



ANNUAL REPORT AND FINANCIAL STATEMENTS OF ST MARY ABBOTS CHURCH FOR THE YEAR 2020

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The Revd Emma Dinwiddy Smith, Vicar
Approved by the St Mary Abbots PCC on 20 April 2021

St Mary Abbots PCC, Parish Office, St Mary Abbots Centre, Vicarage Gate, London, W8 4HN

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 are:

EX OFFICIO MEMBERS:		
Clergy	The Revd Emma Dinwiddy Smith The Revd Alice Ormondroyd	<i>Vicar & Chair</i> <i>Assistant Curate</i>
Churchwardens	Edward Warrick Guy Heald	<i>Vice-Chairman</i>
Deanery Synod Representatives	Peter Darrell David Shaw David Wilkinson James Dunford Wood	
ELECTED MEMBERS:	Dania El-Kadi Andrew Giblin Nigel Grieve Alexander Jueguen Margaret Lane David Peerless Emma Porteous Laura Sylvester Patricia Wilson	<i>Safeguarding Officer</i> <i>Hon. Treasurer</i> <i>PCC & Stewardship Secretary</i>

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, Kent, ME19 4JQ Metro Bank 160-166 Kensington High Street, London W8 7RG
Solicitors	Winckworth Sherwood Solicitors Minerva House, 5 Montague Close, London SE1 9BB
Investment Managers	Charles Stanley & Co Ltd 25 Luke Street, London EC2A 4AR
Architect	To be appointed
Auditors	Beever Struthers 15 Bunhill Row, London EC1Y 8LP

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Parochial Church Council (PCC) consists of ex-officio, elected and co-opted members as detailed in the table above. Elected members are elected at the Annual Church Meeting, which normally takes place in April or May. All the lay members are drawn from the congregation of St. Mary Abbots. Office holders and other members of the committee with delegated responsibilities are offered appropriate training.

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

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 Revd Emma Dinwiddy Smith

We little knew at the start of 2020 what an extraordinary year lay ahead of us. The Covid-19 global pandemic and the resulting lockdowns and restrictions have affected us all and much has had to be learned as the world adjusted to the strains placed on its health, economies and human relationships. Our thoughts and prayers are with all those who have lost their lives, livelihoods or loved ones over the past year.

At the start of the pandemic, churches were required to close first for public worship on 17th March, and then from 23rd March also for private prayer. We moved our worship online, largely thanks to the skills of Fr Jonathan and Leonora in the office, and offered our pastoral care via telephone, emails and post. The church re-opened on 12th July for public worship and continued open for the rest of the year, though with a restricted service pattern and shorter opening hours. We were delighted to be able to welcome back many of our worshippers, although some were necessarily isolating at home.

The pandemic limited the hiring capacity of both church and Centre, but we were grateful to Adam Norton, the Centre Manager, for his success and care in maintaining some Covid-safe lettings. We were delighted to be able to host the Roman Catholic Sant'Egidio community in the Centre, as they prepared hot meals to be distributed among those in need, and also to partner with Kensington Mutual Aid in offering support and care.

We have been hugely grateful for the continued generous support of our parishioners during these difficult times, and for the efforts made by staff and officers in order to reduce the financial impact of the pandemic. During the year, we were delighted to welcome Mother Alice Ormondroyd, whose postponed ordination to the Diaconate took place on 26th September, as a part-time Curate-in-Training. We were also fortunate to be joined by Petter Kringberg in a new role as Parish Manager (Operations and Finance) in June, and very pleased that Leonora Service moved from temporary to permanent Vicar's PA and Communications Co-ordinator in May. We were blessed by the gifts and skills brought by a series of temporary Virgers during the year: Tom Mendel, Phil Joyce, Amanda McRae and Sam Kibble, and by the appointment of Martina Sadovska as temporary Children's Work Administrator.

In September, we said farewell, with many thanks for his dedicated ministry to the church, to Fr Jonathan MacNeaney, our Associate Vicar, together with his wife, Helen, and son, Caspar, as he took up a new post at All Saints, Fulham. We also said goodbye this year to Silvana Armstrong who had kindly served as a temporary bookkeeper, introducing our new accounting package.

As Jamie Dunford Wood and David Banks stood down, with our grateful thanks, at the end of their term (as mentioned in last year's report), the postponed APCM in September saw the election of two new churchwardens, Ed Warrick and Guy Heald, who have been hugely active and supportive during a period of uncertainty and unexpected change. My warm thanks also go to Deanery Synod representatives Max Croft, Pippa Currey and Eliza Low; and to PCC members Andrew Freestone, Martina Sadovska and Kiaron Whitehead, who at the APCM reached the end of their elected terms. We welcomed David Shaw as a Deanery Synod rep and Pat Wilson, Margaret Lane and Alex Jueguen as new members of the PCC. Although we have been unable to hold many of the usual community activities and fundraising events this year, the church community has remained strong and supportive. Two wonderful performances of Handel's Messiah Part 1 offered many of us hope and inspiration, and my heartfelt thanks go to Mark Uglow and the members of our professional choir for maintaining our music at a time when the voluntary choir and congregations were prevented from singing.

We look forward with hope to the development of our Mission Action Plan in 2021, as we return to a more normal way of life and consider where God is calling us next as a church.

My warmest appreciation and thanks to my Wardens, Church officers, clergy colleagues, PCC, parish staff and volunteers, and to everyone who contributes to the work and worship of the parish.

Electoral Roll Officer's Report**Ed Warrick**(All figures as at 18th April 2021)

SMA ROLL MEMBERS	2021		2020		2019		2018		2017	
	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%
WOMEN	188	58%	184	58%	170	58%	243	58%	254	58%
MEN	135	42%	131	42%	122	42%	178	42%	189	42%
TOTAL	323	100	315	100%	292	100%	421	100%	443	100%

In the 2020 APCM, we reported that *“the most effective time to highlight the importance of the Electoral Roll is [...]leading up to the deadline for eligibility prior to the new APCM.”* Our church was closed to in-person worship twice more since, in November 2020 and January-April 2021. This reduced the number of opportunities to communicate the importance of Roll membership to parishioners, although it was still mentioned in online communications and Zoom services.

We nonetheless continue to review the Roll quarterly, will monitor attendance at church and encourage those who qualify to join our roll – with a view to reminders in Church coming up to the quarterly review. We will also seek during 2021 to implement an online sign-up system, which worked effectively during the establishment of the 2019-25 Roll.

Church Council Meetings**Emma Porteous**

In addition to the short formal meeting to elect officers immediately after the Annual Church Meeting, the Church Council met on five occasions in 2020.

It was obviously a year like no other in terms of the pandemic, but our Church Wardens and the clergy worked tirelessly to ensure that worship could continue throughout the year. Mother Emma is firmly established in her role and is building a strong team around her.

During the year we obviously spent a significant amount of time in our meetings discussing the pandemic, the financial position of the church, and various issues around leases. We also spent time discussing staffing changes, both within the clergy and the office team.

The Standing and Finance Committee met twice.

We are fortunate in having committed and experienced members of our Church Council and thank them for the vital contributions they make to the continuing life of St Mary Abbots.

Churchwardens' Report: Fabric and Ornaments**Guy Heald and Edward Warrick**

We are enormously grateful to Mother Emma and Mother Alice for the worship they have made possible in the last year, both in Church and online. This has made a huge difference to our parishioners as they brought stability into an uncertain world. Their determination and ingenuity to enable worship to continue are vital to our survival.

No major works have been done to the church fabric during 2020, but it has been identified that the boilers will need to be replaced during 2021. During the lockdown, major works was done to renovate the St Mary Abbots Centre. These improvements to the centre have made it more attractive and, despite the lockdown, income from the centre remained at 73% of the 2019 level

The Covid 19 pandemic has changed the world and we must be aware of how we can help with the challenges these changes bring. We must present the services of the Church to meet these changing

needs.

Welcome to all passers-by as well as to those who seek us deliberately is a central theme of our mission. Inside the church there is always a welcome and the presence of Mother Alice is a great source of strength to those who entrust themselves to her. We have work to do outside of the Church and its surroundings, which need attention to attract more visitors and new worshippers.

God compels us to be more than a haven to just our congregation and parishioners. The pandemic has been a blight on the life of so many and help is needed by people in despair everywhere. St Mary Abbots' forthcoming Mission Action Plan is very timely as we enter this new era and we seek to define how we worship as well as be an influence for good around us. The Plan belongs to each one of us and the contribution of as many parishioners as possible is important if it is to really mean what it says. With our thanks to all at St Mary Abbots, alongside our prayers,

Guy & Ed

Stewardship & Legacy Officer's Report

Emma Porteous

We continue to discuss stewardship, although we did not run a Stewardship campaign during the year, due to the pandemic. We saw a slight reduction in the number of donors which meant that we ended the year with 111 regular giving donors, a reduction of 7 from last year.

Overall, the amount given through regular giving in the year is: £95k (including tax recoverable) which represents a decrease on last year (2019: £101k). We continue to work very hard to encourage our congregation to give regularly.

It should be noted that voluntary income during the year increased slightly from 2019 levels, from £148k to £152k.

The legacy income in 2020 was £24,000.

Safeguarding Officer's Report

Alexander Jueguen

In 2021 we continue to practice the standard process for clearances under our Safeguarding policy. Applicants complete an online disclosure application, meet with the Church Safeguarding Officer (CSO), or Diocese approved identity checkers, to verify their identification, and supply two references, relevant to the role for which they are applying.

Most of our clearances continue to be for our Children on Sunday volunteers. The current pandemic has obviously reduced the need for this at present. We also ask for clearance for any Pastoral Care team volunteers who take on additional tasks relating to personal care of vulnerable adults or children.

The Door Duty volunteers do not have a DBS clearance.

Our cleared volunteer numbers are generally consistent year on year. The following numbers are average across previous years, in particular 2019-2020. It is important to note the reduction in demand as a result of the coronavirus pandemic in relation to children's group provisions.

Children on Sunday: Juniors & Seniors (combined group) 1; Butterflies 4; Chrysalis 7; Caterpillars 14; in addition, there are 12 people who are cleared and may help a group from time to time. Bell-ringer Chaperones 1.

Currently there are no matters of urgency or interest and no safeguarding issues have been raised in relation to either any child or vulnerable adult.

The PCC continues to comply with the duty to have due regard to Safeguarding Policy and Practice Guidance on safeguarding children and vulnerable adults. Safeguarding is a standing item on the PCC agenda.

FINANCIAL REVIEW**Hon. Treasurer's Report***David Peerless*

In January 2020, news of a SARS virus started to emerge from Wuhan, China, which quickly spread to northern Italy. Throughout January and February, as regular direct flights continued to arrive in Heathrow from Wuhan Tianhe International Airport, cases of Covid started to emerge in London and throughout the UK and, by March, the government dramatically closed churches, prohibited normal human social interaction, and locked down the economy and country.

No organisation in a democratic country could have realistically been expected to prepare for such unexpected and unprecedented policy decisions, especially at a time when a church's pastoral services would likely be in greatest demand outside wartime. Fortunately, however, although St Mary Abbots Church was forced to physically lock its doors between 23 March and 12 July, probably for the longest time in its near thousand-year history, it was still able to maintain a popular online service provision.

Furthermore, during the subsequent lockdowns, the church was permitted to – and did – open its doors to its parishioners, while also maintaining an online service provision. The team at St Mary Abbots, especially Mother Emma, Father Jonathan, Mother Alice, Simon Fitter, Tom Mendell, Phil Joyce, Amanda McRae and Sam Kibble, deserve huge credit for their exceptional effort during these extraordinary times, as they developed new hi-tech ways to reach parishioners, and also maintained an open, safe and welcoming church.

Such events, and the inability for the church to open its doors in the way that it always has done, could have been devastating for the church's finances. Indeed, overall, the church's income fell to £440k in 2020 from £580k in 2019. However, expenditure, excluding provision for bad debt was £495k, and the remaining discrepancy largely offset by the closure of the Hall Maintenance Fund to cover the costs of Centre refurbishment, meaning that the overall deficit to general funds was just £25k. Overall, this was a remarkable result, given the exceptional circumstances.

The church's income is derived primarily from two sources: the generosity of parishioners through regular giving and donations at services, and rental for use of church property, notably The St Mary Abbots Centre and 8 Hornton Place.

Total income from the congregation was £175k in 2020, down from £185k in 2019, largely because fund-raising events including the Summer Fayre, Christmas Fayre and St John Passion, were cancelled due to Covid restrictions. However, regular giving reached £76k, down just £4k from 2019, while cash collections were flat, in spite of the church being closed for several months and service attendance down.

While positive, this stability of cash collections, must be viewed in the context of the theft reported in 2019, and only serves to highlight the severity of that issue over many years. It was confirmed during the year that the two individuals caught stealing from the cash collection on CCTV have been prosecuted and each received suspended prison sentences. In response, during 2020, the PCC improved cash collection procedures and security protocols.

Income generated from rental of St Mary Abbots Centre, including car parking, was maintained at 73% of 2019 levels, in spite of Covid restrictions. We are indebted to Adam Norton, Centre Manager, for his efforts and this achievement. However, rental from 8 Hornton Place fell by 40% to £60k, as Bluebell Nursery moved out having failed to keep up with rental payments during the lockdown. A replacement tenant has now been found, but income from this building will not recover to pre-crisis levels until 2022. Overall, income from property fell to £228k in 2020 from £328k in 2019.

Over the last three years, the PCC has made considerable effort to control burgeoning costs, and it is noticeable that in 2020 costs were lower, and in some cases significantly lower, than 2019 on all expense lines except two.

In 2020, St Mary Abbots paid the full £85k in Standard Parish Costs (2019: £83k), £21k for additional clergy (2019: £62k), due to the departure of Father Stephen in late 2019 followed by Father Jonathan in mid-2020,

and £12k in Voluntary Mission Contribution (2019: £12k). As noted previously, Voluntary Mission Contributions donated by St Mary Abbots over the last two decades years have exceeded £1.25m, and have now been reduced to £12k from unsustainable levels. This year, we are grateful for the Diocesan support for Mother Alice's remuneration.

In 2020, a revised music fee structure was agreed with the Director of Music and took effect from April, bringing in visibility and control and, combined with Covid restrictions and reduced music provision, resulted in a substantial decrease in the cost of music, to £26.5k (2020) from £47k (2019). Thanks to Mother Emma and Professor Mark Uglow for their support in this regard, and Mark for his continued exemplary musical contribution to the life of the Parish. Due to Covid regulations and the closure of the church, the annual performance of St John Passion was cancelled. However, two successful performances of Handel's Messiah were held in November, and were profitable, thanks in large part to a generous donation towards the cost of the music.

The St Mary Abbots Centre has been sorely in need of redecoration for many years. During the summer, the PCC decided to take advantage of a lull in lettings to proceed with these works, and also replace the boilers, which had failed. This work was completed, and it was agreed that an unrestricted fund, originally receipt from an insurance claim for subsidence at the Centre, would be used for this purpose. A further £20k was spent on church maintenance, notably on upgraded security provision and to repair the boilers, one of which has now failed; both will be replaced in 2021.

St Mary Abbots' Reserves Policy is to maintain on unrestricted funds which relates to not less than six months of unrestricted payments to cover emergency situations that may arise from time to time. The importance of this policy was highlighted as the impact of Covid started to become evident in early 2020 and immediately we set about creating an emergency budget to ensure that there would be sufficient funds to meet ongoing costs, and that the requirements of the Reserves Policy could be met. Fortunately, and thanks especially to prudent decisions relating in particular to the control of expenses in the last three years, these conditions were met in 2020, and Parish finances remain viable, even though they do remain under considerable pressure in 2021.

With the exception of 7b Vicarage Gate, the church's functional properties remain listed on the balance sheet at deemed replacement cost based on insured values, as they have since they were first included in the accounts in 2006. This is obviously very conservative, and does not reflect their true market value. A report by JLL in 2013 highlighted the challenges associated with valuing the properties, particularly the Vicarage Gate site, due to planning constraints, and failed to reach a conclusion. However, plans originally instigated by Father Gillean several years ago, to enhance the church for the 21st century, are now beginning to bear fruit, and is expected to enable us to revise these valuations in the coming months with a level of confidence and relevance not previously possible.

During 2020 there have been some adjustments to funds as listed in the financial statements, which are primarily invested with Charles Stanley. In particular, the Hall Maintenance Fund (£30,943) has been spent on the Centre renovations, and is now closed. In addition, it should be noted that immediately following the year-end, in January 2021, two unrestricted designated funds were renamed. "Enfranchisement Capital", representing the proceeds of the sale of Freehold of 7a Vicarage Gate, following Enfranchisement in 2017 was renamed "St Mary Abbots Property I Fund". "Christ Church Clergy Cottage", consisting of the funds belonging to St Mary Abbots derived from the sale of a flat in the 1970s, has been renamed "St Mary Abbots Property II Fund".

As part of the negotiations to split the larger parish in 2016 it was agreed that this fund would continue to be set aside to assist with the potential purchase of clergy accommodation for Christ Church for up to three years, subject to a number of conditions. After three years, and following a one-year extension of the agreement, ending in December 2020, this money has not been called upon, and therefore the 2016 agreement has now expired. At year-end 2020, Property I Fund was valued at £378,247, and Property II Fund at £331,108.

There is a lot of work associated with running a large parish such as St Mary Abbots. In 2020, Petter Kringberg was hired into the role of Parish Manager. I would like to take this opportunity to welcome him to the role, and also thank him for the hard work he has put in since his arrival. I would also like to thank David

Banks and Jamie Dunford-Wood for their hard work as Wardens over many years, and Guy Heald and Ed Warwick as they take over.

The 2020 accounts were audited again by Beever & Struthers, and I would like to thank Elizabeth Hatchman and her team for their tireless efforts throughout this process.



<p style="text-align: center;">STATEMENT OF THE PAROCHIAL CHURCH COUNCIL'S RESPONSIBILITIES FOR PREPARATION OF THE FINANCIAL STATEMENTS</p>
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The Parochial Church Council 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).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the church and of the incoming resources and application of resources of the church for that period. In preparing these financial statements, the Council is required to:

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

The Council is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the church and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE PAROCHIAL CHURCH COUNCIL OF
ST MARY ABBOTS, KENSINGTON**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted	Restricted	Endowment	2020 Total	2019 Total
		£	£	£	£	£
Income & Endowments						
Voluntary income	2a	173,866	1,425	-	175,291	184,840
Activities for generating funds	2b	228,070	-	-	228,070	328,352
Investment Income	2c	24,362	137	4,600	29,099	35,729
Church activities	2d	7,725	-	-	7,725	30,983
Other income	2e	-	-	-	-	100
Total Income		434,023	1,562	4,600	440,185	580,004
Expenditure						
Costs of generating funds	3a	24,226	-	1,010	25,236	54,000
Church activities	3b	434,936	-	26	434,962	482,355
Other expenditure	3c	64,953	-	-	64,953	42,350
Total Expenditure		524,115	-	1,036	525,151	578,705
Net Income/ (Expenditure)						27,954
Net Gains/ (Losses) on Investments	5b	15,592	-	1,548	17,140	182,230
Transfer between Funds	9	-	-	-	-	-
Net Movement in Funds		(74,500)	1,562	5,112	(67,826)	183,529
Total Funds Brought Forward		4,211,525	30,869	185,999	4,428,393	4,244,864
Total Funds Carried Forward		4,137,025	32,431	191,111	4,360,567	4,428,393

The notes on pages B7 to B16 form part of these accounts.

BALANCE SHEET AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible fixed assets			
Properties	5a	2,963,115	2,963,115
Investments (market value)	5b	1,111,814	1,097,268
		4,074,929	4,060,383
CURRENT ASSETS			
Current Investments		185,234	245,802
Debtors	7	40,422	14,022
Cash at bank and in hand		110,835	180,274
		336,491	440,098
LIABILITIES	8	(50,853)	(72,088)
NET CURRENT ASSETS		285,638	368,010
NET ASSETS		4,360,567	4,428,393
ALLOCATION OF NET ASSETS BY FUND:			
Unrestricted	9	4,137,025	4,211,525
Restricted		32,431	30,869
Endowments		191,111	185,999
Total Funds		4,360,567	4,428,393

Approved and signed on behalf of the PCC on 20 April 2021 by:

The Revd Emma Dinwiddy Smith (Chair)

Mr David Peerless (Hon. Treasurer)

The notes on pages B7 to B16 form part of these accounts.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Net cash from operating activities		(161,699)		(18,689)
Cash flows from investing activities				
Dividends, interest and rent from investments	29,099		35,729	
Proceeds from the sale of:				
Tangible fixed assets	-			
Tangible fixed investments	94,866		68,339	
Purchase of:				
Tangible fixed assets for the use of the PCC	-			
Fixed asset investments	(92,273)		(90,278)	
	31,692		13,790	
Net cash provided by (used in) investing activities		31,692		13,790
Change in cash and cash equivalents in the year		(130,007)		(4,899)
Cash and cash equivalents at 1 January		426,076		430,975
Cash and cash equivalents at 31 December		296,069		426,076
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(67,826)		183,529
Adjustment for:				
Depreciation charges		-		-
(Gains)/losses on investments		(17,140)		(182,230)
Dividends, interest and rent from investments		(29,099)		(35,729)
Decrease/ (increase) in debtors		(26,399)		15,688
(Decrease)/ increase in creditors		(21,235)		53
		(161,699)		(18,689)
Net Cash provided by (used in) operating activities		(161,699)		(18,689)
Analysis of cash and cash equivalents				
Cash in hand		110,835		180,274
Deposits		185,234		245,802
		296,069		426,076

1. ACCOUNTING POLICIES

a. Accounting convention

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with 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 2017) - (Charities SORP 2019 (FRS 102), the Charities Act 2011, and applicable regulations.

St Mary Abbots 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 note(s). They include all transactions, assets and liabilities for which the PCC are responsible in law in 2019. They do not include the accounts of church groups that owe their affiliation to another body, nor those that are informal gatherings of church members.

b. Funds

Unrestricted Funds are general funds which can be used for PCC ordinary purposes.

Designated Funds are monies set aside by the PCC out of unrestricted funds for specific future purposes or projects.

Restricted Funds represent

(a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and

(b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of the year is carried forward as a balance on that fund.

Endowment Funds are funds, the capital of which must be maintained; only income arising from the investment of the endowment may be used.

It has been ascertained that St Mary Abbots Church enjoys full entitlement to the Curtis Bequest Fund's assets and to the income that these assets generate. The reserves have been re-stated as at 31 December 2008 to include this endowment fund.

c. Incoming Resources

All incoming resources are accounted for gross.

Voluntary income

Collections are recognised when received.

Planned giving receivable is recognised only when received.

Income tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants and legacies are recognised when the PCC is legally entitled to the amount due.

Income from Investments

Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue.

All other income

All other income is recognised when it is receivable.

Gains and losses on Investments

Realised gains or losses are recognised when investments are sold.

Unrealised gains and losses are accounted for on revaluation at 31 December.

d. Resources Expended

Resources expended are accounted for on an accruals basis and are accounted for gross.

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

Church Activities

The diocesan parish share is accounted for when paid. Any parish share unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

The PCC contributes to the Church of England Pension Builder Scheme. The assets of the scheme are held separately from those of the PCC in an independently administered fund.

e. Fixed Assets

Tangible fixed assets

Consecrated and beneficed property of any kind is excluded from the accounts by s.10(2)(a) of the Charities Act 2011.

Movable church furnishings held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal are accounted 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 available and therefore such assets are not valued in the accounts. Individual items acquired since have been capitalised in the accounts and depreciated over their economic life.

All expenditure on consecrated or beneficed buildings and individual items costing under £5,000 are written off in the year they were incurred.

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 deemed cost will not change unless improvement expenditure is incurred on these properties. Full details of these properties are included at Note 5a to the accounts.

Depreciation

Fixtures and fittings and office equipment over £5,000 are depreciated on a straight line basis over 4 years

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. The useful economic life of these assets is so long and residual values so high that any depreciation would not be material. These assets will be subject to annual impairment reviews. Provision will be made if there has been any permanent diminution in value.

Investments

Investments are stated at market value at 31 December.

f. Current Assets

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less any provision for amounts that may prove uncollectible.

g. Liabilities

Amounts payable at the end of the period are included in the accounts under amounts payable within or after one year as appropriate. This includes amounts due to suppliers and accrued expenditure (due but not invoiced).

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

2. INCOME & ENDOWMENTS	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2020 £	TOTAL 2019 £
<u>2a. Voluntary income</u>					
Planned Giving:					
Gift Aid	71,115	-	-	71,115	72,881
Donations	5,234	-	-	5,234	8,677
Tax Recoverable	17,039	-	-	17,039	17,958
Collections at services:					
Gift Aid	12,461	-	-	12,461	14,201
Donations	16,101	-	-	16,101	30,367
Tax Recoverable	2,986	-	-	2,986	3,499
Sundry donations and appeals					
Gift Aid	14,905	325	-	15,230	12,400
Donations	4,570	1,100	-	5,670	5,531
Tax Recoverable	3,649	-	-	3,649	3,135
Grants	2,103	-	-	2,103	15,991
Legacies	23,703	-	-	23,703	200
	173,866	1,425	-	175,291	184,840
<u>2b. Activities for generating funds</u>					
Church hall lettings	150,047	-	-	150,047	202,855
Rents (Hornton Place)	73,322	-	-	73,322	100,800
Fund-raising Bazaar/Concerts	4,701	-	-	4,701	24,697
	228,070	-	-	228,070	328,352
<u>2c. Investment Income</u>					
Dividends and interest	24,362	137	4,600	29,099	35,729
<u>2d. Church Activities</u>					
Fund-raising Church groups	25	-	-	25	14,842
Fees (Church and statutory)	7,700	-	-	7,700	16,141
	7,725	-	-	7,725	30,983
<u>2e. Other Income</u>					
Sundry	-	-	-	-	100
	-	-	-	-	100
Total Income	434,023	1,562	4,600	440,185	580,004

Income stated for the year excludes income lost due to fraudulent activity undertaken during the year. Due to the nature of the fraud, the exact amount lost is unknown, estimates of the total fraud loss for the year vary between £15,600-£24,300. These estimates are based on weekly fraud loss of £300-£470. All trustees have been made aware of the incident and it was reported to the Charities Commission on 11th March 2021.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

3. EXPENDITURE	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2020 £	TOTAL 2019 £
<u>3a. Cost of generating funds</u>					
Stewardship costs	106	-	-	106	116
Fund-raising and Appeal costs	3,333	-	-	3,333	29,230
Support costs: administration	14,745	-	-	14,745	18,039
Investment Management Costs	6,042	-	1,010	7,052	6,615
	24,226	-	1,010	25,236	54,000
<u>3b. Church Activities</u>					
Missionary and Charitable Giving	12,204	-	-	12,204	17,715
Ministry:	106,399	-	-	106,399	
Diocesan Clergy Stipends					137,150
Other Clergy Costs	21,168	-	-	21,168	30,672
Church Running Expenses	24,510	-	-	24,510	24,611
Church Maintenance	22,838	-	-	22,838	23,455
Church Major Repairs	11,514	-	-	11,514	-
Services	3,216	-	-	3,216	6,847
Choir and Music	31,502	-	-	31,502	47,626
Congregational Development	2,204	-	-	2,204	7,684
Church Hall Repairs and Maintenance	67,979	-	-	67,979	38,272
8 Hornton Place	6,650	-	-	6,650	1,859
Salaries: Church	24,187	-	-	24,187	38,559
Hall	30,906	-	-	30,906	33,002
Staff Accommodation	14,635	-	-	14,635	14,764
Support Costs: administration	52,984	-	-	52,984	58,477
Sundry	2,040	-	26	2,066	1,662
	434,936	-	26	434,962	482,355
<u>3c. Other Expenditure</u>					
Auditors fees*	2,350	-	-	2,350	8,954
Solicitors fees	10,404	-	-	10,404	12,309
Support costs: administration	20,577	-	-	20,577	20,946
Bad debt provision	31,622	-	-	31,622	141
	64,953	-	-	64,953	42,350
Total Expenditure	524,116	-	1,036	525,151	578,705

***Auditors Fees:**

	2020	2019
	£	£
Audit fee	6,978	7,994
Accounts preparation fee	967	960
Total Auditor's fee:	7,945	8,954

In common with many other organisations of our size and nature we use our auditors to assist with the preparation of the financial statements.

4. STAFF COSTS & PCC MEMBER PAYMENTS**4a. Wages**

	2020	2019
	£	£
Wages and salaries	103,048	129,994
Social security costs (net of HMRC Grant)	4,192	7,390
Pension costs	6,600	7,850
Agency fees	15,718	5,901
Total	129,558	151,135

In 2020 the PCC employed a Virger, Relief Virger, Vicar's PA, Parish Manager, Book-keeper, Hall Manager, and a Relief Hall Manager. None of the staff members earned the Act's minimum figure for declaration of £60,000 p.a.

4b. Payments to PCC Members

Reimbursed expenses of £2,102 (2019: £3,392) were paid to 2 (2019: 2) PCC members.

4c. Donations by Members

No donations were made from a PCC member or a related party with conditions which would, or might, require St Mary Abbots to alter significantly the nature of its existing activities if it were to accept the donation.

Donations without such conditions totalled £8,921 (2019: £10,168) was received from 12 PCC members and/or their family members (2019: 12 members).

4c. Church of England Pension Builder Scheme

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

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, 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 that members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2017.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m 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 PCC could become responsible for paying a share of that employer's pension liabilities.

St Mary Abbots contributes 8.5% of basic salary. The contributions for the year totalled to £6,600 (2019: £7,850). There were no contributions outstanding at year end.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

5. FIXED ASSETS

5a. Tangible fixed assets

		Properties £	Church Equipment £	Total £
Actual/Deemed Cost	At 1 January 2020	2,963,115	41,050	3,004,165
	Revaluation gain on property	-	-	-
	At 31 December 2020	<u>2,963,115</u>	<u>41,050</u>	<u>3,004,165</u>
Depreciation	At 1 January 2020	-	(41,050)	(41,050)
	Charge for the year	-	-	-
	At 31 December 2020	<u>-</u>	<u>(41,050)</u>	<u>(41,050)</u>
Net Book Value	At 31 December 2020	<u>2,963,115</u>	<u>-</u>	<u>2,963,115</u>
	At 31 December 2019	<u>2,963,115</u>	<u>-</u>	<u>2,963,115</u>

Church equipment includes

- a second-hand chamber organ purchased in November 2014 for £11,100, and has been fully depreciated.
- an Allen digital organ purchased in December 2000 for £29,950, has been fully depreciated. The cost and the depreciation charge are included respectively in the brought forward figures above.

Properties:

Functional church properties are included in the accounts at deemed cost based on the insured values at 1 January 2006 when they were first included in the accounts as follow:

	£
Church Hall & garages	1,752,214
Cottage - Curate	242,109
Cottage - Hall Manager	242,109
8 Hornton Place	441,683
7b Vicarage Gate	<u>285,000</u>
Total	<u>2,963,115</u>

The property freehold of 7b Vicarage Gate was included in St Mary Abbots Accounts in December 2016 at deemed cost of £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 intended for sale. As functional buildings, their insurance valuations rather than market valuations have been included in the Accounts.

5b. Investment fixed assets

Listed Investments

	£
Market value at 1 January 2020	1,097,268
Purchase at Cost	92,273
Disposal Proceeds	(94,866)
Gain on Disposal	(59,116)
Gain on Revaluation	<u>76,255</u>
Market Value at 31 December 2020	<u>1,111,814</u>

	UK Investments £	Non-UK Investments £	Total £
General	61,259	-	61,259
Clergy House	64,481	234,363	298,844
Mary Isa Trust	79,489	148,643	228,132
Enfranchisement Capital	91,433	283,744	375,177
Curtis Bequest	80,376	68,026	148,402
	<u>377,038</u>	<u>734,776</u>	<u>1,111,814</u>

6. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted		Restricted Funds	Endowment Funds	TOTAL 2020
	General	Properties			
	£	£	£	£	£
Fixed Assets for Church use	-	2,963,115	-	-	2,963,115
Investment Fixed Assets	963,412	-	-	148,402	1,111,814
Current Assets	261,351	-	32,431	42,709	336,491
Current Liabilities	(50,853)	-	-	-	(50,853)
Fund balance	1,173,910	2,963,115	32,431	191,111	4,360,567

7. DEBTORS

	2020	2019
	£	£
Trade Debtors	1,195	2,058
Income tax recoverable	-	680
Prepayment and accrued income	70,849	11,284
Bad debt provision	(31,622)	-
Total	40,422	14,022

8. LIABILITIES

	2020	2019
	£	£
Accruals	700	24,955
Creditors	50,153	47,133
Total	50,853	72,088

9. ALLOCATION OF NET ASSETS BY FUND

	Balance b/f 1 January 2020 £	Income £	Expenses £	Gains on Revaluation of Fixed Assets £	Transfer to/ from other funds £	Balance c/f 31 December 2020 £
<u>The Unrestricted Funds comprise</u>						
General						
General Fund	3,248,469	403,431	(489,265)	(15,977)	-	3,146,658
Designated						
Enfranchisement Capital	349,580	8,417	(2,212)	22,462	-	378,247
Bequests	34,539	10,127	-	-	-	44,666
Hall Maintenance	30,874	69	(30,943)	-	-	-
Christ Church Clergy Cottage	310,210	6,406	(180)	14,672	-	331,108
Mary Isa Trust (Renovation)	237,853	5,573	(1,515)	(5,565)	-	236,346
Total	4,211,525	434,023	(524,115)	(15,592)	-	4,137,025
<u>The Restricted Funds comprise</u>						
Appeal	30,869	1,562	-	-	-	32,431
Total	30,869	1,562	-	-	-	32,431
<u>The Endowment Funds comprise</u>						
The Curtis Bequest Fund	185,999	4,600	(1,036)	1,548	-	191,111
Total Funds	4,428,393	440,185	(525,151)	17,140	-	4,360,567

Enfranchisement Capital: In 2016, £301,955 was received in relation to the enfranchisement of 7A Vicarage Gate. The Church Council resolved to invest this income.

Appeal: In 2016, an appeal was launched to raise funds for the re-ordering of the church. The resubmission of a planning application for a North Extension was carried out in 2018.

The Curtis Bequest Fund is an endowment fund that 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'.

13th January 2021 the PCC decided to change the name of the Enfranchisement Capital to St Mary Abbots Property Fund I and of Christ Church Clergy Cottage to St Mary Abbots Property Fund II.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

10. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted	Restricted	Endowment	TOTAL	TOTAL
						2019
	NOTES	£	£	£	£	2018
						£
INCOME & ENDOWMENTS						
Voluntary income	2a	182,515	2,325	-	184,840	278,570
Activities for generating funds	2b	328,352	-	-	328,352	354,043
Investment Income	2c	30,614	84	5,031	35,729	31,740
Church activities	2d	30,983	-	-	30,983	21,684
Other income	2e	100	-	-	100	10,883
TOTAL INCOME		572,564	2,409	5,031	580,004	696,920
EXPENDITURE						
Costs of generating funds	3a	53,056	3	941	54,000	54,157
Church activities	3b	482,328	-	27	482,355	574,633
Other expenditure	3c	42,350	-	-	42,350	40,176
TOTAL EXPENDITURE		577,734	3	968	578,705	668,966
NET INCOME/ (EXPENDITURE) BEFORE INVESTMENT GAINS						
		(5,170)	2,406	4,063	1,299	27,954
NET GAINS/ (LOSSES) ON INVESTMENTS						
	5b	148,804	-	33,426	182,230	(62,304)
TRANSFER BETWEEN FUNDS						
	9	-	-	-	-	-
NET MOVEMENT IN FUNDS						
		143,634	2,406	37,489	183,529	(34,350)
TOTAL FUNDS BROUGHT FORWARD AT 1.1.19.						
		4,067,891	28,463	148,510	4,244,864	4,279,214
TOTAL FUNDS CARRIED FORWARD AT 31.12.19.						
		4,211,525	30,869	185,999	4,428,393	4,244,864

11. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2020 £	Cash Flows £	Non-Cash Movements £	At 31 December 2020 £
Cash and Cash Equivalents	426,076	(130,007)	-	296,069
Overdraft	-	-	-	-
Borrowings	-	-	-	-
	-	-	-	-

12. RELATED PARTIES

Following the re-organisation in the Central Kensington Group Ministry, a new Parish Scheme came into effect from January 2018. The PCC was no longer responsible for Christ Church and St Philip, as they had their own PCC.

13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the church had annual commitments under non-cancellable operating leases as follows:

	2020 £	2019 £
Within one year	2,544	2,544
In one year or more but less than two years	2,544	2,544
In two years or more and less than 5 years	3,816	6,360

14. SUPPORT COSTS

For St Mary Abbots Church, the support cost of administration which includes the salaries of the Parish Manager, Vicar's PA and Book-keeper, has been apportioned to raising funds, charitable activities and governance.

