

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Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.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

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ANNUAL REPORT

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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.

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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

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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.

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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 Edmondsbury 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.

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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

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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.

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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.

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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

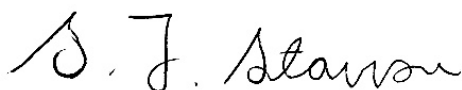
The policy of the Parochial Church Council is to target a level of reserves in the Ministry Fund equal to three months' running costs of the church, excluding planning hall and community centre costs, which at a run rate of £4,391 per week, equates to a total of £52,692. As our costs increase this remains 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
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TOTAL INCOME		241,072	41,130	-	282,202	215,492
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<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	<i>1,049</i>
Music Fund expenses	3,460	-	-	3,460	<i>5,657</i>
	-----	-----	-----	-----	-----
	5,069	-	-	5,069	<i>6,706</i>
	-----	-----	-----	-----	-----
3(b) <i>Cost of managing investments</i>					
41 Elm Bank Gardens	4,278	-	-	4,278	<i>7,016</i>
Lexham Gardens costs	10,007	-	-	10,007	<i>1,163</i>
	-----	-----	-----	-----	-----
	14,285	-	-	14,285	<i>8,179</i>
	-----	-----	-----	-----	-----
3(c) <i>Charitable Church activities</i>					
Missionary and charitable giving	4,238	-	-	4,238	<i>4,497</i>
Diocesan pledge	81,900	-	-	81,900	<i>77,000</i>
Ministry costs inc. Clergy expenses	440	2,428	-	2,868	<i>1,228</i>
Church running costs	14,736	-	-	14,736	<i>10,744</i>
Church hall running costs	21,284	-	-	21,284	<i>10,747</i>
Community Centre running costs	22,408	-	-	22,408	<i>13,127</i>
Church maintenance	27,465	-	-	27,465	<i>5,019</i>
Organ, organist, and music	10,799	-	-	10,799	<i>12,887</i>
Books and subscriptions	719	-	-	719	<i>692</i>
Fees remitted to Diocese	2,096	-	-	2,096	<i>2,855</i>
Depreciation	-	-	14,072	14,072	<i>14,072</i>
Miscellaneous	4,330	-	-	4,330	<i>4,642</i>
Choral Scholarship	-	605	-	605	<i>1,650</i>
Parish office	16,514	-	-	16,514	<i>18,135</i>
Bank charges	412	-	-	412	<i>346</i>
Pastoral Care	191	-	-	191	<i>632</i>
Support costs (note 4)	3,050	-	-	3,050	<i>2,800</i>
	-----	-----	-----	-----	-----
Total church activities	210,582	3,033	14,072	227,687	<i>181,073</i>
	-----	-----	-----	-----	-----
TOTAL EXPENDITURE	229,936	3,033	14,072	247,041	<i>195,958</i>
	-----	-----	-----	-----	-----

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.