

**PCC of St Michael and All Angels with St Stephen, Wandsworth**

Annual report and financial statements

For the year ended 31 December 2021

Registered number: 1146780

# **PCC of St Michael and All Angels with St Stephen, Wandsworth**

## **Contents of the Annual report and Financial Statements for the year ended 31 December 2021**

	<b>Page</b>
<b>General information</b>	<b>1</b>
<b>Annual report</b>	<b>2</b>
<b>Statement of the responsibilities of the PCC</b>	<b>6</b>
<b>Independent examiner's report</b>	<b>7</b>
<b>Statement of financial activities</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Cash flow statement</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11</b>

# **PCC of St Michael and All Angels with St Stephen, Wandsworth**

## **General information – year ended 31 December 2021**

### **Church office**

73 Wimbledon Park Road  
Southfields  
London  
SW18 5TT

### **Incumbent**

The Rev Stephen Melliush

### **Church wardens**

Rosie Hyde (Temporarily replaced by Jessica Harwood)  
Andrew Lucas

### **Hon. Treasurer**

Elizabeth Jukes

### **Bankers**

CAF Bank Ltd  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

Natwest Bank plc  
Birmingham Business Centre  
7 Brindley Place  
Birmingham  
B1 2TZ

Santander Bank UK plc  
2 Triton Square  
Regent's Place  
London  
NW1 3AN

### **Independent examiner**

Helen Wildman ACA

## **Annual report – year ended 31 December 2021**

### **Aim and purposes**

The church's mission statement is "Being transformed in Christ, bringing hope to everyone". In co-operation with Reverend Stephen Melliush, the PCC aims to promote the whole mission of the church: pastoral, evangelistic, social and ecumenical.

### **Objectives and activities**

The PCC is committed to enabling as many people as possible to worship at our church and to become part of our parish community. When planning activities for the year, we have considered the Charity Commission's guidance on public benefit and in particular, the supplementary guidance on charities for the advancement of religion. We aim to help members of the community live out their faith as part of our parish community through:

- Worship and prayer
- Provision of pastoral care
- Missionary and outreach work
- Engagement with local issues of justice and mercy.

To facilitate this work, it is important we maintain the fabric of St Michael's and St Stephen's Churches and their related buildings.

### **Achievements and performance**

The church started 2021 operating remotely due to the global Covid-19 pandemic, providing online services and events and using the field for services whenever regulations (and the weather) allowed. We continued to be actively involved in our local community and with our own internal church activities, albeit many of them virtual for the first part of the year. We also continued to support a number of justice projects in various parts of the wider world.

A sample of our activities include, but are not limited to, the following:

- Mission Possible, our fundraising night for Mission funding, was, once again a virtual event in 2021 and raised significant funds of over £28,000 in profit for the charities we support.
- The Alpha course took place online and was successfully received.
- Foodbank continues to be a significant ministry. During the pandemic, it operated from a central Wandsworth hub rather than the church building. 2 members of the social action team were seconded to work for the Foodbank hub for part of their working week. However, it returned to the church building in September 2021 operating in accordance with strict Covid regulations.
- We continued to provide a Community Lunch serving up to 50 guests a week throughout the pandemic, as a collection / delivery service, operating from Brathway Hall with a reduced number of staff and volunteers in order to comply with Covid safety requirements. In February 2022 it once again became a seated, eat-in event.
- As with Foodbank, the Glass Door Night Shelter moved to a central hub due to Covid, however we continued to provide an evening meal every Saturday from November 2020 to April 2021, but on a delivery basis. We had hoped to restart the Shelter at the church for the 2021-22 winter, but this wasn't approved by the Glass Door trustees due to rising Covid numbers.
- The allotment project on the field (the "Kitchen Garden"), which began in 2020, became well established in 2021 with a regular group of volunteers producing a varied selection of fruit and veg to be used for the community lunches and to be given to the needy in the community.
- The St Stephen's Church congregation continued to meet regularly online and in person outside during the pandemic and then returned to a Sunday morning indoor service when Covid regulations allowed. Little Fingers Nursery continues to be run from those premises, although numbers dropped during lockdown and new recruitment measures have now been introduced.
- Easter services were all online in 2021. Christmas services were planned to take place in the church buildings but eventually took place on the field / online due to high Covid rates over the period. Carols on Tour took place for the second year running which provided Christmas cheer on the local streets in a Covid

## PCC of St Michael and All Angels with St Stephen, Wandsworth

safe manner and was very well received. The Social Action and Ackroydon teams, together with a group of 35 volunteers, provided over 125 Christmas hampers to families in need.

- Schools work continued with the church running virtual assemblies and RE lessons in local schools during the pandemic and then returning to the school buildings when restrictions allowed.
- Cell groups took place online during lockdown, on the field once restrictions were eased and then back in the church building towards the end of the year. Pastoral staff continued with pastoral walks where possible. Church socials were reintroduced towards the end of the year with the ever popular Christmas fair being the highlight at the end of November. The Cricket Pavilion continued to be used in the summer when regulations allowed, and the field provided a welcome Covid safe meeting place for church members during the summer.
- Ackroydon Community Church also continued online with bi-weekly zoom meetings and then reverted to indoor meet ups when regulations allowed and a Sunday lunch was introduced.
- The children's Sunday work, Toolbox, and lots of new and innovative children's activities (incl Games on Zoom, bedtime stories) continued to take place online with others happening on the field when regulations allowed and then eventually back in church. Youth work operated similarly and continues to go from strength to strength. A new parent and toddler group was introduced on Thursday mornings in the Autumn term.
- Brathway Hall was completed during the lockdown period, and so regular, targeted use, has been slow to be implemented. We expect that to change in the future. Over the last 12 months there have been several generous donations towards repaying the mortgage on the hall, which is now substantially reduced.
- The church café reopened when regulations allowed in April. Staff were furloughed up until that point. Those staff moved on to other challenges and a new manager and staff took over the running of the cafe in September. Business was slow to begin with due to Covid but as church events restarted and hirers returned, business started to pick up.
- Grants were received from the Jerusalem Trust, the London Borough of Wandsworth Council and the Ninds Trust for the kitchen floor replacement and various Social Action projects, including the kitchen garden project.

### Financial review

Total receipts for the year for unrestricted funds were £527,580 (2020: £482,722) of which £256,039 (2020: £253,073) was planned giving via gift aided standing orders with a further £64,163 (2020: £65,974) coming from the gift aid. A bequest of £66,245 was left to the PCC from the John Bird Trust, of which £45,000 was received in 2021. At 31 December 2021, receipt of the final instalment was conditional upon approval from all beneficiaries of the Trust and therefore £21,245 has been recognised upon receipt in 2022. A further £43,047 (2020: £36,020) of unrestricted income was raised from giving via CAF/GAYE and collections at services (no collections were taken after 23<sup>rd</sup> March 2020 due to lockdown and regular collections didn't resume in 2021). Included in the restricted income of £94,960 (2020: £88,260) are those amounts raised for specific purposes of which £30,349 (2020: £19,627) was raised by 'Mission Possible', £10,000 (2020: £0) was raised for the repairs to the front of the church to be carried out in 2022, £10,155 (2020: £12,020) was raised for Interns, £2,500 was received to replace the kitchen floor at St Michael's and a further £44,456 (2020: £37,926) of donations and grants was raised to support specific local mission activities such as Open Door, community lunch, the kitchen garden and many others.

Church hall letting contributed a further £40,932 (2020: £32,502) to unrestricted funds with the increase being due to the fact that the church buildings were reopened from April 2021. The café generated an increased income of £18,235 (2020: £14,386) due to reopening in April, albeit with reduced hours due to Covid restrictions. The running expenses of the café were £23,888 (2020: £13,336). These increased expenses were mainly due to the café being opened for longer than in 2021 but also Covid requirements necessitated an increase in staff. During the first few months of the year when the café was closed, we were able to furlough the café staff and received £3,432 (2020: £22,064) from the HMRC Job Retention Scheme to pay a substantial part of their salaries for the time that the café was closed. Other income totalled £9,473 (2020: £11,762), mainly due to income from 'St Michael's Southfields' charity (which owns Brathway Hall) for use of church staff.

During the year £422,338 (2020: £405,121) was spent from unrestricted and restricted funds in providing the Christian ministry of the church. This includes an amount of £91,000 (2020: £88,000) representing the fairer share payment made to the Diocese.

## **PCC of St Michael and All Angels with St Stephen, Wandsworth**

Administration costs in the year totalled £123,966 (2020: £127,955) and included £22,500 (2020: £22,500) of expenses related to the Brathway Hall development.

Net movement on unrestricted funds for the year, after transfers to restricted funds, was therefore a surplus for the year of £38,696 (2020: £8,394). Restricted funds increased by £11,540 (2020: decreased by £3,424) after expenditure.

### **Reserves policy**

It is PCC policy to aim to maintain a balance on free reserves (net current assets) of at least 3 months unrestricted payments which is estimated to be around £90,000.

There was a balance of £134,064 (2020: £95,368) on the unrestricted funds at year end whilst the restricted funds had a year end surplus of £13,530 (2020: £1,990) following a transfer from unrestricted funds of £25,237 (2020: £9,528), representing amounts in respect of Interns, Mission Possible, church refurbishment and local mission activities as set out in note 8.

### **Staff as at 31 December 2021**

Rev Stephen Melliush – Vicar  
Rev Richard Boothroyd – Associate Minister  
Rev Louisa Davies – Curate  
Rev Tim Armstrong – Curate  
Ash Abbott – Worship Pastor  
Kate Elliott – Head of Operations  
Heather Strydom – Office Manager  
Mike Richardson – Youth Work Co-ordinator and Café Manager  
Megan Taylor – Children’s Pastor/Leader  
Celia Richardson – Children’s Worker  
Jen Constable – Pre-school Worker  
Heidi King – Children’s Worker  
Liz Burrell – Head of Social Action (including Foodbank Manager)  
Gaby McWhinnie – Brathway Hall Development Manager and Glass Door lead  
Victoria Rawls – Social Action Manager and Community Lunch lead  
Christine Lipton – Finance Officer  
Susan Sangamneheri – Accounts Administrator  
James Holloway – Pastoral Worker  
Ellie McWhinnie – Café Staff

We would also like to thank all the many volunteers who work so hard to make our church the lively and vibrant community that it is.

### **Staff reward**

The charity’s policy on staff reward is to set pay in line with market rates for Church of England positions but with flexibility where needed in order to recruit appropriate staff.

### **Structure, governance and management**

The PCC is a corporate body established by the Church of England and operating under the Parochial Church Council Measures. It is a registered charity.

The method of appointment of PCC members is set out in the Church Representation Rules. At St Michael and All Angels with St Stephen’s Church, membership of the PCC consists of the incumbent vicar Stephen Melliush, associate minister Richard Boothroyd, the church wardens Rosie Hyde (temporarily replaced by Jessica Harwood since January 2022) and Andrew Lucas (both elected), staff member Kate Elliott, and those elected by members of the congregation who are on the electoral role of the church. The elected members are currently:

## PCC of St Michael and All Angels with St Stephen, Wandsworth

Toby Beazley, Jamie Doyle, Jon Frostick, Max Griffin, Liz Jukes (treasurer), Aidan Magill, Anna Samuel, Anthony Bell.

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish, including deciding how the funds of the PCC are to be spent. The full PCC met 4 times in 2021 (mostly virtually) with an average attendance of 80%. Given its wide responsibilities, the PCC has a number of committees dealing with particular aspects of parish life which are responsible to the PCC and report back to it regularly.

### **Principal risks and uncertainties**

The PCC as trustees carried out risk assessments throughout the year to identify any major risks. The financial team meets regularly and reports to the PCC.

**Financial Risk** An annual budget was prepared and results compared to the budget and reported to the PCC at every meeting. Investments held by the PCC are reviewed by the Finance Team and act as the Church Reserve in accordance with Diocesan guidelines. The PCC approves internal controls for annual accounts. In light of the Covid-19 pandemic, the PCC continues to monitor its financial budget to ensure that the finances of the church remain robust and that funds remain available to enable the fulfilment of its mission and objectives. Mitigating actions were taken in 2021 and will continue to be taken where necessary to protect the financial viability of the charity.

**Compliance with Law and Regulation** A health and safety review was undertaken by the Church Health & Safety Officer. The PCC is informed of risks and these are dealt with as appropriate. Procedures for reporting accidents are in place. The fire extinguishers and alarms are checked regularly in compliance with our Health and Safety policy and procedures. A risk management survey was carried out by insurers and acted upon.

**Safeguarding** The Church has adopted the Diocesan 'Protection for All' Policy on Safeguarding Children & Vulnerable Adults. The Church complies with the DBS requirements when recruiting volunteers and staff.

Approved by the PCC and signed on its behalf of by



The Rev. Stephen Melliush  
Vicar

25 May 2022

### **Statement of the responsibilities of the PCC**

The Church Accounting Regulations 2006 require the Parochial Church Council (PCC) to prepare financial statements for each year, which give a true and fair view of the state of affairs of the Council and of its financial activities for that period.

In preparing those financial statements the PCC is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Council will continue.

The PCC acknowledges its responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Church and enable it to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and with the regulations made under the Church Accounting Regulations 2006 and under section 145 of the Charities Act 2011. The PCC also acknowledges its responsibility for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

On behalf of the PCC



The Rev. Stephen Melliush  
Vicar

25 May 2022



## **PCC of St Michael and All Angels with St Stephen, Wandsworth**

### **Independent examiner's report to the PCC of St Michael and All Angels with St Stephen, Wandsworth (1146780)**

I report to the members of the PCC on my examination of the accounts of the above charity ("the charity") for the year ended 31 December 2021.

As members of the PCC, 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 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act and with the regulations made under the Church Accounting Regulations 2006.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales

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

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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.



Helen Wildman ACA  
London, United Kingdom

25 May 2022

**PCC of St Michael and All Angels with St Stephen, Wandsworth**

**Statement of financial activities for the year ended 31 December 2021**

	Note	Un- restricted £	Restricted £	Total 2021 £	Un- restricted £	Restricted £	Total 2020 £
<b>Incoming resources</b>							
Donations and legacies	2(a)	458,922	94,960	553,882	423,348	88,260	511,608
Other trading activities	2(b)	68,640	-	68,640	59,295	-	59,295
Income from investments	2(c)	18	-	18	79	-	79
<b>Total income</b>		<b>527,580</b>	<b>94,960</b>	<b>622,540</b>	<b>482,722</b>	<b>88,260</b>	<b>570,982</b>
<b>Resources used</b>							
Grants and donations	3(a)	-	(26,000)	(26,000)	-	(32,936)	(32,936)
Activities directly relating to the work of the church	3(b)	(339,681)	(82,657)	(422,338)	(336,845)	(68,276)	(405,121)
Church management and administration	3(c)	(123,966)	-	(123,966)	(127,955)	-	(127,955)
<b>Total resources used</b>		<b>(463,647)</b>	<b>(108,657)</b>	<b>(572,304)</b>	<b>(464,800)</b>	<b>(101,212)</b>	<b>(566,012)</b>
<b>Net incoming resources</b>		<b>63,933</b>	<b>(13,697)</b>	<b>50,236</b>	<b>17,922</b>	<b>(12,952)</b>	<b>4,970</b>
Movement between funds	8	(25,237)	25,237	-	(9,528)	9,528	-
Balance brought forward at 1 January		95,368	1,990	97,358	86,974	5,414	92,388
<b>Balance carried forward at 31 December</b>		<b>134,064</b>	<b>13,530</b>	<b>147,594</b>	<b>95,368</b>	<b>1,990</b>	<b>97,358</b>


The notes form part of these financial statements

# PCC of St Michael and All Angels with St Stephen, Wandsworth


## Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors and prepayments	4	29,481	29,617
Cash at bank		93,842	81,073
High interest account	6	47,224	2,216
		<u>170,547</u>	<u>112,906</u>
<b>Liabilities</b>			
Creditors – amounts falling due within one year	7	(22,953)	(15,548)
<b>Net assets</b>		<u>147,594</u>	<u>97,358</u>
<b>Funds</b>			
Unrestricted		134,064	95,368
Restricted	8	13,530	1,990
		<u>147,594</u>	<u>97,358</u>

The financial statements were approved by the PCC and signed on its behalf by:

  
The Rev. Stephen Melliush  
Vicar

25 May 2022

  
Mrs Elizabeth Jukes  
Treasurer

25 May 2022

The notes form part of these financial statements

# **PCC of St Michael and All Angels with St Stephen, Wandsworth**

## **Cashflow statement for the year ended 31 December 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	a	57,759	(2,481)
<b>Cash flows from investing activities</b>			
Bank interest received		18	79
<b>Change in cash in the year</b>		57,777	(2,402)
Cash at 1 January		83,289	85,691
Cash at 31 December		141,066	83,289
<b>Note a:</b>			
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>			
Net movement in funds		50,236	4,970
<b>Adjustments:</b>			
(Increase)/decrease in debtors		136	(5,143)
(Decrease)/increase in creditors		7,405	(2,229)
Bank interest received		(18)	(79)
		57,759	(2,481)

The notes form part of these financial statements

## **Notes to the financial statements**

### **1. Accounting policies**

#### **a. General**

The accounts have been prepared under the Church Accounting Regulations 2006 in accordance with applicable accounting standards and the current Statement of Recommended Practice, Accounting and Reporting by Charities and applicable accounting standard FRS 102.

The accounts have been prepared under the historical cost convention and on the accruals basis. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law.

#### **b. Funds**

General or unrestricted funds represent the funds of the PCC and are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Restricted funds are funds that 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.

#### **c. Incoming resources**

##### *Voluntary income and activities income*

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

Planned giving receivable under covenant is recognised only when received.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement and the amount due.

Cafe income and sales of books and magazines are accounted for based on sales receipts.

##### *Gift Aid Tax claims on cash donations*

Gift Aid and other tax claims are included in the Statement of Financial Activities at the same time as the cash donations to which they relate.

##### *Other income*

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

##### *Income from investments*

Dividends and interest are accounted for when received. Tax recoverable on such income is recognised in the same accounting year.

##### *Gains and losses on investments*

Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

##### *Government grants*

Government grants under the coronavirus job-retention scheme have been received in the year which relate to eligible staff costs. This grant income has been presented in unrestricted income to match the unrestricted staff costs the grant income was provided to support.

#### **d. Resources used**

##### *Grants*

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

#### **e. Activities directly relating to the work of the charity**

The diocesan quota or parish share is accounted for when payable. Any agreed quota unpaid at 31 December is provided for in these accounts as an operational (though not legal) liability and is shown as a creditor in the Balance Sheet.

**Notes to the financial statements (continued)**

**1. Accounting policies (continued)**

**f. Fixed assets**

*Consecrated land and buildings and moveable church furnishings*

Consecrated and beneficed property is excluded from the accounts by s.10(2)(a) and (c) of the Charities Act 2011. No value is placed in moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or benefice buildings and on moveable church furnishings, whether maintenance or improvements, is written off in the Statement of Financial Activities and separately disclosed.

**g. Other fixtures, fittings and office equipment**

Equipment used within the church premises is depreciated on a straight line basis over 4 years except for individual items of equipment with a purchase price of £2,000 or less which are written off when the asset is acquired.

**h. Investments**

Investments are valued at market value at 31 December.

**i. Current assets**

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less provision for amounts which may prove uncollectable.

High interest accounts comprise cash held on deposit either with the Central Board of Finance of the Church of England or at the bank.

**Notes to the financial statements (continued)**

**2. Incoming resources**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total funds</b>	
			<b>2021 £</b>	<b>2020 £</b>
<b>(a) Donations and legacies</b>				
Planned giving	256,039	-	256,039	253,073
Income tax recoverable on standing orders	64,163	-	64,163	65,974
Donations	62,144	44,456	106,600	82,210
CAF & GAYE donations	42,952	10,000	52,952	34,093
Non-gift aid standing orders	33,529	-	33,529	23,997
Donations – interns	-	10,155	10,155	12,020
Donations – mission possible	-	30,349	30,349	19,627
Donations – specific charities	-	-	-	18,687
Collections at services	95	-	95	1,927
	<u>458,922</u>	<u>94,960</u>	<u>553,882</u>	<u>511,608</u>
<b>(b) Other trading activities</b>				
Lettings income	40,932	-	40,932	32,502
Other income	9,473	-	9,473	11,762
Bookstall	-	-	-	645
Cafe income	18,235	-	18,235	14,386
	<u>68,640</u>	<u>-</u>	<u>68,640</u>	<u>59,295</u>
<b>(c) Income from investments</b>				
Bank interest received	18	-	18	79
<b>Total incoming resources</b>	<u>527,580</u>	<u>94,960</u>	<u>622,540</u>	<u>570,982</u>

# PCC of St Michael and All Angels with St Stephen, Wandsworth

## Notes to the financial statements (continued)

### 3. Resources used

	Unrestricted Funds £	Restricted Funds £	Total funds	
			2021 £	2020 £
<b>(a) Grants and donations</b>				
Donations - overseas missionary	-	22,500	22,500	26,936
Donations - local mission activities	-	3,500	3,500	6,000
	-	26,000	26,000	32,936
<b>(b) Activities directly relating to the work of the church</b>				
Diocese quota	91,000	-	91,000	88,000
Clergy reimbursements	1,284	-	1,284	296
Staff salaries	170,921	49,106	220,027	199,681
Insurance	9,030	-	9,030	9,033
Heating, lighting and water	10,860	-	10,860	11,632
Church maintenance	19,881	-	19,881	27,609
Church refurbishment	4,804	3,414	8,218	13,136
Church services	4,342	-	4,342	3,673
Church courses	277	-	277	48
Leadership training	-	-	-	567
Youth work & children	3,347	-	3,347	1,942
Bookstall	47	-	47	815
Local mission activities	-	20,635	20,635	9,288
Intern costs	-	7,762	7,762	25,826
Mission Possible costs	-	1,740	1,740	239
Cafe expense	23,888	-	23,888	13,336
	339,681	82,657	422,338	405,121
<b>(c) Church management and administration</b>				
Miscellaneous	7,185	-	7,185	8,891
Administration	11,277	-	11,277	10,582
Salaries	81,856	-	81,856	85,025
Bank charges	1,148	-	1,148	957
Brathway Hall building development costs	22,500	-	22,500	22,500
	123,966	-	123,966	127,955
<b>Total resources used</b>	<b>463,647</b>	<b>108,657</b>	<b>572,304</b>	<b>566,012</b>



**Notes to the financial statements (continued)**

**4. Debtors and prepayments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Tax refund due	18,887	20,708
Other debtors	4,819	3,206
Prepayments	5,775	5,703
	<u>29,481</u>	<u>29,617</u>

**5. Cash at bank**

The PCC has entered into a pooling arrangement for cash balances operated by the diocese and is credited with a portion of the interest.

**6. Cash at bank – high interest account**

This is held at the Central Board of Finance of the Church of England and interest is credited quarterly.

**7. Creditors due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank credit card	3,535	3,524
Accruals	18,496	11,102
Other creditors	922	922
	<u>22,953</u>	<u>15,548</u>

## Notes to the financial statements (continued)

### 8. Restricted funds

	Interns fund	Mission Possible fund	Local mission funds	Church refurbishment	Total
	£	£	£	£	£
Opening balance	-	1,137	853	-	1,990
Income	10,155	30,349	41,956	12,500	94,960
Expenses	(7,762)	(27,740)	(69,741)	(3,414)	(108,657)
Transfer from unrestricted funds	-	-	24,323	914	25,237
Transfer between restricted funds	-	(2,609)	2,609	-	-
	2,393	1,137	-	10,000	13,530

**Mission Possible:** The annual 'Mission Possible Quiz Night' raises funds for specific overseas and local mission projects which receive donations from the church.

**Interns fund:** Donations and grants received have been used to support the costs of the interns working at the church.

**Local mission funds:** Donations and other income have been received in the year to support various specific, local initiatives. These include Messy Church, Wandsworth Food Bank, Community Lunch, Open House for the Elderly and Glass Door at St Michael's.

**Church refurbishment:** A £2,500 grant was received to partially finance the replacement of the kitchen floor and a £10,000 donation was received to help finance the refurbishment of the front of St Michael's Church, due to be carried out in 2022.

Transfers are made from unrestricted funds to restricted funds where expenditure on restricted funds exceeds income in the year.

### 9. Other trusts

*Rochester & Southwark Church Trust Account 630 and 203*

The diocese holds trust funds on behalf of St Michael's. As at 31 December 2021 the balance held was £10,054 (2020: £10,049).

**Notes to the financial statements (continued)**

**10. Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	284,676	279,455
Social security costs	14,021	14,666
Employee pension contributions (note 12)	20,789	23,049
	<u>319,486</u>	<u>317,170</u>

The above staff costs are net of £15,121 (2020: £22,063) from the Job Retention Scheme Grants received from HMRC for Covid-19 support.

The average number of employees was 14 (2020: 14). There were no emoluments of more than £60,000 paid to any individual employee.

The charity's policy on staff reward is to set pay in line with market rates for Church of England positions but with flexibility where needed in order to recruit appropriate staff.

**11. Related party transactions**

Out of pocket expenditure for items bought on behalf of the Church has been reimbursed to members of the PCC; such expenditure is categorised under the relevant expenditure heading, and as such is not separately disclosed in the accounts. There were no disclosable transactions in respect of PCC members, persons closely connected with them or other related parties.

Donations made by members of the PCC to the charity during the year ended 31 December 2021, had an aggregate value of £50,000 (2020: £50,000).

The charity is a trustee of the charity 'St Mike's Southfields' for which it acts as a guarantor (see note 13).

## **Notes to the financial statements (continued)**

### **12. Pension contributions**

St Michael's with St Stephen's Church (Wandsworth) (PB 2014) participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. Defined Benefits Scheme
2. Pension Builder Scheme, which has two subsections;
  - a. a deferred annuity section known as Pension Builder Classic, and,
  - b. a cash balance section known as Pension Builder 2014.

#### *Pension Builder Scheme*

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable of £20,789 (2020: £23,049).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, St Michael's with St Stephen's Church (Wandsworth) (PB 2014) could become responsible for paying a share of the failed employer's pension liabilities.

### **13. Commitments and other guarantees**

The charity is a guarantor for the mortgage held by the charity 'St Mike's Southfields'. The mortgage of £450,000 was taken out to develop Brathway Hall. The balance of the mortgage as at 31 December was £73,927 (2020: £239,136).