



Annual Report and Financial Statements Year ended 31 December 2023

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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. Trevor Kemp (Chair)
(appointed September 2023)

Reader:

John Clark (vice chair)

Wardens:

Clare Bartram
Jonathan Causer

Representatives on the Deanery Synod:

Louise Hall
Stephen Hingston
Gregory Smye-Rumsby
Khai Vualnam

Other elected members:

Christopher Ashworth
Richard Bolton
Charlotte Chiew
Joe Crisp-Hihn (resigned June 2023)
Simone Foster
David Harrison (resigned May 2023)
David Hawkett
Heather Heiner
Amanda McTavish (resigned August 2023)
Hugh Ridsdill-Smith
Christine Sellick (resigned May 2023)
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
CCLA Investment Management Ltd

Trustees' Annual Report
For the year ended 31 December 2023

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 2023.

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 Trevor Kemp was installed as vicar on 12 September 2023, following a vacancy period of about 12 months.

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. Carolyn Watkins, commissioned as a Southwark Pastoral Auxiliary, serves as the pastoral minister, and oversees a pastoral team of volunteers. Pastoral care is also provided through the small groups which meet regularly and in which some 60 people are involved.

Children's and Youth ministry

The church's Youth Minister, Lauren Crisp-Hihn, left on 31 August 2023 to live elsewhere, having served the church since 2011. During the year she has taken on responsibility for not only youth ministry but also children's ministry. Amanda McTavish was appointed as Children and Young People Co-ordinator on 1 October 2023 for a period of 6 months, and the intention is to advertise for a new Youth Minister in the first quarter of 2024.

Trustees' Annual Report

For the year ended 31 December 2023

Halls

The church administrator, Marion Lane, who now works nearly full 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.

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).

Landscape

No further work has been undertaken in the current year to enhance the church landscape. However, we have carried out remedial work on the bungalow garden wall adjoining Roque Lane during 2023. In 2024 we intend to do remedial work on the bungalow garden wall adjoining Blackheath Park and improve the bungalow garden.

Volunteers

The majority of the work of the church is undertaken by volunteers. The vicar is paid by the Diocese. We employ three part-time staff (Administrator, Children and Young People Co-ordinator, and church cleaner). We are helped by paid contractors who do halls cleaning and gardening, including Mhairi Veall, a member of the congregation, who provides website and communication services.

Volunteers are responsible for home Bible study groups, the flower team, Children's Church, providing Sunday services through stewarding, operating the audio-visual desk, reading, providing music, preaching and leading, also through the finance team, the maintenance team, the pastoral team, the prayer ministry, Food Bank collections, the Art Gallery, organising social events, the Advent Fair, Health and Well Being Fair, Children's Choir and our annual Holiday Club.

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. 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 Halls Management Committee, World Focus team, PCC Remuneration Committee, and a group which manages the Hardship Fund.

Trustees' Annual Report

For the year ended 31 December 2023

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, a Health and Safety officer, and a Fire Risk officer.

Financial Review

Total income for the year amounted to £325k (2022: £381k); of which £214k (2022: £281k) was within General Fund, £73k Halls Fund (2022: £73k), £3k PRISM Fund (2022: £4k), Hardship Fund nil (2022: £1k), World Focus Fund £5k (2022: £10k), Travel Fund nil (2022: £5k), Choir Fund £5k (2022: £4k), Legacy Fund £1k (2022: nil), Bungalow Fund £20k (2022: nil) and Special Collections £4k (2022: £3k). A further £1k was received in 2023 on trust for Churches Together in Blackheath. The decrease in total income of £56k is mainly within General Fund £67k, World Focus Fund £5k, Travel Fund 5k, offset by the £20k increase in Bungalow Fund, set up in 2023. The income of Bungalow Fund previously went to General Fund.

Total expenditure for the year amounted to £315k (2021: £322k), a decrease of £7k on last year. The main reason for reduction is that landscaping costs of £31k were incurred in 2022, offset by modest increases in other costs in 2023.

The church's contribution to the Diocese through the Parish Support Fund was £86k (2022: £84k).

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.

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, £51k in relation to annual unrestricted expenditure of £204k. The cash resources available at 31 December 2023, calculated by taking total cash (£167,925) less Restricted funds (£8,792), less the balances of certain Designated Funds (World Focus Fund £26, Bungalow Fund £10,571, Legacy Fund £30,499, Halls Maintenance Reserve £16,500 and Church Maintenance Reserve £33k, total £90,596), as shown in the Balance Sheet on page 10, amounts to £68,537 (2022: £97,930).

The PCC has established the Church and Halls Maintenance Reserves, with balances of £33k and £16k respectively. 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. During the year we set up a separate Bungalow Fund to identify income and expense for our other major building, with a balance of £11k.

Trustees' Annual Report
For the year ended 31 December 2023**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

The PCC intends to pursue the objectives set out in its Mission Action Plan 2022/24. The main elements of the plan, under the heading Learning, Sharing, and Showing Gods' love, under Learning, are encouraging volunteers and participation, and promoting Sunday School, under Sharing, developing social media and communications, and connecting better with Halls users, and under Showing, developing collaboration with social action charities, and improving the church landscape and environment.

Trevor Kemp

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Rev. Trevor Kemp, Chair

12th May 2024

.....

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 2023 on pages 8 to 25 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: 14th May 2024

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 2023

	Note	General Fund	Designated funds	Restricted funds	Total funds 2023	Total 2022
Income	2					
Voluntary income		183,058	979	16,596	200,633	258,955
Activities for generating funds		4,905	93,676	-	98,581	97,990
Investment income		4,103	-	-	4,103	368
Income from charitable activities		14,379	-	-	14,379	14,630
Other income		8,035	-	-	8,035	9,749
Total Income		214,480	94,655	16,596	325,731	381,692
Expenditure	3					
Charitable activities		204,166	86,353	24,506	315,025	322,415
Total expenditure		204,166	86,353	24,506	315,025	322,415
Net income / (expenditure) before transfers		10,314	8,302	(7,910)	10,706	59,277
Transfers	9					
Gross transfers between funds		(65,674)	60,051	5,623	-	-
Net income / (expenditure) before other gains / losses		(55,360)	68,353	(2,287)	10,706	59,277
Other recognised gains/losses						
Gains on revaluation, fixed assets, charity's own use		-	45,171	-	45,171	172,655
Net movement of funds		(55,360)	113,524	(2,287)	55,877	231,932
Total funds brought forward		68,563	2,000,749	11,079	2,080,391	1,848,459
Total funds carried forward		13,203	2,114,273	8,792	2,136,268	2,080,391

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 2023

	General Fund		Designated funds		Restricted funds		Total funds	Total funds
	2023	2022	2023	2022	2023	2022	2023	2022
Income								
Voluntary income	183,058	233,304	979	-	16,596	25,651	200,633	258,955
Activities for generating funds	4,905	24,776	93,676	73,214	-	-	98,581	97,990
Investment income	4,103	368	-	-	-	-	4,103	368
Income from charitable activities	14,379	12,812	-	-	-	1,818	14,379	14,630
Other income	8,035	9,749	-	-	-	-	8,035	9,749
Total income and endowments	214,480	281,009	94,655	73,214	16,596	27,469	325,731	381,692
Expenditure								
Charitable activities	204,166	219,920	86,353	65,390	24,506	37,105	315,025	322,415
Total expenditure	204,166	219,920	86,353	65,390	24,506	37,105	315,025	322,415
Net income/(expenditure)	10,314	61,089	8,302	7,824	(7,910)	(9,636)	10,706	59,277
Transfers between funds	(65,674)	(35,717)	60,051	34,529	5,623	1,188	-	-
	(55,360)	25,372	68,353	42,353	(2,287)	(8,448)	10,706	59,277
<i>Other recognised gains/losses:</i>								
Gains/(losses) on revaluation of fixed assets	-	-	45,171	172,655	-	-	45,171	172,655
Net movement in funds	(55,360)	25,372	113,524	215,008	(2,287)	(8,448)	55,877	231,932
Reconciliation of funds:								
Total funds brought forward	68,563	43,191	2,000,749	1,785,741	11,079	19,527	2,080,391	1,848,459
Total funds carried forward	13,203	68,563	2,114,273	2,000,749	8,792	11,079	2,136,268	2,080,391

Balance sheet as at 31 December 2023

	Note	General Fund	Designated funds	Restricted funds	Total funds 2023	Total 2022
Fixed assets						
Tangible assets	5	-	1,947,594	-	1,947,594	1,906,528
Investments	5	-	-	10	10	10
		-	1,947,594	10	1,947,604	1,906,538
Current assets						
Debtors	7	3,265	31,784	1,239	36,288	41,670
Cash at bank and in hand	6	20,114	137,544	10,267	167,925	142,624
		23,379	169,328	11,506	204,213	184,294
Creditors						
Creditors: Amounts falling due within one year	8	10,176	2,649	2,724	15,549	10,441
Net current assets		13,203	166,679	8,782	188,664	173,853
Net assets		13,203	2,114,273	8,792	2,136,268	2,080,391
Represented by						
General fund		13,203	-	-	13,203	68,563
Designated funds		-	2,114,273	-	2,114,273	2,000,749
Restricted funds		-	-	8,792	8,792	11,079
Funds of the charity	9	13,203	2,114,273	8,792	2,136,268	2,080,391

Approved by the PCC at its meeting on 12th May 2024 and signed on its behalf.

Signed: Trevor Kemp
Rev. Trevor Kemp (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 2023**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 2023

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 2023

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 2023

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 2023**2. Income****2.1 Income from generated funds - Voluntary Income**

	General	Designated	Restricted	Total 2023	Total 2022
Parish Giving Scheme	106,472	-	-	106,472	104,183
Standing orders	9,123	-	-	9,123	9,073
CAF & Charities Trust	4,140	-	-	4,140	3,760
Donations	23,976	-	-	23,976	44,100
Tax reclaimed	34,583	-	2,728	37,311	43,014
Sunday Collections	4,764	-	-	4,764	2,994
Special Collections	-	-	3,218	3,218	2,165
PRISM	-	-	2,660	2,660	3,686
Choir	-	-	4,040	4,040	2,105
Legacies	-	979	-	979	30,000
World Focus	-	-	3,950	3,950	8,030
Hardship	-	-	-	-	1,100
Travel	-	-	-	-	4,745
Total	183,058	979	16,596	200,633	258,955

The comparative figures for 2022 were: General - £233,304, Designated - nil and Restricted - £25,651.

2.2 Income from generated funds - Activities for generating funds

Church lettings	4,905	-	-	4,905	5,620
Hall lettings - Long term	-	64,988	-	64,988	63,880
Hall lettings - Single	-	8,669	-	8,669	9,334
Bungalow Rent	-	20,019	-	20,019	19,156
Total	4,905	93,676	-	98,581	97,990

The comparative figures for 2022 were: General - £24,776, Designated - £73,214 and Restricted - nil.

2.3 Income from generated funds - Investment Income

Interest received	4,103	-	-	4,103	368
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The comparative figures for 2022 were: General - £368, Designated - nil and Restricted - nil.

2.4 Income from charitable activities

Holiday Club	3,402	-	-	3,402	2,964
Woman's weekend	5,559	-	-	5,559	2,628
Advent Fair	3,000	-	-	3,000	3,083
Concert for Peace - Ukraine	-	-	-	-	2,182
Passover Supper	-	-	-	-	1,108
Health & Well-Being Fair	1,068	-	-	1,068	847
Children's Choir Concert	-	-	-	-	1,818
Youth Weekend	1,350	-	-	1,350	-
Total	14,379	-	-	14,379	14,630

The comparative figures for 2022 were: General - £12,812, Designated - nil and Restricted - £1,818.

Notes to the Financial Statements for the year ended 31 December 2023**2.5 Other income**

Other Income	8,035	-	-	8,035	9,749
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The comparative figures for 2022 were: General - £9,749, Designated - nil and Restricted - nil

3. Expenditure**3.1 Charitable activities**

By Fund	General	Designated	Restricted	Total 2023	2022
Parish Support Fund	86,000	-	-	86,000	84,000
Staff Costs	45,227	-	-	45,227	42,487
World Focus payments	-	20,620	9,938	30,558	32,279
Hardship	-	-	1,331	1,331	5,609
Landscaping and Grounds	-	-	-	-	31,170
Agape Gifts	-	-	-	-	3,500
Ukraine Support	-	-	-	-	6,500
Special Collections	-	-	3,924	3,924	2,719
Events Expenditure	12,116	-	-	12,116	8,181
Other	35,447	-	-	35,447	21,051
<i>Church:</i>					
Church Repairs	5,717	-	4,778	10,495	5,859
Depreciation	-	4,105	-	4,105	4,105
Children's Choir	-	-	4,535	4,535	6,496
Other church costs	16,748	-	-	16,748	18,390
<i>Halls:</i>					
Repairs	-	12,461	-	12,461	10,055
Manager/maintenance charge	-	14,000	-	14,000	10,200
Other hall costs	-	25,719	-	25,719	18,789
<i>Bungalow:</i>					
Repairs	-	8,907	-	8,907	-
Other Bungalow costs	-	541	-	541	382
Travel	-	-	-	-	7,801
Governance costs (Note 3.2)	2,911	-	-	2,911	2,842
Total	204,166	86,353	24,506	315,025	322,415

The comparative SOFA figures for Total resources used for 2022 were: General - £219,920, Designated - £65,390 and Restricted - £37,105.

Notes to the Financial Statements for the year ended 31 December 2023**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 £1,855 as a leaving gift for our Youth Minister, Lauren Crisp-Hihn.

3.2 Governance Costs

	<u>2023</u>	<u>2022</u>
	£	£
Payroll bureau	661	642
Independent examination	2,250	2,200
Total	<u>2,911</u>	<u>2,842</u>

The fee payable to the independent examiner for examining the accounts was £2,250 (2022: £2,160); in addition the charity paid £661 (2022: £642) to Stewardship for payroll bureau.

4 STAFF COSTS

	<u>2023</u>	<u>2022</u>
Wages and salaries	53,832	49,806
Pension contributions	4,659	3,302
	<u>58,491</u>	<u>53,108</u>

During the year the PCC employed four staff (2022: 3): a Youth Minister (until 31 August 2023), a Children and Young People Co-ordinator (from 1 October 2023), an Administrator, and a cleaner, none of whom earned £60,000 p.a. or more. The stipend for one further individual: the Vicar, Rev. Trevor Kemp, is paid directly by the Diocese. This figure is 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 (2022: 2).

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

Notes to the Financial Statements for the year ended 31 December 2023**5 FIXED ASSETS FOR USE BY THE PCC**

	Freehold Buildings £	Audio Visual System £	Chairs £	Total 2023 £
Cost / Valuation				
At 1 January 2023	1,881,900	36,278	4,770	1,922,948
Additions	-	-	-	-
Unrealised Gains/(losses) on revaluation	45,171	-	-	45,171
At 31 December 2023	<u>1,927,071</u>	<u>36,278</u>	<u>4,770</u>	<u>1,968,119</u>
Accumulated depreciation				
At 1 January 2023	-	14,512	1,908	16,420
Charge for the year	-	3,628	477	4,105
At 31 December 2023	<u>-</u>	<u>18,140</u>	<u>2,385</u>	<u>20,525</u>
Net book value				
At 31 December 2023	<u>1,927,071</u>	<u>18,138</u>	<u>2,385</u>	<u>1,947,594</u>
At 1 January 2023	<u>1,881,900</u>	<u>21,766</u>	<u>2,862</u>	<u>1,906,528</u>

The comparative SOFA figure for 2022 for Unrealised gains on revaluation was £172,655.

Freehold property was valued at £1,881,900 in March 2023 by an independent qualified valuer. This figure was increased in February 2024 to £1,927,071 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 27 February 2024 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 2022 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 2023**6 CASH AT BANK AND IN HAND**

	<u>2023</u>	<u>2022</u>
	£	£
Cash at bank with immediate access	67,925	142,624
Notice deposits (with a term of three months or less)	100,000	-
Petty cash	-	-
	<u>167,925</u>	<u>142,624</u>

7 DEBTORS AND PREPAYMENTS

	<u>2023</u>	<u>2022</u>
	£	£
Income tax recoverable	2,576	6,071
Legacies receivable	30,000	32,800
Other debtors	3,712	2,799
	<u>36,288</u>	<u>41,670</u>

8 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2023</u>	<u>2022</u>
	£	£
Accruals and deferred income	15,549	10,441

Notes to the Financial Statements for the year ended 31 December 2023**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	68,563	214,480	204,166	(65,674)	-	13,203
Designated funds						
Halls & Bungalow Capital Fund	1,881,900	-	-	-	45,171	1,927,071
Audio Visual System Fund	21,766	-	3,628	-	-	18,138
Chairs Fund	2,862	-	477	-	-	2,385
Halls Fund	60,606	73,657	52,180	(6,000)	-	76,083
World Focus Fund	2,115	-	20,620	18,531	-	26
Bungalow Fund	-	20,019	9,448	-	-	10,571
Legacy Fund	-	979	-	29,520	-	30,499
Halls Maintenance Reserve	10,500	-	-	6,000	-	16,500
Church Maintenance Reserve	21,000	-	-	12,000	-	33,000
Total designated funds	2,000,749	94,655	86,353	60,051	45,171	2,114,273
Restricted funds						
Special Collections	-	3,924	3,924	-	-	-
World Focus Fund	-	4,938	9,938	5,000	-	-
Travel Fund	373	-	-	-	-	373
Choir Fund	3,830	4,831	4,535	-	-	4,126
Cator Estate Shares	10	-	-	-	-	10
Hardship Fund	5,614	-	1,331	-	-	4,283
PRISM Fund	1,252	2,903	4,778	623	-	-
Total restricted funds	11,079	16,596	24,506	5,623	-	8,792
TOTAL FUNDS at 31 December 2023	2,080,391	325,731	315,025	-	45,171	2,136,268

Analysis of net asset by fund

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

	General funds £	Designated funds £	Restricted funds £	2023 £
Tangible fixed assets	-	1,947,594	-	1,947,594
Investments	-	-	10	10
Debtors	3,265	31784	1239	36,288
Cash at bank and in hand	20,114	137,544	10,267	167,925
Creditors falling due within one year	(10,176)	(2,649)	(2,724)	(15,549)
	13,203	2,114,273	8,792	2,136,268

Notes to the Financial Statements for the year ended 31 December 2023**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	43,191	281,009	219,920	(35,717)	-	68,563
Designated funds						
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
World Focus Fund	827	-	22,241	23,529	-	2,115
Halls Maintenance Reserve	5,000	-	-	5,500	-	10,500
Church 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	2,178	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 2023**Fund transfers**

	General Fund	Legacy Fund	World Focus Fund	World Focus Fund	PRISM Fund	Halls Fund	PRISM Maintenance	Halls
World Focus Fund (10% transfer of general income	(18,531)		18,531					
CGF to World Focus Restricted Fund	(5,000)			5,000				
General to PRISM Fund	(623)				623			
Halls Fund to Halls Maintenance Reserve						(6,000)		6,000
General Fund to PRISM Maintenance Reserve	(12,000)						12,000	
General to Legacy Fund	(29,520)	29,520						
	(65,674)	29,520	18,531	5,000	623	(6,000)	12,000	6,000

The comparative SOFA figures for 2022 were: General – (£35,717), Designated – £34,529 and Restricted - £1,188.

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.

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 PRISM Fund was closed in 2023.

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 2023**10 CHARITABLE EXPENDITURE - GRANTS PAYABLE**

Grants payable out of World Focus Fund in 2023 were in respect of UK and overseas mission and totalled £30,558 (2022: £32,279).

Charities to which World Focus grants paid in 2023: Bible Society £3,000, Church Mission Society £3,000, Crosslinks £3,000, Greenwich Youth for Christ £3,000, OMF International £3,000, SAT-7 UK Trust £1,000, Church in Ukraine £6,125, Safe Families £5,313, Tearfund £120 and Manipur, India £1,000. We also paid £1,000 each to two missionary families working in India and Wales.

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.

Grants payable out of the Hardship Fund in 2023 totalled £1,331 (2022: 5,609), which comprised £1,331 (2022: £1,609) paid to individuals for the alleviation of poverty. In 2022 we also paid £2,000 to Debt Centre Greenwich, a charity set up under the auspices of Christians Against Poverty, £2,000 to Greenwich Foodbank.

Grants payable out of Travel Fund nil (2022: £6,736). In 2022 £5,686 was 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.

No grants were paid out of the General Fund (2022: £6,500). The grants paid in 2022 comprised £3k to the church in Ukraine following the Russian invasion, £2.5k to the Diocese of Kibondo, Tanzania, and £1k to Debt Centre Greenwich. The latter two gifts described as Agape gifts, reflecting the PCC's policy of giving to others, a percentage of the cost of any project expenditure.

	Institutions	Individuals	Total 2023
	£	£	£
Grants payable			
Grants for UK and overseas mission	28,558	2,000	30,558
Grants for the relief of poverty	-	1,331	1,331
Grants for education, including ministry training	-	-	0
	<u>28,558</u>	<u>3,331</u>	<u>31,889</u>

The comparatives for the previous year are as follows:

	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>

Notes to the Financial Statements for the year ended 31 December 2023

The charity's principal grants to institutions comprised:

	2023	2022
	£	£
Bible Society	3,000	3,000
Church Mission Society	3,000	3,625
Crosslinks	3,000	3,500
Greenwich Youth for Christ	3,000	3,000
OMF International	3,000	3,000
Diocese of Kibondo	-	10,845
Debt Centre Greenwich	-	3,000
Greenwich Foodbank	-	2,000
Church in Ukraine	6,125	1,000
Safe Families	5,313	-
Jeel Al Amal Orphanage	-	1,050
Grants to institutions for £1,000 each and less	2,120	4,500
	<u>28,558</u>	<u>38,520</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 £6,657 (2022: £4,198).

Notes to the Financial Statements for the year ended 31 December 2023

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 2022.

For the Pension Builder Classic section, the valuation showed that this is 130% funded. At the most recent annual review, the Board chose to grant a discretionary bonus of 6.7% following improvements in the funding position over 2022.

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 £38,921 (2022: £72,012).

Lauren Crisp-Hihn was employed as Youth Minister until 31 August 2023 and her salary was determined by the PCC Remuneration Committee, whose membership does not include her husband, Joe Crisp-Hihn, who was a trustee until June 2023. 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.