointed two Safeguarding officers, and are seeking to appoint a Health and Safety officer, and a Fire Risk officer.

**Financial Review**

Total income for the year amounted to £434k (2019: £299k); of which £229k (2019: £196k) was within General Fund, £37k Halls Fund (2019: £66k), £66k PRISM Fund (2019: £17k), £77k Floodlight Fund (£5k) and £16k Hardship Fund (2019: Nil). The increase in total income of £135k is due to a mix of factors: unusual income received into the Floodlight, PRISM, and Hardship Funds, with higher General Fund income (£33k) largely offset by reduced Halls income due to the Covid pandemic.

Total expenditure for the year amounted to £400k (2019: £260k) which is a net increase of £140k on last year. The increase is largely explained by the project expenditure within Floodlight Fund (£79k) and PRISM Fund (£64k).

During 2020 a Hardship Fund was opened to assist those within the parish and congregation who are struggling financially.

The deficit on the Floodlight Fund will be eliminated by income received in 2021.

To fund the PRISM project, interest free loans, amounting to £80k, and repayable over four years, were taken out in May 2018. The second annual repayment of £20k was made in May 2020.

The church's contribution to the Diocese through the Parish Support Fund was £81k (2019: £80k).

During 2020 we began using the Parish Giving Scheme, a charity which operates as a secure and efficient vehicle for church members to make their donations to the church, with Gift Aid, and enabling them to choose to have their giving increased annually in line with inflation. The church benefits through reduced administration and improved cash flow.

We give thanks to God for providing sufficient income during the period.

**Trustees' Annual Report (continued)**  
**For the year ended 31 December 2020****Reserves Policy**

St Michael's has a reserves policy, which is to ensure that normally there are sufficient cash resources to cover 13 weeks' unrestricted expenditure, about £46k in relation to annual unrestricted expenditure of £184k. The cash resources available at 31 December 2020, calculated by taking total cash (£72k) less Restricted funds (£25k), as shown in the Balance Sheet on page 9, amounts to £47k. If Interest Free Loans of £40k are deducted, this figure becomes £7k (2019: £8k).

**Covid-19**

The impact of the Covid-19 pandemic (coronavirus) on the ability of the charity to continue as a going concern has been assessed by the trustees. As at the date of approval of these financial statements, and taking into consideration the latest information published by the UK Government concerning the pandemic, the trustees have prepared the financial statements on the going concern basis.

**Key risks and uncertainties**

The charity is exposed to various risks - be they operational, financial or reputational. The PCC review the charity's activities regularly to identify significant risks and, where possible, they take appropriate measures to mitigate those risks.

**Other matters**

With regard to the PCC's obligations to safeguard children and vulnerable adults, the members of the PCC confirm that they have complied with their duties under section 5 of the Safeguarding and Clergy Discipline Measure 2016. The last quinquennial inspection was held in 2020; no significant immediate work is required

**Plans for Future Periods**

During 2021 the PCC expects to make decisions about improving the facilities within the Halls, replacing the existing garage with a new storage and bins area, and enhancing the landscape of the church grounds.

During 2015 and 2016, the PCC developed a Mission Action Plan, which expressed this vision for the church: "By 2020 we will be a vibrant, visible community which grows as Christ is made known; as people are attracted by a sense of joy and drawn deeper into faith; and through which the community is blessed." We expect to revisit the Mission Action Plan in 2021.

Despite the severe restrictions being imposed by the Coronavirus outbreak, the PCC plans to continue to carry out its charitable activities, "making Christ known", by maintaining regular contact with parish and congregation, through online

services, by seeking to serve the most isolated and vulnerable in practical ways, by the use of phone, email, social media, video links, and the parish magazine, and by being pro-active in reaching out to the community.

Alexander Christie, Chairman

Date: 9 May 2021

**Independent Examiner's Report to the Trustees of The Parochial Church Council of the Ecclesiastical Parish of St Michael & All Angels Blackheath Park SE3**

I report to the members of the PCC (who are also the charity's trustees) on my examination of the accounts of the Charity for the year ended 31 December 2020 on pages 8 to 23 following, which have been prepared on the basis of the accounting policies set out on pages 11 to 13.

**Responsibilities and basis of the report**

As members of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of Scotland, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- a) accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
- b) the accounts do not accord with those records; or
- c) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Date: 10 May 2021

Archie McDowall BA, CA  
Institute of Chartered Accountants of Scotland

Stewardship  
1 Lamb's Passage  
London EC1Y 8AB

**Statement of Financial Activities for the Year ended 31<sup>st</sup> December 2020**  
**(including Summary income and expenditure account)**

	Note	General Fund	Designated funds	Restricted funds	<b>Total funds 2020</b>	Total 2019
<b>Income</b>	<b>2</b>					
Voluntary income		206,239	-	167,356	373,595	212,342
Activities for generating funds		16,550	37,706	-	54,256	77,769
Investment income		18	-	-	18	38
Income from charitable activities		1,244	-	-	1,244	5,096
Other income		5,196	-	-	5,196	3,793
<b>Total income</b>		<b>229,247</b>	<b>37,706</b>	<b>167,356</b>	<b>434,309</b>	<b>299,038</b>
<b>Expenditure</b>	<b>3</b>					
Charitable activities		184,476	62,746	153,580	400,802	260,203
<b>Total expenditure</b>		<b>184,476</b>	<b>62,746</b>	<b>153,580</b>	<b>400,802</b>	<b>260,203</b>
<b>Net income / (expenditure) before transfers</b>		<b>44,771</b>	<b>(25,040)</b>	<b>13,776</b>	<b>33,507</b>	<b>38,835</b>
<b>Transfers</b>	<b>8</b>					
Gross transfers between funds		(20,811)	20,512	299	-	-
<b>Net income / (expenditure) before other gains / losses</b>		<b>23,960</b>	<b>(4,528)</b>	<b>14,075</b>	<b>33,507</b>	<b>38,835</b>
<b>Other recognised gains / losses</b>						
Gains on revaluation, fixed assets, charity's own		-	1,530	-	1,530	36,105
<b>Net movement in funds</b>		<b>23,960</b>	<b>(2,998)</b>	<b>14,075</b>	<b>35,037</b>	<b>74,940</b>
Total funds brought forward		-	1,595,235	7,927	1,603,162	1,528,222
<b>Total funds carried forward</b>		<b>23,960</b>	<b>1,592,237</b>	<b>22,002</b>	<b>1,638,199</b>	<b>1,603,162</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 11 to 23 form part of these accounts.



**Detailed Statement of Financial Activities with Comparatives for the Year ended 31<sup>st</sup> December 2020**

	<b>General Fund</b>		<b>Designated funds</b>		<b>Restricted funds</b>		<b>Total funds</b>	<b>Total funds</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>INCOME</b>								
Donations and legacies	206,239	176,223	-	-	167,356	36,119	373,595	212,342
Investments	18	38	-	-	-	-	18	38
Charitable activities	1,244	5,096	-	-	-	-	1,244	5,096
Other trading activities	16,550	11,604	37,706	66,165	-	-	54,256	77,769
Other income	5,196	3,793	-	-	-	-	5,196	3,793
<b>Total income and endowments</b>	<b>229,247</b>	<b>196,754</b>	<b>37,706</b>	<b>66,165</b>	<b>167,356</b>	<b>36,119</b>	<b>434,309</b>	<b>299,038</b>
<b>Expenditure</b>								
Charitable activities	184,476	168,494	62,746	69,092	153,580	22,617	400,802	260,203
<b>Total expenditure</b>	<b>184,476</b>	<b>168,494</b>	<b>62,746</b>	<b>69,092</b>	<b>153,580</b>	<b>22,617</b>	<b>400,802</b>	<b>260,203</b>
Net gains/(losses) on investments	-	-	-	-	-	-	-	-
<b>Net income/(expenditure)</b>	<b>44,771</b>	<b>28,260</b>	<b>(25,040)</b>	<b>(2,927)</b>	<b>13,776</b>	<b>13,502</b>	<b>33,507</b>	<b>38,835</b>
Transfers between funds	(20,811)	(3,932)	20,512	17,305	299	(13,373)	-	-
	<b>23,960</b>	<b>24,328</b>	<b>(4,528)</b>	<b>14,378</b>	<b>14,075</b>	<b>129</b>	<b>33,507</b>	<b>38,835</b>
<i>Other recognised gains/(losses):</i>								
Gains/(losses) on revaluation of fixed assets	-	-	1,530	36,105	-	-	1,530	36,105
<b>Net movement in funds</b>	<b>23,960</b>	<b>24,328</b>	<b>(2,998)</b>	<b>50,483</b>	<b>14,075</b>	<b>129</b>	<b>35,037</b>	<b>74,940</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward	-	(24,328)	1,595,235	1,544,752	7,927	7,798	1,603,162	1,528,222
<b>Total funds carried forward</b>	<b>23,960</b>	<b>-</b>	<b>1,592,237</b>	<b>1,595,235</b>	<b>22,002</b>	<b>7,927</b>	<b>1,638,199</b>	<b>1,603,162</b>

**Balance sheet as at 31<sup>st</sup> December 2020**

	Note	General Fund	Designated funds	Restricted funds	<b>Total funds 2020</b>	Total 2019
<b>Fixed assets</b>						
Tangible assets	<b>5</b>	-	1,574,105	-	1,574,105	1,576,680
Investments	<b>5</b>	-	-	10	10	10
		-	1,574,105	10	1,574,115	1,576,690
<b>Current assets</b>						
Debtors	<b>6</b>	27,047	4,632	8,930	40,609	15,965
Cash at bank and in hand		2,270	54,097	16,461	72,828	77,562
		29,317	58,729	25,391	113,437	93,527
<b>Creditors</b>						
Creditors: Amounts falling due within one year	<b>7</b>	5,357	597	3,399	9,353	7,055
Interest free loans repayable within one year	<b>8</b>	-	20,000	-	20,000	20,000
		5,357	20,597	3,399	29,353	27,055
<b>Net current assets</b>		23,960	38,132	21,992	84,084	66,472
<b>Creditors</b>						
Creditors: Amounts falling due after more than one year	<b>8</b>	-	20,000	-	20,000	40,000
<b>Net assets</b>		23,960	1,592,237	22,002	1,638,199	1,603,162
<b>Represented by</b>						
General Fund		23,960	-	-	23,960	-
Designated funds		-	1,592,237	-	1,592,237	1,595,235
Restricted funds		-	-	22,002	22,002	7,927
<b>Funds of the charity</b>	<b>9</b>	23,960	1,592,237	22,002	1,638,199	1,603,162

Approved by the PCC at its meeting on 9 May 2021 and signed on its behalf.

Signed:  
Alexander Christie (Chairman)

Signed:  
Stephen Hingston (Treasurer)

The notes on pages 11 to 23 form part of these accounts.

Notes to the Financial Statements for the year ended 31<sup>st</sup> December 2020**1 ACCOUNTING POLICIES**

These financial statements are prepared on a going concern basis, under the historical cost convention (as modified by the revaluation of certain assets, which are measured at fair value through the Statement of Financial Activities). The financial statements include all activities for which the PCC is legally responsible; the activities of informal gatherings of church members and groups that owe their main affiliation to another body are excluded.

These financial statements have been prepared in accordance with The Church Accounting Regulations 2006, the 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' ("the Charities SORP"), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The Charities (Accounts and Reports) Regulations 2008 (the '2008 Regulations') requires charities to prepare their accounts in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005' but this accounting standard has since been withdrawn and has been replaced by the Charities SORP mentioned in the preceding paragraph. The charity has prepared these financial statements in accordance with the new Charities SORP; this departure from the 2008 Regulations is believed to be necessary for these financial statements to give a 'true and fair view'.

The principles adopted in the preparation of the financial statements are set out below.

a) Going concern

The PCC have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including Covid-19, that might cast significant doubt on the ability of the charity to continue as a going concern. The PCC have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the PCC have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The PCC have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b) Income

Income (which includes planned giving, collections and other donations) is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part income is generally recognised when it is received by, or on behalf of, the PCC. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes:

- i) Recoverable gift aid. This is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.
- ii) Donated facilities, services and goods. Goods donated for distribution to beneficiaries are recognised as income when receivable at fair value (being an estimate of the amount it would cost to purchase those items). Facilities, services and goods donated for the charity's own use are recognised as income when receivable at their value to the charity.

The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

Notes to the Financial Statements for the year ended 31st December 2020

When donated goods, services and facilities are distributed or consumed, an expense in respect of those items is included in the Statement of Financial Activities. At the year end any goods that have not been distributed or consumed are recognised as stock; donated fixed assets are capitalised.

iii) Legacies. Income from legacies is recognised when a distribution is received from the estate or, if earlier, when the charity has been notified that a distribution will be made and the amount receivable can be measured reliably.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from church retreats and other events and courses.

Income from other trading activities represents income receivable from activities undertaken to generate funds for the charity. It includes income from the sale of donated goods.

Investment income represents income generated by the charity's assets and includes income from letting the charity's property and bank interest.

Other income comprises gains arising from the disposal of tangible fixed assets / social investments.

The charity has taken the view that it has only one charitable activity, namely the advancement of the Christian faith, and all income from donations, legacies and charitable activities is in respect of this one activity.

c) Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Contributions to the Diocese in respect of the Parish Support Fund are included in the Statement of Financial Activities for all amounts agreed to being payable for the financial year. Any contributions that have not been paid over by the year end are included as a creditor.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

Governance costs, which are included in expenditure on charitable activities but are identified separately in the notes to the accounts, includes costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the PCC in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the PCC for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

e) Tangible fixed assets

Consecrated and beneficed property is not included in these financial statements by virtue of s.10(2) of the Charities Act 2011. All expenditure on consecrated or beneficed buildings is written off in the year in which it is incurred.

Notes to the Financial Statements for the year ended 31st December 2020

Movable church furnishings held by the incumbent and Churchwardens on special trust for the PCC and which require a faculty for disposal are capitalised in accordance with the policy set out below. These items are regarded as inalienable property and are listed in the church's inventory which can be inspected at any reasonable time. Inalienable property acquired prior to 2000 has not been capitalised as there is insufficient cost information available.

The church halls and bungalow are held in trust by the Diocese on behalf of the PCC. These properties are essential for the mission of the church and have been in use for many years.

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £1,000 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Freehold land	is not depreciated (because it is not consumed by use)
Freehold buildings	none (although typically this is done over 50 years)
Equipment	over 10 years

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable.

f) Investments

Fixed asset investments are held to generate income and / or for their investment potential.

g) Pension scheme arrangements

The charity contributes to the Church of England Pensions Board Church Workers Pension Fund, which is a multi-employer defined benefit pension scheme. The charity is unable to identify its share of this scheme's assets and liabilities therefore, as permitted by FRS 102, it is being treated as if it were a defined contribution scheme. The last actuarial valuation indicated that the obligation to provide defined benefits gives rise to a funding deficit and the charity, along with other participating employers, may have to make additional contributions to remedy the deficit. Further information about this defined benefit scheme, and the charity's obligation to contribute towards its funding deficit, is disclosed elsewhere in the notes to these accounts.

h) Taxation

The charity has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

i) Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Except for loans, creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive). The charity recognises liabilities for the principal of those loans that remains outstanding at the year end (i.e. the liabilities exclude any interest chargeable on the loans in future years).

j) Exemption from preparing a cashflow statement

The charity has taken advantage of an exemption conferred by the Charities SORP and has not prepared a cash flow statement.

Notes to the Financial Statements for the year ended 31<sup>st</sup> December 2020**2. Income****2.1 Income from generated funds - Voluntary income**

	General	Designated	Restricted	Total 2020	2019
Standing orders	111,737	-	-	111,737	97,821
CAF & Charities Trust	8,894	-	-	8,894	13,712
Payroll giving	2,670	-	-	2,670	5,919
Donations	34,763	-	-	34,763	21,714
Tax reclaimed	36,290	-	8,334	44,624	32,998
Collections	1,885	-	-	1,885	6,267
PRISM	-	-	64,312	64,312	15,665
Floodlight	-	-	74,467	74,467	5,550
Choir	-	-	618	618	5,677
Legacies	10,000	-	-	10,000	-
World Focus	-	-	6,250	6,250	7,019
Hardship	-	-	13,375	13,375	-
<b>Total</b>	<b>206,239</b>	<b>-</b>	<b>167,356</b>	<b>373,595</b>	<b>212,342</b>

The comparative figures for 2019 were: General - £176,223, Designated - nil and Restricted - £36,119.

**2.2 Income from generated funds - Activities for generating funds**

Income from events	-	-	-	-	2,904
Hall lettings - Long term	-	33,487	-	33,487	55,560
Hall lettings - Single	-	4,219	-	4,219	10,605
Bungalow Rent	16,550	-	-	16,550	8,700
<b>Total</b>	<b>16,550</b>	<b>37,706</b>	<b>-</b>	<b>54,256</b>	<b>77,769</b>

The comparative figures for 2019 were: General - £11,604, Designated - £66,165 and Restricted - nil.

**2.3 Income from generated funds - Investment income**

Interest received	18	-	-	18	38
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The comparative figures for 2019 were: General - £38, Designated - £nil and Restricted - nil.

**2.4 Income from charitable activities**

Holiday Club	1,244	-	-	1,244	1,434
Woman's Weekend	-	-	-	-	3,662
	<b>1,244</b>	<b>-</b>	<b>-</b>	<b>1,244</b>	<b>5,096</b>

The comparative figures for 2019 were: General - £1,749, Designated - nil and Restricted - nil.

**2.5 Other income**

Other income	5,196	-	-	5,196	3,793
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The comparative figures for 2019 were: General - £3,793, Designated - nil and Restricted - nil.

The comparative SOFA figures for Total incoming resources for 2019 were: General - £196,754, Designated - £66,165 and Restricted - £36,119.

Notes to the Financial Statements for the year ended 31<sup>st</sup> December 2020**3 Expenditure****3.1 Charitable activities**

<b>By fund</b>	<b>General</b>	<b>Designated</b>	<b>Restricted</b>	<b>Total 2020</b>	<b>2019</b>
Parish Support Fund	91,200	-	-	91,200	80,000
Administrator	10,339	-	-	10,339	10,062
Youth ministry (salary and other costs)	26,885	-	-	26,885	26,609
World Focus payments	-	17,350	6,250	23,600	25,141
Hardship	-	-	2,119	2,119	-
Messenger	756	-	-	756	2,268
Woman's Weekend	-	-	-	-	4,131
Holiday Club	1,046	-	-	1,046	1,503
Other	13,373	-	-	13,373	7,785
<i>Church:</i>					
Repairs	312	-	62,435	62,747	4,181
Insurance	6,559	-	-	6,559	6,523
Utilities	2,716	-	-	2,716	4,948
Depreciation Sound System	-	3,628	-	3,628	3,628
Depreciation Chairs	-	477	-	477	477
Cleaning (wages, materials)	2,265	-	-	2,265	2,218
Children's Choir	-	-	1,154	1,154	5,482
Clergy costs	4,641	-	-	4,641	3,713
Other church costs	4,007	-	-	4,007	5,692
Organ Repairs	1,121	-	-	1,121	1,115
Flower Costs	163	-	-	163	369
<i>Halls:</i>					
Repairs	-	8,242	-	8,242	14,301
Insurance	-	2,178	-	2,178	2,257
Utilities	-	4,516	-	4,516	5,127
Cleaning	-	7,611	-	7,611	9,749
Manager salary cost	-	10,339	-	10,339	10,062
Other hall costs	-	8,405	-	8,405	5,369
<i>Bungalow:</i>					
Repairs	4,252	-	-	4,252	180
Other Bungalow costs	370	-	-	370	336
Bungalow rent paid/payable to Diocese	11,928	-	-	11,928	8,184
PRISM - professional fees	-	-	1,630	1,630	1,067
PRISM - building costs	-	-	-	-	-
Floodlight	-	-	79,992	79,992	5,183
Governance costs (Note 3.2)	2,543	-	-	2,543	2,543
<b>Total</b>	<b>184,476</b>	<b>62,746</b>	<b>153,580</b>	<b>400,802</b>	<b>260,203</b>

The comparative SOFA figures for Total resources used for 2019 were: General - £168,494, Designated - £50,970 and Restricted - £40,739.

Notes to the Financial Statements for the year ended 31st December 2020**3.2 Governance costs**

	<b><u>2020</u></b>	<b><u>2019</u></b>
	£	£
Payroll Bureau	623	623
Independent examination	1,920	1,920
Total	<u>2,543</u>	<u>2,543</u>

The PCC have decided to meet all governance costs from unrestricted funds and so no allocation or charge is made to restricted funds for any governance related costs.

The fee payable to the independent examiner for examining the accounts was £1,920 (2019: £1,920); in addition the charity paid £623 (2019: £623) to Stewardship for payroll bureau.

**4 STAFF COSTS**

	<b><u>2020</u></b>	<b><u>2019</u></b>
	£	£
Wages and salaries	41,848	40,994
Employers' National Insurance	3,645	3,576
Pensions contributions	4,007	3,897
	<u>49,500</u>	<u>48,467</u>

During the year the PCC employed three staff (2019: 3): a Youth Minister, an administrator, and a cleaner, none of whom earned £60,000 p.a. or more. The stipends for two further individuals: the Vicar, Rev. Alexander Christie, and Curate, Rev. Timothy Ajayi, are paid directly by the Diocese. These figures are not included above.

The church operates a defined benefit pension scheme with the Church of England Pensions Board. Contributions were paid during the year in respect of two employees (2019: 2).

Most of the charity's activities are carried out by volunteers.



Notes to the Financial Statements for the year ended 31st December 2020**5 FIXED ASSETS FOR USE BY THE PCC**

	Freehold Buildings £	Audio Visual System £	Chairs £	Total 2020 £
Cost / Valuation				
At 1 January 2020	1,539,737	36,278	4,770	1,580,785
Additions	-	-	-	-
Unrealised Gains/(losses) on revaluation	1,530	-	-	1,530
At 31 December 2020	<u>1,541,267</u>	<u>36,278</u>	<u>4,770</u>	<u>1,582,315</u>
Accumulated depreciation				
At 1 January 2020	-	3,628	477	4,105
Charge for the year	-	3,628	477	4,105
At 31 December 2020	<u>-</u>	<u>7,256</u>	<u>954</u>	<u>8,210</u>
Net book value				
At 31 December 2020	<u>1,541,267</u>	<u>29,022</u>	<u>3,816</u>	<u>1,574,105</u>
At 1 January 2020	<u>1,539,737</u>	<u>32,650</u>	<u>4,293</u>	<u>1,576,680</u>

The comparative SOFA figure for 2019 for Unrealised gains on revaluation was £36,105.

Freehold property was valued at £1,539,767 in March 2020 by an independent qualified valuer. This figure was increased in March 2021 to £1,541,267 for insurance purposes, after indexation.

The Audio Visual System acquired in 2006 was fully depreciated at 31.12.17. Enhancements costing £35k were made in 2018. New church chairs were also acquired in 2018. Both of these are depreciated on a straight line basis over ten years.

The freehold buildings comprise the church hall and the bungalow situated at 1/1a Pond Road. The net book value is based on the value as at 25 March 2021 for insurance purposes and is considered to be a fair estimate of the current value in use of the property. The valuation of £475,000 at 1st January 2007 represents the best estimate of historical cost available to the Trustees.

The halls and bungalow are held by The South London Church Fund & Southwark Diocesan Board of Finance (SLCF). The maintenance of the PCC's asset in the name of SLCF is both a current legal requirement and aids the practicalities of land holdings and possible disposals.

	Value bought forward £	Unrealised gains on revaluation £	Depreciation £	Disposal £	Value carried forward £
Shares (see note below)	10	-	-	-	10

The comparative SOFA figure for 2019 for Unrealised gains on revaluation was nil.

The PCC holds two £5 shares in Blackheath Cator Estate Residents Limited.

Notes to the Financial Statements for the year ended 31st December 2020**6 DEBTORS AND PREPAYMENTS**

	<b><u>2020</u></b>	<b><u>2019</u></b>
	£	£
Income tax recoverable	15,343	10,775
Legacies receivable	12,800	2,800
Other debtors	12,466	2,390
	<u>40,609</u>	<u>15,965</u>

**7 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b><u>2020</u></b>	<b><u>2019</u></b>
	£	£
Accruals and deferred income	9,353	7,055
	<u>9,353</u>	<u>7,055</u>

**8 LOANS**

The liabilities for loans fall due for repayment as follows:

	Otherwise than by instalments	By Instalments	<b><u>2020</u></b>	<b><u>2019</u></b>
	£	£	£	£
Repayable				
Within one year	-	20,000	20,000	20,000
Between one and five years	-	20,000	20,000	40,000
	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>60,000</u>

The loans are interest free and unsecured; they are being repaid in annual instalments and are due to be repaid in full by May 2022, or earlier at the request of the lender with agreement of the PCC.

Notes to the Financial Statements for the year ended 31st December 2020**9 FUNDS**

During the year the movements in the charity's funds were as follows:

<b>Fund and type</b>	<b>Balances brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains and losses</b>	<b>Balances carried forward</b>
<b>General Fund</b>	-	229,247	184,476	(20,811)	-	23,960
<b>Designated funds</b>						
World Focus Fund	1,083	-	17,350	20,512	-	4,245
Halls & Bungalow Capital Fund	1,539,737	-	-	-	1,530	1,541,267
Audio Visual System Fund	32,650	-	3,628	-	-	29,022
Chairs Fund	4,293	-	477	-	-	3,816
Halls Fund	17,472	37,706	41,291	-	-	13,887
<b>Total designated funds</b>	<b>1,595,235</b>	<b>37,706</b>	<b>62,746</b>	<b>20,512</b>	<b>1,530</b>	<b>1,592,237</b>
<b>Restricted funds</b>						
World Focus Fund	-	6,250	6,250	-	-	-
Travel Fund	1,441	-	-	-	-	1,441
Betty Burnard Fund	593	-	593	-	-	-
Choir Fund	6,677	693	561	-	-	6,809
Cator Estate Shares	10	-	-	-	-	10
Floodlight Fund	(2,159)	76,980	79,992	4,319	-	(852)
Hardship Fund	-	16,713	2,119	-	-	14,594
PRISM Fund	1,365	66,720	64,065	(4,020)	-	-
<b>Total restricted funds</b>	<b>7,927</b>	<b>167,356</b>	<b>153,580</b>	<b>299</b>	<b>-</b>	<b>22,002</b>
<b>TOTAL FUNDS at 31 December 2020</b>	<b>1,603,162</b>	<b>434,309</b>	<b>400,802</b>	<b>-</b>	<b>1,530</b>	<b>1,638,199</b>

**Analysis of net asset by fund**

The assets and liabilities of the various funds were as follows:

	<b>General funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>2020</b>
	£	£	£	£
Tangible fixed assets	-	1,574,105	-	1,574,105
Investments	-	-	10	10
Debtors	27,047	4,632	8,930	40,609
Cash at bank and in hand	2,270	54,097	16,461	72,828
Creditors falling due within one year	5,357	597	3,399	9,353
Interest free loans repayable within one year	-	20,000	-	20,000
Creditors falling due after more than one year	-	20,000	-	20,000
	<b>23,960</b>	<b>1,592,237</b>	<b>22,002</b>	<b>1,638,199</b>

Notes to the Financial Statements for the year ended 31st December 2020

In the previous year the movements in the charity's funds were as follows:

<b>Fund and type</b>	<b>Balances brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains and losses</b>	<b>Balances carried forward</b>
<b>General Fund</b>	(24,328)	196,754	168,494	(3,932)	-	-
<b>Designated funds</b>						
World Focus Fund	1,200		18,122	18,005	-	1,083
Halls & Bungalow Capital Fund	1,503,632	-	-	-	36,105	1,539,737
Audio Visual System Fund	35,150	-	3,628	1,128	-	32,650
Chairs Fund	4,770	-	477	-	-	4,293
Halls Fund	-	66,165	46,865	(1,828)	-	17,472
<b>Total designated funds</b>	<b>1,544,752</b>	<b>66,165</b>	<b>69,092</b>	<b>17,305</b>	<b>36,105</b>	<b>1,595,235</b>
<b>Restricted funds</b>						
World Focus Fund	-	7,019	7,019	-	-	-
Travel Fund	1,641	-	200	-	-	1,441
Betty Burnard Fund	6,075	-	5,482	-	-	593
Choir Fund	-	5,677	-	1,000	-	6,677
Cator Estate Shares	10	-	-	-	-	10
Flower Fund	72	-	72	-	-	-
Floodlight Fund	-	5,550	5,183	(2,526)	-	(2,159)
PRISM Fund	-	17,873	4,661	(11,847)	-	1,365
<b>Total restricted funds</b>	<b>7,798</b>	<b>36,119</b>	<b>22,617</b>	<b>(13,373)</b>	<b>-</b>	<b>7,927</b>
<b>TOTAL FUNDS at 31 December 2019</b>	<b>1,528,222</b>	<b>299,038</b>	<b>260,203</b>	<b>-</b>	<b>36,105</b>	<b>1,603,162</b>

**Analysis of net asset by fund**

In the previous year, the assets and liabilities of the various funds were:

	<b>General funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>2019</b>
	£	£	£	£
Tangible fixed assets	-	1,576,680	-	1,576,680
Investments	-	-	10	10
Debtors	15,652	313	-	15,965
Cash at bank and in hand	(11,364)	78,888	10,038	77,562
Creditors falling due within one year	(4,288)	(646)	(2,121)	(7,055)
Interest free loans repayable within one year	-	(20,000)	-	(20,000)
Creditors falling due after more than one year	-	(40,000)	-	(40,000)
	<b>-</b>	<b>1,595,235</b>	<b>7,927</b>	<b>1,603,162</b>

Notes to the Financial Statements for the year ended 31st December 2020**Designated funds**

Halls & Bungalow Capital Fund is the valuation of the church hall and bungalow.

Audio Visual Fund and Chairs Fund represent the undepreciated value of the Audio Visual System and church chairs.

Halls Fund comprises income from lettings, less expenditure in respect of the halls.

**Restricted funds**

World Focus Fund income primarily arises from the 10% of general income agreed by the PCC, as well as specific gifts to the fund.

Other restricted funds include the Cator Estate Shares.

The Choir Fund was opened in 2019 to receive donations for the Blackheath Children's Choir, and to fund expenditure in future years. The Betty Burnard Fund, set up by a legacy, to be used in relation to young people, has been fully used to fund expenditure of the Choir since 2016.

The Travel Fund was set up many years ago to enable travel, in either direction, between the church in Blackheath and the church overseas.

The Floodlight Fund was opened in 2019 to receive donations for the external lighting scheme, and to fund the cost of construction and associated consultancy fees. The fund deficit of £852 will be eliminated in 2021.

The PRISM Fund (Preserve, Restore, Improve St Michael's) was set up in 2013 to fund expenditure on the inside and outside of the church. The grant of £53k from Viridor Environmental Credits Company passed through the fund.

The Hardship Fund was opened in 2020 to assist those who were struggling financially as a result of the Covid pandemic.

**Charitable Expenditure - Grants payable**

Grants payable out of World Focus Fund in 2020 were in respect of UK and overseas mission and totalled £23,600 (2019: £25,141).

Agencies to which World Focus grants paid in 2020: Bible Society £3,000, Church Mission Society £3,000, Crosslinks £3,100, Greenwich Youth for Christ £3,000, OMF International £3,000, Christian Aid £250 and Diocese of Kibondo, Tanzania £6,250. A further £1,000 was paid to an individual missionary working in Bangladesh and £1,000 towards helping refugees in Jordan.

Agencies to which World Focus grants paid in 2019: Bible Society £3,000, Church Mission Society £3,769, Crosslinks £3,100, Greenwich Youth for Christ £3,000, OMF International £3,000, and Diocese of Kibondo, Tanzania £8,272, Tearfund £500. A further £500 was paid to an individual missionary working in Bangladesh.

Grants payable out of the Hardship Fund in 2020 of £2,119 were in respect of the alleviation of poverty and were paid to individuals (2019: nil).

Notes to the Financial Statements for the year ended 31st December 2020**Fund transfers**

	<b>General Fund</b>	<b>World Focus Fund</b>	<b>Floodlight Fund</b>	<b>PRISM Fund</b>
World Focus Fund (being the 10% transfer of general income)	(20,512)	20,512		
General Fund to Floodlight Fund	(299)		299	
PRISM Fund to Floodlight Fund			4,020	(4,020)
	<u>(20,811)</u>	<u>20,512</u>	<u>4,319</u>	<u>(4,020)</u>

The comparative SOFA figures for 2019 were: General – (£3,932), Designated – (£700) and Restricted - £4,632. Donors to the PRISM fund have given permission for its wider use, which enabled the transfer of £4,020 from PRISM to Floodlight fund.

**10 PENSIONS**

St Michael's participates in the Pension Builder Scheme section of the Church Workers Pension Fund for lay staff. The Scheme is 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 assets are invested in line with the Church of England's ethical investment policies.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic, and a cash balance section known as Pension Builder 2014.

**Pension Builder Scheme**

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

Notes to the Financial Statements for the year ended 31st December 2020

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 this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable to Pension Builder Classic (2020: £4,007, 2019: £3,897).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, St Michael's could become responsible for paying a share of that employer's pension liabilities.

## **11 RELATED PARTIES**

The expenses paid to clergy may include a small, immaterial proportion which relates to their function as PCC members. No other payments were made to PCC members for their being Trustees.

Trustees were reimbursed for expenses incurred on behalf of the charity. These amounted to £2,337 during the year (2019: £1,565) in respect of 2 trustees (2019: 2 trustees). An amount of £170 was paid to Stephen Wristworth in respect of some repair work (2019: £475).

There are 6 Loans outstanding at 31 December 2020 of which £17,500 is owed to 3 trustees (2019: £26,250) and £22,500 is owed to non-trustees (2019: £33,750).

Except as disclosed in note 4 'Analysis of staff costs', there have been no other transactions with related parties during the year.

Donations received from trustees for the year amounted to £53,048 (2019: £34,775).

The church is part of the Church of England and payment is made to the Diocese of Southwark in the form of a contribution to the Parish Support Fund.

There is no other organisation or individual who is considered to be a related party of the Church.