

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH OF
ST MARY'S BATTERSEA**

(THE 'CHARITY')

UNAUDITED

PCC (TRUSTEES') REPORT AND FINANCIAL STATEMENTS

(ANNUAL REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

PCC (Trustees)	The Revd Canon Simon Butler (Incumbent, Vicar and Chair) Rev Aaron John Kennedy (Associate Vicar) Sheila Patricia Boothe (Churchwarden) Ian Stuart McAlpine (previously Trustee, appointed Churchwarden April 2021) Edward Standring Richard Cross (Treasurer) Leslie Spatt (Diocesan Synod) Jenny Scott-Thompson (Deanery Synod) Elizabeth Bradshaw (Deanery Synod) Thelma Ellin Boateng Michelle Michael George Griffiths (appointed April 2021) (Deanery Synod) Christopher Moxey (previously Churchwarden, retired April 2021) Richard Wilkinson (retired April 2021) Rex Wickham (retired April 2021) Lizzie Wilson-Gray (retired September 2021) Jarrett Colby Wilson-Gray (appointed April 2021) Evalyn Lee (appointed April 2021) Peter Bacon (appointed April 2021) Daniel Patrick Garrigan (appointed April 2021) Susan Rosemary Crace (appointed April 2021)
Charity registered number	1143469
Principal office	The Parish Office St Mary's Church Crypt Battersea Church Road SW11 3NA
Accountants	Warrener Stewart Chartered Accountants Harwood House 43 Harwood Road London SW6 4QP
Bankers	National Westminster Bank PLC 66/68 St John Road Clapham Junction SW11 1PB
Independent Examiner	Michael Bailey 14 Ellerby Street Fulham London SW6 6EY

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Parochial Church Council of the Ecclesiastical Parish of the St Mary's Battersea (the 'Charity' or the 'PCC', as the context may require) presents its Trustees' Report and the Financial Statements (together, the 'Annual Report') of the Charity for the year 1 January 2021 to 31 December 2021 (the 'Reporting Period'). The Annual Report serves the purposes of both a trustees' report and a directors' report under company law.

The PCC (all of whom are *de facto* trustees) confirm that the Annual Report of the charity complies with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The PCC confirms that the Charity has in the Reporting Period operated in accordance with its charitable objects and is a going concern.

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted. A commentary (see 'achievements and performance' below) is provided by the Vicar, Incumbent, as Chair of the Charity.

Objectives and activities

a. Policies and objectives

The policies and objectives of the Charity (the 'Charity's Objects') are promoting in the ecclesiastical parish the whole mission of the Church of England, pastoral, evangelistic, social and ecumenical.

In setting objectives and planning for activities, the PCC has given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The PCC has the responsibility for the Charity's co-operating with the Vicar, Canon Simon Butler, to achieve the Charity's Objects.

The PCC operates through a number of Working Groups, which meet in addition to the meetings of the PCC; Fabric & Property, Finance and Funding, Congregational Life, and Junior Church. The Working Groups report to the PCC.

The PCC's Standing Committee, which is required by law, has the power to transact the business of the PCC between its meetings, subject to any directions given by the PCC. It comprises; the Vicar, the Churchwardens and Treasurer, the PCC Secretary, and two Members of the PCC, currently Mr Ed Standring and Mr Stuart McAlpine.

Members of the PCC are elected by the Annual Parochial Church Meeting (the 'APCM') in accordance with the Church Representation Rules.

RISK MANAGEMENT –

The PCC have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The risk assessment is reviewed on an annual basis.

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The primary areas of risk assessment are:

- **Governance:** Failure of good governance, including a lack of clear vision and strategy, would impede the church's capacity to fulfil its mission to the local community as well as to church members. The potential impact on membership numbers as a result of such a failure, could then directly affect voluntary donations and the overall income stream of the church. Observing Church of England governance and robust collaborative leadership within the church itself will contribute to mitigating this risk.
- **Finance:** The primary source of income is from voluntary giving from the congregation. This is generated by regular teaching on giving, promoting of HMRC Gift Aid and other tax efficient giving, and communication to keep members aware of the financial state of their church and any needs arising. Members of the congregation are effectively stakeholders who directly benefit from any donations made so communication is key, and every effort is made to be transparent with the members. The Church of England provides a strong administrative structure to support if necessary.
- **Safeguarding:** The impact of a failure in Safeguarding would be hugely detrimental to the individuals involved as well as the reputation of the church community as a whole. Robust processes and training of staff and volunteers are in place to prevent such an event.
- **Health and Safety (H&S) and Buildings:** Good H&S policies and procedures, combined with good care and maintenance routines, reduce risk of damage to personnel and property. The PCC has taken very significant steps in relation to danger to health associated with Covid-19 to mitigate risk. It has at all times followed guidance and instruction by HM Government and the Diocesan Bishop.
- **Insurance:** The PCC holds and reviews annually the necessary insurances for general premises and operational risks, including as employer, and with the relevant public liability cover, through its 'Parish Plus' policy with Ecclesiastical Insurance Group.
- **Additional Written Risk Assessments:** In addition to general operational risk assessment, any one-off or new activity is the subject of an internal written risk assessment.
- **Inspection:** The Archdeacon of Wandsworth conducts an Annual Inspection of the Church and its Fabric, Goods & Ornaments, and the Churchwardens are asked to provide him a response to his annual Articles of Enquiry.

ADDITIONAL OBJECTIVES & ACTIVITIES -

The PCC is committed to enabling as many people as possible to worship at our church and to use it in other ways. It hopes that those who do will become part of our church community. The PCC maintains an overview of worship and makes suggestions on how worship can involve as many groups as possible that live within our parish. Our services and worship put faith into practice through prayer and scripture, music and sacrament.

When planning our activities during the year, the incumbent and the PCC have considered the Charity Commission's guidance on public benefit and the specific guidance on charities for the advancement of religion.

The PCC has a 'Mission Action Plan' which is aimed at enabling as many ordinary people to live out their faith as part of our parish community, through:

- Worship and prayer; learning about the Christian faith; developing knowledge of and faith in Jesus Christ; this has included new approaches to online worship developed during the Covid-19 pandemic and, for the first time for many years, the church is open and accessible to the public every weekday and Sundays.
- Provision of pastoral care for people within the parish, whether they are Christians or not, or whether they attend church or not; the Covid-19 pandemic has provided the congregation and the church with many opportunities to support their neighbours and local residents.
- Missionary and evangelistic work.

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- Promoting the common good; this has been particularly at the forefront of the PCC's work during the Covid-19 pandemic and has been widely commented upon and praised by local Councillors and our Member of Parliament.

- Stewarding of the London Borough of Wandsworth's only Grade 1 Listed Church – and a building of historic significance - in this generation, for current and future use; 2020 saw the completion of a major redecoration and improvement project which enables the church to welcome more community groups. During the Covid-19 pandemic, St Mary's Churchyard has become a focal point for people taking fresh air and exercise during the lockdowns of 2020. The PCC has worked hard to improve the Churchyard in ways that make it even more welcome.

- Ownership and maintenance responsibilities for two properties at Flat 2, Pritchard Court, Granfield Street, London SW11 3JQ and, since December 2020, Flat 16 Winfield House, Vicarage Crescent, London SW11 3LN.

The PCC see these objects as being charitable activities for public benefit and confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Achievements and performance

a. Main achievements of the Charity in the Reporting Period

COVID 19 -

Like the year previously, 2021 was dominated by the experience of the Covid-19 global pandemic. The PCC was well-advised by Government and by the national Church of England about steps that could be taken dependent on the latest scientific and epidemiological situation. The PCC worked hard to ensure that it listened to a range of views among its members and that a balance was struck between taking opportunities to relax restrictions as and when possible, while at the same time ensuring that those who had anxieties or health concerns were provided with practical measures that could reassure.

Nevertheless, the broad position of the PCC throughout was to relax restrictions as soon as possible, thus allowing as much normal participation to take place as possible. In early 2021, where Government restrictions were at their tightest, and many churches decided to return to online only worship, the PCC agreed to continue to hold a single, non-musical 'in-person' service every Sunday, at a different time of 9am. This enabled a modest number to attend, at its lowest about 15 people rising gradually to over 30. The PCC restored the normal worship times as soon as possible, and across the year the introduction of singing in church, regular coffee times (mostly in the open air) and the reintroduction of the common cup at the Eucharist were much appreciated. Masks remained in place for much of the year and the sharing of the peace and the taking of collections were not reintroduced at all.

The PCC was acutely conscious of those who remained at home throughout and has continued to livestream services, including the offer of doing so for several funerals which took place across the year. This proved extremely popular. The PCC has been advised of a bequest of £10,000 from the late Jeremy Edwards pending probate during 2022, matched in 2021 by a generous identical donation from someone who knew him well, and the PCC is investigating the installation of a permanent audio-visual system from these funds.

As 2021 went on, the PCC was able to monitor the slow but clear return of people to church and the appetite for picking up the threads of the Mission Action Plan ('MAP'). The PCC both reviewed the MAP in the light of the experience of the pandemic and concluded that it was important for the work of the church to be conducted at a gentle pace, but with a clear desire to attend to the matters raised in the discernment of vision and strategy through the MAP.

During the year, the decision was taken with others involved to wind up the much-valued Coronavirus Angels project which had helped so many local people during the height of the pandemic lockdowns. The PCC was gratified to hear that Canon Simon Butler had been nominated for a Mayor of Wandsworth's Civic Award for

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leading on this work and, although the awards went to other excellent projects in the Borough, the acknowledgement of the work of so many people that this recognition represented was much appreciated.

MISSION ACTION PLAN 2020-2025 -

The PCC reviewed the MAP in early 2021, to explore whether any changes needed to be made in the light of the pandemic. In the end, a few modest changes of tone and pace were made, reflecting the experience of the

pandemic. Most importantly, the PCC received an ongoing Implementation Plan that enabled it to look at the short to medium term goals and to adjust accordingly to reflect its desire for a clear but gentle pace. This is a key working document for the PCC and the clergy.

Under its new working arrangements (see below under Governance), the PCC asked the clergy to prepare a review of the work of the MAP focusing on one of the Five Marks of Mission at each PCC meeting. In 2021, the PCC gave time to look at the way in which the Tend: Offering Loving Service element of the MAP was being fulfilled, which gave the PCC time to look at the work it had been doing over the pandemic, both in terms of community service and the support of the congregation. Explorations of the other four Marks will take place across PCC meetings in 2022.

The PCC also has some attention to the question of financial stewardship in the light of the MAP. It recognised that, while it had weathered the financial pressures of the pandemic relatively well, there was a need to re-engage with ways of generating income. Attention needed to be given to the regular giving of the congregation, and particularly those who are coming to church as new members, as well as the potential that may exist to generate more income through some element of commercial trading. This would form the basis of the appointment of new Parish General Manager in 2021. The PCC increased its Parish Support Fund pledge to the diocese – to pay for our Vicar and support funding for clergy in poorer parts of the diocese – to £105,000 in 2021.

One unusual area identified as potential mission work for the PCC under the MAP was the possibility of supporting an entrepreneurial investment programme, an idea generated by a church member, Mr Neil Patel. While this had found its way into the MAP, the pandemic had understandably shifted some priorities. A potential project here with another partner, facilitated by Mr Patel, is currently on hold.

Although responsibility for the conduct and content of worship is a matter for the Incumbent and not the PCC, Canon Simon Butler prefers to operate in consultation with the PCC as a group of wise lay leaders. To that end, several matters relating to worship that are contained in the MAP were the subject of a modest consultation exercise in 2021, allowing the PCC and the Vicar to experiment with a modest amount of greater informality in the Parish Eucharist, including the use of testimony and storytelling, the embedding of healing ministry at a monthly interval and the best ways of embedding livestreaming into the worship pattern. Following clergy appointments in the autumn of 2021 (see below) the PCC approved various changes of worship times for weekday services.

The MAP can be viewed on the parish website.

PCC GOVERNANCE -

Following a discussion at the first meeting of the newly elected PCC in 2022, the PCC resolved to try an experimental approach to its meetings. This would involve the full PCC meeting less regularly (four times per year, including a half-day meeting) to focus on broad issues of vision, strategy, policy, spiritual leadership and areas it could not easily delegate, with the Standing Committee meeting more frequently (ten times a year) to undertake the more transactional elements of the PCC's duties (e.g. management of finances, fabric, property management and the monitoring and evaluating of specific pieces of work). The PCC agreed to try this experiment for two years and to review before the 2023 Annual Meeting. The whole PCC is fully sighted on all paperwork sent to the Standing Committee and receives minutes in a timely manner.

STAFF -

The PCC was very sorry to receive notice from Mr David Britten, Parish Manager, early in 2021, and wishes to place on record its appreciation for the way in which he did so much for St Mary's especially during the pandemic, playing a key coordinating role for Coronavirus Angels. The PCC undertook a review of the post in

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the light of Mr Britten's resignation and decided that it wished to appoint a full-time Parish General Manager, combining the work that had previously been done with a more direct involvement in financial management,

and the opportunity to explore the possibility of developing the commercial side of the PCC's work, especially in the light of the experience of the pandemic.

The PCC was pleased to appoint Mr Garalambos 'Harry' Panagos in the Spring, on a fixed-term contract of 21 months (the nature of the contract reflecting the uncertainty about the potential of a commercial aspect to the PCC's work). Harry has continued where David left off with a friendly, professional and dedicated presence in the Parish Office. He is also acting as Secretary to the PCC. The PCC was immensely aided in the transition

between one Manager and the next by the appointment of Felicity Brindle as interim Manager, who maintained the work of the office to great effect between David's departure and Harry's arrival.

Reverend Aaron Kennedy continues his work as Associate Vicar for Community Development and Mission and 2021 saw the embedding of new projects, including the Family@Church monthly service and the ongoing work relating to creating a relational culture for community engagement and organising. Aaron is working with others in Battersea Deanery to create a network of BeWell Churches, which taken mental health awareness and response seriously, as well as continuing his work in Battersea Communities. Aaron has also led a team enabling St Mary's to become an EcoChurch and, following a period of work across 2021, the PCC was pleased to be awarded Bronze status as an EcoChurch at the end of the year. In consultation with Aaron and his family, the PCC identified a property in Heathfield Road, SW15 as a potential rental property for the housing of the Kennedy family for the remainder of his time at St Mary's, and the family moved in during the summer of 2021.

The PCC was delighted to welcome Reverend Joe Moore, Assistant Curate at St Christopher's Walworth on placement in the late summer and early autumn of 2021, and was even more pleased when it was agreed between the Vicar and the Bishop of Southwark that Joe should be licensed as Assistant Curate of St Mary's in early 2022. The plan is for Joe to continue living in Camberwell while serving the completion of his initial ministerial training at St Mary's until mid-2023 at the latest.

FABRIC MATTERS -

Having undertaken significant capital projects in 2019/20, the PCC now wished to turn its attention to issues of inclusion and disability. It commissioned a full access audit by the well-respected Centre for Accessible Environments and the report revealed a wealth of minor changes which could do much to improve accessibility. Some of these are already actioned.

The PCC also identified two areas where it wished to take more care about exploring how improvement could aid in accessibility, namely around the portico and in the area of steps into the chancel and sanctuary. Architect's advice was taken and plans are now in place to see some safety, step and handrail improvements in and around the portico, some new modest hand holds to enable those with restricted mobility to climb the chancel and sanctuary step and a portable ramp to enable wheelchair users to access the sanctuary (all subject to planning consent and/or faculty). The PCC wishes to express its gratitude to Mr Richard Wilkinson and Ms Leslie Spatt for the work on getting a very detailed report into a digestible form for the PCC's consideration.

Matters relating to the access to the kitchen/office end of the Church crypt are more challenging. Ramps are not possible and the PCC has now accepted that a small hoist lift is also problematic. It is exploring some simple handrails as a secondary plan but cannot identify reasonable adjustments to make the whole Crypt fully accessible.

The PCC has continued to wait patiently to be able to take any further steps in relation to the improvements to the Moorings. The Port of London Authority ('PLA') was in the process of litigating for the removal of the vessel Landrail from its land and a combination of court delays and Covid had meant that the court listing was not scheduled until early December 2021. However, with the Vicar and others giving evidence, the Court eventually ruled clearly against the owner and occupants of Landrail and an order was given that the vessel be removed by mid-January 2022. At the time of writing the owner had sought leave to appeal, a matter that

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remains before the courts at the time of writing. Nevertheless, the judgment was clear and convincing and the PCC is of the view that any further proceedings are more delaying tactics than with any real prospect of changing the judgment. It is therefore beginning to pick up the threads of the project again, in cooperation with the PLA and its agent for the works, the London Borough of Wandsworth.

Other minor works have been undertaken during 2021 in accordance with planned maintenance.

One significant area of future work will be responding to the climate emergency. The Crypt flooded twice in exceptionally heavy rain during the year and mitigations are being sought to prevent repeat occurrence. The PCC is also aware, through the EcoChurch group, of the need to explore greener alternatives to its warm air boilers, which are approaching the likely end of their lives.

At the same time the PCC Treasurer has rightly been reminding the PCC of the much-increased costs relating to utilities and that ways of saving energy and money will need to be explored fully in the coming years.

The PCC continues to act as landlord to two properties and the Parish General Manager liaises with tenants about maintenance issues. New tenants at 16 Winfield House were identified very quickly after the decision of existing tenants to find a new home in late 2021 and the PCC entered into a three-year tenancy agreement with the tenants at the end of the year.

CHURCHYARD -

The PCC has been encouraged to see much new planting and care being put into the Churchyard by a group of volunteers under the supervision of Sue Lucas. Thanks to their efforts the Churchyard is looking so much better than it has for many years, and is proving a popular spot for people to take rest and recreation, much supported by the presence of the Feel Good Bakery Coffee cart. We are delighted at the warmth of relationship between church members, staff and managers in this project.

In appointing Harry Panagos as Church Manager, the PCC noted his background in the restaurant trade, and encouraged him to explore partnerships with street food vendors to see whether further opportunities might emerge. There has been some success here, although the matter is still a work in progress, especially with commercial ventures. At the same time, the PCC has also been pleased to see one or two local vendors emerge and it is making considerable efforts to support these modest ventures in setting up and establishing themselves.

SAFEGUARDING -

The PCC takes its responsibilities for safeguarding very seriously and received regular reports from the Parish Safeguarding Officer, Mrs Debbie Apostolides. Incidents are reported quickly and resolved with appropriate professional advice.

In 2021, the PCC was approached by Thomas's Kindergarten (who operate in the Crypt weekday term times by licence under faculty) about several safeguarding concerns relating to access to the crypt by those without a valid Disclosure and Barring Service (DBS) certificate. In consultation with the Kindergarten staff and safeguarding leads, new policies and procedures were put in place to address these concerns, and now those who do not possess a valid DBS certificate can only gain access to the Crypt when accompanied by a DBS certificate holder.

This has proved particularly challenging when there are funerals in church, but we believe we have found a position that was acceptable to all. However, this matter is now constantly under review and the PCC is aware that further steps may be necessary.

OTHER MATTERS -

The PCC was pleased to commission a series of Stations of the Cross by the artist and church member Felicity Prazak. These devotional paintings are permanently housed in the gallery and staircases, but are intended to be brought into the body of the church for parts of the seasons of Lent and Passiontide. The paintings were used as the basis for the Good Friday act of worship in 2021.

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Financial review

a. Going concern

After making appropriate enquiries, the PCC has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the PCC continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Charity maintains sufficient reserves to meet its forward operational costs and to enable it to react swiftly to opportunities to further its charitable aims.

Structure, governance and management

a. Constitution

St Mary's Battersea is a registered charity, number 1143469, and is constituted under the Parochial Church Council Powers Measure (1956) (as amended) and Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969) (as amended) (2020 edition) (together, the 'Measure and Rules').

b. Methods of appointment or election of PCC

The management of the Charity is the responsibility of the PCC (as Trustees), whose composition is elected and co-opted under the terms of the Measure and Rules.

Statement of PCC's responsibilities

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

The law applicable to charities in England & Wales requires the PCC (as Trustees) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the PCC is required to:

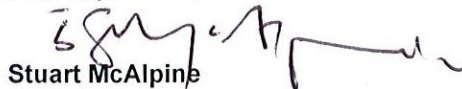
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The PCC is responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the measures and rules. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the PCC and signed on its behalf by:


Reverend Canon Simon Butler
Vicar and Chair

Date: 31 MARCH 2022


Stuart McAlpine
Churchwarden
Date: 31 MARCH 2022

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INDEPENDENT EXAMINER'S REPORT

Independent Examiner's Report to the The Parochial Church Council (as Trustees) of the Ecclesiastical Parish St Mary's Battersea ('the Charity')

I report to the Charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2021.

Responsibilities and Basis of Report

As the Trustees of the Charity 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.

Independent Examiner's Statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants of England and Wales which is one of the listed bodies.

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;
2. or 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.



Michael Bailey
Chartered Accountant

Date: 31 MARCH 2022

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	2	194,804	194,804	455,308
Charitable activities	3	24,020	24,020	3,932
Investments	4	76,748	76,748	17,962
		<u>295,572</u>	<u>295,572</u>	<u>477,202</u>
Total income				
Expenditure on:				
Charitable activities	5	364,533	364,533	450,855
		<u>364,533</u>	<u>364,533</u>	<u>450,855</u>
Total expenditure				
Net (expenditure)/income before net gains on investments		(68,961)	(68,961)	26,347
Net gains on investments		140,100	140,100	10,990
		<u>71,139</u>	<u>71,139</u>	<u>37,337</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		2,213,278	2,213,278	2,175,941
Net movement in funds		71,139	71,139	37,337
		<u>2,284,417</u>	<u>2,284,417</u>	<u>2,213,278</u>
Total funds carried forward				

The Statement of Financial Activities includes all gains and losses recognised in the year.

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SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Total funds 2021 £	<i>Total funds</i> 2020 £
Income	295,572	477,202
Gains on investments	140,100	10,990
Gross income in the reporting period	435,672	488,192
Less: Total expenditure	(364,533)	(450,855)
Net income for the reporting period	71,139	37,337

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**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	10	-	214,990
Investment property	8	1,205,500	1,205,500
		<u>1,205,500</u>	<u>1,420,490</u>
Current assets			
Debtors	9	27,867	30,574
Investments	10	677,735	705,094
Cash at bank and in hand		386,937	70,890
		<u>1,092,539</u>	<u>806,558</u>
Creditors: amounts falling due within one year	11	(13,622)	(13,770)
Net current assets		<u>1,078,917</u>	<u>792,788</u>
Total net assets		<u><u>2,284,417</u></u>	<u><u>2,213,278</u></u>
Charity funds			
Unrestricted funds	12	2,284,417	2,213,278
Total funds		<u><u>2,284,417</u></u>	<u><u>2,213,278</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Reverend Canon Simon Butler
Vicar and Chair

Date: 31 MARCH 2022

Richard Cross
Treasurer

Date: 31 MARCH 2022

The notes on pages 13 to 24 form part of these financial statements.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

These financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred. In the Reporting Period the Government Grants to the Charity have been VAT recovery under the Listed Places of Worship Grant Scheme (for VAT on eligible renovations expenses) and Gift Aid Reclamations (reclamation of basic rate income tax on donations by registered donors subject to UK income tax).

1.5 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, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Marketable Securities

Liquid marketable securities are held for investment purposes in line with HMRC guidelines for charities and are tax-exempt. The PCC values them at their most recent current quoted marked-to-market valuation at the daily close of business of the relevant market or exchange (while liquid, else on normally accepted prudent valuations), and records their total return (including realised and unrealised price changes and income thereon paid or accrued) as income gains or losses as the case may be.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account (including non-bank deposit collective investments and cash in broker or custody accounts).

1.9 Foreign Currency

The PCC's accounts do not contain direct exposures to foreign currencies. Its investments in marketable securities may contain indirect exposure to foreign currencies, which exposure the PCC expects to have hedged into Sterling by confining itself (unless noted in these accounts) to Sterling-denominated assets wherein underlying foreign currency exposures have been principally hedged into Sterling.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.11 Irrecoverable VAT

The PCC is not VAT registered and is unable to claim VAT relief except by way of a grant through a Government Grant scheme (see Note 1.4 above). Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.12 Financial instruments

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

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the PCC in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the PCC for particular purposes.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	108,072	108,072	138,174
Legacies	50,000	50,000	275,000
Government grants	36,732	36,732	42,134
	<u>194,804</u>	<u>194,804</u>	<u>455,308</u>

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from charitable activities - Weddings and Funerals	24,020	24,020	3,932

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Property investment income	76,228	76,228	13,421
Interest income	520	520	4,541
	<u>76,748</u>	<u>76,748</u>	<u>17,962</u>

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Ministry Expenses & Diocese	199,651	199,651	193,466
Wedding and Funeral costs	6,253	6,253	17,249
Music	31,016	31,016	191,391
Capital Expenditure	22,712	22,712	11,866
Central Internal (Office & Admin) Outlay	54,634	54,634	36,883
Central Other (Contracted in) Outlay	50,267	50,267	193,466
	<u>364,533</u>	<u>364,533</u>	<u>450,855</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Total funds 2021 £	Activities undertaken directly 2020 £
Ministry Expenses & Diocese	199,651	199,651	193,466
Wedding and Funeral costs	6,253	6,253	17,249
Music	31,016	31,016	191,391
Capital Expenditure	22,712	22,712	11,866
Central Internal (Office & Admin) Outlay	54,634	54,634	36,883
Central Other (Contracted in) Outlay	50,267	50,267	193,466
	<u>364,533</u>	<u>364,533</u>	<u>450,855</u>

7. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL-).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Investment property

	Long term leasehold investment property £
Valuation	
At 1 January 2021	1,205,500
At 31 December 2021	<u>1,205,500</u>

Real property investments are valued consistently with one another, which will usually result in their being valued at or in relation to a most recent historic transaction in real property of a like nature by the PCC. Such 'historic' valuations of real property will usually be held until a new property transaction by the PCC prompts review of relative valuations. The last revaluation (shown as a reserve in the balance sheet) was for Pritchard Court, in December, 2020, conformed on rental comparisons to the then newly acquired Winfield House.

9. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	452	30,143
Other debtors	1,162	-
Prepayments and accrued income	26,253	431
	<u>27,867</u>	<u>30,574</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Current asset investments

The Charity's securities investment portfolio during the Reporting Period comprised Sterling-based index-tracking daily dealing London-listed exchange-traded pooled funds benchmarked to the MSCI World Index and Sterling-based weekly dealing unlisted actively managed open-ended fund products of CCLA with the same MSCI World Index benchmark.

Current asset investments (Continued)

This portfolio generated a gain of £140,100 in the Reporting Period, benefitting from the recovery in global business results and in public market equity valuations since the low points of the onset of the Covid-19 pandemic in 2020.

The portfolio began at £204,000 in November 2020. This was increased in March 2021 by £686,000. Subsequently global equities exposure was approximately halved by the Charity's part portfolio selling in September 2021, steps taken in anticipation of rising risk through inflation, through eventual interest rate rises and through increasing geopolitical uncertainties.

At year-end 2021 the securities portfolio was deployed as set out in the table below:

Description	Type	Exposure	Valuation (k)
CCLA Global Equities Income (fund units)	'Common Fund' actively managed by CCLA Investment Management, custodied by HSBC Bank	Base Currency Sterling – Global Listed Equities (Long)	£367k
iShares MSCI World Index (ETF shares)	Listed Index Tracking Fund, custodied by Standard Life Investments	Base Currency Sterling – Global Listed Equities (Long)	£311k

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Listed investments	677,734	214,990

It should be noted that, as of 31 March, 2022, the publication date of these Financial Statements, increased risk and especially the events in Ukraine in 2022 have resulted in an unrealised decline in value of the residual securities portfolio of the order of £30,000 (c. 1.3% of the Charity's overall net asset value). The Charity has not made further portfolio sales since year-end, preferring to retain its long-term portfolio strategy.

It is further noted that due to a change in accounting policy, the Securities portfolio carried forward from 2020 of £214,990 was restated as a Current asset in this set of financial statements.

11. Creditors: amounts falling due within one year

	2021	2020
	£	£
Credit cards	31	-
Trade creditors	-	13,000
Other taxation and social security	-	770
Accruals and deferred income	13,591	-
	13,622	13,770

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
Designated Funds* - all funds	-	10,000	-	-	10,000

* The 'designated funds' are the cumulative provision currently made for future renovations outlay for the church building.

General funds

General Funds - all funds	1,774,017	285,572	(364,533)	140,100	1,835,156
Revaluation reserve*	439,261	-	-	-	439,261
	<u>2,213,278</u>	<u>285,572</u>	<u>(364,533)</u>	<u>140,100</u>	<u>2,274,417</u>
Total Unrestricted funds	<u>2,213,278</u>	<u>295,572</u>	<u>(364,533)</u>	<u>140,100</u>	<u>2,284,417</u>

* The increase in valuation of Pritchard Court, in December 2020, following purchase of Winfield House.

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
General Funds - all funds	1,736,680	486,442	(449,105)	-	1,774,017
Revaluation reserve	-	-	-	439,261	439,261
	<u>1,736,680</u>	<u>486,442</u>	<u>(449,105)</u>	<u>439,261</u>	<u>2,213,278</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds*	-	10,000	-	-	10,000
General funds	2,213,278	285,572	(364,533)	140,100	2,274,417
	<u>2,213,278</u>	<u>295,572</u>	<u>(364,533)</u>	<u>140,100</u>	<u>2,284,417</u>

*See Note 12 above.

Summary of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
General funds	1,736,680	486,442	(449,105)	439,261	2,213,278

14. Analysis of net assets between funds

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Securities Portfolio (before inclusion in current assets)	-	-	214,990
Investment property	1,205,500	1,205,500	1,205,500
Current assets	1,092,539	1,092,539	806,558
	(13,622)	(13,622)	(13,770)
Creditors due within one year			
	<u>2,284,417</u>	<u>2,284,417</u>	<u>2,213,278</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY'S BATTERSEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Analysis of net assets between funds: the figure below presents the relative proportionate allocation of funds across the principal components, in thousands of pounds (Sterling) value and in percentages,

