

THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH OF
ST JOHN THE BAPTIST HAMPTON
WICK

Report and Accounts

for the year ending 31 December 2022

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

CHARITY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2022

Members of the Parochial Church Council	The Revd. Jerry Field	(incumbent)
	Mr Bisi. Alonge	
	Mr. Daniel Bates	
	Mr. Robin Bell	
	Mrs. Ruth Blizzard	
	Mr. Steven Bryan	
	Mrs. Susan Catcheside	
	The Revd. Anna Evans	
	Ms. Rebecca Isacc	
	Mr. Henrik Lannero	Appointed 27th Jan 2022
	Mr. James Norman	
	Mrs. Caroline Oldham	Resigned 20 March 2022
	Mrs. Rachel Pim	
	Mrs. Andrea Sisodia	
	Mr. Shakti Sisodia	
	Ms. Susan Tucker	Appointed 19th May 2022
	Mr. Garth Watkins	

Other members of key management	The Revd. Jerry Field
	The Revd. Anna Evans

Charity Registration Number	1180021
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Principal Address	St John's Church, Church Grove Hampton Wick, KT1 4AL
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Independent Examiner	Ajay Rajani FCIE
	Stewardship
	1 Lamb's Passage
	London
	EC1Y 8AB

Bankers	HSBC Bank plc
	Kingston Branch
	54 Clarence Street
	Kingston Upon Thames
	Surrey
	KT1 1NP

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

REPORT OF THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31ST DECEMBER 2022

The members of the Parochial Church Council (PCC) have pleasure in submitting the Report and Accounts for the year.

Introduction

The charity was registered with the Charity Commission on 21 September 2018 and operates under the Charities Act 2011. The governing documents for the charity are the Parochial Church Councils (Powers) Measure 1956 (as amended) and the Church Representation Rules.

Objects of the charity

The charity is responsible for co-operating with the incumbent, in promoting in the ecclesiastical parish, the whole mission of the Church be it pastoral, evangelistic, social or ecumenical. The PCC is also responsible for maintaining certain church property situated within the parish, namely the church building at Church Grove, Hampton Wick.

Review of Activities

Our vision is to Love Jesus, Build Community and Transform Lives.

There are currently 244 adults on our electoral roll. 305 adults, 85 children and youth are involved in regular Sunday worship.

A variety of family life, employment and Christian basics courses are regularly run throughout the year with attendance from both church members and also the wider community. There are thriving Children, Youth and Student Ministries.

Due to the cost of living crisis, the Hardship Fund that was formed to help those in need during the pandemic, continues to grow and is used to help both congregation and community who experience need.

Over the course of the year, St John's maintained its connection with other local organisations, including Hampton Deanery, Kingston Churches Together, Churches Together in Teddington, Kingston and St Mary's Universities, Twickenham Sea Cadets, The Hampton Wick Association, HM Prison Service (Feltham Young Offenders), St John the Baptist Junior School and Hampton Wick Infant and Nursery School. In addition St John's are now regularly part of helping with the pastoral care of those in Teddington School.

Many of the PCC's activities are undertaken by volunteers and the PCC could not operate effectively without their efforts. In particular volunteers help to support Children, Youth, Men's and Women's ministries, run courses (including the Alpha Course, Marriage Course, Pre-Marriage Course), lead Worship and help with Church administration.

In planning the activities, the Trustees have had regard to the guidance on public benefit issued by the Charity Commission.

Quinquennial Inspection and Report

A Quinquennial Inspection was held in April 2022 and the following is a list of immediate works needing completion:

Ref 1 Items (Urgent)

- Clear out gullies - Main roof gullies were cleared when storm damage was repaired in March 2022
- Clear debris from south vestry roof - To be done

Ref 2 items (Requires attention within 12 months)

- Decorate west doors - In process
- Repair notice boards - Completed in June 2022
- Re-bed ramp stones - Completed in September 2022
- Structural opinion southeast pinnacle/flue - Still to be arranged along with all other structural defects
- Monitor wall cracking Southwest stair - We believe the cracking is superficial and in the newer plaster work undertaken in 2011
- Ensure gullies and gutter are kept clear - Ongoing
- South vestry roof and lantern - This is long-standing repair work which has been delayed subject to planned extension to the vestry area.
- Bell turret - structural inspection

The most significant work identified in the report is the repair of the roofs over the two office spaces. This cannot be quoted until a decision is made as to what we want to do with these spaces and how they are to be developed. The work then becomes subject to DAC controls and a contract with a suitable building company. As part of the scope of this will be the structural elements identified in the report and they will be included in the contract.

All the urgent and essential items in the report have been or will be done within the 12 months suggested, other than the roof works.

Financial Review

In 2022 St John's reported a deficit of £25,000 (2021: a surplus of £58,500).

Overall, income decreased by £25,000 to £682,000. This was largely due to a reduction in income from donations from church members (which fell by £54,000); this was offset by an increase in grant income (which increased by £23,000) and an increase in income from church activities and letting income (overall this increased by £6,000).

Expenditure increased by £58,000 to £707,000; this increase was mainly due to:

- an increase of £36,500 in the cost of accommodation for clergy in respect of the curates that started with us part way through 2021 and at the beginning of 2022.
- increases in ministry costs, the cost of events and courses (such as Focus and Alpha) and church running costs; overall these increased by £40,000. This followed the easing of pandemic restrictions which made it possible to increase many of our in-person activities; the increase also reflects some cost inflation.
- these increases were offset by a reduction of £17,500 in the Common fund contribution and a net reduction of £1,000 in other costs.

Net assets decreased by this year's deficit, which was £25,000, to £324,000. This is represented by cash of £295,000 (of which £229,000 is unrestricted), other net current assets of £14,000 and fixed assets of £15,000.

The medium-term aim is to try to accumulate reserves with the aim of using these to develop and upgrade the existing church buildings to accommodate the requirement for additional space to support our ministry.

Future Plans

Our future plans continue to be:

- in the short and long-term to promote our vision which is to Love Jesus, Build Community and Transform Lives;
- we plan to do this through continuing to run Christian basics courses; encouraging, equipping and resourcing church leadership and the congregation to help run Christian basics and other courses in the local area; development of church facilities to provide a space for running courses, training and for the benefit of the local community. Regarding worship within the community, it will continue with three services on a Sunday, weekly prayer meetings, a monthly midweek Holy Communion Service, regular meetings of men's and women's groups, and an annual week away; and
- we plan to upgrade the church buildings and facilities to provide additional space for ministry, including for youth, pastoral meetings, office staff and small groups. The restricted funds we had previously built up to potentially acquire a property adjacent to St John's will (with the permission of donors) now be used to help fund this building project.

Reserves Policy

To ensure that the PCC always has sufficient working capital to meet its obligations to employees and creditors, the members of the PCC established a policy whereby the unrestricted cash held by the PCC should cover three months of planned expenditure after taking into account regular giving. For 2022, to comply with this policy, the members of the PCC determined that the charity should hold unrestricted cash of no less than £30,000. The PCC ended 2022 with unrestricted cash of £229,000 and the PCC plans to use much of the excess to help fund the upgrade of St John's church building.

Risk Statement

The members of the PCC have reviewed the risks to which The Parochial Church Council of the Ecclesiastical Parish of St John the Baptist Hampton Wick is exposed. Appropriate procedures are in place to identify, monitor and review these risks on a regular basis. The schedule of major risks and mitigation identified by the members of the PCC are as follows.

No	Potential Risk	Mitigation
1	Reputational damage due to the behaviour of senior leadership or staff members.	The Parochial Church Council of the Ecclesiastical Parish of St John the Baptist Hampton Wick has clearly defined values and behaviors which are regularly communicated and oversight structures are in place for staff and senior leadership.

2	Harm comes to those in our care due to lack of appropriate and compliant child and adults at risk safeguarding procedures.	The Church Council has adopted and co-operates with the Diocese in its Safeguarding Policy and safer recruitment process. DBS checks are made before any member of staff or volunteer is engaged to work with children or adults at risk.
3	A shortfall in income and/or inadequate cashflow results in an inability to meet salary and creditor payments.	Strong budgetary and financial controls are in place with regular financial reports and forecasts discussed at Parochial Church Council meetings. Reserves are also maintained at a level based on the net of three months 2023 budgeted expenditure and income.
4	Harm comes to visitors or staff due to lack of appropriate and compliant Health and Safety procedures.	The Parochial Church Council of the Ecclesiastical Parish of St John the Baptist Hampton Wick has robust Health and Safety processes, training and monitoring to ensure visitors and staff are kept safe.

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

Structure, governance and management.

The appointment of PCC members is governed by, and set out in, the Church Representation Rules. The PCC comprises all the clergy licensed to St Johns Hampton Wick, the two Churchwardens (elected annually at the annual Meeting of Parishioners) and up to twelve lay members elected at the Parochial Church Meeting (APCM). This also includes up to six lay members of the local Deanery Synod.

Responsibility for setting policy and for determining the parameters within which the PCC should operate rests with the members of the PCC, who meet regularly to review and plan activities. The members of the PCC have delegated responsibility for the day to day operation of the PCC to a leadership team led by the incumbent. The members of the PCC receive training and advice from the local Diocese.

The PCC meets approximately six times a year and holds a retreat or vision meeting once a year. Additionally the Vicar, Associate Vicar and the two Churchwardens form the Executive Committee which meets twice a month. This Committee is empowered by the PCC to make decisions as may be required between PCC meetings and any key decisions made at this Committee and requiring approval by the full PCC are communicated to the PCC members for their approval via email.

Clergy and lay employed staff are responsible for the various ministries and for the finance and administration of the church; and make regular reports to the PCC.

PCC members are kept informed on matters affecting the parish, including health and safety, relevant legislation and safeguarding. One of the PCC's employees is appointed as Church Safeguarding Officer and advises the members of the PCC on all matters relating to safeguarding. A Health and Safety Policy is in place and is kept under review. The PCC has adopted and co-operates with the Diocese of London in its Safeguarding Policy and safer recruitment process, including DBS checks made before any member of staff or volunteer is engaged to work with children or adults at risk.

The PCC co-operates with the Diocese of London at all levels in the pursuit of its charitable objectives.

Remuneration Policy and Principles

Our aim is to reward staff, irrespective of seniority, competitively with our peer organisations, informed by the following principles:

- Fair: We will not discriminate rewards for reasons of race, colour, faith, gender, sexual orientation, age, disability or any other legally protected characteristic
- Competitive: Levels and types of reward will be determined by the size and scope of the role, and informed by comparisons with peer organisations in the church and charitable sectors
- Differentiated: We will differentiate reward decisions on the basis of performance; a combination of what is achieved and the way in which it is done
- Compliant: Our pay processes will account for the correct treatment of tax and national insurance, and reflect national guidance on minimum levels of earnings
- Affordable: All reward decisions will be influenced by the extent to which we can afford them; this will include criteria such as income, expenditure and cash flow
- Total Reward: Our rewards will balance pay, employee benefits, training, development, operating environment and staff wellbeing

All of our directly employed permanent staff are paid at least £11.95 per hour which is the current London Living Wage.

Statement of Responsibilities of the Members of the Parochial Church Council

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 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 accounts
5. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business

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 members of the PCC and signed on their behalf by:

Jerry Field

The Reverend Jerry Field

Date: 18 May 2023

INDEPENDENT EXAMINER'S REPORT
TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK
('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 2022 on pages 9 to 20 following, which have been prepared on the basis of the accounting policies set out on pages 12 to 14.

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

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.

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
Fellow of the Association of Charity Independent Examiners
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

9 June 2023

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME FROM:					
Donations	3	577,646	58,359	636,005	667,692
Charitable activities	4	17,007	-	17,007	6,908
Other trading activities	5	28,725	-	28,725	32,519
Investments		782	-	782	653
Total income and endowments		624,159	58,359	682,518	707,772
EXPENDITURE ON:					
Charitable activities	6	656,363	50,951	707,313	649,235
Total expenditure		656,363	50,951	707,313	649,235
Net income/(expenditure)		(32,202)	7,408	(24,796)	58,537
Transfers between funds	13	-	-	-	-
Net movement in funds		(32,202)	7,408	(24,796)	58,537
Reconciliation of funds:					
Total funds brought forward		290,486	58,223	348,709	290,172
Total funds carried forward	13	258,283	65,631	323,914	348,709

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

All income and expenditure derive from continuing operations.

The notes on page 12 to 20 form part of these accounts.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
FIXED ASSETS					
Tangible assets	8	15,247	-	15,247	32,614
		<u>15,247</u>	<u>-</u>	<u>15,247</u>	<u>32,614</u>
CURRENT ASSETS					
Debtors	9	29,344	-	29,344	31,916
Cash at bank and in hand	10	229,242	65,631	294,873	296,661
		<u>258,586</u>	<u>65,631</u>	<u>324,217</u>	<u>328,577</u>
CREDITORS: Amounts falling due within one year	11	(15,551)	-	(15,551)	(12,482)
		<u>(15,551)</u>	<u>-</u>	<u>(15,551)</u>	<u>(12,482)</u>
Net current assets / (liabilities)		<u>243,036</u>	<u>65,631</u>	<u>308,667</u>	<u>316,095</u>
TOTAL NET ASSETS		<u>258,283</u>	<u>65,631</u>	<u>323,914</u>	<u>348,709</u>
FUND BALANCES	13				
Unrestricted general funds		258,283	-	258,283	290,486
Restricted funds		<u>-</u>	<u>65,631</u>	<u>65,631</u>	<u>58,223</u>
		<u>258,283</u>	<u>65,631</u>	<u>323,914</u>	<u>348,709</u>

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

Jerry Field

The Revd. Jerry Field

Date 18 May 2023

Charity number: 1180021

The notes on page 12 to 20 form part of these accounts.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

FOR THE YEAR ENDED 31 DECEMBER 2022

CASH FLOW STATEMENT

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	a	<u>1,762</u>	<u>77,602</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		782	653
Proceeds from the sale of property, plant and equipment		-	1,219
Purchase of property, plant and equipment		(4,333)	(8,934)
Net cash provided by/(used in) investing activities		<u>(3,551)</u>	<u>(7,061)</u>
Change in cash and equivalents in the reporting period		<u>(1,788)</u>	<u>70,541</u>
Cash and equivalents at the beginning of the year	b	<u>296,661</u>	<u>226,120</u>
Cash and cash equivalents at the end of the year	b	<u>294,873</u>	<u>296,661</u>

Note a: Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(24,796)	58,537
Adjustments for:		
Depreciation charges and provisions for impairment	21,700	26,254
Gain on disposal of fixed assets	-	(845)
Interest from investments	(782)	(653)
(Increase)/decrease in debtors	2,572	(7,827)
Increase/(decrease) in creditors	3,068	2,137
Net cash provided by (used in) operating activities	<u>1,762</u>	<u>77,602</u>

Note b: Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank with immediate access	108,978	123,682
Notice deposits (with a term of three months or less)	185,474	172,693
Petty cash	420	286
Total cash and cash equivalents	<u>294,873</u>	<u>296,661</u>

An analysis of changes in net debt has not been presented because the PCC does not have any borrowings.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Statutory Information

The Parochial Church Council of The Ecclesiastical Parish of St John the Baptist Hampton Wick (the PCC) was registered as a charity with the Charity Commission in England & Wales on 21 September 2018. 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 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) Use of merger accounting

The PCC was registered as a charity on 21 September 2018 and its first financial statements were in respect of the period commencing on that date and ending on 31 December 2019. The PCC was dormant during the period from 21 September 2018 to 31 December 2018 and had no assets or liabilities on 31 December 2018. On 1 January 2019 The Mission Community of St John's Kingston Bridge (charity number 1148264) ("SJKB") transferred its assets, liabilities and activities to the PCC. As permitted by the Charities SORP, this transfer has been accounted for as a merger because it qualifies as a charity reconstruction (whereby the charity has simply changed its legal form). In accordance with the requirements of merger accounting, the assets and liabilities of SJKB were transferred at book value, not fair value, to the PCC.

b) 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.

c) 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.

The charity has relied significantly upon volunteers in carrying out its activities during the year. In particular volunteers help to support Children, Youth, Men's and Women's ministries, run courses (including Alpha Course, Parenting Course, Marriage Course, Marriage Preparation Course), lead Worship and help with the Church administration. 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 church conferences, events and courses.

Income from other trading activities represents income receivable from activities undertaken to generate funds for the charity. It includes income from the letting of property held primarily for use in charitable activities.

The charity has taken the view that it has only one charitable activity, namely the advancement of the Christian faith, and all income from donations, legacies and charitable activities is in respect of this one activity.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

d) 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 share 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.

The Charities SORP requires charities with income over £500,000 to allocate costs to the various activities undertaken by the charity. The nature of the work of the church is considered to be so integrated that the core charitable activity costs are considered to be for the one activity.

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.

e) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the PCC in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the PCC for particular purposes. 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.

f) 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 2000 has not been capitalised as there is insufficient cost information available.

The PCC has been granted exclusive use of Bank House Storage (known as 'The Warehouse') for church and mission purposes, by the leaseholder, the London Diocesan Fund (LDF). The LDF took this 21-year lease from the landlord (HSBC Bank) with this sole purpose in mind. It is anticipated that the PCC will eventually take over this lease however, at 31 December 2022, this lease remained with the LDF. Though the PCC expects to have continued use of the Warehouse, it does not have any legal interest in the property and therefore the amounts spent on refurbishing the property have not been capitalised in these financial statements.

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 £1,000 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:

Equipment	3 years
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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.

g) 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).

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

h) Pension scheme arrangements

The PCC contributes to the Church Workers Pension Fund, which is a multi-employer defined benefits pension 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. Consequently the Scheme is accounted for as a defined contribution scheme and contributions to the Scheme are charged to the Statement of Financial Activities as they become payable. Further information about the Scheme is given in note 12 'Pension Commitments'.

i) 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.

j) 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.

3 Donations and legacies

	2022	2021
	£	£
Donations of cash and similar	591,037	645,800
Job Retention Scheme grants from government	-	2,876
Other grants receivable	44,968	19,016
	<u>636,005</u>	<u>667,692</u>

4 Income from charitable activities

	2022	2021
	£	£
Church conferences, events and courses	17,007	6,908
	<u>17,007</u>	<u>6,908</u>

5 Other trading income

	2022	2021
	£	£
Letting of church warehouse	28,725	32,519
	<u>28,725</u>	<u>32,519</u>

6 Charitable expenditure

	2022	2021
	£	£
a Costs incurred directly on activities		
Staff costs	229,610	225,381
Common fund and stipend costs	150,985	168,610
Accommodation for clergy and other clergy expenses	87,909	51,451
Ministry expenses	54,630	42,878
Annual conferences and events (such as Focus)	24,348	12,970
Courses (such as Alpha)	10,748	2,978
Church running expenses	37,194	27,812
Warehouse rental and running costs	34,193	29,084
	<u>629,617</u>	<u>561,163</u>
Grants payable (note 6c)	42,111	43,773
	<u>671,728</u>	<u>604,936</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

b Costs incurred on support & administration

Governance costs		
Independent examiner's fee	2,640	2,520
Other	-	600
	<u>2,640</u>	<u>3,120</u>
Church administration	3,138	2,599
Legal & professional Fees	8,108	12,326
Depreciation	21,700	26,254
	<u>35,585</u>	<u>44,299</u>
Total expenditure	<u>707,313</u>	<u>649,235</u>

The fee payable to the independent examiner for examining the accounts was £2,640 (2021: £2,520); in addition the charity paid £1,119 (2021: £1,263) to Stewardship for payroll bureau services.

c Grants payable

	Institutions	Individuals	2022
	£	£	£
Grants for UK and overseas mission	17,526	-	17,526
Grants for the relief of poverty and hardship	15,120	3,465	18,585
Grants for UK based churches	6,000	-	6,000
Grant giving in year (see below)	<u>38,646</u>	<u>3,465</u>	<u>42,111</u>

The comparatives for the previous year are as follows:

	Institutions	Individuals	2021
	£	£	£
Grants for UK and overseas mission	14,140	-	14,140
Grants for the relief of poverty and hardship	12,700	3,373	16,073
Grants for UK based churches	13,560	-	13,560
Grant giving in period (see below)	<u>40,400</u>	<u>3,373</u>	<u>43,773</u>

The charity's principal grants to institutions comprised:

	2022	2021
	£	£
UK and Overseas Mission		
International Justice Mission	3,460	1,375
Room for Work	3,600	3,600
Justice and Care	2,250	1,500
Fusion	1,400	1,200
Justice Defenders	-	1,500
Barnabus Trust	1,500	1,375
RBK Schools Christian Worker Trust	-	1,000
The East to West Trust	1,000	1,000
Gift of Blessing Trust	1,200	-
Alpha International (for Ukraine)	1,021	-
Insight Schools Work	1,000	-
Other Institutions	1,096	1,590
Relief of poverty and hardship		
Hope Health Action	9,200	7,700
Tearfund	5,920	5,000
Support for UK based Churches		
All Saints, Hampton	2,000	8,560
Activate Church, Teddington	4,000	3,000
St Richards, Ham	-	2,000
	<u>38,646</u>	<u>40,400</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022	2021
	£	£
Gross wages and salaries	202,959	200,608
Social security	12,406	12,268
Pension costs	8,401	8,415
Other employment costs	5,845	4,090
	<u>229,610</u>	<u>225,381</u>

Most of the charity's activities are carried out by volunteers. The average monthly number of employees and the related full time equivalent is given below:

	2022	2021
Average monthly number of employees	13	12.9
Full time equivalent	8	8.2

No staff received salaries at a rate of more than £60,000 per annum.

Revd. Jerry Field and Revd. Anna Evans (who are clergy members of the PCC) receive a stipend from the Diocese and so they are not employees; some of the Parish Share paid to the Diocese is used to help meet the cost of these stipends. Revd. Anna Evans was provided with accommodation (which is customary for clergy) so that she could better perform her duties and the cost of this accommodation to the PCC was £33,244 (2021: £30,416).

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

8 Tangible fixed assets

	Fixtures, fittings and equipment £	Total 2022 £
Cost		
At 1 January 2022	183,268	183,268
Additions	4,333	4,333
At 31 December 2022	<u>187,601</u>	<u>187,601</u>
Accumulated depreciation		
At 1 January 2022	150,654	150,654
Charge for the year	21,700	21,700
At 31 December 2022	<u>172,354</u>	<u>172,354</u>
Net book value		
At 31 December 2022	<u>15,247</u>	<u>15,247</u>
At 31 December 2021	<u>32,614</u>	<u>32,614</u>

9 Debtors

	2022	2021
	£	£
Trade debtors	520	4,403
Prepayments and accrued income	28,824	27,513
	<u>29,344</u>	<u>31,916</u>

10 Cash at Bank and in Hand

	2022	2021
	£	£
Bank operating accounts	108,978	123,682
Bank deposits	185,474	172,693
Petty cash	420	286
	<u>294,873</u>	<u>296,661</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Creditors: liabilities falling due within one year

	2022	2021
	£	£
Trade Creditors	2,927	1,815
Accruals	2,640	2,520
Deferred Income	2,871	2,871
Other creditors	7,113	5,277
	<u>15,551</u>	<u>12,482</u>

Deferred income represents income received in advance for events and conferences that, it was hoped, would be able to take place in 2021. Unfortunately, due to the pandemic, they have had to be postponed and it is hoped that they will now take place in 2023.

12 Pension commitments

The Church Workers Pension Fund (CWPF)

The PCC 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 (2022: £8,401, 2021: £8,415).

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

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

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

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

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Funds

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

	Opening balance 2022 £	Incoming resources 2022 £	Outgoing resources 2022 £	Transfers in the year 2022 £	Closing balance 2022 £
<i>Unrestricted general funds</i>	290,486	624,159	(656,363)	-	258,283
Total Unrestricted Funds	290,486	624,159	(656,363)	-	258,283
<i>Restricted Funds</i>					
Building fund	52,719	7,841	-	-	60,560
Hardship fund	5,504	2,350	(3,465)	-	4,389
Curate and staff fund	-	44,968	(44,968)	-	-
Ukraine relief fund	-	1,135	(1,021)	-	115
School bag fund	-	1,175	(1,175)	-	-
Root Café fund	-	890	(322)	-	568
	58,223	58,359	(50,951)	-	65,631
Aggregate of funds	348,709	682,518	(707,313)	-	323,914

Analysis of net assets by fund

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

	Unrestricted general funds £	Restricted funds £	2022 £
Tangible fixed assets	15,247	-	15,247
Debtors	29,344	-	29,344
Cash at bank and in hand	229,242	65,631	294,873
Creditors falling due within one year	(15,551)	-	(15,551)
	258,283	65,631	323,914

In the previous 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 £
<i>Unrestricted general funds</i>	237,453	679,880	(626,847)	-	290,486
	237,453	679,880	(626,847)	-	290,486
<i>Restricted Funds</i>					
Building Fund	52,719	-	-	-	52,719
Hardship fund	-	8,876	(3,372)	-	5,504
Curate Fund	-	19,016	(19,016)	-	-
	52,719	27,892	(22,388)	-	58,223
Aggregate of funds	290,172	707,772	(649,235)	-	348,709

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Funds continued

Analysis of net assets by fund

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

	Unrestricted general funds £	Restricted funds £	2021 £
Tangible fixed assets	32,614	-	32,614
Debtors	31,916	-	31,916
Cash at bank and in hand	238,438	58,223	296,661
Creditors falling due within one year	(12,482)	-	(12,482)
	<u>290,486</u>	<u>58,223</u>	<u>348,709</u>

Restricted funds

The **Building** fund was created from donations received to help meet the cost of renovations to church property.

The **Hardship** fund was created from donations received to help those facing financial hardship .

The **Curate and staff** fund was created from grants received from the Church Revitalisation Trust to help meet the cost of taking on a new curate and to help fund the post of Operations Director. It has been used to help pay for accommodation provided to the Curate and the salary of the Operations Director.

The **Ukraine Relief** fund was created from donations received to help those affected by the war in Ukraine.

The **School Bag** fund was created from donations received to help children at local schools.

The **Root Café** fund was created from donations received to help pay for a café where young people can meet weekly.

14 Operating lease commitments

The charity has operating leases for residential property used by clergy. The minimum amount payable (until the next break clause and ignoring the potential effect of future rent reviews) in respect of these leases is as follows:

	2022 £	2021 £
Payments falling due:		
Within one year	56,400	48,500
Between one and five years	<u>16,200</u>	<u>51,300</u>
	<u>72,600</u>	<u>99,800</u>

During the year the charity was charged £77,700 (2021: £41,100) for its operating lease.

15 Transactions with related parties

During the year the PCC:

- received donations totalling £72,053 (2021: £97,414) from related parties (which includes members of the PCC, any other members of key management and anyone closely connected to them).
- paid grants totalling £3,600 (2021: £3,600) to a charity called Room for Work; two members of the PCC (Robin Bell and Garth Watkins) are closely involved in the running of that charity. The PCC also gave Room for Work rent free use of church premises for a total of 44 hours (2021: no use was made of the church premises).
- paid employment benefits totalling £281 (2021: £nil) to a close relative of Daniel Bates, who is a member of the PCC.

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

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST JOHN THE BAPTIST HAMPTON WICK

DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	<u>Unrestricted funds</u>				<u>Unrestricted funds</u>			
		General funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	General funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
INCOME FROM:									
Donations	3	577,646	-	58,359	636,005	639,800	-	27,892	667,692
Charitable activities	4	17,007	-	-	17,007	6,908	-	-	6,908
Other trading activities	5	28,725	-	-	28,725	32,519	-	-	32,519
Investments		782	-	-	782	653	-	-	653
Total income		624,159	-	58,359	682,518	679,880	-	27,892	707,772
EXPENDITURE ON:									
Charitable activities:	6	656,363	-	50,951	707,313	626,847	-	22,388	649,235
Total Expenditure		656,363	-	50,951	707,313	626,847	-	22,388	649,235
Net income/(expenditure)		(32,202)	-	7,408	(24,796)	53,033	-	5,504	58,537
Transfers between funds	13	-	-	-	-	-	-	-	-
Net movement in funds		(32,202)	-	7,408	(24,796)	53,033	-	5,504	58,537
Reconciliation of funds:									
Total funds carried forward	13	258,283	-	65,631	323,914	290,486	-	58,223	348,709