



Annual Report and Financial Statements Year ended 31 December 2022

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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)
(resigned August 2022)

Reader:

John Clark (Chair from September 2022)

Wardens:

Clare Bartram
Jonathan Causer

Representatives on the Deanery Synod:

Louise Hall
Stephen Hingston
Gregory Smye-Rumsby
Khai Vualnam

Other elected members:

Christopher Ashworth (appointed May 2022)
Richard Bolton (appointed May 2022)
Charlotte Chiew (appointed May 2022)
Joe Crisp-Hihn (appointed May 2022)
Simone Foster (appointed May 2022)
Matthew Hall (resigned May 2022)
David Harrison
David Hawkett
Heather Heiner
Margaret Holland (resigned May 2022)
Amanda McTavish
Tim Peters (resigned May 2022)
Hugh Ridsdill-Smith (appointed May 2022)
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 2022**

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 2022.

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. We have continued to provide recorded online morning services throughout the year.

Incumbent

Rev Sandy Christie retired as vicar on 31 August after 19 years' service to St Michael's, and the church entered a period of vacancy, which we hope will end in 2023.

Pastoral Care

The vicar has been 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, 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.

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.

Trustees' Annual Report

For the year ended 31 December 2022

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 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), Ethiopia (Crosslinks), and in Japan (OMF), the link with Ethiopia being newly established. The war in Ukraine has concentrated our attention on that country during 2022.

Landscape

During the year we completed the project to redevelop the former garage on the north side of the halls and to build a new store and bin area. The landscape design group started to develop plans for the area to the east of the main hall but this was suspended in autumn 2022 due to time pressures in the vacancy.

Volunteers

The majority of the work of the church is undertaken by volunteers. Other than the work done by stipendiary clergy (who are paid by the Diocese) and our three part-time staff (administrator, youth minister, and church cleaner) most work is done by volunteers. This includes home Bible study groups, the website, the flower team, acting as Children's Church teachers and assistants, running services through the stewarding team, audio visual 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

For the year ended 31 December 2022

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, estimated their potential impact on the church, and taken the necessary steps to manage these risks. In particular they have appointed two Safeguarding officers, a Health and Safety officer, and a Fire Risk officer.

Financial Review

Total income for the year amounted to £381k (2021: £317k); of which £281k (2021: £250k) was within General Fund, £73k Halls Fund (2021: £52k), £4k PRISM Fund (2021: £6k), £1k Hardship Fund (2021: £1k), World Focus Fund £10k (2021: £6k), Travel Fund £5k (2021: nil), Choir Fund £4k (2021: nil) and Special Collections £3k (2021: £2k). The increase in total income of £64k is within General Fund £31k, Halls Fund £21k, World Focus Fund £4k, Travel Fund £5k, Choir Fund £4k and Special Collections £1k. Total expenditure for the year amounted to £322k (2021: £275k) which is an increase of £47k on last year. The increase is explained by higher landscaping costs £14k, repairs £7k, choir costs £5k, and other costs £21k.

The church's contribution to the Diocese through the Parish Support Fund was £84k (2021: £82k).

The PCC has agreed an Agape Gifts policy. This means that if we undertake any new project, a percentage of the value of that project will be gifted elsewhere. On completion of the new store and bin area project, which cost about £35k, gifts of £3.5k were made to Diocese of Kibondo £2.5k and Debt Centre Greenwich £1k.

All church members are encouraged to use the Parish Giving Scheme for both regular giving and one-off gifts. 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.

During 2022 we installed a permanent card reader terminal for giving at the back of church which is now well used by visitors and at occasional events. We also offer a QR code facility.

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' normal expenditure, £57k in relation to annual unrestricted expenditure of £220k. The cash resources available at 31 December 2022, calculated by taking total cash (£142,624) less Restricted funds (£11,079), less the balances of three Designated Funds (World Focus Fund £2,115, Halls Maintenance Reserve £10,500 and PRISM Maintenance Reserve £21k, total £33,615), as shown in the Balance Sheet on page 10, amounts to £97,930 (2021: £73,504).

The PCC now maintains maintenance reserves relating to the two buildings for which it is responsible: the halls and the church. These are Halls Maintenance Reserve and PRISM Maintenance Reserve. The intention is to make annual transfers to these reserves and build them up to a suitable sum. Meanwhile routine repairs are charged to the current year's expenditure.

Trustees' Annual Report
For the year ended 31 December 2022**Statement of Responsibilities of the Members of the Parochial Church Council**

The PCC is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources for the financial year. In preparing these financial statements, the PCC are required to:

- i) select suitable accounting policies and apply them consistently;
- ii) observe the methods and principles in the Charities SORP;
- iii) make judgements and estimates that are reasonable and prudent;
- iv) state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- v) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The PCC is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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; the work required has been undertaken.

Plans for Future Periods

In 2022 the PCC agreed a new Mission Action Plan covering the three year period 2022 to 2024.

John Clark

.....

John Clark, Chair

2nd May 2023

.....

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 2022 on pages 8 to 24 following, which have been prepared on the basis of the accounting policies set out on pages 11 to 14.

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: 2nd May 2023

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 2022

	Note	General Fund	Designated funds	Restricted funds	Total funds 2022	Total 2021
Income	2					
Voluntary income		233,304	-	25,651	258,955	229,657
Activities for generating funds		24,776	73,214	-	97,990	70,946
Investment income		368	-	-	368	5
Income from charitable activities		12,812	-	1,818	14,630	8,357
Other income		9,749	-	-	9,749	8,335
Total Income		281,009	73,214	27,469	381,692	317,300
Expenditure	3					
Charitable activities		219,920	65,390	37,105	322,415	275,018
Total expenditure		219,920	65,390	37,105	322,415	275,018
Net income / (expenditure) before transfers		61,089	7,824	(9,636)	59,277	42,282
Transfers	9					
Gross transfers between funds		(35,717)	34,529	1,188	-	-
Net income / (expenditure) before other gains / losses		25,372	42,353	(8,448)	59,277	42,282
Other recognised gains/losses						
Gains on revaluation, fixed assets, charity's own use		-	172,655	-	172,655	167,978
Net movement of funds		25,372	215,008	(8,448)	231,932	210,260
Total funds brought forward		43,191	1,785,741	19,527	1,848,459	1,638,199
Total funds carried forward		68,563	2,000,749	11,079	2,080,391	1,848,459

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 25 form part of these accounts.

Detailed Statement of Financial Activities with Comparatives for the Year ended 31 December 2022

	General Fund		Designated funds		Restricted funds		Total funds	Total funds
	2022	2021	2022	2021	2022	2021	2022	2021
Income								
Voluntary income	233,304	215,092	-	-	25,651	14,565	258,955	229,657
Activities for generating funds	24,776	20,190	73,214	50,756	-	-	97,990	70,946
Investment income	368	5	-	-	-	-	368	5
Income from charitable activities	12,812	8,357	-	-	1,818	-	14,630	8,357
Other income	9,749	6,674	-	1,661	-	-	9,749	8,335
Total income and endowments	281,009	250,318	73,214	52,417	27,469	14,565	381,692	317,300
Expenditure								
Charitable activities	219,920	197,346	65,390	58,530	37,105	19,142	322,415	275,018
Total expenditure	219,920	197,346	65,390	58,530	37,105	19,142	322,415	275,018
Net income/(expenditure)	61,089	52,972	7,824	(6,113)	(9,636)	(4,577)	59,277	42,282
Transfers between funds	(35,717)	(33,741)	34,529	31,639	1,188	2,102	-	-
	25,372	19,231	42,353	25,526	(8,448)	(2,475)	59,277	42,282
<i>Other recognised gains/losses:</i>								
Gains/(losses) on revaluation of fixed assets	-	-	172,655	167,978	-	-	172,655	167,978
Net movement in funds	25,372	19,231	215,008	193,504	(8,448)	(2,475)	231,932	210,260
Reconciliation of funds:								
Total funds brought forward	43,191	23,960	1,785,741	1,592,237	19,527	22,002	1,848,459	1,638,199
Total funds carried forward	68,563	43,191	2,000,749	1,785,741	11,079	19,527	2,080,391	1,848,459

Balance sheet as at 31 December 2022

	Note	General Fund	Designated funds	Restricted funds	Total funds 2022	Total 2021
Fixed assets						
Tangible assets	5	-	1,906,528	-	1,906,528	1,737,978
Investments	5	-	-	10	10	10
		-	1,906,528	10	1,906,538	1,737,988
Current assets						
Debtors	7	38,798	2,178	694	41,670	11,209
Cash at bank and in hand	6	39,094	92,694	10,836	142,624	108,006
		77,892	94,872	11,530	184,294	119,215
Creditors						
Creditors: Amounts falling due within one year	8	9,329	651	461	10,441	8,744
Net current assets		68,563	94,221	11,069	173,853	110,471
Net assets		68,563	2,000,749	11,079	2,080,391	1,848,459
Represented by						
General fund		68,563	-	-	68,563	43,191
Designated funds		-	2,000,749	-	2,000,749	1,785,741
Restricted funds		-	-	11,079	11,079	19,527
Funds of the charity	9	68,563	2,000,749	11,079	2,080,391	1,848,459

Approved by the PCC at its meeting on 2nd May 2023 and signed on its behalf.

Signed: John Clark
John Clark (Chair)

Signed: Stephen Hingston
Stephen Hingston (Treasurer)

The notes on pages 11 to 25 form part of these accounts.

Notes to the Financial Statements for the year ended 31 December 2022**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.

Notes to the Financial Statements for the year ended 31 December 2022

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.

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. [2]

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. [2]

[2]

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. [2]

[2]

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. [2]

[2]

Investment income represents income generated by the charity's assets and includes income from letting the charity's property and bank interest. [2]

Other income comprises gains arising from the disposal of tangible fixed assets / social investments. [2]

[2]

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 [2]

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. [2]

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. [2]

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. [2]

[2]

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. [2]

Notes to the Financial Statements for the year ended 31 December 2022

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.

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 £5,000 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.

Notes to the Financial Statements for the year ended 31 December 2022

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 December 2022**2. Income****2.1 Income from generated funds - Voluntary Income**

	General	Designated	Restricted	Total 2022	Total 2021
Parish Giving Scheme	104,183	-	-	104,183	95,630
Standing orders	9,073	-	-	9,073	24,342
CAF & Charities Trust	3,760	-	-	3,760	4,300
Payroll giving	-	-	-	-	630
Donations	44,100	-	-	44,100	44,270
Tax reclaimed	39,194	-	3,820	43,014	41,781
Sunday Collections	2,994	-	-	2,994	3,299
Special Collections	-	-	2,165	2,165	1,572
PRISM	-	-	3,686	3,686	4,938
Choir	-	-	2,105	2,105	-
Legacies	30,000	-	-	30,000	3,000
World Focus	-	-	8,030	8,030	4,555
Hardship	-	-	1,100	1,100	1,340
Travel	-	-	4,745	4,745	-
Total	233,304	-	25,651	258,955	229,657

The comparative figures for 2021 were: General - £215,092, Designated - nil and Restricted - £14,565.

2.2 Income from generated funds - Activities for generating funds

Church lettings	5,620	-	-	5,620	1,500
Hall lettings - Long term	-	63,880	-	63,880	45,486
Hall lettings - Single	-	9,334	-	9,334	5,270
Bungalow Rent	19,156	-	-	19,156	18,690
Total	24,776	73,214	-	97,990	70,946

The comparative figures for 2021 were: General - £20,190, Designated - £50,756 and Restricted - nil.

2.3 Income from generated funds - Investment Income

Interest received	368	-	-	368	5
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The comparative figures for 2021 were: General - £5, Designated - nil and Restricted - nil.

2.4 Income from charitable activities

Holiday Club	2,964	-	-	2,964	1,735
Woman's weekend	2,628	-	-	2,628	4,130
Advent Fair	3,083	-	-	3,083	2,492
Concert for Peace - Ukraine	2,182	-	-	2,182	-
Passover Supper	1,108	-	-	1,108	-
Health & Well-Being Fair	847	-	-	847	-
Children's Choir Concert	-	-	1,818	1,818	-
Total	12,812	-	1,818	14,630	8,357

The comparative figures for 2021 were: General - £8,357, Designated - nil and Restricted - nil.

Notes to the Financial Statements for the year ended 31 December 2022**2.5 Other income**

Other Income	9,749	-	-	9,749	8,335
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The comparative figures for 2021 were: General - £6,674, Designated - R1,661 and Restricted - nil

3. Expenditure**3.1 Charitable activities**

By Fund	General	Designated	Restricted	2022 Total	2021
Parish Support Fund	84,000	-	-	84,000	82,000
Staff Costs	42,487	-	-	42,487	39,596
World Focus payments	-	22,241	10,038	32,279	30,426
Hardship	-	-	5,609	5,609	6,396
Landscaping and Grounds	31,170	-	-	31,170	17,478
Agape Gifts	3,500	-	-	3,500	-
Ukraine Support	6,500	-	-	6,500	-
Special Collections	-	-	2,719	2,719	1,978
Events Expenditure	8,181	-	-	8,181	6,385
Other	21,051	-	-	21,051	12,457
<i>Church:</i>					
Church Repairs	1,417	-	4,442	5,859	5,758
Depreciation	-	4,105	-	4,105	4,105
Children's Choir	-	-	6,496	6,496	1,294
Other church costs	18,390	-	-	18,390	16,335
<i>Halls:</i>					
Repairs	-	10,055	-	10,055	3,596
Manager/maintenance charge	-	10,200	-	10,200	10,000
Other hall costs	-	18,789	-	18,789	15,772
<i>Bungalow:</i>					
Repairs	-	-	-	-	990
Other Bungalow costs	382	-	-	382	17,700
Travel	-	-	7,801	7,801	-
Governance costs (Note 3.2)	2,842	-	-	2,842	2,752
Total	219,920	65,390	37,105	322,415	275,018

The comparative SOFA figures for Total resources used for 2021 were: General - £197,346, Designated - £58,530 and Restricted - £19,142.

Notes to the Financial Statements for the year ended 31 December 2022**Acting as agent**

On occasion the charity receives money on behalf of other charities or individuals, which it banks and then pays out to these charities or individuals. This income is received as agent for these charities and the income, and the related payments, are excluded from the Statement of Financial Activities; any money that has not been distributed by the year end is recognised as creditor.

During the year the charity acted as agent for members of the congregation and, in that capacity collected and paid out £6,567 as a retirement gift for our vicar Rev Sandy Christie following his retirement.

3.2 Governance Costs

	<u>2022</u>	<u>2021</u>
	£	£
Payroll bureau	642	632
Independent examination	2,200	2,120
Total	<u>2,842</u>	<u>2,752</u>

The fee payable to the independent examiner for examining the accounts was £2,200 (2021: £2,120); in addition the charity paid £642 (2021: £632) to Stewardship for payroll bureau.

4 STAFF COSTS

	<u>2022</u>	<u>2021</u>
Wages and salaries	49,806	45,547
Pension contributions	3,302	3,082
	<u>53,108</u>	<u>48,629</u>

During the year the PCC employed three staff (2021: 3): a Youth Minister, an Administrator, and a cleaner, none of whom earned £60,000 p.a. or more. The stipend for one further individual: the Vicar, Rev. Alexander Christie, is paid directly by the Diocese. This figure 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 (2021: 2).

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

Notes to the Financial Statements for the year ended 31 December 2022**5 FIXED ASSETS FOR USE BY THE PCC**

	Freehold Buildings £	Audio Visual System £	Chairs £	Total 2022 £
Cost / Valuation				
At 1 January 2022	1,709,245	36,278	4,770	1,750,293
Additions	-	-	-	-
Unrealised Gains/(losses) on revaluation	172,655	-	-	172,655
At 31 December 2022	<u>1,881,900</u>	<u>36,278</u>	<u>4,770</u>	<u>1,922,948</u>
Accumulated depreciation				
At 1 January 2022	-	10,884	1,431	12,315
Charge for the year	-	3,628	477	4,105
At 31 December 2022	<u>-</u>	<u>14,512</u>	<u>1,908</u>	<u>16,420</u>
Net book value				
At 31 December 2022	<u>1,881,900</u>	<u>21,766</u>	<u>2,862</u>	<u>1,906,528</u>
At 1 January 2022	<u>1,709,245</u>	<u>25,394</u>	<u>3,339</u>	<u>1,737,978</u>

The comparative SOFA figure for 2021 for Unrealised gains on revaluation was £167,978.

Freehold property was valued at £1,709,245 in February 2022 by an independent qualified valuer. This figure was increased in March 2023 to £1,881,900 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 2023 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 brought forward £	Unrealised gains on revaluation £	Depreciation £	Disposal £	Value carried forward £
Shares (see note below)	10	-	-	-	10

The comparative SOFA figure for 2021 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 31 December 2022**6 CASH AT BANK AND IN HAND**

	<u>2022</u>	<u>2021</u>
	£	£
Cash at bank with immediate access	142,624	108,006
Notice deposits (with a term of three months or less)	-	-
Petty cash	-	-
	<u>142,624</u>	<u>108,006</u>

7 DEBTORS AND PREPAYMENTS

	<u>2022</u>	<u>2021</u>
	£	£
Income tax recoverable	6,071	3,968
Legacies receivable	32,800	5,800
Other debtors	2,799	1,441
	<u>41,670</u>	<u>11,209</u>

8 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2022</u>	<u>2021</u>
	£	£
Accruals and deferred income	10,441	8,744

Notes to the Financial Statements for the year ended 31 December 2022**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	43,191	281,009	219,920	(35,717)	-	68,563
Designated funds						
World Focus Fund	827	-	22,241	23,529	-	2,115
Halls & Bungalow Capital Fund	1,709,245	-	-	-	172,655	1,881,900
Audio Visual System Fund	25,394	-	3,628	-	-	21,766
Chairs Fund	3,339	-	477	-	-	2,862
Halls Fund	31,936	73,214	39,044	(5,500)	-	60,606
Halls Maintenance Reserve	5,000	-	-	5,500	-	10,500
PRISM Maintenance Reserve	10,000	-	-	11,000	-	21,000
Total designated funds	1,785,741	73,214	65,390	34,529	172,655	2,000,749
Restricted funds						
Special Collections	-	2,719	2,719	-	-	-
World Focus Fund	-	10,038	10,038	-	-	-
Travel Fund	2,691	4,745	7,801	738	-	373
Choir Fund	5,515	4,561	6,496	250	-	3,830
Cator Estate Shares	10	-	-	-	-	10
Hardship Fund	9,673	1,350	5,609	200	-	5,614
PRISM Fund	1,638	4,056	4,442	-	-	1,252
Total restricted funds	19,527	27,469	37,105	1,188	-	11,079
TOTAL FUNDS at 31 December 2022	1,848,459	381,692	322,415	-	172,655	2,080,391

Analysis of net asset by fund

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

	General funds £	Designated funds £	Restricted funds £	2022 £
Tangible fixed assets	-	1,906,528	-	1,906,528
Investments	-	-	10	10
Debtors	38,798	2178	694	41,670
Cash at bank and in hand	39,094	92,694	10,836	142,624
Creditors falling due within one year	(9,329)	(651)	(461)	(10,441)
	68,563	2,000,749	11,079	2,080,391

Notes to the Financial Statements for the year ended 31 December 2022**9 FUNDS**

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	23,960	250,318	197,346	(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						
Special Collections	-	1,978	1,978	-	-	-
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	14,565	19,142	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 31 December 2022**Fund transfers**

	General Fund	World Focus Fund	Travel Fund	Choir Fund	Hardship Fund	Halls Fund	PRISM Maintenance	Halls Reserve
World Focus Fund (10% transfer of general income	(23,529)	23,529						
General to Travel Fund	(738)		738					
General to Choir Fund	(250)			250				
General to Hardship Fund	(200)				200			
Halls Fund to Halls Maintenance Reserve						(5,500)		5,500
General Fund to PRISM Maintenance Reserve	(11,000)						11,000	
	(35,717)	23,529	738	250	200	(5,500)	11,000	5,500

The comparative SOFA figures for 2021 were: General – (£33,741), Designated – £31,639 and Restricted - £2,102.

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

Special collections represent donations received for specific purposes, for example; a funeral where the family ask us to give the collection to a certain charity and church service where we tell those attending the collection will go to a specific charity. The 2021 numbers have been re-stated to treat special collections received and spent as restricted.

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 St Michael's Children's Choir, and to fund expenditure in future years.

The Travel Fund was set up many years ago to enable travel, in either direction, between the church in Blackheath and the church overseas. In 2022 it was used to receive income and pay out expenditure in respect of a pilgrimage to the Holy Land attended by church members and others.

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.

Notes to the Financial Statements for the year ended 31 December 2022**10 CHARITABLE EXPENDITURE - GRANTS PAYABLE**

Grants payable out of World Focus Fund in 2022 were in respect of UK and overseas mission and totalled £32,279 (2021: £30,426).

Charities to which World Focus grants paid in 2022: Bible Society £3,000, Church Mission Society £3,625, Crosslinks £3,500, Greenwich Youth for Christ £3,000, OMF International £3,000, Tearfund £500, Friends of ASHA £500, SAT-7 UK Trust £1,000, Helping Refugees in Jordan £500, Ukraine Mission Partner £3,309 and Diocese of Kibondo, Tanzania £8,345. We also paid £1,000 each to two missionary families working in India and Wales.

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.

Grants payable out of the Hardship Fund in 2022 totalled £5,609 (2021: 6,396), which comprised £1,609 (2021: £1,396) paid to individuals for the alleviation of poverty, £2,000 (2021: £5,000) payable to Debt Centre Greenwich, a charity set up under the auspices of Christians Against Poverty, and £2,000 (2021: Nil) to Greenwich Foodbank.

Grants payable out of Travel Fund in 2022 totalled £6,736 (2021: nil). £5,686 paid to four individuals to enable them to attend the St Michael's group pilgrimage to the Holy Land in October 2022 and £1,050 to the Jeel Al Amal orphanage in Jerusalem, visiting during the pilgrimage.

Grants payable out of General Fund in 2022 totalled £6,500 (2021: nil). These comprised £3k to the church in Ukraine following the Russian invasion, £2.5k to the Diocese of Kibondo, Tanzania, and £1k to Debt Centre

Grants payable

	Institutions	Individuals	Total 2022
	£	£	£
Grants for UK and overseas mission	34,520	5,309	39,829
Grants for the relief of poverty	4,000	1,609	5,609
Grants for education, including ministry training	-	5,686	5,686
	<u>38,520</u>	<u>12,604</u>	<u>51,124</u>

The comparatives for the previous year are as follows:

	Institutions	Individuals	Total 2021
	£	£	£
Grants for UK and overseas mission	27,926	2,500	30,426
Grants for the relief of poverty	5,000	1,396	6,396
Grants for education, including ministry training	-	-	-
	<u>32,926</u>	<u>3,896</u>	<u>36,822</u>

Notes to the Financial Statements for the year ended 31 December 2022

The charity's principal grants to institutions comprised:

	2022	2021
	£	£
Bible Society	3,000	4,000
Church Mission Society	3,625	6,850
Crosslinks	3,500	3,600
Greenwich Youth for Christ	3,000	1,500
OMF International	3,000	4,000
Friends of ASHA	500	2,488
Diocese of Kibondo	10,845	2,188
Debt Centre Greenwich	3,000	5,000
Greenwich Foodbank	2,000	-
Church in Ukraine	3,000	-
Jeel Al Amal Orphanage	1,050	-
Grants to institutions for £1,000 each and less	2,000	3,300
	<u>38,520</u>	<u>32,926</u>

11 PENSIONS

St Michaels 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.

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 £4,198 (2021: £4,049).

Notes to the Financial Statements for the year ended 31 December 2022

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 10.1% following improvements in the funding position over 2022. 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.

12 RELATED PARTIES

Donations received from trustees for the year amounted to £72,012 (2021: £52,305).

Lauren Crisp-Hihn is employed as Youth Minister and her salary is determined by the PCC Remuneration Committee, whose membership does not include her husband, Joe Crisp-Hihn, who became a trustee in May 2022. The salary, which the trustees regard as confidential, is benchmarked annually and found to be comparable with other positions.

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.