
BOLDRE PAROCHIAL CHURCH COUNCIL

ACCOUNTS

For the year ended 31 December 2020

Statement of Financial Activities

Balance Sheet

Accounting Policies

2021 Budget

Statement of Financial Activities for the year ended 31 December 2020

	Notes	Total Funds	
		2019	2020
Income from		£	£
Donations	1a	69,292	90,027
Church Activities	1b	17,962	10,505
Events, including Church Fete and Musical Events	1c	11,896	2,153
Dividends and interest	1d	5,995	5,984
		-	
Total Income		105,146	108,689
Expenditure on			
-Mission Rwanda	2a	3,031	3,391
-Activities directly relating to work of Church	2b	77,911	74,071
-Church management and administration	2c	15,175	18,856
Total Expenditure		97,894	96,227
Net Operating Income/ (expenditure)		7,251	12,462
Gains/Losses on investments			
Realised gains/(losses)	3	-	
Unrealised gains/(losses)	3	22,145	10,287
Net Income/(expenditure) for year		29,397	22,750
Transfer between funds		-	
Net movement in funds		29,297	22,750
Balances B/F 01.01.2020		224,674	254,071
Balances C/F at 31.12.20		275,958	

Balance Sheet as at 31 December 2020

	Notes	2019	2020
		£	£
Investment Assets	3	183,534	195,262
Current Assets			
Debtors		4,403	3,831
Cash at bank		69,024	96,101
Net Liabilities/due to Diocese of Winchester		1,142	19,235
Net current assets		72,285	80,897
Net Assets		255,819	275,958
Represented by:			
Opening balance		235,640	255,819
Surplus/ (Deficit) for year		20,179	22,750
		255,819	275,958

Boldre PCC Financial Statement 2020

During 2020 income increased by almost £3,543 due to:

- (a) An increase in PGS voluntary income from £26,941 in 2019 to £45,335 in 2020, including Gift Aid
- (b) Reflecting an increase in PGS donors from 49 in 2019 to 73 in 2020, notwithstanding a
- (c) Very substantial reduction in church activities (it was not possible to hold The Summer Fete nor put on Musical Events),
- (d) Unchanged investment income and
- (e) A reduction in net revenues from The Bridge Magazine of £1,800.
- (f) Net Benefice Income was substantially lower due to it not being possible to hold the customary number of weddings.

During 2020 expenditure decreased by £1,667 compared with 2019, despite a significant increase of £9,183 in the Diocesan Contribution and some small extra costs arising from improving our book keeping arrangements which included moving to a system based on Quick Books which integrates our book keeping and banking. These changes and some accounting reclassifications mean that in some instances the 2020 and 2019 accounts are not directly comparable. The accounts for 2021 will be prepared on the same basis as the 2020 accounts and therefore be directly comparable.

The overall result is a gross operating surplus between income and expenditure in 2020 of £12,462. In addition, there was an unrealised gain on investments of £10,288.

The administration of Benefice activity (weddings, funerals, memorials) is carried out jointly for St John's, Boldre and St Mary's, South Baddesley. The related income and expenditure is set out in the attachment to these accounts.

Approved by the Parochial Church Council on 15 March 2021 and signed on its behalf by:

Richard Tolkien (Hon Treasurer)

Revd Andrew Neaum (Chairman)

Dated: 23 April 2021

Dated: 23 April 2021

Independent Examiner's Report on the Accounts

Report to the members of	Boldre Parochial Church Council		
On accounts for the year ended	31 December 2020	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 2021
Name:	Jeremy Utton Independent Examiner		
Address	Appleslade Linwood Nr Ringwood Hampshire BH24 3LX		

Notes to the Financial Statements for the year ended 31 December 2020

1 Income

	2019	2020
	£	£
1a Voluntary Income		
Planned Giving Scheme		36,857
PGS Gift Aid		8,478
Other regular Donations		17,002
Green Envelope giving		4,725
Collections		9,589
Other Gift Aid		5,161
One off Donations		6,430
Other		1,464
	69,293	90,027
1b Church Activities		
Net Benefice Income	14,962	9,305
Bridge Magazine	3,000	1,200
	17,962	10,505
1c Income from		
Church fete	7,506	-
Musical Events	2,429	-
Christmas Cards, Rwanda donations, other	1,961	2,173
	11,896	2,173
1d Investments		
Dividends and Interest (Of which restricted)	5,995 (1,889)	5,984 (1,535)
Total Incoming Resources	105,145	108,689

	2019	2020
2 Expenditure	£	£
2a Grants & Missionary Rwanda	3,031	3,391
2b Activities relating to work of Church Ministry		
Diocesan Contribution/Common Mission Fund	37,000	46,183
Clergy Honoraria	7,714	7,200
Church- running expenses		
Electricity		
Telecoms		
Flowers		
Travel		
Purchases		
	14,844	7,473
	59,558	60,858
2c Church Maintenance & Projects		
St John's Church		6,020
St Nicholas's Chapel		2,951
	12,125	8,971
2d Organist's salary & other music expenses	6,230	4,147
2e Church Management & Administration		
Secretary's salary	6,500	6,037
Benefice office expenses (stationery, telephone & other purchases)	1,597	3,602
Professional fees incl Bookkeeper	3,616	5,936
Bank charges	573	344
Insurance	2,888	2,921
	15,175	18,856
Total Expenditure	97,895	96,227

3 Investment Values		2019	2020
		£	£
Restricted		7,074	7,467
	13,809 shares in CBF	4,556	4,809
	Fixed Interest Securities	5,392	5,691
	Fund	5,106	5,390
	14,797 shares (Warburton		
	Davis) Fixed Interest		
	Securities Fund	24,243	25,028
Unrestricted	7155.43 shares in CBF		
	Investment Fund.	137,163	146,304
Total Investments 31 Dec		183,534	195,262
(Loss)/Gain Unrestricted		21,614	9,141
Restricted		531	1,146
Total gain/(loss)	Unrealised	22,145	10,287
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 whether under the PGS or by standing order, 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 2020 because of the pandemic no designated collections on behalf of HMS Hood and The Royal British Legion were possible. 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 this was £46,183, comprising monthly payments and two supplemental payments determined and resolved to be paid in the light of the good financial outcome achieved for 2020. This was fully in line with 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 2020.

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 £3,300 in the year ending 31st December 2020. During the year, there have been no related third-party transactions that require disclosure (2019: £0)

h) Staff Costs

	2020
	£
Total staff costs and honoraria paid	<u>16,737</u>

The average number of staff throughout the year was 3 (2019:3).

i) Costs of Independent Examination and other Financial Services

As in prior years, the independent examination of the 2020 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 2020

Total income from was £108,689 of which £52,890 was planned voluntary donations, £9,939 from collections, £6,430 from one off donations plus a further £13,639 from Gift Aid recoverable tax. Net Benefice Fee income was £9,305 (2019 £12,649) and Bridge Magazine of £1,200 (2019 £3,000). It was not possible to hold The Fete in 2020 (2019 contribution £7,506) nor musical events (2019 £2,429). Dividends and interest earned amounted to £5,983, of which £1,535 was restricted. No other income was restricted.

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 and details online on the website. 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 £3,543 compared with 2019.

Expenditure decreased by £1,667 compared with 2019.

There was an unrealised gain on investments of £ £10,287.

Investment Reserves

The value of our Reserves increased to £275,559, of which £48,385 was restricted and held in investments.

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 under-lying 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, to seek to meet as fully as is prudent its requested Diocesan Contribution and to build up reserves to provide longer term financial stability, thus enabling St John's, Boldre to continue active worship long-term. Its annual budget is set on this basis. In addition, it is the policy of the PCC to seek 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 which for 2021 is £36,000. This will be reviewed later in the year in the light of actual financial performance, with the aim of increasing it if prudent to the £42,000 requested by the Diocese of Winchester. 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 2021 is £46,000. 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. Very good progress has been made increasing the number of donors under the PGS and the amount donated, notwithstanding the disruption and uncertainty caused by the Covid- 19 pandemic since March 2020. The target long- term is to increase annual planned giving by 20% year on year. The progress made enabled St John's to meet in full its requested Diocesan Contribution for 2020. Additional available resources 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.

2021 Budget

Note this budget was prepared as at 16 February 2021, when the entire UK was in Covid -19 lockdown. The economic effects of this continue to be highly uncertain, especially in relation to revenues from weddings, the Annual Fete and Musical Evenings, as well as the level of dividend income on investments. The Diocesan Contribution has been set at a monthly rate of £3,000. This and other expenditure will be kept under close review as circumstances require. It is the intention of the PCC to make a supplementary payment, as was done ifor 2020, to bring the total contribution in line with that requested by the Diocese, being £42,000, should revenues and the overall financial position of St John's permit.

	£		£
INCOME		EXPENDITURE	
Planned giving	52,000	Diocesan Contribution	36,000
Tax refund	13,000	Rwanda Mission	3,000
Collections	15,000	Churchyard	6,000
Wall box	500	Reps & Maintenance	4,000
Fabric fund	800	Fabric Works	2,000
Grants	-	Youth	-
Donations	2,000	Vicar & c/w expenses	2,500
Fundraising	-	Clergy honoraria	7,700
Investment Income	6,000	Insurance	3,000
		Telephone	2,000
		Utilities	4,000
Benefice Income		Bank, Goodbox	500
Fees	9,000	Admin salary	6,000
Legacies	-	Book-keeping	6,000
Benefice Refunds	-	Office expenses	2,500
Bridge	1,200	Music salary	3,500
Goodbox	500	Music general	1,650
		Fundraising	-
		Flowers	750
		Other	1,000
TOTALS	100,000		92,000

As can be seen from the above, the Budget for 2020 indicates a small surplus of income over expenses before any gains or losses on investments.