
BOLDRE PAROCHIAL CHURCH COUNCIL

ACCOUNTS

For the year ended 31 December 2019

Statement of Financial Activities

Balance Sheet

Accounting Policies

Budget 2020

Statement of Financial Activities for the year ended 31 December 2019

	Notes	Total Funds			
		Restricted £	Unrestricted £	2019 £	2018 £
Income from					
Voluntary Income	1a	891	68,402	69,292	63,715
Church Activities	1b		17,962	17,962	17,878
Activities for generating funds	1c		11,896	11,896	11,829
Investments	1d	1,889	4,106	5,995	5,841
				-	-
Total Income		2,780	102,365	105,146	99,263
Expenditure on					
Raising Funds	2a		1,777	1,777	2,471
Church Activities:					
-Grants/Mission	2b		3,031	3,031	3,013
-Activities directly relating to work of Church	2c	9,486	68,426	77,911	73,954
-Church management and administration	2d		15,175	15,175	14,560
Total Expenditure		9,486	88,408	97,894	93,998
				-	-
Net Operating Income/ (expenditure)		(6,706)	13,957	7,251	5,975
Gains/Losses on investments					
Realised gains/(losses)	3			-	-
Unrealised gains/(losses)	3	531	21,614	22,145	(3,926)
Net Income/(expenditure) for year		(6,175)	35,571	29,397	1,750
Transfer between funds				-	-
Net movement in funds		(8,667)	38,064	29,397	1,750
Balances B/F 01.01.2019		58,603	166,071	224,674	224,674
Balances C/F at 31.12.19		49,936	204,135	254,071	226,424

Balance Sheet as at 31 December 2019

	Notes	Restricted £	Unrestricted £	2019 £	2018 £
Investment Assets	3	46,371	137,163	183,534	161,389
Current Assets					
Debtors			4,403	4,403	5,733
Cash at bank		2,845	66,180	69,024	60,647
Net Liabilities			-	-	-
			1,142	1,142	1,345
Net current assets		2,845	69,440	72,285	65,034
Net Assets		49,216	206,603	255,819	226,424
Represented by:					
Opening balance		58,603	166,071	224,674	224,674
Surplus/ (Deficit) for year		-	-	-	-
		9,387	40,532	29,395	1,749
Total		49,216	206,603	255,819	226,424

Boldre PCC Financial Statement 2019

During 2019 income increased by about £5.6k compared with 2018 primarily due to:

- (a) Increase in voluntary income of about £5.6k
- (b) Increase in church activities (The Summer Fete and Musical activities) of £84
- (c) Increase in amount of funds from fundraising events of £67
- (d) Increase in investment income of £154
- (e) Increase in net revenues from The Bridge Magazine of £600
- (f) Fees were reduced by £1,829, offset by reduced refunds to the Diocese

During 2019 expenditure increased by £3.9k compared with 2018 primarily due to increases in Church running costs.

There was an unrealised gain on investments of £22,145. This compared with a loss in 2018 of £3,926.

The result is a gross operating surplus between income and expenditure in 2019 of £5,975. However, of this £2,780 is restricted income.

The net unrestricted surplus of £3,195 compares with a net overall surplus for 2018 of £1,750.

Approved by the Parochial Church Council on 16 March 2020 and signed on its behalf by:

Richard Tolkien (Hon Treasurer)

Revd Andrew Neaum (Chairman)

Dated:

Dated:

Independent Examiner's Report on the Accounts

Report to the members of	Boldre Parochial Church Council		
On accounts for the year ended	31 December 2019	Charity No. (if any)	n/a
Respective responsibilities of trustees and examiner	<p>The Parochial Church Council is responsible for the preparation of the accounts. The members 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.</p> <p>It is my responsibility to:</p> <ul style="list-style-type: none"> • 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	<p>I have completed my examination. In connection with my examination, no matter has come to my attention which gives me reasonable cause to believe that in, any material respect, the requirements:</p> <ul style="list-style-type: none"> • 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 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; <p>have not been met. I have no concerns and 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 reached.</p>		
I			
Signed:		Date:	April 2020
Name:	Jeremy Utton Independent Examiner		
Address	Appleslade Linwood Nr Ringwood Hampshire BH24 3LX		

Notes to the Financial Statements for the year ended 31 December 2019

1 Income

			Total funds	
	Restricted	Unrestricted	2019	2018
	£	£	£	£
1a Voluntary Income				
Planned Giving/Gift Aid		41,864	41,864	37,273
Tax recoverable		8,392	8,392	8,617
Collections		13,931	13,931	14,332
Fabric Fund	891		891	831
Wall Box		785	785	898
Sundry Donations		3,429	3,429	1,764
Legacies			-	-
	891	68,402	69,293	63,715
1b Church Activities				
			-	-
Fees		12,649	12,649	14,478
Bridge Magazine		3,000	3,000	2,400
Refunds		2,313	2,313	1,000
	-	17,962	17,962	17,878
1c Activities for generating Funds				
Fund Raising:				
Church fete		7,506	7,506	7,498
Musical Events		2,429	2,429	2,429
Other		1,961	1,961	1,902
	-	11,896	11,896	11,829
1d Investments				
Dividends and Interest	1,889	4,106	5,995	5,841
Total Incoming Resources	2,780	102,365	105,145	99,263

	Restricted	Unrestricted	2019	2018
	£	£	£	£
2a Fundraising		1,777	1,777	2,471
2b Grants, Missionary & Charitable giving				
Missionary Societies		3,031	3,031	3,013
2c Activities relating to work of Church Ministry				
Diocesan Contribution		37,000	37,000	37,000
Clergy & Wardens Expenses		2,079	2,079	1,982
Clergy Honoraria		7,714	7,714	7,907
Church- running expenses				
Electricity				
Telecoms				
Flowers				
Other				
		12,765	12,765	9,393
	-	59,558	59,558	56,281
Church Maintenance & projects				
Major repairs/ installations	1,740	-	1,740	-
Upkeep of Churchyard	4,246		4,246	6,373
Repairs & Maintenance		6,139	6,139	6,171
	5,986	6,139	12,125	12,544
Organist's salaries & other music expenses	3,500	2,730	6,230	5,130
	9,486	68,426	77,912	73,955
2d Church Management & Administration				
Secretary's salary		6,500	6,500	6,325
Benefice expenses (stationery, telephone & others)		1,597	1,597	1,125
Bookkeeper		3,616	3,616	3,616
Bank charges		573	573	589
Insurance		2,888	2,888	2,792
Sundries		1	1	113
	-	15,175	15,175	14,560
Total Expenditure	9,486	88,409	97,895	93,999

3 Investment Values		2019	2018
		£	£
Restricted		7,074	7,074
		4,556	4,556
	13,809 shares in CBF Fixed Interest Securities Fund	5,392	5,392
	14,797 shares (Davis) Fixed Interest Securities Fund	5,106	5,106
Restricted		24,243	23,712
Unrestricted	7155.43 shares in CBF Investment Fund.	137,163	115,549
Total Investments 31 Dec		183,534	161,389
(Loss)/Gain Unrestricted		21,614	-
			1,760
Restricted		531	-
			2,166
Total gain/(loss)	Unrealised	22,145	3,926
Total gain/(loss)	Realised	0	0

Accounting Policies

a) Financial Statements

The Financial Statements have been prepared under:

- (a) The Charities Act 2011 and in accordance with the Church Accounting regulations 2006 governing the individual accounts of PCCs, together with applicable accounting standards and the Statement of Recommended Practice, accounting and reporting by Charities SORP 2015 (FRS 102 Section 1A), and
- (b) The historical cost convention except for investment assets which are shown at market value. They include all transactions, assets and liabilities for which the PCC is responsible in law.

b) Funds

Unrestricted Funds represent those that are not subject to any restrictions regarding their use and which are available for the general purposes of the PCC. Restricted Funds represent those that are subject to restrictions regarding their use and which may only be applied for specific purposes.

c) Income

Planned Giving/Gift Aid, other than collections at services, is accounted for in the Gift Aid account on behalf of the PCC from which it is transferred to the current account each quarter when it is recorded in that account. Income tax recoverable is also accounted for in the Gift Aid account on behalf of the PCC and transferred to the current account each quarter. Grants and legacies are accounted for when the PCC receives the money into its account. The Bridge magazine is accounted for because of the surplus received less the deduction of 27.5% paid to South Baddesley PCC in regard of their circulation. Income from fetes, etc. is accounted for after deduction of the outgoings. Dividends and interest are accounted for when received. The split of income between the Restricted and Unrestricted Funds is recorded per the wishes of the donors and the requirements of the trusts administered by the Winchester Diocese.

d) Designated Collections

During the year ended 31 December 2019 the PCC made designated collections on behalf of HMS Hood £ and The Royal British Legion £. The money collected for the Royal British Legion was paid directly to the Secretary of the Lymington branch. The monies collected in the memory of HMS Hood was paid into the PCC bank account and distributed equally between The Boldre Church Trust, The Seafarer's Trust and the Mission for Seafarer's. No

funds were retained by the PCC. The receipts and payments of all designated collections are not reported in the PCC accounts in line with Church Accounting Regulations.

e) Expenditure

Grants and donations are recognised when paid. The parish share of the Diocesan Quota is accounted for when paid. In 2019 £37,000 in Diocesan Quota was paid. For 2020 the PCC has resolved that this be increase to £40,000. This remains below the indicated Quota. During 2019, St John’s relative “wealth factor” was reassessed by the Diocese and confirmed at its current level.

f) Fixed Assets

Consecrated and benefice property is excluded from the accounts by section 10(2) (a) of the Charities Act 2011. Movable church fittings are also excluded from the accounts. All expenditure incurred during the year on these fixed assets is charged to Resources Used. Investments are stated at market value as at 31 December 2019.

g) Trustees expenses and related party transactions

None of the Trustees were paid any remuneration or received any other benefits from an employment with the PCC. One Trustee was provided with funds in carrying out the duties of the PCC in relation to its missionary work overseas. The figure was £3,000 in the year ending 31st December 2018. During the year, there have been no related third-party transactions that require disclosure (2017: £0)

h) Staff Costs

	2019	2018
	<u>£</u>	<u>£</u>
Total staff costs and honoraria paid	<u>20,560</u>	<u>20,578</u>

The average number of staff throughout the year was 3 (2016:3), all of whom were self-employed.

i) Costs of Independent Examination and other Financial Services

As in prior years, the independent examination of the 2019 accounts has been provided on a pro bono basis.

j) Charity Commission’s Public Benefit Guidance

The trustees are aware of the Charity Commission’s public benefit guidance and have taken it into account when making decisions to which the guidance is relevant.

Financial Review Year Ended 31 December 2019

Total income from Unrestricted funds was £102,365 of which £41,864 was planned voluntary donations, £13,931 from collections, plus a further £8,392 from Gift Aid recoverable tax. The balance of unrestricted funds came from Church activities and fund-raising events. Benefice Fee income of £12,649 Bridge Magazine of £3,000 and St Mary's share of Benefice costs £2,313. The Fete contribution was £7,506 and donations from musical events £2,429 (predominately from Carol Concerts held in St Johns by St Nicolas Singers and Walhampton School, for which we are very grateful) and other events of £1,961. In addition, there was other income including donations of £1,961, and dividends and interest earned of £4,106.

Restricted Funds consisted of Fabric Fund collections amounting to £891 and dividends and interest earned of £1,889

We would like to encourage parishioners to support St John's wherever possible through the Parish Giving Scheme, leaflets for which are at the entry to the Church. The associated Gift Aid recoverable tax increases the value of donations received by 25%; the administration is provided centrally at no cost to St John's.

Overall, Income increased by £5,885 compared with 2018.

Expenditure increased by £3,896 compared with 2018.

Total Resources of Restricted expenses decreased by £1,970, mostly accounted for by decreases in church maintenance, partially offset by increases Organist salaries and other music expenses.

There was an unrealised gain on investments of £22,145 as compared to the unrealised loss of £3,926 during 2018.

Investment Reserves

The value of our Unrestricted Reserves increased to £206,603, principally to unrealised investment gains.

The value of Restricted Reserves decreased from £58,603 to £49,936 due to Church related work. Restricted reserves are retained towards the upkeep of the fabric of the church and the graveyard, in accordance with the PCC definition of Fabric and the terms of the underlying legacy, given that legacies constitute the primary source of these reserves.

Financial and Reserves Policy

It has been agreed that the PCC should follow a policy of seeking at least to break even year by year and its annual budget is set on this basis. This is prudent in relation to securing the long-term future of St John's Church. In addition, it is the policy of the PCC to hold readily

realisable reserves the equivalent of six months' budgeted gross expenditure, including gross salaries and honoraria, the Diocesan levy as approved by the PCC and currently being £40,000. In addition, it is our policy to hold £1,000 to cover grants received annually the continuation of which cannot be guaranteed, plus £3,000 in a mission reserve to enable us to meet our mission commitments irrespective of amounts identified in any year's budget. It is also our policy to hold an amount for likely non-fabric repair and maintenance expenses including the church yard. In view of the listed status of the church we have allocated £5,000 to cover this based on current experience. This building reserve should be maintained at this level going forwards. These combined free reserves, excluding restricted items, based on the budget adopted for 2020 is £61,000. This reserve amount is reviewed annually as part of the budgetary process. The PCC also considers it prudent to seek over time to build up longer term reserves with the aim of securing worship at St John's for the foreseeable future. To this end, in 2019 a Stewardship Campaign was launched to increase planned giving, including legacies. The 2020 budget assumes that this will lead to an increase in planned giving over 2019 of £4,000 or about 10%. The target long-term is to increase annual planned giving by 20%. Part of this it is intended should be used to increase the Diocesan Contribution towards the indicated quota; the balance will be used to increase long term reserves and provide funds for additional mission work.

Our investment policy is to invest short-term investment fund balances with the CCLA Church of England Securities Fund- Income Shares, and the remainder in the CCLA Church of England Investment Fund-Income Shares, which attracts a better long-term return.

2020 Budget

Note this budget was prepared as at 16 March 2020. Since that time the UK has been placed in partial, epidemiological lockdown, to combat the Covid-19 virus. The economic effects of this are unknown but likely to be extensive, reducing revenues (though lower collections and fees and possibly the annual fete), dividend income and the value of the PCC's investments. In response the Diocesan Contribution monthly payments were reduced as from April, to a rate aggregating to £32,000 for 2020. This and other expenditure will be kept under close review as circumstances require.

	£		£
INCOME		EXPENDITURE	
Planned giving	42,000	Diocesan Contribution	40,000
Tax refund	8,500	Mission etc.	3,000
Collections	14,000	Churchyard	6,000
Wall box	500	Reps & Maintenance	4,000
Fabric fund	800	Fabric Works	2,000
Grants	-	Youth	-
Donations	1,000	Vicar & c/w expenses	2,500
Fundraising	10,000	Clergy honoraria	7,700
Investment Income	6,000	Insurance	2,725
Fees	12,000	Church running	13,000
Legacies	-	Admin salary	6,500
Benefice Refunds	2,500	Book-keeper	3,700
Bridge	2,500	Benefice expenses	2,000
Additional planned giving	4,000	Music salary	3,500
		Music general	1,650
		Fundraising	2,500
		Flowers	1,000
		Bank charges	600
		Other	1,000
TOTALS	104,000		104,000
(Surplus)/Shortfall			

As can be seen from the above, the Budget for 2020 indicates a balance between income and expenses before any gains or losses on investments. The Diocesan Contribution at £40,000 for the year is budgeted to be £3,000 more than that in 2019.