

Charity number: 1132235



ST MARY ABBOTS CHURCH, KENSINGTON

PCC MEMBERS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

**ST MARY ABBOTS CHURCH, KENSINGTON
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

REFERENCE AND ADMINISTRATIVE INFORMATION

This is the Annual Report for St Mary Abbots PCC.

Overall responsibility for the affairs of St Mary Abbots PCC is exercised by the Vicar, the Churchwardens and the Parochial Church Council. The members of the St Mary Abbots PCC who have served from 1 January 2022 up to the date of approval of these financial statements were as follows:

EX OFFICIO MEMBERS:

Clergy The Rev'd Emma Dinwiddy Smith (Vicar, Chair)
 The Rev'd Alice Ormondroyd (Assistant Curate)
 The Rev'd Christopher Rogers (Associate Vicar)

Churchwardens Edward Warrick (Vice Chair)
 Guy Heald (Hon Treasurer from 18th May 2022)

**Deanery Synod
Representatives** Peter Darrell (until 18th May 2022)
 Jose Jueguen (from 18th May 2022)
 Hakan Sandahl-Wilson (From 18th May 2022)
 David Shaw (Stewardship Secretary)
 David Wilkinson (until 18th May 2022)
 James Dunford Wood

ELECTED MEMBERS:

Ivell Arnold (Electoral Roll Officer)
Rona Davis (from 18th May 2022)
Dania El-Kadi (until 18th May 2022)
Nigel Grieve
Alexander Jueguen (Safeguarding Officer)
Margaret Lane
David Peerless (until 18th May 2022, Hon Treasurer)
Emma Porteous (until 18th May 2022, Hon Secretary)
Margaret Pringle (from 18th May 2022)
Rebecca Tinsley
Patricia Wilson (Hon Secretary from 18th May 2022)

The Church retains the following professionals:

Bankers: National Westminster Bank plc
 Royal Garden Branch, 55 Kensington High Street, London, W8 5ZG

CAF Bank
25 Kings Hill Avenue, Kings Hill, West Malling, ME19 4JQ

MetroBank
160-166 Kensington High Street, London, W8 7RG

Solicitors Birketts LLP
 106 Leadenhall Street, London EC3A 4AA

Investment Charles Stanley & Co Ltd
 25 Luke Street, London, EC2A 4AR

Architect Sarah Khan RIBA SCAAABC MA GradDiplCons(AA)Dist MFPWS
 Roger Mears Architects LLP, Union Chapel, Compton Ave, London, N1 2XD

Auditors Griffin Stone Moscrop & Co
 21-27 Lamb's Conduit Street, London, WC1N 3GS

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Parochial Church Council of St Mary Abbots, Kensington ('the PCC') is a corporate body established by the Church of England. The PCC operates under the Parochial Church Powers Measure and is also a charity registered in England and Wales (charity no. 1132235). The PCC is responsible for and is charged with cooperating with the Vicar in promoting, the whole mission of the church.

Since the PCC was registered as a charity in 2009, its members are also registered as trustees of the charity. Elections for one-third of the members of the PCC are held each year at the Annual Parochial Church Meeting ('APCM'). PCC members serve for three-year terms before offering themselves for re-election, should they choose to do so. The appointment of PCC members is governed by, and set out in, the Church Representation Rules. Deanery Synod representatives are ex-officio members of the PCC and elections to the Deanery Synod are held at the APCM every three years. Churchwardens are elected annually at a Meeting of the Parishioners which precedes the APCM. Churchwardens and clergy licensed to the parish are also ex-officio members of the PCC. The APCM is normally required to be held before the end of May each year. The PCC met five times in 2022 with meetings being chaired by the Vicar or, in her absence, the lay vice-chair.

The PCC delegates various matters of business to the Standing and Finance Committee which meets, in particular, to discuss and make decisions about financial and legal matters, and whose remit also includes matters relating to staff and the Church Centre. The Standing and Finance Committee met 3 times in 2022.

Risk Assessment

The St Mary Abbots Church Council has considered the major risks to which the Church may be subject, and appropriate systems have been put into place to manage and mitigate those risks.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE, AND PLANS FOR FUTURE PERIODS

Vicar's Report

The Rev'd Emma Dinwiddy Smith

2022 has been an eventful year for St Mary Abbots Church, as we reached the 150th Anniversary of our current Gilbert Scott building completed in 1872. We celebrated the Platinum Jubilee of HM The Queen, and together with the rest of the nation, we then mourned the death of Queen Elizabeth II in September, remembering her life and reign in services and private prayer. We completed the parish's Mission Action Plan for 2022-2025 and discerned three main areas of focus for this period: Welcome, Discipleship and Outreach (see Churchwardens' Report for further details).

Our 150th Anniversary celebrations ran for much of the year, beginning with a Festal Eucharist on Sunday 15th May, at which the sermon was given by the Archdeacon of Middlesex, the Ven Richard Frank. This was followed by a "picnic", moved inside the Centre because of bad weather, but no less enjoyed for that. Over the months which followed, under the direction of Leonora Service, our Events and Communications Co-ordinator and with the tireless work of our staff team and volunteers, we also held a photographic exhibition of the Sacred Artefacts of St Mary Abbots; a talk and tour on the church's Sacred Treasures by the Revd Dr Ayla Lepine; a talk in conjunction with the Victorian Society on Sir George Gilbert Scott, and two concerts, one entitled "Kensington's Greatest Composers" by the church's professional choir under the direction of Mark Uglow, and a contemporary concert, composed and performed by the students of the Royal College of Music: "Resonances for Sir George Gilbert Scott."

A final highlight of the Anniversary was intended to be the Patronal Festival, at which the Bishop of London was due to preach and preside. This was postponed due to the sad death of The Queen, but the Bishop has kindly promised to lead our Patronal celebrations in 2023 instead.

Following the results of an accessibility audit, the Friends of St Mary Abbots led a successful 150th Anniversary fundraising campaign for a new ramp and access arrangements at the South Door, which will be completed in 2023.

In keeping with the anniversary, our Christmas Fair this year followed the theme of a Victorian Fair, with Punch and Judy, Victorian toys and activities and Victorian teas. We also enjoyed the Summer Garden Party and the ever-popular Bonfire Party in the Vicarage Garden, complete with fire-eater, as well as the Messiah, divided into two separate concerts, with Parts 2 and 3 on Palm Sunday, and the "Christmassy" Part 1 during Advent.

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As worshippers have returned after the pandemic and new people have joined us, we were delighted to welcome 598 people at our Easter Day services in April 2022, and 1,481 at our services on Christmas Eve and Christmas Day. Our services continue to be well attended, and Choral Matins has shown particular growth this year. The online Morning Prayer service is appreciated as something accessible retained from Covid arrangements, and our daily Eucharists and Evening Prayer in church are attended by both regulars and passers-by. 21 children were baptized in the church this year, and we conducted 8 weddings or marriage blessings. Four adults and two children joined the group from a number of local churches when Bishop Graham Tomlin presided at the Confirmation Service in June, his final visit to St Mary Abbots before he stood down as Bishop of Kensington.

Having taken the decision ahead of the Annual Parochial Church Meeting in 2022 to conduct a full review of our Electoral Roll and to remove anyone who had not attended worship for the past six months and did not live in the parish (in accordance with regulations laid out in the Church Representation Rules and checked by the Diocesan Registrar), so that we could ascertain a realistic view of the size of the congregation following the pandemic, our Electoral Roll was reduced to 254 in 2022. However, we are delighted to report that by April 2023, it had already returned to 313, and numbers continue to grow.

We have continued in our role as the Civic Church of the Royal Borough of Kensington and Chelsea, hosting the Mayor's Civic Service to mark HM The Queen's Platinum Jubilee in March, and then holding services following the death of The Queen in September – an Evening Service on the Death of Queen Elizabeth II and a Vigil Evensong on the Eve of The Queen's Funeral, attended by the Mayor and Councillors. We also held a Eucharist on the Sunday following The Queen's death, at which the Archdeacon of Middlesex presided and preached.

Our link with St Mary Abbots School remains strong and very important within our community; I have served this year as Co-Chair of Governors and the clergy lead both a clergy assembly and a Eucharist for the school each week.

During the year we are very glad to have become an accredited Living Wage employer, and also to register with Eco-Church. Mother Alice Ormondroyd, our Curate, has completed the initial audit, and we are looking for ways to improve our green footprint as a church. The PCC also agreed in 2022 to join the Prayer Book Society (we became corporate members in February 2023), and we remain part of the Inclusive Church network. We have been privileged this autumn to host two ordinands on placement from St Mellitus' College, as well as a third-year curate from Birmingham Diocese considering her next steps.

Fr Christopher Rogers, our Associate Vicar, has led on the parish's outreach during the year, beginning with supporting and co-ordinating Ukrainian refugees arriving after the conflict began in February 2022. He also set up a winter homeless project, drawing together an enthusiastic group of volunteers who have gone out each Monday since September with warm food to serve the homeless within the parish. In addition, parishioners have taken part in a sponsored Night Walk around the City (in March) and a sponsored SleepOut (in October) for the homeless charity Glass Door; our Harvest donations were given to the Upper Room, which provides hot meals for vulnerable people, and we have continued with weekly collections for the Dalgarno Way foodbank.

As ever, none of these things would have been possible without the support and incredibly hard work of our parish team. My thanks go to my very experienced, professional and supportive churchwardens, Guy and Ed; my clergy colleagues, Fr Christopher and Mthr Alice (who returned from maternity leave in August 2022); to each of our talented and committed church employees, Petter, Leonora, Simon and Martina, and to my family. PCC members have contributed both expertise and enthusiasm to the parish's mission, and we were glad to welcome Jose Jueguen, Hakan Sandal-Wilson, Rona Davis and Margaret Pringle to the PCC and/or Deanery Synod this year. Our thanks go to longstanding PCC members who stood down this year: David Peerless, Emma Porteous, Dania El-Kadi, Peter Darrell and David Wilkinson.

We are particularly conscious of the power and blessing of music in our worship, and very grateful to Mark Uglow for his hard work and inspiration, and to our regular quartet of singers and the various others who join us for festivals, for all that they bring. We were sad to say goodbye to Adam Norton, who retired as Centre Manager in November 2022 after 11 devoted years at St Mary Abbots and send him every blessing for a happy and fulfilling retirement. It was very good to be able to commission and welcome Fr Peter Galloway as Honorary Assistant Priest in the parish in February.

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Further information is available in my colleagues' reports, so it only remains for me to thank you once again for your support, encouragement and friendship.

Churchwardens' Report

Ed Warrick & Guy Heald

We are very grateful for all the hard work of our clergy, parish staff, virgers and volunteers throughout 2022, our 150th anniversary year. This was the first year back feeling more "normal" after the disruption of the global pandemic and an appropriate time to consider what our priorities as a Church are, which were drawn out in the publication of our Mission Action Plan in September.

This was a seminal piece of work, as we sought to bring together the views of our many different congregations and stakeholders into a key three-year strategy. Our wide consultation process involved six discussions with people from across our church community in which we asked them to answer three questions: What is the Church of God for? What are we doing well here at St Mary Abbots? What could we do better, or do that we are not currently doing?

Some strong themes emerged from these conversations, all of which are clearly highly valued. These include the strength and frequency of our worship and music; our excellent relationship with St Mary Abbots School; and the quality of our provision for younger children. We are very pleased that, based on these themes, the PCC also settled on a consensus about the areas of church life that we want to focus on developing over the next three years: Welcome, Discipleship and Outreach.

We have set specific goals for each of these thematic areas, the most ambitious of which is to make the Church more accessible and include WC facilities by 2025. Whilst our historic building, celebrating its 150th year, is undeniably beautiful, it was nonetheless constructed at a time where universal usability was not at the forefront of architects' thinking, and an Accessibility audit we commissioned during 2022 made for sobering reading.

The high standard of music also attracts visitors, complements the variety of excellent services we enjoy, and adds to our Church sense of Welcome and Discipleship through musical worship. Our Outreach efforts include keeping the Church warm (despite a massive increase in heating costs) to make our Church even more of a haven in tougher times, and the establishment of a winter outreach ministry, which provides warm food on cold evenings to those sleeping rough in Kensington.

2022 also saw the return of hospitality at the end of the 09:30 (and before the start of 11:15!), providing an opportunity for fellowship and to deepen the bonds of friendship amongst our congregation.

Deanery Synod Meetings

As reported last year, meetings of the Synod followed the diocese's **Vision 2030** themes, taking one broad theme at each meeting:

- February's meeting was held at St John's, Notting Hill and addressed mental health and well-being under the **Compassionate Communities** theme. The Revd Will van Hart spoke on 'What to do when you cannot do any less – Strategies for the over-committed'. The Revd Canon William Taylor introduced a motion petitioning the *London Diocesan Synod and General Synod to request the NCIs of the Church of England to work ecumenically with other churches to establish a national day of prayer and action for the persecuted Church*. The motion was passed and sent on to the diocese for consideration at Diocesan Synod.
- The Spring Common Fund meetings resumed, after Covid had disrupted the normal cycles, with a variety of in person and zoom meetings offered.
- In June Synod members were hosted for a summer garden party in the grounds of the St Mary Abbots Vicarage.
- All Saints, Notting Hill held the September meeting of Synod at which Mirjam Ngoy-Verhage from the diocese introduced the **Confident Disciples** theme. Synod heard from several churches how they were engaging with the idea of a rule of life in accordance with their church tradition.
- The last meeting of 2022 took place at St Philips, Earls Court Road. Alex Jueguen was introduced as the Kensington Deanery Safeguarding Coordinator. The theme of **Creative Growth** was discussed. The Synod heard from Chris Kennedy, leading a deanery BMO in sport and well-being at Activate, Bushey Park; Joe O'Sullivan, working on the estate at St Francis Dalgarno Way; and Andy Buckler from St Barnabas, Kensington, working with creatives in music and art.

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As a further note, the motion on the persecuted church was debated at the July session of the Diocesan Synod and was passed unanimously. It is now with the business committee of General Synod.

Stewardship Officer's Report

David Shaw

The Stewardship Group met several times during the year and focused in 2022 on a legacy campaign in October which resulted in some additional members of the congregation confirming they would include St Mary Abbots in their wills. There was a larger group whom had as yet to make wills and for 2023 we plan to provide support and information to those wishing to make wills as a precursor to encouraging them to leave money to the church. With regard to encouraging more regular giving some 82 are regular givers (2021 - 77).

Total income from donations, collections and tax recoverable during the year was £196k (2021 - £180K)

Legacy Income during the year was £12,516 (2021 - £10,731).

FINANCIAL REVIEW

Hon Treasurer's Report

Guy Heald

Attendance and appreciation of the excellent services the clergy, virgers and choir provide are reflected in an impressive figure for collections and regular giving. These contributions make it possible for us to live day by day.

The increase in collections is remarkable and we are very grateful to all who have donated. We are very grateful too for some exceptional gifts which have helped us to break even this year.

Our rental income continues to make an important contribution to the work of the Church and our mission objectives. There is a very satisfactory increase in Church Hall revenue.

Events have also contributed to our income as have some one-off grants and fees for services.

Our investment income has increased as our fund manager has changed the portfolio to a higher yield. This is to reflect a better balance between current and future expenditures.

Expenditure

Legal and professional fees

Some disenchanted previous members of the congregation have caused a large increase in fees as threats of legal action have necessitated the advice and support of solicitors.

These actions have caused a huge amount of work and enormous stress for our Clergy and staff and diverted them from their already very substantial workload.

We manage a Parish with scarce resources and rely on the time and expertise given by many volunteers. For a few of them to try to make money from the Church I know is incomprehensible, but we have to withstand these hostile demands.

Outreach

Meanwhile Gardens

A substantial part of the budget for mission outreach was donated to Meanwhile Gardens a charity in the north of the Borough. Meanwhile Gardens is a park reclaimed from derelict land, a skateboard area and Playhut for mothers and youngsters.

Our donation has made extra sessions in the Playhut possible and helped with work in the Gardens. This is a wonderful project and parishioners are invited to contact Susie Gretz to arrange a visit.

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Common Fund

We have contributed £25,000 to the Diocese in addition to our expected sum in order to support our sister churches in the Diocese. This is an extremely important part of our mission work as it helps new churches to start and others to survive.

We are also supported by the Diocese in legal and financial matters and our contribution reflects this too.

We face considerable uncertainty about the future as times are much tougher to make ends meet.

Events at home and abroad erode our national well-being and make the work of our Church even more vital.

We will have to spend more than in previous years to improve our fabric as we have to pay for the recently installed new lighting, implement the projects for a ramp for access at the southern door and finally some loos.

It is against this background that we ask for the continued generosity of our kind parishioners as we seek to maintain and grow St Mary Abbots.

Reserves

The PCC's policy is to have reserves equivalent to 6 months' running costs. 6 months of running costs equals £319k. Currently our general unrestricted liquid reserves, which excludes tangible fixed assets but includes investment portfolios within the general fund, equal £763,110. Thus, our unrestricted reserves exceeds the reserves target.

Funds

During the year, the two property funds have been closed and merged into the general fund. Thus, the end-of-year balances for the various funds are (for further information, see note 18):

Unrestricted

Bequests	£44,888
Mary Isa Trust	£239,419
Accessibility Fund	£15,777
General Fund	£3,768,899
TOTAL UNRESTRICTED	£4,068,983

Endowment

Curtis Bequest	£166,060
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Restricted

Appeal	£53,036
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TOTAL FUNDS	£4,288,079
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ST MARY ABBOTS CHURCH, KENSINGTON

STATEMENT OF PCC MEMBERS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

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

The law applicable to charities in England & Wales requires the PCC members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the PCC members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The PCC members are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Approved by the PCC and signed on its behalf by:



The Rev'd Emma Dinwiddy Smith

(Chair of Trustees)

Date: 3rd May 2023

ST MARY ABBOTS CHURCH, KENSINGTON

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY ABBOTS CHURCH, KENSINGTON

Opinion

We have audited the financial statements of St Mary Abbots Church, Kensington (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The PCC members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ST MARY ABBOTS CHURCH, KENSINGTON

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY ABBOTS CHURCH,
KENSINGTON (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the PCC members' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the PCC members' Responsibilities Statement, the PCC members are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the PCC members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC members are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC members either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

ST MARY ABBOTS CHURCH, KENSINGTON

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY ABBOTS CHURCH, KENSINGTON (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

- Enquiries with management and those charged with governance;
- Carrying out substantive checking to supporting documents on a sample basis of individual transactions within income and expenditure to give comfort that on a sample basis the SOFA does not contain any irregular items;
- Carrying out walk-through testing to verify that the charity's accounting systems and controls are being implemented as designed;
- Certifying the existence on a sample basis of individual employees on the payroll;
- Verifying that material balances within the balance sheet are supported by third party evidence to confirm the existence and valuation of these balances at the balance sheet date;
- Reviewing minutes of PCC meetings.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the PCC members.
- Conclude on the appropriateness of the PCC members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


ST MARY ABBOTS CHURCH, KENSINGTON

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY ABBOTS CHURCH,
KENSINGTON (CONTINUED)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Griffin Stone Moscrop & Co
Chartered Accountants
Statutory Auditors
21-27 Lamb's Conduit Street
London
WC1N 3GS

Date: 5 May 2023

Griffin Stone Moscrop & Co are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ST MARY ABBOTS CHURCH, KENSINGTON

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	3	284,545	1,200	-	285,745	192,373
Church activities	4	119,264	-	-	119,264	101,595
Fundraising	5	206,967	-	-	206,967	190,888
Investments	6	31,616	36	9,367	41,019	33,072
Insurance claim		2,530	-	-	2,530	-
Total income and endowments		644,922	1,236	9,367	655,525	517,928
Expenditure on:						
Raising funds	7	19,075	-	1,191	20,266	14,383
Charitable activities	8	638,824	-	415	639,239	489,739
Total expenditure		657,899	-	1,606	659,505	504,122
Net (expenditure)/income before net (losses)/gains on investments						
		(12,977)	1,236	7,761	(3,980)	13,806
Net (losses)/gains on investments						
		(177,970)	-	(37,873)	(215,843)	133,530
Net movement in funds		(190,947)	1,236	(30,112)	(219,823)	147,336
Reconciliation of funds:						
Total funds brought forward		4,259,930	51,800	196,172	4,507,902	4,360,566
Net movement in funds		(190,947)	1,236	(30,112)	(219,823)	147,336
Total funds carried forward		4,068,983	53,036	166,060	4,288,079	4,507,902

The Statement of Financial Activities includes all gains and losses recognised in the year.

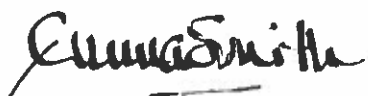
The notes on pages 15 to 32 form part of these financial statements.

ST MARY ABBOTS CHURCH, KENSINGTON

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,005,789	3,010,577
Investments	14	1,179,818	1,292,720
		<u>4,185,607</u>	<u>4,303,297</u>
Current assets			
Debtors	15	61,388	56,623
Cash at bank and in hand		102,270	200,409
		<u>163,658</u>	<u>257,032</u>
Creditors: amounts falling due within one year	16	(61,186)	(52,427)
Net current assets		<u>102,472</u>	<u>204,605</u>
Total assets less current liabilities		<u>4,288,079</u>	<u>4,507,902</u>
Net assets excluding pension asset		<u>4,288,079</u>	<u>4,507,902</u>
Total net assets		<u><u>4,288,079</u></u>	<u><u>4,507,902</u></u>
Charity funds			
Endowment funds	18	166,060	196,172
Restricted funds	18	53,036	51,800
Unrestricted funds	18	4,068,983	4,259,930
Total funds		<u><u>4,288,079</u></u>	<u><u>4,507,902</u></u>

The financial statements were approved and authorised for issue by the PCC members and signed on their behalf by:



The Rev'd Emma Dinwiddy Smith
(Chair of Trustees)
Date: 3rd May 2023

The notes on pages 15 to 32 form part of these financial statements.

ST MARY ABBOTS CHURCH, KENSINGTON

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(16,089)	(33,409)
Cash flows from investing activities		
Dividends, interests and rents from investments	41,019	33,070
Purchase of tangible fixed assets	-	(47,861)
Proceeds from sale of investments	41,275	134,251
Purchase of investments	(164,344)	(181,710)
Net cash used in investing activities	(82,050)	(62,250)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(98,139)	(95,659)
Cash and cash equivalents at the beginning of the year	200,409	296,068
Cash and cash equivalents at the end of the year	102,270	200,409

The notes on pages 15 to 32 form part of these financial statements

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The Parochial Church Council of St Mary Abbots, Kensington, is a registered charity (Charity number 1132235) with the Charity Commission for England and Wales. The address of the principal office is St Mary Abbots Parish Office, Vicarage Gate, London, W8 4HN. The nature of the Charity's operations and principal activities is promoting in the ecclesiastical parish, the whole mission of the church.

The presentation currency in these financial statements is sterling and figures are rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

St Mary Abbots Church, Kensington meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the church to raise funds for its charitable purposes and includes costs of all fundraising activities events and investment management fees.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the church's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Consecrated land and buildings and moveable church furnishings

Consecrated and beneficed property of any kind is excluded from the financial statements by section 10(2) to (3) of the Charities Act 2011.

Moveable church furnishings held by the Vicar and Churchwardens on special trust for the PCC and which require a faculty for disposal are accounted for as inalienable property unless consecrated. They are listed in the church's inventory which can be inspected. For inalienable property acquired prior to 1996 there is insufficient cost information and therefore such assets are not valued in the accounts. All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether on maintenance or improvement, is written off as expenditure in the statement of financial activities.

Functional church properties have been included in the accounts at "deemed cost" which in the absence of reliable historical cost information represents the insured values of these properties on 1 January 2006 when they were included in the accounts. This value is annually reviewed by the PCC for impairment and to ensure that it remains appropriate. This deemed cost will not change unless improvement expenditure is incurred on these properties.

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of other tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Church equipment	-	10%
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No depreciation is provided on freehold property as it is the PCC's policy to maintain these assets in a continual state of sound repair. In addition the useful economic life of these assets is so long and residual values so high that any depreciation would not be material. These assets are still subject to annual impairment reviews. Provision will be made if there has been any permanent diminution in value.

2.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ST MARY ABBOTS CHURCH, KENSINGTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.10 Pensions

The Charity is a member of a multi-employer plan. Where it is not possible for the Charity to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the PCC members in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the PCC members for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations			
Planned giving	58,924	1,200	60,124
Tax reclaimed	19,560	-	19,560
Collections	64,380	-	64,380
Donations and appeals	52,820	-	52,820
Total donations	195,684	1,200	196,884
Legacies	12,516	-	12,516
Grants	76,345	-	76,345
Subtotal	88,861	-	88,861
	284,545	1,200	285,745
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations			
Planned giving	63,470	1,200	64,670
Tax reclaimed	20,154	300	20,454
Collections	39,752	-	39,752
Donations and appeals	55,301	-	55,301
Total donations	178,677	1,500	180,177
Legacies	10,731	-	10,731
Grants	1,465	-	1,465
Subtotal	12,196	-	12,196
	190,873	1,500	192,373

ST MARY ABBOTS CHURCH, KENSINGTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Income from church activities

	Unrestricted funds 2022 £	Total funds 2022 £
Church and statutory fees	7,309	7,309
Church groups	30	30
Church hall lettings	111,925	111,925
	119,264	119,264
	Unrestricted funds 2021 £	Total funds 2021 £
Church and statutory fees	10,739	10,739
Church groups	1,826	1,826
Church hall lettings	89,030	89,030
	101,595	101,595

In preparing the 2022 financial statements it has been determined that some income that had historically been disclosed within activities for generating funds should in future be allocated so that Church hall lettings appear within income from church activities. Accordingly £89,030 of income for 2021 has been recategorised from Fundraising income to be included within Income from church activities.

5. Fundraising income

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £
Income from rentals	188,914	188,914
Fundraising events	18,053	18,053
	206,967	206,967

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Fundraising income (continued)

Income from fundraising events (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Income from rentals	182,278	182,278
Fundraising events	8,610	8,610
	<u>190,888</u>	<u>190,888</u>

6. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Dividends and interest	<u>31,616</u>	<u>36</u>	<u>9,367</u>	<u>41,019</u>

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Dividends and interest	<u>26,888</u>	<u>10</u>	<u>6,174</u>	<u>33,072</u>

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Stewardship costs	243	-	243
General fundraising and appeal costs	12,353	-	12,353
Investment management fees	6,479	1,191	7,670
	<u>19,075</u>	<u>1,191</u>	<u>20,266</u>
	<u><u>19,075</u></u>	<u><u>1,191</u></u>	<u><u>20,266</u></u>
	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Stewardship costs	46	-	46
General fundraising and appeal costs	7,729	-	7,729
Investment management fees	5,674	934	6,608
	<u>13,449</u>	<u>934</u>	<u>14,383</u>
	<u><u>13,449</u></u>	<u><u>934</u></u>	<u><u>14,383</u></u>

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Church activities	638,824	415	639,239

	Unrestricted funds 2021 £	Total 2021 £
Church activities	489,739	489,739

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Church activities	540,816	98,423	639,239

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Church activities	418,238	71,501	489,739

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	115,839	104,204
Depreciation	4,788	399
Missionary and Charitable Giving	23,858	1,646
Ministry: Diocesan Clergy Stipends	150,940	122,004
Ministry: Other Clergy Costs	10,702	8,881
Church Running Expenses	76,402	35,960
Church Maintenance	22,210	19,360
Services	8,955	3,505
Choir and Music	50,845	52,163
Congregational Development	8,479	2,355
Church Hall repairs, maintenance and running costs	36,528	28,120
8 Hornton Place	11,062	19,336
Staff Accommodation	20,116	20,144
Sundry	92	161
	<u>540,816</u>	<u>418,238</u>

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	50,844	42,402
Bank charges	4,901	2,345
Legal fees	13,296	4,080
Other professional fees	21,048	14,729
Audit fees	8,334	7,945
	<u>98,423</u>	<u>71,501</u>

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the preparation and audit of the Charity's annual accounts	<u>8,334</u>	<u>7,945</u>

11. Staff costs

	2022 £	2021 £
Wages and salaries	146,299	129,297
Social security costs	8,408	7,641
Contribution to defined contribution pension schemes	11,976	9,668
	<u>166,683</u>	<u>146,606</u>

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	2021 No.
Staff	<u>5</u>	<u>5</u>

No employee received remuneration amounting to more than £60,000 in either year.

The Key management personnel of the church are the PCC members, none of whom are remunerated directly by the church.

12. PCC members' remuneration and expenses

During the year, no PCC members received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, expenses totalling £1,519 were reimbursed or paid directly to 2 PCC members (2021 - £3,703 to 4 PCC members).

ST MARY ABBOTS CHURCH, KENSINGTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Tangible fixed assets

	Properties £	Church equipment £	Total £
Cost or valuation			
At 1 January 2022	2,963,115	88,911	3,052,026
At 31 December 2022	2,963,115	88,911	3,052,026
Depreciation			
At 1 January 2022	-	41,449	41,449
Charge for the year	-	4,788	4,788
At 31 December 2022	-	46,237	46,237
Net book value			
At 31 December 2022	2,963,115	42,674	3,005,789
At 31 December 2021	2,963,115	47,462	3,010,577

Functional church properties are included in the financial statements at deemed cost based on the insured values at 1 January 2006 when they were first brought into the accounts (7b Vicarage Gate first brought in in December 2016 at deemed cost). The analysis by property is given below:

Church hall & garages	£1,752,214
Cottage - Curate	£242,109
Cottage - Virger	£242,109
8 Hornton Place	£441,683
7b Vicarage Gate	£285,000

The buildings are used for the benefit of the PCC to carry out its mission and ministry in the Parish, and are not held primarily for investment or resale purposes. Accordingly their value is based on deemed cost, rather than market valuations.

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	1,292,720
Additions	164,344
Disposals	(41,275)
Revaluations	(235,971)
At 31 December 2022	<u>1,179,818</u>
Net book value	
At 31 December 2022	1,179,818
At 31 December 2021	<u>1,292,720</u>

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	28,441	26,062
Other debtors	75	-
Prepayments and accrued income	32,872	30,561
	<u>61,388</u>	<u>56,623</u>

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	16,588	10,678
Other taxation and social security	2,861	4,256
Other creditors	28,971	26,156
Accruals and deferred income	12,766	11,337
	<u>61,186</u>	<u>52,427</u>

17. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>102,270</u>	<u>200,409</u>

Financial assets measured at fair value through income and expenditure comprise cash and bank accounts.

ST MARY ABBOTS CHURCH, KENSINGTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
Designated funds						
Bequests	44,679	209	-	-	-	44,888
St Mary Abbots Property Fund II	366,809	7,447	(2,955)	(317,578)	(53,723)	-
St Mary Abbots Property Fund I	430,539	12,204	(3,456)	(360,114)	(79,173)	-
Mary Isa Trust (Renovation)	273,454	7,641	(2,146)	-	(39,530)	239,419
Accessibility Fund	-	27,145	(11,368)	-	-	15,777
	<u>1,115,481</u>	<u>54,646</u>	<u>(19,925)</u>	<u>(677,692)</u>	<u>(172,426)</u>	<u>300,084</u>
General funds						
General Fund	<u>3,144,449</u>	<u>590,276</u>	<u>(637,974)</u>	<u>677,692</u>	<u>(5,544)</u>	<u>3,768,899</u>
Total Unrestricted funds	<u>4,259,930</u>	<u>644,922</u>	<u>(657,899)</u>	<u>-</u>	<u>(177,970)</u>	<u>4,068,983</u>
Endowment funds						
The Curtis Bequest Fund	<u>196,172</u>	<u>9,367</u>	<u>(1,606)</u>	<u>-</u>	<u>(37,873)</u>	<u>166,060</u>
Restricted funds						
Appeal	<u>51,800</u>	<u>1,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,036</u>
Total of funds	<u>4,507,902</u>	<u>655,525</u>	<u>(659,505)</u>	<u>-</u>	<u>(215,843)</u>	<u>4,288,079</u>

ST MARY ABBOTS CHURCH, KENSINGTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	1,115,481	54,646	(19,925)	(677,692)	(172,426)	300,084
General funds	3,144,449	590,276	(637,974)	677,692	(5,544)	3,768,899
Endowment funds	196,172	9,367	(1,606)	-	(37,873)	166,060
Restricted funds	51,800	1,236	-	-	-	53,036
	<u>4,507,902</u>	<u>655,525</u>	<u>(659,505)</u>	<u>-</u>	<u>(215,843)</u>	<u>4,288,079</u>

The church has one endowment fund, The Curtis Bequest Fund. This was bequeathed to the Vicar and Churchwardens of St Mary Abbots church in March 1965. The income from this fund is used for the promotion and upkeep of the choir, the organ and church music. The London Diocesan Fund act as Custodian Trustees, and the capital value of £28,569 of this fund is kept as a permanent endowment. The remaining capital value of the fund is permitted to be expended, but only when the Vicar and Churchwardens, in exceptional circumstances deem it necessary.

Designated funds are analysed on the previous page. During 2022 the PCC took the decision to transfer the balances held in investments in the two designated property funds into the general fund.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	3,005,789	-	-	3,005,789
Fixed asset investments	1,013,758	-	166,060	1,179,818
Current assets	110,622	53,036	-	163,658
Creditors due within one year	(61,186)	-	-	(61,186)
Total	<u>4,068,983</u>	<u>53,036</u>	<u>166,060</u>	<u>4,288,079</u>

ST MARY ABBOTS CHURCH, KENSINGTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,010,577	-	-	3,010,577
Fixed asset investments	1,105,906	-	186,814	1,292,720
Current assets	195,874	51,800	9,358	257,032
Creditors due within one year	(52,427)	-	-	(52,427)
Total	4,259,930	51,800	196,172	4,507,902

21. Pension commitments

The church participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

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

Pension Builder Scheme

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2022 - £11,976, 2021 - £9,668).

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

ST MARY ABBOTS CHURCH, KENSINGTON

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21. Pension commitments (continued)

10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

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

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

22. Operating lease commitments

At 31 December 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	6,401	2,544
Later than 1 year and not later than 5 years	382	3,816
	<u>6,783</u>	<u>6,360</u>

23. Related party transactions

Aggregate unconditional donations of £13,569 were received in 2022 from 15 PCC members, including their families (2021 - £15,782 was received from 13 PCC members and their families).

St Marys Abbots School Trust is a related charity, by virtue of the Vicar and Churchwardens being trustees of this organisation. During the year £14,635 of rent was paid to this Trust for the flats occupied by the Curate and the Virger.