

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

Financial Statements

For the year ended 31 December 2023

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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
Jacob Cavenagh & Skeet
5 Robin Hood Lane
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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
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Date: 29 April 2024

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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 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.

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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.

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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.

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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.

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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

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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 |

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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.

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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

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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 £ |
| <i>3(a) 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 |
| | ----- | ----- | ----- | ----- | ----- |
| <i>3(b) 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 |
| | ----- | ----- | ----- | ----- | ----- |
| <i>3(c) 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 | - | - | - | - | - |
| | <u>161,973</u> | <u>284,340</u> | <u>12,449</u> | <u>(32,084)</u> | <u>426,678</u> |
| <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 |
| | <u>1,528,915</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,528,915</u> |
| <u>Restricted funds:</u> | | | | | |
| Choral Sponsorship Fund | - | 5,463 | - | - | 5,463 |
| Mission Fund | - | 87,572 | - | - | 87,572 |
| | <u>-</u> | <u>93,035</u> | <u>-</u> | <u>-</u> | <u>93,035</u> |
| | <u>1,690,888</u> | <u>377,375</u> | <u>12,449</u> | <u>(32,084)</u> | <u>2,048,628</u> |

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 |
| | | ===== | ===== | ===== | ===== | ===== |