

**St. Mark's Church**

**Highcliffe**

**Annual Financial Statements**

**of the**

**Parochial Church Council**

**For the year ended 31 December 2021**

Incumbent: The Reverend Veronica Brown

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 2021 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. 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.

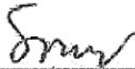
#### Independent examiner's statement

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.



Sue Wintle FMAAT

27 Bascott Road  
Wallsdown  
Bournemouth  
Dorset  
BH11 8RJ

Date:

23-02-2022

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds		Restricted Funds	Endowment Funds	Total	Total
		General	Designated			Funds 2021	Funds 2020
		£,000	£,000	£,000	£,000	£,000	£,000
<b>Income and endowments from:</b>							
Donations and legacies		90	-18	29	0	101	225
Charitable activities		13	0	0	0	13	9
Other trading activities		-1	0	0	0	-1	-7
Investment income		0	0	0	1	1	1
<b>Total</b>		<b>103</b>	<b>-18</b>	<b>29</b>	<b>1</b>	<b>116</b>	<b>228</b>
<b>Expenditure on:</b>							
Charitable activities		136	-3	29	1	163	168
<b>Total</b>		<b>136</b>	<b>-3</b>	<b>29</b>	<b>1</b>	<b>163</b>	<b>168</b>
Net gains/(losses) on investments					6	6	3
<b>Net income/expenditure</b>		<b>-33</b>	<b>-15</b>	<b>0</b>	<b>6</b>	<b>-42</b>	<b>63</b>
Total funds brought forward		67	86	1	41	196	133
<b>Total funds carried forward</b>		<b>34</b>	<b>71</b>	<b>2</b>	<b>47</b>	<b>154</b>	<b>196</b>

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

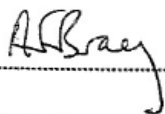
## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds		Restricted	Endowment	Total	Total
		General	Designated	Funds	Funds	Funds	Funds
						2021	2020
<b>Income and endowments from:</b>							
<b>Donations and legacies</b>							
Planned giving		49,926				49,926	45,664
Gift aided giving		3,606				3,606	3,580
Income tax recoverable		15,736				15,736	20,323
Cash collections		4,329				4,329	2,855
Donations		3,753	209	1,140		5,102	37,220
Legacies and Grants		12,796	-18,000	28,000		22,796	46,050
Grants from Friends of St Mark's						0	69,259
		<b>90,145</b>	<b>-17,791</b>	<b>29,140</b>	<b>0</b>	<b>101,494</b>	<b>224,950</b>
<b>Charitable activities</b>							
Charitable trading		292				292	407
Fees		9,398				9,398	6,534
Net income from Little Fishes		389				389	312
Flower fund				313		313	307
Profit from parish magazine	1	3,015				3,015	1,715
		<b>13,094</b>	<b>0</b>	<b>313</b>	<b>0</b>	<b>13,407</b>	<b>9,274</b>
<b>Other trading activities</b>							
Non Charitable trading		0				0	0
Profit from parish hall letting	2	-505				-505	-7,149
		<b>-505</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-505</b>	<b>-7,149</b>
<b>Investment income</b>							
		7			1,202	1,208	1,234
		<b>7</b>	<b>0</b>	<b>0</b>	<b>1,202</b>	<b>1,208</b>	<b>1,234</b>
<b>Total</b>		<b>102,741</b>	<b>-17,791</b>	<b>29,453</b>	<b>1,202</b>	<b>115,604</b>	<b>228,310</b>
<b>Expenditure on:</b>							
<b>Charitable activities</b>							
Clergy expenses		579				579	1,393
Upkeep of church		6,800	120		107	7,026	13,590
Upkeep of services		1,065	89			1,154	449
Upkeep of churchyard		9,137		1,140	1,095	11,372	16,384
Land Purchase/Refurbishment of hall		0				0	-334
Utilities & Telecom		7,381				7,381	3,586
Lay staff and organists		7,854				7,854	6,594
Common Mission Fund		94,811				94,811	89,719
Evangelism		333				333	267
Children's work		379				379	172
Grants and charities	3	2,579				2,579	5,180
Administration		3,083				3,083	3,211
Training		0				0	0
Accountancy fees		300				300	450
Depreciation	4	1,429	-2,794	28,000		26,635	27,586
<b>Total</b>		<b>135,729</b>	<b>-2,585</b>	<b>29,140</b>	<b>1,202</b>	<b>163,486</b>	<b>168,247</b>
Net gains/(losses) on investments					5,914	5,914	2,647
<b>Net income/expenditure</b>		<b>-32,989</b>	<b>-15,206</b>	<b>313</b>	<b>5,914</b>	<b>-41,968</b>	<b>62,710</b>
Total funds brought forward		67,353	86,171	1,262	41,376	196,162	133,452
<b>Total funds carried forward</b>		<b>34,364</b>	<b>70,965</b>	<b>1,574</b>	<b>47,290</b>	<b>154,194</b>	<b>196,162</b>

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

## BALANCE SHEET AT 31 DECEMBER 2021

	Notes	2021	2020
<b>FIXED ASSETS</b>			
Tangible assets	4	76,784	103,419
Investments		<u>47,290</u>	<u>41,376</u>
		124,074	144,795
<b>CURRENT ASSETS</b>			
Debtors	5	4,679	3,356
Short term deposits	6	23,048	45,291
Cash at bank and in hand	7	<u>12,180</u>	<u>10,733</u>
		39,906	59,380
		<u>163,980</u>	<u>204,175</u>
<b>CURRENT LIABILITIES</b>			
Creditors falling due in one year	8	8,810	7,352
Income received in advance	9	<u>976</u>	<u>661</u>
		9,786	8,013
		<u>154,194</u>	<u>196,162</u>
<b>TOTAL NET ASSETS</b>			
		<u>154,194</u>	<u>196,162</u>
<b>FUNDS</b>			
	10		
Unrestricted funds		105,329	153,524
Restricted funds		1,574	1,262
Endowments		<u>47,290</u>	<u>41,376</u>
		<u>154,194</u>	<u>196,162</u>



A.F. Bray  
Treasurer

**HIGHCLIFFE PAROCHIAL CHURCH COUNCIL**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. PARISH MAGAZINE ACCOUNTS**

	<b>2021</b>	<b>2020</b>
<b>RECEIPTS</b>		
Sales and donations	639	435
Advertising	<u>2,668</u>	<u>1,506</u>
	3,306	1,941
<b>PAYMENTS</b>		
Stationery and bank charges	245	180
Church news services	<u>46</u>	<u>46</u>
	291	226
<b>Surplus for the year</b>	<u><u>3,015</u></u>	<u><u>1,715</u></u>

**2. PARISH HALL LETTING ACCOUNTS**

	<b>2021</b>	<b>2020</b>
<b>RECEIPTS</b>		
Regular Lettings	11,143	8,724
Ad Hoc Lettings	2,138	
Donations	<u>0</u>	<u>3</u>
	13,281	8,727
<b>PAYMENTS</b>		
Cleaning	3,884	2,009
Licences	216	
Electricity and water	3,930	6,079
Repairs	495	2,561
Stationery and bank charges	9	80
Staff	<u>5,253</u>	<u>5,146</u>
	13,786	15,876
<b>Surplus for the year</b>	<u><u>-505</u></u>	<u><u>-7,149</u></u>

**3. GRANTS AND CHARITIES**

	<b>2021</b>	<b>2020</b>
The Poppy Appeal	192	35
Foodbank	660	2,840
The Childrens Society (Christmas)	59	-
Christchurch Deanery Synod Kinkiisi account	1,447	1,869
A Rocha	172	-
Toilet Twinning	-	34
Christian Aid	50	-
Salvation Army Homeless	-	103
Dorset Air Ambulance	-	100
Julia's House	-	100
The Honey-pot Children's Charity	-	100
	<u><u>2,579</u></u>	<u><u>5,180</u></u>

## HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. TANGIBLE ASSETS	Heating	Office & garden equipment	Sound system	Security system	Kitchen	Screens & projector	Total
<b>Cost</b>							
At 1 January 2021	122,851	7,100	7,143	2,884	11,731	6,844	158,553
Additions							0
	<u>122,851</u>	<u>7,100</u>	<u>7,143</u>	<u>2,884</u>	<u>11,731</u>	<u>6,844</u>	<u>158,553</u>
<b>Depreciation</b>							
At 1 January 2021	24,570	7,100	4,549	2,884	9,187	6,843	55,134
Charge for the year	24,570	0	1,429	0	636	0	26,635
At 31 December 2021	<u>49,140</u>	<u>7,100</u>	<u>5,978</u>	<u>2,884</u>	<u>9,823</u>	<u>6,844</u>	<u>81,769</u>
<b>Net book value</b>							
At 31 December 2020	98,281	0	2,594	0	2,544	0	103,419
At 31 December 2021	<u>73,711</u>	<u>0</u>	<u>1,165</u>	<u>0</u>	<u>1,908</u>	<u>0</u>	<u>76,784</u>

5. DEBTORS		2021	2020
Magazine a/c	Expense Advance Payments	47	46
Hall a/c	Lettings Debtors	2,042	294
	Expense Advance Payments		
		<u>2,042</u>	<u>294</u>
Main a/c	Cash not cleared	1,961	2,605
	Gift Aid Accrual	176	253
	Expense Advance Payments		
			<u>17</u>
		<u>2,137</u>	<u>2,875</u>
Fees a/c	Debtors	453	142
		<u>4,679</u>	<u>3,356</u>

#### 6. SHORT TERM DEPOSITS

	Unrestricted	Restricted	Total
At 31 December 2020	45,291	0	45,291
At 31 December 2021	<u>23,048</u>	<u>0</u>	<u>23,048</u>

#### 7. CASH AT BANK AND IN HAND

	Unrestricted	Restricted	Total
At 31 December 2020	9,471	1,262	10,733
At 31 December 2021	<u>10,605</u>	<u>1,574</u>	<u>12,180</u>

#### 8. CREDITORS

		2021	2020
Hall a/c	Utilities	800	1,404
	Staff	513	599
	Cleaning	405	
	Licenses	216	
	Other	9	26
		<u>1,943</u>	<u>2,029</u>
Main a/c	Utilities	500	400
	Charities	59	113
	Staff and Organists	924	620
	Gardening	1,463	186
	Cleaning and repairs	221	242
	Stationery etc.	228	238
	Clergy Expenses	386	
	Independent Examiner	300	450
		<u>4,080</u>	<u>2,249</u>
Magazine a/c	Other	5	5
Fees a/c	Unprocessed Payments	2,782	3,074
		<u>2,782</u>	
		<u>8,810</u>	<u>7,352</u>

#### 9. Income Received in Advance

		2021	2020
Fees a/c	Wedding Deposits	661	661
Magazine a/c	Advert prepayment	315	-
		<u>976</u>	<u>661</u>

# HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (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 2021	153,411	1,018	-905	0	153,524
Surplus/(Deficit) for the year	-51,094	3,015	-505	389	-48,195
Transferred to main account	-631	-3,480	4,500	-389	0
At 31 December 2021	<u>101,686</u>	<u>554</u>	<u>3,090</u>	<u>0</u>	<u>105,329</u>

#### RESTRICTED FUNDS

	<b>Churchyard</b>	<b>Heating</b>	<b>Church Fabric</b>	<b>Flower</b>	<b>Total</b>
At 1 January 2021		0	0	1,262	1,262
Income	1140	28000		680	29,820
Expenditure	-1140	-28,000		-367	-29,507
At 31 December 2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,574</u>	<u>1,574</u>

#### ENDOWMENT FUNDS

	<b>Lorraine Legacy  (upkeep of churchyard)</b>	<b>Malcolm &amp; Callear Legacies (upkeep of churchyard)</b>	<b>St Mark's Repair Charity (fabric repairs)</b>	<b>Stuart Trust (fabric repairs)</b>	<b>Total</b>
At 1 January 2021	21,798	15,939	1,621	2,017	41,376
Investment income	632	462	48	59	1,202
Transferred to main account	-632	-462	-48	-59	-1,202
Increase in value of funds	3,118	2,280	230	286	5,914
At 31 December 2021	<u>24,916</u>	<u>18,219</u>	<u>1,851</u>	<u>2,303</u>	<u>47,290</u>



## **HIGHCLIFFE PAROCHIAL CHURCH COUNCIL**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **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 2021

(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.