



St Peter with St Thomas Bethnal Green

**Annual Report and Financial Statements
For the Year Ended 31 December 2021**

CONTENTS

Annual Report	2-19
Independent Examiner's Report	20
Statement of Financial Activities	21
Balance Sheet	22
Notes to the Accounts	23-29
Detailed Statement of Financial Activities with Comparatives	30

ANNUAL REPORT 2021

Part 1

Sections 1-6: The Vicar's Report

1. Reference information

- i. Members of the Parochial Church Council (PCC) are elected as Trustees on an annual basis at the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules.

During the year the following served as members of the PCC:

- a. Vicar: The Rev'd Heather Atkinson, Chair
 - b. Associate Priest: The Rev'd Ali Mulroy (appointed 1 June 2021)
 - c. Ordinand: Luke Smith (appointed 1 October 2021)
 - d. Wardens: 1. Maria Wyard 2. *Vacant*
 - e. Representative on the Deanery Synod: David Lawrence (resigned 14 March 2021), Anne Bishop (appointed 14 March 2021) (Triennium to 2023)
 - f. Elected Members: Charlotte Parmiter (resigned 14 March 2021), Vikki Lovell, Josh Parikh (resigned 13 March 2022), Tessa Bosworth (resigned 14 March 2021), Philippa Bannister (resigned 13 March 2022), Pieter-Bas Spronk (resigned 13 March 2022), Alison McIndoe (appointed 14 March 2021), Abby Ewing (appointed 14 March 2021), Andrew Rixon (appointed 13 March 2022), Chris Bollington (appointed 13 March 2022).
- ii. St Peter's Bethnal Green is a registered charity number 1154668.
 - iii. St Peter's Bethnal Green uses the banking services of Reliance Bank Ltd at Faith House, 23-24 Lovat Lane, London, EC3R 8EB.
 - iv. Stewardship (1 Lamb's Passage, London EC1Y 8AB) were re-appointed as the charity's accountants and an employee nominated by Stewardship serves as the charity's independent examiner.
 - v. Postal address of the church: St Peter's Bethnal Green, St Peter's Close, London E2 7AE.
 - vi. Administrative address: The Church Office, The Vicarage, St Peter's Square, London, E2 7AE

2. Structure & Governance

i. Responsibilities of the PCC

The PCC of St Peter's Bethnal Green has the responsibility, together with the Vicar, the Rev'd Heather Atkinson, to promote in the parish the whole mission of the Church. This includes the pastoral, evangelistic, social and ecumenical aspects. It is responsible for the maintenance of the buildings of St Peter's Bethnal Green. As a Church of England Parish church, the PCC and Vicar follow requirements of Church of England Canon Law.

With regard to the PCC's obligations to safeguard children and vulnerable adults, the members of the PCC confirm that they have complied with their duties under section 5 of the Safeguarding and Clergy Discipline Measure 2016.

ii. Objectives and activities

The objectives of St Peter's Bethnal Green are to promote in the parish the whole mission of the Church with a focus to worship God, make friends and change the world. Amplification of the vision of St Peter's is on the website.

The 2021 electoral roll had 128 registered members at the APCM. Those on the Electoral roll are able to nominate candidates for the PCC. The PCC and Church Wardens are elected annually at the APCM. The PCC organises itself to carry out its aims and objectives by having regular meetings and various sub-committees. The PCC held five formal meetings over the year and two standing meetings regarding the hall.

The PCC's Finance Team prepares information for explanation and decision making for the PCC and takes forward management matters with the Vicar. Day-to-day management of the church is delegated to the Vicar, Rev'd Heather Atkinson and her staff team. An Executive Group operating as a Standing Committee was not formed this year.

iii. Public Benefit

The PCC members confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit. St Peter's Bethnal Green works alongside a number of organisations as partners in undertaking mercy, justice and evangelism. We support these practically, financially and in encouraging people to volunteer and we receive support from them in fulfilling our calling as a local church.

These include: - Bethnal Green Spear Trust, Resurgo, Tower Hamlets, Bow and Bethnal Green Foodbanks, Columbia Road Traders Association, The Mission Practice, Oaklands School, The Arch (formerly Arch 76), The Tower Hamlets Healing Prayer School, and other local churches, individual ministries and social enterprises.

The church of St Peter's Bethnal Green benefits the community by the activities described in the section entitled 'Change the World', notably through outreach and supporting others through our volunteer programme, prayer and financial input.

3. 'Worship God'

i. Church attendance

Average Sunday attendance in 2021 at St Peter's Bethnal Green (2020-2016 in brackets):

	Q1 (Jan-March)	Q2 (April-June)	Q3 (July-Sept)	Q4 (Oct-Dec)
10am sung Eucharist				
adults	17 (26, 32, 31, 38, 50,)	23 (33, 30, 27, 34, 58,)	27 (32, 27, 24, 27, 44,)	25 (30, 27, 30, 31, 37,)
children	0	1	1	1
11am service of the Word/Eucharist/All Age Worship				
adults	35 (61, 55, 40, 37, 40,)	32 (51, 56, 40, 37,)	38 (43, 56, 37, 41, 35,)	33 (46, 58, 55, 45, 44,)
children	12 (15, 14, 10, 14, 11,)	15 (11, 16, 12, 11, 10,)	14 (12, 17, 10, 13, 10)	15 (15, 13, 15, 12, 12)
10.30am all-age services				
adults	40 (0, 60, 74, 70, 68)	42 (99, 68, 77, 54, 80,)	38 (46, 48, 56, 58, 59)	45 (58, 77, 68, 70, 74,)
children	12 (0, 15, 11, 20, 13,)	6 (16, 19, 13, 4, 13,)	9 (7, 11, 10, 7, 10,)	7 (8, 10, 14, 12, 16,)
5pm evening service (Not inc Campfire Carols: 66 adults, 34 kids or Carols by Candlelight: 84 adults, 16 kids, or Carols on Columbia Road – approx. 4,000 adults...)				
adults	0 (15, 23, 23, 31, 25,)	0 (12, 15, 21, 28, 25,)	0 (0, 18, 29, 25, 37,)	0 (0, 19, 0, 25, 30, 1)
Total number of communicants across all Sunday services				
	518	282	299	319

As last year 'a variety of services were held' understates a second year of adapting to circumstances enforced by the pandemic. The table above summarises what we did, but in each case we were balancing the *benefit* of meeting together to worship and find spiritual succour, with the *danger* of an increasing risk of spreading infection. Indoor worshipers were obliged to socially distance and wear masks while singing was actively discouraged until October, when masks were still worn. The clergy continued to preside at Communion wearing a mask and disposable gloves. Every time the situation changed the new guidelines were absorbed, interpreted and a thorough risk assessment made for every adjustment to public worship.

The Zoom services themselves were adapted to be slicker and enable engagement. Though always second best, they have been an important provision, both when they were the sole option and when we offered 'hybrid' provision. The lockdown services maintained a good standard of preaching and the breakout rooms were appreciated, but we noticed more 'zoom fatigue' and opting out than before.

The table below charts the range of services we have held. The clergy and lay members of St Peter's Bethnal Green led and preached at services. We follow the Church of England lectionary and the rubric of Common Worship. The shaded area indicates where we were legally obliged to close the church building entirely and gathered worship was prohibited. Where 'in person' services were resumed from 2nd April, all due precautions were taken to ensure that the risk of infection was reduced as far as possible, including re-arrangement of the church furniture, provision of ventilation, masks, sanitiser etc, as well as strict adherence to guidelines for the distribution of Holy Communion.

Period	Sunday & Weekday Service(s)	Notes
Lockdown 3 (Jan – Mar)	10.30 Zoom with Spiritual Communion	Church open for private prayer daily 1-3pm
Holy Week	Individual, socially-distanced on site Good Friday Meditations via podcast Easter Sunday 10.30am Garden Service	
Restricted Worship (April – Sept, bar August)	10am Holy Communion indoors 11am Garden Services with zoom option	Garden services were usually All Age, Informal Services of the Word, with Holy Communion periodically. July 25 th Entirely on zoom to share in Focus teaching.
Focus (July 25 th)	10.30 Zoom Service with 'Focus' videos 10.30 Holy Communion in church	HTB Network 'Focus' Festival Quiet Communion
August	10.30 All Age Holy Communion	In the garden
October 1-3	Church Weekend Away Evening Holy Communion 7pm	5 Acts of Worship, including an All Age Holy Communion away and a Quiet Communion in church.
Worship with Eased Restrictions (Oct – Nov)	10am Holy Communion 11am Informal Worship	Children's Groups Resumed
Worship with Eased Restrictions (Dec)	10.30 All Age Holy Communion	Additional Advent Services

The senior citizens who attended a midweek informal Service of the Word (designed to be very accessible to those without a history of regular church going) continued to attend until the better weather enabled outdoor gatherings.

Morning Prayer, where a liturgical format works as a cradle for intercession for the church, the community and the world, is said every Wednesday at 8am on Zoom and Evening Prayer was said every Thursday at 8pm until Pentecost. In contrast to the morning service, the latter struggled to attract a committed core, and we discontinued, with the intention of establishing new opportunities and forms for the essential spiritual discipline of corporate prayer.

It has been increasingly hard for some older members to get to church. During lockdown the daily lectionary readings have been printed out with weekly collects and distributed regularly to those who appreciate them, along with encouragements to watch Songs of Praise and call the Church of England 'Daily Hopeline' for daily readings and prayers. With restrictions easing the clergy have still needed to increase the number of pastoral visits and offered Holy Communion at home and in hospital.

ii. Occasional Services, Seasonal Services and Service to the Wider Church.

2 infant baptisms and 1 wedding were officiated by the Vicar at St Peter's Bethnal Green in 2021. 5 sets of Banns were read for marriages and the Vicar undertook 5 funerals, as well as undertaking duties as an Assistant Diocesan Director of Ordinands, as a Trustee of the Simeon's Patronage Trust and The Arch, and as a Stepney Area Deliverance Ministry Advisor. Other services included:

- Ash Wednesday – Spiritual Communion
- Mothering Sunday with APCM – A zoom service (Daffodils delivered to all the senior members of the church)
- Maundy Thursday – Spiritual Communion
- Good Friday – Stations of the Cross, with individual, socially distanced meditations accessed via our podcast (The Prayer Garden) followed by the Good Friday liturgy in person

- Easter Sunday – In person, in the garden.
- Ascension Day – a zoom service of Evening Prayer
- All Saints – an in person Holy Communion
- Remembrance Sunday – Held in Ion Square
- Christingle – An All-Age Holy Communion
- Columbia Road Carols – Taking carols out to the community as a sign of hope twice before restrictions tightened again. Thousands attending.
- Campfire Carols – A children’s party with all age carol singing round the campfire
- Midnight Mass – An ‘in person or zoom’ Christmas Eve Eucharist with a socially distanced choir
- Christmas Day – An ‘in person or zoom’ all-age service

iii. Children’s Church

When more restrictions were lifted in the Autumn, the children's work resumed during the 11am service, taking place for 6-14s in Room 1, (used by Spear midweek as the training room) and, in Room 2, a 0-5s crèche. The children are invited to join in the prayer and worship at the beginning of the 11am service before leaving for groups and, have activities at 10.30 services which are often craft-based. There is an urgent need for more suitable helpers on the team and for more space. Further details of the work are given below in section 4.iv.

iv. Worship Music

This was a year of singing at screens, singing in our heads, singing behind masks, and singing in front of the neighbours (they said on Instagram that they liked hearing it through their open windows in summer). The garden services were remarkable for people stopping and listening to heartfelt worship.

Responsibility for our sung worship has continued to rest largely on the shoulders of our brilliant volunteer team who have continued to give selflessly and skillfully to our worship in both services, although high quality videos made by Holy Trinity Brompton served our zoom services well for the first quarter.

It was a great joy to begin singing again, albeit softly and behind masks. Later in the year new talent began to emerge for the 10 and 11am services, which has helped to diversify and renew our sound.

v. Prayer and Bible Study

Prayer is foundational to all the work we do. Any visible action and growth are built on the unseen life of prayer and the chancel remains a dedicated space for prayer while the zoom prayer meetings are the engine of the church. It is fair to say that Covid and the lack of a paid Worship Leader have conspired to diminish options for corporate prayer and this is a distinct area for renewal. However the ‘prayer warriors’ who attend the early and late zoom prayer meetings have been incredibly committed and interceded in ways that have led to many answers. Without them this church would not function. They add to the prayers of the PCC, the staff and those who pray for the ministry of St Peter’s at home. The intercessions in our services are often led by volunteers, bringing a wide range of voices and approaches.

In Lockdown we opened the church for private prayer as often as possible and this was greatly appreciated by those who came in. The doors of the porch were kept open, in contrast to the first lockdown. The ‘say one for me’ cards available in the church porch are used occasionally by members of the congregation to seek solidarity in prayer, but they are mainly filled in by members of the public. These cards are prayed over by the staff and, on occasion, in prayer services. They are stored in the aumbry, with the reserved sacrament, and are burnt at the Easter Morning Vigil.

It was a difficult year to welcome outside speakers to the church but we were able to hear the acting Archdeacon of Hackney who spoke on Christmas Eve and the Bishop of Stepney in June. Our preaching team cherishes both lay and clergy talent.

We began the year exploring our desire to be hallmarked as a community by Hospitality, Healing and Hope, followed by some wisdom from Proverbs and then the unfurling promises of God in Lent. Later sermon series included looking at the impact of Easter through the senses and one entitled 'Jesus Christ: Hope Coach' in which we asked ourselves coaching questions to grow our mindset and grasp of God's character. In the summer, as the grind of the pandemic wore us down, (and we needed to find ways to make readings heard well in the garden) we turned to 'Comfort Food', as we relished some of our (voted favourite) and most familiar bible stories again. At the Weekend Away we took time to ponder Matthew 11: 28-30 and at Advent our weekly themes were Hope, Love, Joy and Peace which led well to our Christmas theme of '*From heaven to here*'.

4. 'Make Friends'

'Making friends' is about discipleship and community for ourselves and for others.

i. Welcome & Hospitality

This year our practice and understanding of hospitality has morphed and widened even further. We learned to welcome passers-by who simply stood at the edge of our garden services and no greeting was complete without the offer of hand sanitizer and a free face mask. At our Christmas Day service, in a year when many more people than usual were spending Christmas alone, we offered fizz and nibbles after the service – and the trays on which these were proffered contained free packs of Lateral Flow Tests as well.

The twin tasks of Welcome and Hospitality belonged to the whole church in 2021 and everyone was encouraged to help newcomers stay and develop friendships. Once lockdown ended and zoom services gave way to garden services and indoor quiet services, online hospitality continued to be offered through the zoom as a 'hybrid' option with in-person services so that those who were self-isolating, anxious or unwell could still feel connected and nourished to some extent.

For in-person services the practicalities of hospitality fall on four smiling teams lovingly entitled 'The Tea and Coffee Crew'. Over the last year our hospitality team have regrouped as the Covid restrictions have allowed. We are so grateful to their loyal and regular service, enabling beautiful times of community to happen between the 10 and 11am services.

ii. Media

Our online media have been a vital part of staying connected with our community and offering good hospitality to those who are reaching out to the church. A more old-fashioned approach has been to update regularly the temporary notices and banners on the railings around the church.

The website was maintained to a high standard. It is updated regularly and developed to use with our database and organisational software. Instagram and Facebook are now our main external reach. Mailchimp emails reach the Electoral Roll and beyond. The WhatsApp group 'St Peter's Alive' has continued to engender a sense of church family. We will continue to pursue a wise – and no doubt evolving – use of social media to promote both social connection and broadcast information.

iii. Midweek Groups

Life Groups are the midweek meetings, with a focus on prayer, bible study and mutual support, designed to be at the heart of the church at St Peter's Bethnal Green. However a second year of the pandemic eroded them even further and by the end of 2021 there were only three groups meeting regularly.

There was a weekly coffee morning for senior citizens, meeting either in the church or in the garden. As well as combating the very real issue of loneliness, this has afforded opportunities for spiritual conversations and a sense of reconnection with the local church for people who have lived in the area for a very long time.

In order to 'make friends', both with God, with one another and with people who need the friendship of God, we strongly encourage everyone to belong to something, to remain outwardly focused in their life groups and to serve on a team.

iv. Nurturing Faith in Children & Youth

The old African wisdom that 'it takes a village to raise a child' usually resonates in a church such as ours. Parents have carried a particularly heavy load during 2021 with home-schooling on top of being much less able to share the task of handing on faith with the rest of 'the village'.

St Peter's has aimed to ensure that all the children on our roll feel loved and valued, even if they have had less direct experience of worship, teaching and fellowship during the pandemic. Each family was sent a Lent Pack of learning resources and fun activities.

Once back together again the garden services were designed (with varying success) to be child-friendly and the children generally managed an urban form of 'Forest Church' if they weren't decorating the concrete with truly glorious chalk drawings. However, the ministry urgently needed designated leadership, especially when we came back inside in the Autumn. A small team has run children's groups every Sunday in the last quarter. I am so grateful for these individuals and the whole team's prayer and care of the children.

The vision for 'Making Friends' in younger age groups is not limited to those who are already in church. In collaboration with Mile End Climbing Wall, we have been able to offer a Community Climbing Club which is free of charge to young people in the local community. With professional instruction it is a great opportunity to value, encourage, heal and teach youngsters whose mental health has suffered in the pandemic.

v. Nurturing faith in adults

A choice of three Lent Courses online were offered and an encouraging number of people attended. These included a course on Ignatian Prayer, the Difference Course and The Unanswered Prayer Course.

In addition, we ran our first online Alpha in the Spring term, culminating in guests attending a garden service and a BBQ. This, along with the other Lent courses enabled some newer members to build more relationships, ask important questions and feel more part of the church.

vi. Relationship building and sharing

Gathering to say farewell to our Ordinand was a great excuse for a party, as was the Bishop's visit to license our Associate Priest, and the Back-to-School BBQ. These all become excellent reasons to fire up the pizza oven and train pizza chefs although the first thing to be cooked in the oven publicly was fish, (as a sermon illustration for Luke 24: 36-43) and on August Bank Holiday clay figures of Shadrach, Meshach and Abednego found themselves in our very own fiery furnace.

The long-awaited Church Weekend Away, originally planned for April 2020 was finally able to happen at the start of October 2021. The timing for re-grouping as a church was perfect; the venue at Ashburnham Place in Sussex worked really well; the opportunities for relationship building; games, prayer, sung worship and vision casting were treasured; the weather was lousy. It did give rise to our first ever 'indoor campfire' and the birth of an occasional 'pool club' when a group discovered pool tables in the basement. Seventy church members attended, aged from 0-91.

The children had their own programme run by the organization '*Children Can*'. The staff all worked very hard to make the weekend happen and had great support from a number of wonderful volunteers. We sensed God's hospitality in the care of the prayer-soaked space of Ashburnham Place. We experienced precious healing after a challenging season and we began to have hope for the future, returning to London with refreshed energy and passion for our church and God's work in us and through us.

5. 'Change the world'

i. Pastoral Care

Supporting and caring for others bridges the call to make friends and change the world. As more of our older members need to be cared for at home we are learning how to stretch in their direction, while always encouraging their determination to get to events. If we've learnt one thing, it's that 'in person' really is better than anything else.

So much pastoral care goes on here without others seeing, in many directions. To those who reach out, pray with, message, telephone, shop, bake, visit, help out and listen – may God give the increase to all you offer.

'Love Christmas' mini-hampers were delivered to vulnerable adults and many of the congregation were on 'the front line' serving in schools, shops and the NHS, while others were working flat out 'behind the lines' in a range of industries.

ii. Social Action

Spear Bethnal Green, which runs employment coaching for NEET young people aged 16 – 25 continued, the 8th year of operation. Bethnal Green Spear Trust is a separate charity but St Peter's offers office space and training facilities gratis. Spear Bethnal Green coaches are part of the St Peter's staff team by extension. Most of the gathered events, such as Mock Interview Day, are held at St Peter's in the church or Mission Hall. The celebrations, when a cohort finish their intensive coaching, last about 90 minutes in total and offer a great opportunity for the rest of the church to show their support of the project in an easy, heart-warming way. In 2021 the courses were taught online until September and the course has been adapted to include an online element so that trainees are prepared for online interviews and working environments. Members of the congregation are encouraged to support Spear in many ways, including volunteering for mock interviews or using professional contacts to make links with corporate sponsors or to enable company visits.

We are especially grateful to the Spear trustees for an immense amount of hard work which has enabled the charity to keep going. Spear is popular locally, supported in recent years by members of the local community, including the Columbia Road Traders Association who again trained and employed Spear trainees to act as stewards for our carol singing events at the Columbia Road Christmas market. This year, although they were only able to do two events before restrictions were tightened, some of the trainees have gone on to gain further employment as stewards at other events, thus building their confidence and their CVs.

St Peter's staff and congregation are encouraged to be involved in management and governance of ministries, projects and institutions. We seek to support and champion everyone's weekday activities, by counting what we do for 'the other six days' as the mission of the church, whether what we do is paid or unpaid. Our regular 'This Time Tomorrow' slot in the 11am service highlights the lives and impact of individuals, with the aim of being known, being commissioned and being prayed for. This includes our daily tasks of raising families and earning a living or it may be another area of service, for example Street Pastors or the The Arch, a local charity building friendship with vulnerable women, whose board of trustees and volunteer base includes several members of St Peter's.

Yet when I compare 2021 with the previous year of intense lockdown, I notice less obvious activity and perhaps more simplified, focussed work. It certainly felt as if there was less heroics and more exhaustion this year. Through a Community Survey we heard from a spectrum of people what they felt about living here, what the greatest needs of the area were and what young and old particularly enjoyed or yearned for.

Five common themes were identified: -

1. The value of local third spaces
2. The desire for purposeful activities for young people, young families and the elderly.
3. The fears for safety – among the elderly and young people - generally relating to street/doorstep safety, gangs or drug culture
4. An ongoing need for *affordable* nursery/playgroup provision
5. The need for youth work which offers purpose and builds skills and confidence for work and a healthy lifestyle

This research affirms our continued commitment to Spear and to the development of the church garden, among other initiatives.

iii. The Church Garden

Thanks to our staff and volunteers, the garden remains a source of beauty and peace for the many locals who now spend time there. The marquee served as shelter from both sun and rain as well as a focal point for parties and meetings. We are conscious that there is more we can do with the garden both in what it looks like and how it is used.

6. Management & Administration

i. The Mission Hall

110 years ago the foundation stone of the Mission Hall was laid by a Miss Phillimore as the Bishop of Stepney, the clergy and the choir looked on, their banners held high. The project would enable activities for young people and members of the local community to thrive and over the years the hall was used for everything from Band of Hope gatherings for women to 'sign the pledge' to Harvest Suppers featuring bottle stalls and dancing. Families celebrated birthdays, weddings and anniversaries; the Queen's Coronation prompted a huge community party with children in fancy dress. Members of the Bethnal Green club on Facebook remember Cis Raymond and Lily Abraham running Brownies and Guides there, as well as a Cub pack. One woman remembered drawing pictures in a tray of sand at Sunday School there, while another recalled regularly attending a Darby and Joan club penny lunch with her grandmother after the war. In the earliest days the Church Lads Brigade had their drill there, before the First World War made real soldiers of them. Latterly the jumble sales gave way to a co-working space, but the hall became increasingly difficult to maintain and heat efficiently.

In 2016 the PCC agreed to look at alternative options while enabling major renovation work to restore the hall for future generations. The intention was never to sell this precious resource, but to let go of it for a season, during which a larger body would give it a facelift and use it to good purpose. By early 2020 we were almost ready to lease the hall to Kido, a nursery education provider. However Covid 19 struck and everything was put on hold.

Over the course of 2021 we gathered enough venue hire bookings for the hall to break even. Then in the Autumn negotiations with Kido re-commenced and in January 2022 the PCC voted unanimously to lease the hall to them. The lease with Kido was signed on 1 June 2022.

ii. The Crypt

In February 2021 a license agreement was granted to Parabolic Theatre Company to rent approximately 4/5ths of the crypt for storage purposes. This with the understanding that they would also experiment with immersive theatre performances and aim to develop the crypt into a performance venue which other companies could use, (subject to their material falling within the range of suitability as defined by an agreed memorandum of understanding). However, it proved impossible, with Covid rife, to do as much as was originally hoped and the season was deferred to 2022, giving us more time to prepare the space in compliance with fire safety regulations for larger audiences. The play which was trialled, Threshold, ran successfully for a few weeks, in compliance with regulations, but coincided with the 'pingdemic' in which contacts of Covid cases also had to self-isolate. It wasn't long before actors were being pinged and the decision was taken to finish the run. It did indicate however that the crypt could potentially be used for performances without disruption to others, which gives encouragement for 2022.

The potential therefore exists for rental income based on performances as well as storage from the space and for reinvestment into the space to make it more commercially viable. While there are details to iron out, a partnership is growing. A good example was when a local Guide leader sought permission to bring her company for a picnic in the church garden, we were able to offer a tour of a theatre and two members of the company spent half an hour with the young people answering their questions and allowing them to imagine how they would direct a play in it.

The Church

- Between the main outer doors and the inner front doors, a further set of doors have been stripped of their ugly cladding and restored. Paid for by drawing down the last monies awarded by the City Bridge Fund for access improvements, this offers several advantages: 1) Added security, since the glass is bullet proof and therefore impossible to break on an attempt at forced entry; 2) Improved draught exclusion and better at keeping the heat in; 3) A more identifiable entrance for those with impaired eyesight because of the colour contrast of dark wood against white walls; 4) They look much nicer.
- A bid to the Culture Recovery Fund Round 2 was successful in an award for about 2/3rds of what we asked for. We were awarded £23,600, which enabled the damaged railings and pillar in the north west corner of the site to be restored to a safe structure and for the broken grilles across the heating system between the nave wooden floor and the chancel to be replaced. This dealt with a considerable safety hazard and improves the appearance of our buildings.
- It also contributed to some overheads for our site staff, a summer event and the electrical repairs/modifications (required by our insurer).
- The boiler has been serviced.
- Gutters – a new contract with a more efficient contractor who has shown how the walls are being affected by leaks, misalignments and splits in the down pipes. This explains the appalling state of the north wall above the refreshments area, as well as damp patches around the loo.
- The door key pads have been serviced.
- Leaks in the church roof were repaired.
- On three occasions a small external spotlight on the front steps has been damaged/stolen.
- The far-left aisle of the crypt is now designated for St Peter's storage.
- A bag of vintage toys given to the church some years ago has been sold on eBay and rendered £300.

The Crypt

- The diocese initiated an asbestos report on the vicarage which identified asbestos in the courtyard. We asked the same company to remove the asbestos from the crypt which was previously identified in our quinquennial inspection at the same time, thereby relieving us of the set-up costs.
- This involved removing three doors (to the boiler room and the electrical intake room) two of which were small doors at chest level. Therefore, in order to work towards a second fire exit in the future, we took the opportunity to build a proper doorway into the electrical intake room in the crypt, rather than a 'window' through which we previously climbed.
- Flooding in the crypt was a problem in the summer. The leaves that had accumulated on the south side by the wall of the church were cleared to deter rainwater pooling there.
- Phase 1 of the essential electrical repairs and modifications in the church building, identified in our quinquennial inspection, was undertaken by a local contractor who has been really good to work with. There is more essential work to be done, so that our insurers are satisfied.

The Garden

- As well as the renovation of the railings and pillar, cuttings have replenished the plant stock in parts of the garden.
- The shed has been cleared out and about 50% of its contents taken to the tip. This has made it a much more efficient space.
- The diocese commissioned work on the overgrown sycamore tree that was damaging the garden wall, the drains and the vicarage roof.
- The pizza oven was concreted in.
- The leaf mould piles are now under control and we are considering homemade hot composting.

The Vicarage and Basement Flat

- Tenants moved out of the vicarage basement flat in March. Research by diocese showed that the flat remains part of the parsonage provision to the incumbent. Given that the vicarage has 'temporarily' hosted the church and Spear office for the last three years, it made sense for the staff team to now work in the basement.
- We still have separate council tax, water rates and gas standing charges on the basement level of the vicarage. While this offers clarity to the costs of running a church office and asserts a level of parish interest in the property, it creates a new burden of cost that we haven't had since moving the church and Spear office out of the hall. The diocese has agreed to continue to pay the council tax on the basement for the time being. (The electrical circuits for the whole building are not separate and the bill for the whole house is paid for by the incumbent.)
- The basement was redecorated at low cost by a small team of church members.
- Furniture was donated to create a basement meeting room, which has a small kitchen leading off it.
- The diocese replaced broken lights in the basement.
- To accommodate the office and enable occupants to operate efficiently, two new WiFi access points were installed.
- Our electrician repaired and installed several new sockets in the basement free of charge.

The Mission Hall

- Storage heaters were repaired and new convactor heaters were installed in the hall as the old ones had failed and we had a duty to tenants. The fire alarm was serviced and leaks in the roof were repaired.
- The ground floor storage room (located between the neighbouring Pebble Centre building and the main hall) suffered a partial collapse of the ceiling in early June. This was the consequence of a leak from the boiler for the Pebble Centre which is situated directly above our storage room. The owner of the Pebble Centre has so far refused to deal with the issue.

iv. Staff

- We began the year prayerfully advertising for a Worship & Church Growth Pastor and a replacement ordinand, looking to secure funding for a Children's Pastor later in the year. Although these posts were clearly what was needed at the time, we had the strong sense that the pieces of the jigsaw would fall to the ground in a different pattern, and so it proved to be.
- Tessa Bosworth was ordained deacon at Petertide and went to serve her title at Holy Sepulchre, London. Her ministry at St Peter's was a great blessing to many and she leaves behind many friends, as well as a beautiful website, solid administrative records, memories of rich teaching and the imprint of a humble servant of God who filled so many gaps and offered gentle, authoritative leadership.
- Rev'd Alison Mulroy opened a conversation with us which rapidly helped us see how the jigsaw pieces may indeed fall differently to the plan and The Bishop of Stepney readily approved a plan to license Ali as Associate Priest to this parish when we all talked fully, had prayed and had discerned a good fit. Ali is a bi-vocational priest and artist who supports herself by her painting. While Ali is centrally involved in Sunday worship, her main area of ministry is in the missional spaces with young people and the senior community, using her pastoral and evangelistic gifts.
- Our Operations Director manages all the church finances, oversees the maintenance and development of the buildings, administers the Henry Fawcett Fund and serves Bethnal Green Spear Trust as financial operator, while helping to manage site staff and underpinning it all with prayer and a pastoral heart.
- Our Site Assistant takes care of the grounds for 12 hours per week, creating a calm atmosphere valued by other members of the site team.
- Luke Smith joined the team in October as an ordinand.
- The Rev'd Heather Atkinson remains Vicar of St Peter's and deeply thankful for the privilege of leading this caring, faithful, creative and outward-looking community.

Part 2

Section 7: Treasurer's report

Income to support Church mission

Finances at St Peter's were overseen by the Finance Working Group, a sub-committee of the PCC, made up of the Incumbent, a Church Warden and at least one other member, supported by the Operations Director and the former Treasurer. This team met regularly and makes recommendations on finance matters to the PCC.

2021 Review

2021 Income

The ministries and activities of St Peter's Bethnal Green were largely funded by three groups of income: -

Giving Income in 2021 (funding from the congregation members and friends of St Peter's in the form of standing orders, one-off gifts, regular collections and related gift aid) amounted to **£91k**. This was up from 2020 when giving income totalled £83k. No 'giving drives' for particular projects were held in 2021.

Property Income (the letting and renting of church premises) also accounted for a significant proportion of the church's income, at **£30k** (2020: £24k). This comprised £21k for the hall, £5k for the church crypt and £4k from a flat.

- Hall

The PCC continued to seek a socially conscious commercial venture to provide market rental of the hall to fund other aspects of St Peter's mission and secure a solid long-term financial footing. Meanwhile from the second quarter of 2021 onwards, rental income from both regular and ad-hoc bookings of the hall gave a welcome boost to income.

- Crypt

At the start of 2021 the crypt was given over to Parabolic (an immersive theatre company) as storage and for the development of an immersive performance space. An interim rental agreement was entered into for a pilot phase.

- Flat

Flat rental income was for the period January to April 2021, after which the flat was made available as accommodation for the Associate Priest.

Thirdly, **Grant Income** from external bodies, such as the Henry Fawcett Fund (HFF), Heritage Fund Culture Recovery Fund (CRF) and the Church Revitalisation Trust (CRT) provided a total of **£89k**. (2020: £39k). HFF mainly supported some staffing costs (Operations Director) and the Church Weekend Away, CRF covered some heritage repairs and overheads during the COVID 19 recovery period, and CRT helped fund support for the community work done by St Matthew's Bethnal Green, St John's Hoxton and Spear Bethnal Green.

Overall, St Peter's received **£218k*** in 2021, up from £149k in 2020.

(*this also included £6k of income from the Church Weekend Away and other events, and £2k (2020: £1k) from weddings and funerals; in 2020 income also included £2k from insurance claims).

2021 Expenditure

All expenditure aimed to support the mission of St Peter's Bethnal Green to Worship God, Make Friends and Change the World.

Over the course of the year: -

Staff costs were **£34k** (2020: £37k). (There has not been a worship pastor in post since 2019, although this was budgeted for at £9.5k for 2021 but not spent.)

Ministry expenses were **£15k** (2020: £6k), which this year included £10k retreats and events (most of this was spent on the Church Weekend Away).

Gift expenditure amounted to **£77k** (2020: £26k). This comprised a contribution of £24k (2020: £15k) to the Diocesan Common Fund and grants totalling £53k (2020: £9k) from the money received from CRT (see below).

[Common Fund (CF) is the name given to contribution made by each parish in the Diocese to support the costs of clergy, clergy accommodation, clergy in training as well as other Diocesan functions such as safeguarding.]

The CF contribution requested by the Diocese for 2021 was £85.2k (£7.1k per month) but only £24k was paid. The decision to continue to contribute to the CF at a lower rate than hoped was taken after a great deal of thought and prayer by the PCC. It was accepted as necessary to allay fears of running out of cash at key points in the past year.

Property related expenditure totalled **£62k**. (2020: £35k). In addition to the routine expenditure we incur annually, this year we also spent £12k on phase one of re-wiring the electrical mains in the church building and £10k on heritage repairs to the perimeter railings and brickwork and to cast iron floor grilles within the nave. The internal west doors were also refurbished, adding secure glass vision panels, improving safety, accessibility and reducing heat loss (£2k) and we refurbished the Vicarage basement so that it could be used as an office (£2k).

Administration expenditure which includes insurance, office costs, the fee for preparing and examining the accounts, and depreciation amounted to **£16k** (2020: £19k).

Development Expenditure totalled **£1k** in 2021; (2020: £1k) This covered the continued hire of a container as temporary storage space. All development works continued to be on hold.

Overall St Peter's spent **£205k** in 2021, up from £124k in 2020.

As a result, the PCC reported a reduced surplus for 2021 of **£13k** (2020: £25k).

Cash in the bank as at 31 December 2021 was £45k, of which £47k is unrestricted and can be used for any charitable purpose; the cash held by unrestricted funds was in deficit by £2k because cash was spent before the related restricted income was received.

Policy on reserves

The PCC have determined that the charity should aim to hold unrestricted cash of no less than £25k (which equates to about 3 months' of unrestricted expenditure) so that the charity could continue to operate should income and/or expenditure vary adversely. Reserves are continually reviewed by the Finance Working Group and the 2022 budget aims to keep the level of reserves as close to the policy as possible, whilst trying to increase Common Fund contributions and necessarily increasing ministry costs with new staff. At the year end the PCC held unrestricted cash of £47k and the PCC is complying with its reserves policy.

Risk assessment and mitigation

The financial risks which the church faces are considered bi-monthly by the Finance Working Group.

Measures are proposed by the Finance Working Group and implemented by the PCC or staff team to ensure that appropriate financial systems, policies and procedures are in place to manage and mitigate financial risks. As an organisation with a relatively low level of reserves, there is a financial risk which is managed by strong financial systems and controls. As a matter of general policy, independent professional advice is taken where appropriate.

Investment and cash flow policy

As mentioned above, St Peter's has relatively low reserves and hence it rarely has excess funds to invest. Available cash was held in the main bank account in order primarily to control levels of reserves more easily, but also to ensure cash flow remains liquid.

Grant making policy

The PCC carefully evaluates grant applications before any grants are awarded. Until recently the aggregate value of the grants distributed by the PCC was relatively low (because the PCC's reserves were low) but in 2021 and 2020 the PCC was able to distribute grants totalling £61,750 to three charities from the grants that the PCC received from the Church Revitalisation Trust. CRT wanted to help fund the provision of essential services to vulnerable people and, to this end, the PCC decided to award grants to St Matthew's (which runs the Bethnal Green Food Bank), St John's Hoxton (which runs a Debt Advice Centre) and Spear Bethnal Green (which, as mentioned above, offers employment coaching for young people).

Health and Safety and Employment Law Policy

In 2021 the church employed one staff member, and the premises are in regular use by several people including children and vulnerable adults. Employment Law and health and safety measures are adhered to, and assistance in these matters is sought from the Diocese of London and independent professional advisors.

Sustainability policy

St Peter's encourages the adoption of sustainable practice in all areas of church life and work, to contribute to the overall reduction in carbon emissions as a means to contributing to the reduction in carbon emissions in dealing with the growing evidence for manmade climate change. Measures taken include: - recycling, energy audits, encouraging the use of public transport, cycling and walking. Energy costs in 2021 were again reduced by minimising use of heating, power and lighting during lockdown.

2022 Plans

Our financial plan for 2022 assumes a return to regular routines of worship and ministry at St Peter's. The 2022 budget requires the expenditure on activities and ministries of St Peter's to be wholly covered by the cash received. The budget will be reviewed regularly by the Finance Working Group.

2022 Income

Our budget for regular *giving income* is set at £5.5k PCM (2021 actual £4.5k PCM). (An increase in regular giving would enable us to extend our ministry, to address urgent capital repairs and development priorities and to increase our support for the Diocese.)

Ahead of the agreement to lease the Mission Hall to Kido, *Property income* was forecast based on continuing to receive ad hoc rental income through hiring out the hall; while rental income for the crypt is set to increase to £1k PCM during the Parabolic immersive theatre performance season.

The budget for grant income is set to include an ambitious £44k of grants to fund capital repairs. The aim is for the Operations Director to lead this fundraising effort by applying to charitable trusts.

2022 Expenditure

We plan to increase our *away giving* through an increase in our Common Fund (CF) contribution from £2k PCM in 2021 to £2.5k PCM in 2022.

(CF is the name given to contribution made by each parish in the Diocese to support the costs of clergy, clergy accommodation, clergy in training as well as other Diocesan functions such as safeguarding.)

Our CF contribution remains significantly below the level set for each parish by the Diocese (£7.1k PCM). We plan to review our contribution upwards pending the successful completion of lease negotiations on the Mission Hall.

Staffing will remain at the levels established in 2021 (Vicar, Associate Priest, Ordinand, Operations Director and Site Assistant). In addition, two new appointments are planned: - a part-time paid Teams Administrator (from February 2022) to support volunteering and a part-time paid Children's Pastor (from July 2022).

Dependent on the success of capital fundraising, urgent capital repairs will be carried out to the tower stonework, the organ and levelling the garden paths. Other capital works include the completion of

electrical re-wiring begun in 2021. Mindful of increasing running costs we have also budgeted for a 33% increase in utilities costs.

Our 2022 budget requires the expenditure on activities and ministries of St Peter's to be wholly covered by the cash received. It is to be flexed every half-year.

Note: - An assessment by the Diocesan parish property adviser in January 2020 advised that the church building will require between **£750k and £1m spending on the fabric** in the next 10 years (before any re-development of the internal space). This must be held in mind in future financial planning.

The PCC responsibilities in relation to the financial statements

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

Charity law requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources for the financial year. In preparing these financial statements, the PCC are required to:

1. Select suitable accounting policies and apply them consistently;
2. Observe the methods and principles in the charities Statement of Recommended Practice (SORP);
3. Make judgements and estimates that are reasonable and prudent;
4. State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The PCC is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report was approved by the PCC and signed on their behalf by:

Heather Atkinson

The Rev'd Heather Atkinson, Vicar

Date: 26 July 2022

David Bishop

David Bishop, on behalf of the Finance Working Group

Date: 26 July 2022

INDEPENDENT EXAMINER'S REPORT
TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF
PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN
('the Charity')

I report to the members of the PCC (who are also the charity's trustees) on my examination of the accounts of the Charity for the year ended 31 December 2021 on pages 21 to 30 following, which have been prepared on the basis of the accounting policies set out on pages 23 and 24.

Responsibilities and basis of report

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 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.

Independent examiner's statement

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

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

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

Ajay Rajani

Ajay Rajani FCIE
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

26 July 2022

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	90,651	89,518	180,169	121,370
Charitable activities	4	8,233	-	8,233	929
Other trading activities	5	30,011	-	30,011	24,218
Other income		-	-	-	2,366
Total income and endowments		128,895	89,518	218,413	148,883
EXPENDITURE ON:					
Charitable activities	6	111,066	91,248	202,313	117,575
Raising funds	7	2,550	-	2,550	6,120
Total expenditure		113,616	91,248	204,863	123,695
Net income/(expenditure)		15,279	(1,730)	13,549	25,188
Transfers between funds	15	3,734	(3,734)	-	-
Net movement in funds		19,013	(5,464)	13,549	25,188
Reconciliation of funds:					
Total funds brought forward		27,836	978,250	1,006,086	980,898
Total funds carried forward	15	46,850	972,786	1,019,635	1,006,086

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operations.

The notes on page 23 to 30 form part of these accounts.

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
FIXED ASSETS					
Tangible assets	10	721	970,000	970,721	971,214
		<u>721</u>	<u>970,000</u>	<u>970,721</u>	<u>971,214</u>
CURRENT ASSETS					
Debtors	11	4,426	4,438	8,864	5,882
Cash at bank and in hand	12	46,981	(1,652)	45,329	47,152
		51,408	2,786	54,193	53,034
CREDITORS: Amounts falling due within one year	13	(5,279)	-	(5,279)	(18,162)
		<u>46,129</u>	<u>2,786</u>	<u>48,914</u>	<u>34,872</u>
Net current assets / (liabilities)					
		<u>46,129</u>	<u>2,786</u>	<u>48,914</u>	<u>34,872</u>
TOTAL NET ASSETS		<u>46,850</u>	<u>972,786</u>	<u>1,019,635</u>	<u>1,006,086</u>
FUND BALANCES	15				
Unrestricted Funds		46,850	-	46,850	27,836
Restricted Funds		-	972,786	972,786	978,250
		<u>46,850</u>	<u>972,786</u>	<u>1,019,635</u>	<u>1,006,086</u>

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

Heather Atkinson

Rev Heather Atkinson

Date 26 July 2022

Charity number: 1154668

The notes on page 23 to 30 form part of these accounts.

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Statutory Information

The Parochial Church Council of St Peter with St Thomas, Bethnal Green is a charity registered with the Charity Commission in England & Wales. The charity's registered number and principal address can be found on the Charity Information page.

2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historical cost convention. The financial statements include all activities for which the PCC is legally responsible; the activities of informal gatherings of church members and groups that owe their main affiliation to another body and are excluded.

These financial statements have been prepared in accordance with The Church Accounting Regulations 2006, the 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' ('the Charities SORP'), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The Charities (Accounts and Reports) Regulations 2008 (the '2008 Regulations') requires charities to prepare their accounts in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005' but this accounting standard has since been withdrawn and has been replaced by the Charities SORP mentioned in the preceding paragraph. The charity has prepared these financial statements in accordance with the new Charities SORP; this departure from the 2008 Regulations is believed to be necessary for these financial statements to give a 'true and fair view'.

The principles adopted in the preparation of the financial statements are set out below.

a) Going concern

The PCC have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The PCC have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the PCC have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The PCC have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b) Income

Income (which includes planned giving, collections and other donations) is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part income is generally recognised when it is received by, or on behalf of, the PCC. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes recoverable gift aid, which is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.

The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from weddings and funerals and from church events and courses.

Income from other trading activities represents income receivable from activities undertaken to generate funds for the charity and comprises income receivable from letting property.

c) Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Contributions in respect of the diocesan parish quota are included in the Statement of Financial Activities for all amounts agreed to being payable for the financial year. Any contributions that have not been paid over by the year end are included as a creditor.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

Governance costs, which are included in expenditure on charitable activities but are identified separately in the notes to the accounts, includes costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

d) Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the PCC in furtherance of the general objectives of the charity. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

e) Tangible fixed assets

Consecrated and beneficed property is not included in these financial statements by virtue of s.10(2) of the Charities Act 2011. All expenditure on consecrated or beneficed buildings is written off in the year in which it is incurred.

Movable church furnishings held by the incumbent and Churchwardens on special trust for the PCC and which require a faculty for disposal are capitalised in accordance with the policy set out below. These items are regarded as inalienable property and are listed in the church's inventory which can be inspected at any reasonable time. Inalienable property acquired prior to 2010 has not been capitalised as there is insufficient cost information available.

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £500 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Freehold land	Is not depreciated (because it is not consumed by use)
Freehold buildings	Over 50 years after taking account of the building's residual value
Equipment	Over 3 to 7 years

The trustees used an insurance valuation to help estimate the market value of the charity's freehold property on 1 January 2014 (being the date of transition to FRS102) and, as permitted by FRS102, its estimated market value on that date has been treated as being the property's deemed cost. The members of the PCC consider the residual value of the freehold building to be very high and believe that any provision for depreciation would not be material; consequently no depreciation has been charged in these accounts.

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable.

f) Leased assets

Leases which do not transfer substantially all the risks and rewards of ownership to the charity are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term (unless another systematic basis is more representative of use).

g) Pension scheme arrangements

The charity operates defined contribution pension schemes for its employees. Obligations for contributions to these schemes are recognised as an expense when the liability arises. The assets of these schemes are held separately from those of the charity in independently administered funds.

h) Taxation

The charity has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

i) Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Except for loans, basic financial instruments (which includes cash, debtors and creditors) are measured initially at transaction value and subsequently measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive). The charity recognises liabilities for loans at amortised cost using the effective interest method (i.e. it excludes any interest that may be charged on the loans in future years).

j) Exemption from preparing a cashflow statement

The charity has taken advantage of an exemption conferred by the Charities SORP and has not prepared a cash flow statement.

k) Critical accounting estimates and areas of judgement

The members of the PCC do not consider that there are any material sources of estimation or uncertainty at the balance sheet date that could result in a material adjustment to the carrying values of assets and liabilities in the next reporting period.

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	2021	2020
	£	£
Regular giving	54,303	63,477
Ad hoc giving	23,644	5,351
Church collections	692	893
Income tax recoverable	12,613	12,817
Grants	88,918	38,832
	<u>180,169</u>	<u>121,370</u>

4 Income from charitable activities

	2021	2020
	£	£
Fees for weddings, funerals etc	1,766	929
Retreats and events	6,467	-
	<u>8,233</u>	<u>929</u>

5 Income from other trading activities

	2021	2020
	£	£
Church hall lettings	20,762	1,132
Crypt lettings	5,225	16,902
Rents received	4,024	6,184
	<u>30,011</u>	<u>24,218</u>

6 Charitable expenditure

	2021	2020
	£	£
a Costs incurred directly on specific activities		
Ministry expenses		
Diocesan parish quota - common fund	24,000	15,300
Diocesan service fees	1,157	-
Staff costs	33,667	37,216
Ministry expenses	3,492	6,040
Retreats and events	10,238	-
Church running costs		
Property expenses including minor repairs	38,877	28,602
Major repairs including railings and electrical re-wiring	20,690	-
Insurance	7,713	7,954
Office expenses	5,755	7,971
Depreciation	493	620
Governance costs		
Independent examiner's fee for preparing and examining the accounts	2,370	2,400
Major project expenditure		
Site development	686	686
	<u>149,140</u>	<u>106,790</u>
Grants payable (note 6b)	53,174	10,786
	<u>202,313</u>	<u>117,576</u>

The fee payable to the independent examiner for preparing and examining the accounts was £2,370 (2020: £2,400).

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6b Grants payable

	Institutions £	Individuals £	2021 £
Grants for the relief of poverty	52,972	202	53,174
	<u>52,972</u>	<u>202</u>	<u>53,174</u>

	Institutions £	Individuals £	2020 £
Grants for the relief of poverty	9,070	1,716	10,786
	<u>9,070</u>	<u>1,716</u>	<u>10,786</u>

The charity's principal grants to institutions comprised:

	2021 £	2020 £
St John's Hoxton	3,835	8,515
St Mathew's Bethnal Green	24,992	263
Bethnal Green Spear Trust	24,145	-
Grants to institutions for less than £1,000 each	-	292
	<u>52,972</u>	<u>9,070</u>

7 Cost of raising funds

	2021 £	2020 £
Rents payable	2,550	6,120
	<u>2,550</u>	<u>6,120</u>

8 Analysis of staff costs, the cost of key management personnel and trustee remuneration

	2021 £	2020 £
Gross wages and salaries	32,352	35,642
Social security	-	305
Pension costs	1,314	1,269
	<u>33,666</u>	<u>37,216</u>

The average monthly number of employees during the year was 1 (2020: 1.7). This equated to 1 (2020: 1.3) full time equivalent staff. Most of the charity's activities are carried out by volunteers. No staff received salaries at a rate of more than £60,000 per annum.

Rev Heather Atkinson (who is a clergy member of the PCC) receives a stipend from the Diocese and so she is not an employee; some of the Parish Quota paid to the Diocese is used to help meet the cost of this stipend. Rev Atkinson is provided with accommodation (which is customary for clergy); no payments (2020 £324) were made during the year in respect of that part of the Vicarage used by Rev Atkinson.

No member of the PCC received employment benefits in either the current or preceding year.

9 Acting as agent

The PCC collects rent for the London Diocesan Fund, which it then pays over. As the charity is acting as agent, the rent and the onward payments are excluded from the Statement of Financial Activities. During the year this rent and the onward payments amounted to £3,373 (2020: £16,836) and £3,373 (2020: £16,950) respectively. No amounts were owed to the London Diocesan Fund at the year-end (2020: £nil).

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Tangible fixed assets

	Freehold Property £	Worship and Office Equipment £	Total 2021 £
Cost			
At 1 January 2021	970,000	4,382	974,382
Additions	-	-	-
At 31 December 2021	<u>970,000</u>	<u>4,382</u>	<u>974,382</u>
Accumulated depreciation			
At 1 January 2021	-	3,168	3,168
Charge for the year	-	493	493
At 31 December 2021	<u>-</u>	<u>3,661</u>	<u>3,661</u>
Net book value			
At 31 December 2021	<u>970,000</u>	<u>721</u>	<u>970,721</u>
At 31 December 2020	<u>970,000</u>	<u>1,214</u>	<u>971,214</u>

Freehold property comprises the church hall at Warner Place.

11 Debtors

	2021 £	2020 £
Income tax recoverable	2,548	2,067
Prepayments and accrued income	-	3,815
Lettings and event income receivable	1,878	-
Grants receivable	4,438	-
	<u>8,864</u>	<u>5,882</u>

12 Cash at Bank and in Hand

	2021 £	2020 £
Cash at bank with immediate access	45,299	47,122
Petty cash	30	30
	<u>45,329</u>	<u>47,152</u>

13 Creditors: liabilities falling due within one year

	2021 £	2020 £
Other creditors	2,355	1,545
Accrued expenses	2,924	3,544
Parish quota	-	1,700
Grant obligations	-	8,778
Deferred income	-	2,595
	<u>5,279</u>	<u>18,162</u>

Deferred income relates to income received in advance for a church retreat that took place in October 2021.

14 Pension commitments

During the year employer's pension contributions totalling £1,314 (2020: £1,269) were payable to defined contribution personal pension schemes. No pension contributions were owing at the balance sheet date (2020: £nil).

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Restricted funds

During the year the movements in the charity's funds were as follows:

	Opening balance 2021 £	Incoming resources 2021 £	Outgoing resources 2021 £	Transfers in the year 2021 £	Closing balance 2021 £
Church Hall fund	970,000	-	-	-	970,000
Organ fund	1,629	-	-	-	1,629
Access fund	3,304	2,078	(1,648)	(3,734)	-
Staff fund	-	5,000	(5,000)	-	-
Love Your Neighbour fund	462	55,760	(56,222)	-	-
Retreat fund	1,944	1,820	(3,764)	-	-
Hardship fund	-	405	(405)	-	-
Culture Recovery fund	-	23,600	(23,600)	-	-
Other small funds	911	855	(609)	-	1,157
	<u>978,250</u>	<u>89,518</u>	<u>(91,248)</u>	<u>(3,734)</u>	<u>972,786</u>

During the year it came to light that the restricted income received by the Access fund had been spent fully by the year-end and the balance on the fund was reduced to nil by making a transfer was from the Access fund to unrestricted funds.

Analysis of net assets by fund

The assets and liabilities of the various funds were as follows:

	Unrestricted funds £	Restricted funds £	2021 £
Tangible fixed assets	721	970,000	970,721
Debtors	4,426	4,438	8,864
Cash at bank and in hand	46,981	(1,652)	45,329
Creditors falling due within one year	(5,279)	-	(5,279)
	<u>46,850</u>	<u>972,786</u>	<u>1,019,635</u>

In the previous year the movements in the charity's funds were as follows:

	Opening balance 2020 £	Incoming resources 2020 £	Outgoing resources 2020 £	Transfers in the year 2020 £	Closing balance 2020 £
Church Hall fund	970,000	-	-	-	970,000
Organ fund	1,629	-	-	-	1,629
Access fund	3,734	-	(430)	-	3,304
Staff fund	-	5,000	(5,000)	-	-
Spear fund	-	7,616	(7,616)	-	-
Love Your Neighbour fund	-	9,240	(8,778)	-	462
Retreat fund	-	1,944	-	-	1,944
Hardship fund	-	1,413	(1,413)	-	-
Other small funds	583	1,844	(826)	(690)	911
	<u>975,946</u>	<u>27,057</u>	<u>(24,063)</u>	<u>(690)</u>	<u>978,250</u>

Analysis of net assets by fund

In the previous year, the assets and liabilities of the various funds were as follows:

	Unrestricted funds £	Restricted funds £	2020 £
Tangible fixed assets	1,214	970,000	971,214
Debtors	2,067	3,815	5,882
Cash at bank and in hand	31,344	15,808	47,152
Creditors falling due within one year	(6,789)	(11,373)	(18,162)
	<u>27,836</u>	<u>978,250</u>	<u>1,006,086</u>

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Restricted funds continued

The **Church Hall** fund is in respect of the church hall at Warner Place. The custodian trustee is the London Diocesan Fund and the PCC cannot sell the property without the consent of the London Diocesan Fund.

The **Organ** fund was created from grants and donations received for the church organ.

The **Access** fund was created, principally, from grants and donations received to improve disabled access to the church site.

The **Staff** fund was created from grants and donations received to help meet the cost of employing staff.

The **Spear** fund was created from grants and donations received to help fund the work of Bethnal Green Spear Trust.

The **Love Your Neighbour** fund was created from a grant received from the Church Revitalisation Trust to help provide essential services to vulnerable people. 95% of the amount received has been distributed as grants to organisations that provide these essential services. These organisations are St Matthews (which runs the Bethnal Green Food Bank), St John's Hoxton (which runs a Debt Advice Centre) and Spear Bethnal Green (which offers employment coaching for young people).

The **Retreat** fund was created from grants and donations received to help meet the cost of a church retreat.

The **Hardship** fund was created from grants received to help individuals experiencing financial hardship.

The **Culture Recovery** fund was created from a grant received from the Heritage fund to help the PCC during the pandemic and specifically to help the PCC pay some operating expenses and undertake repairs to church property.

The **Other** fund was created by a number of small grants and donations given for a variety of different projects.

16 Transactions with related parties

During the year the PCC received grants totalling £7,280 (2020: £15,973) from the Henry Fawcett Fund, a registered charity established for the relief of poverty in the parish. The vicar and the PCC's two church wardens serve as trustees of the Henry Fawcett Fund and the Henry Fawcett Fund is regarded as being a related party.

During the year the charity received donations totalling £13,210 (2020: £14,655) from related parties (which includes members of the PCC, any other members of key management and anyone closely connected to them).

Except for the reimbursement of expenses incurred when acting as agent for the charity, or incurred when undertaking duties associated with serving as clergy, no expenses were paid to (or for) members of the PCC.

17 Common fund contribution

In some previous years the PCC has been unable to pay in full the common fund contribution it had offered to the Diocese. The shortfall, which for accounting purposes is not a liability, amounts to £65,000. If the PCC's finances improve, then there may come a time when the PCC would consider making additional payments to the Diocese to make good some, or all, of the shortfall.

PAROCHIAL CHURCH COUNCIL OF ST PETER WITH ST THOMAS BETHNAL GREEN
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
INCOME AND ENDOWMENTS FROM:							
Donations and legacies	3	90,651	89,518	180,169	94,313	27,057	121,370
Charitable activities	4	8,233	-	8,233	929	-	929
Other trading activities	5	30,011	-	30,011	24,218	-	24,218
Other income		-	-	-	2,366	-	2,366
Total income and endowments		128,895	89,518	218,413	121,826	27,057	148,884
EXPENDITURE ON:							
Charitable activities:	6	111,066	91,248	202,313	93,512	24,063	117,575
Raising funds	7	2,550	-	2,550	6,120	-	6,120
Total Expenditure		113,616	91,248	204,863	99,632	24,063	123,695
Net income/(expenditure)		15,279	(1,730)	13,549	22,194	2,994	25,188
Transfers between funds	15	3,734	(3,734)	-	690	(690)	-
Net movement in funds		19,013	(5,464)	13,549	22,884	2,304	25,188
Reconciliation of funds:							
Total funds brought forward		27,836	978,250	1,006,086	4,952	975,946	980,898
Total funds carried forward	15	46,850	972,786	1,019,635	27,836	978,250	1,006,086