

**St. Mark's Church**

**Highcliffe**

**Annual Financial Statements**

**of the**

**Parochial Church Council**

**For the year ended 31 December 2019**

Incumbent: In Vacancy  
Independent Examiner: Sue Wintle FMAAT  
Solicitors: Aldridge Brownlee, Highcliffe  
Bankers: HSBC, Christchurch

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

## Independent Examiner's report to the trustees of the Highcliffe Parochial Church Council

I report on the accounts of the charity (no. 1150249) for the year ended 31 December 2019 which are set out on pages 1 to 8.

### 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(2) of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Accounting Technicians.

It is my responsibility to:

- \* examine the accounts under section 145 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 Charities Act, and
- \* to state whether particular matters have come to my attention.

### Basis of independent examiner's statement:

My examination was carried out in accordance with 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 the trustees concerning any such matters. The procedures undertaken do not provide all the 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.

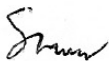
### Independent examiner's statement

In connection with my examination, no matter has come to my attention

(1) which gives me a reasonable cause to believe that in any material respect the requirements:

- \* to keep accounting records in accordance with section 130 of the Charities Act; and
  - \* to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act
- have not been met; or

(2) to which in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



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Sue Wintle FMAAT

27 Bascott Road  
Wallisdown  
Bournemouth  
Dorset  
BH11 8RJ

Date: 3.3.2020

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted Funds		Restricted Funds	Endowment Funds	Total	Total
		General	Designated			Funds 2019	Funds 2018
		£,000	£,000	£,000	£,000	£,000	£,000
<b>Income and endowments from:</b>							
Donations and legacies		86	10	0	0	96	196
Charitable activities		13	0	0	0	13	12
Other trading activities		9	0	0	0	9	3
Investment income		0	0	0	1	1	1
<b>Total</b>		<b>108</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>120</b>	<b>212</b>
<b>Expenditure on:</b>							
Charitable activities		127	7	2	1	138	148
<b>Total</b>		<b>127</b>	<b>7</b>	<b>2</b>	<b>1</b>	<b>138</b>	<b>148</b>
Net gains/(losses) on investments					6	6	-1
<b>Net income/expenditure</b>		<b>-19</b>	<b>3</b>	<b>-1</b>	<b>6</b>	<b>-12</b>	<b>64</b>
Total funds brought forward		100	1	12	33	145	81
<b>Total funds carried forward</b>		<b>81</b>	<b>3</b>	<b>10</b>	<b>39</b>	<b>133</b>	<b>145</b>

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

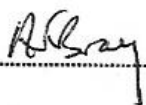
## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted Funds		Restricted	Endowment	Total	Total	
		General	Designated	Funds	Funds	Funds	Funds	
							2019	2018
<b>Income and endowments from:</b>								
<b>Donations and legacies</b>								
Planned giving		49,248				49,248	48,157	
Gift aided giving		4,719				4,719	4,513	
Income tax recoverable		14,970	1,785			16,754	15,185	
Cash collections		8,752	888			9,640	8,784	
Donations		3,363	7,364			10,727	8,127	
Legacies		102				102	83,638	
Grants from Friends of St Mark's		4,477				4,477	27,273	
		<b>85,630</b>	<b>10,036</b>	<b>0</b>	<b>0</b>	<b>95,666</b>	<b>195,679</b>	
<b>Charitable activities</b>								
Charitable trading		112				112	1,706	
Fees		8,783				8,783	5,352	
Net income from Little Fishes		1,414				1,414	1,447	
Flower fund				158		158	149	
Profit from parish magazine	1	2,949				2,949	3,527	
		<b>13,258</b>	<b>0</b>	<b>158</b>	<b>0</b>	<b>13,417</b>	<b>12,181</b>	
<b>Other trading activities</b>								
Non Charitable trading		1,000				1,000	1,000	
Profit from parish hall letting	2	8,413				8,413	2,425	
		<b>9,413</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,413</b>	<b>3,425</b>	
<b>Investment income</b>								
		82		10	1,129	1,221	1,135	
		<b>82</b>	<b>0</b>	<b>10</b>	<b>1,129</b>	<b>1,221</b>	<b>1,135</b>	
<b>Total</b>		<b>108,384</b>	<b>10,036</b>	<b>168</b>	<b>1,129</b>	<b>119,717</b>	<b>212,420</b>	
<b>Expenditure on:</b>								
<b>Charitable activities</b>								
Clergy expenses		1,762				1,762	2,448	
Upkeep of church		5,148	1,938	940	103	8,128	12,783	
Upkeep of services		1,138		683		1,821	1,545	
Upkeep of churchyard		5,321	1,750		1,026	8,097	4,582	
Land Purchase/Refurbishment of hall		5,691				5,691	12,274	
Electric and water		7,198				7,198	6,893	
Lay staff and organists		8,266				8,266	7,643	
Common Mission Fund		84,623				84,623	79,529	
Evangelism		1,259				1,259	2,467	
Children's work		459				459	1,015	
Grants and charities	3	350	2,689			3,039	3,975	
Administration		3,331	534			3,865	6,112	
Training		194				194	192	
Accountancy fees		450				450	450	
Depreciation	4	2,219	578			2,797	5,671	
<b>Total</b>		<b>127,407</b>	<b>7,489</b>	<b>1,623</b>	<b>1,129</b>	<b>137,648</b>	<b>147,580</b>	
Net gains/(losses) on investments					6,083	6,083	-535	
<b>Net income/expenditure</b>		<b>-19,023</b>	<b>2,547</b>	<b>-1,455</b>	<b>6,083</b>	<b>-11,848</b>	<b>64,304</b>	
Total funds brought forward		100,130	578	11,946	32,646	145,300	80,995	
<b>Total funds carried forward</b>		<b>81,107</b>	<b>3,125</b>	<b>10,491</b>	<b>38,729</b>	<b>133,452</b>	<b>145,299</b>	

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

## BALANCE SHEET AT 31 DECEMBER 2019

	Notes	2019	2018
<b>FIXED ASSETS</b>			
Tangible assets	4	13,185	11,505
Investments		<u>38,729</u>	<u>32,646</u>
		51,914	44,151
<b>CURRENT ASSETS</b>			
Debtors	5	3,189	6,141
Short term deposits	6	78,219	93,127
Cash at bank and in hand	7	<u>7,638</u>	<u>12,978</u>
		89,045	112,246
		<u>140,958</u>	<u>156,397</u>
<b>CURRENT LIABILITIES</b>			
Creditors falling due in one year	8	7,507	10,597
Income received in advance	9	<u>0</u>	<u>500</u>
		7,507	11,097
		<u>133,452</u>	<u>145,300</u>
<b>TOTAL NET ASSETS</b>			
		<u>133,452</u>	<u>145,300</u>
<b>FUNDS</b>			
	10		
Unrestricted funds		84,232	100,708
Restricted funds		10,491	11,946
Endowments		<u>38,729</u>	<u>32,646</u>
		<u>133,452</u>	<u>145,300</u>



A.F. Bray  
Treasurer

3/3/2020

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 1. PARISH MAGAZINE ACCOUNTS

<b>RECEIPTS</b>	<b>2019</b>		<b>2018</b>	
Sales and donations	1,011		835	
Advertising	2,701		3,469	
Prior Year adj			43	
	<u>          </u>	3,712	<u>          </u>	4,347
<b>PAYMENTS</b>				
Printing, stationery and postage	720		777	
Church news services	43	763	43	820
	<u>          </u>		<u>          </u>	
<b>Surplus for the year</b>		<u>          </u> 2,949		<u>          </u> 3,527

### 2. PARISH HALL LETTING ACCOUNTS

<b>RECEIPTS</b>	<b>2019</b>		<b>2018</b>	
Lettings	25,714		21,698	
Donations	255		775	
	<u>          </u>	25,969	<u>          </u>	22,473
<b>PAYMENTS</b>				
Cleaning	4,782		5,134	
Licences	201		212	
Electricity and water	6,150		4,299	
Repairs	2,299		7,750	
Printing, stationery and postage	6		189	
Staff	4,118		2,464	
Bad debts		17,556	0	20,048
	<u>          </u>	17,556	<u>          </u>	20,048
<b>Surplus for the year</b>		<u>          </u> 8,413		<u>          </u> 2,425

### 3. GRANTS AND CHARITIES

	<b>2019</b>	<b>2018</b>
The Poppy Appeal	466	501
Christian Aid (Christmas)	-	348
The Childrens Society (Christmas)	141	501
Christchurch Deanery Synod Kinkiisi account	1,802	2,325
USPG	141	-
Toilet Twinning	141	-
Christchurch Fellowship of Churches	50	
Dorset Air Ambulance	100	
Julia's House	-	100
Macmillan Caring Locally	100	100
The Honeypot Children's Charity	100	100
	<u>          </u>	<u>          </u>
	3,039	3,975
<b>Agency Collections</b>		
Christian Aid	1,372	1,106
The Childrens Society (Boxes & Christingle)	796	873
DEC Indonesia Appeal	-	237
	<u>          </u>	<u>          </u>
	2,168	2,216

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

4. TANGIBLE ASSETS	Heating	Office & garden equipment	Sound system	Security system	Kitchen	Screens & projector	Total
<b>Cost</b>							
At 1 January 2019	3,734	7,100	7,143	2,884	8,551	6,844	36,256
Additions	4,477						4,477
	<u>8,211</u>	<u>7,100</u>	<u>7,143</u>	<u>2,884</u>	<u>8,551</u>	<u>6,844</u>	<u>40,733</u>
<b>Depreciation</b>							
At 1 January 2019	0	7,100	1,692	2,884	8,551	4,524	24,751
Charge for the year		0	1,429	0	0	1,369	2,797
At 31 December 2019	<u>0</u>	<u>7,100</u>	<u>3,121</u>	<u>2,884</u>	<u>8,551</u>	<u>5,892</u>	<u>27,548</u>
<b>Net book value</b>							
At 31 December 2018	3,734	0	5,451	0	0	2,320	11,505
At 31 December 2019	<u>8,211</u>	<u>0</u>	<u>4,022</u>	<u>0</u>	<u>0</u>	<u>951</u>	<u>13,185</u>

5. DEBTORS		2019	2018
Hall a/c	Lettings Debtors	2,194	2,504
	Expense Advance Payments		35
		<u>2,194</u>	<u>2,539</u>
Main a/c	Cash not cleared		2,098
	Gift Aid Accrual	978	400
	Expense Advance Payments	17	250
		<u>995</u>	<u>2,748</u>
Fees a/c	Cash not cleared		854
		<u>3,189</u>	<u>6,141</u>

### 6. SHORT TERM DEPOSITS

	Unrestricted	Restricted	Total
At 31 December 2018	82,478	10,649	93,127
At 31 December 2019	<u>69,183</u>	<u>9,036</u>	<u>78,219</u>

### 7. CASH AT BANK AND IN HAND

	Unrestricted	Restricted	Total
At 31 December 2018	11,653	1,325	12,978
At 31 December 2019	<u>6,183</u>	<u>1,455</u>	<u>7,638</u>

### 8. CREDITORS

	2019	2018
Hall a/c	Utilities	1,167
	Other	539
	<u>2,935</u>	<u>1,706</u>
Main a/c	Utilities	2,225
	Charities	849
	Staff and Organists	1,118
	Gardening	290
	Hall Blinds	1,000
	Stationery etc.	403
	Independent Examiner	450
	<u>4,572</u>	<u>6,335</u>
Flower a/c		29
Fees a/c	unprocessed payments	2,527
	<u>7,507</u>	<u>10,597</u>

### 9. Income Received in Advance

	2019	2018
Fees a/c	Wedding Deposits	500
		-
	<u>0</u>	<u>500</u>

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

### 10. FUNDS

#### UNRESTRICTED FUNDS

	<b>Main account</b>	<b>Magazine</b>	<b>Hall</b>	<b>Little Fishes</b>	<b>Total</b>
At 1 January 2019	94,283	2,394	4,030	0	100,708
Surplus/(Deficit) for the year	-29,252	2,949	8,413	1,414	-16,476
Transferred to main account	16,314	-3,500	-11,400	-1,414	0
At 31 December 2019	<u>81,345</u>	<u>1,843</u>	<u>1,044</u>	<u>0</u>	<u>84,232</u>

#### RESTRICTED FUNDS

	<b>Music</b>	<b>Church Fabric</b>	<b>Flower</b>	<b>Total</b>
At 1 January 2019	683	9,966	1,297	11,946
Income	1	10	406	416
Expenditure	-683	-940	-248	-1,871
At 31 December 2019	<u>0</u>	<u>9,036</u>	<u>1,455</u>	<u>10,491</u>

#### ENDOWMENT FUNDS

	<b>Lorraine Legacy  (upkeep of churtyard)</b>	<b>Malcolm &amp; Callear Legacies (upkeep of churtyard)</b>	<b>St Mark's Repair Charity (fabric repairs)</b>	<b>Stuart Trust (fabric repairs)</b>	<b>Total</b>
At 1 January 2019	17,182	12,564	1,292	1,608	32,646
Investment income	593	434	46	57	1,129
Transferred to main account	-593	-434	-46	-57	-1,129
Increase in value of funds	3,214	2,350	231	288	6,083
At 31 December 2019	<u>20,396</u>	<u>14,914</u>	<u>1,524</u>	<u>1,896</u>	<u>38,729</u>



## HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### **Accounting framework**

The accounting, auditing and reporting regime for Church of England PCCs, is contained in the following documentation:

- Charities Act 2011
- Charities (Accounts and Reports) Regulations 2008
- Statement of Recommended Practice on Accounting and Reporting by Charities SORP (FRS 102)

In addition, financial statements for PCCs must be prepared in accordance with the following:

- The PCCs (Powers) Measure 1956
- The Church Representation Rules (CRRs)
- The Church Accounting Regulations 2006,

which form the link between the CRRs and the requirements of the Charities Act

#### **Accounting Policies**

##### **Basis of preparation**

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' "true and fair view" provisions, together with FRS102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP(FRS102)). The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at fair value.

#### **INCOMING RESOURCES**

##### **Recognition of income and endowments**

These are included in the Statement of Financial Activities (SOFA) when: the PCC becomes legally entitled to the use of the resources; and inflow of economic benefit is probable; and the monetary value can be measured with sufficient reliability.

##### **Fundraising costs**

Funds raised from events and trading activities (e.g. a fete, a garden party or sales of books and magazines) are reported gross in the SOFA – i.e., before any related costs that may have been deducted from the gross proceeds.

##### **Grants and donations**

Grants and donations are included in the SOFA when any preconditions preventing their use by the PCC have been met. For collections and planned giving this is when the funds are received.

##### **Gift Aid Tax claims, etc., on cash donations**

Gift Aid and other tax claims are included in the SOFA at the same time as the cash donations to which they relate.

##### **Volunteer help**

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

##### **Rental income**

Rental income from the letting of the church hall and library is recognised when the rental is due.

##### **Investment income**

This is included in the accounts when receivable.

##### **Investment gains and losses**

This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

## HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

(continued)

#### EXPENDITURE AND LIABILITIES

##### Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation and settlement is probable and quantifiable.

##### Governance costs:

Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

#### ASSETS

##### Consecrated and benefice property

In so far as consecrated and benefice property of any kind is excluded from the statutory definition of "charity" by Section 10(2) (a) and (c) of the Charities Act 2011 such assets are not capitalised in the financial statements. The parish have maintenance responsibility for the consecrated land/buildings and certain other (benefice) properties within the parish. The Charities Act 2011 states in Section 10(2) that benefice property (subsection (a) and consecrated property (sub-section (c)) are removed from the definition of charity for the purposes of the Act. Therefore these assets should not be included in the financial statements though they may be referred to in the notes. Costs associated with the maintenance or improvement of such assets will be written off in the year they are incurred. This exclusion includes the parsonage house.

##### Moveable church furnishings

These are capitalised at cost and depreciated over their useful economic life other than where insufficient cost information is available. In this case the item is not capitalised, but all items are included in the Church's inventory in any case.

##### Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or else, for gifts-in-kind, at a reasonable estimate of their open market value on receipt. Depreciation is calculated to write off the capitalized cost of fixed assets less their currently anticipated residual fair value over their estimated useful lives as follows:

- Land Nil
- Buildings\* Nil
- Fixtures & Fittings 5 years

\*No depreciation is provided on buildings as the currently estimated residual value of the properties is not less than their carrying value and the remaining useful life of these assets currently exceeds 50 years, so that any depreciation charges would be immaterial. An impairment review is carried out at each year-end and any resultant loss identified included in expenditure for the year.

##### Investments

Investments quoted on a recognised stock exchange or whose value derives from them (CIFs, etc.) are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market value.

#### FUNDS

##### Unrestricted Funds

These represent the remaining income funds of the PCC that are available for spending on the general purposes of the PCC, including amounts designated by the PCC for fixed assets for its own use or for spending on a future project and which are therefore not included in its 'free reserves' as disclosed in the trustees' report.

##### Restricted Funds

These are income funds that must be spent on restricted purposes and details of the funds held and restrictions provided are shown in the notes to the accounts.

##### Endowment Funds

These are restricted funds that must be retained as trust capital either permanently or subject to a discretionary power to spend capital as income, and where the use of any income or other benefit derived from the capital may be restricted or unrestricted. Full details of all their restrictions are shown in the notes to the accounts.