

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

Annual report and financial statements

For the year ended 31 December 2023

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 2023

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 2023

Aim and purposes

The church's mission statement is "Being transformed in Christ, bringing hope to everyone". In co-operation with Reverend Stephen Melluish, 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

2023 was the second 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 around £25,000 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. It was more important than ever in 2023 due to the continuing cost of living crisis.
- Community Lunch operated at St Michael's Church, with guest numbers increasing throughout the year and averaging 35 to 40 guests each week by December.
- The monthly Friday Night Ukrainian Supper at Brathway Hall continued to provide a very welcome social hub for the refugees to meet.
- The Glass Door Night Shelter continued to operate from St Michael's Church on Saturdays for the winter of 2023-2024 with numbers averaging 30- 35 per week.
- The allotment project on the field grew in 2023 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. It was a popular feature at the St Michael's School summer fete.
- The St Stephen's Church congregation continued to meet every Sunday for a 9am communion service.
- Sparkle, the intergeneration drop-in centre which was established at St Stephen's Church in 2022 on Thursdays, established a second weekly session on Tuesdays. The elderly from the area come for lunch and activities with the children from Little Fingers Nursery and local schools. This continues to go from strength to strength and a third day is planned.
- Easter and Christmas services were very well attended. Carols on Tour took place for the fourth year running which provided Christmas cheer on the local streets. The Social Action and Ackroydon teams, together with a group of volunteers, provided around 160 Christmas hampers to families in need, feeding around 700 people.
- Schools work continued, with the church running assemblies and RE lessons in local schools.

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

- Cell groups took place in various locations throughout the year and regular bible journalling sessions were introduced. The younger children enjoyed a teddy bear's picnic on the field in the summer.
- Church socials included the ever-popular Christmas fair, a men's night away, the King's Coronation celebration on the field and various team thank you sessions.
- Ackroydon Community Church's Sunday lunch went from strength to strength as did the Open House session for the elderly on Mondays.
- The children's Sunday work, Toolbox, Toolbox Tots, Toolbox Extra and Youth work all enjoyed good attendance. The Thursday morning tots group was extremely popular. A Monday morning tots session called peace and play was introduced during the year.
- A parenting seminar on raising teenagers, which took place in March, was very well attended.
- Septemberfields, the annual youth camp-out, happened again with over 60 teenagers camping out on our church field.
- A men's night away took place for the first time since before Covid.
- Brathway Hall was regularly used for St Michael's activities. The mortgage for the hall, which was guaranteed by the PCC, was completely paid off at the beginning of the year.
- Church cafe business increased steadily throughout the year, resulting in a small profit for the year of just over £2,200.
- The "warm spaces" initiative continued throughout the first quarter of 2023 at Ackroydon Hall and Brathway Hall 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 £605,137 (2022: £578,563) of which £274,284 (2022: £255,195) was planned giving via gift aided standing orders with a further £69,391 (2022: £62,987) coming from the gift aid. A further £62,397 (2022: £52,481) of unrestricted income was raised from giving via CAF/GAYE and collections at services. Included in the restricted income of £102,920 (2022: £113,282) are those amounts raised for specific purposes of which £29,415 (2022: £39,991) was raised by 'Mission Possible' and a further £73,505 (2022: £73,291) 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 £64,340 (2022: £53,884) to unrestricted funds and the café generated an increased income of £59,155 (2022: £50,889). The running expenses of the café were £56,890 (2022: £59,687). Other income totalled £22,932 (2022: £19,399), due to income from 'St Michael's Southfields' charity (which owns Brathway Hall) for use of church staff, as well as rental income for a local house which is occupied by a member of staff and their family.

During the year £525,158 (2022: £550,983) was spent from unrestricted and restricted funds in providing the Christian ministry of the church. This includes an amount of £98,800 (2022: £91,000) representing the fairer share payment made to the Diocese.

Administration costs in the year totalled £123,730 (2022: £120,697).

Net movement on unrestricted funds for the year, after transfers to restricted funds, was therefore a surplus for the year of £34,654 (2022: surplus of £2,195). Restricted funds increased by £915 (2022: decreased by £12,030).

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 £170,913 (2022: £136,259) on the unrestricted funds at year end whilst the restricted funds had a surplus of £2,415 (2022: £1,500) representing an amount in respect of the parenting course (2022: surplus Mission possible and local mission funds) as set out in note 8.

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

Staff as at 31 December 2023

Rev Stephen Melliush – Vicar
Rev Richard Boothroyd – Associate Minister
Rev Louisa Davies – Curate
Rev Jonathon Fitter – Curate
Kate Elliott – Head of Operations
Charlotte Walton – Office Manager
Christine Lipton – Finance Manager
Susan Sangamneheri – Accounts Administrator
Sean Skinner – Worship Pastor
Megan Taylor – Children's Pastor/Leader
Celia Richardson – Children's Worker
Jen Constable – Pre-school Worker
Lucy O'Boyle – Children's and Youth Worker
Kadin Barber – Intern
Gaby McWhinnie – Social Action Manager
Victoria Rawls – Social Action Manager (Maternity Leave)
Francesca Overy-Bowers – Social Action Manager and Café Manager
Eithne Brading-Keane – Café Manager

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 members Kate Elliott and Emma Chisolm, and those elected by members of the congregation who are on the electoral role of the church. The elected members are currently:

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

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 2023 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.

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

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 2023 and will continue to be taken where necessary to protect the financial viability of the charity.

Compliance with Law and Regulation 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 by



The Rev. Stephen Melliush
Vicar

20 March 2024

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

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

20 March 2024

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 2023.

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

20 March 2024

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

Statement of financial activities for the year ended 31 December 2023

	Note	Un- restricted £	Restricted £	Total 2023 £	Un- restricted £	Restricted £	Total 2022 £
Incoming resources							
Donations and legacies	2(a)	454,673	102,920	557,593	453,283	113,282	566,566
Other trading activities	2(b)	146,427	-	146,427	124,172	-	124,172
Income from investments	2(c)	4,037	-	4,037	1,107	-	1,107
Total income		605,137	102,920	708,057	578,563	113,282	691,845
Resources used							
Grants and donations	3(a)	(1,000)	(22,600)	(23,600)	-	(30,000)	(30,000)
Activities directly relating to the work of the church	3(b)	(434,966)	(90,192)	(525,158)	(455,671)	(95,312)	(550,983)
Church management and administration	3(c)	(123,730)	-	(123,730)	(120,697)	-	(120,697)
Total resources used		(559,696)	(112,792)	(672,488)	(576,368)	(125,312)	(701,680)
Net incoming resources		45,441	(9,872)	35,569	2,195	(12,030)	(9,835)
Movement between funds	8	(10,787)	10,787	-	-	-	-
Balance brought forward at 1 January		136,259	1,500	137,759	134,064	13,530	147,594
Balance carried forward at 31 December		170,913	2,415	173,328	136,259	1,500	137,759

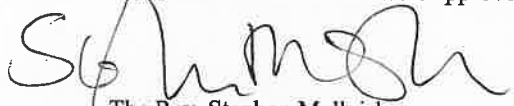
The notes form part of these financial statements

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

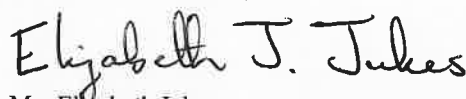
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Current assets			
Debtors and prepayments	4	30,782	24,214
Cash at bank		51,157	84,700
High interest account	6	109,697	47,846
		<u>191,636</u>	<u>156,760</u>
Liabilities			
Creditors – amounts falling due within one year	7	(18,308)	(19,001)
Net assets		<u>173,328</u>	<u>137,759</u>
Funds			
Unrestricted		170,913	136,259
Restricted	8	2,415	1,500
		<u>173,328</u>	<u>137,759</u>

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


The Rev. Stephen Melliush
Vicar

20 March 2024


Mrs Elizabeth Jukes
Treasurer

20 March 2024

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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	a	<u>24,271</u>	<u>(9,627)</u>
Cash flows from investing activities			
Bank interest received		<u>4,037</u>	<u>1,107</u>
Change in cash in the year		28,308	(8,520)
Cash at 1 January		132,546	141,066
Cash at 31 December		<u>160,854</u>	<u>132,546</u>

Note a:

Reconciliation of net movement in funds to net cash flow from operating activities

Net movement in funds		35,569	(9,834)
Adjustments:			
(Increase)/decrease in debtors		(6,568)	5,267
(Decrease)/increase in creditors		(693)	(3,952)
Bank interest received		<u>(4,037)</u>	<u>(1,107)</u>
		<u>24,271</u>	<u>(9,627)</u>

The notes form part of these financial statements

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

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.

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.

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

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 £10,000 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	
			2023 £	2022 £
(a) Donations and legacies				
Planned giving	274,284	-	274,284	255,195
Income tax recoverable on standing orders	69,391	-	69,391	62,987
Donations	12,489	73,505	85,994	121,340
CAF & GAYE donations	59,457	-	59,457	49,960
Non-gift aid standing orders	36,112	-	36,112	34,572
Donations – mission possible	-	29,415	29,415	39,991
Collections at services	2,940	-	2,940	2,521
	<u>454,673</u>	<u>102,920</u>	<u>557,593</u>	<u>566,566</u>
(b) Other trading activities				
Lettings income	64,340	-	64,340	53,884
Other income	22,932	-	22,932	19,399
Cafe income	59,155	-	59,155	50,889
	<u>146,427</u>	<u>-</u>	<u>146,427</u>	<u>124,172</u>
(c) Income from investments				
Bank interest received	4,037	-	4,037	1,107
Total incoming resources	<u>605,137</u>	<u>102,920</u>	<u>708,057</u>	<u>691,845</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	
			2023 £	2022 £
(a) Grants and donations				
Donations - overseas missionary	-	19,100	19,100	25,500
Donations - local mission activities	1,000	3,500	4,500	4,500
	1,000	22,600	23,600	30,000
(b) Activities directly relating to the work of the church				
Diocese quota	98,800	-	98,800	91,000
Clergy reimbursements	818	-	818	858
Staff salaries	190,689	59,977	250,666	255,368
Insurance	8,299	-	8,299	9,927
Heating, lighting and water	14,924	-	14,924	12,926
Church maintenance	36,148	-	36,148	44,661
Church refurbishment	12,620	-	12,620	35,581
Church services	4,542	-	4,542	6,291
Church courses	97	85	182	301
Leadership training	5,786	-	5,786	2,917
Youth work & children	5,353	-	5,353	6,223
Bookstall	-	-	-	839
Local mission activities	-	25,359	25,359	18,473
Mission Possible catering costs	-	4,771	4,771	5,931
Cafe expense	56,890	-	56,890	59,687
	434,966	90,192	525,158	550,983
(c) Church management and administration				
Miscellaneous	14,951	-	14,951	8,134
Administration	11,455	-	11,455	11,888
Salaries	97,818	-	97,181	99,609
Bank charges	(494)	-	(494)	1,066
	123,730	-	123,730	120,697
Total resources used	559,696	112,792	672,488	701,680

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

Notes to the financial statements (continued)

4. Debtors and prepayments

	2023	2022
	£	£
Tax refund due	19,423	15,326
Other debtors	5,358	3,697
Prepayments	6,001	5,191
	<u>30,782</u>	<u>24,214</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

	2023	2022
	£	£
Bank credit card	2,326	1,005
Accruals	14,483	16,908
Other creditors	1,499	1,088
	<u>18,308</u>	<u>19,001</u>

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

Notes to the financial statements (continued)

8. Restricted funds

	Mission Possible fund £	Local mission funds £	Parenting course £	Total £
At 1 January 2023	1,136	364	-	1,500
Income	29,415	71,005	2,500	102,920
Expenses	(27,371)	(85,336)	(85)	(112,792)
Transfer from unrestricted to restricted funds	-	10,787	-	10,787
	<u>(3,180)</u>	<u>3,180</u>	<u>-</u>	<u>-</u>
Transfer between restricted funds				
At 31 December 2023	<u>-</u>	<u>-</u>	<u>2,415</u>	<u>2,415</u>

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

Parenting course: A grant of £2,500 was received from the Ninds Trust to run a parenting course for single mothers. This course will take place in 2024.

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 2023 the balance held was £10,537 (2022: £10,091).

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

Notes to the financial statements (continued)

10. Staff costs

	2023	2022
	£	£
Wages and salaries	346,239	341,580
Social security costs	17,189	18,708
Employee pension contributions (note 12)	20,535	20,059
	<u>383,964</u>	<u>380,347</u>

The average number of employees was 13 (2022: 13). 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 2023, had an aggregate value of £40,000 (2022: £40,000).

The charity is a trustee of the charity 'St Michael's Southfields'.

Notes to the financial statements (continued)

12. Pension contributions

The charity 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 SoFA in the year are the contributions payable (2023: £20,535, 2022: £20,059).

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.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

The legal structure of the scheme is such that if another employer fails, the charity could become responsible for paying a share of the failed employer's pension liabilities.