

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

Annual report and financial statements

For the year ended 31 December 2022

Registered number: 1146780

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

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

General information – year ended 31 December 2022

Church office

71 Wimbledon Park Road
Southfields
London
SW18 5TT

Incumbent

The Rev Stephen Melliush

Church wardens

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

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

Annual report – year ended 31 December 2022

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

2022 was the first full year of normal church activities since the start of the global Covid-19 pandemic. We continued to be actively involved in our local community and with our own internal church activities. 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 back to its pre-Covid format in St Michael's Church building and raised significant funds of over £35,000 in profit for the charities we support.
- We ran termly Baptism Preparation Courses on zoom, which are effectively a mini Alpha Course. Averaging about 8 families on each course, we look at the cornerstones of our faith in relation to the baptism declarations.
- Foodbank continued to be a significant ministry and was also back in St Michael's Church. It was more important than ever in 2022 due to the cost of living crisis.
- Community Lunch operated from Brathway Hall throughout the pandemic, offering take away meals until welcoming guests back in February 2022. In November 2022 we moved back to St Michael's Church, welcoming between 25-30 guests each week.
- Following the Russian invasion of Ukraine in Spring 2022, a large number of Ukrainian refugees came to live in the area and we set up a weekly Friday Night Ukrainian Supper at Brathway Hall to provide a social hub for the refugees to meet. This switched to a monthly event in January 2023 but continues to be popular and well attended.
- The Glass Door Night Shelter continued from its central hub due to Covid, during the 2021-22 winter, but returned to its pre-Covid format in St Michael's Church for the winter of 2022-2023.
- The allotment project on the field grew in 2022 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 every week for a 9am communion service.
- Sparkle, a Thursday intergeneration drop-in centre was established at St Stephen's Church where the elderly from the area could come for lunch and activities with the children from Little Fingers Nursery. This was also well received and well attended and a second day is planned.
- Easter and Christmas services were all back in the church buildings. Carols on Tour took place for the third year running which provided Christmas cheer on the local streets. The Social Action and Ackroydon teams,

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

together with a group of volunteers, provided over 140 Christmas hampers to families in need, feeding 500 people.

- Schools work, with the church running assemblies and RE lessons in local schools, returned to the school buildings after the pandemic.
- Cell groups took place in person again throughout the year. Church socials returned with the ever popular Christmas fair back to pre-Covid attendance levels.
- Ackroydon Community Church's Sunday lunch went from strength to strength and Open House for the elderly was back to its pre-Covid format.
- The children's Sunday work, Toolbox, Toolbox Extra and Youth work all reverted back to pre-Covid formats with good attendance. The new parent and toddler group, introduced in autumn 2021, proved very popular.
- We launched our new Family Conversations umbrella with a three-week Dads' Course and an evening looking at the topic of adolescent mental health.
- Septemberfields, the annual youth camp-out, happened again with over 60 teenagers camping out on our church field.
- Brathway Hall's mortgage was mostly repaid by the end of 2022, with the help of several generous donations. It was regularly used for St Michael's activities with some community hirers.
- Church cafe business was slow at the beginning of the year, resulting in a loss for the year, but, as church events increased, business started to pick up and in November and December it broke even.
- Due to the cost of living crisis, specifically the increase in heating costs, "warm spaces" were set up in Ackroydon and Barthway halls to allow people somewhere warm to go to in the winter. The Ackroydon centre was particularly well used.

Financial review

Total receipts for the year for unrestricted funds were £578,563 (2021: £527,580) of which £255,195 (2021: £256,039) was planned giving via gift aided standing orders with a further £62,987 (2021: £64,163) coming from the gift aid. In 2021 a bequest of £66,245 was left to the PCC from the John Bird Trust, of which £45,000 was received in 2021 and the balance of £21,245 in 2022 following the conditional approval from all beneficiaries of the Trust. A further £52,481 (2021: £53,047) of unrestricted income was raised from giving via CAF/GAYE and collections at services. Included in the restricted income of £113,282 (2021: £94,960) are those amounts raised for specific purposes of which £39,991 (2021: £30,349) was raised by 'Mission Possible', £nil (2021: £10,155) was raised for Interns and a further £73,291 (2021: £44,456) of donations and grants was raised to support specific local mission activities such as Open Door, community lunch, the kitchen garden and many others. Of this, £46,231 was raised through the sale of Heidi Klein designer swimwear, donated to the church specifically to raise funds for local mission projects. In addition, grants were received from the Ninds Trust and the London Borough of Wandsworth Council for the intergenerational project, Sparkle. In the prior year, £10,000 was raised for the repairs to the front of the church to be carried out in 2022 and £2,500 was received to replace the kitchen floor at St Michael's.

Church hall letting contributed a further £53,883 (2021: £40,932) to unrestricted funds with the increase being due to the fact that the church buildings were open for 12 months in 2022 as compared to 8 months in 2021. For similar reasons, the café generated an increased income of £50,889 (2021: £18,235). The running expenses of the café were £59,687 (2021: £23,888), resulting in a net loss for the year of £8,798 (2021: £5,653). In the prior year when the café was closed, we were able to furlough the café staff and received £3,432 from the HMRC Job Retention Scheme. No such amounts were received in 2022 and business was very slow at the start of the year but gradually picked up as church activities increased. Other income totalled £19,399 (2021: £9,473), mainly due to income from 'St Michael's Southfields' charity (which owns Brathway Hall) for use of church staff.

During the year £550,483 (2021: £422,338) was spent from unrestricted and restricted funds in providing the Christian ministry of the church. This includes an amount of £91,000 (2021: £91,000) representing the fairer share payment made to the Diocese.

Administration costs in the year totalled £120,697 (2021: £123,966). In the prior year this included £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 £2,195 (2021: surplus of £38,696). Restricted funds decreased by £12,030 (2021: increased by £11,540).

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

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 £136,259 (2021: £134,064) on the unrestricted funds at year end whilst the restricted funds had a year end surplus of £1,500 (2021: £13,530) following a transfer from unrestricted funds of £nil (2021: £25,237), 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 2022

Rev Stephen Melliush – Vicar
Rev Richard Boothroyd – Associate Minister
Rev Louisa Davies – Curate
Johanna Ferguson – Worship Pastor
Kate Elliott – Head of Operations
Heather Strydom – Office Manager
Megan Taylor – Children’s Pastor
Celia Richardson – Children’s Worker
Jen Constable – Pre-school Worker
Megan Bremner – Children’s Worker and Youth Worker
Gaby McWhinnie – Head of Social Action
Victoria Rawls – Social Action Manager
Christine Lipton – Finance Manager
Susan Sangamneheri – Accounts Administrator
Mike Richardson – Café Manager
Eithne Brading-Keane – 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 Jessica Harwood 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:

Toby Beazley, Jon Frostick, Max Griffin, Liz Jukes (treasurer), Anthony Bell, Jonathan Moore, Sarah Perrott, Joanne Withington and Caroline Crowther.

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 2022 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.

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

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.

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 2022 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 in June 2022. 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 Melliish
Vicar

24 April 2023

Statement of the responsibilities of the PCC

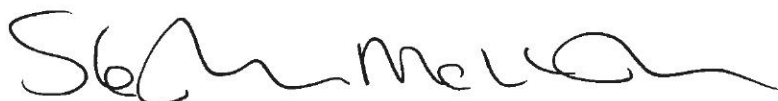
The Church Accounting Regulations 2006 require the Parochial Church Council (PCC) to prepare financial statements for each year, which give a true and fair view of the state of affairs of the Council and of its financial activities for that period.

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

26 April 2023

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 2022.

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

28 April 2023

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

Statement of financial activities for the year ended 31 December 2022

	Note	Un- restricted £	Restricted £	Total 2022 £	Un- restricted £	Restricted £	Total 2021 £
Incoming resources							
Donations and legacies	2(a)	453,284	113,282	566,566	458,922	94,960	553,882
Other trading activities	2(b)	124,172	-	124,172	68,640	-	68,640
Income from investments	2(c)	1,107	-	1,107	18	-	18
Total income		578,563	113,282	691,845	527,580	94,960	622,540
Resources used							
Grants and donations	3(a)	-	(30,000)	(30,000)	-	(26,000)	(26,000)
Activities directly relating to the work of the church	3(b)	(455,671)	(95,312)	(550,983)	(339,681)	(82,657)	(422,338)
Church management and administration	3(c)	(120,697)	-	(120,697)	(123,966)	-	(123,966)
Total resources used		(576,368)	(125,312)	(701,680)	(463,647)	(108,657)	(572,304)
Net incoming resources		2,195	(12,030)	(9,835)	63,933	(13,697)	50,236
Movement between funds	8	-	-	-	(25,237)	25,237	-
Balance brought forward at 1 January		134,064	13,530	147,594	95,368	1,990	97,358
Balance carried forward at 31 December		136,259	1,500	137,759	134,064	13,530	147,594

The notes form part of these financial statements

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

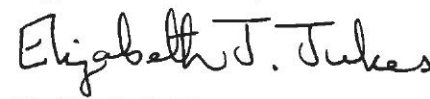
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Current assets			
Debtors and prepayments	4	24,214	29,481
Cash at bank		84,700	93,842
High interest account	6	47,846	47,224
		<u>156,760</u>	<u>170,547</u>
Liabilities			
Creditors – amounts falling due within one year	7	(19,001)	(22,953)
		<u>137,759</u>	<u>147,594</u>
Net assets			
		<u>137,759</u>	<u>147,594</u>
Funds			
Unrestricted		136,259	134,064
Restricted	8	1,500	13,530
		<u>137,759</u>	<u>147,594</u>

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


The Rev. Stephen Melluish
Vicar

26 April 2023


Mrs Elizabeth Jukes
Treasurer

26 April 2023

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

Cashflow statement for the year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided (used in)/provided by operating activities	a	(9,627)	57,759
Cash flows from investing activities			
Bank interest received		1,107	18
Change in cash in the year			
Cash at 1 January		141,066	83,289
Cash at 31 December		132,546	141,066
Note a:			
Reconciliation of net movement in funds to net cash flow from operating activities			
Net movement in funds		(9,834)	50,236
Adjustments:			
Decrease/(increase) in debtors		5,267	136
(Decrease)/increase in creditors		(3,952)	7,405
Bank interest received		(1,107)	(18)
		9,627	57,759

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

In the prior year Government grants under the coronavirus job-retention scheme were received in the year which relate to eligible staff costs. This grant income was 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.

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

Notes to the financial statements (continued)

2. Incoming resources

	Unrestricted Funds £	Restricted Funds £	Total funds	
			2022 £	2021 £
(a) Donations and legacies				
Planned giving	255,195	-	255,195	256,039
Income tax recoverable on standing orders	62,987	-	62,987	64,163
Donations	48,049	73,291	121,340	106,600
CAF & GAYE donations	49,960	-	49,960	52,952
Non-gift aid standing orders	34,572	-	34,572	33,529
Donations – interns	-	-	-	10,155
Donations – mission possible	-	39,991	39,991	30,349
Collections at services	2,521	-	2,521	95
	<u>453,284</u>	<u>113,282</u>	<u>566,566</u>	<u>553,882</u>
(b) Other trading activities				
Lettings income	53,884	-	53,884	40,932
Other income	19,399	-	19,399	9,473
Café income	50,889	-	50,889	18,235
	<u>124,172</u>	<u>-</u>	<u>124,172</u>	<u>68,640</u>
(c) Income from investments				
Bank interest received	1,107	-	1,107	18
Total incoming resources	<u>578,563</u>	<u>113,282</u>	<u>691,845</u>	<u>622,540</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	
			2022 £	2021 £
(a) Grants and donations				
Donations - overseas missionary	-	25,500	25,500	22,500
Donations - local mission activities	-	4,500	4,500	3,500
	-	30,000	30,000	26,000
(b) Activities directly relating to the work of the church				
Diocese quota	91,000	-	91,000	91,000
Clergy reimbursements	858	-	858	1,284
Staff salaries	194,460	60,908	255,368	220,027
Insurance	9,927	-	9,927	9,030
Heating, lighting and water	12,926	-	12,926	10,860
Church maintenance	44,661	-	44,661	19,881
Church refurbishment	25,581	10,000	35,581	8,218
Church services	6,291	-	6,291	4,342
Church courses	301	-	301	277
Leadership training	2,917	-	2,917	-
Youth work & children	6,223	-	6,223	3,347
Bookstall	839	-	839	47
Local mission activities	-	18,473	18,473	20,635
Intern costs	-	-	-	7,762
Mission Possible costs	-	5,931	5,931	1,740
Cafe expense	59,687	-	59,687	23,888
	455,671	95,312	550,983	422,338
(c) Church management and administration				
Miscellaneous	8,134	-	8,134	7,185
Administration	11,888	-	11,888	11,277
Salaries	99,609	-	99,609	81,856
Bank charges	1,066	-	1,066	1,148
Brathway Hall building development costs	-	-	-	22,500
	120,697	-	120,697	123,966
Total resources used	576,368	125,312	701,680	572,304

Notes to the financial statements (continued)

4. Debtors and prepayments

	2022	2021
	£	£
Tax refund due	15,326	18,887
Other debtors	3,697	4,819
Prepayments	5,191	5,775
	<u>24,214</u>	<u>29,481</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

	2022	2021
	£	£
Bank credit card	1,005	3,535
Accruals	16,908	18,496
Other creditors	1,088	922
	<u>19,001</u>	<u>22,953</u>

Notes to the financial statements (continued)

8. Restricted funds

	Interns fund	Mission Possible fund	Local mission funds	Church refurbishment	Total
	£	£	£	£	£
At 1 January 2022	2,393	1,137	-	10,000	13,530
Income	-	39,991	73,291	-	113,282
	-	(35,931)	(79,381)	(10,000)	(125,312)
Expenses					
Transfer between restricted funds	(2,393)	(4,061)	6,454	-	-
At 31 December 2022	-	1,136	364	-	1,500

Mission Possible: The annual 'Mission Possible Fundraising 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 Wandsworth Food Bank, Community Lunch, Open House for the Elderly, Glass Door at St Michael's, Ukrainian Supper and Christmas hampers.

Church refurbishment: A £10,000 donation was received to help finance the refurbishment of the front of St Michael's Church. The funds were received in the prior year, with the works completed 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 2022 the balance held was £10,091 (2021: £10,054).

Notes to the financial statements (continued)

10. Staff costs

	2022 £	2021 £
Wages and salaries	341,580	284,676
Social security costs	18,708	14,021
Employee pension contributions (note 12)	20,059	20,789
	<u>380,347</u>	<u>319,486</u>

The above staff costs are net of £nil (2021: 15,121) from the Job Retention Scheme Grants received from HMRC for Covid-19 support.

The average number of employees was 13 (2021: 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 £40,000 (2021: £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 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. the Defined Benefits Scheme
2. the 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 Statement of Financial Activities in the year are the contributions payable (2022: £20,059, 2021: £20,789).

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 10.1% following improvements in the funding position over 2022. 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 could become responsible for paying a share of the failed employer's pension liabilities.

13. Commitments and other guarantees

The charity was 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 £14,602 (2021: £73,927). This was fully repaid in January 2023.