

**THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF ST MARY, WEST KENSINGTON
(REGISTERED CHARITY NUMBER 1139480)**

**TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

**THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF ST MARY, WEST KENSINGTON**

TRUSTEES ANNUAL REPORT

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

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**THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF ST MARY, WEST KENSINGTON**

REFERENCE AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 DECEMBER 2019

Principal Address

St. Mary's Church
2 Edith Road
London
W14 9BA

Members of the Parochial Church Council

Vicar:	Position vacant
Chairman	David Pearson
Parish Assistant:	Jane Oldham (Co-opted)
Safeguarding Officer:	Sandra Mohammed (Co-opted)
Churchwarden:	Daryl Arambhan (Vice-Chairman) Jeremy Sharp
Deanery Synod Representatives:	Ed Green Jeremy Sharp
Elected Members:	Sally Balan John Bridges Rachel Cooper Elizabeth-Anne Haldane Pat Medlen (Treasurer) Steven Neville Joe Stocker Robin Wedderburn

Management

The PCC is managed by the Incumbent together with nominated members of the PCC, namely the Church Wardens, Parish Assistant and the Church Treasurer.

**THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF ST MARY, WEST KENSINGTON**

REFERENCE AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 DECEMBER 2019

Independent Examiner

Mario Koureas FCCA
Hetherington and Co Ltd
Chartered Certified Accountants
289 Green Lanes
Palmers Green
London
N13 4XS

Bankers

Barclays Bank PLC
191 Earls Court Road
London
SW5 9AW

**THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF ST MARY, WEST KENSINGTON**

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2019

The Parochial Church Council (PCC) of St Mary, West Kensington present their report and the unaudited financial statements for the year ended 31 December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Parochial Church Council (PCC) of St. Mary, West Kensington is a corporate body established by the Church of England. The PCC is a registered charity (Charity Number 1139480). The PCC is governed by the Parochial Church Council (Powers) Measure 1956, the Church Representation Rules and the Charities Act 2011.

Appointment of PCC Members

Members of the PCC are elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. Church members are invited to nominate candidates for election to the Parochial Church Council (PCC). Nominations for membership of the PCC are advertised in the Church and any person wishing to be considered completes the relevant application which requires both a proposer and seconder to be named. Ballot papers are then provided at the APCM for persons to be elected or re-elected to serve on the PCC. Once elected, each member is provided with details of the workings of the PCC and their responsibilities.

Those persons who served as members of the PCC during the year or were appointed since were as follows:

Vicar:	Roger Curl (Chairman- until 5 th March 2020)
Chairman:	David Pearson (from 2 nd April 2020)
Parish Assistant:	Jane Oldham (Co-opted)
Safeguarding Officer:	Sandra Mohammed (Co-opted)
Church Wardens:	David Pearson (Vice-Chairman) (until 10 th April 2019) Daryl Arambhan (Vice-Chairman) (from 10 th April 2019) Jeremy Sharp
Deanery Synod Representatives:	Ed Green (from 10 th April 2019) Jeremy Sharp
Diocesan Synod Representative:	Mark Lewis (until 17 th September 2019)

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Elected Members:

Daryl Arambhan (until 10th April 2019)
Sally Balan
John Bridges
Tom Butler (until 10th April 2019)
Eleanor Carlson (until 10th April 2019)
Pat Clayfield (until 10th April 2019)
Rachel Cooper
Elizabeth-Anne Haldane
Pat Medlen (Treasurer)
Steven Neville (from 10th April 2019)
David Pearson (from 10th April 2019)
Joe Stocker
Mary Swamy (until 10th April 2019)
Robin Wedderburn (from 10th April 2019)
Monica Wilford (until 10th April 2019)

Organisation

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish including deciding on how the funds of the PCC are to be spent.

The PCC carries out its aims and objectives through regular prayer, informal conversations, formal meetings and various groups. A draft agenda for each meeting is constructed by the Vicar incorporating any matters raised by PCC members. The full PCC met seven times during the year with an average level of attendance of 80%. Also, there were other meetings held to discuss the future of the ministry

It meets to discuss financial matters, hall charges and car park fees, staffing issues and salaries, future ministry, safeguarding, maintenance of the church buildings and grounds, electricity and gas contracts, and other general church issues.

The annual budget is presented to the PCC to be considered and approved. Management accounts and financial updates are regularly presented to the PCC.

The PCC operates by financing a paid team of five employees, together with a team of volunteers. The teams develop the ministry of the Church within the parameters set by the PCC.

Given its wide responsibilities, the PCC has a Standing Committee which meets between PCC meetings. It is responsible to the PCC and reports back to it with minutes of its decisions being received by the PCC and discussed as necessary.

**THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF ST MARY, WEST KENSINGTON**

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YEAR ENDED 31 DECEMBER 2019

Risk Policy

The PCC established procedures in order to identify and minimise the major risks (financial and non-financial) which could impact the work of the Church in the parish.

Reserve Policy

The PCC has adopted a reserve policy, like many other churches, not to build up reserves deliberately. Consequently, the reserves of the church will have resulted from accumulated giving at any one time. The church remains dependent on the continued support of the congregation. The PCC considers that the reserves held at 31 December 2019 together with its forecasted cash flow will be sufficient to fund its work for the ensuring year.

Grant Policy

Each year the PCC, at the discretion of the Vicar, provides grants for missionary work. In addition, further grants are made available throughout the year via dedicated collections for specific causes.

Safeguarding

As we are a charity, the Charity Commission recommends that PCC members, as trustees and all staff who work with children are DBS checked and undergo online safeguarding and child protection training. The DBS check is mostly completed online and is a simple process. Safeguarding is also governed by the London Diocese. We use the Diocesan template for consent forms, risk assessment forms, safeguarding policy etc thus keeping our practice in line with Diocesan policies. Safeguarding training is completed online answering multiple choice questions. Our safeguarding policy is updated annually and displayed on the notice board along with other safeguarding literature. Safeguarding is the responsibility of the whole church.

The PCC has complied with the duty under Section 5 of the Safeguarding and Clergy Discipline Measure 2016, in relation to having due regard to House of Bishops' guidance on safeguarding children and vulnerable adults.

**THE PAROCHIAL CHURCH COUNCIL OF
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YEAR ENDED 31 DECEMBER 2019

AIMS AND OBJECTIVES

The aims and objectives of the Parochial Church Council (PCC) of St Mary, West Kensington are to promote in the parish the whole mission of the Church.

STRATEGIES ADOPTED TO ACHIEVE THE AIMS AND OBJECTIVES

The PCC seeks to promote the mission of the Church through its pastoral, evangelistic, social and ecumenical work. In doing so, the PCC is committed to enabling as many people as possible to worship at our Church and to become part of our parish community at St. Mary's.

The PCC maintains an overview of worship throughout the parish and makes suggestions on how our services can involve the many groups that live within our parish. In turn this provides for our services and worship to put faith into practice through regular prayer, bible teaching, music and sacrament.

We also strive to enable people to live out their faith as part of our parish community through

Worship and prayer; learning about the Gospel, developing their knowledge and trust in Jesus.

Provision of pastoral care.

Missionary and outreach work.

The PCC recognises that in order to achieve its aims and objectives, it relies on the invaluable support and contribution of the church members, who freely volunteer and devote their time, energy, and money towards the mission of St. Mary, West Kensington. Without the generous support of our congregation the charitable, social and outreach work of the church would not exist.

The PCC thanks everyone involved for all that has been achieved in the last year. To facilitate this work, it is important that we maintain the fabric of the Church of St. Mary's.

The activities undertaken in the year and related to our goals are set below.

Public Benefit

The charities commission in its Charities and Public Benefit Guidance requires that there are two principles to be met to show that the organisation's aims are for the public benefit. Firstly, there must be an identifiable benefit. Secondly the benefit must be to the public or a section of the public.

When planning the activities and in exercising their duties and powers in order to meet the stated objective of the church for the year under review, the members of the PCC confirm that they have had due regard to the guidance issued by the Charity Commission on public benefit and that they will continue to ensure that each year they consider how the PCC continues to meet the public benefit objectives outlined in section 4 of the Charities Act 2011.

**THE PAROCHIAL CHURCH COUNCIL OF
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ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2019

NOTABLE ACHIEVEMENTS AND PERFORMANCE

These are set out in more detail under activities. Given the pastoral nature of so much of the work of the Church quantitative data is sometimes limited. We list below average church attendance and the electoral roll:

Church Attendance

Average Sunday attendance since the last APCM (10th April 2019) was 52, (including children and young people), with the largest attendance at Easter, Harvest and Carol Services

Electoral Roll

The Electoral Roll stood at 91, 33 of whom are resident and 58 who are not resident within the parish, 5 names were added and 11 were removed including 1 member who sadly died. The previous year's total stood at 97.

WORSHIP, PRAYER & CHURCH ACTIVITIES

We continue to maintain a variety of **Sunday services** all centred on biblical exposition. Congregations fluctuate. We are well served by a number of excellent musicians.

Children's Work 2019 has been a busy year. We have helped out at the Parent & Toddler Group. We did two RE classes at Avonmore with children of mixed ages last Easter.

We had one off events. We had a Holiday Club at Easter. This had a small but enthusiastic attendance. In July we had our Fun Day which was hugely popular. We had a BBQ and Bouncy Castle and many other activities that brought the church together. We also held a successful Christingle Service in December.

Sunday Club has had lower attendances than in recent times but a loyal attendance and enthusiastic helpers.

The monthly evening **prayer meeting** has continued, along with a smaller weekly morning meeting and a monthly afternoon meeting.

One **home-group** has met regularly, along with **Food & Fellowship**, a weekly devotional and discussion meeting which includes lunch.

The **Church (Open Church)** is open from 12noon-2.00pm each Friday for prayer and quiet reflection.

The **Lent Course** this year was on the theme of Risk and we used the Book of Acts in the New Testament to explore this theme. Sessions included times of reflection and discussion and refreshments.

The **Church Weekend** away was held again this year after a break in 2018. The weekend was held at High Leigh Conference Centre in October. Our speaker was the Rev. Jim Tait from St Katherine's Church, Westway, speaking on Trusting God in our journey using the book of Exodus in the Old Testament

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DEANERY SYNOD

Two members of the PCC sit on the deanery synod. This provides a vital structural bridge between PCC's and Diocesan Synods, bringing clergy and lay people together to discuss issues relating to mission and ministry in the local area.

PASTORAL CARE

Pastoral Care is the responsibility of the Vicar with the assistance of the Parish Assistant and Pastoral Assistant.

MISSION & EVANGELISM

During the year, we had five Mission Links Sundays when we focused on the work and activities of our Mission Partners and collected offerings towards the support of the work of Simon & Lizzie Guillebaud (Great Lakes Outreach), Nabil & Sarah Shehadi in Beirut, Lebanon, London City Mission, Christian Solidarity Worldwide and TEARFUND.

PUBLICITY

Over the last year we have maintained our existing publicity efforts with the Christmas and Easter Cards which were delivered through every door in the parish. We also continued to maintain and develop our website and use the public noticeboards and railings outside the church buildings to advertise services and events.

SOCIAL

The **Art Club** meets regularly on Mondays from 1.00-4.00pm, with each meeting starting with a light snack, followed by painting by numbers or other activities.

The **Sewing Group** meets on a Friday from 3.30-6.30pm

The **Parent and Toddler Group** met during term time on Thursdays from 10.00am-12.00pm. The group provides an opportunity for parents and their children to socialise and network with others in the local community. Sessions include singing, refreshments and free play time with a variety of toys and equipment. In 2019 we had a total of 34 families and 44 children who attended the group during the year. The group continues to be well regarded and we have an ongoing waiting list of parents wanting to attend who mostly hear about the group through word of mouth.

BUILDINGS

FABRIC REPORT

During 2019 we completed the renewal of the church and hall electrical system. The remedial work was carried out in two parts in January and June 2019. We renewed the electrics in the crypt and the church kitchenette, the latter requiring a new supply from the electrical mains. In December 2019 we agreed a new fire extinguisher contract and additional extinguishers were purchased.

The church office was refurbished including being repainted with a new carpet, removal of the old sink and water heater, and supply of good second-hand desks and chairs. The railings alongside the path from Edith Road to Hammersmith Road were replaced by the council, as were the benches in the grounds.

Many thanks are due to our Verger, Joe Stocker, our Property Manager, Robert Colwell, our Churchwardens, Jeremy Sharp and Daryl Arambhan, and our Parish Assistant, Jane Oldham.

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HALL and CHURCH HIRE

The Church and Hall continues to be used and for the year under review there was a total of six weekly bookings, one fortnightly booking, and one monthly booking.

The Church and Hall is used for a number of different activities including educational, music, parties, social, AGMs, church and other groups.

FLOWERS

During the year, the weekly rota saw people take turns to arrange flowers or greenery in the church.

GROUND

The trees in the Churchyard are maintained by Hammersmith and Fulham Council.

The Garden of Remembrance has been maintained.

CAR PARK

The Car Park spaces continued to be rented during weekdays to local businesses, providing a regular income.

72 EDITH ROAD

The three apartments at 72 Edith Road have had full occupation this year. The ground floor flat is occupied by the Parish Assistant where a nominal rent is paid. Rental yield comes from the lower ground floor flat and upper two storey apartments. The income derived from the rent goes toward future maintenance of this property.

Future expenditure at this property will concentrate on fire safety requirements and general maintenance. St Mary's church regularly benefits from the income derived from 72 Edith Road.

3 EDITH ROAD

The house provides cheap accommodation for people who could not otherwise afford to live locally, and who are expected to be regular members of the church and contribute to its running. There has been some turnover of residents and we currently have five tenants and two vacancies.

The involvement of the tenants in the church has been discussed and has considerably improved. A lot of work has been done to bring the house up to decent standards. The house has been completely rewired, the water tank has been replaced by a new combi-boiler, one shower replaced, carbon monoxide alarms and a new fire alarm system installed. This has meant a lot of disruption for tenants.

FINANCIAL REVIEW

The results for the year can be found on page 13. During the year under review the PCC's main source of income continued to derive through generous donations from the congregation as well as from church hall, car park and property lettings. Total income generated in the year was £211,494 of which £188,402 (2018: £184,969) related to general funds and £23,092 (2018: £20,180) related to restricted funds.

**THE PAROCHIAL CHURCH COUNCIL OF
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ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2019

The PCC continued to manage the resources of the church carefully, in accordance with its annual budget. In overall terms the PCC generated a surplus of £1,915 (2018: deficit £26,266) before taking account of revaluation movements on its investment properties.

Of this surplus £7,385 related to restricted funds. General funds show a deficit of £5,470 and this was mainly due to the property repairs.

The general fund deficit was further increased by £89,770 due to unrealised revaluation losses arising on the property situated at 72 Edith Road, which is partly used by the Church for functional purpose and partly let on a commercial basis (2018: loss of £58,540).

At the year-end date, general reserves stood at £3,208,130, designated reserves at £93,317 and restricted reserves at £16,906.

EVENTS SINCE THE YEAR END AND FUTURE PLANS

Since the year end, the global pandemic and spread of COVID-19 has severely impacted many economies around throughout the world.

On 23rd March 2020, the UK Government instructed many 'non-essential' businesses throughout the UK to temporarily cease or significantly limit their operations to control and contain the spread of the virus.

The government's instructions extended to places of worship and consequently the Church of St Mary West Kensington closed its doors for public worship, private prayer and all other meetings and activities until further notice.

The 'lockdown' together with other measures imposed such as travel bans, quarantines and social distancing have had a profound impact not only to businesses but to society generally.

In view of the closure, the PCC has found it necessary to assess how severely the temporary closure will impact on its future not only in terms of revenue streams but also its ability to continue as a going concern.

Whilst it is difficult to assess how long the closure will last, the PCC has carefully reviewed its future cash flows and has determined that at the time of approving these financial statements, it has sufficient liquid reserves to continue as a going concern for the ensuing year.

At the time of approving the financial statements the Church remains closed although we are hopeful it will be able to re-open its doors soon. As best as practically possible, we will endeavour to continue with our various ministries and initiatives in pursuing our vision in worship, prayer, evangelism & mission. Our key priorities remain:

1. Growth in church life
2. Development in prayer
3. Release the church into ministry
4. Engagement in mission

**THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF ST MARY, WEST KENSINGTON**

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2019

STATEMENT OF PAROCHIAL CHURCH COUNCIL MEMBERS' RESPONSIBILITIES

Charity law requires the PCC members to prepare financial statements for each financial year that give a true and fair view of the PCC's financial activities during the year and its financial position at the end of the year. In preparing financial statements giving a true and fair view, the PCC members should follow best practice and:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare financial statements on a going concern basis unless it is inappropriate to presume that the PCC will continue in operation

The PCC members are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the PCC and which 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 PCC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We are immensely grateful to God for all he has done throughout the year.

.....
Signed on behalf of the PCC of St. Mary, West Kensington by David Pearson (Chairman).

29 May 2020

**INDEPENDENT EXAMINER'S REPORT
TO THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH
OF ST MARY, WEST KENSINGTON**

I report to the trustees on my examination of the accounts of the Parochial Church Council (PCC) of St Mary, West Kensington for the year ended 31 December 2019, which are set out on pages 13 to 25.

Responsibilities and Basis of Report

The Church's Trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). The Church Trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

It is my responsibility to

- Examine the accounts under section 144 of the 2011 Act:
- To follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act): and
- To state whether particular matters have come to my attention.

Basis of independent Examiners Report

My examination was carried out with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below

Independent examiner's statement

In connection with the examination, no matters have come to my attention:

1. Which gives me reasonable cause to believe in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act and;
 - To prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met.
2. To which in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M Koureas FCCA
Hetherington & Co
Chartered Certified Accountants
289 Green Lanes
Palmers Green
London N13 4XS

29 May 2020

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MARY, WEST KENSINGTON**

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2019**

	Notes	General Funds 2019 £	Designated Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:						
Voluntary Income	2.1	39,217	-	21,808	61,025	64,584
Activities for generating funds	2.2	58,070	-	-	58,070	55,670
Income from Investments	2.3	52,627	-	-	52,627	51,162
Church activities	2.4	38,488	-	1,284	39,772	33,733
Total income		<u>188,402</u>	<u>-</u>	<u>23,092</u>	<u>211,494</u>	<u>205,149</u>
Expenditure on:						
Church activities	3.1	141,393	-	15,707	157,100	191,499
Raising funds	3.2	52,479	-	-	52,479	39,916
Total expenditure		<u>193,872</u>	<u>-</u>	<u>15,707</u>	<u>209,579</u>	<u>231,415</u>
Net income /(expenditure) and net movement in funds before gains/ (losses) on investments						
	5	(5,470)	-	7,385	1,915	(26,266)
Gains/ (Losses) on investments.		<u>(89,770)</u>	<u>-</u>	<u>-</u>	<u>(89,770)</u>	<u>(58,540)</u>
Net Income/ (Expenditure) for the year		<u>(95,240)</u>	<u>-</u>	<u>7,385</u>	<u>(87,855)</u>	<u>(84,806)</u>
Transfer between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Movement in Funds		<u>(95,240)</u>	<u>Nil</u>	<u>7,385</u>	<u>(87,855)</u>	<u>(84,806)</u>
Reconciliation of funds						
Total funds brought forward		3,303,370	93,317	9,521	3,406,208	3,491,014
Total funds carried forward		<u>3,208,130</u>	<u>93,317</u>	<u>16,906</u>	<u>3,318,353</u>	<u>3,406,208</u>

The notes form part of these financial statements.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MARY, WEST KENSINGTON**

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible fixed assets	6	1,737,197	1,740,707
Investment property	7	<u>1,393,360</u>	<u>1,483,130</u>
		3,130,557	3,223,837
CURRENT ASSETS			
Debtors	8	13,098	12,029
Cash at bank and in hand		203,852	200,786
TOTAL CURRENT ASSETS		<u>216,950</u>	<u>212,815</u>
CREDITORS: Amounts falling due within one year	9	<u>(29,154)</u>	<u>(30,444)</u>
NET CURRENT ASSETS		187,796	182,371
NET ASSETS/ (LIABILITIES)		<u><u>3,318,353</u></u>	<u><u>3,406,208</u></u>
PARISH FUNDS			
General Funds	13	3,208,130	3,303,370
Designated Funds	14	93,317	93,317
Restricted Funds	15	<u>16,906</u>	<u>9,521</u>
		<u><u>3,318,353</u></u>	<u><u>3,406,208</u></u>

Approved by the Parochial Church Council on 29 May 2020 and signed on its behalf by:

.....

David Pearson
(Chairman)

.....

Pat Medlen
(Treasurer)

The notes form part of these financial statements.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MARY, WEST KENSINGTON**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES

The PCC is a public benefit entity within the meaning of FRS 102. Accordingly the financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing individual accounts of PCC's and with the said Regulations' 'true and fair provisions, together with FRS 102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS 102)).

The financial statements have been prepared under the historical cost convention and include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

1.1 Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast doubt on the ability of the PCC to continue as a going concern. As explained in the Trustees Annual Report, since the year end the global pandemic and spread of COVID-19 has severely impacted many economies around throughout the world.

The Trustees have assessed the impact Covid-19 may have on the PCC's forecast and projections and have made this assessment for a period of at least one year from the date of approving these financial statements.

The PCC has concluded that the Church has sufficient resources to continue in operational existence for the foreseeable future and consequently it appropriate to continue to adopt the going concern basis in preparing its financial statements

1.2 Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Restricted funds represent (a) income from trusts and 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 each year must be carried forward as a balance of that fund. The PCC does not usually invest separately for each fund.

1.3 Incoming resources

Voluntary income, including planned giving, collections, legacies and donations are recognised where there is entitlement, certainty of receipt and where the amount can be measured with sufficient reliability. Tax refunds are recognised when the incoming resource to which they relate is receivable.

Grants to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is reasonably certain.

Such income is only deferred when:

- a) The donor specifies that the grant or donation must only be used in future accounting periods.
- b) The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income generated from fund raising activities is recognised when earned.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (Continued)

1.3 Incoming resources (continued)

Gifts given for conversion into cash are included as receivable and, where material, an adjustment made upon subsequent realisation of the gift. Where the PCC receives goods and services in kind, then in the interest of transparency, these are included at the value to the PCC where quantifiable. Where the PCC receives donated assets these are recognised at their fair value as determined by the trustees at the time of the transfer.

All other income is recognised when it is receivable. All incoming resources are accounted for gross.

Legacies are recognised on receipt or otherwise if the PCC has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.4 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the PCC to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants and donations are accounted for when paid over or when awarded, if that award creates a binding or constructive obligation to the PCC. The diocesan common fund is accounted for when payable. Any common fund unpaid at 31 December is provided in these accounts as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(I) Cost of raising funds

These relate to those specific costs incurred in renting and maintaining properties or church facilities which may be sub-let by the PCC during any part of the year.

(II) Charitable activities

These costs relate to those specific direct costs incurred by the PCC in order to promote the mission of the church within the parish. These costs also include those specific direct costs incurred in maintaining and developing the church building.

Charitable costs also include costs relating to public accountability of the PCC and its compliance with regulation and good practice

1.5 Fixed assets

(i) Land and buildings and other church property

The PCC being an Ecclesiastical Corporation is exempted under section 10 of the Charities Act 2011 from accounting for ecclesiastical property (including consecrated or benefice property).

Moveable church furnishings held by the Vicar and Churchwardens on Special Trust for the PCC and which require faculty for disposal are accounted for as inalienable property unless consecrated.

The Vicar's accommodation is held in trust by The London Diocesan Fund on behalf of the PCC. The property is essential for the mission of the church and no value has been placed on it as there is no likelihood of the property being realised.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH
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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

1.6 Depreciation of fixed assets

Functional tangible assets used for the work of the PCC are depreciated over their estimated useful lives as follows:

Computer and musical e - on a straight line basis over 3 years

Office furniture & equipr - 25% reducing balance basis

Purchases of functional fixed assets costing less than £500 are written off to the Statement of Financial Activities.

Tangible fixed assets include freehold land and buildings. The proportion of the property used for functional purposes (determined to be 22%) situated at 72 Edith Road is stated at cost. The property situated at 3 Edith Road is stated at the fair value of the property when it was donated to the PCC. Depreciation is provided on the value of the freehold properties (less the value of the land and the estimated residual value) over their useful lives at the rate of 2% per annum.

The property situated at 3 Edith Road, is regarded as functional property as it is only used by or let to members of the congregation who provide assistance to the church.

1.7 Impairment of fixed assets

At each reporting end date, the PCC reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Investment property

The proportion of the property (determined to be approximately 78%) situated at 72 Edith and held primarily for its investment potential and to generate income is stated at open market. The property is valued annually with any gains or losses taken to the SOFA.

1.9 The PCC operates a defined contribution pension scheme. Contributions payable to the PCC's pension scheme are charged to SOFA in the period to which they relate.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the PCC's balance sheet when it becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.12 Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH
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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

1.13 Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.14 Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

1.15 Critical accounting estimates and judgements

In the application of the PCC's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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ST MARY, WEST KENSINGTON**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

2. INCOME AND ENDOWMENTS

	General Funds £	Designated Funds £	Restricted Fund £	Total 2019 £	Total 2018 £
2.1 VOLUNTARY INCOME					
Planned giving:					
Covenants and gift aid donations	18,684	-	-	18,684	23,934
Tax recoverable	6,135	-	-	6,135	6,906
Uncovenanted and non gift aid donations	13,105	-	6,764	19,869	17,020
Sundry offerings	154	-	-	154	388
Youth Groups	585	-	-	585	431
Missionary giving(inc. tax recoverable)	-	-	3,036	3,036	3,897
<i>Other voluntary incoming resources</i>					
<i>Legacies</i>	554	-	-	554	-
Grants	-	-	12,008	12,008	12,008
	<u>39,217</u>	<u>-</u>	<u>21,808</u>	<u>61,025</u>	<u>64,584</u>
2.2 ACTIVITIES FOR GENERATING FUNDS					
Rent from functional property	33,989	-	-	33,989	31,708
Car park and garage	24,081	-	-	24,081	23,962
	<u>58,070</u>	<u>-</u>	<u>-</u>	<u>58,070</u>	<u>55,670</u>
2.3 INCOME FROM INVESTMENTS					
Rent from investment property	51,279	-	-	51,279	50,454
UK Bank interest	1,348	-	-	1,348	708
	<u>52,627</u>	<u>-</u>	<u>-</u>	<u>52,627</u>	<u>51,162</u>
2.4 INCOME FROM CHURCH ACTIVITIES					
Fees (net of LDF proportion)	175	-	-	175	324
Letting of church hall	37,734	-	-	37,734	32,963
Sundry income	579	-	-	579	375
Church weekend	-	-	1,284	1,284	71
	<u>38,488</u>	<u>-</u>	<u>1,284</u>	<u>39,772</u>	<u>33,733</u>
	<u>188,402</u>	<u>-</u>	<u>23,092</u>	<u>211,494</u>	<u>205,149</u>

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

3. EXPENDITURE	General Funds £	Designated Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
3.1 CHURCH ACTIVITIES					
(i) <i>Outreach activities and grants</i>					
Christian Agencies and fees	-	-	1,792	1,792	2,960
Overseas mission and missionary giving	300	-	1,344	1,644	1,237
	<u>300</u>	<u>-</u>	<u>3,136</u>	<u>3,436</u>	<u>4,197</u>
(ii) <i>Activities directly relating to the work of the church</i>					
Ministry : Common Fund	67,186	-	-	67,186	64,293
Clergy expenses	4,716	-	-	4,716	2,869
Church Hall costs	12,609	-	-	12,609	10,185
Church weekend	699	-	1,355	2,054	-
Church running expenses	29,229	-	10,886	40,115	40,598
Church routine maintenance	1,860	-	-	1,860	5,143
Major property repairs	6,059	-	330	6,389	45,644
	<u>122,358</u>	<u>-</u>	<u>12,571</u>	<u>134,929</u>	<u>168,732</u>
(iii) <i>Church management and administration</i>					
Administration and professional fees	14,337	-	-	14,337	14,047
Accountancy Fees	4,398	-	-	4,398	4,523
	<u>18,735</u>	<u>-</u>	<u>-</u>	<u>18,735</u>	<u>18,570</u>
TOTAL CHARITABLE EXPENDITURE	<u>141,393</u>	<u>-</u>	<u>15,707</u>	<u>157,100</u>	<u>191,499</u>
3.2 RAISING FUNDS					
(i) <i>Expenditure on 72 Edith Road</i>					
Repairs and running costs - 72 Edith Road	3,629	-	-	3,629	9,327
Management fees - 72 Edith Road	5,071	-	-	5,071	4,954
Administration fees - 72 Edith Road	2,600	-	-	2,600	2,512
Depreciation	10	-	-	10	10
	<u>11,310</u>	<u>-</u>	<u>-</u>	<u>11,310</u>	<u>16,803</u>
<i>Other Expenditure on fund raising activities</i>					
(iii) <i>Expenditure on 3 Edith Road -functional asset</i>					
Repairs and running costs - 3 Edith Road	36,148	-	-	36,148	17,956
Administration fees - 3 Edith Road	1,521	-	-	1,521	1,657
Depreciation	3,500	-	-	3,500	3,500
	<u>41,169</u>	<u>-</u>	<u>-</u>	<u>41,169</u>	<u>23,113</u>
TOTAL FUND RAISING EXPENDITURE	<u>52,479</u>	<u>-</u>	<u>-</u>	<u>52,479</u>	<u>39,916</u>
TOTAL EXPENDITURE	<u>193,872</u>	<u>-</u>	<u>15,707</u>	<u>209,579</u>	<u>231,415</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

4. STAFF COSTS	2019	2018
	£	£
Salaries (see note below)	118,532	112,561
Social security costs	189	189
	<u>118,721</u>	<u>112,750</u>

The average number of staff employed throughout the year was 5 (2018:5). Salaries incorporate the cost of the clergy (including associated training and housing costs). No employee earned more than £60,000 per annum. The PCC paid £67,186 as part of the quota payable to the London Diocese (2018: £64,293). During the year the Vicar was reimbursed £527 (2018: £263) for travel and hospitality expenses incurred in connection with carrying out his duties.

5. NET INCOMING RESOURCES	2019	2018
	£	£
<i>Net incoming resources are stated after charging:</i>		
Independent examiner	3,570	3,620
Independent examiner - other services	828	903
Depreciation	<u>3,510</u>	<u>3,510</u>

6. TANGIBLE FIXED ASSETS

Freehold land and buildings -held for the PCC's own use.

	2019
Cost	£
Opening balance 1 January 2019	1,755,160
Additions in year	-
Closing balance 31 December 2019	<u>1,755,160</u>
Depreciation	
Opening balance 1 January 2019	14,453
Charge for year	3,510
Closing balance 31 December 2019	<u>17,963</u>
Net Book Value	
At 31 December 2019	<u>1,737,197</u>
At 31 December 2018	<u>1,740,707</u>

Tangible fixed assets consist of two freehold properties. The property situated at 72 Edith Road, is partly used for functional purposes, with the remaining part let commercially. The proportion of the property used for functional purposes has been determined as 22% of the total area and therefore this proportion of the property is stated at cost. The other property situated at 3 Edith Road, is regarded as functional property as it is only used by or let to members of the congregation who provide assistance to the church.

The property was capitalised at fair value, as determined by Alexander Lyons (Chartered Surveyors), following the transfer of the asset to the PCC by St. Mary's Church House Trust on 4th December 2014.

Depreciation is provided on both properties on a straight line basis at the rate of 2% per annum on the capitalised value of the property (except the value of the land) less its estimated residual value and the end of its expect useful life.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

7. INVESTMENT PROPERTY

	2019	2018
At valuation:	£	£
Opening balance 1 January 2019	1,483,130	1,541,670
Revaluation in year	(89,770)	(58,540)
Closing balance 31 December 2019	<u>1,393,360</u>	<u>1,483,130</u>

The year end value was determined by the Trustees on an open market value basis. The valuation relates to the proportion of the property being held for investment potential and to generate income.

8. DEBTORS

	2019	2018
	£	£
Taxation recoverable	5,462	4,338
Accrued income and prepaid expenses	7,636	7,691
	<u>13,098</u>	<u>12,029</u>

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Taxation, social security and pensions	250	141
Monies received in advance	5,645	7,948
Other creditors and accruals.	5,259	4,355
Sundry Loan (see note 17)	18,000	18,000
	<u>29,154</u>	<u>30,444</u>

10. PENSION COMMITMENTS

The PCC operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the PCC. At the balance sheet date £109 was due to the fund (2018: £Nil).

11. CAPITAL COMMITMENTS

At the year end date there were no unprovided capital commitments for which the PCC had authorised or contracted for (2018: £Nil).

12. ANALYSIS OF NET ASSETS BY FUND

	General Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Fixed assets	3,130,557	-	-	3,130,557
Current assets	106,727	93,317	16,906	216,950
Creditors	(29,154)	-	-	(29,154)
Fund balance	<u>3,208,130</u>	<u>93,317</u>	<u>16,906</u>	<u>3,318,353</u>

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019**

13. GENERAL FUNDS

General Funds comprise those funds which the PCC is free to use in order to further the work of the Church.

	Funds Brought Forward £	Surplus / (deficit) in year £	Funds Carried Forward £
Accumulated funds	101,516	(1,970)	99,546
Church -operating reserves	101,516	(1,970)	99,546
Property revaluation reserves	1,465,854	(89,770)	1,376,084
	1,465,854	(89,770)	1,376,084
Functional property reserve	1,736,000	(3,500)	1,732,500
	1,736,000	(3,500)	1,732,500
Total general funds	3,303,370	(95,240)	3,208,130

Church reserves represent the free reserves of the PCC.

Property revaluation reserves relate to the unrealised valuation gains attributable to the let part of the property situated at 72 Edith Road,

Functional property reserves relate to the capitalised value of the property situated at 3 Edith Road.

14. DESIGNATED FUNDS

Designated funds are those funds which the Trustees set aside from general funds to be used or held for a specified purpose.

	Funds Brought Forward £	Surplus / (deficit) in year £	Funds Carried Forward £
Edith Road -property maintenance fund	93,317	-	93,317
Kitchen Fund	-	-	-
	93,317	-	93,317

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**NOTES TO THE FINANCIAL STATEMENTS
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15. RESTRICTED FUNDS

	Funds Brought Forward £	Received in year £	Funds used £	Funds Carried Forward £
Children's worker	2,098	10,008	8,415	3,691
Parish assistant	-	2,000	2,000	-
Kitchen and flower room refurbishment fund	-	6,434	-	6,434
Kitchen electrics fund	-	330	330	-
Church Refurbishment	5,648	-	-	5,648
Church weekend fund	71	1,284	1,355	-
Specific missionary	110	2,886	2,986	10
Organ Fund	1,126	-	471	655
Heating repair fund	468	-	-	468
Macmillan fund	-	150	150	-
	<u>9,521</u>	<u>23,092</u>	<u>15,707</u>	<u>16,906</u>

Children's worker : This refers to donations received to cover the cost of the children's worker salary and expenses.

Parish Assistant: This fund relates to donations received specifically towards the salary of the parish assistant.

Kitchen and flower room refurbishment fund: This fund relates to monies received specifically towards the refurbishment and upgrade of the church kitchen and flower room

Kitchen electrics fund: This fund relates to monies received and expended specifically on preliminary works to the church kitchen electrics.

Church Refurbishment: This relates to monies received towards replacement/refurbishment of the church chairs.

Church weekend: This fund relates to monies collected and expended on the church weekend.

Specific missionary : This relates to monies specifically collected and expended for mission giving, the details of which can be found in note 16.

Organ Fund: This relates to the balance of unexpended monies received towards the repair of the church organ.

Heating repair fund: This relates to the unexpended monies received towards repairing the church boiler.

Macmillan fund: This relates to monies collected at the Macmillan Tea Party and donated to the charity. This fund was fully expended.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. GRANTS

During the year, the PCC made the following external and charitable giving:

	£
<i>To UK organisations and individuals:</i>	
Tear Fund	1,792
CMJ	89
LCM	384
CSW	175
Macmillan	150
<i>Overseas Missions</i>	
Nabil Shehadi	434
GLO	111
Total	<u><u>3,135</u></u>

17. RELATED PARTIES

As permitted by the provisions of section 3a of the Parochial Church Councils (Powers) Measure 1956, the following members of the PCC were remunerated during the year in their capacity as employees of the Church.

	£
Jane Oldham (Parish assistant)	22,184
Joe Stocker	10,140
Steven Neville (from April 2019)	<u>5,850</u>
	<u><u>38,174</u></u>

Donations received from related parties (PCC Members) for the year totalled £17,025 (2018: £16,790).

The PCC also received an interest free loan in the previous year totalling £18,000 from Pat Medlen (Treasurer and PCC member). The amount is included in creditors and is expected to be repaid in the ensuing year.