

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF
ST MARY'S BATTERSEA**

Hartley Fowler LLP
Chartered Accountants
4th Floor Tuition House
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Wimbledon
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SW19 4EU

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

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**THE PAROCHIAL CHURCH COUNCIL OF
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2022**

PCC (Trustees)

The members of the Parochial Church Council below are also the trustees of the charity

The Revd Canon Simon Butler (Incumbent, Vicar and Chair)
The Revd Aaron Kennedy (Associate Vicar) (stood down 24 September 2022)
The Revd Joseph Moore (Assistant Curate) (appointed 24 January 2022)
Ian Stuart McAlpine (Churchwarden)
Leslie Spatt
Edward Standring
Richard Cross (Honorary Treasurer)
Jenny Scott-Thompson
Elizabeth Bradshaw
Sheila Boothe (Churchwarden) (stood down 30 April 2022)
Thelma Boateng (stood down 30 April 2022)
Michelle Michael George Griffiths
Jarrett Wilson
Evalyn Lee (appointed Churchwarden from 30 April 2022)
Peter Bacon
Daniel Garrigan
Susan Crace
Gordon Stewart (appointed 30 April 2022)
Charlotte Kirwan (appointed 30 April 2022)
Joanna Sackey (appointed 30 April 2022)

PRINCIPAL ADDRESS

The Parish Office
St Mary's Church Crypt
Battersea Church Road
London
SW11 3NA

REGISTERED CHARITY NUMBER 1143469

INDEPENDENT EXAMINER

Hartley Fowler LLP
Chartered Accountants
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

BOOKKEEPERS

Warrener Stewart
Chartered Accountants
Harwood House
43 Harwood Road
London
SW6 4QP

BANKERS

National Westminster Bank PLC
66/68 St Johns Road
Clapham Junction
London
SW11 1PB

**THE PAROCHIAL CHURCH COUNCIL OF
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Parochial Church Council of the Ecclesiastical Parish of 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 2022 to 31 December 2022 (the 'Reporting Period').

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 Charity'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 the Charities Act 2011, the Strategic Report required of large charities has been omitted. A commentary (see 'achievements and performance' below) has been provided by the Vicar, Incumbent, as Chair of the Charity.

OBJECTIVES AND ACTIVITIES

Policies and Objectives

The policies and objectives of the Charity 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)'.

Strategies for Achieving Objectives

The PCC of The Ecclesiastical Parish of St Mary's Battersea (the 'Parish'), has the responsibility for the Charity's co-operating with the Vicar, Canon Simon Butler, in promoting in the Parish the whole mission of the Church of England, pastoral, evangelistic, social and ecumenical.

The PCC operates through a number of Working Groups which meet in addition to the meetings of the PCC; Fabric & Property, Finance and Funding, Hospitality and Care, 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, and two other elected Members of the PCC, currently Edward Standring and Jenny Scott-Thompson. Members of the PCC are elected by the Annual Parochial Church Meeting (the 'APCM') in accordance with the Church Representation Rules.

**THE PAROCHIAL CHURCH COUNCIL OF
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OBJECTIVES AND ACTIVITIES

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.

The primary areas of risk assessment are:

o 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 our church. Observing Church of England governance and robust collaborative leadership within the church itself will contribute to mitigating this risk.

o 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.

o Safeguarding: The impact of a failure in Safeguarding would be detrimental to the individuals involved as well as the reputation of our church community as a whole. Robust processes and training of staff and volunteers are in place to prevent such an event.

o 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. In this regard, the PCC has at all times followed guidance and instruction by HM Government and the Diocesan Bishop.

o 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.

o 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.

o Inspection: The Archdeacon of Wandsworth conducts an Annual Inspection of the Church and its Fabric, Goods & Ornaments and the Wardens are asked to provide a response to his annual Articles of Enquiry.

Additional Objectives and 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 PAROCHIAL CHURCH COUNCIL OF
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**REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES (continued)

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:

- o 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.

- o Provision of pastoral care for people within the parish, whether they are Christians or not, or whether they attend church or not; 2022 has provided the congregation and the church with many opportunities to support their neighbours and local residents.

- o Missionary and evangelistic work.

- o Promoting the common good;

- o 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. In 2022, St Mary's Churchyard continues as a focal point for people taking fresh air and exercise. The PCC works hard to improve the Churchyard in ways that make it even more welcoming.

- o Ownership and maintenance responsibilities for two properties at Flat 2, Pritchard Court, Granfield Street, London SW11 3JQ and 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

Charitable activities

The PCC has continued to undertake its business in an experimental governance arrangement during the past year. This has seen the full PCC meeting on fewer occasions, focusing on broader issues of vision, strategy and the implantation of the Mission Action Plan. At the same time, the Standing Committee met more frequently to undertake the more transactional elements of the PCC's duties, including financial management, property and fabric issues and the monitoring of pieces of work). This report reflects the division of these responsibilities.

Mission Action Plan Implementation

The PCC has a Mission Action Plan (MAP) based on the Five Marks of Mission of the Anglican Communion:

1. To proclaim the Good News of the Kingdom (Tell)
2. To teach, baptise and nurture new believers (Teach)
3. To respond to human need by loving service (Tend)
4. To transform unjust structures of society, to challenge violence of every kind and pursue peace and reconciliation (Transform)
5. To strive to safeguard the integrity of creation, and sustain and renew the life of the earth (Treasure)

The MAP (available at www.stmarysbattersea.org.uk/mission-action-plan-2020-2025/) lays out in detail the PCC's plans to respond to these areas of mission.

In 2022 the PCC looked at three areas of the work of the MAP. Early in the year it explored the Tell Mark and the call we have as a church to proclaim the gospel. There was a recognition that faith sharing was an essential but challenging aspect of Christian discipleship and that further training and confidence building was necessary.

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ACHIEVEMENTS AND PERFORMANCE (continued)

Mission Action Plan Implementation

The PCC returned to the Tend/Teach Mark in a rich discussion of our ministry of welcome, inclusion and hospitality. It gave attention to ways it could improve its work in these fields, and in particular to develop and re-establish a culture of volunteering, which had diminished somewhat during and in the aftermath of the pandemic.

The PCC also gave some thought to its ongoing commitment to the fifth Mark of Mission and how to build on it obtaining the Eco Church Bronze Award in late 2021. The PCC were helped in this by Reverend Vanessa Elsdon, a local priest with a passion for climate justice. The PCC is aware of some major decisions that face it in the coming years, particularly with the anticipated need to replace the church boilers, which are approaching the end of their lives.

Relational Culture and PCC Culture

At its annual Half-Day Meeting in 2022, Reverend Aaron Kennedy led a discussion about the development of a greater relational culture in the life of St Mary's and the PCC was able to discuss how to bring some of the insights of Community Organising into the life of the church. Various practices and habits were explored and suggestions were made as to how best to incorporate those into both church meetings and PCC meetings.

Commercial Opportunities

The PCC had appointed Harry Panagos as Church Manager with a brief to explore commercial opportunities for income generation at St Mary's and these were considered at its meeting in February 2022. Although there were such opportunities to be experimented with and explored, the PCC recognised that it was through congregational giving that the bulk of its funds would be generated, alongside the existing relationship with Thomas's School (see below). The PCC was not yet convinced of the opportunities for income generation through churchyard trading, a matter that was further underlined by the very modest success of a Winter Fayre at the end of the year. The PCC noted the welcome arrival of Jazz Evenings, but the opportunity to generate income from these was minimal at this stage.

Staffing

The PCC was sorry to say goodbye to Reverend Aaron Kennedy, Associate Vicar, in July 2022 after four years in post to take up the role of Vicar of Otley in the Diocese of Leeds. It took the opportunity to begin an exploration of future staffing needs across the board - pastoral and administrative - but deferred any decisions on future staffing until after Canon Simon Butler returned from a planned sabbatical in late 2022. The PCC was notified that the funding of this post would not be continued by the anonymous donor who generously gave so much to support this work, but was extremely grateful for the way in which this work had been funded over recent years.

Harry Panagos continued in post as Church Manager to the end of 2022 and the PCC began the process of reviewing the post as the year ended, prior to the end of his fixed-term contract in March 2023. The PCC wishes to place on record its appreciation to Mr Panagos for his work both as Manager and as Secretary to the PCC.

The PCC continues to employ Mrs Katy Silverman as Director of Music and welcomed back Mr Evan Lawrence for a second year as Organ Scholar, along with a team of three Choral Scholars.

Vicar's Sabbatical

The PCC spent time establishing good processes to ensure continuity while the Vicar took a period of study leave from mid-September to the end of 2022. The PCC wishes to express its gratitude to Reverend Joe Moore, the Church Wardens and Mr Harry Panagos, Church Manager, for the additional duties they undertook during this period.

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ACHIEVEMENTS AND PERFORMANCE (continued)

Safeguarding

Members of the PCC remain up to date in their safeguarding training and the PCC is well served by Mrs Debbie Apostolides, Parish Safeguarding Officer. Several safeguarding concerns were addressed during the year, and the PCC is grateful for the advice and support it has received from the Diocesan Safeguarding Team.

The PCC were notified during the early part of 2022 that Thomas's Kindergarten had been given an Inadequate assessment by the Office for Standards in Education (OFSTED) owing to safeguarding concerns relating to access to the Crypt by members of St Mary's and users of the Crypt toilet by members of the public during Kindergarten Hours (e.g. during funerals). The PCC and Thomas's took this opportunity to review the safeguarding arrangements that had been in place for many years and to replace them with ones that would satisfy the OFSTED Inspectors' contemporary compliance requirements. From September 2022 named individuals (clergy and Church Manager) are now vetted by Thomas's Schools Foundation as well as having their own Enhanced Disclosure and Barring Service Certificates. The new arrangements included the provision of toilet facilities in the church (see below). A return visit of OFSTED in early September 2022 saw the School be given the green light to continue to operate and the PCC is grateful to Thomas's for the way in which it engaged in partnership to achieve a mutually-beneficial outcome. The opportunity was also taken to review the use of various spaces in the Crypt and to negotiate a new termly hiring charge.

Fabric Matters

The Vicar and Churchwardens continue to exercise their responsibilities as custodians of the church's fabric and a number of areas of work were undertaken during the year. The condition of the church remains good and was reported as such in the Quinquennial Inspection undertaken by its Inspecting Architect in April 2022. Minor repairs and improvements were identified and are being implemented.

The PCC negotiated with Thomas's the installation of a new toilet facility in the old flower cupboard off the south steps into Church, which was paid for and undertaken by Thomas's staff. The PCC was grateful to Mr Tobyn Thomas for agreeing to this on behalf of the School. The work was completed in the summer of 2022 after a Faculty had been granted and the toilet is a welcome addition to the fabric of the building. Thomas's also undertook a redecoration of the Crypt during the summer holiday period prior to the September term commencing.

The PCC also continued to work at improving access to the building following the 2021 Disability Access Audit. A Faculty was obtained to install handholds and banister knobs to assist those with disabilities and mobility challenges to gain access more easily to the chancel and sanctuary. The PCC decided to delay the planned repairs and improvements to the portico, as the costs proved to be steep and prohibitive. It plans to have the portico redecorated and some issues with water ingress at the south-west corner repaired in 2023.

A Faculty was also obtained to dispose of historic minute books belonging to the Borough PCC and the precursor of the Parochial Church PCC.

The Church floor also received a second seal after the refurbishment project in 2019.

The PCC remains grateful to Mrs Sue Lucas and Mrs Roz Massouras for their sterling work at caring for and looking after the Churchyard. A new dustbin storage area has been a great success and there has been ongoing maintenance throughout the space. These have included some improvements to the Thomas's Kindergarten play area and a thorough investigation of drainage issues on the north side of the churchyard, in an attempt to mitigate the risk of flooding in the Crypt.

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ACHIEVEMENTS AND PERFORMANCE (continued)

The PCC was notified of the retirement of its long-standing Inspecting Architect, Mr Alan Pates, in the summer of 2022. The Vicar and Wardens began the process of appointing a new Inspecting Architect, and identified a preferred candidate. Because the candidate is not yet on the Diocesan Advisory Committee's list of approved architects, it proved necessary for an additional diocesan appointment process to be undertaken, which remains ongoing at the end of the year. The PCC wishes to place on record its deep appreciation of the service of Mr Pates over many years.

The matter of St Mary's Moorings rumbles on. Following the Port of London Authority's victory in the High Court, the owner of Landrail was granted Leave to Appeal and the Court of Appeal heard and dismissed the Appeal in the autumn of 2022. At the year end, the Port of London Authority were beginning the process of seeking to remove the vessel. The PCC began exploring revised costings and business case in the autumn of 2022 and a report was expected to be ready for January 2023.

One matter that remains as yet incomplete is the installation of a proper fixed Audio Visual system in the Church, building on the modest live-streaming facility we currently possess. This matter will be taken forward in the coming months.

Property

The PCC owns two properties, 2 Pritchard Court, Granville Street, SW11 and 16 Winfield House, Vicarage Crescent, SW11. Both are let out to tenants. It has been necessary to undertake an unexpectedly large amount of maintenance at 16 Winfield House since it was purchased which has meant that the return expected on property income has not been as substantial as expected. We await the payment of an insurance claim against the owner of an adjacent property following a significant water leak. Both properties are let at market rate and managed by the Parish Office.

The PCC also was tenant on the property 15 Heathfield Road, SW15, which housed Reverend Aaron Kennedy and his family. The tenancy ended at the end of August 2022 and there remains an unreturned deposit which the PCC is pursuing through the Small Claims Court.

The PCC has been pleased to continue its partnership with the youth charity Regenerate, whose orange coffee cart is a permanent and welcome sight in the Churchyard, serving great coffee ("the best flat white in the area" according to a recent visitor, one Gordon Ramsay) and providing vulnerable young people with an opportunity to gain career skills and confidence.

Finance & Stewardship

The PCC reports on the financial aspects of its work elsewhere in this report. The PCC was pleased to be able to increase its pledge to the Diocesan Parish Support Fund to £110,000. This funds the ministry of our vicar and contributes - as a richer, larger church - to providing clergy in poorer, smaller parishes.

The PCC has also become more aware that its outgoings are not currently matched by its income and intends to give this matter greater attention in 2023. This is in part due to the unrealised decline in value arising in our securities investments as a result of economic and geopolitical turbulence, but the departure of a number of generous givers in 2023 has not been matched by equal levels of giving by those new to the church or who have not yet become regular givers. At the same time, the PCC has begun to look at ways of reducing expenditure. The departure of the Associate Vicar means a significant reduction in expenditure and the re-negotiation of the hiring charges for the Crypt by Thomas's Kindergarten has made a difference to the level of deficit income, but the PCC is concerned that it will need to further review its giving priorities - including that pledged to the Diocesan Parish Support Fund.

Church Life & the Pandemic

More generally the PCC has been pleased to see the slow recovery of numbers attending church across the year. There is no doubt that the Covid-19 pandemic has had a major disruptive effect on the life of many churches and St Mary's is not immune. Numbers attending worship have remained lower than prior to the lockdowns and the level of commitment to parish activities has been similarly diminished. Nevertheless, the PCC remains hopeful and positive and has been encouraged by the regular arrival of new church members from across the age range, nationalities, and representing the full diversity of the neighbourhood. The PCC notes the wish it expressed in 2021 to conduct parish life at a gentler pace and is satisfied that this has been its experience in 2022.

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ACHIEVEMENTS AND PERFORMANCE (continued)

Church Life & the Pandemic (continued)

Worship has continued to be offered across a range of styles and traditions on a Sunday and across the week and numbers attending the 8.30am and 9.30am monthly Family@Church service continue to grow while the numbers attending 11am remain steady. The PCC has continued to fund the work of St Mary's Choir and the wider musical life of the church and our choir continues to attract new members, and is particularly strong at attracting younger adults to join.

The PCC also saw an uptick in occasional offices - especially baptisms and weddings - in 2022, as families and couples began to be able to plan these major life events with greater confidence after all the disruption of lockdowns and Government restrictions.

The PCC also noted with sadness the departure of the Tower Captain, Mr Bob Cooles (along with his wife Carole) to move nearer his family in the Guildford area. The PCC owes Mr Cooles an enormous debt of gratitude for many years of service in multiple roles - including Parochial Church Council member, Church Warden, Fabric Officer, and informal legal advisor - as well as his service in the Tower. The PCC was pleased to hear that Mrs Caroline Prescott is to succeed him in the Tower.

FINANCIAL REVIEW

Financial position

As shown in the Statement of Financial Activities the net assets held by the PCC fell by £244,159 in 2022 (10.7%). This was primarily due to a fall in the value of the investments held as marketable securities as discussed below but there was also a deficit on operating activities of £92,766.

Investment policy and objectives

The PCC's securities portfolio, its asset allocation and consequently its investment-risk-appetite and off-risk liquidity is delegated to the management of the Funding and Finance Working Group, acting under the PCC's authority.

Starting from a highly invested position in global large-capitalisation public equities following the Morgan Stanley World Index ('MSCI') benchmark (majority hedged into Sterling), highly profitable in 2020-2021, a process of profit-taking was begun in third quarter 2021 in anticipation of increased inflation-related headwinds.

Ahead of the 2022 Ukraine invasion a further disinvestment was considered, but only actioned in April. This lost some opportunity to take profits, but a substantial cash gain was realised. The residual MSCI position (representing 1/4 of its prior size) was estimated to represent a potential 5pct unrealised loss to PCC net assets in the event of a further 20% hypothetical market decline.

Through the balance of 2022, accelerating inflation due to post-Covid supply chain and labour adjustments and to energy supply shocks resulting from Russia's Ukraine war led to our residual MSCI position, in the event, posting unrealised losses of approximately 3% of PCC net assets (before some recovery in the early part of 2023 despite volatility from the banking sector).

At the end of June 2022, faced with an overweight cash allocation (largely unremunerated) and rapidly rising inflation, it was decided to invest £500k from our cash surplus in a Savills 'common fund' ('The Charities Property Fund') in anticipation of earning a modest sustainable return from investment-grade UK commercial property, potentially keeping pace with inflation and consistent with our risk budget of 5% of PCC net assets. This re-investment incurred the turbulence prompted by accelerating global interest rate rises (in response to inflation) and the UK Truss/Kwarteng 'mini-budget', which saw UK government bond values plummet and consequent large sale moves of commercial property by institutional owners facing solvency pressures. The commercial property market stabilised following the Bank of England's strategy of interest rate rises and emergency support through wholesale purchases in the UK government bond markets, but thereby the PCC's position in commercial property at year-end posted an unrealised loss approximating 2% of PCC net assets.

In combination, both portfolio positions led by events to the budgeted 5% unrealised loss tolerance occurring, but as noted above have since 31 December 2022 both stabilised and, in respect of the MSCI position, shown some improvement. Consequently no new change in the asset allocation has been made, post balance-sheet date, and none is contemplated other than may be required to meet any increased drawings to fund one-off projects under consideration for the future.

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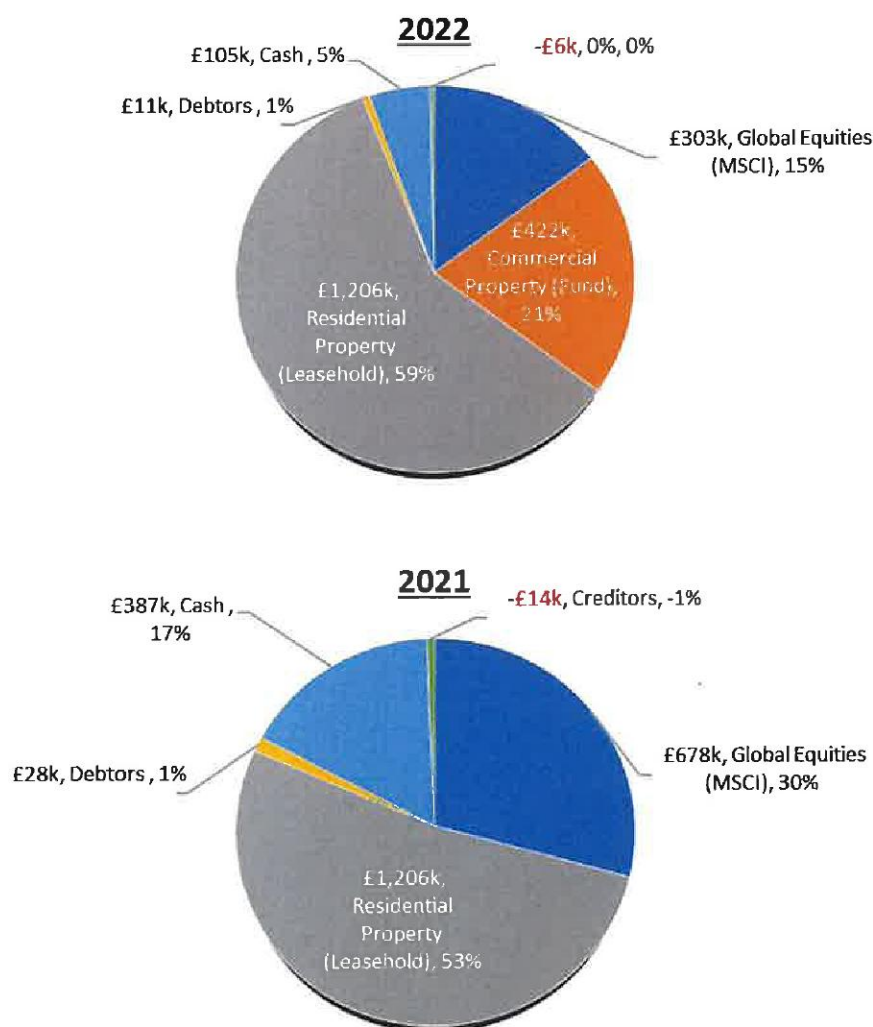
**REPORT OF THE TRUSTEES
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FINANCIAL REVIEW (continued)

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.

Asset Allocation -Year on Year Comparison 2022 v 2021



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FINANCIAL REVIEW (continued)

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

Energy costs

The PCC has benefited during the Reporting Period from majority fixed rate contracts for gas and electricity entered into in the past. Consequently the global energy price crisis has not had an effect on our utilities expenses year on year. These fixed rate contracts expire in November 2023 and the PCC is considering the best utilities strategy for the future. Variable rates currently would be a significant multiple cost above our current rates, but the PCC is keeping an open mind in view of market prices currently trending down from recent highs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Parochial Church Council (PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure (1956) (as amended) and the Church Representation Rules 2020. The PCC is a registered charity, number 1143469.

Recruitment and appointment of new trustees

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 TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees 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 and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the 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 the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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 board of trustees on 28 March 2023 and signed on its behalf by:

Reverend Canon Simon Butler – Vicar and Chair

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF
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Independent examiner's report to the trustees of The Parochial Church Council of the Ecclesiastical Parish of St Mary's Battersea

I report to the charity trustees on my examination of the accounts of The Parochial Church Council of the Ecclesiastical Parish of St Mary's Battersea (the Charity) for the year ended 31 December 2022.

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 Act').

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

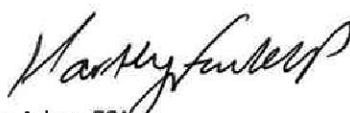
Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


Jonathan Askew FCA
ICAEW
Hartley Fowler LLP
Chartered Accountants
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

Date: 11/4/2023

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		181,782	194,804
Charitable activities			
Income from church activities		13,551	24,020
Rents, licences and related income	2	<u>70,298</u>	<u>76,748</u>
Total		<u>265,631</u>	<u>295,572</u>
EXPENDITURE ON			
Charitable activities			
Central Internal (Office & Admin) Outlay		52,824	54,633
Central Other (Contracted In) Outlay		69,943	62,851
Ministry Expenses		178,166	199,651
Music		33,178	31,016
Capital Expenditure		19,161	10,129
Wedding & Funeral		<u>5,125</u>	<u>6,253</u>
Total		<u>358,397</u>	<u>364,533</u>
Net gains/(losses) on investments		<u>(151,393)</u>	<u>140,100</u>
NET INCOME/(EXPENDITURE)		(244,159)	71,139
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>2,284,417</u>	<u>2,213,278</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,040,258</u></u>	<u><u>2,284,417</u></u>

CONTINUING OPERATIONS

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

The notes form part of these financial statements

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

**BALANCE SHEET
31 DECEMBER 2022**

	Notes	2022 Total funds £	2021 Total funds £
FIXED ASSETS			
Investments in marketable securities			
Investments in marketable securities	5	724,436	677,734
Investment property	6	<u>1,205,500</u>	<u>1,205,500</u>
		1,929,936	1,883,234
CURRENT ASSETS			
Debtors	7	11,446	27,868
Cash at bank	8	<u>105,297</u>	<u>386,937</u>
		116,743	414,805
CREDITORS			
Amounts falling due within one year	9	(6,421)	(13,622)
NET CURRENT ASSETS		<u>110,322</u>	<u>401,183</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,040,258	2,284,417
NET ASSETS		<u>2,040,258</u>	<u>2,284,417</u>
FUNDS	10		
Unrestricted funds		<u>2,040,258</u>	<u>2,284,417</u>
TOTAL FUNDS		<u>2,040,258</u>	<u>2,284,417</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28 March 2023 and were signed on its behalf by:

Reverend Canon Simon Butler – Vicar and Chair

Richard Cross - Treasurer

The notes 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 2022**

1. ACCOUNTING POLICIES

Basis of preparing the 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.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Going concern

The financial statements have been prepared on the assumption that the PCC is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves, the financial position, future plans and the expected level of income and expenditure 12 months from authorising these financial statements. The PCC considers that there are no material uncertainties about the charity's ability to continue as a going concern.

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.

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 (reimbursing VAT on eligible renovations expenses) and Gift Aid (reclamation of basic rate income tax on donations by registered donors subject to UK income tax).

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES - continued

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 cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

These are investments in real property which are let to generate income for the church and are shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

Non trading charitable income falls outside of the scope of the Income and Corporation Taxes Acts (ICTA) and hence is not liable to corporation tax. Primary purpose trading income and other trading income (within certain limits) are not normally liable to corporation tax where these have been applied in accordance with the charitable objects.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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.

Marketable securities

Liquid marketable securities (traded on a public market or redeemable from open-ended schemes, by right and on notice) are held for investment purposes in line with HMRC guidelines for charities and are tax-exempt (provided applied in keeping with the Charity's charitable objects). 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, which shall include independent customary expert valuation by a relevant professional organisation member such as RICS), 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.

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 pooled investments and cash in broker or custody accounts).

Foreign currency

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES - continued

Debtors

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.

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.

Irrecoverable VAT

The PCC is not VAT registered and is unable to claim VAT relief. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

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.

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, but are not segregated or restricted and do form part of general funds.

Restricted Funds (which are funds restricted and safeguarded under contract of deed of trust to a single purpose distinct from general funds) it is the Charity's current policy not to have, and which, in the Reporting Period, it did not have. Accordingly, 'total funds' columns in these Financial Statements comprise only general funds.

2. RENTS, LICENCES AND RELATED INCOME

	2022	2021
	£	£
Rents received	69,932	76,228
Deposit account interest	<u>366</u>	<u>520</u>
	<u>70,298</u>	<u>76,748</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. TRUSTEES' REMUNERATION AND BENEFITS

During the Reporting Period the Charity received the services of three clergy, trustees of the Charity, whose remuneration and benefits therefor were at normal scales and rules for the Diocese of Southwark and were borne either directly by the Charity or indirectly via the Diocese (with the latter being met by agreed contributions of the Charity to Diocesan funds). None of the trustees of the charity received any remuneration for their services as trustees of the charity.

Trustees' expenses

During the Reporting Period the Charity received the services of three clergy, trustees of the Charity, whose entitlement to expenses therefor has been at scales within rules applicable. None of the trustees received reimbursement for expenses connected with their roles as trustees of the charity.

4. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2022	2021
Parish Manager	1	1
Director of Music	1	1
	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

5. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2022	677,734
Additions	500,000
Disposals	(292,106)
Revaluations	<u>(161,192)</u>
At 31 December 2022	<u>724,436</u>
NET BOOK VALUE	
At 31 December 2022	<u>724,436</u>
At 31 December 2021	<u>677,734</u>

Investments were held and managed by Standard Life and the Charities Property fund.

Investments were held in a variety of marketable securities both in the UK and abroad.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2022	
and 31 December 2022	<u>1,205,500</u>
NET BOOK VALUE	
At 31 December 2022	<u>1,205,500</u>
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 us prompts review of relative valuations or every five years. 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.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	661	952
Other debtors	-	1,162
Prepayments and accrued income	<u>10,785</u>	<u>25,754</u>
	<u>11,446</u>	<u>27,868</u>

8. CASH AT BANK

	2022	2021
	Total funds	Total funds
	£	£
Cash at bank	39,514	69,770
Liquid funds held by investment managers	<u>65,783</u>	<u>317,167</u>
Total	<u>105,297</u>	<u>386,937</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other creditors	<u>6,421</u>	<u>13,622</u>

10. MOVEMENT IN FUNDS

	At 1/1/22 £	Net movement in funds £	At 31/12/22 £
Unrestricted funds			
General funds	2,284,417	(244,159)	2,040,258
TOTAL FUNDS	<u>2,284,417</u>	<u>(244,159)</u>	<u>2,040,258</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses on investments £	Movement in funds £
Unrestricted funds				
General funds	265,631	(358,397)	(151,393)	(244,159)
TOTAL FUNDS	<u>265,631</u>	<u>(358,397)</u>	<u>(151,393)</u>	<u>(244,159)</u>

Comparatives for movement in funds

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
Unrestricted funds			
General funds	2,213,278	71,139	2,284,417
TOTAL FUNDS	<u>2,213,278</u>	<u>71,139</u>	<u>2,284,417</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses on Investments £	Movement in funds £
Unrestricted funds				
General funds	295,572	(364,533)	140,100	71,139
TOTAL FUNDS	<u>295,572</u>	<u>(364,533)</u>	<u>140,100</u>	<u>71,139</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.