

St. Mark's Church

Highcliffe

Annual Financial Statements

of the

Parochial Church Council

For the year ended 31 December 2020

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 2020 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:-----

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds		Restricted Funds	Endowment Funds	Total	Total
		General	Designated			Funds 2020	Funds 2019
		£,000	£,000	£,000	£,000	£,000	£,000
Income and endowments from:							
Donations and legacies		104	120	0	0	225	96
Charitable activities		9	1	0	0	9	13
Other trading activities		-6	0	-1	0	-7	9
Investment income		0	0	0	1	1	0
Total		107	121	-1	1	228	118
Expenditure on:							
Charitable activities		121	38	8	1	168	138
Total		121	38	8	1	168	138
Net gains/(losses) on investments					3	3	6
Net income/expenditure		-14	83	-9	3	63	-13
Total funds brought forward		81	3	10	39	133	145
Total funds carried forward		67	86	1	41	196	132

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	Unrestricted Funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
					2020	2019
Income and endowments from:						
Donations and legacies						
	45,664				45,664	49,248
	3,580				3,580	4,719
	15,648	4,675			20,323	16,754
	2,855				2,855	9,640
	8,672	28,548			37,220	10,727
	28,050	18,000			46,050	102
		69,259			69,259	4,477
	104,468	120,482	0	0	224,950	95,666
Charitable activities						
	407				407	112
	6,534				6,534	8,783
	312				312	1,414
		500	-193		307	0
1	1,715				1,715	2,949
	8,967	500	-193	0	9,274	13,258
Other trading activities						
					0	1,000
2	-6,114		-1,035		-7,149	8,413
	-6,114	0	-1,035	0	-7,149	9,413
Investment income						
	67		6	1,162	1,234	92
	67	0	6	1,162	1,234	92
Total	107,389	120,982	-1,222	1,162	228,310	118,430
Expenditure on:						
Charitable activities						
	1,393				1,393	1,762
	4,979	500	8,007	105	13,590	8,128
	449				449	1,821
	7,944	7,383		1,057	16,384	8,097
	-334				-334	5,691
	3,586				3,586	7,198
	6,594				6,594	8,266
	89,719				89,719	84,623
	267				267	1,259
	172				172	459
3	334	4,846			5,180	3,039
	3,211				3,211	3,865
	0				0	194
	450				450	450
4	2,380	25,206			27,586	2,797
Total	121,143	37,935	8,007	1,162	168,247	137,648
					2,647	2,647
					2,647	6,083
Net income/expenditure	-13,754	83,046	-9,229	2,647	62,710	-11,848
Total funds brought forward	81,107	3,125	10,491	38,729	133,452	145,300
Total funds carried forward	67,353	86,171	1,262	41,376	196,162	133,452

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

BALANCE SHEET AT 31 DECEMBER 2020

	Notes	2020	2019
FIXED ASSETS			
Tangible assets	4	103,419	13,185
Investments		<u>41,376</u>	<u>38,729</u>
		144,795	51,914
CURRENT ASSETS			
Debtors	5	3,356	3,189
Short term deposits	6	45,291	78,219
Cash at bank and in hand	7	<u>10,733</u>	<u>7,638</u>
		59,380	89,045
		<u>204,175</u>	<u>140,958</u>
CURRENT LIABILITIES			
Creditors falling due in one year	8	7,352	7,507
Income received in advance	9	<u>661</u>	<u>0</u>
		8,013	7,507
		<u>196,162</u>	<u>133,452</u>
TOTAL NET ASSETS			
		<u>196,162</u>	<u>133,452</u>
FUNDS			
	10		
Unrestricted funds		153,524	84,232
Restricted funds		1,262	10,491
Endowments		<u>41,376</u>	<u>38,729</u>
		<u>196,162</u>	<u>133,452</u>

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A.F. Bray
Treasurer

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. PARISH MAGAZINE ACCOUNTS

RECEIPTS	2020		2019	
Sales and donations	435		1,011	
Advertising	<u>1,506</u>		<u>2,701</u>	
		1,941		3,712
PAYMENTS				
Printing, stationery and postage	180		720	
Church news services	<u>46</u>	226	<u>43</u>	763
Surplus for the year		<u>1,715</u>		<u>2,949</u>

2. PARISH HALL LETTING ACCOUNTS

RECEIPTS	2020		2019	
Lettings	8,724		25,714	
Donations	<u>3</u>		<u>255</u>	
		8,727		25,969
PAYMENTS				
Cleaning	2,009		4,782	
Licences			201	
Electricity and water	6,079		6,150	
Repairs	2,561		2,299	
Printing, stationery and postage	80		6	
Staff	<u>5,146</u>		<u>4,118</u>	
		15,876		17,556
Surplus for the year		<u>-7,149</u>		<u>8,413</u>

3. GRANTS AND CHARITIES

	2020	2019
The Poppy Appeal	35	466
Foodbank	2,840	-
The Childrens Society (Christmas)	-	141
Christchurch Deanery Synod Kinkiisi account	1,869	1,802
USPG	-	141
Toilet Twinning	34	141
Christchurch Fellowship of Churches	-	50
Salvation Army Homeless	103	-
Dorset Air Ambulance	100	100
Julia's House	100	-
Macmillan Caring Locally	-	100
The Honeypot Children's Charity	<u>100</u>	<u>100</u>
	<u>5,180</u>	<u>3,039</u>
Agency Collections		
Christian Aid		1,372
The Childrens Society (Boxes & Christingle)		796
	<u>-</u>	<u>-</u>
	<u>0</u>	<u>2,168</u>

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

4. TANGIBLE ASSETS	Heating	Office & garden equipment	Sound system	Security system	Kitchen	Screens & projector	Total
Cost							
At 1 January 2020	8,211	7,100	7,143	2,884	8,551	6,844	40,733
Additions	114,640				3,180		117,820
	<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>
Depreciation							
At 1 January 2020	0	7,100	3,121	2,884	8,551	5,892	27,548
Charge for the year	24,570	0	1,429	0	636	951	27,586
At 31 December 2020	<u>24,570</u>	<u>7,100</u>	<u>4,549</u>	<u>2,884</u>	<u>9,187</u>	<u>6,843</u>	<u>55,134</u>
Net book value							
At 31 December 2019	8,211	0	4,022	0	0	951	13,185
At 31 December 2020	<u>98,281</u>	<u>0</u>	<u>2,594</u>	<u>0</u>	<u>2,544</u>	<u>0</u>	<u>103,419</u>

5. DEBTORS		2020	2019
Magazine a/c	Expense Advance Payments	46	
Hall a/c	Lettings Debtors	294	2,194
	Expense Advance Payments		
		<u>294</u>	<u>2,194</u>
Main a/c	Cash not cleared	2,605	
	Gift Aid Accrual	253	978
	Expense Advance Payments	<u>17</u>	<u>17</u>
		2,875	995
Fees a/c	Cash not cleared	<u>142</u>	
		<u>3,356</u>	<u>3,189</u>

6. SHORT TERM DEPOSITS

	Unrestricted	Restricted	Total
At 31 December 2019	69,183	9,036	78,219
At 31 December 2020	<u>45,291</u>	<u>0</u>	<u>45,291</u>

7. CASH AT BANK AND IN HAND

	Unrestricted	Restricted	Total
At 31 December 2019	6,183	1,455	7,638
At 31 December 2020	<u>9,471</u>	<u>1,262</u>	<u>10,733</u>

8. CREDITORS

	2020	2019
Hall a/c		
	Utilities	1,404
	Staff	599
	Other	<u>26</u>
	2,029	2,674
Main a/c		
	Utilities	400
	Charities	113
	Staff and Organists	620
	Gardening	186
	Cleaning and repairs	242
	Stationery etc.	238
	Independent Examiner	<u>450</u>
	2,249	2,625
Flower a/c		
Fees a/c	unprocessed payments	3,074
	<u>7,352</u>	<u>7,507</u>

9. Income Received in Advance

	2020	2019
Fees a/c		
	Wedding Deposits	661
	<u>661</u>	<u>0</u>

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

10. FUNDS

UNRESTRICTED FUNDS

	Main account	Magazine	Hall	Little Fishes	Total
At 1 January 2020	81,345	1,843	1,044	0	84,232
Surplus/(Deficit) for the year	74,414	1,715	-7,149	312	69,292
Transferred to main account	-2,348	-2,540	5,200	-312	0
At 31 December 2020	<u>153,411</u>	<u>1,018</u>	<u>-905</u>	<u>0</u>	<u>153,524</u>

RESTRICTED FUNDS

	Music	Church Fabric	Flower	Total
At 1 January 2020	0	9,036	1,455	10,491
Income		5	371	377
Expenditure		-9,042	-565	-9,606
At 31 December 2020	<u>0</u>	<u>0</u>	<u>1,262</u>	<u>1,262</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 2020	20,396	14,914	1,524	1,896	38,729
Investment income	611	446	47	58	1,162
Transferred to main account	-611	-446	-47	-58	-1,162
Increase in value of funds	1,403	1,026	97	121	2,647
At 31 December 2020	<u>21,798</u>	<u>15,939</u>	<u>1,621</u>	<u>2,017</u>	<u>41,376</u>

HIGHCLIFFE PAROCHIAL CHURCH COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

(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.