



Annual Report and Financial Statements Year ended 31 December 2021

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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 (resigned Dec 2021)

Reader:

John Clark (vice Chair)

Wardens:

Clare Bartram

Jonathan Causer (appointed May 2021)

Rustom Pringle-Kanga (resigned May 2021)

Representatives on the Deanery Synod:

Louise Hall (appointed May 2021)

Stephen Hingston

Gregory Smye-Rumsby (appointed May 2021)

Khai Vualnam

Other elected members:

Louise Hall (until May 2021)

Matthew Hall

David Harrison

David Hawket

Heather Heiner (appointed May 2021)

Margaret Holland

Amanda McTavish (appointed May 2021)

Tim Peters

Christine Sellick

Carolyn Watkins

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 2021**

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 2021.

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, which is led by Rev Adam Scott, a retired clergyman with Permission to Officiate, as well as weddings, baptisms, and funerals. However, as during 2020, the Covid pandemic has caused this pattern to be interrupted. Between 3 January and 28 March, a period of national lockdown, there were evening services only. Morning services resumed on 4 April, without singing in church, but with cheerful singing in the garden after the service. Holy Communion (bread only) resumed in May. Singing in church resumed in September. When church services have been held, we have ensured that suitable precautions have been taken. We have continued to provide recorded online morning services throughout the year.

Pastoral Care

The vicar is committed to providing pastoral care throughout the parish as needed, and members of the pastoral team also care for members of the congregation. He has been assisted by our curate, Rev Timmy Ajayi, who left on 26 December to become vicar of another church. Carolyn Watkins, commissioned as a Southwark Pastoral Auxiliary, serves as the pastoral minister, and oversees a pastoral team of volunteers which meets regularly. 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.

Trustees' Annual Report (continued)
For the year ended 31 December 2021**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 some of the work of keeping in touch with young people has been disrupted and had to be done remotely.

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. The level of usage of the Halls has almost returned to 2019 levels as the impact of the Covid pandemic has eased.

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), although it now appears that the link with Nigeria is now coming to an end.

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 has produced detailed proposals to be implemented in the period 2021 to 2026. The first part of the plan was delivered in 2021: installing benches on the south side of the church, and redesigning the south border with wildflower planting.

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 production and distribution of the Messenger magazine, the website, 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 Advent 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.

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.

Trustees' Annual Report (continued)
For the year ended 31 December 2021

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 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 have appointed a Health and Safety officer and a Fire Risk officer.

Financial Review

Total income for the year amounted to £317k (2020: £434k); of which £252k (2020: £229k) was within General Fund, £52k Halls Fund (2020: £37k), £5k PRISM Fund (2020: £66k), £nil Floodlight Fund (2020: £77k) and £1k Hardship Fund (2020: £16k). The decrease in total income of £117k is due to: the reduction in income to Floodlight Fund (£77k) and PRISM Fund (£61k) and Hardship Fund (£15k) offset by higher income to General Fund (£23k) and Halls Fund (£15k). Total expenditure for the year amounted to £275k (2020: £400k) which is a net reduction of £125k on last year. The reduction is explained by the lack of project expenditure this year within Floodlight Fund (£79k) and PRISM Fund (£64k).

To fund the PRISM project, interest free loans, amounting to £80k, and repayable over four years, were taken out in May 2018. The third repayment of £20k was made in May 2021, and it was decided to also make the fourth repayment, due in May 2022, earlier, in November 2021.

The church's contribution to the Diocese through the Parish Support Fund was £82k (2020: £81k).

During 2021 we began operating giving by card in church using a card reader terminal and tablet. There was also a significant increase in the number of donors using the Parish Giving Scheme. This scheme is a charity which operates as a secure and efficient vehicle for church members to make their donations to the church, with Gift Aid, 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.

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 £50k in relation to annual unrestricted expenditure of £199k. The cash resources available at 31 December 2021, calculated by taking total cash (£108,006) less Restricted funds (£18,675), less the balances of three Designated Funds (World Focus Fund £827, Halls Maintenance Reserve £5k, and PRISM Maintenance Reserve £10k, total £15,827), as shown in the Balance Sheet on page 10, amounts to £73,504 (2020: £6,581) – after deducting Interest Free Loans payable of £40k.

In addition, during 2021 the PCC decided to create two maintenance reserves: Halls Maintenance Reserve and PRISM Maintenance Reserves. Transfers to these reserves of £5k and £10k respectively were made, with the intention of making similar increases each year.

Trustees' Annual Report (continued)
For the year ended 31 December 2021**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 we obtained planning permission for the conversion of the existing garage into a new storage and bins area, and work will take place in 2022. Also in 2022 further work will take place to improve the facilities within the Halls, and enhance the landscape of the church grounds.

During 2021 the PCC has been developing a new Mission Action Plan and this will be agreed and published early in 2022. The plan will cover the three year period 2022 to 2024.

Despite the 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

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Alexander Christie, Chairman

13th April 2022

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Date

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 2021 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: Archie McDowall

Date: 14th April 2022

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 31st December 2021
(including Summary income and expenditure account)

	Note	General Fund	Designated funds	Restricted funds	Total funds 2021	Total 2020
Income	2					
Voluntary income		216,390	-	12,587	228,977	373,595
Activities for generating funds		20,790	50,756	-	71,546	54,256
Investment income		5	-	-	5	18
Income from charitable activities		8,514	-	-	8,514	1,244
Other income		6,597	1,661	-	8,258	5,196
Total income		252,296	52,417	12,587	317,300	434,309
Expenditure	3					
Charitable activities		199,324	58,530	17,164	275,018	400,802
Total expenditure		199,324	58,530	17,164	275,018	400,802
Net income / (expenditure) before transfers		52,972	(6,113)	(4,577)	42,282	33,507
Transfers	8					
Gross transfers between funds		(33,741)	31,639	2,102	-	-
Net income / (expenditure) before other gains / losses		19,231	25,526	(2,475)	42,282	33,507
Other recognised gains / losses						
Gains on revaluation, fixed assets, charity's own		-	167,978	-	167,978	1,530
Net movement in funds		19,231	193,504	(2,475)	210,260	35,037
Total funds brought forward		23,960	1,592,237	22,002	1,638,199	1,603,162
Total funds carried forward		43,191	1,785,741	19,527	1,848,459	1,638,199

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 31st December 2021

	General Fund		Designated funds		Restricted funds		Total funds	Total funds
	2021	2020	2021	2020	2021	2020	2021	2020
INCOME								
Donations and legacies	216,390	206,239	-	-	12,587	167,356	228,977	373,595
Investments	5	18	-	-	-	-	5	18
Charitable activities	8,514	1,244	-	-	-	-	8,514	1,244
Other trading activities	20,790	16,550	50,756	37,706	-	-	71,546	54,256
Other income	6,597	5,196	1,661	-	-	-	8,258	5,196
Total income and endowments	252,296	229,247	52,417	37,706	12,587	167,356	317,299	434,309
Expenditure								
Charitable activities	199,324	184,476	58,530	62,746	17,164	153,580	275,018	400,802
Total expenditure	199,324	184,476	58,530	62,746	17,164	153,580	275,018	400,802
Net gains/(losses) on investments	-	-	-	-	-	-	-	-
Net income/(expenditure)	52,972	44,771	(6,113)	(25,040)	(4,577)	13,776	42,282	33,507
Transfers between funds	(33,741)	(20,811)	31,639	20,512	2,102	299	-	-
	19,231	23,960	25,526	(4,528)	(2,475)	14,075	42,282	33,507
<i>Other recognised gains/(losses):</i>								
Gains/(losses) on revaluation of fixed assets	-	-		1,530	-	-	167,978	1,530
Net movement in funds	19,231	23,960	193,504	(2,998)	(2,475)	14,075	210,260	35,037
Reconciliation of funds:								
Total funds brought forward	23,960	-	1,592,237	1,595,235	22,002	7,927	1,638,199	1,603,162
Total funds carried forward	43,191	23,960	1,785,741	1,592,237	19,527	22,002	1,848,459	1,638,199

Balance sheet as at 31st December 2021

	Note	General Fund	Designated funds	Restricted funds	Total funds 2021	Total 2020
Fixed assets						
Tangible assets	5	-	1,737,978	-	1,737,978	1,574,105
Investments	5	-	-	10	10	10
		-	1,737,978	10	1,737,988	1,574,115
Current assets						
Debtors	6	10,709	100	400	11,209	40,609
Cash at bank and in hand		37,939	49,000	21,067	108,006	72,828
		48,648	49,100	21,467	119,215	113,437
Creditors						
Creditors: Amounts falling due within one year	7	5,457	1,337	1,950	8,744	9,353
Interest free loans repayable within one year	8	-	-	-	-	20,000
		5,457	1,337	1,950	8,744	29,353
Net current assets		43,191	47,763	19,517	110,471	84,084
Creditors						
Creditors: Amounts falling due after more than one year	8	-	-	-	-	20,000
Net assets		43,191	1,785,741	19,527	1,848,459	1,638,199
Represented by						
General Fund		43,191	-	-	43,191	23,960
Designated funds		-	1,785,741	-	1,785,741	1,592,237
Restricted funds		-	-	19,527	19,527	22,002
Funds of the charity	9	43,191	1,785,741	19,527	1,848,459	1,638,199

Approved by the PCC at its meeting on 13th April 2022 and signed on its behalf.

Signed: Alexander Christie
Alexander Christie (Chairman)

Signed: Stephen Hingston
Stephen Hingston (Treasurer)

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

Notes to the Financial Statements for the year ended 31st December 2021**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 2021

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 2021

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 31st December 2021**2. Income****2.1 Income from generated funds - Voluntary income**

	General	Designated	Restricted	Total 2021	2020
Parish Giving Scheme	95,630	-	-	95,630	-
Standing orders	24,342	-	-	24,342	111,737
CAF & Charities Trust	4,300	-	-	4,300	8,894
Payroll giving	630	-	-	630	2,670
Donations	44,395	-	-	44,395	34,763
Tax reclaimed	40,027	-	1,754	41,781	44,624
Collections	4,066	-	-	4,066	1,885
PRISM	-	-	4,938	4,938	64,312
Floodlight	-	-	-	-	74,467
Choir	-	-	-	-	618
Legacies	3,000	-	-	3,000	10,000
World Focus	-	-	4,555	4,555	6,250
Hardship	-	-	1,340	1,340	13,375
Total	216,390	-	12,587	228,977	373,595

The comparative figures for 2020 were: General - £206,239, Designated - nil and Restricted - £167,356.

2.2 Income from generated funds - Activities for generating funds

Income from events	600	-	-	600	-
Church lettings	1,500	-	-	1,500	-
Hall lettings - Long term	-	45,486	-	45,486	33,487
Hall lettings – Single	-	5,270	-	5,270	4,219
Bungalow Rent	18,690	-	-	18,690	16,550
Total	20,790	50,756	-	71,546	54,256

The comparative figures for 2020 were: General - £16,550, Designated - £37,706 and Restricted - nil.

2.3 Income from generated funds - Investment income

Interest received	5	-	-	5	18
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The comparative figures for 2020 were: General - £18, Designated - £nil and Restricted - nil.

2.4 Income from charitable activities

Holiday Club	1,735	-	-	1,735	1,244
Woman's weekend	4,130	-	-	4,130	-
Advent Fair	2,492	-	-	2,492	-
Foodbank	157	-	-	157	-
	8,514	-	-	8,514	1,244

The comparative figures for 2020 were: General - £1,244, Designated – nil and Restricted - nil.

Notes to the Financial Statements for the year ended 31st December 2021**2.5 Other income**

Other income	6,597	1,661	-	8,258	5,196
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The comparative figures for 2020 were: General - £5,196, Designated - nil and Restricted – nil.

The comparative SOFA figures for Total incoming resources for 2020 were: General - £229,247, Designated - £37,706 and Restricted - £167,356.

3 Expenditure**3.1 Charitable activities**

By fund	General	Designated	Restricted	Total 2021	2020
Parish Support Fund	82,000	-	-	82,000	91,200
Staff Costs	39,596	-	-	39,596	36,896
World Focus payments	-	25,057	5,369	30,426	23,600
Hardship	-	-	6,396	6,396	2,119
Landscaping and Grounds	17,478	-	-	17,478	-
Other	20,820	-	-	20,820	15,503
<i>Church:</i>					
Repairs	1,653	-	4,105	5,758	64,377
Depreciation	-	4,105	-	4,105	4,105
Children's Choir	-	-	1,294	1,294	1,154
Other church costs	16,335	-	-	16,335	21,472
<i>Halls:</i>					
Repairs	-	3,596	-	3,596	8,242
Manager/Maintenance charge	-	10,000	-	10,000	10,339
Other hall costs	-	15,772	-	15,772	22,710
<i>Bungalow:</i>					
Repairs	990	-	-	990	4,252
Other Bungalow costs	17,700	-	-	17,700	12,298
Floodlight	-	-	-	-	79,992
Governance costs (Note 3.2)	2,752	-	-	2,752	2,543
Total	199,324	58,530	17,164	275,018	400,802

The comparative SOFA figures for Total resources used for 2020 were: General - £184,476, Designated - £62,746 and Restricted - £153,580.

Notes to the Financial Statements for the year ended 31st December 2021**3.2 Governance costs**

	<u>2021</u>	<u>2020</u>
	£	£
Payroll Bureau	632	623
Independent examination	2,120	1,920
Total	<u>2,752</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 £2,120 (2020: £1,920); in addition the charity paid £632 (2020: £623) to Stewardship for payroll bureau.

4 STAFF COSTS

	<u>2021</u>	<u>2020</u>
	£	£
Wages and salaries	41,849	41,848
Employers' National Insurance	3,698	3,645
Pensions contributions	4,049	4,007
	<u>49,596</u>	<u>49,500</u>

During the year the PCC employed three staff (2020: 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 (2020: 2).

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

Notes to the Financial Statements for the year ended 31st December 2021**5 FIXED ASSETS FOR USE BY THE PCC**

	Freehold Buildings £	Audio Visual System £	Chairs £	Total 2021 £
Cost / Valuation				
At 1 January 2021	1,541,267	36,278	4,770	1,582,315
Additions	-	-	-	-
Unrealised Gains/(losses) on revaluation	167,978	-	-	167,978
At 31 December 2021	<u>1,709,245</u>	<u>36,278</u>	<u>4,770</u>	<u>1,750,293</u>
Accumulated depreciation				
At 1 January 2021	-	7,256	954	8,210
Charge for the year	-	3,628	477	4,105
At 31 December 2021	<u>-</u>	<u>10,884</u>	<u>1,431</u>	<u>12,315</u>
Net book value				
At 31 December 2021	<u>1,709,245</u>	<u>25,394</u>	<u>3,339</u>	<u>1,737,978</u>
At 1 January 2021	<u>1,541,267</u>	<u>29,022</u>	<u>3,816</u>	<u>1,574,105</u>

The comparative SOFA figure for 2020 for Unrealised gains on revaluation was £1,530.

Freehold property was valued at £1,541,267 in March 2021 by an independent qualified valuer. This figure was increased in February 2022 to £1,709,245 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 2022 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)	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>

The comparative SOFA figure for 2020 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 2021**6 DEBTORS AND PREPAYMENTS**

	<u>2021</u>	<u>2020</u>
	£	£
Income tax recoverable	3,968	15,343
Legacies receivable	5,800	12,800
Other debtors	1,441	12,466
	<u>11,209</u>	<u>40,609</u>

7 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2021</u>	<u>2020</u>
	£	£
Accruals and deferred income	8,744	9,353
	<u>8,744</u>	<u>9,353</u>

8 LOANS

The liabilities for loans fall due for repayment as follows:

	Otherwise than by instalments £	By Instalments £	<u>2021</u> £	<u>2020</u> £
Repayable				
Within one year	-	-	-	20,000
Between one and five years	-	-	-	20,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>

The loans repayment due in May 2021 was duly made and the repayment due in May 2022 was paid, earlier than due in, November 2021.

Notes to the Financial Statements for the year ended 31st December 2021**9 FUNDS**

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

Fund and type	Balances brought forward	Income	Expenditure	Transfers	Gains and losses	Balances carried forward
General Fund	23,960	252,296	199,324	(33,741)	-	43,191
Designated funds						
World Focus Fund	4,245	-	25,057	21,639	-	827
Halls & Bungalow Capital Fund	1,541,267	-	-	-	167,978	1,709,245
Audio Visual System Fund	29,022	-	3,628	-	-	25,394
Chairs Fund	3,816	-	477	-	-	3,339
Halls Fund	13,887	52,417	29,368	(5,000)	-	31,936
Halls Maintenance Reserve	-	-	-	5,000	-	5,000
PRISM Maintenance Reserve	-	-	-	10,000	-	10,000
Total designated funds	1,592,237	52,417	58,530	31,639	167,978	1,785,741
Restricted funds						
World Focus Fund	-	5,369	5,369	-	-	-
Travel Fund	1,441	-	-	1,250	-	2,691
Choir Fund	6,809	-	1,294	-	-	5,515
Cator Estate Shares	10	-	-	-	-	10
Floodlight Fund	(852)	-	-	852	-	-
Hardship Fund	14,594	1,475	6,396	-	-	9,673
PRISM Fund	-	5,743	4,105	-	-	1,638
Total restricted funds	22,002	12,587	17,164	2,102	-	19,527
TOTAL FUNDS at 31 December 2021	1,638,199	317,300	275,018	-	167,978	1,848,459

Analysis of net asset by fund

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

	General funds	Designated funds	Restricted funds	2021
	£	£	£	£
Tangible fixed assets	-	1,737,978	-	1,737,978
Investments	-	-	10	10
Debtors	10,709	100	400	11,209
Cash at bank and in hand	37,939	49,000	21,067	108,006
Creditors falling due within one year	5,457	1,337	1,950	8,744
	43,191	1,785,741	19,527	1,848,459

Notes to the Financial Statements for the year ended 31st December 2021

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

Fund and type	Balances brought forward	Income	Expenditure	Transfers	Gains and losses	Balances carried forward
General Fund	-	229,247	184,476	(20,811)	-	23,960
Designated funds						
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
Total designated funds	1,595,235	37,706	62,746	20,512	1,530	1,592,237
Restricted funds						
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
Flower Fund	(2,159)	76,980	79,992	4,319	-	(852)
Floodlight Fund	-	16,713	2,119	-	-	14,594
PRISM Fund	1,365	66,720	64,065	(4,020)	-	-
Total restricted funds	7,927	167,356	153,580	299	-	22,002
TOTAL FUNDS at 31 December 2020	1,603,162	434,309	400,802	-	1,530	1,638,199

Analysis of net asset by fund

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

	General funds	Designated funds	Restricted funds	2020
	£	£	£	£
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
	23,960	1,592,237	22,002	1,638,199

Notes to the Financial Statements for the year ended 31st December 2021**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 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 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 2021 were in respect of UK and overseas mission and totalled £30,426 (2020: £23,600).

Charities to which World Focus grants paid in 2021: Bible Society £4,000, Church Mission Society £6,850, Crosslinks £3,600, Greenwich Youth for Christ £1,500, OMF International £4,000, London City Mission £1,000, Friends of ASHA £2,488, SAT-7 UK Trust £1,000, Helping Refugees in Jordan £1,000, Jerusalem and Middle East Church Association £300 and Diocese of Kibondo, Tanzania £2,188. We also paid £1,500 and £1,000 to two missionary families working in India and Wales respectively.

Charities 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, Helping Refugees in Jordan £1,000 and Diocese of Kibondo, Tanzania £6,250. A further £1,000 was paid to a missionary family working in Bangladesh.

Notes to the Financial Statements for the year ended 31st December 2021

Grants payable out of the Hardship Fund in 2021 totalled £6,396, which comprised £1,396 (2020: £2,119) paid to individuals for the alleviation of poverty and £5,000 payable to Debt Centre Greenwich, a charity set up under the auspices of Christians Against Poverty.

Fund transfers

	General Fund	World Focus Fund	Travel fund	Floodlight Fund	Halls Fund	PRISM Maintenance Reserve	Halls Reserve
World Focus Fund (10% transfer of general income)	(21,639)	21,639					
General to Travel Fund	(1,250)		1,250				
General to Floodlight Fund	(852)			852			
Halls Fund to Halls Maintenance Reserve					(5,000)		5,000
General Fund to PRISM Maintenance Reserve	(10,000)					10,000	
	(33,741)	21,639	1,250	852	(5,000)	10,000	5,000

The comparative SOFA figures for 2020 were: General – (£20,811), Designated – £20,512 and Restricted - £299.

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 Scheme separately from those of the Employer and other participating employers.

The Church Workers Pension has two sections: the Defined Benefits Scheme and the Pension Builder Scheme, which has two subsections, a deferred annuity section known as Pension Builder Classic, and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, 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. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

Notes to the Financial Statements for the year ended 31st December 2021

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

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 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 the contributions payable to Pension Builder Classic (2021: £4,049, 2020: £4,007).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. 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 the failed employer's pension liabilities.

11 RELATED PARTIES

Donations received from trustees for the year amounted to £52,305 (2020: £53,048).

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

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.