

St Mary's and All Saints Parochial Church Council

Bransgore, Hampshire



Annual Report and Financial Statements

Year ending 31 December 2019

Legal Status – The St Mary's and All Saints Parochial Church Council is an Excepted Charity under the Charities Act 2011, and does not meet the requirements for registration with the Charity Commission as its regular income is less than £100,000.

Treasurer's Report

General financial position - Total receipts for the year were £79,643 (2018:£66,266). Total Payments during the year were £84,090 (2018:£ 57,939). The increase in income reflects reimbursements from our insurers, an increase in legacy funds and the recovery of historic gift aid. We anticipate that income levels will revert to the more normal levels of 2018. Gift Aid on regular donations made in 2019 (excluding those made via Parish Giving Scheme which are recovered automatically) was received after year end, and is therefore not included in these accounts.

Our general fund reserves have been held at an appropriate level as agreed by the PCC £10,872 (2018:£16,126), this was needed in order provide an appropriate cashflow cushion. As anticipated in last year's accounts we were unable to meet our formal Common Mission Fund (Parish Share) allocation, falling substantially short. We did however, significantly increase our payments in year, and with a post year-end payment we have met out 2019 revised target of £40,000 within the allocated period for 2019 payments. The payment of our share for 2019 will impact on our ability to pay funds in 2020. The impact of the potential Pandemic may also further impact on our ability to pay Share during 2020. The PCC's legal responsibility is to ensure it has enough funds to continue to perform its functions locally, but it regrets it has fallen short of the amounts budgeted by the Diocese. We have been clear that this will be a continual problem, reflecting the lack of growth in donations and a significant fall in Resource Centre lettings, alongside the very significant increases in the Fund contributions expected of us. The Fund is our contribution towards the wider work of the church, but also the way in which we contribute to the cost of our own clergy. It is hard to envisage that it will be easy to meet a share target of around £40,000 which is around half that formally expected of us.

We remain at the limit of the costs we can save as a PCC, and in order to meet as much of our Parish Share obligations we need our donors to continue to consider their level of giving. We continue to depend on our regular donors more than ever, and we will need to continue to consider ways in which we can raise more income from regular sustainable sources of donation and income.

The quinquennial reviews continue to show the need for extensive works, just to cover medium term priorities. It will be difficult to undertake any further investment given our current level of reserves unless we receive specific funds and legacies for these purposes. We continue to look to our congregation and supporters to support our work with their time and their monetary resources, both are vital if the Church is to continue its current level of activity.

Receipts – The church is very lucky to have such a dedicated group of members who provide time and resources for its ministry. We continue to be grateful for the donations made to church funds, without these regular contributions the PCC would be unable to meet the costs of ministry in the Parish or to maintain the church buildings. Significant expenditures in year were in relation to the repairs following lead theft at All Saints and repairs to the church car park at St Mary's. The latter was funded by the Wiseman Trust and the lead theft costs were partially reimbursed through our insurers, the balance being charged to the All Saints Restoration Fund.

Legacies are an important way in which we can fund the long term work of the church locally, and to sustain our places of worship, we received two legacies during the year totaling £6,000 (2018:£0). Remembering the Church in your Will as part of your estate planning can provide a lasting way to support the work of our churches. Any legacy can be applied for specific purposes to ensure that the Church can address the issues you feel are important. This is especially important as we face long term maintenance work on our churches.

Acknowledgements - I am very grateful to the Churchwardens, who have provided advice and support and to John Prince for his support with banking. I would also like to express my gratitude to Mr James McJannet for agreeing once again to undertake the Independent Examination of these Financial Statements and for his support and flexibility in accommodating the timetable, providing this service both to myself and my predecessor. 2019 will be the last year he has suggested he will stand for the position. I am also grateful to Mr Matthew Steele representing the Deanery, for his consideration of the PCC's financial position.

This will be my last year as Treasurer and I would like to thank those in the PCC and in the wider congregation who have supported me during my eight years as Treasurer. Personal circumstances, work pressures and overseas travel means it is no longer sustainable for me to continue and it will be for others to support the PCC in ensuring proper stewardship of resources going forward. I wish them and the PCC well for the future.

Reserves and Investment Policies of the PCC

Investment Policy

The PCC operates a number of accounts with High Street banks, these are to provide day to day current account and cash deposit facilities, as operational accounts they do not provide interest. The main priority is to minimize the risk of overdrawn balances, this is achieved by regular monitoring of balances and consideration of future cash flow needs. Significant balances held during the year have been held in Church of England Deposit facilities, which are interest bearing deposit accounts and capital is subject to only a minimal investment risk. PCC funds are aggregated with other Church of England Funds to generate a significantly higher level of interest. The interest accruing has been credited to the relevant funds.

The PCC has a number of historic legacies which are held by the Winchester Diocese. Administration and risk associated with these funds is managed through the Diocesan Director of Finance. These funds are invested in pooled investments, and the value of the capital invested is subject to market variation. These Trusts comprise the Manners Trusts and The Frank Reeks Legacy. The Broomhead Trust is not controlled by the PCC and no income is received from it. As in previous years the value of these Funds is not included in the Statement of Assets and Liabilities, a disclosure of these balances is provided in a note to these accounts as the PCC does not have access to the capital.

Reserves Policy

General Fund reserves – £10,672 (2018: £15,926) (Un-restricted)

These funds will be used for any purposes in line with the PCC's activities, without restriction. The PCC has agreed that the target minimum level of the General Fund should be set at £10,000, which represents around two months of normal expenditure. This will provide the minimum to enable the Church to continue to maintain services and meet unforeseen costs. The PCC agreed that the payment of Share should not be made during the year if it results in a reserve balance which would impact on the ability to meet unforeseen costs. The level of our reserve will continue to need careful attention during 2020 and beyond. We can only achieve this by making difficult decisions to reduce the level of Parish Share we can commit to pay.

Designated reserves – St Mary's Building Fund - £2,904 (2018: £1,904) (Un-restricted)

The PCC will from time to time agree to designated amounts from the General Fund for specific purposes. These Funds are utilized for these purposes until such time as the PCC decides to re-designate or return funds to the General Fund. Significant works will be required to secure the building from the elements to safeguard its future. The Designated Fund represents monies earmarked for works at St Mary's. A £1,000 legacy was credited to the fund in year.

All Restricted Reserves - £8,201 (2018: £6,274)

These represent funds raised for a specific purpose, or are funds which have been donated or given as a legacy for a specific named purpose. As such these funds are restricted in charity law. At present the PCC's most significant Restricted Funds at 31 December held for a specific purpose were:

All Saints Building Funds - £4,719 (2018:£6,474) – During the year costs associated with All Saints Church were allocated to this specific fund where the conditions for its use were met. During this period a legacy was received and monies continue to be held for the purpose of restoration and repair work to All Saints. As further amounts are raised for refurbishment they will be held pending further phases of the restoration works as appropriate.

St Mary's Building Funds £2,731 (2018:£2,649) – The balances relate to previous donations and legacies where stipulations were made to fund building works.

Education Fund £0 (2018:£0) – Grant funds are received from the Anthony Wiseman Trust, and these funds are restricted for educational purposes. The grants received are used to offset the PCC's educational activity.

St Mary's Ministry Fund £750 (2018:£1,250) – A legacy was received in 2019 of £1,000 which has been designated to this fund. Expenditure was charged against this fund at a donor's request for acquisition of a splendid new Church banner. The conditions require funds to be used for the work of St Mary's, but excluding building expenses and application towards the payment of Parish Share. This example demonstrates that legacies can be left to the PCC and applied to specific purposes.

Statement on Internal Control

Regular meetings are held by the PCC to discuss key issues and risks. The financial records of the PCC are subject to an independent annual examination to provide assurance that the resources of the PCC have been administered appropriately. Financial risks are reported and discussed at PCC meetings together with any significant health and safety and building risks which require attention. The PCC remains concerned about the condition of its buildings and how future works to address issues raised in the quinquennial review might be funded. It would like to develop a costed long term capital plan. It will also carefully manage any significant risks identified on the inspection of its churches.

Statement of Responsibilities for the Statement of Accounts

The PCC is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this PCC that officer is the Treasurer;
- ensure that the PCC's activities have been in accordance with Charity and Church of England Regulations;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the financial statements.

Due to Covid-19 lockdown the normal PCC approval processes were not followed in line with Church of England guidance at the time

Reverend Dr. Benjamin Sargent
Incumbent St Mary's and All Saints

2020

The Treasurer's Responsibilities - The Treasurer is responsible for the preparation of the PCC's Annual Financial Statements in accordance with proper accounting practices as set out in the Church Accounting Regulations 2006 and in accordance with the requirements of the Charities Act 2011. In preparing these Financial Statements, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that were reasonable and prudent;-complied with the Church Accounting Regulations and the requirements of the Charities SORP and Charity Commission requirements;
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularity.

I certify that the Financial Statements have been prepared in accordance with proper practices and record the receipts and payments of the PCC for the year ended 31st December 2019.

Damian Brewitt
PCC Treasurer

Original as signed

24 March 2020

Independent Examiner's Report
to the Trustees of St Mary's and All Saints Parochial Church Council

I report on the accounts for the year ended 31st December 2019 and which are set out on pages 6 to 7 and the associated notes.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

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

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

Mr Jim McJannet

Independent Examiner

Original as signed

24 March 2020

St Mary's and All Saints Parochial Church Council – Excepted Charity

Receipts and Payments Account – Financial Year 1 January 2019 to 31 December 2019

	Unrestricted funds	Designated funds	Restricted funds	2019 Total	2018 Total
Receipts					
Planned giving					
Gift Aid Standing Orders	21,698	—	—	21,698	20,052
Non-Gift Aid	1,800	—	—	1,800	1,800
Gift Aid Envelope	1,685	—	—	1,685	1,562
Gift Aid Other	70	—	—	70	270
Collections and other giving	4,449	—	597	5,046	3,016
Other voluntary receipts	283	1,000	5,000	6,283	1,085
Other Grant Income	2,042	—	6,446	8,488	6,995
Gift Aid recovered	10,290	—	—	10,290	8,825
Other receipts	9,657	—	1,943	11,600	4,304
Activities for generating funds	200	—	—	200	1,220
Use of Resource Centre	1,025	—	—	1,025	1,022
Investment Income	44	—	—	44	40
Receipts from church activities	—	—	—	—	55
God Zone	134	—	—	134	482
God Play	741	—	—	741	788
PCC Fees	10,533	—	—	10,533	14,747
Total receipts	64,656	1,000	13,987	79,643	66,266
Payments					
Missionary and Charitable Giving	—	—	45	45	230
Parish Share	44,000	—	—	44,000	19,600
Fees	—	—	—	—	4,513
Clergy and Staffing costs	1,551	—	—	1,551	307
Salaries and Support Costs	—	—	—	—	0
Benefice Admin	1,178	—	—	1,178	1,410
Parish Admin	2,116	—	—	2,116	2,253
Organist Salaries	1,413	—	—	1,413	1,763
Organist and Verger Fees	1,910	—	—	1,910	1,055
Cleaner Salary	1,716	—	—	1,716	1,859
Church Running Expenses	8,704	—	500	9,204	7,072
Churchyard	25	—	512	537	—
Insurance	4,048	—	—	4,048	3,935
Administration	—	—	—	—	38
Upkeep of Services	—	—	—	—	—
Hall Running Costs	711	—	—	711	372
Church Repairs & Maintenance	200	—	11,459	11,660	11,269
Hall Repairs & Maintenance	—	—	110	110	245
Governance Costs	740	—	—	740	180
Educational Activity	54	—	3,090	3,145	1,834
Total payments	68,372	—	15,718	84,090	57,939
Net incoming / outgoing resources before transfer	(3,715)	1,000	(1,731)	(4,446)	8,326
Transfers					
Gross transfers between funds - in	1,245	—	11,900	12,946	—
Gross transfers between funds - out	(2,983)	—	(10,162)	(12,946)	—
Net incoming / outgoing before other gains / losses	(5,453)	1,000	7	(4,446)	8,326
Other recognised gains / losses					
Gains / losses on investment assets	—	—	—	—	—
Gains on revaluation, fixed assets, charity's own use	—	—	—	—	—
Net movement in funds	(5,453)	1,000	7	(4,446)	8,326
Total funds brought forward	16,126	1,904	8,194	26,225	17,898
Total funds carried forward	10,672	2,904	8,201	21,778	26,225

Represented by**Unrestricted**

General fund	10,672	—	—	10,672	15,926
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Designated

St Mary's Building Fund	—	2,904	—	2,904	1,904
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Restricted

Educational Activity	—	—	—	—	(2,008)
Heating - All Saints	—	—	—	—	—
Kitchen Equipment Fund	—	—	—	—	—
Multi Specific Purpose Fund	—	—	—	—	(53)
Refurb - All Saints	—	—	4,719	4,719	6,474
Security - All Saints	—	—	—	—	—
St Mary's Building	—	—	2,731	2,731	2,731
St Mary's Churchyard	—	—	—	—	—
St Mary's Ministry	—	—	750	750	1,250
Xmas Appeal	—	—	—	—	—

NB: Hall Costs in respect of utility bills are included in general church running costs as they cannot be easily identified to Hall use.

Amounts due from HMRC in respect of gift aid for the period from Nov 2018 and for GASDS scheme 2018/19 were submitted after year end, payment has been received by the PCC. They are not however, shown in these financial statements, which are prepared on a receipts and payments basis. These sums will be shown as receipts in 2020, on the basis that they were claimed and received after the year end.

Statement of assets and liabilities as at 31 December 2019

	General	Designated	Restricted	2019	2018
Current assets - Current assets					
NWB current account	10,570	2,904	5,719	19,194	21,259
Santander Current Account	0	—	—	0	785
CCLA (CBF) deposit account	(1)	—	2,281	2,279	2,264
CBF Other	—	—	—	—	—
Lloyds Resource Centre A/C	303	—	—	303	303
Cash in hand	—	—	—	—	—
Accounts Receivable	—	—	—	—	—
Totals	10,872	2,904	8,001	21,778	24,612
Liabilities - Liabilities					
Payroll Control Account	—	—	—	—	(1,054)
Agency collections	—	—	—	—	(558)
Accounts Payable	—	—	—	—	—
Totals	—	—	—	—	(1,612)
Grand total	10,872	2,904	8,001	21,778	26,225

St Mary's and All Saints Parochial Church Council –Excepted Charity (Notes to the Accounts)

Note 1: Accounting Policies

- 1.1 **Basis of Preparation** - The financial statements of the PCC have been prepared in accordance with the Church Accounting Regulations 2006, on the Receipts and Payments basis. They reflect the value of payments (including cheques raised) and receipts (including those unbanked at year-end) up to 31 December 2019.
- A separate Statement of Assets and Liabilities is provided to show the value of all cash balances together with any uncleared cheques issued before year-end (none) and receipts unbanked (Wiseman Grant 2019) as at 31 December 2018).
- 1.2 **Fixed Assets** - The PCC holds a number of assets, including fixtures and fittings; audio and visual equipment and other operational assets. A separate record of such items is maintained by the PCC, but the value of these assets is not included within these statements. The land and buildings are the property of the Diocese, but the maintenance of these is the responsibility of the PCC. Similarly the PCC's expenditures of a capital nature relating to the refurbishment of its buildings are only reflected in these accounts in respect of payments made. However, these expenditures will have a recurring benefit to the church.
- 1.3 **Gift Aid** - is recovered on donations which are identified to UK taxpayers who have provided a properly completed declaration. All donors who pay UK tax are encouraged to donate in this way as the PCC is able to increase the value of these donations by some 25%. During the year the PCC can recover tax on eligible donations.
- 1.4 As at March 2019 all claims have been submitted for historic gift aid up to 31 December 2019. The 2019 accounts reflect only the gift aid cash received in year, which represented that recovered through the Parish Giving Scheme and reimbursed claims. 2019 gift aid included historic claims from previous years, claims for gift aid for the period November 2018-Dec 2019 have been reclaimed but were not received within the period. GASDS can only be claimed on a tax year end basis and this will not be due until April 2020.
- 1.5 Gift Aid on donations to the Parish Giving Scheme are reimbursed automatically, making this scheme advantageous in reducing administration and in obtaining the funds earlier. These amounts are shown in these statements as recovered Gift Aid income.
- 1.6 **VAT** - The accounts show expenditure inclusive of VAT, which is not normally recoverable. VAT is not charged on services as the taxable value of supplies falls below the level for registration. The PCC did incur costs which attracted VAT recoverable under the Listed Places of Worship VAT Reimbursement Scheme during the year as we undertook eligible works on the removal of asbestos. The claim recognised in these accounts was £1,943 (2018:£1,593) and has been treated as an uncleared deposit as the claim was lodged prior to year end.
- 1.7 **Tax on Trading** - The PCC is exempt from Corporation Tax on its trading activities as the surplus from these activities fell below the level at which this tax would become due. Trading activities represent fundraising events, primarily Resource Centre bookings.

1.8 Receipts: These accounts reflect cash payments made in year, however a number of items were pending receipt at the year end, and these amounts due have been treated as pending cash deposits. These include the payment of grants claimed prior to the year end (VAT and Wiseman Trust) and the pending receipt of the insurance funds agreed to be paid at year-end. All sums were received and cashed in January and March respectively. These amounts are reflected in the cash balances as un-cleared credits in the bank reconciliation. This provides a more accurate picture of the financial position of the PCC at the year-end.

1.9 Payments: The expenses of the incumbent, Benefice Administrator and associated joint administrative costs are shared and we receive a sum from Hinton PCC as a contribution to these costs. The agreement of the amount for reimbursement was £1,000. Utility and other shared costs have not been apportioned between the church and the resource centre. The allocation of costs can only be arbitrary, and therefore an apportionment is not made, where direct costs on the Resource Centre are incurred these are charged as Resource Centre expenditure.

1.10 Agency Receipts and Payments – The PCC may act as Agent to make payment on behalf of the Wiseman Trust. Where these transactions are solely relating to Wiseman they are excluded from these accounts. No Agency transactions took place during the year.

Note 2: Grants Received

	2018	2019
• Anthony Wiseman Trust Grants to PCC– Restricted - Educational Purposes	£0	£3,136
• Bransgore Parish Council- Restricted	£0	£500
• Manners Trusts – Unrestricted (used to cover All Saints revenue costs)	£1,870	£1,912
• Commonwealth War Graves Commission – Restricted – graveyard	£130	£130
• Wolfson Church Care Grant – Restricted- For Asbestos Removal	£5,000	£0

The 2018 Grant from the Wiseman Trust was received after the end of the 2018 financial year, and 2019 therefore represents grant funds for a two-year period.

Note 3: Assets and Liabilities

The PCC operated accruals accounting in 2012/13, a decision was taken to return to receipts and payments to simplify accounting and understandability. In the transition back to receipts and payments several balances were outstanding and reflected as Negative liabilities, i.e. assets.

There were £1,612 of historic balances of amounts which had been treated as liabilities for over four years. They related to 2012 and 2013 and the introduction of accruals accounting and historic under-recovery of parish events by the organisers of those events. Last year’s accounts disclosed this, and it was discussed with the PCC. The adjustments relate to accounting only, the amounts effected were disbursed in 2012-14. These amounts have been cleared down as transfers between General Fund and Education Reserves in 2019 as appropriate, it has had no cash impact. The Statement and Reserves fully reconcile to cash held in the PCC accounts.

4: Movement on Reserve Funds in 2019

Fund	Fund balances brought forward	Incoming Resources	Outgoing Resources	Transfers	Gains and Losses	Fund balances Carried forward
Educational Activity	(2,008)	5,946	3,135	(801)	—	—
Heating - All Saints	—	—	—	—	—	—
Kitchen Equipment Fund	—	—	—	—	—	—
Multi Specific Purpose Fund	(53)	—	—	53	—	—
Refurb - All Saints	6,474	7,540	11,569	2,274	—	4,719
Security - Security - All Saints	—	—	—	—	—	—
MarRes - St Mary's Building	2,731	—	—	—	—	2,731
StMarBuild - St Mary's Building Fund	1,904	1,000	—	—	—	2,904
Yard - St Mary's Churchyard	—	500	512	12	—	—
SMMIN - St Mary's Ministry	1,250	—	500	—	—	750
Xmas - Xmas Appeal	—	—	—	—	—	—
General - General fund	15,926	64,656	68,372	(1,538)	—	10,672
Totals	26,225	79,643	84,090	—	—	21,778

Note 5: Related Party Transactions

The financial statements must record details of any significant transactions between the PCC and its members and officials. PCC members do not receive any payment for their time spent as Members of the Council. A number of transactions have been made between the PCC and its Members:

- The incumbent was Chairman of both this PCC and St Michael's with All Angels, Hinton PCC. The incumbent's expenses and those of the Benefice Administrator are shared between the PCCs;
- Reimbursement to PCC members and officials of receipted costs incurred for acquiring goods and services for the Church, at no benefit to the individual; and
- Payment for regular services (not in respect of PCC or Trustee activities) to one PCC member to cover organising the church for its services and provision of parish office support.

Although some members of the PCC are also Trustees of the Anthony Wiseman Trust all grants made to the PCC are separately authorized, and made in accordance with the requirements of Trust. The Anthony Wiseman Trust produces separate accounts which are available on request. In essence the objectives of the Trust are closely aligned to the educational activities of the PCC, and the majority of its resources are used for this purpose given the ease with which objectives can be discharged through the work of the PCC with its youth groups.

Note 6: Funds held by Diocese for Benefit of St Mary's and All Saints

A number of Trusts exist which provide benefit to the PCC but are administered and controlled by the Diocese. The value of the funds at 31 December are shown below. The capital is not available for use by the PCC as it is restricted and not under the control of the PCC.

Trust Name	Purpose	Fund	2018	2019
			£	£
Manners Trust – 51 S	All Saints Upkeep	Endowment	49,834	59,156
Manners Trust- 36 S	All Saints Upkeep	Endowment	5,573	6,633
Frank Reeks Trust	Incumbent	Endowment	161	192

Note 7: Post year-end events

There are no post year end events.