

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL & ALL ANGELS, BARNES

England & Wales · Charity number 1133927

Details

Other names	ST MICHAEL AND ALL ANGELS PCC, BARNES
Status	Registered
Legal form	Previously excepted
Registered	2010-02-01
Register	View on the Charity Commission register

Contact

Address	The Vicarage 39 Elm Bank Gardens Barnes London SW13 0NX
Phone	02088765230
Email	admin@stmichaelbarnes.org
Website	www.stmichaelbarnes.org

Activities

Objects: Promoting in the ecclesiastical parish the whole mission of the Church.

Activities: Regular public worship open to all. The provision of sacred space for personal prayer and contemplation. Pastoral work, including visiting the sick and bereaved. Taking of religious assemblies in schools and running regular services for local schools. Promotion of Christianity through the staging of events and meetings and the discussion of literature. Promoting the whole mission of the Church.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Richmond Upon Thames

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£327,761	£275,517	-	-
2023-12-31	£311,458	£298,834	-	-
2022-12-31	£282,202	£247,041	-	-
2021-12-31	£215,492	£195,958	-	-
2020-12-31	£231,844	£211,983	-	-

Trustees

Name	Role	Appointed
Annette Marie Waller		2021-05-17
Asha Nicola Pandit		2024-05-12
Bruce Fiddes Houlder		2022-05-22
Charlotte Elisabeth Stapley		2025-05-18
Elizabeth Ann Hackett-Brown		2017-04-30
Frederick Appleby		2017-04-30
Gemma Louise Anderson Murray Curran		2019-04-28
Hannah Morris		2024-05-12
JANE BENNETT-POWELL		2015-04-26
Jacqueline Anne Russell		
Janice Joy Black		2025-05-18
Patricia Anne Reed-Boswell		2022-05-22
Rev STEPHEN FRANCIS STAVROU		2016-04-20
Rhodri Havard Walters CB		2022-05-22

Accounts

THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, BARNES

Financial Statements

For the year ended 31 December 2024

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Incumbent: The Rev'd Stephen Stavrou
The Vicarage
39 Elm Bank Gardens
Barnes
London SW13 0NX

Bank: Barclays Bank
George Street
Richmond
Surrey

Independent Examiner: Miriam Hickson CTA FCA
JCS Accountants Limited
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Registered Charity Number: 1133927

INDEPENDENT EXAMINERS REPORT

TO THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, BARNES

Independent examiner's report to the trustees of St Michael and All Angels Parochial Church Council

I report to the charity trustees on my examination of the accounts of the St Michael and All Angels Parochial Church Council (the Church) for the year ended 31 December 2024 set out on pages 10 to 24.

Responsibilities and basis of report

As the charity's trustees 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 Trust's accounts as 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 Church'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 in England and Wales, 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 that in any material respect:

1. accounting records were not kept in respect of the Church as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Report) 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; or
4. the accounts have not been prepared in accordance with the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

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.



Miriam Hickson CTA FCA
JCS Accountants Limited
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 12 May 2025

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2024

Administrative Information

St Michael and All Angels Church is situated in Elm Bank Gardens, Barnes, London SW13. It is part of the Diocese of Southwark within the Church of England. The correspondence address is The Vicarage, 39 Elm Bank Gardens, Barnes, London SW13 0NX.

PCC members who have served from 1 January 2024 until the date this report was approved are:

Incumbent:	The Rev'd Stephen Stavrou
Assistant Priest	The Rev'd James Marston
Wardens:	Jane Bennett-Powell (resigned May 2024) Lizzie Hackett Brown Rhodri Walters (appointed May 2024)
Deanery Synod Representatives:	Frederick Appleby Rhodri Walters
Ex Officio members:	Jacqueline Russell (Treasurer)
Elected Members:	Frederick Appleby Jane Bennett-Powell (appointed May 2024) Gemma Curran Camilla Harries (Parish Safeguarding officer) Bruce Houlder Anne Johnstone Marion Kreling Hannah McTrusty (appointed May 2024) Asha Pandit Patricia Reed-Boswell Jacqueline Russell (Treasurer) Annette Waller
Parish Safeguarding Officer:	Camilla Harries
PCC Secretary	<i>This position is presently vacant.</i>

Structure, governance, and management

The PCC is governed by the PCC Powers Measure (1956) as amended and church representation rules.

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. All church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC meets at least four times a year and operates through two sub-committees which meet between full meetings of the PCC. These comprise the Standing Committee and the Finance Committee.

The Parochial Church Council (PCC) is the church's governing body and its members for the time being are de facto the church's Trustees. They are co-trustees with the Diocesan Board of Finance for the Trust Land held by the church. Members of the PCC are elected by members of the congregation on the church's Electoral Roll at the Annual Parochial Church Meeting. PCC membership, in accordance with Church of England practice, will not normally exceed three years.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2024

Objectives and Activities

The PCC of St Michael and All Angels, Barnes has the responsibility to co-operate with the incumbent, Fr Stephen Stavrou, in promoting in the ecclesiastical parish the whole mission of the church, pastoral, evangelistic, social, and ecumenical. It also has responsibility for the maintenance of the Church and the control of expenditure.

Achievements and performance

Church Attendance

St Michael's Electoral Roll stands at 204, based on figures that took place during May 2024.

VIEW FROM THE VICARAGE 2025

'A sabbath rest still remains for the people of God', says the letter to the Hebrews. When you read this report, I will be on sabbatical for three months at Mucknell Abbey, an Anglican Benedictine monastery near Worcester. This year I've been ordained for 15 years, 14 of them as a priest, and it just so happens that on Easter Day I will also celebrate 9 years as Vicar of St Michael's. I know that in my absence you will be well cared for by Father James, Mother Judith, the Wardens, Sarah in the Parish Office and many others. I pray that my time away will be an opportunity to rest and reflect on the blessings that God has bestowed upon St Michael's in the last few years, as well as looking to the future with renewed vision. In particular, I want to mention a few notable events of the last year.

New Team Rector

With sadness the whole parish of Barnes said farewell to our Team Rector, Father James Hutchings, and his wife Alice, in July 2024. A vacancy is always challenging for a church, and we were pleased to support St Mary's as much as possible in the nine months or so of interregnum. It was with great joy, that we were able to appoint a new Team Rector and Vicar of St Mary's first-time around, and Fr Calum Zuckert has joined us from St Alban's Cathedral, being duly installed at the start of March – just in time before my sabbatical, which certainly makes things much easier in practical terms for Fr James and Mthr Judith whilst I am away. Please keep Fr Calum in your prayers as he undertakes his ministry at St Mary's and among us all in Barnes.

Director of Music and Barnes Children's Choir

At Michaelmas we not only celebrated our patronal festival but also the arrival of Owen Elsley as our new Director of Music. Owen has settled in wonderfully with the choir, and brings with him lots of experience, but particularly in children's music. This is already bearing fruit with the Barnes Children's Choir. It has been a long-term ambition of ours to start a children's choir as an outreach project, and it finally began under the previous Director of Music. After the inevitable hiatus of the vacancy, Owen has got the choir back on track, and this term it has grown to its former size and as I write is preparing to sing at its first service in church. I'd like to also thank Frederick Appleby for his support and commitment as volunteer assistant to the Children's Choir and Fr James, in his role as choir chaplain.

Rome Pilgrimage

'My letter would never end if I were to try to tell a millionth part of the delights of Rome' wrote Mary Shelley in a letter from Italy to England. The experience of our twenty-four pilgrims from St Michael's, Barnes, and All Saints', Putney, was just as delightful, when we visited Rome in late September last year. Pilgrimages like this are long in the planning and extremely hard work to undertake, but they are worth it for the spiritual experience of a lifetime. Our pilgrimage focused on the Early Church in that city and its saints and martyrs, as we visited ancient churches and holy places – as well as some good food, wine, company and

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ANNUAL REPORT

For the year ended 31 December 2024

lots of gelato! We have already discussed the possibility of another pilgrimage in 2026, perhaps to Assisi in the footsteps of St Francis.

Camels and Carols

Not everyone believes me at first when I said that a real camel was coming to Barnes to celebrate the Epiphany. Baxter the Bactria from Birmingham was very real indeed, as he led a procession through the streets, followed by three 'Wise Children', servers, choir, brass quartet and hundreds and hundreds of people singing carols. The procession took us to church for a special family friendly Epiphany service, with camel-shaped biscuits and camel-milk lattes for refreshments afterwards! This extraordinary event was a joyful act of mission, seeking to bring people back to church in the New Year to demonstrate that church isn't just for Christmas. In fact, it was so popular that there is even rumour of three camels next year! The Bishop also wants to attend but he has declined to ride one of the camels.

Hall and Nursery

A major part of the past year has been working on two separate, but related matters connected with the Church Hall. Having been notified by the current headteacher of the nursery that she planned to retire and close St Michael's nursery in its current form at the end of the summer term 2025, the search was on for a new nursery tenant so that the tradition of high-quality nursery education would continue. Of course, we needed to do this properly, as required by charity guidance, and we undertook a thorough tendering process. As a result, we have been delighted to offer the tenancy to Little Chelsea Daycare. As the name suggests, LCD are local and, among many outstanding qualities, impressed us with a commitment to serving the people of this area. Subject to various legal formalities, we look forward to the opening of the new St Michael's Nursery soon.

The transition from one nursery to the other provides a unique opportunity to undertake some essential refurbishment work on the Hall, particularly on the roof which needs to be replaced, also making it much more eco-friendly and energy efficient. This renovation will prepare the hall for its new tenants, who will then undertake further refurbishment of the interior, providing for everyone a wonderful, renovated space, that retains its traditional appearance. Recently, we were granted planning permission for the external work on the roof and look forward to that starting in the latter part of 2025, in time for the new nursery to then prepare the space for their opening in early 2026. It's been a lot of work to get everything organised, and I'm especially grateful to the Wardens Lizzie Hackett-Brown and Rhodri Walters for all their work on this. It's all very exciting and a fresh start for the building, the church and the wider community.

A sabbath rest

'Sabbatical' from the word sabbath is about rest and reminds us of God's own example and injunction to rest as found in the Creation story and the Ten Commandments. As a busy church with many busy people, there can be a temptation to prioritise activity over prayer, which then risks church becoming an end in itself, rather than an encounter with God. Perhaps that's why I have found the newly started service of Silent Prayer with the Blessed Sacrament on Monday evenings so beneficial. I hope to resume this Holy hour of contemplation on my return because times of rest are there to remind us that we are not defined by what we do, but by who we are – beloved children of God.

'A sabbath rest still remains for the people of God; for those who enter God's rest also cease from their labours as God did from his. Let us therefore make every effort to enter that rest.'

Hebrews 4.9-11

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For the year ended 31 December 2024

Financial Review

2024 has I am relieved to say, been a relatively secure year. While Planned giving has dropped by £10k, an equivalent of 10% compared to the prior year the returns from our properties Elm Bank Garden, Lexham Gardens and the Community Centre have generated income to enable us to continue to cover our costs, which we have managed to keep in line with budget. We end the year with a surplus of £57,971, £35,062 of which directly relates to legacies and £10,912 generated from returns on Cash and Share Investments. While we remain with a small surplus after these amounts our budgets remain very tight.

INCOME

Total Income in 2024 grew in total to £327,761, up from £311,458, with our unrestricted income at £321,268 compared to £304,990 last year.

Gift Aid Donations fell to £57,388 from £59,492, with Regular Giving falling by 10% overall to £85,408 from £94,480. We benefited from several Legacies and one-off donations including receiving funds in the memory of Ann Kirch, Monica Saunders and Jane Sherwin. Total income from Donations and Legacies was £120,470 compared to £102,199.

Income from fundraising events, not relating to music also fell to £16,753, from £20,652, not surprising considering 2023 had included the Coronation tea party. Music Fund Income rose slightly to £5,860 from £4,752.

Income from Investments which includes rent from 41 Elm Bank Gardens, a full year of Lexham Gardens and from cash and shares was strong at £84,930 compared to £77,877. We are continuing to rely much more on this income as we see planned giving fall back.

Church Hall income was stable at £43,096 compared to £44,935 although Community Centre lettings fell to £41,436, from the high of £52,386 because of losing a number of long-term hirers. This income is now starting to build back up.

Total Income – removing the restricted income but including the net return from fundraising rather than the gross fundraising income – was £312,040 compared to £296,919 a 5% increase, this equates to £6,001 a week compared to £5,710 in 2023.

EXPENDITURE

Total expenditure fell back to £275,517, a reduction from £298,834 recorded in the previous year. Costs for raising funds was stable at £11,676 compared to £10,653 albeit costs of Elm Bank Gardens and Lexham Gardens fell to £17,478 from £25,787. Costs for Activities associated with the Church fell to £246,363 from £262,394, despite an increase in church maintenance to £18,570 from £12,047.

Total underlying expenditure reduced to £225,191 from £236,773, which equates to £4,331 a week compared to £4,553, a fall of 5%.

The total underlying surplus on our unrestricted funds for the year was £86,849.

As I have previously reported, we are in receipt of a legacy from the will of the late Basil Moss, which takes the form of flat – namely Flat 5, 20 Lexham Gardens. The Executors have confirmed that any proceeds from this legacy are due to St Michael & All Angels from the date of death, and that we are entitled to effect repairs and maintenance. This flat was let for the first time in 2023.

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For the year ended 31 December 2024

We have still not recognised the flat as an asset, as while probate was granted legal title has still not been transferred due to complications within the wider estate so the process to transfer title hasn't commenced. The Executors cannot with all certainty confirm that there are sufficient assets within the estate to enable it to be free of legal indenture. It has therefore not been recognised in the accounts; we had hoped that this would be resolved in 2024 however this has been delayed. We are confident it will take place in 2025!

Table of Underlying Unrestricted Income and Expenditure 2024 v 2023

<u>Operational Income & Expenditure including Split by Income Streams</u>		2024	2023
Total Income		£327,761	£311,458
Less Fundraising	£16,753	(£16,753)	£20,652 (£20,652)
Fundraising Costs	£9,228		£8,071
Add Fundraising Surplus	£7,525	£7,525	£12,581
		£318,533	£303,387
Restricted grants		(£6,493)	(£6,468)
Underlying Income Trend		£312,040	£296,919
Income per week (excluding grants, appeals & legacies)		£6,001 5%	£5,710
Total Expenditure		£275,517	£298,834
Less Fundraising costs		(£9,228)	(£8,071)
Less Depreciation		(£14,072)	(£14,072)
Less Restricted Expenditure		(£27,026)	(£39,918)
Underlying Expenditure		£225,191	£236,773
Expenditure per week		£4,331 -5%	£4,553
Net Surplus/ (Deficit)		£86,849	£60,146
Surplus per week		£1,670	£1,157
Splitting (Deficit)/Surplus between Income Streams			
Church Hall		£28,919	£28,682
Community Centre		£26,300	£30,088
Fabric Fund (Surplus on EBG less maintenance)		£30,230	£23,613
Fabric Fund (Legacies) set aside for Glass Doors		£24,000	
Music Fund		£835	£207
Investment Income (Arthur Ford)		£7,383	£4,188
Lexham Gardens		£16,478	£8,445
Ministry Fund		(£47,296)	(£35,077)
Net Surplus/(Deficit) before Investment Gains		£86,849	£60,146

OUTLOOK FOR 2025

As I highlighted last year, we are continuing to see a trend of needing to rely on income from our investment properties to support Ministry. 2025 is going to be challenging as we expect to undertake significant capital work on the Hall in 2025, which will see it not generating income for almost six months of the year. Not only will that reduce lettings income that we rely on to support Ministry but as we expect to have to fund capital works for a new roof our investment gains will reduce as we will need to reduce not only our cash holding but also some of our investments. As such I expect to have to rely on our reserves. It is important that we invest in the Hall as that will enable us to secure a longer-term tenancy, which should more than compensate, although that income is not anticipated to start flowing until at least Spring 2026. So, 2025 will be a year of investment and low returns as we lay the groundworks for much stronger returns to come in 2026.

ST MICHAEL AND ALL ANGELS, BARNES

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For the year ended 31 December 2024

Unrestricted and Designated Funds

Unrestricted funds encompass funds for the general running of the Church, Church Hall and Community Centre and include the Ministry Fund, previously known as the General Fund, the Fabric Fund, Music Fund, Hall Renovation Fund and Arthur Ford Community Fund. The deficit from the Ministry Fund is eliminated by all surplus from the Community Fund and from the Church Hall and Lexham Gardens. The PCC has this year confirmed that the level of transfer from the Hall to the Ministry Account will be the higher of the outstanding deficit on Ministry after Community Centre receipts or 50% of the Hall Surplus.

Following the establishment of the Mission fund we have actively used this fund this year for our assistant priest. The PCC has designated the surplus on Lexham Gardens to support Mission, setting aside one income's rental in the Lexham Gardens Property fund for on-going maintenance. This money is now transferred into a new unrestricted Mission Fund.

The Fabric fund, which is set aside to fund the fabric of the Church, and the Community Centre grows to £166,397. Included in this amount is £24,000 from legacies received this year which we are looking to set aside to help fund a project for new glass doors for the church. The balance on the Hall Renovation Fund grows to £91,710, all of which we expect to spend in 2025.

The Arthur Ford fund has grown to £294,377.

Endowment Funds

These include the assets of St Michaels. The Campaign for St Michael's which includes the build cost for the Community Centre now reflects the value of the asset of the cloisters, after depreciation, of £450,771.

Restricted Funds

The Choral Scholarship fund remains healthy at £7,225 and we are grateful for all donations into this fund this year. We are incredibly grateful to The Ouseley Trust who donated £1,000 in 2023 to create for the first time an Ouseley Scholar. All funds relating to the Ouseley Trust were spent in 2024.

The Mission Fund is continuing to be used to fund Father James Marston's appointment, which we share on a 50/50 basis with St Mary's.

The total value of all funds rose by £57,971 to £2,136,388.

Public Benefit Reporting

The Parochial Church Council confirms that it follows the Charity Commission guidance on public benefit in setting its objectives and believes it has fully fulfilled its obligations with the variety of work and activities undertaken throughout the community. St Michael & All Angels is registered as a Charity under Charity Number 1133927.

ST MICHAEL AND ALL ANGELS, BARNES

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Reserves Policy

The policy of the Parochial Church Council is to target a level of reserves in the Ministry Fund equal to three months' running costs of the church, excluding planning hall and community centre costs, which at a run rate of £4,331 per week, equates to a total of £51,972. As our costs increase this remains completely out of reach, but we take some comfort that at least our Ministry Fund is out of deficit and back in surplus.

Investment Policy and Cash Deposits

The Finance Committee have developed what they regard as a mixed risk strategy with all funds invested in the CCLA UK Equity Income Fund/cash deposits with the CCLA and Barclays Bank. The Parochial Church Council reinvested a proportion of the Arthur Ford fund of £120,000 in the CCLA UK Equity Income Fund in 2019 and £20,000 of Funds into the CCLA Global Fund in 2023. Given the high level of cash currently held we are currently looking to expand our investments with the CCLA.

Risk Management

The Parochial Church Council has assessed the major risk to which St Michael's might be exposed, those related to the activities and finances of the Church and is satisfied that there are systems and processes in place to mitigate exposure to any major risk. The Finance Committee reviews the financial position of the church at least quarterly, while the Churchwardens regularly report on the status of the fabric of the church and other buildings to determine appropriate courses of action. Fabric and Finance are standing items on PCC agendas.

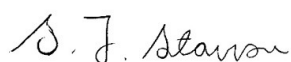
Statement of Trustee's responsibilities

The trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustee is required to:

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

The trustee is responsible for maintaining proper accounting records which 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust's governing documents. The trustee is 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.



Father Stephen Stavrou (Vicar)

On behalf of the PCC

Date: 11th May 2025

ST MICHAEL AND ALL ANGELS, BARNES

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
<i>Income from:</i>						
Donations and legacies	2(a)	113,977	6,493	-	120,470	102,199
Other trading activities	2(b)	23,089	-	-	23,089	25,901
Investments	2(c)	84,930	-	-	84,930	77,877
Charitable church activities	2(d)	99,272	-	-	99,272	105,481
		-----	-----	-----	-----	-----
TOTAL INCOME		321,268	6,493	-	327,761	311,458
		-----	-----	-----	-----	-----
<i>Expenditure on:</i>						
Raising funds	3(a)	11,676	-	-	11,676	10,653
Managing Investments	3(b)	17,478	-	-	17,478	25,787
Charitable church activities	3(c)	205,265	27,026	14,072	246,363	262,394
		-----	-----	-----	-----	-----
TOTAL EXPENDITURE		234,419	27,026	14,072	275,517	298,834
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		86,849	(20,533)	(14,072)	52,244	12,624
		-----	-----	-----	-----	-----
NET GAIN/(LOSS) ON INVESTMENTS	8	5,727	-	-	5,727	17,165
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		92,576	(20,533)	(14,072)	57,971	29,789
		-----	-----	-----	-----	-----
TRANSFER BETWEEN FUNDS		-	-	-	-	-
		-----	-----	-----	-----	-----
NET MOVEMENT IN FUNDS		92,576	(20,533)	(14,072)	57,971	29,789
		-----	-----	-----	-----	-----
BALANCE AT 1.1.2024		497,612	65,962	1,514,843	2,078,417	2,048,628
		-----	-----	-----	-----	-----
BALANCE AT 31.12.2024		590,188	45,429	1,500,771	2,136,388	2,078,417
		=====	=====	=====	=====	=====

The notes on pages 12 to 24 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

BALANCE SHEET As at 31 December 2024

	Note	2024		2023	
		£	£	£	£
Fixed assets:					
Tangible fixed assets	6		700,771		714,843
Investment property	7		800,000		800,000
Investments	8		184,865		179,138
			<u>1,685,636</u>		<u>1,693,981</u>
Current assets:					
Debtors	9	9,350		7,907	
Short term deposits		134,996		124,084	
Cash at bank		<u>341,954</u>		<u>290,137</u>	
		486,300		422,128	
Creditors – Amounts falling due within one year:					
	10	(35,548)		(37,692)	
Net current assets			<u>450,752</u>		<u>384,436</u>
Total assets less current liabilities			2,136,388		2,078,417
Net assets			<u><u>2,136,388</u></u>		<u><u>2,078,417</u></u>
Funds:					
Endowment funds	11 & 12		1,500,771		1,514,843
Unrestricted funds	11 & 12		590,188		497,612
Restricted funds	11 & 12		45,429		65,962
			<u><u>2,136,388</u></u>		<u><u>2,078,417</u></u>

Approved by the Parochial Church Council on 11th May 2025 and signed on its behalf by:



Jacqueline Russell
(Honorary Treasurer)

The notes on pages 12 to 24 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 ACCOUNTING POLICIES

St Michael and All Angels, Barnes is an unincorporated charity. The address of the registered office is The Vicarage, 39 Elm Bank Gardens, Barnes, London SW13 0NX.

Basis of preparation

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

They have also been prepared under the historic cost convention, except for the valuation of fixed assets which are shown on the basis described below. The charity prepares its financial statements in pounds Sterling, rounding to the nearest £.

They include all transactions, assets, and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe an affiliation to another body nor those that are informal gatherings of church members.

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

Going Concern

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

Funds

Funds held by the PCC are:

Unrestricted funds:

- Undesignated funds which can be used for PCC ordinary purposes.
- Designated funds – monies set aside by the PCC out of unrestricted funds for specific future purposes or projects. Funds for the day-to-day running of the Church Hall and the Community Centre, and the Fabric Fund, have been designated in this way.

Restricted funds, which comprise either (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest or (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given.

Endowment funds – funds the capital of which must be maintained. Only income arising from the investment of the endowment may be used, either as restricted or unrestricted funds, depending on the purpose set out in the terms of the original endowment. A list of the endowment funds is in note 10 to the financial statements.

Income

All income is accounted for gross of taxes.

Donations, legacies, and capital sources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under gift aid is recognised only when received.

Income tax recoverable on gift aid donations is recognised when claimable from HMRC.

Grants and legacies are accounted for when the PCC is legally entitled to the amount due, it is probable that the income will be received, and the amount can be measured with sufficient reliability.

Other income

Rental income from the letting of the church hall is recognised when the rental is due.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

Accounting Policies - continued

Investment income

Interest is received gross of taxes and accounted for when receivable.

Rental income from 41 Elm Bank Gardens is recognised when the rental falls due.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

Expenditure

Expenditure is accounted for on an accruals basis and is accounted for gross of taxes.

Liabilities are recognised as expenditure where that is a legal or constructive obligation, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Grants and church activities

Grants and donations are accounted for when paid over or when awarded if that award creates a binding obligation on the PCC. All church activity costs are accounted for on a full accrual's basis and any prepayments or accruals are shown in the balance sheet as either current assets or current liabilities.

Tangible fixed assets and depreciation

Consecrated land and buildings and movable church furnishings

The value of consecrated and beneficed property of any kind is excluded from the financial statements under section 10(2)(a) and (c) of the Charities Act 2011. Moveable church furnishings held by the vicar and church wardens on special trust for the PCC and requiring a faculty for disposal are accounted for as inalienable property, unless consecrated. Inalienable property acquired prior to 2000 is not valued in the financial statements, as there is insufficient information available. From 1 January 2001, the acquisition cost of such an item, where it exceeds £1,000, is capitalised, and depreciated over its anticipated useful life.

Other fixtures, fittings, and office equipment

Individual items of equipment costing £1,000 or less are written off when the asset is acquired. Items costing more than £1,000 are depreciated over 3 years on a straight-line basis.

Land

No depreciation is charged on the value attributed to land.

St Michael's Community Centre

Depreciation is provided to write off the cost of the Community Centre over its useful life of 50 years.

Investment properties

Certain of the charity's properties are held for long term investment. In accordance with the Financial Reporting Standard 102, investment properties are included in the balance sheet initially at their cost. Subsequently investment properties are valued at fair value through the Statement of Financial Activities. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This policy represents a departure from statutory accounting principles, which require annual depreciation of fixed assets. The members believe that this policy of not providing depreciation or amortisation is necessary for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current valuation, are of primary importance rather than a calculation of annual depreciation. Depreciation or amortisation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be simply identified or quantified.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

Accounting Policies - continued

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Current assets

Amounts owing to the PCC on 31 December in each year in respect of fees, rents and other incomes are shown as debtors less any provision for amounts that may prove uncollectible. Short term deposits include cash on deposit with the CBF Church of England Fund and is held for investment purposes.

Cash

Cash comprises cash on hand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date because of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

- Valuation of the investment property has been undertaken by the trustees themselves. The basis for the valuation includes consideration of the declining property market around the area of Barnes they foresee, and the level of work required to bring the property into a resalable condition.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

2 INCOME:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds	
				2024 £	2023 £
<i>2(a) Donations and legacies</i>					
Planned giving:					
Gift Aid donations	56,221	1,167	-	57,388	59,492
Other donations	3,542	-	-	3,542	5,149
Choral Scholarship	-	2,364	-	2,364	4,468
Income tax recoverable	15,751	-	-	15,751	17,581
Collections	6,363	-	-	6,363	7,790
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Regular giving	81,877	3,531	-	85,408	94,480
Grants, appeals, legacies etc	32,100	2,962	-	35,062	3,770
Government grants	-	-	-	-	3,949
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	113,977	6,493	-	120,470	102,199
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<i>2(b) Other trading activities</i>					
Fundraising events	16,753	-	-	16,753	20,652
Music Fund income	5,860	-	-	5,860	4,752
Catering	476	-	-	476	497
	-----	-----	-----	-----	-----
	23,089	-	-	23,089	25,901
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<i>2(c) Income from investments</i>					
Rent from 41 Elm Bank Gardens	48,376	-	-	48,376	47,008
Rent from Lexham Gardens	25,642	-	-	25,642	22,883
Investment income	10,912	-	-	10,912	7,986
	-----	-----	-----	-----	-----
	84,930	-	-	84,930	77,877
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<i>2(d) Income from charitable church activities</i>					
Church Hall lettings	43,096	-	-	43,096	44,935
Fees (weddings etc)	4,274	-	-	4,274	4,138
Community Centre lettings	41,436	-	-	41,436	52,386
Pastoral care	-	-	-	-	292
Sundry income	10,466	-	-	10,466	3,730
	-----	-----	-----	-----	-----
	99,272	-	-	99,272	105,481
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TOTAL INCOME	321,268	6,493	-	327,761	311,458
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ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

3 EXPENDITURE:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds	
				2024 £	2023 £
3(a) <i>Raising funds</i>					
Fund-raising events	9,228	-	-	9,228	8,071
Music Fund expenses	1,049	-	-	1,049	2,582
Catering expenses	1,399			1,399	-
	-----	-----	-----	-----	-----
	11,676	-	-	11,676	10,653
	-----	-----	-----	-----	-----
3(b) <i>Cost of managing investments</i>					
41 Elm Bank Gardens	8,314	-	-	8,314	11,349
Lexham Gardens costs	9,164	-	-	9,164	14,438
	-----	-----	-----	-----	-----
	17,478	-	-	17,478	25,787
	-----	-----	-----	-----	-----
3(c) <i>Charitable Church activities</i>					
Missionary and charitable giving	4,957	-	-	4,957	4,796
Diocesan pledge	86,300	-	-	86,300	83,500
Ministry costs inc. Clergy expenses	5,193	25,161	-	30,354	34,630
Church running costs	16,126	-	-	16,126	20,082
Church hall running costs	13,734	-	-	13,734	16,253
Community Centre running costs	15,031	-	-	15,031	22,298
Church maintenance	18,570	-	-	18,570	12,047
Organ, organist, and music	14,333	-	-	14,333	18,114
Books and subscriptions	-	-	-	-	345
Fees remitted to Diocese	130	-	-	130	674
Depreciation	-	-	14,072	14,072	14,072
Choral Scholarship	-	1,865	-	1,865	7,150
Parish office	23,315	-	-	23,315	19,411
Bank charges	322	-	-	322	365
Pastoral Care	1,113	-	-	1,113	292
Event costs	250	-	-	250	2,254
Support costs (note 4)	5,891	-	-	5,891	6,111
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Total church activities	205,265	27,026	14,072	246,363	262,394
	-----	-----	-----	-----	-----
TOTAL EXPENDITURE	234,419	27,026	14,072	275,517	298,834
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ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

4. ALLOCATION OF SUPPORT COSTS

Support costs consisting of accountancy fees have been allocated to the church's activities on the following basis;

	Allocation	Charitable church activities	
		2024	2023
		£	£
Accountancy fees	100%	5,891	6,111

5. PCC MEMBERS' BENEFITS AND STAFF COSTS

No members of the PCC were reimbursed for expenses (2023: None). No members of the PCC received remuneration for services as trustees. The average number of employees in the year was 1 (2023: 1) and their total emoluments were £14,375 (2023: £14,169). No employees received remuneration of more than £60,000 (2023: none). There are no Key Management Personnel except for the PCC.

6. TANGIBLE FIXED ASSETS

	St Michael's Community Centre	Church Hall	Other fixtures, fittings and office equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2024	704,097	250,000	5,433	959,530
Disposals at cost	-	-	-	-
Cost as at 31 December 2024	704,097	250,000	5,433	959,530
Depreciation				
At 1 January 2024	239,254	-	5,433	244,687
Charge for the year	14,072	-	-	14,072
Eliminated on disposal	-	-	-	-
At 31 December 2024	253,326	-	5,433	258,759
Net book value				
At 31 December 2024	450,771	250,000	-	700,771
<i>At 31 December 2023</i>	<i>464,843</i>	<i>250,000</i>	<i>-</i>	<i>714,843</i>

The Title for the Church Hall is held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the Church Hall generates and the obligation for maintaining the building, and the right to proceeds were the Church Hall to be sold.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

7. INVESTMENT PROPERTY

Cost or valuation	Investment Property £
At 1 January 2024	800,000
At 31 December 2024	<u>800,000</u>

At the year ended 31 December 2024 the PCC agreed that they believe the current valuation of £800,000 of 41 Elm Bank Gardens was appropriate. The cost of incurring a valuation is regarded as an undesirable use of church funds.

8. INVESTMENTS

Fair value	CCLA Income Shares £
At 1 January 2024	179,138
Revaluation	<u>5,727</u>
At 31 December 2024	<u>184,865</u>

Historical cost of the investments is £140,000 (2023: £140,000).

9. DEBTORS

	2024 £	2023 £
Income tax recoverable	4,353	5,434
Prepayments	1,997	2,473
Other debtors	3,000	-
	<u>9,350</u>	<u>7,907</u>

10. LIABILITIES

Amounts due within one year	2024 £	2023 £
Creditors and accruals	31,985	34,378
Deferred Income	1,137	888
St Michael's Guild	220	220
St Michael's counselling service	2,206	2,206
	<u>35,548</u>	<u>37,692</u>

St Michael's Guild is an informal gathering of church members, and St Michael's counselling service, which also works in association with St Michael's, both operate independently of the PCC. Deferred income relates to funds granted from the Barnes Fund and from a Parishioner for Pastoral expenditure.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

11. ANALYSIS OF NET ASSETS BY FUND

	Fixed assets	Bank	Debtors	Creditors	Net assets At 31 December 2024
<u>Unrestricted:</u>	£	£	£	£	£
<i>Undesignated</i>					
Ministry Fund	-	43,487	9,350	(35,548)	17,289
<i>Designated</i>					
Fabric Fund	-	166,397	-	-	166,397
Community Centre	-	-	-	-	-
Church Hall	-	-	-	-	-
Music Fund	-	9,003	-	-	9,003
Hall Renovation Fund	-	91,710	-	-	91,710
Arthur Ford Community Fund	184,865	109,512	-	-	294,377
Lexham Gardens	-	4,276	-	-	4,276
Mission fund	-	7,136	-	-	7,136
	-----	-----	-----	-----	-----
	184,865	431,521	9,350	(35,548)	590,188
	-----	-----	-----	-----	-----
<u>Endowment:</u>					
Campaign for St Michaels	450,771	-	-	-	450,771
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
	-----	-----	-----	-----	-----
	1,500,771	-	-	-	1,500,771
	-----	-----	-----	-----	-----
<u>Restricted funds:</u>					
Choral Sponsorship Fund	-	7,225	-	-	7,225
Mission Fund	-	38,204	-	-	38,204
	-----	-----	-----	-----	-----
	-	45,429	-	-	45,429
	-----	-----	-----	-----	-----
	1,685,636	476,950	9,350	(35,548)	2,136,388
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ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

11. ANALYSIS OF NET ASSETS BY FUND – continued

	Fixed assets	Bank	Debtors	Creditors	Net assets At 31 December 2023
<u>Unrestricted:</u>	£	£	£	£	£
<i>Undesignated</i>					
Ministry Fund	-	39,940	7,907	(37,692)	10,155
<i>Designated</i>					
Fabric Fund	-	112,167	-	-	112,167
Community Centre	-	-	-	-	-
Church Hall	-	-	-	-	-
Music Fund	-	8,168	-	-	8,168
Hall Renovation Fund	-	83,787	-	-	83,787
Arthur Ford Community Fund	179,138	102,129	-	-	281,267
Lexham Gardens	-	2,068	-	-	2,068
	179,138	348,259	7,907	(37,692)	497,612
<u>Endowment:</u>					
Campaign for St Michaels	464,843	-	-	-	464,843
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
	1,514,843	-	-	-	1,514,843
<u>Restricted funds:</u>					
Choral Sponsorship Fund	-	4,559	-	-	4,559
Mission Fund	-	61,403	-	-	61,403
	-	65,962	-	-	65,962
	1,693,981	414,221	7,907	(37,692)	2,078,417

12. FUND DETAILS

Designated Funds

The Fabric Fund has been formed to provide for expenditure on the fabric of the church and community centre, which is directly linked to the church, and the net rentals received from 41 Elm Bank Gardens are designated for this purpose.

The Community Centre fund has been established to control the activities of the Centre separately from the general activities of the church. Any surplus from the Community Centre is designated for Ministry.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

12. FUND DETAILS - continued

The Church Hall Fund is a partly designated fund as income must be applied first to the running costs, repairs, and maintenance of the Hall. The PCC has designated that an amount equal to the maximum of a) the deficit on Ministry, after the Community Centre Surplus has been considered or b) 50% of the total Church Hall Fund surplus, should transfer to Ministry Fund. Any remaining balance is available to be transferred to the Hall Renovation Fund.

The Arthur Ford Community Fund was established from a legacy from the estate of Arthur Ford. The fund will be used to benefit the people of the parish and will be available to fund community projects. The Arthur Ford fund has been earmarked by the PCC to support the costs for a rebuild/renovation of the Church Hall. This is on the understanding that following investment, surplus income would be allocated back to the Arthur Ford Community Fund to fund future community projects.

The Music Fund was established to ring fence any surpluses from specific music fundraising events. This provides a fund to enable investment in new community wide music events as well as providing support for assistant organists, musicians and for the occasional evensong service. The Organist for the 10 o'clock mass will continue to be funded from Regular Giving.

The Hall Renovation Fund was established to fund major maintenance, renovation, and development of the Church Hall.

Lexham Gardens represents income and expenditure from the flat, Flat 5, 20 Lexham Gardens, left to us by a legacy from the late Basil Moss. This property was let for the first time in 2023 and we have had a full year of income in 2024. The PCC have currently designated all surpluses, over and above a month's letting income net of agent's costs, 50% for the Mission Fund, to support the mission of the church including the funding of an assistant priest and 50% to directly support Ministry. All expenditure incurred on maintenance comes from surpluses generated from letting. While legal title has not transferred the Executors have confirmed that that make no claim on the income generated from the flat since the date of Basil's death. In 2023 the PCC approved £6,377, which represented the surplus, less one month's income, to be transferred to the Restricted Mission Fund.

Mission Fund – this is a new unrestricted fund this year, set up to receive 50% of the surplus from income from Lexham Gardens after setting aside one month of lettings income. The Mission Fund is to support the extension of Mission throughout the parish including supporting funding of an assistant priest.

Endowment Funds

The Campaign for St Michael's fund was established in 1998 to raise funds to cover the costs of external repairs to the church, refurbishment of the interior and the building of a new Community centre. Also, included within Endowment Funds are certain properties and other funds of a capital nature.

The title to the Church Hall and 41 Elm Bank Gardens is held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee, with restrictions on disposal, for the benefit of St Michael's.

Restricted Funds

Mission fund – This was a specific donation from a donor who wishes to remain anonymous. The donation is restricted for the purpose of mission in relation to the ministry of St Michael & All Angels, Barnes. Mission is defined as an activity or project which reaches out into the parish to share the Christian faith and bring new people into relationship with God and the Church. The donation cannot be used for building, alteration or maintenance of the church fabric, or the fabric of other church-owned buildings, or to finance any proposed new building work by the church.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (continued)

12. FUND DETAILS - continued

Restricted Funds (continued)

This fund is being used to fund costs relating to the appointment of Fr James Marston, our assistant priest, who we share with St Mary's, both organisations contributing 50% towards his costs.

Choral Sponsorship Funds – the Choral sponsorship fund was set up to provide Choral Scholarships for new members of the choir and for Organ Scholars.

St Michaels was left a legacy from the Estate of the late Basil Moss of Flat 5, 20 Lexham Gardens W8 5JJ. This property was valued at £1,150,000. The property was left without restriction. While probate has been granted legal title has not been transferred, nor has the process to transfer title commenced, as the Executors cannot with all certainty confirm that there are sufficient assets within the estate to enable it to be free of legal indenture it has therefore not been recognised in the accounts. We are hoping that legal title will transfer in the year to 31 December 2025.

13. ANALYSIS OF FUND MOVEMENTS

	Balances B/ Fwd 1 Jan 24 £	Income £	Expenditure £	Gains/(losses) £	Transfers £	Balances C/Fwd 31 Dec 24 £
<u>Unrestricted funds</u>						
<i>Undesignated</i>						
Ministry Fund	10,155	113,885	(161,181)	-	54,430	17,289
<i>Designated</i>						
Fabric Fund	112,167	81,114	(26,884)	-	-	166,397
Community Centre	-	41,331	(15,031)	-	(26,300)	-
Church Hall	-	42,653	(13,734)	-	(28,919)	-
Music Fund	8,168	9,260	(8,425)	-	-	9,003
Hall Renovation Fund	83,787	-	-	-	7,923	91,710
Arthur Ford Community Fund	281,267	7,383	-	5,727	-	294,377
Lexham Gardens	2,068	25,642	(9,164)	-	(14,270)	4,276
Mission Fund	-	-	-	-	7,136	7,136
	-----	-----	-----	-----	-----	-----
	497,612	321,268	(234,419)	5,727	-	590,188
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<u>Endowment funds</u>						
Campaign for St Michael's	464,843	-	(14,072)	-	-	450,771
Church Hall	250,000	-	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	-	800,000
	-----	-----	-----	-----	-----	-----
	1,514,843	-	(14,072)	-	-	1,500,771
	-----	-----	-----	-----	-----	-----
<u>Restricted funds</u>						
Choral Sponsorship Fund	4,559	4,531	(1,865)	-	-	7,225
Mission Fund	61,403	1,962	(25,161)	-	-	38,204
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	65,962	6,493	(27,026)	-	-	45,429
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	2,078,417	327,761	(275,517)	5,727	-	2,136,388
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ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

13. ANALYSIS OF FUND MOVEMENTS - continued

	Balances B/ Fwd 1 Jan 23 £	Income £	Expenditure £	Gains/(losses) £	Transfers £	Balances C/Fwd 31 Dec 23 £
<u>Unrestricted funds</u>						
<i>Undesignated</i>						
Ministry Fund	803	129,839	(164,916)	-	44,429	10,155
<i>Designated</i>						
Fabric Fund	88,554	47,009	(23,396)	-	-	112,167
Community Centre	-	52,386	(22,298)	-	(30,088)	-
Church Hall	-	44,935	(16,253)	-	(28,682)	-
Music Fund	7,962	3,749	(3,543)	-	-	8,168
Hall Renovation Fund	69,446	-	-	-	14,341	83,787
Arthur Ford Community Fund	259,913	4,189	-	17,165	-	281,267
Lexham Gardens	-	22,883	(14,438)	-	(6,377)	2,068
	-----	-----	-----	-----	-----	-----
	426,678	304,990	(244,844)	17,165	(6,377)	497,612
	-----	-----	-----	-----	-----	-----
<u>Endowment funds</u>						
Campaign for St Michael's	478,915	-	(14,072)	-	-	464,843
Church Hall	250,000	-	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	-	800,000
	-----	-----	-----	-----	-----	-----
	1,528,915	-	(14,072)	-	-	1,514,843
	-----	-----	-----	-----	-----	-----
<u>Restricted funds</u>						
Choral Sponsorship Fund	5,463	6,468	(7,372)	-	-	4,559
Mission Fund	87,572	-	(32,546)	-	6,377	61,403
	-----	-----	-----	-----	-----	-----
	93,035	6,468	(39,918)	-	6,377	65,962
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	2,048,628	311,458	(298,834)	17,165	-	2,078,417
	=====	=====	=====	=====	=====	=====

14. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration includes an Independent Examination fee of £2,220 (2023 - £2,100).

15. CONTINGENT ASSET

St Michael & All Angels has been notified that it is in receipt of a legacy in the form of a flat, which is worth in the region of £1,150,000 from the Estate of the late Basil Moss. This property has been left without restriction. As is the case with assets of this nature the title of this property, once transferred, will be held by the Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the flat generates and has the obligation for maintaining the building.

While probate has been granted legal title has not been transferred, nor has the process to transfer title commenced, as the Executors cannot with all certainty confirm that there are sufficient assets within the estate to enable it to be free of legal indenture. It has therefore not been recognised in the accounts. Once legal title is transferred the PCC will have the rights to proceeds were the flat to be sold.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2024 (continued)

16. RELATED PARTY TRANSACTIONS

There were no related party transactions including members of the PCC. The amount totalled £nil in the year (2023: £6,261).

17. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
<i>Income from:</i>						
Donations and legacies	2(a)	95,731	6,468	-	102,199	136,299
Other trading activities	2(b)	25,901	-	-	25,901	13,858
Investments	2(c)	77,877	-	-	77,877	45,777
Charitable church activities	2(d)	105,481	-	-	105,481	86,268
		-----	-----	-----	-----	-----
TOTAL INCOME		304,990	6,468	-	311,458	282,202
		-----	-----	-----	-----	-----
<i>Expenditure on:</i>						
Raising funds	3(a)	10,653	-	-	10,653	5,069
Managing Investments	3(b)	25,787	-	-	25,787	14,285
Charitable church activities	3(c)	208,404	39,918	14,072	262,394	227,687
		-----	-----	-----	-----	-----
TOTAL EXPENDITURE		244,844	39,918	14,072	298,834	247,041
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		60,146	(33,450)	(14,072)	12,624	35,161
		-----	-----	-----	-----	-----
NET GAIN/(LOSS) ON INVESTMENTS	8	17,165	-	-	17,165	(18,698)
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		77,311	(33,450)	(14,072)	29,789	16,463
		-----	-----	-----	-----	-----
TRANSFER BETWEEN FUNDS		(6,377)	6,377	-	-	-
		-----	-----	-----	-----	-----
NET MOVEMENT IN FUNDS		70,934	(27,073)	(14,072)	29,789	16,463
		-----	-----	-----	-----	-----
BALANCE AT 1.1.2023		426,678	93,035	1,528,915	2,048,628	2,032,165
		-----	-----	-----	-----	-----
BALANCE AT 31.12.2023		497,612	65,962	1,514,843	2,078,417	2,048,628
		=====	=====	=====	=====	=====

Accounts

**THE PAROCHIAL CHURCH COUNCIL OF
ST MICHAEL AND ALL ANGELS, BARNES**

Financial Statements

For the year ended 31 December 2023

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Page 3 - 10	Annual Report
Page 11	Statement of Financial Activities
Page 12	Balance Sheet
Pages 13 - 25	Notes to the Financial Statements

Incumbent: The Rev'd Stephen Stavrou
The Vicarage
39 Elm Bank Gardens
Barnes
London SW13 0NX

Bank: Barclays Bank
George Street
Richmond
Surrey

Independent Examiner: Miriam Hickson CTA FCA
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Registered Charity Number: 1133927

INDEPENDENT EXAMINERS REPORT

TO THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, BARNES

Independent examiner's report to the trustees of St Michael and All Angels Parochial Church Council

I report to the charity trustees on my examination of the accounts of the St Michael and All Angels Parochial Church Council (the Church) for the year ended 31 December 2023 set out on pages 11 to 25.

Responsibilities and basis of report

As the charity's trustees 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 Trust's accounts as 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 Church'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 in England and Wales, 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 that in any material respect:

1. accounting records were not kept in respect of the Church as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Report) 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; or
4. the accounts have not been prepared in accordance with the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

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.



Miriam Hickson CTA FCA
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 29 April 2024

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2023

Administrative Information

St Michael and All Angels Church is situated in Elm Bank Gardens, Barnes, London SW13. It is part of the Diocese of Southwark within the Church of England. The correspondence address is The Vicarage, 39 Elm Bank Gardens, Barnes, London SW13 0NX.

PCC members who have served from 1 January 2023 until the date this report was approved are:

Incumbent:	The Rev'd Stephen Stavrou
Assistant Priest	The Rev'd James Marston
Wardens:	Andrew Childs (resigned May 2023) Lizzie Hackett Brown Jane Bennett Powell (appointed May 2023)
Deanery Synod Representatives:	Jane Bennett Powell Rhodri Walters
Ex Officio members:	Jacqueline Russell (Treasurer)
Elected Members:	Andrew Puddifoot Frederick Appleby Gemma Curran Annette Waller Anne Johnstone Camilla Harries – also Parish Safeguarding officer Bruce Houlder Patricia Reed-Boswell Marion Kreling
Parish Safeguarding Officer:	Camilla Harries
PCC Secretary	<i>This position is presently vacant.</i>

Structure, governance, and management

The PCC is governed by the PCC Powers Measure (1956) as amended and church representation rules.

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. All church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC meets at least four times a year and operates through two sub-committees which meet between full meetings of the PCC. These comprise the Standing Committee and the Finance Committee.

The Parochial Church Council (PCC) is the church's governing body and its members for the time being are de facto the church's Trustees. They are co-trustees with the Diocesan Board of Finance for the Trust Land held by the church. Members of the PCC are elected by members of the congregation on the church's Electoral Roll at the Annual Parochial Church Meeting. PCC membership, in accordance with Church of England practice, will not normally exceed three years.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2023

Objectives and Activities

The PCC of St Michael and All Angels, Barnes has the responsibility to co-operate with the incumbent, Fr Stephen Stavrou, in promoting in the ecclesiastical parish the whole mission of the church, pastoral, evangelistic, social, and ecumenical. It also has responsibility for the maintenance of the Church and the control of expenditure.

Achievements and performance

Church Attendance

St Michael's Electoral Roll stands at 190. The average monthly count of the congregation taken on Sundays during October/November 2023 was 137.

VIEW FROM THE VICARAGE 2023

'O worship the Lord in the beauty of holiness' is a verse from Psalm 96 that describes one of our values as a church to offer beautiful worship to God. This Lent we have been focusing on the Psalms, and in this report I use the words of the Psalms to describe how we have expressed our life as a church over the past year. As ever, I can only give a flavour of some of the regular and special events that have taken place in this wonderful and busy parish, whilst also being honest about the challenges we face.

MAY *'I was glad when they said unto me, we will go into the house of the Lord'* – Psalm 122.1

The month of May brought three days of celebration. First the Coronation itself on Saturday, and an opportunity to see the role of the Church of England in the life of the nation. On the Sunday, a combined Pentecost and Coronation High Mass with brass quintet as we prayed for the King and Country. Finally, on the Monday, we welcomed over 500 people into church for a huge community celebration. It was important as a new model for events – not 'owned' as a church event as such, but hosted in partnership with the community, by making the space and facilities available to our parishioners. It was three extraordinary days of celebration.

JUNE *'How good and pleasant it is when kindred live together in unity!'* – Psalm 133.1

June brought the Midsummer Fete. Such events take a lot of organisation, effort and time, and it is easy to wonder if it is all worth it. On the day itself, the value becomes clear, as people of all kinds, come together, enjoy themselves, meet new people, and make connections with the church. Having moved the Fete out from being hidden away and only in the Vicarage Garden with only a small group of people involved, it's important that we keep it visible and outward-facing in church and centre so it is also an act of mission that involves the whole parish. In the year ahead I'd like us to consider how we can further develop and grow the Fete to enhance its potential.

JULY *'All nations you have made shall come and worship you, o Lord'* – Psalm 86.9

In July, the academic year comes to a close with the joy of the Confirmation service. The revival of annual confirmation for young people is one of the most important fruits of our ministry among families. The group of 11 older children began preparing in early February and the preparation involved catechesis sessions, and also fun events such as a film and sleepover in church. The Confirmation itself was conducted by Bishop Rob Gillion, and followed by a party in the Vicarage Garden. There's already a group of adults – mostly parents of young children – preparing for confirmation this July.

This month, the PCC also had an important conversation about race and inclusion, kick-started by discussing the Diocesan Anti-Racism Charter. It challenged us to think about our visible diversity and our hidden prejudices. Out of this came a number of commitments, such as the use of culturally and ethnically diverse imagery in our printed materials to counteract the uniformly white-western visual imagery in church. Most importantly, a member of the PCC – Asha Pandit – agreed to take on a role as 'Inclusion Champion' to ensure inclusion of all kinds is a regular part of our PCC agenda. At the July meeting, and after a thorough tendering process, the PCC also appointed Manders as the new firm responsible for regular tuning and maintenance of the organ.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2023

AUGUST *'Deliver me O Lord from evildoers'* – Psalm 140.1

The quiet month of August was disturbed by a fire in the church caused by an arson-attack. CCTV captured a man deliberately setting fire to the Altar frontal in the Lady Chapel which burnt the frontal and the Altar itself. Thankfully, the fire was put out by some parishioners passing by, who used the fire-extinguishers and called the Fire Service. This swift action meant the fire was contained and has caused little serious damage that cannot be repaired. On the one hand the event was deeply upsetting, and many people said how shocked they were. On the other hand, it was encouraging to see how much people valued the openness of the church, and strengthened everyone's desire that it should remain so. Naturally, in light of this, we have reviewed and increased our fire-safety procedures, but it was encouraging to see the effectiveness of those already in place, which effectively prevented the spread of the fire.

SEPTEMBER *'Praise him all you angels of his, praise him, all his host'* – Psalm 148.2

September begins with a bang and the popular 'Back to School Service', and ends with our Michaelmas Patronal Festival. Between these two, there was graduation of Gemma Curran, from her course on children's ministry as she developed her role of Children's Ministry Leader. Our Director of Music also started our planned Children's Choir. The Barnes Children's Choir has got off to a good start with a dozen or more children attending. The Church of England has seen a revival of children's choirs in recent years, and they are widely recognised for their missional impact, bringing not only the children, but also families and friends into the life of the Church. The month also brought a new service of Prayer before the Blessed Sacrament on Monday evenings. Having experimented with this for some time in Lent and Advent, it felt right to introduce this on a more regular basis, and deepen our spiritual life through silence and contemplation. At PCC, we agreed updated Terms of Reference for the Finance Committee, and appointed new members and a bookkeeper.

OCTOBER *'We ponder your steadfast love O God'* – Psalm 48.9

In October, several of the local clergy attended 'Barnes Ponder 2'. Ten years ago the Barnes Community Association undertook a community consultation and, as a result, a number of wonderful initiatives have improved life in Barnes. This new 'ponder' was the first stage in a new set of proposals, and St Michael's looks forward to seeing where our priorities align and joining in to bless our community. Sometimes, the most effective work we can do as a church is to join in with what is already happening, rather than starting something new ourselves.

NOVEMBER *'The Lord will keep you from all evil; he will keep your life'* – Psalm 121.7

For the first time, the choir sang Durufle's Requiem for All Souls -a service so well attended because it means so much to so many. Increasingly, parishioners are requesting a requiem mass on the anniversary of a departed loved one, and this is something to be encouraged for the hope and comfort it gives to the living, as well as the aid of our prayers for the departed.

In response to the General Synod's decision to hold services to celebrate the relationships of same-sex couples, St Michael's (along with St Mary's) issued a public statement welcoming that development, and looking forward holding these services as soon as possible. It was striking how many people in the community responded positively to the statement, and demonstrates how much people want a Church that is open and accepting. Two requests for such services have already been received.

DECEMBER *'You crown the year with your goodness'* – Psalm 65.11

Our Advent theme this year was 'Remarkable Women' as our preachers, groups and reading focused on the life and faith of Dorothy Day, Julian of Norwich, Katharine Parr and Theresa of Avila. This theme continued into the Advent and Christmas Carol Services, as we listened particularly to the stories of women in the Gospels. Both services had larger attendances than the last few years and, reflected anecdotal evidence all over the country, of a Christmas attendance even higher than before the pandemic. Certainly, that was our experience at all the Christmas services – with the special lighting effects at the Nativity Service and the Christmas Day Panto Sermon – delighting everyone. One person told me these services were all people had been talking about for weeks beforehand! As a result, in the last couple of years we have turned around a two-decade decline in Christmas attendance.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2023

JANUARY *'Let my prayer rise before you like incense' – Psalm 141.2*

The New Year brings the Epiphany Carol service for which we were joined by Bishop Martin Gainsborough, the new Bishop of Kingston, and it was good to get to know him better. Epiphany Carols is a relatively new type of service, but it has become a firm fixture in the extended Christmas season. That season was brought to a conclusion with Candlemas at the end of the month, with the parish celebrating my 40th birthday with an amazing cake, a specially composed lyrics to a song from the choir, and a generous gift. Every church should be a community of celebration, but St Michael's does this better than most, and I am profoundly grateful for everyone's kindness.

During the month the PCC went on its annual Away Day at St Nicholas', Chiswick, on the theme of 'As others see us' as we reflected on our past Mission Action Plan and began preparing for the next one. The theme encouraged us to understand how St Michael's is perceived locally, on the basis that only with this understanding can we then reach out and engage in the right way. January also brought a new home for our Associate Priest, Fr James Marston, who moved into the flat formerly belonging to the late Basil Moss, by kind permission of the trustees of the Pauline Meetings.

FEBRUARY *'Steadfast love belongs to you O Lord' – Psalm 62.12*

In February, we formally appointed two people (Andy Puddifoot and Pat Reed-Boswell) as Pastoral Ministers. In a sense, this only affirms the work they are already doing visiting the housebound and taking the Sacrament to the sick. However, it is part of a Diocesan initiative called 'A season of Lay Ministries' seeking to name the ministries already taking place and thereby encourage more people to offer themselves in God's service. At St Michael's, so much pastoral care takes place naturally, which is just as it should be, but it is important for some pastoral care to be organised and planned so that no-one is left out. Speaking of pastoral care of the sick, it was sad to hear of the passing of long-standing parishioner Eleanor Stanier whose funeral took place this month.

The PCC meeting this month focused on fundraising, and was updated about the surveys to the Church Hall. The first was a structural survey, which reported the building was currently sound and had not deteriorated further since stabilisation work was undertaken some years ago. This provides a good basis for moving forward with new plans to renovate the building, which we hope to share with the community in the near future.

MARCH *'Sing to the Lord a new song, his praise in the assembly of the faithful' – Psalm 149.1*

As I write, we have just entered March, which brings with it the Barnes Music Festival, that expresses not only the importance of music to St Michael's, but of music to the Christian faith more generally. As part of that, St Michael's is hosting two concerts, a recital and a special service with a local secondary school. In the next few weeks we look forward to appointing some new music scholars, and have invited a respected organ consultant to survey the organ to see what upkeep of the instrument might be required in the coming years. 'Musical March' fits rather neatly with our Lent theme of the Psalms, which were largely composed as songs.

These words can only record a few of the most important things that have happened in this busy and creative parish over the last year, and we look forward with joy to celebrating Easter and worshipping God in the beauty of holiness.

Financial Review

I am pleased to say that 2023 has been a strong year and we have left the financial repercussions of Covid behind us. We managed to control our expenditure despite significant increases in our utility costs together with a strong year of letting income and several fundraising events have helped us buck the trend of the last couple of years and return us back to surplus. This has been helped by strong investment gains and good interest on our CCLA Account. Challenges still exist as our regular giving remained very stable and while this is good news in a tough economic climate we do need to try and increase our planned giving to ensure long term sustainability. On a positive note we are seeing an increased use of the cashless terminals which has certainly helped keep income positive. Lexham Gardens was also let for the first time and is now generating good income.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2023

INCOME

Total Income in 2023 grew in total to £311,458 up from £282,202 last year, with our unrestricted income showing strong gains to £304,990 compared to £241,072 last year.

Gift Aid Donations rose slightly to £59,492 from £54,997 and while total donations and legacies fell to £102,199 from £136,299 last year, we had a one off exceptional donation of £40k which we knew was exceptional. We also received several grants this year as part of the funding for the Coronation Tea, including £3,109 from Richmond which enabled that event to not only be a great event for the community but also to deliver a surplus.

Income from fundraising events, not relating to music also grew, helped by the Coronation tea party and the continued success of our now regular events from the quiz night to the Art Festival, all of which are generating great income for St Michaels as well as adding to the cultural variety of the church.

Income from Investments, which includes rent from 41 Elm Bank Gardens and from cash held on deposit, was strong and Lexham Gardens was let from the Spring and generated £22,883 of income for the first time. Total income from Investments (Elm Bank Garden, Lexham & Investment income) was £77,877 compared to £45,777, and that is stated before the gain of £17,165 on our Investments with the CCLA. This year we are stating our investment income gross of £12,195 of fees.

It was encouraging to see growth in our other letting's income with Church Hall income at £44,935 compared to £37,784. Community Centre lettings totalled £52,386, significantly up on £42,076.

Total Income – removing the restricted income but including the net return from fundraising rather than the gross fundraising income and including the gross up on fees for our investment properties – was £296,919 compared to £239,463, a 24% increase, this equates to £5,710 a week compared to £4,605 in 2022. Removing the gross up on investment income the growth is still strong at 19%.

EXPENDITURE

Total expenditure grew once again to £298,834 a significant increase compared to £247,041, however this was the first full year we had full costs for Father James Marston, which are of course fully funded from a generous restricted donation. We are also including agents' fees for letting properties of £12,195. Comparing just unrestricted expenditure costs were very stable at £244,844, £232,649 net of fees compared to £229,936. We didn't invest as much in the Church with Church Maintenance at just £12,047 compared to £27,465. We are however spending significantly more on the Organ, Organist and Music with total costs now at £18,114 compared to £10,799. All music fund income is directly reinvested back into music in the church.

Total underlying expenditure grew to £236,773 compared to £228,327, £4,553 a week compared to £4,391 a growth of 4% - removing fees on investment properties we see just a 2% fall – due to the reduction in church maintenance. Cost increases however remain a real concern, but we have managed to change utility supplier and hope that the peak invoices of 2023 will now reduce.

The total underlying surplus on our unrestricted funds for the year was £60,146, with the combined Ministry, Community Centre and designated Hall funds generating a surplus of £9,850 compared to £8,887. This year the PCC has designated just 50% of the surplus from the Hall to Ministry, compared to the full amount required last year, which has enabled the Ministry Fund to be in surplus of £10,654. This compares with the need to allocate all funds in 2022.

As I reported last year, we are in receipt of a legacy from the will of the late Basil Moss, which takes

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2023

the form of flat – namely Flat 5, 20 Lexham Gardens. The Executors have confirmed that any proceeds from this legacy are due to St Michael & All Angels from the date of death, and that we are entitled to effect repairs and maintenance. This flat was let for the first time during the year and all costs to get it on the market were able to be funded from income generated, so we didn't need to borrow funds from the fabric fund which is great news.

We have still not recognised the flat as an asset, as while probate was granted legal title has still not been transferred due to complications within the wider estate so the process to transfer title hasn't commenced. The Executors cannot with all certainty confirm that there are sufficient assets within the estate to enable it to be free of legal indenture. It has therefore not been recognised in the accounts, we anticipate this being resolved this year.

Table of Underlying Unrestricted Income and Expenditure 2023 v 2022

Operational Income & Expenditure including Split by Income Streams

	2023		2022	
Total Income		£311,458		£282,202
Less Fundraising	£20,652	(£20,652)	£11,681	(£11,681)
Fundraising Costs	£8,071		£1,609	
Add Fundraising Surplus	£12,581	£12,581	£10,072	£10,072
		£303,387		£280,593
Restricted grants		(£6,468)		(£41,130)
Underlying Income Trend		£296,919		£239,463
Income per week (excluding grants, appeals & legacies)		£5,710	24%	£4,605 19%
Total Expenditure		£298,834		£247,041
Less Fundraising costs		(£8,071)		(£1,609)
Less Depreciation		(£14,072)		(£14,072)
Less Restricted Expenditure		(£39,918)		(£3,033)
Underlying Expenditure		£236,773		£228,327
Expenditure per week		£4,553	4%	£4,391 27%
Net Surplus/ (Deficit)		£60,146		£11,136
Surplus per week		£1,157		£214
Splitting (Deficit)/Surplus between Income Streams				
Church Hall		£28,682		£16,500
Community Centre		£30,088		£19,668
Fabric Fund (Surplus on EBG less maintenance)		£23,613		£7,068
Music Fund		£207		(£1,778)
Investment Income (Arthur Ford)		£4,188		£6,777
Lexham Gardens		£8,445		(£9,818)
Ministry Fund		(£35,077)		(£27,281)
Net Surplus/(Deficit) before Investment Gains		£60,146		£11,136
Net In Year Church (Deficit)/Surplus after Community Centre & Allocated Hall Surplus		£9,352		£8,887

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2023

OUTLOOK FOR 2024

The reality is 2023 was an exceptional year, and we made strong investment gains, which I suspect will not reoccur again, however I remain positive about 2024. Lettings income is remaining strong and all our properties from 41 Elm Bank Gardens to our Flat in Lexham Gardens and the Church Hall and Community Centre remain popular. We are as highlighted last year now even more reliant on that income to support our Ministry. The budget for 2024 has been set to see a surplus on our unrestricted funds. The challenge is that the Mission Fund was provided to support three years of an Assistant priest, and it is hoped that the surplus from Lexham Gardens will provide enough funds for another year, we are some £20k short of being able to fully fund this role that we share with St Mary's for the longer term. That is the challenge as this cost needs to transfer into the main ministry when the Mission Fund is spent. We have another 2 or maybe 3 years to ensure income rises to allow us to absorb this circa £30k additional costs each year and with regular giving only slightly up this is the challenge we need to set ourselves.

Unrestricted and Designated Funds

Unrestricted funds encompass funds for the general running of the Church, Church Hall and Community Centre and include the Ministry Fund, previously known as the General Fund, the Fabric Fund, Music Fund, Hall Renovation Fund and Arthur Ford Community Fund. The deficit from the Ministry Fund is eliminated by all surplus from the Community Fund and from the Church Hall. The PCC has this year confirmed that the level of transfer from the Hall to the Ministry Account will be the higher of the outstanding deficit on Ministry after Community Centre receipts or 50% of the Hall Surplus.

Following the establishment of the Mission fund we have actively used this fund this year for our assistant priest. The PCC has designated the surplus on Lexham Gardens to support the Mission Fund, leaving just one income's rental in the Lexham Gardens Property fund for on-going maintenance.

The Fabric fund, which is set aside to fund the fabric of the Church and the Community Centre grows to £112,167. The balance on the Hall Renovation Fund grows to £83,787.

The Arthur Ford fund recovered to £281,267 due to the gains on investments.

Endowment Funds

These include the assets of St Michaels. The Campaign for St Michael's which includes the build cost for the Community Centre now reflects the value of the asset of the cloisters, after depreciation, of £464,843.

Restricted Funds

The Choral Scholarship fund remains healthy at £4,559 and we are grateful for all donations into this fund this year. We are incredibly grateful to The Ouseley Trust who donated £1,000 in order to create for the first time an Ouseley Scholar.

This is the first year we have seen significant use of the Mission Fund, as following Father James Marston's appointment in December 2022, we have had a full year of costs, which we share on a 50/50 basis with St Mary's. As noted above the surplus on Lexham Gardens is transferred to this fund, following a decision by the PCC.

The total value of all funds rose by £29,789 to £2,078,417.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2023

Public Benefit Reporting

The Parochial Church Council confirms that it follows the Charity Commission guidance on public benefit in setting its objectives and believes it has fully fulfilled its obligations with the variety of work and activities undertaken throughout the community. St Michael & All Angels is registered as a Charity under Charity Number 1133927.

Reserves Policy

The policy of the Parochial Church Council is to target a level of reserves in the Ministry Fund equal to three months' running costs of the church, excluding planning hall and community centre costs, which at a run rate of £4,553 per week, equates to a total of £54,636. As our costs increase this remains completely out of reach, but we take some comfort that at least our Ministry Fund is out of deficit and back in surplus.

Investment Policy and Cash Deposits

The Finance Committee have developed what they regard as a mixed risk strategy with all funds invested in the CCLA UK Equity Income Fund/cash deposits with the CCLA and Barclays Bank. The Parochial Church Council reinvested a proportion of the Arthur Ford fund of £120,000 in the CCLA UK Equity Income Fund in 2019 and £20,000 of Funds into the CCLA Global Fund in 2022. Given the high level of cash currently held we are currently looking to expand our investments with the CCLA.

Risk Management

The Parochial Church Council has assessed the major risk to which St Michael's might be exposed, those related to the activities and finances of the Church and is satisfied that there are systems and processes in place to mitigate exposure to any major risk. The Finance Committee reviews the financial position of the church at least quarterly, while the Churchwardens regularly report on the status of the fabric of the church and other buildings to determine appropriate courses of action. Fabric and Finance are standing items on PCC agendas.



Father Stephen Stavrou (Vicar)
On behalf of the PCC

22 April 2024

ST MICHAEL AND ALL ANGELS, BARNES

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
<i>Income from:</i>						
Donations and legacies	2(a)	95,731	6,468	-	102,199	136,299
Other trading activities	2(b)	25,901	-	-	25,901	13,858
Investments	2(c)	77,877	-	-	77,877	45,777
Charitable church activities	2(d)	105,481	-	-	105,481	86,268
		-----	-----	-----	-----	-----
TOTAL INCOME		304,990	6,468	-	311,458	282,202
		-----	-----	-----	-----	-----
<i>Expenditure on:</i>						
Raising funds	3(a)	10,653	-	-	10,653	5,069
Managing Investments	3(b)	25,787	-	-	25,787	14,285
Charitable church activities	3(c)	208,404	39,918	14,072	262,394	227,687
		-----	-----	-----	-----	-----
TOTAL EXPENDITURE		244,844	39,918	14,072	298,834	247,041
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		60,146	(33,450)	(14,072)	12,624	35,161
		-----	-----	-----	-----	-----
NET GAIN/(LOSS) ON INVESTMENTS	8	17,165	-	-	17,165	(18,698)
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		77,311	(33,450)	(14,072)	29,789	16,463
		-----	-----	-----	-----	-----
TRANSFER BETWEEN FUNDS		(6,377)	6,377	-	-	-
		-----	-----	-----	-----	-----
NET MOVEMENT IN FUNDS		70,934	(27,073)	(14,072)	29,789	16,463
		-----	-----	-----	-----	-----
BALANCE AT 1.1.2023		426,678	93,035	1,528,915	2,048,628	2,032,165
		-----	-----	-----	-----	-----
BALANCE AT 31.12.2023		497,612	65,962	1,514,843	2,078,417	2,048,628
		=====	=====	=====	=====	=====

The notes on pages 13 to 25 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

BALANCE SHEET As at 31 December 2023

	Note	2023	2022
		£	£
Fixed assets:			
Tangible fixed assets	6	714,843	728,915
Investment property	7	800,000	800,000
Investments	8	179,138	161,973
		-----	-----
		1,693,981	1,690,888
Current assets:			
Debtors	9	7,907	12,449
Short term deposits		124,084	116,097
Cash at bank		<u>290,137</u>	<u>261,278</u>
		422,128	389,824
Creditors – Amounts falling due within one year:			
	10	<u>(37,692)</u>	<u>(32,084)</u>
Net current assets		<u>384,436</u>	<u>357,740</u>
Total assets less current liabilities		2,078,417	2,048,628
		-----	-----
Net assets		<u><u>2,078,417</u></u>	<u><u>2,048,628</u></u>
Funds:			
Endowment funds	11 & 12	1,514,843	1,528,915
Unrestricted funds	11 & 12	497,612	426,678
Restricted funds	11 & 12	65,962	93,035
		-----	-----
		<u><u>2,078,417</u></u>	<u><u>2,048,628</u></u>

Approved by the Parochial Church Council on 22nd April 2024 and signed on its behalf by:



Jacqueline Russell
(Honorary Treasurer)

The notes on pages 13 to 25 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1 ACCOUNTING POLICIES

St Michael and All Angels, Barnes is an unincorporated charity. The address of the registered office is The Vicarage, 39 Elm Bank Gardens, Barnes, London SW13 0NX.

Basis of preparation

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

They have also been prepared under the historic cost convention, except for the valuation of fixed assets which are shown on the basis described below. The charity prepares its financial statements in pounds Sterling, rounding to the nearest £.

They include all transactions, assets, and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe an affiliation to another body nor those that are informal gatherings of church members.

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

Going Concern

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

Funds

Funds held by the PCC are:

Unrestricted funds:

- Undesignated funds which can be used for PCC ordinary purposes.
- Designated funds – monies set aside by the PCC out of unrestricted funds for specific future purposes or projects. Funds for the day-to-day running of the Church Hall and the Community Centre, and the Fabric Fund, have been designated in this way.

Restricted funds, which comprise either (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest or (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given.

Endowment funds – funds the capital of which must be maintained. Only income arising from the investment of the endowment may be used, either as restricted or unrestricted funds, depending on the purpose set out in the terms of the original endowment. A list of the endowment funds is in note 10 to the financial statements.

Income

All income is accounted for gross of taxes.

Donations, legacies, and capital sources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under gift aid is recognised only when received.

Income tax recoverable on gift aid donations is recognised when claimable from HMRC.

Grants and legacies are accounted for when the PCC is legally entitled to the amount due, it is probable that the income will be received, and the amount can be measured with sufficient reliability.

Other income

Rental income from the letting of the church hall is recognised when the rental is due.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023 (continued)

Accounting Policies - continued

Investment income

Interest is received gross of taxes and accounted for when receivable.
Rental income from 41 Elm Bank Gardens is recognised when the rental falls due.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.
Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

Expenditure

Expenditure is accounted for on an accruals basis and is accounted for gross of taxes.

Liabilities are recognised as expenditure where that is a legal or constructive obligation, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Grants and church activities

Grants and donations are accounted for when paid over or when awarded if that award creates a binding obligation on the PCC. All church activity costs are accounted for on a full accrual's basis and any prepayments or accruals are shown in the balance sheet as either current assets or current liabilities.

Tangible fixed assets and depreciation

Consecrated land and buildings and movable church furnishings

The value of consecrated and beneficed property of any kind is excluded from the financial statements under section 10(2)(a) and (c) of the Charities Act 2011. Moveable church furnishings held by the vicar and church wardens on special trust for the PCC and requiring a faculty for disposal are accounted for as inalienable property, unless consecrated. Inalienable property acquired prior to 2000 is not valued in the financial statements, as there is insufficient information available. From 1 January 2001, the acquisition cost of such an item, where it exceeds £1,000, is capitalised, and depreciated over its anticipated useful life.

Other fixtures, fittings, and office equipment

Individual items of equipment costing £1,000 or less are written off when the asset is acquired. Items costing more than £1,000 are depreciated over 3 years on a straight-line basis.

Land

No depreciation is charged on the value attributed to land.

St Michael's Community Centre

Depreciation is provided to write off the cost of the Community Centre over its useful life of 50 years.

Investment properties

Certain of the charity's properties are held for long term investment. In accordance with the Financial Reporting Standard 102, investment properties are included in the balance sheet initially at their cost. Subsequently investment properties are valued at fair value through the Statement of Financial Activities. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This policy represents a departure from statutory accounting principles, which require annual depreciation of fixed assets. The members believe that this policy of not providing depreciation or amortisation is necessary for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current valuation, are of primary importance rather than a calculation of annual depreciation. Depreciation or amortisation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be simply identified or quantified.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023 (continued)

Accounting Policies - continued

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Current assets

Amounts owing to the PCC on 31 December in each year in respect of fees, rents and other incomes are shown as debtors less any provision for amounts that may prove uncollectible. Short term deposits include cash on deposit with the CBF Church of England Fund and is held for investment purposes.

Cash

Cash comprises cash on hand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date because of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

- Valuation of the investment property has been undertaken by the trustees themselves. The basis for the valuation includes consideration of the declining property market around the area of Barnes they foresee, and the level of work required to bring the property into a resalable condition.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023 (continued)

2 INCOME:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2023 2022 £	
<i>2(a) Donations and legacies</i>					
Planned giving:					
Gift Aid donations	58,492	1,000	-	59,492	54,997
Other donations	5,149	-	-	5,149	41,035
Choral Scholarship	-	4,468	-	4,468	1,130
Income tax recoverable	17,581	-	-	17,581	17,159
Collections	7,790	-	-	7,790	6,385
	-----	-----	-----	-----	-----
Regular giving	89,012	5,468	-	94,480	120,706
Grants, appeals, legacies etc	2,770	1,000	-	3,770	15,593
Government grants	3,949	-	-	3,949	-
	-----	-----	-----	-----	-----
	95,731	6,468	-	102,199	136,299
	-----	-----	-----	-----	-----
<i>2(b) Other trading activities</i>					
Fundraising events	20,652	-	-	20,652	11,681
Music Fund income	4,752	-	-	4,752	1,682
Catering	497	-	-	497	495
	-----	-----	-----	-----	-----
	25,901	-	-	25,901	13,858
	-----	-----	-----	-----	-----
<i>2(c) Income from investments</i>					
Rent from 41 Elm Bank Gardens	47,008	-	-	47,008	39,000
Rent from Lexham Gardens	22,883	-	-	22,883	-
Investment income	7,986	-	-	7,986	6,777
	-----	-----	-----	-----	-----
	77,877	-	-	77,877	45,777
	-----	-----	-----	-----	-----
<i>2(d) Income from charitable church activities</i>					
Church Hall lettings	44,935	-	-	44,935	37,784
Fees (weddings etc)	4,138	-	-	4,138	4,643
Community Centre lettings	52,386	-	-	52,386	42,076
Pastoral care	292	-	-	292	-
Sundry income	3,730	-	-	3,730	1,765
	-----	-----	-----	-----	-----
	105,481	-	-	105,481	86,268
	-----	-----	-----	-----	-----
TOTAL INCOME	304,990	6,468	-	311,458	282,202
	-----	-----	-----	-----	-----

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023 (continued)

3 EXPENDITURE:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds	
				2023 £	2022 £
3(a) <i>Raising funds</i>					
Fund-raising events	8,071	-	-	8,071	1,609
Music Fund expenses	2,582	-	-	2,582	3,460
	-----	-----	-----	-----	-----
	10,653	-	-	10,653	5,069
	-----	-----	-----	-----	-----
3(b) <i>Cost of managing investments</i>					
41 Elm Bank Gardens	11,349	-	-	11,349	4,278
Lexham Gardens costs	14,438	-	-	14,438	10,007
	-----	-----	-----	-----	-----
	25,787	-	-	25,787	14,285
	-----	-----	-----	-----	-----
3(c) <i>Charitable Church activities</i>					
Missionary and charitable giving	4,796	-	-	4,796	4,238
Diocesan pledge	83,500	-	-	83,500	81,900
Ministry costs inc. Clergy expenses	2,084	32,546	-	34,630	2,868
Church running costs	20,082	-	-	20,082	14,736
Church hall running costs	16,253	-	-	16,253	21,284
Community Centre running costs	22,298	-	-	22,298	22,408
Church maintenance	12,047	-	-	12,047	27,465
Organ, organist, and music	17,892	222	-	18,114	10,799
Books and subscriptions	345	-	-	345	719
Fees remitted to Diocese	674	-	-	674	2,096
Depreciation	-	-	14,072	14,072	14,072
Miscellaneous	-	-	-	-	4,330
Choral Scholarship	-	7,150	-	7,150	605
Parish office	19,411	-	-	19,411	16,514
Bank charges	365	-	-	365	412
Pastoral Care	292	-	-	292	191
Event costs	2,254	-	-	2,254	-
Support costs (note 4)	6,111	-	-	6,111	3,050
	-----	-----	-----	-----	-----
Total church activities	208,404	39,918	14,072	262,394	227,687
	-----	-----	-----	-----	-----
TOTAL EXPENDITURE	244,844	39,918	14,072	298,834	247,041
	-----	-----	-----	-----	-----

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023 (continued)

4. ALLOCATION OF SUPPORT COSTS

Support costs consisting of accountancy fees have been allocated to the church's activities on the following basis;

	Allocation	Charitable church activities	
		2023 £	2022 £
Accountancy fees	100%	6,111	3,050

5. PCC MEMBERS' BENEFITS AND STAFF COSTS

No members of the PCC were reimbursed for expenses (2022: 2 trustees, £440). No members of the PCC received remuneration for services as trustees. The average number of employees in the year was 1 (2022: 1) and their total emoluments were £14,169 (2022: £10,167). No employees received remuneration of more than £60,000 (2022: none). There are no Key Management Personnel.

6. TANGIBLE FIXED ASSETS

	St Michael's Community Centre £	Church Hall £	Other fixtures, fittings and office equipment £	Total £
Cost or valuation				
At 1 January 2023	704,097	250,000	5,433	959,530
Disposals at cost	-	-	-	-
Cost as at 31 December 2023	704,097	250,000	5,433	959,530
Depreciation				
At 1 January 2023	225,182	-	5,433	230,615
Charge for the year	14,072	-	-	14,072
Eliminated on disposal	-	-	-	-
At 31 December 2023	239,254	-	5,433	244,687
Net book value				
At 31 December 2023	464,843	250,000	-	714,843
<i>At 31 December 2022</i>	<i>478,915</i>	<i>250,000</i>	<i>-</i>	<i>728,915</i>

The Title for the Church Hall is held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the Church Hall generates and the obligation for maintaining the building, and the right to proceeds were the Church Hall to be sold.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023 (continued)

7. INVESTMENT PROPERTIES

Cost or valuation	Investment Property £
At 1 January 2023	800,000
At 31 December 2023	<u>800,000</u>

At the year ended 31 December 2023 the PCC agreed that they believe the current valuation of £800,000 of 41 Elm Bank Gardens was appropriate. The cost of incurring a valuation is regarded as an undesirable use of church funds.

8. INVESTMENTS

Fair value	CCLA Income Shares £
At 1 January 2023	161,973
Revaluation	<u>17,165</u>
At 31 December 2023	<u>179,138</u>

Historical cost of the investments is £120,000 (2022: £120,000).

9. DEBTORS

	2023 £	2022 £
Income tax recoverable	5,434	3,590
Prepayments and other debtors	2,473	8,859
	<u>7,907</u>	<u>12,449</u>

10. LIABILITIES

Amounts due within one year	2023 £	2022 £
Creditors and accruals	34,378	24,888
Deferred Income	888	4,770
St Michael's Guild	220	220
St Michael's counselling service	2,206	2,206
	<u>37,692</u>	<u>32,084</u>

St Michael's Guild is an informal gathering of church members, and St Michael's counselling service, which also works in association with St Michael's, both operate independently of the PCC. Deferred income relates to funds granted from the Barnes Fund and from a Parishioner for Pastoral expenditure.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023 (continued)

11. ANALYSIS OF NET ASSETS BY FUND

	Fixed assets	Bank	Debtors	Creditors	Net assets At 31 December 2023
<u>Unrestricted:</u>	£	£	£	£	£
<i>Undesignated</i>					
Ministry Fund	-	39,940	7,907	(37,692)	10,155
<i>Designated</i>					
Fabric Fund	-	112,167	-	-	112,167
Community Centre	-	-	-	-	-
Church Hall	-	-	-	-	-
Music Fund	-	8,168	-	-	8,168
Hall Renovation Fund	-	83,787	-	-	83,787
Arthur Ford Community Fund	179,138	102,129	-	-	281,267
Lexham Gardens	-	2,068	-	-	2,068
	<u>179,138</u>	<u>348,259</u>	<u>7,907</u>	<u>(37,692)</u>	<u>497,612</u>
<u>Endowment:</u>					
Campaign for St Michaels	464,843	-	-	-	464,843
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
	<u>1,514,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,514,843</u>
<u>Restricted funds:</u>					
Choral Sponsorship Fund	-	4,559	-	-	4,559
Mission Fund	-	61,403	-	-	61,403
	<u>-</u>	<u>65,962</u>	<u>-</u>	<u>-</u>	<u>65,962</u>
	<u>1,693,981</u>	<u>414,221</u>	<u>7,907</u>	<u>(37,692)</u>	<u>2,078,417</u>

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023 (continued)

11. ANALYSIS OF NET ASSETS BY FUND – continued

	Fixed assets	Bank	Debtors	Creditors	Net assets At 31 December 2022
<u>Unrestricted:</u>	£	£	£	£	£
<i>Undesignated</i>					
Ministry Fund	-	20,438	11,694	(31,329)	803
<i>Designated</i>					
Fabric Fund	-	88,554	-	-	88,554
Community Centre	-	-	-	-	-
Church Hall	-	-	755	(755)	-
Music Fund	-	7,962	-	-	7,962
Hall Renovation Fund	-	69,446	-	-	69,446
Arthur Ford Community Fund	161,973	97,940	-	-	259,913
Lexham Gardens	-	-	-	-	-
	161,973	284,340	12,449	(32,084)	426,678
<u>Endowment:</u>					
Campaign for St Michaels	478,915	-	-	-	478,915
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
	1,528,915	-	-	-	1,528,915
<u>Restricted funds:</u>					
Choral Sponsorship Fund	-	5,463	-	-	5,463
Mission Fund	-	87,572	-	-	87,572
	-	93,035	-	-	93,035
	1,690,888	377,375	12,449	(32,084)	2,048,628

12. FUND DETAILS

Designated Funds

The Fabric Fund has been formed to provide for expenditure on the fabric of the church and community centre, which is directly linked to the church, and the net rentals received from 41 Elm Bank Gardens are designated for this purpose.

The Community Centre fund has been established to control the activities of the Centre separately from the general activities of the church. Any surplus from the Community Centre is designated for Ministry.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023 (continued)

12. FUND DETAILS - continued

The Church Hall Fund is a partly designated fund as income must be applied first to the running costs, repairs, and maintenance of the Hall. The PCC has designated that an amount equal to the maximum of a) the deficit on Ministry, after the Community Centre Surplus has been taken into account or b) 50% of the total Church Hall Fund surplus, should transfer to Ministry Fund. Any remaining balance is available to be transferred to the Hall Renovation Fund.

The Arthur Ford Community Fund was established from a legacy from the estate of Arthur Ford. The fund will be used to benefit the people of the parish and will be available to fund community projects. The Arthur Ford fund has been earmarked by the PCC to support the costs for a rebuild/renovation of the Church Hall. This is on the understanding that following investment, surplus income would be allocated back to the Arthur Ford Community Fund to fund future community projects.

The Music Fund was established to ring fence any surpluses from specific music fundraising events. This provides a fund to enable investment in new community wide music events as well as providing support for assistant organists, musicians and for the occasional evensong service. The Organist for the 10 o'clock mass will continue to be funded from Regular Giving.

The Hall Renovation Fund was established to fund major maintenance, renovation, and development of the Church Hall.

Lexham Gardens represents income and expenditure from the flat, 20 Lexham Gardens, left to us by a legacy from the late Basil Moss. This property was let for the first time this year. The PCC have currently designated all surpluses, over and above a month's letting income net of agent's costs, for the Mission Fund, to support the funding of an assistant priest. All expenditure incurred to make the property suitable for letting was expensed against income received this year. While legal title has not transferred the Executors have confirmed that that make no claim on the income generated from the flat since the date of Basil's death.

Endowment Funds

The Campaign for St Michael's fund was established in 1998 to raise funds to cover the costs of external repairs to the church, refurbishment of the interior and the building of a new Community centre.

Also, included within Endowment Funds are certain properties and other funds of a capital nature.

The title to the Church Hall and 41 Elm Bank Gardens are held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee, with restrictions on disposal, for the benefit of St Michael's.

St Michaels was left a legacy from the Estate of the late Basil Moss of Flat 5, 20 Lexham Gardens W8 5JJ. This property was valued at £1,150,000. The property was left without restriction. It is the intension of the PCC once legal title has been transferred to create a new Endowment. While probate has been granted legal title has not been transferred, nor has the process to transfer title commenced, as the Executors cannot with all certainty confirm that there are sufficient assets within the estate to enable it to be free of legal indenture it has therefore not been recognised in the accounts. Once probate has been granted this will become the new Lexham Gardens Property Fund. We are hoping that legal title will transfer in the year to 31 December 2024.

Restricted Funds

The Choral Sponsorship Fund was set up to provide Choral Scholarships for new members of the Choir and for Organ Scholars. Each scholarship is available for up to two years. It is aimed predominately at

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023 (continued)

12. FUND DETAILS - continued

encouraging new young choral and organ scholars to participate in supporting the music ministry at St Michaels, ideally those who are studying GCSE or A level music and hoping to apply for university choral scholarships in the future. It was funded purely from individual donations following a campaign run by the Vicar and is therefore restricted for this sole purpose. We are incredibly grateful to The Ouseley Trust for a grant of £1,000 received during the year to fund a new Scholar. This individual will become our inaugural Ouseley Scholar.

Mission fund – This was a specific donation from a donor who wishes to remain anonymous. The donation is restricted for the purpose of mission in relation to the ministry of St Michael & All Angels, Barnes. Mission is defined as an activity or project which reaches out into the parish to share the Christian faith and bring new people into relationship with God and the Church. The donation cannot be used for building, alteration or maintenance of the church fabric, or the fabric of other church-owned buildings, or to finance any proposed new building work by the church. This fund is being used to fund costs relating to the appointment of Fr James Marston, our new assistant priest, who we share with St Mary's, both organisations contributing 50% towards his costs.

13. ANALYSIS OF FUND MOVEMENTS

	Balances B/ Fwd 1 Jan 23 £	Income £	Expenditure £	Gains/(losses) £	Transfers £	Balances C/Fwd 31 Dec 23 £
<u>Unrestricted funds</u>						
<i>Undesignated</i>						
Ministry Fund	803	129,839	(164,916)	-	44,429	10,155
<i>Designated</i>						
Fabric Fund	88,554	47,009	(23,396)	-	-	112,167
Community Centre	-	52,386	(22,298)	-	(30,088)	-
Church Hall	-	44,935	(16,253)	-	(28,682)	-
Music Fund	7,962	3,749	(3,543)	-	-	8,168
Hall Renovation Fund	69,446	-	-	-	14,341	83,787
Arthur Ford Community Fund	259,913	4,189	-	17,165	-	281,267
Lexham Gardens	-	22,883	(14,438)	-	(6,377)	2,068
	426,678	304,990	(244,844)	17,165	(6,377)	497,612
<u>Endowment funds</u>						
Campaign for St Michael's	478,915	-	(14,072)	-	-	464,843
Church Hall	250,000	-	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	-	800,000
	1,528,915	-	(14,072)	-	-	1,514,843
<u>Restricted funds</u>						
Choral Sponsorship Fund	5,463	6,468	(7,372)	-	-	4,559
Mission Fund	87,572	-	(32,546)	-	6,377	61,403
	93,035	6,468	(39,918)	-	6,377	65,962
	2,048,628	311,458	(298,834)	17,165	-	2,078,417

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023 (continued)

13. ANALYSIS OF FUND MOVEMENTS - continued

	Balances B/ Fwd 1 Jan 22 £	Income £	Expenditure £	Gains/(losses) £	Transfers £	Balances C/Fwd 31 Dec 22 £
<u>Unrestricted funds</u>						
<i>Undesignated</i>						
Ministry Fund	(8,083)	113,753	(141,035)	-	36,168	803
<i>Designated</i>						
Fabric Fund	81,485	39,000	(31,743)	-	(188)	88,554
Community Centre	-	42,076	(22,408)	-	(19,668)	-
Church Hall	-	37,784	(21,284)	-	(16,500)	-
Music Fund	9,740	1,682	(3,460)	-	-	7,962
Hall Renovation Fund	69,446	-	-	-	-	69,446
Arthur Ford Community Fund	271,834	6,777	-	(18,698)	-	259,913
Lexham Gardens	-	-	(10,006)	-	10,006	-
	424,422	241,072	(229,936)	(18,698)	9,818	426,678
<u>Endowment funds</u>						
Campaign for St Michael's	492,987	-	(14,072)	-	-	478,915
Church Hall	250,000	-	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	-	800,000
52 Boileau Road	9,818	-	-	-	(9,818)	-
	1,552,805	-	(14,072)	-	(9,818)	1,528,915
<u>Restricted funds</u>						
Choral Sponsorship Fund	4,938	1,130	(605)	-	-	5,463
Mission Fund	50,000	40,000	(2,428)	-	-	87,572
	54,938	41,130	(3,033)	-	-	93,035
	2,032,165	282,202	(247,041)	(18,698)	-	2,048,628

14. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £2,100 (2022 - £3,120).

15. CONTINGENT ASSET

St Michael & All Angels has been notified that it is in receipt of a legacy in the form of a flat, which is worth in the region of £1,150,000 from the Estate of the late Basil Moss. It is the intention of the PCC to record this asset, when legal title is transferred as an Endowment, with income designated to support the Ministry of St Michaels. As is the case with assets of this nature the title of this property, once transferred, will be held by the Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the flat generates and has the obligation for maintaining the building.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023 (continued)

15. CONTINGENT ASSET - continued

While probate has been granted legal title has not been transferred, nor has the process to transfer title commenced, as the Executors cannot with all certainty confirm that there are sufficient assets within the estate to enable it to be free of legal indenture. It has therefore not been recognised in the accounts. Once legal title is transferred the PCC will have the rights to proceeds were the flat to be sold.

16. RELATED PARTIES

During the year, the PCC obtained maintenance and enhancements to the fabric of the church buildings. The services were obtained from Maven Electrical Ltd a company controlled by Andrew Childs, a member of the PCC. The amount totalled £6,261 in the year (2022: £11,422).

17. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
<i>Income from:</i>						
Donations and legacies	2(a)	95,169	41,130	-	136,299	103,758
Other trading activities	2(b)	13,858	-	-	13,858	16,035
Investments	2(c)	45,777	-	-	45,777	35,901
Charitable church activities	2(d)	86,268	-	-	86,268	59,798
		-----	-----	-----	-----	-----
TOTAL INCOME		241,072	41,130	-	282,202	215,492
		-----	-----	-----	-----	-----
<i>Expenditure on:</i>						
Raising funds	3(a)	5,069	-	-	5,069	6,706
Managing Investments	3(b)	14,285	-	-	14,285	8,179
Charitable church activities	3(c)	210,582	3,033	14,072	227,687	181,073
		-----	-----	-----	-----	-----
TOTAL EXPENDITURE		229,936	3,033	14,072	247,041	195,958
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		11,136	38,097	(14,072)	35,161	19,534
		-----	-----	-----	-----	-----
NET GAIN/(LOSS) ON INVESTMENT		(18,698)	-	-	(18,698)	28,875
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(7,562)	38,097	(14,072)	16,463	48,409
		-----	-----	-----	-----	-----
TRANSFER BETWEEN FUNDS		9,818	-	(9,818)	-	-
		-----	-----	-----	-----	-----
NET MOVEMENT IN FUNDS		2,256	38,097	(23,890)	16,463	48,409
		-----	-----	-----	-----	-----
BALANCE AT 1.1.2022		424,422	54,938	1,552,805	2,032,165	1,983,756
		-----	-----	-----	-----	-----
BALANCE AT 31.12.2022		426,678	93,035	1,528,915	2,048,628	2,032,165
		=====	=====	=====	=====	=====

Accounts

THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, BARNES

Financial Statements

For the year ended 31 December 2022

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Incumbent:	The Rev'd Stephen Stavrou The Vicarage 39 Elm Bank Gardens Barnes London SW13 0NX
Bank:	Barclays Bank George Street Richmond Surrey
Independent Examiner:	Alison Jones FCA Kreston Reeves LLP, Chartered Accountants Plus X Innovation Hub Lewes Road Brighton East Sussex BN2 4GL
Registered Charity Number:	1133927

INDEPENDENT EXAMINERS REPORT

TO THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, BARNES

I report on the financial statements of the PCC for the year ended 31 December 2022, which are set out on pages 3 to 23.

Respective responsibilities of the Trustees and the Independent Examiner

The charity trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

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

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. 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.



Alison Jones FCA

Kreston Reeves LLP, Chartered Accountants
Plus X Innovation Hub
Lewes Road
Brighton
East Sussex
BN2 4GL

Date: 08 August 2023

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2022

Administrative Information

St Michael and All Angels Church is situated in Elm Bank Gardens, Barnes, London SW13. It is part of the Diocese of Southwark within the Church of England. The correspondence address is The Vicarage, 39 Elm Bank Gardens, Barnes, London SW13 0NX.

PCC members who have served from 1 January 2022 until the date this report was approved are:

Incumbent:	The Rev'd Stephen Stavrou
Assistant Priest:	The Rev'd James Marston (appointed December 2022)
Assistant Curate:	The Rev'd Martin Calderbank (resigned May 2022)
Wardens:	Andrew Childs (resigned May 2023) Lizzie Hackett Brown Jane Bennett Powell (elected May 2023)
Deanery Synod Representatives:	Jane Bennett Powell (resigned May 2023) Rhodri Walters (selected May 2022) Frederick Appleby (selected May 2023)
Ex Officio members:	Jacqueline Russell (Treasurer)
Elected Members:	Frederick Appleby Gemma Curran Camilla Harries – also Parish Safeguarding officer (elected January 2022) Bruce Houlder (elected May 2022) Anne Johnstone Marion Kreling (elected May 2022) Asha Pandit (elected May 2023) Patricia Reed-Boswell (elected May 2022) Jacqueline Russell (elected May 2023) Annette Waller Andrew Puddifoot (resigned May 2023) Denise Poulton (resigned May 2022) Simon Livingstone (resigned September 2022) Bennet Summers (resigned May 2022)
Parish Safeguarding Officer:	Camilla Harries
PCC Secretary	Sally Mills (resigned January 2022) <i>This position is presently vacant.</i>

Structure, governance, and management

The PCC is governed by the PCC Powers Measure (1956) as amended and church representation rules.

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. All church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC meets at least four times a year and operates through two sub-committees which meet between full meetings of the PCC. These comprise the Standing Committee and the Finance Committee.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2022

The Parochial Church Council (PCC) is the church's governing body and its members for the time being are de facto the church's Trustees. They are co-trustees with the Diocesan Board of Finance for the Trust Land held by the church. Members of the PCC are elected by members of the congregation on the church's Electoral Roll at the Annual Parochial Church Meeting. PCC membership, in accordance with Church of England practice, will not normally exceed three years.

Objectives and Activities

The PCC of St Michael and All Angels, Barnes has the responsibility to co-operate with the incumbent, Fr Stephen Stavrou, in promoting in the ecclesiastical parish the whole mission of the church, pastoral, evangelistic, social, and ecumenical. It also has responsibility for the maintenance of the Church and the control of expenditure.

Achievements and performance

Church Attendance

St Michael's Electoral Roll stands at 190. The average monthly count of the congregation taken on Sundays during October/November 2022 was 137.

VIEW FROM THE VICARAGE 2023

GROWTH IN EVERYTHING

I started writing this review on the parish pilgrimage to the Shrine of Our Lady of Walsingham. Gerard Manley-Hopkins writes in his poem *The May Magnificat*: 'What is Spring?/ Growth in everything'. I certainly feel that in this holy place the joy and life of Eastertide is tangible in the sights and sounds of the Norfolk countryside. I have prayed for you all, for the church and parish, as we come to the end of another year.

CLERGY DEPARTURES AND ARRIVALS.

Our curate, Fr Martin Calderbank, came to the end of his curacy in July 2022. Fr Martin moved on to a new job in Luxembourg and is assisting at the Anglican church there. Unfortunately, he caught covid just before his final service at St Michael's and was unable to be with us for it! Nevertheless, his family ably represented him, and we gave thanks for his time with us. One of Fr Martin's final acts was to lead a pilgrimage to Canterbury with some people walking all the way! It was a wonderful conclusion to his curacy. In December, Fr James Marston came to us as an Associate Priest, shared between St Michael's and St Mary's. This new venture was made possible by two generous benefactors. There was a great need to increase our capacity for sacramental, liturgical, pastoral, and teaching ministry, and Fr James is helping us to achieve this.

FINANCIAL ANXIETIES

This year has been extraordinary with anxiety over the continuing war on Ukraine, rising cost of living, and increased energy prices during a very long, cold winter. As a church we are not immune from the practical implications of these issues. Despite economies and careful observation of spending, we are struggling to cope with the increased cost of things - especially energy - and sources of income have not kept pace with these increases. We have a difficulty of perception because our accounts are complex and it is easy for people to see spending in one area (e.g. for an associate priest or music scholarships) and mistakenly assume we have money to spare when, in fact, we are using funds donated specifically for these purposes which cannot be used to cover costs in other areas. Many challenges remain, but we are beginning to see more positive news and some inflation and energy prices coming down. It has been my experience at St Michael's that people respond generously and I am grateful for all of you who have made special donations towards utilities or sponsored things which otherwise we would have had to stop doing, such as the lights at the Nativity Service or the Palm Sunday donkey. Inviting sponsorship from individuals and businesses to cover certain costs is something we probably need to keep doing for the foreseeable future

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2022

BELONGING AND PARTICIPATION

The PCC Away Day last September was on the theme of ‘belonging and participation’. The theme arose in response to comments about a lack of volunteers and the same people undertaking most tasks. These are important comments in identifying a problem, but in themselves they don’t enable us to understand the issues or how to resolve them. So PCC members explored how people moved from the edge to the centre of church life using their own experience of first encounter of St Michael’s to leadership position on the PCC, and the factors that made that happen. There were several common themes: First, the attraction of beautiful worship. Second, the musical tradition. Third, personal invitations to church from friends, and neighbours. Fourth, relationships and networks. Then we used the ‘funnel’ model to look at the specific activities that drew people further into the life of the church and identified several key factors, from special services for festival, baptism and family ministry, choir and music, and social events. These are all areas to focus on and nurture as areas that initiate belonging and, over time, lead to active participation.

CENSUS DATA AND MISSION

The census data from 2021 was released, and confirmed what was expected about lower Christian affiliation. We are not immune from this trend, but I was pleased to see that in our parish, 56% of the population identify as Christian - far higher than in most places. There is no doubt that this has a lot to do with the ministry of St Michael’s which, as an active parish, enables people to connect with the Christian faith in various ways. There is research to say that a church has the greatest influence within 750 metres of its building, and so a small parish like ours benefits from this. Nevertheless, we cannot be complacent and we have to ask ourselves challenging questions about how we do *new* things to reach *new* people. To that end, returning to our Mission Action Plan over the coming year will be essential.

EASTER

Speaking of statistics I was greatly encouraged by the Easter attendance this year. Numbers aren’t everything, but we do care about the salvation of souls and so figures give us important indications. Having analysed figures for Easter attendance over a 20 year period, the continuous downward trend (from 380 in 2001 to just 210 in 2019) is very noticeable – *except* that we seem to have turned things around with increases in both of the last 2 years (252 in 2023), and it is the 10am Sung Mass of Easter Day that is driving the increase. We have made this service an extra special all-age occasion and word has got round that there will be surprises, joy, and fun, and this is the added ‘something that brings people to church who might not otherwise come. One person kindly wrote: “ ... *the most inspiring, uplifting and entertaining Easter Day mass at St Michael and All Angels! ... I have never experienced such a poignant, relevant, and relatable Easter!*”

BAPTISMS, WEDDINGS AND FUNERALS

I wrote last year of the dramatic increased in Baptism applications and this trend continues. This has a lot to do with the ministry of our Children’s Ministry Leader, Gemma Curran, and the team she is building around her. At the same time Gemma is rightly challenging us with some of the reflections from her ongoing training in children’s ministry about how we truly welcome children and families at worship.

Some of you may know that in February the General Synod (the Church of England’s ‘parliament’), finally began to move in the direction of approving official services for same-sex couples in church. Not marriage as such, but a blessing of two people in a relationship. Whilst this might not seem very much, it is *something*, and for this I give thanks. As a long-standing inclusive church, St Michael’s looks forward to holding such services as soon as they are authorised by the General Synod after its upcoming session in July, even as we also look forward to full marriage equality.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2022

Over the last year we have laid to rest a number of faithful parishioners and friends. Jane Sherwin felt like a permanent feature of life here and the presence of her absence is strongly felt. We also bid farewell to Janine Thys and Richard Haigh. Of course, having celebrated her Platinum Jubilee with such joy last June, the death of the Queen in September was a sad contrast - the Requiem Mass at St Michael's on the Sunday afterwards was deeply moving. Bishop Christopher of Southwark joined us for Epiphany Carols, during which he blessed some glass sanctuary lamps given in memory of Rosemary Hurry - replacing the previous assortment of brandy and wine glasses!

LEARNING AND FAITH FORMATION

Our learning as a parish focuses around the penitential seasons and in Advent we studied the book of Revelation with all its complex and beautiful symbolism. In Lent we entered the world of 1st century Christianity through the book 'Phoebe' by Paula Gooder and St Paul's letter to the Romans. In both seasons, we also heard from members of the congregation on Sunday mornings about spiritual experiences, journeys and stories that had shaped their faith – thank you to all those who spoke. We have enjoyed a breadth of guest preachers over the year including Canon Thomas Woodhouse from the Savoy Chapel at Ascension, Bishop Martin Seeley of St Edmundsbury for Corpus Christi, Brother Samuel SSF at Michaelmas, and Mother Jenny Totney for All Souls. Last year we confirmed 2 adults and 4 young people and this year there are around 10 children being prepared for confirmation in July.

MUSIC

Our music over the year has been enhanced by our music scholarships. This scheme that is now really blessing us, and achieving its aims of augmenting our existing choir whilst also training new voices in church music. Great credit is due to Director of Music, Laurence Williams, for recruiting a full cohort of scholars for the first time and for the dedication he shows in working with them. It was a joy to attend our first 'scholars recital' in November. Thank you for all who contribute to the scholarship fund. Unfortunately, because of the current financial situation we have paused our children's choir plans, but we hope to return to this soon. St Michael's has hosted more events for the Barnes Music Festival than ever before. I can't mention them all here, but most memorable for me personally was recording BBC Choral Evensong with Tiffin School Choir. It was great to put St Michael's out on the radio to a huge audience and I regularly meet people who tell me they heard it!

SPECIAL THANKS

As ever, I can't mention all the wonderful events that take place through the year from the Christmas Tree Festival, to the Barnes Art Fair and the Parish Quiz – but I have tried to give a flavour of our parish life and those things which are specific to this year or different from normal. I want to give special thanks to the Churchwardens Lizzie Hackett-Brown and Andrew Childs, and most especially to Andrew as he completes his term of office as Churchwarden and steps down this year. In addition, Andy Puddifoot steps down from the PCC after more years than he or anyone else can remember!

THE YEAR AHEAD

It's been a dramatic year for us all with events local, national, and international effecting us deeply. What does the year ahead hold for us? We look forward to welcoming our new Bishop of Kingston, the Rt Rev'd Martin Gainsborough at Corpus Christi. We also need to resume our Mission Action Plan which was disrupted by Covid and its aftermath. Hopefully, a return to more stable financial and political conditions will also enable us to return to exploring solutions to the issues with our Church Hall, which has been 'on hold' because of so much uncertainty. If I have one spiritual hope for the year ahead, it is to make silent prayer before the Blessed Sacrament a more regular offering. Having found this to be of huge benefit during Lent, I want more of you to know the peace that comes from a time of silence in the presence of Christ in the Sacrament.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2022

CORONATION SERVICE

I began writing in Walsingham, and continued during the weekend of the Coronation of King Charles III. It has been an extraordinary few day of spiritual drama, historic moments, and community celebration. There were literally hundreds and hundreds of people celebrating together in church on Sunday and Monday. In the best way we have shown ourselves to be a true parish church, bringing together the spiritual and the social as the Church and the State are also intertwined. It is a time when we have also been reminded of the Christian foundations of our national life and consecrated ourselves anew to serve God and one another after the example of Christ who came 'not to be served but to serve'. May this coronation spirit of loving service inspire us all in the year ahead.

Financial Review

2022 marked a year of recovery, the income from our properties finally recovered after the shock of Covid which contributed to a significant growth in income. We cannot however be complacent as our costs grew significantly more than our income. We are now fully reliant on surpluses from the Community Centre and Hall to support our Ministry. The challenge remains to increase our planned giving as while the new card terminals are bringing in additional income, our gift aided donations are reducing and that remains a worry.

INCOME

Total Income in 2022 grew to £282,202, up from £215,492 last year, and helped significantly by another one-off restricted donation of £40,000 to the Mission Fund (2021: £10,000).

Gift Aid Donations fell slightly to £54,997 from £56,444 last year. This is inevitably our main challenge, our regular unrestricted giving, excluding one off donations is not keeping up with the pace of expenditure as it fell slightly £79,576 compared to £80,037 last year.

Grants appeals and legacies however grew to £15,593 from £10,543, helped by our new card only terminals now available at the back of church.

Income from fundraising events, not relating to music was stable year on year and encouragingly grew to £11,681k from £8,411, with surplus after costs growing to £10,072 from £7,362 last year.

Income from Investments (funds from 41 Elm Bank Gardens) recovered to £39,000 from £31,800. Investment income was also stable at £6,777 compared to £4,101 last year.

It was encouraging to see growth in our letting's income with Church Hall income at £37,784 compared to £25,870, and back on track compared to pre pandemic years. Community Centre lettings recovered to £42,076, significantly up on £36,699 in 2021 and the highest we have ever seen.

Total Income – removing the restricted income but including the net return from fundraising rather than the gross fundraising income - was £239,463 compared to £201,105, this equates to £4,605 a week, 19% up on £3,867 in 2021.

EXPENDITURE

Total expenditure however grew quite considerably to £247,041 compared to £195,958 with the largest rise back in Church maintenance, which grew to £27,465 from £5,019 as we once more continued the work on the exterior of the church. Total underlying expenditure grew to £228,327 compared to £179,187, £4,391 a week compared to £3,446 – a growth of 27%. While approximately half of this can be explained by planned costs to fabric, cost increases remain a real

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2022

concern and we expect this trend to continue as the full effect of significant increases in energy costs continues in 2023.

The total underlying surplus on our unrestricted funds for the year is £11,136, with the combined Ministry, Community Centre and Hall funds generating a surplus of £8,887, a significant recovery on the deficit of £5,920 last year (see table of underlying unrestricted income and expenditure on page 9). We are now reliant on the surpluses from these two properties supporting Ministry. The Ministry Fund is now back in a small surplus of £803.

As reported last year, we are in receipt of a legacy from the will of the late Basil Moss, which takes the form of flat – namely Flat 5, 20 Lexham Gardens. The Executors have confirmed that any proceeds from this legacy are due to St Michael & All Angels from the date of death, and that we are entitled to effect repairs and maintenance. It was on that basis that during the year we spent £10,006 on Lexham Gardens to prepare the flat for letting. This was funded mainly from the growth in the value of our share in Boileau Road which was recognised last year when the property was sold. We anticipate spending approximately £20,000 in total by the time the property is let in Spring 2023, with any expenditure over and above the £9,818 funded from the Boileau Road Endowment being loaned from the Fabric Fund. It is our intension to pay the Fabric Fund back from the first two years of rental income. We have still not recognised the flat as an asset, as while probate was granted during the year, legal title has not been transferred, nor has the process to transfer title commenced, as the Executors cannot with all certainty confirm that there are sufficient assets within the estate to enable it to be free of legal indenture. It has therefore not been recognised in the accounts.

And finally, the PCC agreed during the year to spend the Mission Fund on funding, jointly with St Mary's, a new assistant priest. Fr James Marston joined us in December. At the end of the year £2,428 had been spent. This is all restricted income and expenditure.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2022

Table of Underlying Unrestricted Income and Expenditure 2022 v 2021 v pre covid 2019

	2022		2021		2019	
Total Income		£282,202		£215,492		£251,320
Less Fundraising	£11,681	(£11,681)	£8,411	(£8,411)	£39,184	(£39,184)
Fundraising Costs	£1,609		£1,049		£20,087	
Add Fundraising Surplus	£10,072	£10,072	£7,362	£7,362	£19,097	£19,097
		£280,593		£214,443		£231,233
Restricted grants		(£41,130)		(£13,338)		(£3,125)
Underlying Income Trend		£239,463		£201,105		£228,108
Income per week (excluding grants, appeals & legacies)	£4,605	19%	£3,867		£4,387	
Total Expenditure		£247,041		£195,958		£212,829
Less Fundraising costs		(£1,609)		(£1,049)		(£20,087)
Less Depreciation		(£14,072)		(£14,072)		(£14,072)
Less Restricted Expenditure		(£3,033)		(£1,650)		(£696)
Underlying Expenditure		£228,327		£179,187		£177,974
Expenditure per week	£4,391	27%	£3,446		£3,423	
Net Surplus/ (Deficit)		£11,136		£21,918		£50,134
(Deficit)/Surplus per week		£214		£422		£964
Splitting (Deficit)/Surplus between Income Streams						
Church Hall		£16,500		£15,022		£24,545
Community Centre		£19,668		£10,672		£19,827
Fabric Fund (Surplus on EBG less maintenance)		£7,068		£22,055		£11,383
Music Fund		(£1,778)		£1,702		£4,704
Investment Income (Arthur Ford)		£6,777		£4,101		£4,417
Lexham Gardens (funded by Boileau Rd in 22)		(£9,818)		£0		
Ministry Fund		(£27,281)		(£31,634)		(£14,742)
Net Surplus/(Deficit) before Investment						
Gains		£11,136		£21,918		£50,134
Net In Year Church (Deficit)/Surplus after						
Community Centre & Hall Surplus		£8,887		(£5,940)		£5,085

OUTLOOK FOR 2023

The news of an increase in our utility bills of approximately £12,000 was a real concern, however with rental income from Lexham Gardens starting to be received from April, and strong performances from the Community Centre and Hall it looks like we will be able to continue to fund our Ministry. While we cannot be complacent as we are seeing no real growth in our regular donations, this additional source of income has arrived just when we needed it most.

Unrestricted and Designated Funds

Unrestricted funds encompass funds for the general running of the Church, Church Hall and Community Centre and include the Ministry Fund, previously known as the General Fund, the Fabric Fund, Music Fund, Hall Renovation Fund and Arthur Ford Community Fund. The deficit from the Ministry Fund is eliminated by transfers from the Community Fund and from the Church Hall fund following approval from the Parochial Church Council. It ends the year back in surplus at £803.

Following the establishment of the Mission fund in 2019, we received a further donation of £40,000, and after costs the fund stands at £87,572. This fund will be used to fund, jointly with St Mary's our new assistant priest.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2022

The Fabric fund, which is set aside to fund the fabric of the Church and the Community Centre grows to £88,554. The balance on the Hall Renovation Fund is £69,446.

The Arthur Ford fund, fell back to £259,913 due to a fall in the book value of our investments, however we expect this to recover in the medium term.

Endowment Funds

These include the assets of St Michaels. The Campaign for St Michael's which includes the build cost for the Community Centre now reflects the value of the asset of the cloisters, after depreciation, of £478,915.

We have reinvested the Endowment held for 52 Boileau Road into the upkeep of Lexham Gardens to enable the flat to generate us income.

The total value of all funds rose by £16,463 to £2,048,628.

Public Benefit Reporting

The Parochial Church Council confirms that it follows the Charity Commission guidance on public benefit in setting its objectives and believes it has fully fulfilled its obligations with the variety of work and activities undertaken throughout the community. St Michael & All Angels is registered as a Charity under Charity Number 1133927.

Reserves Policy

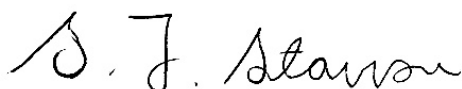
The policy of the Parochial Church Council is to target a level of reserves in the Ministry Fund equal to three months' running costs of the church, excluding planning hall and community centre costs, which at a run rate of £4,391 per week, equates to a total of £52,692. As our costs increase this remains completely out of reach, but we take some comfort that at least our Ministry Fund is out of deficit and back in surplus.

Investment Policy and Cash Deposits

The Finance Committee have developed what they regard as a mixed risk strategy with all funds invested in the CCLA UK Equity Income Fund/cash deposits with the CCLA and Barclays Bank. The Parochial Church Council reinvested a proportion of the Arthur Ford fund in the CCLA UK Equity Income Fund in 2019 and will review this investment decision approximately six months prior to these funds being required. Given the high level of cash currently held we are currently looking to expand our investments with the CCLA.

Risk Management

The Parochial Church Council has assessed the major risk to which St Michael's might be exposed, those related to the activities and finances of the Church and is satisfied that there are systems and processes in place to mitigate exposure to any major risk. The Finance Committee reviews the financial position of the church at least quarterly, while the Churchwardens regularly report on the status of the fabric of the church and other buildings to determine appropriate courses of action. Fabric and Finance are standing items on PCC agendas.



Father Stephen Stavrou (Vicar)
On behalf of the PCC

ST MICHAEL AND ALL ANGELS, BARNES

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
<i>Income from:</i>						
Donations and legacies	2(a)	87,576	41,130	-	128,706	103,758
Other trading activities	2(b)	13,858	-	-	13,858	16,035
Investments	2(c)	45,777	-	-	45,777	35,901
Charitable church activities	2(d)	93,861	-	-	93,861	59,798
		-----	-----	-----	-----	-----
TOTAL INCOME		241,072	41,130	-	282,202	215,492
		-----	-----	-----	-----	-----
<i>Expenditure on:</i>						
Raising funds	3(a)	5,069	2,428	-	7,497	6,706
Managing Investments	3(b)	14,285	-	-	14,285	8,179
Charitable church activities	3(c)	210,582	605	14,072	225,259	181,073
		-----	-----	-----	-----	-----
TOTAL EXPENDITURE		229,936	3,033	14,072	247,041	195,958
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		11,136	38,097	(14,072)	35,162	19,534
		-----	-----	-----	-----	-----
NET GAIN/(LOSS) ON INVESTMENT		(18,698)	-	-	(18,698)	28,575
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(7,562)	38,097	(14,072)	16,464	48,409
		-----	-----	-----	-----	-----
TRANSFER BETWEEN FUNDS		9,818	-	(9,818)	-	-
		-----	-----	-----	-----	-----
NET MOVEMENT IN FUNDS		2,256	38,097	(23,890)	16,464	48,409
		-----	-----	-----	-----	-----
BALANCE AT 1.1.2022		424,422	54,938	1,552,805	2,032,165	1,983,756
		-----	-----	-----	-----	-----
BALANCE AT 31.12.2022		426,678	93,035	1,528,915	2,048,628	2,032,165
		=====	=====	=====	=====	=====

The notes on pages 13 to 23 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

BALANCE SHEET As at 31 December 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets:					
Tangible fixed assets	6		728,915		742,987
Investment property	6		800,000		800,000
Investments	7		140,845		159,543
			<u>1,669,760</u>		<u>1,702,530</u>
Current assets:					
Debtors	8	12,449		7,724	
Short term deposits		137,225		92,949	
Cash at bank		<u>261,278</u>		<u>251,183</u>	
		410,952		351,856	
Creditors – Amounts falling due within one year:					
	9	<u>(32,084)</u>		<u>(22,221)</u>	
Net current assets			<u>378,868</u>		<u>329,635</u>
Total assets less current liabilities			2,048,628		2,032,165
Net assets			<u><u>2,048,628</u></u>		<u><u>2,032,165</u></u>
Funds:					
Endowment funds	10,11 & 12		1,528,915		1,552,805
Unrestricted funds	10 & 12		426,678		424,422
Restricted funds	10 & 12		93,035		54,938
			<u><u>2,048,628</u></u>		<u><u>2,032,165</u></u>

Approved by the Parochial Church Council on 15 July 2023 and signed on its behalf by:



Jacqueline Russell
(Honorary Treasurer)

The notes on pages 13 to 23 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

They have also been prepared under the historic cost convention, except for the valuation of fixed assets which are shown on the basis described below.

They include all transactions, assets, and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe an affiliation to another body nor those that are informal gatherings of church members.

Funds

Funds held by the PCC are:

Unrestricted funds:

- Undesignated funds which can be used for PCC ordinary purposes.
- Designated funds – monies set aside by the PCC out of unrestricted funds for specific future purposes or projects. Funds for the day-to-day running of the Church Hall and the Community Centre, and the Fabric Fund, have been designated in this way.

Restricted funds, which comprise either (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest or (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given.

Endowment funds – funds the capital of which must be maintained. Only income arising from the investment of the endowment may be used, either as restricted or unrestricted funds, depending on the purpose set out in the terms of the original endowment. A list of the endowment funds is in note 10 to the financial statements.

Income

All income is accounted for gross of taxes.

Donations, legacies, and capital sources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under gift aid is recognised only when received.

Income tax recoverable on gift aid donations is recognised when claimable from HMRC.

Grants and legacies are accounted for when the PCC is legally entitled to the amount due, it is probable that the income will be received, and the amount can be measured with sufficient reliability.

Other income

Rental income from the letting of the church hall is recognised when the rental is due.

Investment income

Interest is received gross of taxes and accounted for when receivable.

Rental income from 41 Elm Bank Gardens is recognised when the rental falls due.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022 (continued)

Accounting Policies - continued

Expenditure

Expenditure is accounted for on an accruals basis and is accounted for gross of taxes.

Liabilities are recognised as expenditure where that is a legal or constructive obligation, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Grants and church activities

Grants and donations are accounted for when paid over or when awarded if that award creates a binding obligation on the PCC. All church activity costs are accounted for on a full accrual's basis and any prepayments or accruals are shown in the balance sheet as either current assets or current liabilities.

Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

- Valuation of the investment property has been undertaken by the trustees themselves. The basis for the valuation includes consideration of the declining property market around the area of Barnes they foresee, and the level of work required to bring the property into a resalable condition.

Tangible fixed assets and depreciation

Consecrated land and buildings and movable church furnishings

The value of consecrated and beneficed property of any kind is excluded from the financial statements under section 10(2)(a) and (c) of the Charities Act 2011. Moveable church furnishings held by the vicar and church wardens on special trust for the PCC and requiring a faculty for disposal are accounted for as inalienable property, unless consecrated. Inalienable property acquired prior to 2000 is not valued in the financial statements, as there is insufficient information available. From 1 January 2001, the acquisition cost of such an item, where it exceeds £1,000, is capitalised, and depreciated over its anticipated useful life.

Other fixtures, fittings, and office equipment

Individual items of equipment costing £1,000 or less are written off when the asset is acquired. Items costing more than £1,000 are depreciated over 3 years on a straight-line basis.

Land

No depreciation is charged on the value attributed to land.

St Michael's Community Centre

Depreciation is provided to write off the cost of the Community Centre over its useful life of 50 years.

Investment properties

Certain of the charity's properties are held for long term investment. In accordance with the Financial Reporting Standard 102, investment properties are included in the balance sheet initially at their cost. Subsequently investment properties are valued at fair value through the Statement of Financial Activities. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022 (continued)

Accounting Policies - continued

Tangible fixed assets and depreciation - continued

This policy represents a departure from statutory accounting principles, which require annual depreciation of fixed assets. The members believe that this policy of not providing depreciation or amortisation is necessary for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current valuation, are of primary importance rather than a calculation of annual depreciation. Depreciation or amortisation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be simply identified or quantified.

Going Concern

These accounts have been prepared on a going concern basis.

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Current assets

Amounts owing to the PCC on 31 December in each year in respect of fees, rents and other incomes are shown as debtors less any provision for amounts that may prove uncollectible. Short term deposits include cash on deposit either with the CBF Church of England Funds or with the PCC's bank.

Cash

Cash comprises cash on hand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date because of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at amortised cost using the effective interest method.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022 (continued)

2 INCOME:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds	
				2022 £	2021 £
<i>2(a) Donations and legacies</i>					
Planned giving:					
Gift Aid donations	54,997	-	-	54,997	56,444
Other donations	1,035	40,000	-	41,035	10,000
Choral Scholarship	-	1,130	-	1,130	3,338
Income tax recoverable	17,159	-	-	17,159	17,114
Collections	6,385	-	-	6,385	4,041
	-----	-----	-----	-----	-----
Regular giving	79,576	41,130	-	120,706	90,037
Grants, appeals, legacies etc	15,593	-	-	15,593	10,543
Government grants	-	-	-	-	2,278
	-----	-----	-----	-----	-----
	95,169	41,130	-	136,299	103,758
	-----	-----	-----	-----	-----
<i>2(b) Other trading activities</i>					
Fundraising events	11,681	-	-	11,681	8,411
Music Fund income	1,682	-	-	1,682	7,359
Catering	495	-	-	495	265
	-----	-----	-----	-----	-----
	13,858	-	-	13,858	16,035
	-----	-----	-----	-----	-----
<i>2(c) Income from investments</i>					
Rent from 41 Elm Bank Gardens	39,000	-	-	39,000	31,800
Investment income	6,777	-	-	6,777	4,101
	-----	-----	-----	-----	-----
	45,777	-	-	45,777	35,901
	-----	-----	-----	-----	-----
<i>2(d) Income from charitable church activities</i>					
Church Hall lettings	37,784	-	-	37,784	25,870
Fees (weddings etc)	4,643	-	-	4,643	3,553
Community Centre lettings	42,076	-	-	42,076	36,699
Pastoral care	-	-	-	-	1,000
Sundry income	1,765	-	-	1,765	5,676
	-----	-----	-----	-----	-----
	86,268	-	-	86,268	59,798
	-----	-----	-----	-----	-----
TOTAL INCOME	241,072	41,130	-	282,202	215,492
	-----	-----	-----	-----	-----

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022 (continued)

3 EXPENDITURE:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	2021 £
3(a) <i>Raising funds</i>					
Fund-raising events	1,609	-	-	1,609	1,049
Music Fund expenses	3,460	-	-	3,460	5,657
	-----	-----	-----	-----	-----
	5,069	-	-	5,069	6,706
	-----	-----	-----	-----	-----
3(b) <i>Cost of managing investments</i>					
41 Elm Bank Gardens	4,278	-	-	4,278	7,016
Lexham Gardens costs	10,007	-	-	10,007	1,163
	-----	-----	-----	-----	-----
	14,285	-	-	14,285	8,179
	-----	-----	-----	-----	-----
3(c) <i>Charitable Church activities</i>					
Missionary and charitable giving	4,238	-	-	4,238	4,497
Diocesan pledge	81,900	-	-	81,900	77,000
Ministry costs inc. Clergy expenses	440	2,428	-	2,868	1,228
Church running costs	14,736	-	-	14,736	10,744
Church hall running costs	21,284	-	-	21,284	10,747
Community Centre running costs	22,408	-	-	22,408	13,127
Church maintenance	27,465	-	-	27,465	5,019
Organ, organist, and music	10,799	-	-	10,799	12,887
Books and subscriptions	719	-	-	719	692
Fees remitted to Diocese	2,096	-	-	2,096	2,855
Depreciation	-	-	14,072	14,072	14,072
Miscellaneous	4,330	-	-	4,330	4,642
Choral Scholarship	-	605	-	605	1,650
Parish office	16,514	-	-	16,514	18,135
Bank charges	412	-	-	412	346
Pastoral Care	191	-	-	191	632
Support costs (note 4)	3,050	-	-	3,050	2,800
	-----	-----	-----	-----	-----
Total church activities	210,582	3,033	14,072	227,687	181,073
	-----	-----	-----	-----	-----
TOTAL EXPENDITURE	229,936	3,033	14,072	247,041	195,958
	-----	-----	-----	-----	-----

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022 (continued)

4. ALLOCATION OF SUPPORT COSTS

Support costs consisting of accountancy fees have been allocated to the churches activities on the following basis;

	Allocation	Charitable church activities	
		2022	2021
		£	£
Accountancy fees	100%	3,050	2,800

5. PCC MEMBERS' BENEFITS AND STAFF COSTS

Two members of the PCC were reimbursed for expenses of £440 (2021: £827). No members of the PCC received remuneration for services as trustees. The average number of employees in the year was 1 (2021: 3, and their total emoluments were £10,167 (2021: £9,167).

6. FIXED ASSETS

Tangible Fixed Assets	St Michael's Community Centre £	Church Hall £	Total £
Cost or valuation			
At 1 January 2022	704,097	250,000	954,097
Disposals at cost	-	-	-
Cost as at 31 December 2022	<u>704,097</u>	<u>250,000</u>	<u>954,097</u>
Depreciation			
At 1 January 2022	211,110	-	211,110
Charge for the year	14,072	-	14,072
Eliminated on disposal	-	-	-
At 31 December 2022	<u>225,182</u>	<u>-</u>	<u>225,182</u>
Net book value			
At 31 December 2022	<u>478,915</u>	<u>250,000</u>	<u>728,915</u>
<i>At 31 December 2021</i>	<u><i>492,987</i></u>	<u><i>250,000</i></u>	<u><i>742,987</i></u>

The Title for the Church Hall is held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the Church Hall generates and the obligation for maintaining the building, and the right to proceeds were the Church Hall to be sold.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022 (continued)

6. FIXED ASSETS – Continued

Investment property	Investment Property £
Cost or valuation	
At 1 January 2022	800,000
At 31 December 2023	<u>800,000</u>

At the year ended 31 December 2022 the PCC agreed that they believe the current valuation of £800,000 of 41 Elm Bank Gardens was appropriate. The cost of incurring a valuation is regarded as an undesirable use of church funds.

7. INVESTMENTS

	CCLA Income Shares £
Market value	
Value at 1 January 2022	159,543
Revaluation	<u>(18,698)</u>
Net book value	
At 31 December 2022	<u>140,845</u>
<i>At 31 December 2021</i>	<i><u><u>159,543</u></u></i>

Had the investments been carried at historical cost their value would be £120,000.

8. DEBTORS

	2022 £	2021 £
Income tax recoverable	4,362	4,712
Prepayments and other debtors	8,087	3,012
	<u>12,449</u>	<u>7,724</u>

9. LIABILITIES

	2022 £	2021 £
Amounts due within one year		
Creditors and accruals	24,888	19,815
Deferred Income	4,770	-
St Michael's Guild	220	220
St Michael's counselling service	2,206	2,206
	<u>32,084</u>	<u>22,221</u>

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022 (continued)

St Michael's Guild is an informal gathering of church members, and St Michael's counselling service, which also works in association with St Michael's, both operate independently of the PCC.

10 . ANALYSIS OF NET ASSETS BY FUND

	Fixed assets	Bank	Debtors	Creditors	Net assets
<u>Unrestricted:</u>	£	£	£	£	£
<i>Undesignated</i>					
Ministry Fund	-	20,438	11,694	(31,329)	803
<i>Designated</i>					
Fabric Fund	-	88,554	-	-	88,554
Community Centre	-	-	-	-	-
Church Hall	-	-	755	(755)	-
Music Fund	-	7,961	-	-	7,961
Hall Renovation Fund	-	69,446	-	-	69,446
Arthur Ford Community Fund	140,845	119,068	-	-	259,913
	-----	-----	-----	-----	-----
	140,845	305,468	12,249	(32,084)	426,678
	-----	-----	-----	-----	-----
<u>Endowment:</u>					
Campaign for St Michaels	478,915	-	-	-	478,915
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
	-----	-----	-----	-----	-----
	2,678,915	-	-	-	2,678,915
	-----	-----	-----	-----	-----
<u>Restricted funds:</u>					
Choral Sponsorship Fund	-	5,463	-	-	5,463
Mission Fund	-	87,572	-	-	87,572
	-----	-----	-----	-----	-----
	-	93,035	-	-	93,035
	-----	-----	-----	-----	-----
	2,819,760	398,503	12,449	(32,084)	3,198,628
	=====	=====	=====	=====	=====

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022 (continued)

11. FUND DETAILS

Designated Funds

The Fabric Fund has been formed to provide for expenditure on the fabric of the church and community centre, which is directly linked to the church, and the net rentals received from 41 Elm Bank Gardens are designated for this purpose.

The Community Centre fund has been established to control the activities of the Centre separately from the general activities of the church. Any surplus from the Community Centre is designated for Ministry.

The Church Hall Fund is a partly designated fund as income must be applied first to the running costs, repairs, and maintenance of the Hall. Any surplus is first used to eliminate any deficit on the ministry fund, after the Community Centre transfer. Any remaining balance is available to be transferred to the Hall Renovation Fund.

The Hall Renovation Fund was established to fund major maintenance, renovation, and development of the Church Hall.

The Arthur Ford Community Fund was established from a legacy from the estate of Arthur Ford. The fund will be used to benefit the people of the parish and will be available to fund community projects. The Arthur Ford fund has been earmarked by the PCC to support the costs for a rebuild/renovation of the Church Hall. This is on the understanding that following investment, surplus income would be allocated back to the Arthur Ford Community Fund to fund future community projects.

The Music Fund was established during the year to ring fence any surpluses from specific music fundraising events. This now provides a fund to enable investment in new community wide music events as well as providing support for assistant organists, musicians and for the occasional evensong service. The Organist for the 10 o'clock mass will continue to be funded from Regular Giving.

Endowment Funds

The Campaign for St Michael's fund was established in 1998 to raise funds to cover the costs of external repairs to the church, refurbishment of the interior and the building of a new Community centre.

Also, included within Endowment Funds are certain properties and other funds of a capital nature.

The title to the Church Hall and 41 Elm Bank Gardens are held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee, with restrictions on disposal, for the benefit of St Michael's.

St Michaels was left a legacy from the Estate of the late Basil Moss of Flat 5, 20 Lexham Gardens W8 5JJ. This property was valued during the year at a value of £1,150,000. The property was left without restriction. It is the intension of the PCC once legal title has been transferred to create a new Endowment. While probate has been granted legal title has not been transferred, nor has the process to transfer title commenced, as the Executors cannot with all certainty confirm that there are sufficient assets within the estate to enable it to be free of legal indenture it has therefore not been recognised in the accounts.

It is the intension of the PCC to rent this flat to generate income for the ministry. To prepare this flat for letting the PCC approved up to £20,000 of expenditure. In the year to 31 August 2022, £10,006 was spent, this was predominately funded by the endowment held as 52 Boileau Road, which represented the original investment of 1.03% in 52 Boileau Road and the growth in value of that share following the sale of the property in 2021. This ensures that this endowment is re-invested in property. The remaining costs will be funded by a transfer from the Fabric Fund. The aim will be to reimburse the Fabric Fund from the first two years of rental income.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022 (continued)

Restricted Funds

The Choral Sponsorship Fund was set up to provide Choral Scholarships for new members of the Choir and for Organ Scholars. Each scholarship is available for up to two years. It is aimed predominately at encouraging new young choral and organ scholars to participate in supporting the music ministry at St Michaels, ideally those who are studying GCSE or A level music and hoping to apply for university choral scholarships in the future. It was funded purely from individual donations following a campaign run by the Vicar and is therefore restricted for this sole purpose.

Mission fund – This was a specific donation from a donor who wishes to remain anonymous. The donation is restricted for the purpose of mission in relation to the ministry of St Michael & All Angels, Barnes. Mission is defined as an activity or project which reaches out into the parish to share the Christian faith and bring new people into relationship with God and the Church. The donation cannot be used for building, alteration or maintenance of the church fabric, or the fabric of other church-owned buildings, or to finance any proposed new building work by the church. We were grateful to receive an additional £40,000 during the year. This fund will be used to fund the appointment of Fr James Marston, our new assistant priest.

12. ANALYSIS OF FUND MOVEMENTS

	Balances B/ Fwd 1 Jan 22 £	Income £	Expenditure £	Transfers and Losses £	Balances C/Fwd 31 Dec 22 £
<u>Unrestricted funds</u>					
<i>Undesignated</i>					
Ministry Fund	(8,083)	113,754	(141,035)	36,168	803
<i>Designated</i>					
Fabric Fund	81,485	39,000	(31,743)	(188)	88,554
Community Centre	-	42,076	(22,408)	(19,668)	-
Church Hall	-	37,784	(21,284)	(16,500)	-
Music Fund	9,740	1,682	(3,460)	-	7,962
Hall Renovation Fund	69,446	-	-	-	69,446
Arthur Ford Community Fund	271,834	6,777	(18,698)	-	259,913
Lexham Gardens Ministry	-	-	(10,006)	10,006	-
	424,422	241,072	(248,634)	9,818	426,678
<u>Endowment funds</u>					
Campaign for St Michael's	492,987	-	(14,072)	-	478,915
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
52 Boileau Road	9,818	-	-	(9,818)	-
	1,552,805	-	(14,072)	(9,818)	1,528,915
<u>Restricted funds</u>					
Choral Sponsorship Fund	4,938	1,130	(605)	-	5,463
Mission Fund	50,000	40,000	(2,428)	-	87,572
	54,938	41,130	(3,033)	-	93,035
	2,032,165	282,202	(265,739)	-	2,048,628

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022 (continued)

13. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £3,120 (2021 - £2,850).

14. CONTINGENT ASSET

St Michael & All Angels has been notified that it is in receipt of a legacy in the form of a flat, which is worth in the region of £1,150,000 from the Estate of the late Basil Moss. It is the intention of the PCC to record this asset, when legal title is transferred as an Endowment, with income designated to support the Ministry of St Michaels. As is the case with assets of this nature the title of this property, once transferred, will be held by the Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the flat generates and has the obligation for maintaining the building. While probate has been granted legal title has not been transferred, nor has the process to transfer title commenced, as the Executors cannot with all certainty confirm that there are sufficient assets within the estate to enable it to be free of legal indenture. It has therefore not been recognised in the accounts. Once legal title is transferred the PCC will have the rights to proceeds were the flat to be sold.

15. CONTINGENT LIABILITY

An amount of £15,000 received by the Campaign for St Michael's from the Pauline Christian Union is subject to a condition that it would be repayable if the PCC were to terminate an arrangement whereby the group uses the Church Hall for regular meetings. The PCC knows of no reason why it would wish to do this in the foreseeable future.

16. RELATED PARTIES

During the year, the PCC obtained maintenance and enhancements to the fabric of the church buildings. The services were obtained from Maven Electrical Ltd a company controlled by Andrew Childs, a member of the PCC. The amount totalled £11,422 in the year (2021: £3,409). A payment was also made to Gemma Curran for £1,000 for work with the Children's church.

Accounts

**THE PAROCHIAL CHURCH COUNCIL OF
ST MICHAEL AND ALL ANGELS, BARNES**

Financial Statements

For the year ended 31 December 2021

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Page 12	Balance Sheet
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Incumbent: The Rev'd Stephen Stavrou
The Vicarage
39 Elm Bank Gardens
Barnes
London SW13 0NX

Bank: Barclays Bank
George Street
Richmond
Surrey

Independent Examiner: Alison Jones FCA
Kreston Reeves LLP, Chartered Accountants
Plus X Innovation Hub
Lewes Road
Brighton
East Sussex
BN2 4GL

Registered Charity Number: 1133927

INDEPENDENT EXAMINERS REPORT

TO THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, BARNES

I report on the financial statements of the PCC for the year ended 31 December 2021, which are set out on pages 3 to 23.

Respective responsibilities of the Trustees and the Independent Examiner

The charity trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

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

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. 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.



Alison Jones FCA

Kreston Reeves LLP, Chartered Accountants
Plus X Innovation Hub
Lewes Road
Brighton
East Sussex
BN2 4GL

Date: 06 May 2022

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2021

Administrative Information

St Michael and All Angels Church is situated in Elm Bank Gardens, Barnes, London SW13. It is part of the Diocese of Southwark within the Church of England. The correspondence address is The Vicarage, 39 Elm Bank Gardens, Barnes, London SW13 0NX.

PCC members who have served from 1 January 2021 until the date this report was approved are:

Incumbent:	The Rev'd Stephen Stavrou
Assistant Priest:	The Rev'd Judith Roberts
Assistant Curate	The Rev'd Martin Calderbank
Wardens:	Andrew Childs Lizzie Hackett Brown (appointed May 2021)
Deanery Synod Representatives:	Jane Bennett Powell James Black (resigned October 2021) <i>This position is presently vacant.</i>
Ex Officio members:	Jacqueline Russell (Treasurer)
Elected Members:	Marion Kreling (resigned May 2021) Andrew Puddifoot Charles Law (resigned May 2021) Lucy Barnes (resigned October 2021) Denise Poulton (resigned May 2021) Frederick Appleby Lizzie Hackett Brown (resigned May 2021) Simon Livingstone Gemma Curran Andrew Turton (resigned May 2021) Bennet Summers Camilla Harries (appointed January 2022) Annette Waller (appointed May 2021) Anne Johnstone (appointed May 2021)
Parish Safeguarding Officer:	Camilla Harries
PCC Secretary	Sally Mills (resigned January 2022) <i>This position is presently vacant.</i>

Structure, governance and management

The PCC is governed by the PCC Powers Measure (1956) as amended and church representation rules. Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. All church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC meets at least four times a year and operates through two sub-committees which meet between full meetings of the PCC. These comprise the Standing Committee and the Finance Committee.

The Parochial Church Council (PCC) is the church's governing body and its members for the time being are de facto the church's Trustees. They are co-trustees with the Diocesan Board of Finance for the Trust Land held by the church. Members of the PCC are elected by members of the congregation

ST MICHAEL AND ALL ANGELS, BARNES

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For the year ended 31 December 2021

on the church's Electoral Roll at the Annual Parochial Church Meeting. PCC membership, in accordance with Church of England practice, will not normally exceed three years.

Objectives and Activities

The PCC of St Michael and All Angels, Barnes has the responsibility to co-operate with the incumbent, Fr Stephen Stavrou, in promoting in the ecclesiastical parish the whole mission of the church, pastoral, evangelistic, social and ecumenical. It also has responsibility for the maintenance of the Church and the control of expenditure.

Achievements and performance

Church Attendance

St Michael's Electoral Roll stands at 186. The average monthly count of the congregation taken on Sundays during October/November 2021 was 118 .

VIEW FROM THE VICARAGE 2022

Resurgam - rising again

Our parish patron is St Paul's Cathedral, and there is a story that when Christopher Wren traced out the floorplan for St Paul's Cathedral on the site where it had burnt down in the Great Fire of London, he needed a stone to mark the central point under the great dome. A labourer brought him a stone from the rubble, on which was written on the reverse the single word, resurgam – 'I will rise again'. That word, with the image of a phoenix, is written over the south door of the cathedral. The overriding theme of the last year must surely be 'resurgam', and the gradual restoration of our life as a church and parish as we emerged from the restrictions of the covid pandemic. At the same time, we have all been changed by that experience, and we continue to live with covid which, thank God, is increasingly mild as an illness for most people.

Recovering – post-pandemic developments

I started to write this report having just celebrated Easter which was all the more joyous in the absence of restrictions – the church was full, the singing enthusiastic, and the church beautiful. It felt like an Easter we really needed, and the new life of the Resurrection reflecting the recovery of our community. Compared to some churches, we have come through the pandemic relatively well, and some changes have been positive. For example, the existing decline of cash was accelerated, and provided an opportunity to make contactless, text and direct transfer giving the norm, and increased standing orders. Livestreaming worship, that began as a practical necessity, now takes place on a monthly basis as a window onto our life as a church and a form of outreach. I want to thank people for their financial generosity during the pandemic as, for the first time, in a long time, St Michael's now covers its full costs to the Diocese. Unfortunately, it is now a reality in the Church of England, that parishes that don't cover their costs are unlikely to receive a full-time Vicar, so it will be important to maintain and increase both congregational giving and our contribution in what looks like a difficult financial year ahead.

Reimagining – children and family ministry

Another positive change was the decision not to restore Sunday School, and to focus on our 11.30am Children's Mass. Times have changed, and it was noted that the traditional Sunday School was not providing the kind of structured input and formation in faith that children needed, and so we have reimagined our catechesis as regular workshops each term, providing an extended opportunity for fellowship, fun and teaching of children. It seems to be working, with nearly 20 children at each session.

Our ministry among children and families is building in exciting ways, largely through the work of Gemma Curran as our Children's Ministry Leader who undertakes this ministry with huge dedication as she fosters links among families at St Michael's and in the parish, especially through Barnes Primary School. The recent remarkable upsurge in Baptisms has something to do with these increasing links as well as the founding of a Baptism Welcomers group and the bringing together of an excellent

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Children's Team to provide support and welcome at children's events and services. Gemma has a great gift for this work, and I give thanks to God for this.

Recreating – *patterns in parish and community*

An unintended consequence of the renewal of the 11.30am Children's Mass, is that our 10am Sung Mass appears to be less well-attended, as families usually attend the later service instead. However, the average Sunday attendance is much the same as it was before the pandemic at around 120 people, only spread differently across services and this has surprising effects - for example, on Palm Sunday there were more people in the Vicarage Garden for the Children's Liturgy than there were for the High Mass in church! My reflection is that we need to think less in terms of a 'main service' (as if one was more important than any other) and more in terms of a range of services of equal value that serve different groups and needs. In light of this we will need to consider how we then allocate resources accordingly. Most people may not realise that by the two most common measures - average Sunday attendance and electoral roll - we are one of the larger churches of the diocese, even if the geographical size of our parish is one of the smallest. I sense that Saint Michael's has not fully grasped what this means in terms of our influence and significance.

This also highlights changing patterns in our community. What was once a fairly settled parish is increasingly differentiated between a certain proportion of older people who are here as long-term residents, and an ever larger number of young families who are here for a fairly brief time – perhaps 5-10 years at most. What this means for Saint Michael's is constant turnover, we are constantly being re-created as a church, with perhaps a quarter of the regular congregation changing every few years. It means we must constantly reach out to new people, and that for many we have a short but important period to make an impact and form people in faith. It is because of the size of the parish that activities like door-to-door leafletting, personal relationships and an open church all are all effective forms of mission, and is a reminder that mission works best when it relates to people in a defined geographical area that they call home.

Rejoicing - *musical development*

The last year has been a significant one for music too. We have all learnt to value both choral and congregational singing anew after the restrictions on singing during the pandemic. We made the best of a difficult time with an outdoor hymn sing, with nominations of favourite hymns from the community. This was a creative example of turning a restriction safely into a time of rejoicing. The Barnes Music Festival returned with Saint Michael's putting on more events than ever, including two large concerts, the premiere of a new Mass setting, and an organ recital. We appointed not one but two organ scholars, and a new choral scholar. However, the musical event that of the year was surely our farewell to Martin Neary as Director of Music and the welcome of Laurence Williams as his successor. Appropriately enough, this took place on the feast of Candlemas, so that we could say with Simeon, 'Lord, now lettest thou thy servant depart in peace'. We celebrated Martin's musical ministry both in the morning with Mass followed by a reception, and at Evensong when there was a literal 'passing of the baton' to Laurence, fittingly one of Martin's former choristers at Westminster Abbey. Bearing in mind the importance of music for us, a new Director of Music was a key appointment moment for us, and the PCC spent considerable time on its Annual Away Day considering what we were looking for. In Laurence we have found someone who is already taking our music forward with new energy and vision, and who has extensive experience with children's choirs, which is part of our Mission Action Plan – look out for its launch this Autumn. Another new arrival at St Michael's was Sarah Payne, who replaced Rachel Skilbeck and Lizzie Hackett-Brown as Parish Administrator in September.

Restoring – *fellowship and parish life*

The pandemic and its restrictions reminded us of all that we love and cherish, and so the return of parish life in all its fullness has been a significant joy of the last year. From our Parish Quiz to the Barnes Art Fair and the Family Bonfire Party. It is hard to pick out individual events, but I will mention our second Christmas Tree Festival which joined with Carols-in-the-Cloisters and a pop-up Christmas market to become a particularly exciting event. The return of 'normal' parish life does not mean we have not learnt anything in the pandemic, and it was wonderful to once again have Fusion Light and Sound provide amazing light-projection effects for the Christmas Eve Nativity Service and smoke-machines for the Easter Day Parish Mass. Such 'special effects' were initially a response in the face of pandemic restrictions on active participation, but are now so popular as to be a significant draw in

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themselves! I see them as being in the best tradition of catholic mission with its emphasis on colour, light and drama as an expression of the joy of the Gospel.

Renew – *formation in faith*

Our deepening and formation in faith is particularly focused around Advent and Lent. In the former we marked the 700th anniversary of the death of Dante, with sermons from visiting preachers Luigi Gioia, Hayley Argles-Grant, Alan Trigle and Thomas Sharp on the spiritual meaning of the Divine Comedy. Fr Luigi's book 'Say it to God' focused our Lent theme of prayer, which we examined from the perspective of our personal prayers but also public prayer. We explored how Christian faith is expressed in society in areas such as the law, finance, healthcare and the media, with contributions from members of the congregation working in these fields. It is encouraging that last year we confirmed 7 adults and 1 young person in a joint service with St Mary's, and currently have a number of adults and children preparing for a Confirmation service in July this year. We have been giving some particular thought to encouraging men in their faith, and so I am grateful to Andy Puddifoot who has founded a men's home-group, and I was pleased to take a group of men from St Michael's on retreat to Hilfield Franciscan Friary in Dorset at the start of Lent.

Rebuilding – *fabric and Church Hall project*

Over the last year, we continued to repair some of the exterior stonework according to our quinquennial inspection, and repaired some historic fabrics including a frontal and vestments. The biggest project in the near future will be a return to our new Church Hall plans. Unfortunately, the pandemic caused a pause to our well-received rebuilding plans and a change in government subsidies for green technology meant the selected company had to withdraw. Whilst we will need to review the foundations of the project in some aspects, it is not 'back to square one' and we can take heart from the much more positive outcome of the most recent process in which we were able to build positive consensus in the community through principles of consultation, transparency and communication throughout.

Resourcing – *ministry for the future*

Recently we have also been discussing how to resource our ministry both now and in the future. The curacy of Fr Martin will come to its natural conclusion this coming July, and whilst Mother Judith has no specific plans to leave us, she is open about the fact that there will come a time – perhaps not too far off – when she may have to reduce or retire from her assisting role at St Michael's. For many years, St Michael's has had the blessing of ministry from more than one priest (in varying ways and to varying extents), and as a result, the structure of our life in terms of the variety of services we hold, the pastoral care we offer and the events we put on, is predicated on this. This is even more the case at this time as we have the wonderful problem of more going on than ever! There is simply more than a single parish priest can realistically do, and so this leaves us with the problem of how resource our ministry for the future so that we not only maintain our current ministry, but grow it for the future. By God's providence we find that St Mary's is in a very similar situation, and some financial resources have come our way that make partnering with St Mary's in the appointment of an assistant priest a very real possibility. We are working on the details, but I am mindful of the Apostles in Acts 6, in which they take the bold step of ordaining new ministers as the Christian community grew and they found that some were being neglected because there were not enough of them. As a result 'The word of God continued to spread [and] the number of the disciples increased greatly in Jerusalem' (Acts 6.7). A parallel in business is that moment in the development of an organisation when the existing structures are not large enough to contain the growth, and there needs to be investment to create new structures. This usually means an initial investment of resources and a hope that the investment will become self-sustaining in due course. This is now our challenge too as we seek to resource and enhance our ministry for the future so that the people may be served and God glorified.

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Financial Review

As we predicted 2021 was another difficult year and our main Ministry fund remains in deficit with a record loss of £31,634 being noted. While we have managed to reduce this loss by utilising all the surpluses generated by the Community Centre and the Hall these surpluses have not been enough to absorb all our loss. We end the year with the deficit on our main Fund rising by £5,950 to £8,083.

That said there remains so much that is positive, our planned giving rose to just over 2019 levels due to the continued support of our parishioners for which are incredibly grateful. The latter part of the year has seen our lettings start to recover so we go into 2022 with optimism.

The Ministry fund is the new name for the general fund to reflect that all our general activities and costs are targeted around supporting mission at St Michaels. This change was recommended by the vicar and approved by the PCC during the year.

Income

Total Income in 2021 was £215,492, compared to £231,844 last year. Gift Aid Donation grew slightly to £56,444 a healthy £4,422 up on the previous year. We received a further donation of £10,000 to the mission fund with total donations recorded of £13,338. Income tax recoverable and collections remained stable year on year with the total of our regular giving at £90,937 for the year compared to £115,174. Discounting this exceptional giving our underlying income shows a healthy upwards trend of 9%.

Grants appeals and legacies were recorded at £10,543 compared to £15,957 received in the previous year.

Income from fundraising events was stable year on year however when we look at the surplus after costs it is encouraging to see that this recovered significantly to £9,064 from just £2,934 in 2020.

Income from Investments (41 Elm Bank Gardens) dropped slightly to £31,800 compared to £36,458 with costs also slightly higher at £7,016 compared to £6,660. Investment income was also stable at £4,101 compared to 4,280. We also saw strong growth in the capital value of our investments which grew a further £20,057 to £159,543 significantly higher than our original £120,000 investment.

It was encouraging to see growth in our letting's income with Church Hall income at £25,870 compared to £22,313, but still far short of the £36,528 recorded in 2019. Community Centre lettings recovered to £23,699 compared to £18,381 but significantly less than £39,541 from 2019. This inevitably was because we were once again shut for lettings for a considerable part of the year however, we are encouraged by recent bookings which means we are back on target for 2022.

Total Income – removing the restricted income but including the net return from fundraising rather than the gross fundraising income - was £195,448 up from £178,854 at £3,759 a week compared to £3,440 a week. This is still £628 a week down from 2019.

Expenditure

Total expenditure fell slightly to £195,958 compared to £211,983 primarily due to a reduction in church maintenance which we reduced to just £5,019 following the exceptional costs of £37,434 we incurred in 2020 due to the work we undertook on the stonework. Total underlying expenditure fell to £173,530 less than the £184,083, the equivalent of £3,337 a week.

The total surplus on our unrestricted funds is £21,918, with most of the surplus attributed to the funds with external lettings namely the Church Hall, Community Centre, and Fabric Fund. The result of the drop in income but similar expenditure has meant that the main fund of the church, now renamed the Ministry Fund rather than the general fund has recorded a significant deficit. We have supported this by using the in-year surpluses recorded for the community centre and church hall. This was approved by

ST MICHAEL AND ALL ANGELS, BARNES

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For the year ended 31 December 2021

the Parochial Church Council. Despite this the Ministry fund deficit has grown by £5,940 to £8,083 however I am confident that this will recover over the next two years.

We have been able to protect the amounts we previously set aside for the Hall Renovation Fund which currently now stands at £69,446 while the fabric fund remains healthy at £81,485. The Arthur Ford benefited from gains and ended the year at £271,834. This includes the remaining £20,000 of funds borrowed by the Fabric fund back in 2010 to help renovate Elm Bank Gardens and repaid during the year. All the original amount of £95,897 has now been fully repaid.

Operational Income & Expenditure including Split by Income Streams

	2021		2020		2019
Total Income	£215,492		£231,844		£251,320
Less Fundraising	£15,770	(£15,770)	£15,299	(£15,299)	£39,184
Fundraising Costs	£6,706		£12,365		(£39,184)
Add Fundraising Surplus	£9,064	£9,064	£2,934	£2,934	£20,087
		£208,786		£219,479	£19,097
Restricted grants		(£13,338)		(£40,625)	£231,233
Underlying Income Trend	£195,448		£178,854		£228,108
Income per week (excluding grants, appeals & legacies)	£3,759	9%	£3,440	-22%	£4,387
Total Expenditure	£195,958		£211,983		£212,829
Less Fundraising costs	(£6,706)		(£12,365)		(£20,087)
Less Depreciation	(£14,072)		(£14,072)		(£14,072)
Less Restricted Expenditure	(£1,650)		(£1,463)		(£696)
Underlying Expenditure	£173,530		£184,083		£177,974
Expenditure per week	£3,337		£3,540	3%	£3,423
Net Surplus/ (Deficit)	£21,918		(£5,229)		£50,134
(Deficit)/Surplus per week	£422		(£101)		£964
(Deficit)/Surplus per month	£1,827		(£436)		£4,178
Splitting (Deficit)/Surplus between Income Streams					
Church Hall	£15,022		£11,022		£24,545
Community Centre	£10,672		£8,124		£19,827
Fabric Fund (Surplus on EBG less maintenance)	£22,055	(£463)			£11,383
Music Fund	£1,702	(£2,086)			£4,704
Investment Income (Arthur Ford)	£4,101		£4,280		£4,417
Ministry Fund	(£31,634)	(£26,106)			(£14,742)
Net Surplus/(Deficit) before Investment Gains	£21,918		(£5,229)		£50,134
Net Church (Deficit)/Surplus after Community Centre & Hall Surplus	(£5,940)		(£13,353)		£8,083

Outlook for 2022

The outlook for 2022 is looking increasingly optimistic. We have been relatively cautious in anticipating revenue growth from planned giving so while we anticipate another deficit on our Ministry Fund, we are currently budgeting that a significant uplift in our lettings income from the Community Centre and Church Hall will result in the fund being back to a break-even position by year end.

At the end of 2020 we also had the welcome news of Basil Moss's generosity with notification that we were to be gifted a flat in his will. While we are still at the time of writing awaiting probate, we do anticipate that this will be up and running in 2022 and generating lettings income, which we hope to be able to invest to further advance the ministry of St Michaels. With the on-going conflict in the Ukraine, we face the risk of cost increases specifically around utilities but so far these have been limited, and we expect expenditure to be flat year on year.

The Parochial Church Council of St Michael and All Angels have considered the impact of Covid 19 on our activities with a particular focus on the financial position. This includes reviewing the budget for 2022. While we acknowledge the impact on our income in 2020 and 2021, specifically on our lettings income we do not consider the pandemic to be a cause for material uncertainty in respect of our ability to continue as a going concern. The financial statements have therefore been prepared on a

ST MICHAEL AND ALL ANGELS, BARNES

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going concern basis.

Unrestricted and Designated Funds

Unrestricted funds encompass funds for the general running of the Church, Church Hall and Community Centre and include the Ministry Fund, previously known as the General Fund, the Fabric Fund, Music Fund, Hall Renovation Fund and Arthur Ford Community Fund. The deficit from the Ministry Fund is partly eliminated by a transfer from the Community Fund and from the Church Hall fund following approval from the Parochial Church Council.

The General Fund was renamed the Ministry Fund during the year, following the recommendation of the vicar to better reflect that all the activities undertaken are to support the Ministry of St Michaels. Following the establishment of the Mission fund in 2019, we received a further donation of £10,000 during the year to take the balance to £50,000. The Parochial Church Council are currently discussing how best to utilise these funds to support the mission of St Michaels.

The Fabric fund, which is set aside to fund the fabric of the Church and the Community Centre is £81,485. The balance on the Hall Renovation Fund is £69,446. As detailed above all amounts owed to the Arthur Ford following £95,897 borrowed in 2010 to renovate Elm Bank Gardens have now been repaid with the final amount of £20,000 repaid during the year.

The balance on Arthur Ford Community Fund is now £271,834. At the time of writing the church hall business case in 2019 we pledged to set aside a maximum of £250,000 of existing church resources to support the rebuild. With £69,446 from the Hall fund the remaining £180,554 was anticipated to come from the Arthur Ford, and as such we should consider at least this much re-designated for the development of the Hall. Arthur Ford's wish was for his funds to be for the needs of the people of the parish and as such we felt allocating these funds to this project was appropriate.

Endowment Funds

These include the assets of St Michaels. The Campaign for St Michael's which includes the build cost for the Community Centre now reflects the value of the asset of the cloisters, after depreciation, of £492,987.

This year, following a decision by all parishes in the Barnes Team Ministry 52 Boileau Road was sold. We held a 1.03% share and received proceeds of £9,818 which we continue to hold as an endowment. This is in line with the treatment undertaken by St Mary's. It is our understanding, confirmed by St Mary's that there is no restriction imposed on these funds and further research will be undertaken in 2022 to confirm this prior to any decision as to what these funds could be used for.

The total value of all funds rose by £48,409 to £2,032,165.

Public Benefit Reporting

The Parochial Church Council confirms that it follows the Charity Commission guidance on public benefit in setting its objectives and believes it has fully fulfilled its obligations with the variety of work and activities undertaken throughout the community. St Michael & All Angels is registered as a Charity under Charity Number 1133927.

Reserves Policy

The policy of the Parochial Church Council is to target a level of reserves in the Ministry Fund equal to three months' running costs of the church, excluding planning hall and community centre costs, which at a run rate of £3,337 per week, equates to a total of £40,044. This remains a target, albeit an ambitious one, especially in a year when we have had to call on our reserves to deal with the pressures of the pandemic.

ST MICHAEL AND ALL ANGELS, BARNES

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Investment Policy and Cash Deposits

The Finance Committee have developed what they regard as a mixed risk strategy with all funds invested in the CCLA UK Equity Income Fund/cash deposits with the CCLA and Barclays Bank. The Parochial Church Council reinvested a proportion of the Arthur Ford fund in the CCLA UK Equity Income Fund in 2019 and will review this investment decision approximately six months prior to these funds being required. Given the high level of cash currently held we are currently looking to expand our investments with the CCLA.

Risk Management

The Parochial Church Council has assessed the major risk to which St Michael's might be exposed, those related to the activities and finances of the Church and is satisfied that there are systems and processes in place to mitigate exposure to any major risk. The Finance Committee reviews the financial position of the church at least quarterly, while the Churchwardens regularly report on the status of the fabric of the church and other buildings to determine appropriate courses of action. Fabric and Finance are standing items on PCC agendas.



Father Stephen Stavrou (Vicar)
On behalf of the PCC

ST MICHAEL AND ALL ANGELS, BARNES

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<i>Income from:</i>						
Donations and legacies	2(a)	90,420	13,338	-	103,758	132,354
Other trading activities	2(b)	16,035	-	-	16,035	15,422
Investments	2(c)	35,901	-	-	35,901	41,160
Charitable church activities	2(d)	59,798	-	-	59,798	42,908
		-----	-----	-----	-----	-----
TOTAL INCOME		202,154	13,338	-	215,492	231,844
		-----	-----	-----	-----	-----
<i>Expenditure on:</i>						
Raising funds	3(a)	6,706	-	-	6,706	12,365
Managing Investments	3(b)	8,179	-	-	8,179	6,660
Charitable church activities	3(c)	165,351	1,650	14,072	181,073	192,958
		-----	-----	-----	-----	-----
TOTAL EXPENDITURE		180,236	1,650	14,072	195,958	212,829
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		21,918	11,688	(14,072)	19,534	19,861
		-----	-----	-----	-----	-----
NET GAIN ON INVESTMENT		20,057	-	8,818	28,875	8,575
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		41,975	11,688	(5,254)	48,409	28,436
		-----	-----	-----	-----	-----
TRANSFER BETWEEN FUNDS		-	-	-	-	-
		-----	-----	-----	-----	-----
NET MOVEMENT IN FUNDS		41,975	11,688	(5,254)	48,409	28,436
		-----	-----	-----	-----	-----
BALANCE AT 1.1.2021		382,447	43,250	1,558,059	1,983,756	1,955,320
		-----	-----	-----	-----	-----
BALANCE AT 31.12.2021		424,422	54,938	1,552,805	2,032,165	1,983,756
		=====	=====	=====	=====	=====

The notes on pages 13 to 23 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

BALANCE SHEET As at 31 December 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets:					
Tangible fixed assets	6		742,987		758,059
Investment property	6		800,000		800,000
Investments	7		159,543		139,486
			-----		-----
			1,702,530		1,697,545
Current assets:					
Debtors	8	7,724		11,935	
Short term deposits		92,949		88,847	
Cash at bank		<u>251,183</u>		<u>210,637</u>	
		351,856		311,419	
Creditors – Amounts falling due within one year:					
	9	<u>(22,221)</u>		<u>(25,208)</u>	
Net current assets			<u>329,635</u>		<u>286,210</u>
Total assets less current liabilities			2,032,165		1,983,756
Net assets			----- <u><u>2,032,165</u></u>		----- <u><u>1,983,756</u></u>
Funds:					
Endowment funds	10,11 & 12		1,552,805		1,558,059
Unrestricted funds	10 & 12		424,422		382,447
Restricted funds	10 & 12		54,938		43,250
			-----		-----
			<u><u>2,032,165</u></u>		<u><u>1,983,756</u></u>

Approved by the Parochial Church Council on 3rd May 2022 and signed on its behalf by:



Jacqueline Russell
(Honorary Treasurer)

The notes on pages 13 to 23 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

They have also been prepared under the historic cost convention, except for the valuation of fixed assets which are shown on the basis described below.

They include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe an affiliation to another body nor those that are informal gatherings of church members.

Funds

Funds held by the PCC are:

Unrestricted funds:

- Undesignated funds which can be used for PCC ordinary purposes.
- Designated funds – monies set aside by the PCC out of unrestricted funds for specific future purposes or projects. Funds for the day-to-day running of the Church Hall and the Community Centre, and the Fabric Fund, have been designated in this way.

Restricted funds, which comprise either (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest or (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given.

Endowment funds – funds the capital of which must be maintained. Only income arising from the investment of the endowment may be used, either as restricted or unrestricted funds, depending on the purpose set out in the terms of the original endowment. A list of the endowment funds is in note 10 to the financial statements.

Income

All income is accounted for gross of taxes.

Donations, legacies and capital sources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under gift aid is recognised only when received.

Income tax recoverable on gift aid donations is recognised when claimable from HMRC.

Grants and legacies are accounted for when the PCC is legally entitled to the amount due, it is probable that the income will be received, and the amount can be measured with sufficient reliability.

Other income

Rental income from the letting of the church hall is recognised when the rental is due.

Investment income

Interest is received gross of taxes and accounted for when receivable.

Rental income from 41 Elm Bank Gardens is recognised when the rental falls due.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021 (continued)

Accounting Policies - continued

Expenditure

Expenditure is accounted for on an accruals basis and is accounted for gross of taxes.

Liabilities are recognised as expenditure where that is a legal or constructive obligation, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Grants and church activities

Grants and donations are accounted for when paid over or when awarded, if that award creates a binding obligation on the PCC. All church activity costs are accounted for on a full accrual's basis and any prepayments or accruals are shown in the balance sheet as either current assets or current liabilities.

Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

- Valuation of the investment property has been undertaken by the trustees themselves. The basis for the valuation includes consideration of the declining property market around the area of Barnes they foresee, and the level of work required to bring the property into a resalable condition.

Tangible fixed assets and depreciation

Consecrated land and buildings and movable church furnishings

The value of consecrated and beneficed property of any kind is excluded from the financial statements under section 10(2)(a) and (c) of the Charities Act 2011. Moveable church furnishings held by the vicar and church wardens on special trust for the PCC and requiring a faculty for disposal are accounted for as inalienable property, unless consecrated. Inalienable property acquired prior to 2000 is not valued in the financial statements, as there is insufficient information available. From 1 January 2001, the acquisition cost of such an item, where it exceeds £1,000, is capitalised and depreciated over its anticipated useful life.

Other fixtures, fittings and office equipment

Individual items of equipment costing £1,000 or less are written off when the asset is acquired. Items costing more than £1,000 are depreciated over 3 years on a straight-line basis.

Land

No depreciation is charged on the value attributed to land.

St Michael's Community Centre

Depreciation is provided to write off the cost of the Community Centre over its useful life of 50 years.

Investment properties

Certain of the charity's properties are held for long term investment. In accordance with the Financial Reporting Standard 102, investment properties are included in the balance sheet initially at their cost. Subsequently investment properties are valued at fair value through the Statement of Financial Activities. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021 (continued)

Accounting Policies - continued

Tangible fixed assets and depreciation - continued

This policy represents a departure from statutory accounting principles, which require annual depreciation of fixed assets. The members believe that this policy of not providing depreciation or amortisation is necessary for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current valuation, are of primary importance rather than a calculation of annual depreciation. Depreciation or amortisation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be simply identified or quantified.

Going Concern

These accounts have been prepared on a going concern basis.

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Current assets

Amounts owing to the PCC on 31 December in each year in respect of fees, rents and other incomes are shown as debtors less any provision for amounts that may prove uncollectible. Short term deposits include cash on deposit either with the CBF Church of England Funds or with the PCC's bank.

Cash

Cash comprises cash on hand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021 (continued)

2 INCOME:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds	
				2021 £	2020 £
<i>2(a) Donations and legacies</i>					
Planned giving:					
Gift Aid donations	56,444	-	-	56,444	52,022
Other donations	-	13,338	-	13,338	40,625
Income tax recoverable	17,114	-	-	17,114	17,668
Collections	4,041	-	-	4,041	4,859
	-----	-----	-----	-----	-----
Regular giving	77,599	13,338	-	90,937	115,174
Grants, appeals, legacies etc	10,543	-	-	10,543	15,957
Government grants	2,278	-	-	2,278	923
	-----	-----	-----	-----	-----
	90,420	13,338	-	103,758	132,054
	-----	-----	-----	-----	-----
<i>2(b) Other trading activities</i>					
Fundraising events	15,770	-	-	15,770	15,299
Catering	265	-	-	265	123
	-----	-----	-----	-----	-----
	16,035	-	-	16,035	15,422
	-----	-----	-----	-----	-----
<i>2(c) Income from investments</i>					
Rent from 41 Elm Bank Gardens	31,800	-	-	31,800	36,458
Rent from Boileau Road	-	-	-	-	422
Investment income	4,101	-	-	4,101	4,280
	-----	-----	-----	-----	-----
	35,901	-	-	35,901	41,160
	-----	-----	-----	-----	-----
<i>2(d) Income from charitable church activities</i>					
Church Hall lettings	25,870	-	-	25,870	22,313
Fees (weddings etc)	3,553	-	-	3,553	1,509
Community Centre lettings	23,699	-	-	23,699	18,381
Pastoral care	1,000	-	-	1,000	300
Sundry income	5,676	-	-	5,676	705
	-----	-----	-----	-----	-----
	59,798	-	-	59,798	43,208
	-----	-----	-----	-----	-----
TOTAL INCOME	202,154	13,338	-	215,492	231,844
	-----	-----	-----	-----	-----

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021 (continued)

3 EXPENDITURE:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds	
				2021 £	2020 £
3(a) <i>Raising funds</i>					
Fund-raising events	6,706	-	-	6,706	12,365
	-----	-----	-----	-----	-----
	6,706	-	-	6,706	12,365
	-----	-----	-----	-----	-----
3(b) <i>Cost of managing investments</i>					
41 Elm Bank Gardens	7,016	-	-	7,016	6,660
Lexham Gardens costs	1,163	-	-	1,163	-
	-----	-----	-----	-----	-----
	8,179	-	-	8,179	6,660
	-----	-----	-----	-----	-----
3(c) <i>Charitable Church activities</i>					
Missionary and charitable giving	4,497	-	-	4,497	4,321
Diocesan pledge	77,000	-	-	77,000	74,000
Clergy expenses	1,228	-	-	1,228	297
Church running costs	10,744	-	-	10,744	12,096
Church hall running costs	10,747	-	-	10,747	11,291
Community Centre running costs	13,127	-	-	13,127	10,257
Church maintenance	5,019	-	-	5,019	37,434
Organ, organist and music	12,887	-	-	12,887	9,055
Books and subscriptions	692	-	-	692	684
Fees remitted to Diocese	2,855	-	-	2,855	750
Depreciation	-	-	14,072	14,072	14,072
Miscellaneous	4,642	1,650	-	6,292	2,341
Parish office	18,135	-	-	18,135	13,219
Bank charges	346	-	-	346	391
Pastoral Care	632	-	-	632	300
Support costs (note 4)	2,800	-	-	2,800	2,740
	-----	-----	-----	-----	-----
Total church activities	165,351	1,650	14,072	181,073	192,958
	-----	-----	-----	-----	-----
TOTAL EXPENDITURE	180,236	1,650	14,072	195,958	211,983
	-----	-----	-----	-----	-----

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021 (continued)

4. ALLOCATION OF SUPPORT COSTS

Support costs consisting of accountancy fees have been allocated to the churches activities on the following basis;

	Allocation	Charitable church activities	
		2021	2020
		£	£
Accountancy fees	100%	2,800	2,740

5. PCC MEMBERS' BENEFITS AND STAFF COSTS

Two members of the PCC were reimbursed for expenses of £827 (2020: £296). No members of the PCC received remuneration for services as trustees. The average number of employees in the year was 3 (2020: 2), and their total emoluments were £9,167 (2020: £10,054).

6. FIXED ASSETS

Tangible Fixed Assets	St Michael's Community Centre £	Church Hall £	Boileau Road £	Total £
Cost or valuation				
At 1 January 2021	704,097	250,000	1,000	955,097
Disposals at cost	-	-	(1,000)	(1,000)
Cost as at 31 December 2021	<u>704,097</u>	<u>250,000</u>	<u>-</u>	<u>954,097</u>
Depreciation				
At 1 January 2021	197,038	-	-	197,038
Charge for the year	14,072	-	-	14,072
Eliminated on disposal	-	-	-	-
At 31 December 2021	<u>211,110</u>	<u>-</u>	<u>-</u>	<u>211,110</u>
Net book value				
At 31 December 2021	<u>492,987</u>	<u>250,000</u>	<u>-</u>	<u>742,987</u>
<i>At 31 December 2020</i>	<u><i>507,059</i></u>	<u><i>250,000</i></u>	<u><i>1,000</i></u>	<u><i>758,059</i></u>

The Title for the Church Hall is held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the Church Hall generates and the obligation for maintaining the building, and the right to proceeds were the Church Hall to be sold.

Investment property	Investment Property £
Cost or valuation	
At 1 January and 31 December 2021	<u>800,000</u>

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021 (continued)

6. FIXED ASSETS - Continued

At the year ended 31 December 2021 the PCC agreed that they believe the current valuation of £800,000 of 41 Elm Bank Gardens was appropriate. The cost of incurring a valuation is regarded as an undesirable use of church funds.

7. INVESTMENTS

	CCLA Income Shares £
Market value	
Value at 1 January 2021	139,486
Revaluation	<u>20,057</u>
Net book value	
At 31 December 2021	<u>159,543</u>
<i>At 31 December 2020</i>	<i><u><u>139,486</u></u></i>

Had the investments been carried at historical cost their value would be £120,000.

8. DEBTORS	2021 £	2020 £
Income tax recoverable	4,712	5,746
Prepayments and other debtors	3,012	6,180
	<u>7,724</u>	<u>11,935</u>

9. LIABILITIES

	2021 £	2020 £
Amounts due within one year		
Creditors and accruals	19,815	22,782
St Michael's Guild	220	220
St Michael's counselling service	2,206	2,206
St Matthew Passion	-	-
	<u>22,221</u>	<u>25,208</u>

St Michael's Guild is an informal gathering of church members, and St Michael's counselling service, which also works in association with St Michael's, both operate independently of the PCC.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021 (continued)

10 . ANALYSIS OF NET ASSETS BY FUND

	Fixed assets	Bank	Debtors	Creditors	Net assets
<u>Unrestricted:</u>	£	£	£	£	£
<i>Undesignated</i>					
Ministry Fund	-	5,415	6,654	(20,152)	(8,083)
<i>Designated</i>					
Fabric Fund	-	81,000	485	-	81,485
Community Centre	-	1,458	-	(1,458)	-
Church Hall	-	26	585	(611)	-
Music Fund	-	9,740	-	-	9,740
Hall Renovation Fund	-	69,446	-	-	69,446
Arthur Ford Community Fund	159,543	112,291	-	-	271,834
	159,543	279,376	7,724	(22,221)	424,422
<u>Endowment:</u>					
Campaign for St Michaels	492,987	-	-	-	492,987
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
52 Boileau Road	-	9,818	-	-	9,818
Packham Fund	-	-	-	-	-
	1,542,987	9,818	-	-	1,552,805
<u>Restricted funds:</u>					
Choral Sponsorship Fund	-	4,938	-	-	4,938
Mission Fund	-	50,000	-	-	50,000
	-	54,938	-	-	54,938
	1,702,530	344,132	7,724	(22,221)	2,032,165

Unrestricted Funds

The Ministry Fund is the new name for the General Fund and reflects that all general activities we undertake are for the purpose of supporting the ministry of St Michaels. This change was approved by the PCC during the year.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021 (continued)

11. FUND DETAILS

Designated Funds

The Fabric Fund has been formed to provide for expenditure on the fabric of the church and community centre, which is directly linked to the church, and the net rentals received from 41 Elm Bank Gardens are designated for this purpose.

The Community Centre fund has been established to control the activities of the Centre separately from the general activities of the church. Any surplus from the Community Centre is designated for the General Fund, namely the day to day operations of the church, as required.

The Church Hall Fund is a partly designated fund as income must be applied first to the running costs, repairs and maintenance of the Hall. Any surplus is first used to eliminate any deficit on the general fund, after the Community Centre transfer, before the balance is transferred to the Hall Renovation Fund.

The Hall Renovation Fund was established to fund major maintenance, renovation and development of the Church Hall.

The Arthur Ford Community Fund was established from a legacy from the estate of Arthur Ford. The fund will be used to benefit the people of the parish and will be available to fund community projects. The Arthur Ford fund has been earmarked for use to create a new Church Hall. This is on the understanding that once income from the rent hits a certain target a proportion will be allocated to fund community projects going forward.

The Music Fund was established during the year to ring fence any surpluses from specific music fundraising events. This now provides a fund to enable investment in new community wide music events as well as providing support for assistant organists and for the occasional evensong service. The Organist for the 10 o'clock mass will continue to be funded from Regular Giving.

Endowment Funds

The Campaign for St Michael's fund was established in 1998 to raise funds to cover the costs of external repairs to the church, refurbishment of the interior and the building of a new Community centre.

Also, included within Endowment Funds are certain properties and other funds of a capital nature.

The properties within Endowment Funds are the Church Hall and 41 Elm Bank Gardens. Title to these properties is held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee, with restrictions on disposal, for the benefit of St Michael's.

During the year the 1.03% share in Boileau Road was disposed of, the proceeds are being held as cash within the endowment fund until they are reinvested.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

Restricted Funds

The Choral Sponsorship Fund was set up to provide Choral Scholarships for up to four new members of the Choir. Each scholarship is available for up to two years. It is aimed predominately at encouraging new young choral scholars to join the choir, ideally those who are studying GCSE or A level music and hoping to apply for university choral scholarships in the future. It was funded purely from individual donations following a campaign run by the Vicar and is therefore restricted for this sole purpose.

Mission fund – This was a one off donation from a donor who wishes to remain anonymous The donation is restricted for the purpose of mission in relation to the ministry of St Michael & All Angels, Barnes. Mission is defined as an activity or project which reaches out into the parish in order to share the Christian faith and bring new people into relationship with God and the Church. The donation cannot be used for building, alteration or maintenance of the church fabric, or the fabric of other church-owned buildings, or to finance any proposed new building work by the church.

12. ANALYSIS OF FUND MOVEMENTS

	Balances B/ Fwd 1 Jan 21 £	Income £	Expenditure £	Transfers and Losses £	Balances C/Fwd 31 Dec 21 £
<u>Unrestricted funds</u>					
<i>Undesignated</i>					
Ministry Fund	(2,143)	107,036	(137,670)	25,694	(8,083)
<i>Designated</i>					
Fabric Fund	79,430	34,090	(12,035)	(20,000)	81,485
Community Centre	-	23,799	(13,127)	(10,672)	-
Church Hall	-	25,769	(10,747)	(15,022)	-
Music Fund	8,038	7,359	(5,657)	-	9,740
Hall Renovation Fund	69,446	-	-	-	69,446
Arthur Ford Community Fund	227,676	24,158	-	20,000	271,834
	382,447	222,211	(179,236)	-	424,422
<u>Endowment funds</u>					
Campaign for St Michael's	507,059	-	(14,072)	-	492,987
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
52 Boileau Road	1,000	8,818	-	-	9,818
Packham Fund	-	-	-	-	-
	1,558,059	8,818	(14,072)	-	1,552,805
<u>Restricted funds</u>					
Choral Sponsorship Fund	3,250	3,338	(1,650)	-	4,938
Mission Fund	40,000	10,000	-	-	50,000
	43,250	13,338	(1,650)	-	54,938
	1,983,756	244,367	(195,958)	-	2,032,165

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 December 2021 (continued)**

13. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £2,800 (2020 - £2,740).

14. CONTINGENT ASSET

St Michael & All Angels has been notified that it is in receipt of a legacy in the form of a flat, which is worth in the region of £780,000 from the Estate of the late Basil Moss. It is the intention of the PCC to record this asset in a designated fund while we consider the best way to use the fund for the benefit of St Michaels and in a way that celebrates the life of Basil Moss who was a long standing member of the church. As is the case with assets of this nature the title of this property will be held by the Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the flat generates and has the obligation for maintaining the building, and rights to proceeds were the flat to be sold. The asset has not been recognised in the accounts as probate has not yet been granted.

15. CONTINGENT LIABILITY

An amount of £15,000 received by the Campaign for St Michael's from the Pauline Christian Union is subject to a condition that it would be repayable if the PCC were to terminate an arrangement whereby the group uses the Church Hall for regular meetings. The PCC knows of no reason why it would wish to do this in the foreseeable future.

16. RELATED PARTIES

During the year, the PCC obtained maintenance and enhancements to the fabric of the church buildings. The services were obtained from Maven Electrical Ltd a company controlled by Andrew Childs, a member of the PCC. The amount totalled £3,409 in the year (2020: £9,323).

Accounts

**THE PAROCHIAL CHURCH COUNCIL OF
ST MICHAEL AND ALL ANGELS, BARNES**

Financial Statements

For the year ended 31 December 2020

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Page 11	Statement of Financial Activities
Page 12	Balance Sheet
Pages 13 - 23	Notes to the Financial Statements

Incumbent: The Rev'd Stephen Stavrou
The Vicarage
39 Elm Bank Gardens
Barnes
London SW13 0NX

Bank: Barclays Bank
George Street
Richmond
Surrey

Independent Examiner: Alison Jones FCA
Kreston Reeves LLP, Chartered Accountants
Plus X Innovation Hub
Lewes Road
Brighton
East Sussex
BN2 4GL

Registered Charity Number: 1133927

INDEPENDENT EXAMINERS REPORT

TO THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, BARNES

I report on the financial statements of the PCC for the year ended 31 December 2020, which are set out on pages 3 to 23.

Respective responsibilities of the Trustees and the Independent Examiner

The charity trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

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

It is my responsibility to:

- examine the accounts under the Church Accounting Regulations section 145 of the 2011 Act;
- follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission and found in the Church Guidance, 2013 edition. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you the committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.



Alison Jones FCA

Kreston Reeves LLP, Chartered Accountants
Plus X Innovation Hub
Lewes Road
Brighton
East Sussex
BN2 4GL

Date: 13/05/2021

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2020

Administrative Information

St Michael and All Angels Church is situated in Elm Bank Gardens, Barnes, London SW13. It is part of the Diocese of Southwark within the Church of England. The correspondence address is The Vicarage, 39 Elm Bank Gardens, Barnes, London SW13 0NX.

PCC members who have served from 1 January 2020 until the date this report was approved are:

Incumbent:	The Rev'd Stephen Stavrou
Assistant Priest:	The Rev'd Judith Roberts
Assistant Curate	The Rev'd Martin Calderbank
Wardens:	Andrew Childs Jane Bennett Powell (stood down at APCM in October 2020). This position is presently vacant.
Deanery Synod Representatives:	Jane Bennett Powell (re-elected October 2020) Bennet Summers (stood down October 2020) James Black (appointed October 2020)
Ex Officio members:	Jacqueline Russell (Treasurer)
Elected Members:	Marion Kreling Andrew Puddifoot Charles Law Lucy Barnes Phillip Keightley (resigned August 2020) Denise Poulton Frederick Appleby Lizzie Hackett Brown Eleanor Stanier (secretary) (resigned both roles October 2020) Simon Livingstone Gemma Curran Andrew Turton Bennet Summers (appointed October 2020)
Parish Safeguarding Officer:	Camilla Harries (appointed January 2020)
PCC Secretary	Sally Mills (appointed October 2020)

Structure, governance and management

The PCC is governed by the PCC Powers Measure (1956) as amended and church representation rules. Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. All church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

ST MICHAEL AND ALL ANGELS, BARNES

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For the year ended 31 December 2020

The PCC meets at least four times a year and operates through two sub-committees which meet between full meetings of the PCC. These comprise the Standing Committee and the Finance Committee.

The Parochial Church Council (PCC) is the church's governing body and its members for the time being are de facto the church's Trustees. They are co-trustees with the Diocesan Board of Finance for the Trust Land held by the church. Members of the PCC are elected by members of the congregation on the church's Electoral Roll at the Annual Parochial Church Meeting. PCC membership, in accordance with Church of England practice, will not normally exceed three years.

Objectives and Activities

The PCC of St Michael and All Angels, Barnes has the responsibility to co-operate with the incumbent, Fr Stephen Stavrou, in promoting in the ecclesiastical parish the whole mission of the church, pastoral, evangelistic, social and ecumenical. It also has responsibility for the maintenance of the Church and the control of expenditure.

Achievements and performance

Church Attendance

St Michael's Electoral Roll stands at 177. The average monthly count of the congregation taken on Sundays during October/November 2020 was 67. Public worship was suspended in early November due to Corona Virus.

VIEW FROM THE VICARAGE 2021

I am starting to write this report on the 5th anniversary of being licensed as Vicar of Saint Michael & All Angels, for which I give so much thanks and praise to God for you all and for this wonderful church and its parish. The last five years have included many challenges, but perhaps none more so than the last year which has included so many 'changes and chances of this fleeting world' due to the corona virus pandemic. Indeed, this is a once-in-a-century crisis that has profoundly affected our lives in the recent past, in the present, and will do so long into the future. It has affected the church in particular ways, challenging the very nature of our existence. The Greek word 'ekklesia' means 'those who are called out' from the world into a community together. So, when we cannot be together it is an existential crisis for the Church of God, but one which, together with God's grace, we are able to meet as a challenge and overcome with hope.

We must thank God that by the wonders of modern technology we have been able to gather virtually through livestreaming and Zoom, each medium having its own virtues, and yet never able to replace the importance of actually being physically together. Human beings are, after all, flesh-and-blood creatures who need the presence of others to be fully ourselves. For this reason, God came to us as a flesh-and-blood human being in the Incarnation as Jesus Christ. The online world brings many benefits and blessings, but the fullness of the Christian faith, the fullness of our humanity, requires physical presence to one another. Perhaps, in some way, the government understood this, when it exempted worship during the lockdown that began just after Christmas. I must admit, this came as a surprise to me and to everyone else! However, I think it says something about the essential good of worship to the wellbeing of individuals and also of society.

This is why it felt right to make it an absolute priority to keep the church open and continue worshipping, as far as possible, and following all the safety guidelines and restrictions. Of course, this was only possible for us because we are blessed with such a large and flexible church building that enables social distancing. I know how much this has meant to so many of you who have expressed your appreciation, and even those who have been unable to join us for much of that time have taken comfort in the knowledge that prayer and praise continued to be offered virtually without ceasing throughout. During this time, we have been joined by a few worshippers from other churches that were unable to stay open, and it has been interesting to see how many new people have visited us both in person and online. Sometimes, a crisis reminds us of our need for God, and provides an opportunity for the Church to bring hope and comfort at a difficult time. At the same time, it has been quite clear throughout that everyone's decision about whether to come in person or worship from home is to be respected,

ST MICHAEL AND ALL ANGELS, BARNES

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according to each person's particular circumstance and vulnerability. In a way, this has reminded us that the Church is made up of both its visible and invisible members, on earth and in heaven, together and apart, but joined together by prayer.

It would be foolish to speak of the pandemic in the past tense but, as I write, the situation in this country is greatly improved and we are making our way towards the lifting of restrictions, at least for the time being. With all the hardships and difficulties, this radical challenge has resulted in great creativity. All of us like things to stay the same and be reliable, but some change can also be healthy and helps us to think in new ways. For example, having been forced to livestream, it is almost unthinkable that we will completely cease to broadcast services. Even if we do so only once a month or on high days and holy days, my 'crystal-ball prediction' is that from now on this kind of window into the worshipping life of St Michael's will be the main way that new members will 'check us out' before coming in person. As we move forward, some things in our life as a church will be changed forever. Some meetings will stay online as the most convenient way of getting together. Will the sharing of the Peace with a handshake ever return or will we prefer to nod and smile as we do now? With the use of cash, a distant memory for many of us, the passing of the collection plate seems more antiquated than ever and I am pleased that so many people have got used to using the contactless payment machine and joined planned giving.

Liturgically, the lack of congregational singing has been felt as a great loss, and it is to be hoped that it returns as soon as possible so that we can fully express that joy which is integral to our faith. We have always valued our choir, but we have never depended on them so much as during this time, and I am grateful for the fortitude and willingness of the choir in continuing to sing, albeit in reduced numbers. With this mind, the PCC recently discussed the founding of a Children's Choir using a mission-fund generously donated to Saint Michael's that will enable us to employ a specialist musician in this area. This will be a big project, involving a lot of preparation and research, but it is intended to support our adult volunteer choir alongside further recruitment and the continuation and development of our Choral Scholarship programme. It is because the pandemic has revealed the significance of music that we now desire to strengthen and renew it further.

By God's providence the pandemic has also brought renewal in other areas too. Because of the need to spread out the congregation across different services and the cessation of Sunday School, families were encouraged to only attend the 11.30am Children's Mass, thereby renewing a service that had become declining in recent years to the point where it was becoming unviable. In large part this has been made possible by our Children's Team and Clover Summers our Children's Ministry Leader. Moreover, because of social-distancing and being unable to invite children to come forward and interact, it has been necessary to find exciting ways to engage children in the pews from a distance. At the Christmas Eve Nativity Services (for there were 4 of them!) this led to snow-machines in the Cloisters and a projected light-show of glittering stars inside the church. At Easter, the Resurrection was announced at the Children's Mass with laser lights, a trumpet and four smoke-machines! All of this is in the long tradition of Anglo-Catholic mission and worship which has always used colour, lights, music, processions and so much more in order to express the wonder and mystery of God. Worship is not entertainment, but as one parent said to me 'if services in church are the most boring thing in a child's week they won't want to come'. So, it is up to us to find a contemporary iteration of the original dramatic vision that made Catholic worship so attractive in the past.

Speaking of Christmas, let me mention the Christmas Tree Festival, which was another creative response to pandemic restrictions, as local businesses and organisations came together to decorate the church with a fabulous variety of trees that could be visited whenever the church was open. It was so successful that we are planning to have another Christmas Tree Festival this year. On the last night of festival, we held two-sessions of outdoor carol singing on Elm Bank Gardens – by the end of the second I could barely speak let alone sing! Another creative response was the Nativity Trail, in which local families displayed in their windows images and scripture passages telling the Christmas story on a route that finally brought them to kneel at the Nativity Stable in church. At a time when so much else was closed, this activity really took off among the families of Barnes and gave families something safe and seasonal to do.

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With all of us unable to travel beyond the local area let alone abroad, it felt strangely appropriate to make 'pilgrimage' the theme of Lent 2021. Through sermons and Zoom Coffee we went on virtual pilgrimage to Jerusalem, Rome, Compostela, Walsingham and Canterbury. At Evensong during Lent, we also heard four very moving stories from members of the congregation under the title 'My journey of faith ... so far'. Thank you to Pat Reed-Boswell, James Day, Topaz Amooore and Jane Sherwin for being so honest, brave and funny in what they shared. In Holy Week, we undertook the traditional liturgies, but with some notable omissions such as the Procession on Palm Sunday, the Washing of the Feet on Maundy Thursday and the Veneration of the Cross on Good Friday. It felt right to maintain these as an absence rather than seeking to replace them with some alternative novelty. We are not in normal times, and there is no point pretending otherwise, the absence being a powerful reminder of all we are missing right now, and all we look forward to being restored in due course.

But I do not wish this to be a report about all the things that have not happened, for even in the midst of a pandemic, Saint Michael's continues to do new and wonderful things! It was on Mothering Sunday that we brought our Choir Lights project to a glorious completion as we gathered the Choir together for a special online choral evensong when we blessed the new choir lights to God's service and in memory of the late Anthony Gardiner. We have since used the lights for special services and they are a truly beautiful addition to the church. Paradoxically, one hardly notices the lights on a day-to-day basis, which is a sign of the way in which they are so fitting and natural to the space. Particular thanks are due to Jane Gardiner as benefactor, Rhodri Walters and Andrew Childs for the planning and preparation, and to Derek Pearce who made the bases and installed them with the help of Vikki Heron. Other new things this year included a service of Tenebrae on the evening of Good Friday, which was very well received.

One of the most distressing aspects of the lockdown has been the postponement of Baptisms and the delay to Confirmation to those who are desirous of becoming members of God's family and receive the Sacrament. So, it was with joy that we were able to hold our delayed Confirmation service last October when six children and one adult were confirmed by the Bishop of Southwark. It is also with joy that we are now receiving many requests for Baptisms – although I suspect some of the children might be too big for me to hold over the Font as many of them are nearly two or three years old! However, the sudden surge in Baptisms has given the Children's Team a chance to trial a system of 'Baptism Welcomers' that is intended to help families bringing children for Baptism more fully into the community of the Church by providing a link person in the congregation who can welcome and encourage them.

Naturally, we still feel the loss of the social life of the Church. At Saint Michael's, we have prided ourselves on our hospitality and the lockdown and restrictions have revealed the extent to which our fellowship is intimately and inextricably connected to worship. Nevertheless, the inability to gather for anything but worship made it all the more important and has renewed the sense that the Church exists primarily for worship before anything else, and that worship is the fountain out of which all else flows. As, God willing, restrictions lift, it is hoped that we can gather again and renew those bonds of friendship and love which are the hallmark of every Christian community. Indeed, the pandemic has already renewed those bonds of loving care and given us an increased sense of our pastoral duty towards the elderly, the housebound and isolated. Because of lockdown, all of us now know something of what that feels like, and we have discovered new ways to keep in touch and look after each other.

I take this opportunity to express my thanks to you all, for your fortitude and faith. Forgive me for singling out a few people but Mother Judith and Father Martin have been wonderful companions and supports to us all during this time. Father Martin's first Mass back in October was an occasion of special joy. A priest's first celebration of the Holy Eucharist is an important occasion for a new priest, but also for every Christian, because it gives thanks for the gift of priesthood and the Mass as the Sacrament of the presence of Christ among us. As a sign of our appreciation of Fr Martin's ministry here, we were able to give him a chasuble donated by the congregation. I want to thank Lizzie Hackett-Brown and Rachel Skilbeck who kept the Parish Office (and therefore the church) running efficiently throughout and Martin Neary who continues to lead the Choir in the midst of a constantly changing situation.

ST MICHAEL AND ALL ANGELS, BARNES

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For the year ended 31 December 2020

I'm also grateful to Rhodri Walters who seized the opportunity of lockdown to undertake the solo project of organising the limited historical information we have about Saint Michael's into an archive. It is so important to maintain and document a good record of our life as a church for future generations, and we haven't been very good at doing so. It's amazing what one finds when one starts looking – including the only known picture of an enormous belltower that was originally planned for the church. I thank God it was never built!

I also want to pay special tribute to the late Basil Moss whose funeral we held in December. It is hard to put into words how much Basil means to this church, having worshipped here for decades and having had such a profound influence on our life here through his Christian faith and leadership, his humour and his commitment. In the Tribute at his funeral, Andy Puddifoot quoted one individual speaking for many when he said: "No-one has had a greater or more positive impact upon my life than Basil." Although only a small number of people could join his Requiem Mass in person, hundreds of people watched the service online, and this is a testament to the profound influence he had that inspired the faith of so many people, particularly the boys and young men of the St Paul's Christian Union. May he rest in peace.

There are many other things I could mention such as the online Barnes Art Fair, our continued links with local schools including a relatively new link with Ibstock House, and the work that was done to replace the degraded stonework on the south side of the church – but I have probably said enough to give you a flavour of how Saint Michael's continues to thrive, change and share the Good News of Jesus Christ in this, our parish in Barnes.

My friends, the future is still uncertain. It is very likely that at some point there will be another wave in infections. However, we are in a very different place than before with so many in our community vaccinated and having learnt how to cope and adapt so that 'we who are wearied by the changes and chances of this fleeting world may rest on Your eternal changelessness'. In light of this, we are able to meet the future with faith, hope and love, ever trusting and rejoicing in the goodness of God whose mercies endure forever.

‘O give thanks to the Lord, for he is good,
for his steadfast love endures for ever.’
Psalm 136, v.1

Financial Review

2020 was a year to be grateful for so much. For the continued support of our parishioners which meant that despite the church being shut for weeks planned giving continued; for the fact that so many of our parishioners had transferred their giving to standing order, so despite the loss of blue envelopes we were only slightly down on Gift Aid Donations and for the generosity of so many who gave lump sum amounts, both large and small to support the Church during what would otherwise have been an incredibly difficult year and finally for the nursery lettings that were able to continue in the Hall when all else was shut. The lettings we were able to receive mean that we ended the year with a deficit of just £5,229 on our unrestricted funds.

Of that £5,229 the largest amount relates to the church where our expenditure was £26,106 more than our income, but thanks to the surplus from almost a full year of lettings in the Hall and Income from the Community Centre, both current prior to Lockdown and brought forward, the Church deficit has been substantially funded with just a £2,143 deficit on our General Fund to take into 2021. That combined with a small loss on the Fabric Fund of just £463 and in Restricted income a wonderful new £40,000 fund to support our mission, for which we are incredibly thankful, means we end the year in a stable position, despite all the upheaval that 2020 threw our way.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2020

Income

Total Income in 2020 was £231,844, compared to £251,320 last year. Gift Aid Donations were stable at £52,022, just £3,209 down on 2019. We received a one-off restricted donation of £40,000 taking donations to £40,625, with Income tax up despite the drop in Collections of £3,392 we end the year with Regular Giving up at £115,174 compared to £78,584 for last year.

Grants appeals and legacies were recorded at £15,957, an increase of almost 50% on the previous year.

Income from fundraising events was inevitably down, with us unable to have our regular events, although the music festival did just manage to take place prior to the first lockdown.

Income from Investments (41 Elm Bank Gardens) was stable at £36,458 compared to £36,744 with costs significantly reduced at just £6,660 compared to £13,175. Investment income was also stable at £4,280 compared to £4,417 in the previous year and we once more saw growth on the capital value of £8,575.

The biggest hit caused by the pandemic was of course our lettings income, with Community Centre lettings cut to £18,381 from £39,541. The Church Hall saw a reduction to £22,313 from £36,528 but we are grateful that the nursery was able to re-open or the situation would have been worse.

Total Income – removing the restricted income but including the net return from fundraising rather than the gross fundraising income - was £178,854 down from £231,233 in the previous year at just £3,440 a week compared to £4,447.

Expenditure

Total expenditure was incredibly stable at £211,983, compared to £212,829 because while savings were made on running costs for the community centre church maintenance was up significantly at £37,434 compared to just £12,186 as with the church shut, we undertook major repairs, particularly to the stonework of the building. This was helped by a donation to the Fabric Fund, so the Fabric Fund ended the year with just a small deficit.

The result of the drop in income but similar expenditure has meant that the main general fund of the church has recorded a significant deficit. We have supported this by using the reserves we previously held for the community centre and all the surplus recorded for the church hall. This was approved by the Parochial Church Council. Despite this the general fund remains in deficit at £2,143 however I am confident that this will recover over the next two years. We have been able to protect the amounts we previously set aside for the Hall Renovation Fund which currently now stands at £69,446 with the fabric fund healthy at £79,430. The Arthur Ford benefited from gains and ended the year at £227,677 compared to £214,821 brought forward.

ST MICHAEL AND ALL ANGELS, BARNES

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Operational Income & Expenditure including Split by Income Streams

	2020		2019		2018
Total Income	£231,844		£251,320		£238,805
Less Fundraising	£15,299 (£15,299)		£39,184 (£39,184)		£41,851 (£41,851)
Fundraising Costs	£12,365		£20,087		£30,167
Add Fundraising Surplus	£2,934	£2,934	£19,097	£19,097	£11,684
	£219,479		£231,233		£208,638
Restricted grants	(£40,625)		(£3,125)		
Underlying Income Trent	£178,854		£228,108		£208,638
Income per week (excluding grants, appeals & legacies)	£3,440	-22%	£4,387	9%	£4,012
Total Expenditure	£211,983		£212,829		£206,458
Less Fundraising costs	(£12,365)		(£20,087)		(£30,167)
Less Depreciation	(£14,072)		(£14,072)		(£14,072)
Less Restricted Expenditure	(£1,463)		(£696)		(£197)
Underlying Expenditure	£184,083		£177,974		£162,022
Expenditure per week	£3,540	3%	£3,423	10%	£3,116
Net(Deficit)/Surplus	(£5,229)		£50,134		£46,616
(Deficit)/Surplus per week	(£101)		£964		£896
(Deficit)/Surplus per month	(£436)		£4,178		£3,885
Splitting (Deficit)/Surplus between Income Streams					
Church Hall	£11,022		£24,545		£20,800
Community Centre	£8,124		£19,827		£19,042
Fabric Fund (Surplus on EBG less maintenance)	(£463)		£11,383		£21,470
Music Fund	(£2,086)		£4,704		£5,420
Investment Income (Arthur Ford)	£4,280		£4,417		£1,612
Church	(£26,106)		(£14,742)		(£21,728)
Net (Deficit)/Surplus before Investment					
Gains	(£5,229)		£50,134		£46,616

Outlook for 2021 and 2022

Inevitably with another lockdown 2021 is going to be another difficult year. While the church is now regularly open, we are so reliant on lettings income and it looks unlikely that we will be back to normality much before the late summer. As a result, we are going to have to use surpluses from not only the Community Centre but also from the Hall to be utilised to support the church once more. I expect us to remain in deficit on the general fund in 2021 however I am confident that we will fully recover and be back in surplus in 2022. A going concern review was completed and discussed at the Finance Committee and copied to the Parochial Church Council. This concluded that we remain a viable organisation, with a strong balance sheet and that the current loss and deficit on the general fund is solely the result of the loss of lettings from the pandemic. We expect to bounce back and be back in surplus by 2022, albeit we will need to rely on income from both the church hall and the community centre in both 2021 and 2022 to ensure the general fund returns to surplus.

Unrestricted and Designated Funds

Unrestricted funds encompass funds for the general running of the Church, Church Hall and Community Centre and include the Fabric Fund, Music Fund, Hall Renovation Fund and Arthur Ford Community Fund. The deficit from the General Fund is eliminated by a transfer from the Community Fund and from the Church Hall fund following approval from the Parochial Church Council.

This year in addition to the Restricted fund that was set up for Choral Scholarships in 2019 we have a new Missional fund to help outreach in the parish. The Parochial Church Council will now discuss how we achieve the aims of this new fund.

ST MICHAEL AND ALL ANGELS, BARNES

ANNUAL REPORT

For the year ended 31 December 2020

The fabric fund, which is set aside to fund the fabric of the Church and the Community Centre is £79,430. The balance on the Hall Renovation Fund is £69,446. A decision was made to delay the repayment to the Arthur Ford Community Fund following £95,897 borrowed in 2010 to renovate Elm Bank Gardens. £20,000 remains to be repaid as of 31 December 2020.

The balance on Arthur Ford Community Fund is now £227,677, all of which is re-designated for the development of the Hall. Arthur Ford's wish was for his funds to be for the needs of the people of the parish and as such we felt allocating these funds to this project was appropriate.

Endowment Funds

These include the assets of St Michaels. The Campaign for St Michael's which includes the build cost for the Community Centre now reflects the value of the asset of the cloisters, after depreciation, of £507,059. The total value of all funds rose by £28,436 to £1,983,756.

Public Benefit Reporting

The Parochial Church Council confirms that it follows the Charity Commission guidance on public benefit in setting its objectives and believes it has fully fulfilled its obligations with the variety of work and activities undertaken throughout the community. St Michael & All Angels is registered as a Charity under Charity Number 1133927.

Reserves Policy

The policy of the Parochial Church Council is to target a level of reserves in the General Fund equal to three months' running costs of the church, excluding planning hall and community centre costs, which at a run rate of £3,540 per week, equates to a total of £46,020. This remains a target, albeit an ambitious one, especially in a year when we have had to call on our reserves to deal with the pressures of the pandemic.

Investment Policy and Cash Deposits

The Finance Committee have developed what they regard as a mixed risk strategy with all funds invested in the CCLA UK Equity Income Fund/cash deposits with the CCLA and Barclays Bank. The Parochial Church Council reinvested a proportion of the Arthur Ford fund in the CCLA UK Equity Income Fund in 2019 and will review this investment decision approximately six months prior to these funds being required, which is not expected to be until 2022 at the very earliest.

Risk Management

The Parochial Church Council has assessed the major risk to which St Michael's might be exposed, those related to the activities and finances of the Church and is satisfied that there are systems and processes in place to mitigate exposure to any major risk. The Finance Committee reviews the financial position of the church at least quarterly, while the Churchwardens regularly report on the status of the fabric of the church and other buildings to determine appropriate courses of action. Fabric and Finance are standing items on PCC agendas.



Father Stephen Stavrou (Vicar)
On behalf of the PCC

ST MICHAEL AND ALL ANGELS, BARNES

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
<i>Income from:</i>						
Donations and legacies	2(a)	91,729	40,625	-	132,354	89,233
Other trading activities	2(b)	15,422	-	-	15,422	40,079
Investments	2(c)	41,160	-	-	41,160	41,161
Charitable church activities	2(d)	42,908	-	-	42,908	80,847
		-----	-----	-----	-----	-----
TOTAL INCOME		191,219	40,625	-	231,844	251,320
		-----	-----	-----	-----	-----
<i>Expenditure on:</i>						
Raising funds	3(a)	12,365	-	-	12,365	20,087
Managing Investments	3(b)	6,660	-	-	6,660	13,175
Charitable church activities	3(c)	177,423	250	15,285	192,958	179,567
		-----	-----	-----	-----	-----
TOTAL EXPENDITURE		196,448	250	15,285	211,983	212,829
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		(5,229)	40,375	(15,285)	19,861	38,491
		-----	-----	-----	-----	-----
NET GAIN ON INVESTMENT		8,575	-	-	8,575	21,012
		-----	-----	-----	-----	-----
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		3,346	40,375	(15,285)	28,436	59,503
		-----	-----	-----	-----	-----
TRANSFER BETWEEN FUNDS		(269)	-	269	-	-
		-----	-----	-----	-----	-----
NET MOVEMENT IN FUNDS		3,077	40,375	(15,016)	28,436	59,503
		-----	-----	-----	-----	-----
BALANCE AT 1.1.2020		379,370	2,875	1,573,075	1,955,320	1,895,817
		-----	-----	-----	-----	-----
BALANCE AT 31.12.2020		382,447	43,250	1,558,059	1,983,756	1,955,320
		=====	=====	=====	=====	=====

The notes on pages 13 to 23 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

BALANCE SHEET As at 31 December 2020

	Note	2020		2019	
		£	£	£	£
Fixed assets:					
Tangible fixed assets	6		758,059		772,131
Investment property	6		800,000		800,000
Investments	7		139,486		130,911
			<u>1,697,545</u>		<u>1,703,042</u>
Current assets:					
Debtors	8	11,935		8,112	
Short term deposits		88,847		84,567	
Cash at bank		<u>210,637</u>		<u>183,780</u>	
		311,419		276,459	
Creditors – Amounts falling due within one year:					
	9	<u>(25,208)</u>		<u>(24,181)</u>	
Net current assets			286,210		252,278
Total assets less current liabilities			1,983,756		1,955,320
Net assets			<u><u>1,983,756</u></u>		<u><u>1,955,320</u></u>
Funds:					
Endowment funds	10,11 & 12		1,558,059		1,573,075
Unrestricted funds	10 & 12		382,447		379,370
Restricted funds	10 & 12		43,250		2,875
			<u><u>1,983,756</u></u>		<u><u>1,955,320</u></u>

Approved by the Parochial Church Council on 2 May 2021 and signed on its behalf by:


Jacqueline Russell
(Honorary Treasurer)

The notes on pages 13 to 23 form part of these financial statements.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020 (continued)

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

They have also been prepared under the historic cost convention, except for the valuation of fixed assets which are shown on the basis described below.

They include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe an affiliation to another body nor those that are informal gatherings of church members.

Funds

Funds held by the PCC are:

Unrestricted funds:

- Undesignated funds which can be used for PCC ordinary purposes.
- Designated funds – monies set aside by the PCC out of unrestricted funds for specific future purposes or projects. Funds for the day-to-day running of the Church Hall and the Community Centre, and the Fabric Fund, have been designated in this way.

Restricted funds, which comprise either (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest or (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given.

Endowment funds – funds the capital of which must be maintained. Only income arising from the investment of the endowment may be used, either as restricted or unrestricted funds, depending on the purpose set out in the terms of the original endowment. A list of the endowment funds is in note 10 to the financial statements.

Income

All income is accounted for gross of taxes.

Donations, legacies and capital sources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under gift aid is recognised only when received.

Income tax recoverable on gift aid donations is recognised when claimable from HMRC.

Grants and legacies are accounted for when the PCC is legally entitled to the amount due, it is probable that the income will be received, and the amount can be measured with sufficient reliability.

Other income

Rental income from the letting of the church hall is recognised when the rental is due.

Investment income

Interest is received gross of taxes and accounted for when receivable.

Rental income from 41 Elm Bank Gardens is recognised when the rental falls due.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020 (continued)

Accounting Policies - continued

Expenditure

Expenditure is accounted for on an accruals basis and is accounted for gross of taxes.

Liabilities are recognised as expenditure where that is a legal or constructive obligation, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Grants and church activities

Grants and donations are accounted for when paid over or when awarded, if that award creates a binding obligation on the PCC. All church activity costs are accounted for on a full accrual's basis and any prepayments or accruals are shown in the balance sheet as either current assets or current liabilities.

Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

- Valuation of the investment property has been undertaken by the trustees themselves. The basis for the valuation includes consideration of the declining property market around the area of Barnes they foresee, and the level of work required to bring the property into a resalable condition.

Tangible fixed assets and depreciation

Consecrated land and buildings and movable church furnishings

The value of consecrated and beneficed property of any kind is excluded from the financial statements under section 10(2)(a) and (c) of the Charities Act 2011. Moveable church furnishings held by the vicar and church wardens on special trust for the PCC and requiring a faculty for disposal are accounted for as inalienable property, unless consecrated. Inalienable property acquired prior to 2000 is not valued in the financial statements, as there is insufficient information available. From 1 January 2001, the acquisition cost of such an item, where it exceeds £1,000, is capitalised and depreciated over its anticipated useful life.

Other fixtures, fittings and office equipment

Individual items of equipment costing £1,000 or less are written off when the asset is acquired. Items costing more than £1,000 are depreciated over 3 years on a straight-line basis.

Land

No depreciation is charged on the value attributed to land.

St Michael's Community Centre

Depreciation is provided to write off the cost of the Community Centre over its useful life of 50 years.

Investment properties

Certain of the charity's properties are held for long term investment. In accordance with the Financial Reporting Standard 102, investment properties are included in the balance sheet initially at their cost. Subsequently investment properties are valued at fair value through the Statement of Financial Activities. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020 (continued)

Accounting Policies - continued

Tangible fixed assets and depreciation - continued

This policy represents a departure from statutory accounting principles, which require annual depreciation of fixed assets. The members believe that this policy of not providing depreciation or amortisation is necessary for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current valuation, are of primary importance rather than a calculation of annual depreciation. Depreciation or amortisation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be simply identified or quantified.

Going Concern

These accounts have been prepared on a going concern basis.

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Current assets

Amounts owing to the PCC on 31 December in each year in respect of fees, rents and other incomes are shown as debtors less any provision for amounts that may prove uncollectible. Short term deposits include cash on deposit either with the CBF Church of England Funds or with the PCC's bank.

Cash

Cash comprises cash on hand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020 (continued)

2 INCOME:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds	
				2020 £	2019 £
<i>2(a) Donations and legacies</i>					
Planned giving:					
Gift Aid donations	52,022	-	-	52,022	55,231
Other donations	-	40,625	-	40,625	-
Income tax recoverable	17,668	-	-	17,668	15,122
Collections	4,859	-	-	4,859	8,231
	-----	-----	-----	-----	-----
Regular giving	74,549	40,625	-	115,174	78,584
Grants, appeals, legacies etc	15,957	-	-	15,957	10,649
Government grants	923	-	-	923	-
	-----	-----	-----	-----	-----
	91,429	40,625	-	132,054	89,233
	-----	-----	-----	-----	-----
<i>2(b) Other trading activities</i>					
Fundraising events	15,299	-	-	15,299	39,184
Catering	123	-	-	123	895
	-----	-----	-----	-----	-----
	15,422	-	-	15,422	40,079
	-----	-----	-----	-----	-----
<i>2(c) Income from investments</i>					
Rent from 41 Elm Bank Gardens	36,458	-	-	36,458	36,744
Rent from Boileau Road	422	-	-	422	-
Investment income	4,280	-	-	4,280	4,417
	-----	-----	-----	-----	-----
	41,160	-	-	41,160	41,161
	-----	-----	-----	-----	-----
<i>2(d) Income from charitable church activities</i>					
Church Hall lettings	22,313	-	-	22,313	36,528
Fees (weddings etc)	1,509	-	-	1,509	4,478
Community Centre lettings	18,381	-	-	18,381	39,541
Pastoral care	300	-	-	300	300
Sundry income	705	-	-	705	-
	-----	-----	-----	-----	-----
	43,208	-	-	43,208	80,847
	-----	-----	-----	-----	-----
TOTAL INCOME	191,219	40,625	-	231,844	251,320
	-----	-----	-----	-----	-----

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020 (continued)

3 EXPENDITURE:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds	
				2020 £	2019 £
3(a) <i>Raising funds</i>					
Fund-raising events	12,365	-	-	12,365	20,087
	-----	-----	-----	-----	-----
	12,365	-	-	12,365	20,087
	-----	-----	-----	-----	-----
3(b) <i>Cost of managing investments</i>					
41 Elm Bank Gardens	6,660	-	-	6,660	13,175
	-----	-----	-----	-----	-----
	6,660	-	-	6,660	13,175
	-----	-----	-----	-----	-----
3(c) <i>Charitable Church activities</i>					
Missionary and charitable giving	4,031	-	-	4,031	4,321
Diocesan pledge	74,000	-	-	74,000	72,000
Clergy expenses	297	-	-	297	539
Church running costs	12,096	-	-	12,096	12,261
Church hall running costs	11,291	-	-	11,291	11,983
Community Centre running costs	10,257	-	-	10,257	19,714
Church maintenance	37,434	-	-	37,434	12,186
Organ, organist and music	9,055	-	-	9,055	10,733
Books and subscriptions	684	-	-	684	461
Fees remitted to Diocese	750	-	-	750	1,709
Depreciation	-	-	14,072	14,072	14,072
Miscellaneous	878	250	1,213	2,341	3,024
Parish office	13,219	-	-	13,219	13,879
Bank charges	391	-	-	391	561
Profit on disposal of fixed asset	-	-	-	-	(826)
Pastoral Care	300	-	-	300	300
Support costs (note 4)	2,740	-	-	2,740	2,650
	-----	-----	-----	-----	-----
Total church activities	177,423	250	15,285	192,958	179,567
	-----	-----	-----	-----	-----
TOTAL EXPENDITURE	196,448	250	15,285	211,983	212,829
	-----	-----	-----	-----	-----

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020 (continued)

4. ALLOCATION OF SUPPORT COSTS

Support costs consisting of accountancy fees have been allocated to the churches activities on the following basis;

	Allocation	Charitable church activities	
		2020	2019
		£	£
Accountancy fees	100%	2,740	2,650

5. PCC MEMBERS' BENEFITS AND STAFF COSTS

Two members of the PCC (the vicar and the Assistant Priest) were reimbursed for expenses of £296 (2019: £539). No members of the PCC received remuneration for services as trustees. The average number of employees in the year was 2 (2019: 1), and their total emoluments were £10,054 (2019: £10,064).

6. FIXED ASSETS

Tangible Fixed Assets	St Michael's Community Centre £	Church Hall £	Boileau Road £	Piano £	Total £
Cost or valuation					
At 1 January 2020	704,097	250,000	1,000	-	955,097
Disposals at cost	-	-	-	-	-
Cost as at 31 December 2020	704,097	250,000	1,000	-	955,097
Depreciation					
At 1 January 2020	182,966	-	-	-	182,966
Charge for the year	14,072	-	-	-	14,072
Eliminated on disposal	-	-	-	-	-
At 31 December 2020	197,038	-	-	-	197,038
Net book value					
At 31 December 2020	507,059	250,000	1,000	-	758,059
<i>At 31 December 2019</i>	<i>521,131</i>	<i>250,000</i>	<i>1,000</i>	<i>-</i>	<i>772,131</i>

The Title for the Church Hall is held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the Church Hall generates and the obligation for maintaining the building, and the right to proceeds were the Church Hall to be sold.

The book value of St Michael's 1.03% share of Boileau Road (the Team Curate's house) is £1,000 based on the purchase price in 1992.

Investment property	Investment Property £
Cost or valuation	
At 1 January and 31 December 2020	800,000

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020 (continued)

6. FIXED ASSETS - Continued

At the year ended 31 December 2020 the PCC agreed that they believe the current valuation of £800,000 of 41 Elm Bank Gardens was appropriate. The cost of incurring a valuation is regarded as an undesirable use of church funds.

7. INVESTMENTS

	CCLA Income Shares £
Market value	
Value at 1 January 2020	130,911
Revaluation	<u>8,575</u>
Net book value	
At 31 December 2020	139,486
<i>At 31 December 2019</i>	<u><u>130,911</u></u>

Had the investments been carried at historical cost their value would be £120,000.

8. DEBTORS	2020 £	2019 £
Income tax recoverable	5,746	5,581
Prepayments and other debtors	6,189	2,531
	<u>11,935</u>	<u>8,112</u>

9. LIABILITIES

	2020 £	2019 £
Amounts due within one year		
Creditors and accruals	22,782	21,634
St Michael's Guild	220	341
St Michael's counselling service	2,206	2,206
St Matthew Passion	-	-
	<u>25,208</u>	<u>24,181</u>

St Michael's Guild is an informal gathering of church members, and St Michael's counselling service, which also works in association with St Michael's, both operate independently of the PCC.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020 (continued)

10 . ANALYSIS OF NET ASSETS BY FUND

	Fixed assets	Bank	Debtors	Creditors	Net assets
<u>Unrestricted:</u>	£	£	£	£	£
<i>Undesignated</i>					
General Fund	-	8,362	10,788	(21,293)	(2,143)
<i>Designated</i>					
Fabric Fund	-	78,985	445		79,430
Community Centre	-	1,396	-	(1,396)	-
Church Hall	-	1,817	702	(2,519)	-
Music Fund	-	8,038	-		8,038
Hall Renovation Fund	-	69,446	-	-	69,446
Arthur Ford Community Fund	139,486	88,190	-	-	227,676
	<u>139,486</u>	<u>256,234</u>	<u>11,935</u>	<u>(25,208)</u>	<u>382,447</u>
<u>Endowment:</u>					
Campaign for St Michaels	507,059	-	-	-	507,059
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
52 Boileau Road	1,000	-	-	-	1,000
Packham Fund	-	-	-	-	-
	<u>1,558,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,558,059</u>
<u>Restricted funds:</u>					
Choral Sponsorship Fund	-	3,250	-	-	3,250
Missional Fund	-	40,000	-	-	40,000
	<u>-</u>	<u>43,250</u>	<u>-</u>	<u>-</u>	<u>43,250</u>
	<u>1,697,545</u>	<u>299,484</u>	<u>11,935</u>	<u>(25,208)</u>	<u>1,983,756</u>

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020 (continued)

11. FUND DETAILS

Designated Funds

The Fabric Fund has been formed to provide for expenditure on the fabric of the church and community centre, which is directly linked to the church, and the net rentals received from 41 Elm Bank Gardens are designated for this purpose.

The Community Centre fund has been established to control the activities of the Centre separately from the general activities of the church. Any surplus from the Community Centre is designated for the General Fund, namely the day to day operations of the church, as required.

The Church Hall Fund is a partly designated fund as income must be applied first to the running costs, repairs and maintenance of the Hall. Any surplus is first used to eliminate any deficit on the general fund, after the Community Centre transfer, before the balance is transferred to the Hall Renovation Fund.

The Hall Renovation Fund was established to fund major maintenance, renovation and development of the Church Hall.

The Arthur Ford Community Fund was established from a legacy from the estate of Arthur Ford. The fund will be used to benefit the people of the parish and will be available to fund community projects. The Arthur Ford fund has been earmarked for use to create a new Church Hall. This is on the understanding that once income from the rent hits a certain target a proportion will be allocated to fund community projects going forward.

The Music Fund was established during the year to ring fence any surpluses from specific music fundraising events. This now provides a fund to enable investment in new community wide music events as well as providing support for assistant organists and for the occasional evensong service. The Organist for the 10 o'clock mass will continue to be funded from Regular Giving.

Endowment Funds

The Campaign for St Michael's fund was established in 1998 to raise funds to cover the costs of external repairs to the church, refurbishment of the interior and the building of a new Community centre.

Also, included within Endowment Funds are certain properties and other funds of a capital nature.

The properties within Endowment Funds are the Church Hall, 41 Elm Bank Gardens and the 1.03% share in 52 Boileau Road. Title to these properties is held by the South London Church Fund and Southwark Diocesan Board of Finance as Custodian Trustee, with restrictions on disposal, for the benefit of St Michael's (and in the case of Boileau Road for the benefit of St Mary's and Holy Trinity, the two other churches in the Barnes Team Ministry).

The Packham Fund represents a legacy from the estate of Norman Packham which was restricted for the benefit of the Sunday School. We have previously just set aside the interest to fund Sunday school expenses, however given the very low interest rates, and considering the value of the fund was very low at the start of the year the PCC has approved to spend capital amounts to cover any Sunday school expenses. This fund is now fully utilised.

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020 (continued)

Restricted Funds

The Choral Sponsorship Fund was set up to provide Choral Scholarships for up to four new members of the Choir. Each scholarship is available for up to two years. It is aimed predominately at encouraging new young choral scholars to join the choir, ideally those who are studying GCSE or A level music and hoping to apply for university choral scholarships in the future. It was funded purely from individual donations following a campaign run by the Vicar and is therefore restricted for this sole purpose.

Missional fund – This was a one off donation from a donor who wishes to remain anonymous The donation is restricted for the purpose of mission in relation to the ministry of St Michael & All Angels, Barnes. Mission is defined as an activity or project which reaches out into the parish in order to share the Christian faith and bring new people into relationship with God and the Church. The donation cannot be used for building, alteration or maintenance of the church fabric, or the fabric of other church-owned buildings, or to finance any proposed new building work by the church.

12. ANALYSIS OF FUND MOVEMENTS

	Balances B/ Fwd 1 Jan 20 £	Income £	Expenditure £	Transfers and Losses £	Balances C/Fwd 31 Dec 20 £
<u>Unrestricted funds</u>					
<i>Undesignated</i>					
General Fund	-	95,954	(122,060)	23,963	(2,143)
<i>Designated</i>					
Fabric Fund	79,893	43,631	(44,094)	-	79,430
Community Centre	5,086	18,381	(10,257)	(13,210)	-
Church Hall	-	22,313	(11,291)	(11,022)	-
Music Fund	10,124	6,660	(8,746)	-	8,038
Hall Renovation Fund	69,446	-	-	-	69,446
Arthur Ford Community Fund	214,821	12,855	-	-	227,677
	379,370	199,794	(196,448)	(269)	382,448
<u>Endowment funds</u>					
Campaign for St Michael's	521,131	-	(14,072)	-	507,059
Church Hall	250,000	-	-	-	250,000
41 Elm Bank Gardens	800,000	-	-	-	800,000
52 Boileau Road	1,000	-	-	-	1,000
Packham Fund	944	-	(1,213)	269	-
	1,573,075	-	(15,285)	269	1,558,059
<u>Restricted funds</u>					
Choral Sponsorship Fund	2,875	625	(250)	-	3,250
Missional Fund	-	40,000	-	-	40,000
	2,875	40,625	(250)	-	43,250
	1,955,320	240,419	(211,983)	-	1,983,756

ST MICHAEL AND ALL ANGELS, BARNES

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 December 2020 (continued)**

13. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £2,740 (2019 - £2,650).

14. CONTINGENT LIABILITY

An amount of £15,000 received by the Campaign for St Michael's from the Pauline Christian Union is subject to a condition that it would be repayable if the PCC were to terminate an arrangement whereby the group uses the Church Hall for regular meetings. The PCC knows of no reason why it would wish to do this in the foreseeable future.

15. RELATED PARTIES

During the year, the PCC obtained maintenance and enhancements to the fabric of the church buildings. The services were obtained from Maven Electrical Ltd a company controlled by Andrew Childs, a member of the PCC. The amount totalled £9,323 in the year (2019: £6,093).

16. POST BALANCE SHEET EVENTS

Following year end, we were notified that St Michael & All Angels is in receipt of a legacy in the form of a flat, which is worth in the region of £780,000 from the Estate of the late Basil Moss. It is the intention of the PCC to record this asset in a designated fund while we consider the best way to use the fund for the benefit of St Michaels and in a way that celebrates the life of Basil Moss who was a long standing member of the church. As is the case with assets of this nature the title of this property will be held by the Southwark Diocesan Board of Finance as Custodian Trustee for the PCC. The PCC have the right to the income the flat generates and has the obligation for maintaining the building, and rights to proceeds were the flat to be sold.