

St. Mark's Church

Highcliffe

Annual Financial Statements

of the

Parochial Church Council

For the year ended 31 December 2018

Incumbent: The Reverend Gill Nobes
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 2018 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.



Sue Wintle FMAAT

27 Bascott Road
Wallisdown
Bournemouth
Dorset
BH11 8RJ

Date: 25-3-19

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted Funds		Restricted Funds	Endowment Funds	Total	Total
		General	Designated			Funds 2018	Funds 2017
		£,000	£,000	£,000	£,000	£,000	£,000
Income and endowments from:							
Donations and legacies		179	17	0	0	196	104
Charitable activities		11	1	0	0	12	15
Other trading activities		3	0	0	0	3	8
Investment income		0	0	0	1	1	1
Total		194	17	0	1	212	128
Expenditure on:							
Charitable activities		120	17	10	1	148	140
Total		120	17	10	1	148	140
Net gains/(losses) on investments					-1	-1	3
Net income/expenditure		74	1	-10	-1	64	-9
Total funds brought forward		26	0	22	33	81	90
Total funds carried forward		100	1	12	33	145	81

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

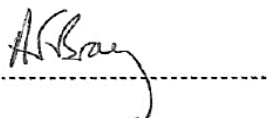
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Notes	Unrestricted Funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
					2018	2017
Income and endowments from:						
Donations and legacies						
	48,157				48,157	50,375
	4,513				4,513	8,021
	14,884	301			15,185	15,496
	7,934	849			8,784	8,443
	5,668	2,460			8,127	6,797
	83,638				83,638	10,300
	14,174	13,099			27,273	4,398
	178,970	16,709	0	0	195,679	103,829
Charitable activities						
	1,063	643			1,706	1,011
	5,352				5,352	8,694
	1,447				1,447	1,214
			149		149	737
1	3,527				3,527	3,491
	11,389	643	149	0	12,181	15,146
Other trading activities						
	1,000				1,000	1,000
2	2,425				2,425	7,119
	3,425	0	0	0	3,425	8,119
Investment income						
	18		14	1,102	1,135	1,145
	18	0	14	1,102	1,135	1,145
Total	193,803	17,352	163	1,102	212,420	128,239
Expenditure on:						
Charitable activities						
	2,448				2,448	3,395
	4,816		7,866	101	12,783	9,326
	1,232		313		1,545	1,551
	3,581			1,001	4,582	7,357
	554	11,720			12,274	0
	6,893				6,893	8,221
	5,780		1,863		7,643	7,413
	79,529				79,529	88,616
	2,467				2,467	1,418
	1,015				1,015	589
3	300	3,675			3,975	4,173
	4,734	1,379			6,112	2,193
	192				192	702
	450				450	450
4	5,671				5,671	4,759
Total	119,662	16,774	10,042	1,102	147,580	140,162
				-535	-535	2,738
Net income/expenditure	74,141	578	-9,879	-535	64,304	-9,184
Total funds brought forward	25,989	0	21,825	33,182	80,995	90,179
Total funds carried forward	100,129	578	11,946	32,646	145,299	80,995

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

BALANCE SHEET AT 31 DECEMBER 2018

	Notes	2018	2017
FIXED ASSETS			
Tangible assets	4	11,505	4,717
Investments		<u>32,646</u>	<u>33,182</u>
		44,151	37,898
CURRENT ASSETS			
Debtors	5	6,141	3,937
Short term deposits	6	93,127	34,190
Cash at bank and in hand	7	<u>12,978</u>	<u>12,758</u>
		112,246	50,885
		<u>156,397</u>	<u>88,783</u>
CURRENT LIABILITIES			
Creditors falling due in one year	8	10,597	6,027
Income received in advance	9	<u>500</u>	<u>1,762</u>
		11,097	7,788
TOTAL NET ASSETS		<u>145,300</u>	<u>80,995</u>
FUNDS			
	10		
Unrestricted funds		100,707	25,989
Restricted funds		11,946	21,825
Endowments		<u>32,646</u>	<u>33,182</u>
		<u>145,300</u>	<u>80,995</u>



A.F. Bray
Treasurer

20-Mar-19

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. PARISH MAGAZINE ACCOUNTS

RECEIPTS	2018	2017
Sales and donations	835	1,024
Advertising	3,469	2,348
Prior Year adj	<u>43</u>	<u>889</u>
	4,347	4,261
PAYMENTS		
Printing, stationery and postage	777	727
Church news services	<u>43</u> 820	<u>43</u> 770
Surplus for the year	<u>3,527</u>	<u>3,491</u>

2. PARISH HALL LETTING ACCOUNTS

RECEIPTS	2018	2017
Lettings	21,698	<u>20,215</u>
Donations	<u>775</u>	
	22,473	20,215
PAYMENTS		
Cleaning	5,134	4,272
Licences	212	401
Electricity and water	4,299	4,244
Repairs	7,750	2,526
Printing, stationery and postage	189	224
Staff	2,464	1,413
Bad debts	<u>0</u> 20,048	<u>16</u> 13,096
Surplus for the year	<u>2,425</u>	<u>7,119</u>

3. GRANTS AND CHARITIES

	2018	2017
The Poppy Appeal	501	227
Christian Aid (Christmas)	348	430
The Childrens Society (Christmas)	501	473
Christchurch Deanery Synod Kinkiisi account	2,325	2,682
WDBF World Missions Group	-	70
Highcliffe Charity Players	-	120
Concord Choir	-	120
Highcliffe Training Choir	-	50
Julia's House	100	-
Macmillan Caring Locally	100	-
The Honey Pot Children's Charity	<u>100</u>	<u>-</u>
	3,975	4,173
Agency Collections		
Christian Aid	1,106	881
The Childrens Society (Boxes & Christingle)	873	-
Church Mission Society	-	255
DEC Indonesia Appeal	<u>237</u>	<u>-</u>
	2,216	1,137

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

4. TANGIBLE ASSETS	Heating	Office & garden equipment	Sound system	Security system	Kitchen	Screens & projector	Total
Cost							
At 1 January 2018		7,100	1,318	2,884	8,551	3,944	23,796
Additions	3,734	0	5,826			2,900	12,459
	<u>3,734</u>	<u>7,100</u>	<u>7,143</u>	<u>2,884</u>	<u>8,551</u>	<u>6,844</u>	<u>36,256</u>
Depreciation							
At 1 January 2018		6,513	264	2,307	6,841	3,155	19,080
Charge for the year		587	1,429	577	1,710	1,369	5,671
At 31 December 2018	0	<u>7,100</u>	<u>1,692</u>	<u>2,884</u>	<u>8,551</u>	<u>4,524</u>	<u>24,751</u>
Net book value							
At 31 December 2017	0	587	1,054	577	1,710	789	4,717
At 31 December 2018	<u>3,734</u>	<u>0</u>	<u>5,451</u>	<u>0</u>	<u>0</u>	<u>2,320</u>	<u>11,505</u>

5. DEBTORS		2018	2017
Hall a/c	Lettings Debtors	2,504	2,121
	Expense Advance Payments	<u>35</u>	<u>98</u>
		2,539	2,219
Main a/c	Cash not cleared	2,098	396
	Gift Aid Accrual	400	443
	Accrued Donations	-	633
	Expense Advance Payments	<u>250</u>	<u>246</u>
		2,748	1,718
Fees a/c	Cash not cleared	854	
		<u>6,141</u>	<u>3,937</u>

6. SHORT TERM DEPOSITS

	Unrestricted	Restricted	Total
At 31 December 2017	13,513	20,676	34,190
At 31 December 2018	<u>82,478</u>	<u>10,649</u>	<u>93,127</u>

7. CASH AT BANK AND IN HAND

	Unrestricted	Restricted	Total
At 31 December 2017	11,276	1,482	12,758
At 31 December 2018	<u>11,653</u>	<u>1,325</u>	<u>12,978</u>

8. CREDITORS

	2018	2017	
Hall a/c	Utilities	1,167	1,166
	Other	<u>539</u>	<u>239</u>
		1,706	1,406
Main a/c	Utilities	2,225	977
	Charities	849	860
	Staff and Organists	1,118	938
	Gardening	290	339
	Hall Curtains	1,000	-
	Stationery etc.	403	0
	Independent Examiner	<u>450</u>	<u>450</u>
		6,335	3,564
Flower a/c		29	334
Fees a/c	unprocessed payments	2,527	
Deposit a/c transfer			723
		<u>10,597</u>	<u>6,027</u>

9. Income Received in Advance

	2018	2017	
Fees a/c	Wedding Deposits	500	250
Deposit a/c	Advance from Friends	-	1,512
		<u>500</u>	<u>1,762</u>

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

10. FUNDS

UNRESTRICTED FUNDS

	Main account	Magazine	Hall	Little Fishes	Total
At 1 January 2018	20,166	1,817	4,005	0	25,989
Surplus/(Deficit) for the year	67,320	3,527	2,425	1,447	74,719
Transferred to main account	6,797	-2,950	-2,400	-1,447	0
At 31 December 2018	<u>94,283</u>	<u>2,394</u>	<u>4,030</u>	<u>0</u>	<u>100,707</u>

RESTRICTED FUNDS

	Music	Church Fabric	Flower	Total
At 1 January 2018	2,856	17,820	1,148	21,825
Income	2	12	550	564
Expenditure	-2,176	-7,866	-401	-10,443
At 31 December 2018	<u>683</u>	<u>9,966</u>	<u>1,297</u>	<u>11,946</u>

ENDOWMENT FUNDS

	Lorraine Legacy (upkeep of churtyard)	Malcolm & Callear Legacies (upkeep of churtyard)	St Mark's Repair Charity (fabric repairs)	Stuart Trust (fabric repairs)	Total
At 1 January 2018	17,444	12,755	1,329	1,654	33,182
Investment income	578	423	45	56	1,102
Transferred to main account	-578	-423	-45	-56	-1,102
Increase in value of funds	-262	-191	-37	-46	-535
At 31 December 2018	<u>17,182</u>	<u>12,564</u>	<u>1,292</u>	<u>1,608</u>	<u>32,646</u>

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017

(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.