

# **Rushen Parochial Church Council**

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## **Report and Accounts for the year ended 31<sup>st</sup> December 2015**

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## **Report of the Rushen Parochial Church Council for the year ended 31<sup>st</sup> December 2015**

### **Overview**

Rushen Parochial Church Council (the "PCC") has the responsibility of cooperating with the incumbent, the Reverend Joe Heaton, in promoting in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is also specifically responsible for the maintenance of the Parish Church, Kirk Christ and its three chapels of ease, namely St. Catherine's, St. Mary's and St Peter's plus St Catherine's Hall and St Mary's Hall.

The Vicar & Wardens was the body responsible for running the parish's affairs prior to the establishment of the Parochial Church Council. Today the Vicar & Wardens activities are two fold and held entirely separate from each other and the PCC.

Firstly, under Manx law, the Vicar & Wardens are responsible for the burial grounds attached to Kirk Christ. They are administered under statute by the Vicar & Wardens of Kirk Christ, also known as the Rushen Burial Grounds Authority. This authority operates its own bank accounts and produces its own set of audited accounts in respect of all Rushen burial grounds matters only.

In addition to the burial grounds matters, the Vicar & Wardens continues to exist as a separate legal body from the PCC. Its remaining functions are, firstly, the receiving and holding of legacies where it is a named beneficiary and, secondly, making grants to the PCC where expenditures qualify under the terms of those legacies. The assets of the Vicar & Wardens are held in bank accounts administered by the PCC. Such activities are set out and reported on in the accounts of the Vicar & Wardens of Rushen Parish. These accounts are presented to the annual parish church meeting along with those of the PCC.

The PCC strongly urges those remembering the parish in their wills to ensure that any legacy is left to the Rushen Parochial Church Council, specifying that it can be used for general purposes. If so desired a particular use, such as the maintenance of a specific church building, can be stipulated but this then reduces the PCC's flexibility in managing the assets of the parish overall. The use of Vicar & Wardens to administer church business has for some considerable time been superseded by the use of Parochial Church Councils. Therefore, anybody considering a bequest to the church should let their advocate know that the beneficiary should be the PCC and not the Vicar & Wardens. The Diocese of Sodor and Man has issued very helpful guidelines on leaving assets to the church on the Isle of Man, including how to ensure that any bequests are treated as inheritance tax free under UK tax law, should that apply to you. These can be found at the following website:  
[www.gumbley.net/legacies\\_1.pdf](http://www.gumbley.net/legacies_1.pdf)

The parish files annual returns to the diocese covering membership and finance. The parish return for finance covers PCC activity only and excludes all Vicar & Wardens business, except where the PCC receives a grant from the Vicar & Wardens.

### **Objectives and activities**

The PCC is committed to enabling as many people as possible to take part in Anglican worship in the parish of Rushen and to become part of the Rushen parish community. The PCC maintains an overview of worship throughout the parish and makes suggestions on how our services can involve the many groups that live within our parish. Our services and worship put faith into practice through prayer and scripture, music and sacrament.

When planning our activities for the year, we have considered public benefit. In particular, we try to enable ordinary people to live out their faith as part of our parish community through:

- Worship and prayer; learning about the gospel; and developing their knowledge and trust in Jesus.
- Provision of pastoral care for people living in the parish.
- Missionary and outreach work.

To facilitate this work it is important that we maintain the fabric of all our church buildings and halls.

### **Achievements and performance**

#### **Worship and prayer**

The PCC is keen to offer a range of services during the week and over the course of the year that our communities find both beneficial and spiritually fulfilling. To achieve that the PCC regularly reviews the pattern and style of our services and changes them where necessary to meet parish needs. For example, St Catherine's offers an early communion service twice a month to provide a quiet, intimate and reflective environment for worship. Opportunities are provided for young people to participate in our All Age services at both St Mary's and St Catherine's. We offer both traditional Book of Common Prayer and Common Worship services within the parish with St Peter's in particular offering a traditional worship experience.

All are welcome to attend our regular services. At present there are 196 parishioners on the Church Electoral Roll an increase of 9 on 2014. 30 new adult worshippers joined our parish community but 12 left either through death, because they moved away from the parish or joined another church. The average weekly attendance, counted during October 2015, was 167, up from 158 for 2014. This number increased considerably at festivals.

As well as our regular services, we enable our community to celebrate and thank God at the milestones of the journey through life. Through baptism we thank God for the gift of life, in marriage public vows are exchanged with God's blessing and through funeral services friends and family express their grief and give thanks for the life which is now complete in this world and to commend the person into God's keeping. During 2015 we celebrated 12 baptisms (8 last year) and 10 weddings (6 last year) and held 36 funerals in our parish this year (31 last year).

#### **Diocesan Synod**

Five members of the PCC sit on the Sodor and Man Diocesan Synod. This provides the PCC with an important link between the parish and the wider structures of the church, both on the Isle of Man and across the whole Anglican communion.

#### **The Church Buildings**

##### **St Peter's Internal Renovation**

During 2014 the PCC approved a renovation programme for St Peter's and a faculty for the work was obtained. This programme had been under discussion for a number of years and the Diocesan architect had done preparatory work in years before 2015. During 2015 the programme was completed. It entailed re-plastering and re-ordering work to the interior of St. Peter's. The main contract was effected in early 2015 and was for £57,847 before VAT and architect's fees. The total project cost was £68,526. This figure includes the building works contract, architect's fees, a new carpet and light, and VAT. It comprises disbursements in years prior to 2015 of £4,113 for architect's fees, £62,947 in 2015 and the retention of £1,466 paid in 2016. This work was financed from various

grants, donations and fundraising events totalling £27,129, (£8,423 received in 2014 and the balance in 2015), reserves in the PCC's accounts dedicated to St Peter's of £22,960, with the balance of £18,437 coming from the PCC's general reserves (£4,113 in years prior to 2015, £1,466 in 2016 and the balance in 2015). The contractor started work on St Peter's in January 2015. The church was closed until late June when services resumed.

### **St Catherine's East Windows**

In 2014 the PCC approved the renovation of the east windows at St Catherine's at an estimated total cost of approximately £20,000. This work also started in January 2015 and was completed by April. The total cost was less than anticipated at £17,360 and was financed by a grant from the Vicar & Wardens of £6,148 (the Phyllis White legacy), use of the Angela Batey legacy valued at £1,013, donations specifically for the windows of £2,555 with the balance of £7,644 from PCC reserves dedicated to St Catherine's.

### **St Mary's West Windows**

In addition, St Mary's west stained glass windows suffered damage in a gale in January 2015. Our insurers met the cost of the repair less our excess of £100. During the repair it was determined that remedial work was required on more of the west windows. The recommended works were carried out at a cost of £5,520. The Leigh-Squire Trust provided a grant to cover this expense.

### **St Catherine's Hall**

The toilets and entrance area of St. Catherine's Hall were refurbished during 2014. During 2015 we saw the benefit of this work with rent income rising from £1,125 to £2,533. We were very pleased to host the exhibition "Friend or Foe" put on by the Rushen Heritage Trust during May. A team of ladies from the parish raised £751 providing refreshments during this exhibition. We use the hall for a variety of activities including our youth group, Rush, our CAMEO group, Messy Church and receptions after concerts as well as parish wide meals. Various third parties also rent the hall. Our Friendly Lunch team decided to cease their monthly lunches due to insufficient volunteers to make and serve the meals. These lunches have financed giving to a wide variety of charities chosen by members of the team and ratified by the PCC. The PCC thanks them for their excellent work over a number of years.

### **St Mary's Hall**

During 2014 the St Mary's Hall kitchen was refurbished at a cost of £10,593. This hall, run and maintained by the St Mary's Ladies Working Party, also provides a friendly lunch and a tea programme to the Port St Mary community. It is used by a number of local groups as well as providing a facility for the Sunday school and a place for congregational refreshments and social interaction after church services. Rent income was £610 for the year compared to £670 for 2014.

### **Pastoral care**

Some members of our parish are unable to attend church due to sickness or age. Reverend Joe Heaton and certain retired clergy have visited all church members who have requested it, to celebrate communion with them either at their homes or in institutions.

### **Missionary and Charitable Giving**

During 2015 our Messy Church local outreach project started off and proved very successful. Activities are oriented to the whole family to provide a wide appeal. This has paid off with attendance at the monthly Saturday afternoon sessions around 60 people, many of whom are new to our church family.

Helping those in need is a demonstration of our faith. The various church groups (St. Mary's Ladies Working Party and the St. Catherine's Friendly Lunch Committee in particular) are to be congratulated on their fund-raising efforts. Charitable giving totalled £3,225. For this year giving of £300 to CMS by the PCC and £250 to the Port St Mary Beach Mission by the St Mary's Ladies Working Party has been included under Mission and Evangelism.

Our parish magazine is published monthly and is available in all our churches to both parishioners and visitors. The magazine keeps our parishioners informed of the important matters affecting our Churches and articles that help develop our knowledge and trust in Jesus.

### **Ecumenical and Community relationships**

The Parish is works with a number of churches of other denominations and the wider community in various way. For example we participate in the Port Erin walk of the cross on Good Friday, we host the Port Erin Commissioner's Carol Service and the Rushen Remembrance Service. Our incumbent, Reverend Joe Heaton, regularly attends assemblies at several local schools.

### **Financial review**

As previously noted, the PCC undertook major work on St Peter's, St Catherine's and St Mary's churches during 2015. This work, together with the PCC's normal activities and after receiving various grants and restricted fundraising for the work, resulted in a net excess of disbursements over receipts of £84,854. This resulted in a cash outflow, and hence a decrease in PCC overall assets, of that amount.

Total collections and giving were £61,060 (2014 £61,605) of which £579 was restricted. This figure includes £24,903 (2014 £20,790) of unrestricted planned voluntary giving. Restricted income or funds are those given for a specified purpose.

The PCC is pleased to note that planned giving through standing orders and annual cheques increased by a further 20% on 2014. Donations totalled £5,423 (2014 £1,694) of which £2,846 was restricted, comprising £170 for St Peter's renovations, £1,820 for St Catherine's windows and £856 donated for specific charities. Grants received were £25,360. Details of these donations and grants can be found in Note 5 of the accounts.

In addition, the PCC received a grant of £6,998 from the Vicar & Wardens to cover expenditures qualifying under restricted legacies.

The accounts which follow show that, excluding exceptional items, the PCC experienced a net cash outflow for 2015 of £38,439. This compares to a net outflow of £33,928 for 2014. The PCC is well aware of the outflow on its normal activities continues to seek ways reduce this cash outflow.

The notes to the accounts which follow contain detail and commentary with respect to most of the lines of both receipts and disbursements.

### **Reserves policy**

The PCC's reserve accounting policy is set out in the notes to the accounts with details of changes to the reserves during the year.

All of the PCC's liquid funds are currently held at the Isle of Man Bank Ltd. This bank is owned by the Royal Bank of Scotland which is itself majority owned by the UK Government. The PCC recognises that the credit risk is concentrated but, given the backing of the UK Government, the PCC believes that this situation is acceptable. In due course the PCC intends to diversify its credit risk while continuing to keep its assets on the Isle of Man.

## **Volunteers**

We would like to thank all the volunteers who work so hard to make our church the lively and vibrant community it is. In particular, we want to mention our churchwardens Gerry Callister, Arthur Cregeen, Peter Hayhurst and Harry Dawson who have worked so tirelessly on our behalf.

## **Structure, governance and management**

The Parochial Church Council is a corporate body established and operating under Isle of Man church law. The PCC is a charity under Manx law but is exempt from registering. Therefore it has no registered charity number.

The method of appointment of PCC members is set out in the Church Representation Rules. These rules, as they affect the Isle of Man, can be found at the following website: [www.gumbley.net](http://www.gumbley.net)

The membership of the PCC consists of the Reverend Joe Heaton (our vicar) as chairman, the churchwardens of the parish, readers of the parish, parish diocesan synod representatives and 15 other members elected by those parishioners who are on the electoral roll of the parish. The PCC may also co-opt parishioners to perform specific functions such as treasurer or secretary. All those who attend our services (including those unable to do so through infirmity) are encouraged to register on the Electoral Roll and those interested are most welcome to stand for election to the PCC.

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish including deciding on how the funds of the PCC are to be spent.

The full PCC met 7 times during the year with an average level of attendance well in excess of 78%. There were 6 ordinary meetings with a full agenda plus a short meeting immediately following the Annual Parochial Church Meeting at which Alan Kershaw was co-opted on to the PCC to act as treasurer.

The PCC has established five committees, each dealing with a particular aspect of parish life. These committees cover worship, mission and outreach, social activities, buildings and finance. They are all responsible to the PCC. They report back to it regularly with minutes of their meetings and make recommendations for consideration by the full PCC.

## **Administrative information**

Rushen parish is the southernmost parish on the Isle of Man. It is part of the Diocese of Sodor and Man within the Church of England. The correspondence address is Rushen Vicarage, Barracks Road, Port St Mary IM9 5LP, Isle of Man.

Rushen Parish website is: [www.rushenparish.org.uk](http://www.rushenparish.org.uk)

Copies of this Rushen PCC Report and Accounts, and certain prior years, are available at this website under Publications.

## INDEPENDENT EXAMINER'S REPORT

### Independent examiner's report to the Rushen Parochial Church Council ("Rushen PCC").

I hereby report on the accounts of the Rushen PCC for the year ended December 31, 2015 which are set out on pages 9 and onward.

### Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts for the charity. The trustees consider that an audit is not required for this year under section 5 of the Charity Registration Act 1989 ("the Act") and that an independent examination is appropriate.

It is my responsibility to:

- Examine the accounts; and
- State whether particular matters have come to my attention.

### Basis of independent examiner's report

My examination was carried out taking into consideration general guidance given by the General Registry. An examination includes a review of the accounting records kept by the Rushen PCC and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as Rushen PCC Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in all material respects the requirement:
  - to keep accounting records in accordance with regulations made under section 11(1)(a) of the Act;
  - to prepare accounts in accordance with regulations made under section 11(1)(b) of the Act;
 have been met; and
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



March 15, 2016

Justin R.M. Unsworth FCA

Date

Relevant professional qualification or body: Institute of Chartered Accountants of England and Wales.

Address: 20 Erin Way, Port Erin, Isle of Man

## Rushen PCC Accounts for the year ended 31<sup>st</sup>. December 2015

| Note | RECEIPTS £                        | 2015            | 2014            |
|------|-----------------------------------|-----------------|-----------------|
| 4    | Collections and Giving            | 61,060          | 61,605          |
| 5    | Donations                         | 5,423           | 1,694           |
| 5    | Grants                            | 25,360          | 8,316           |
| 5    | Grants from Vicar & Wardens       | 6,998           | 49,723          |
| 6    | Fundraising activities            | 15,808          | 10,238          |
| 7    | Income from Investments           | 525             | 3,965           |
| 8    | Wedding & Funeral Fees            | 3,368           | 2,600           |
| 9    | Trading Income                    | 5,619           | 3,871           |
| 10   | Other Income                      | 3,969           | 206             |
| 11   | Accounting changes                | 0               | 2,670           |
|      | <b>Receipts for the year</b>      | <b>128,129</b>  | <b>144,888</b>  |
|      | <b>ASSETS at</b>                  | <b>01/01/15</b> | <b>01/01/14</b> |
|      | Cash                              | 333             | 390             |
|      | Isle of Man Bank                  | 271,405         | 287,797         |
|      | Britannia International           | 0               | 246             |
|      | National Savings                  | 0               | 310             |
|      | Investments (at cost)             | 7,868           | 7,868           |
|      | Total Assets                      | 279,606         | 296,611         |
|      | <b>TOTAL RECEIPTS</b>             | <b>407,735</b>  | <b>441,499</b>  |
|      |                                   |                 |                 |
|      | <b>DISBURSEMENTS £</b>            | <b>2015</b>     | <b>2014</b>     |
| 12   | Fundraising Costs                 | 2,807           | 843             |
| 13   | Charitable Donations              | 3,225           | 4,070           |
|      | Diocesan Parish Share             | 54,877          | 53,506          |
| 14   | Salaries, Wages and Honoraria     | 13,020          | 12,129          |
| 15   | Vicar's expenses                  | 3,972           | 2,872           |
| 16   | Mission and Evangelism            | 2,111           | 1,484           |
| 17   | Total Church Running Expenses     | 27,952          | 22,818          |
| 18   | Church Electricity & Oil          | 11,280          | 12,339          |
| 19   | Hall costs                        | 7,591           | 6,426           |
| 20   | Governance costs                  | 0               | 780             |
| 21   | Major Work - churches             | 85,927          | 0               |
| 22   | Major Work - halls                | 221             | 44,628          |
|      | <b>Disbursements for the year</b> | <b>212,983</b>  | <b>161,893</b>  |
|      | <b>ASSETS at</b>                  | <b>31/12/15</b> | <b>31/12/14</b> |
|      | Cash                              | 118             | 333             |
| 23   | Isle of Man Bank                  | 189,458         | 271,405         |
|      | Britannia International           | 0               | 0               |
|      | National Savings                  | 0               | 0               |
|      | Investments (at cost)             | 5,176           | 7,868           |
|      | Total Assets                      | 194,752         | 279,606         |
|      | <b>TOTAL DISBURSEMENTS</b>        | <b>407,735</b>  | <b>441,499</b>  |

### Rushen PCC Accounts for the year ended 31<sup>st</sup>. December 2015

| Note | Cash Flow Statement £                   | 2015      |                       | 2014      |
|------|---|-----------|-----------------------|-----------|
|      | Receipts for the year                   | 128,129   |                       | 144,888   |
|      | Disbursements for the year              | (212,983) |                       | (161,893) |
|      | Net Cash Flow                           | (84,854)  |                       | (17,005)  |
| 25   | Exceptional receipts removed:           |           |                       |           |
|      | Grant from Vicar & Wardens              | (6,998)   |                       | (49,723)  |
|      | Restricted grants and donations         | (28,766)  |                       | (9,158)   |
|      | Capital Gain on 3 1/2% War Stock        | (3,969)   |                       | 0         |
|      | Accounting changes                      | 0         |                       | (2,670)   |
|      | Exceptional disbursements removed:      |           |                       |           |
|      | Major Work - churches                   | 85,927    |                       | 0         |
|      | Major Work - halls                      | 221       |                       | 44,628    |
|      | Net Cash Flow without exceptional items | (38,439)  |                       | (33,928)  |
|      |   |           |                       |           |
|      |   |           |                       |           |
| Note | Reserve Analysis for 2015 £             | 31/12/15  | Net Movement for year | 31/12/14  |
|      | Assets                                  | 194,752   |                       | 279,606   |
|      | Represented by:                         |           |                       |           |
| 26   | Restricted Reserves:                    | 0         | (10,172)              | 10,172    |
|      | PCC Designated Reserves movements:      |           |                       |           |
|      | Kirk Christ                             | 5,768     | 5,768                 | 0         |
|      | St Catherine                            | 51,818    | (7,644)               | 59,462    |
|      | St Mary                                 | 23,604    | 292                   | 23,312    |
|      | St Peter                                | 0         | (22,960)              | 22,960    |
|      | St Mary's Ladies Working Party          | 9,095     | 2,765                 | 6,331     |
|      | Rush                                    | 90        | (75)                  | 165       |
|      | Friendly Lunch Committee                | 0         | (40)                  | 40        |
|      | CAMEO                                   | 1,456     | 201                   | 1,255     |
|      | Sunday Schools                          | 0         | (680)                 | 680       |
|      | Vicar's Discretionary Fund              | 1,800     | 157                   | 1,643     |
| 26   | PCC Designated Reserves                 | 93,632    | (22,216)              | 115,847   |
|      | General Reserve movements:              |           |                       |           |
|      | PCC General Reserve activity            |           | (52,467)              |           |
|      | General Reserve                         | 101,120   | (52,467)              | 153,587   |
|      | Total Reserves                          | 194,752   | (84,854)              | 279,606   |

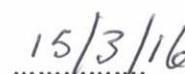
These accounts were approved by Rushen Parochial Church Council on 15th. March 2016



Chairman



Treasurer



Date

## Rushen Parochial Church Council

### Notes to the accounts for the year ended 31<sup>st</sup> December 2015

#### 1 - Purpose of Accounts

These accounts are prepared by the Rushen Parochial Church Council ("Rushen PCC" or "the PCC") to present to the Annual Church Meeting the financial affairs of the Parish of Rushen in the Diocese of Sodor and Man.

#### 2 - Accounting Policies

The accounts have been prepared on a receipts and disbursements basis. This is a cash method of accounting and no accruals are included. The conventions used in the preparation of the accounts are set out by the Church of England in the notes for Returns of Parish Finance for 2015.

The guidance notes on preparation of parish returns are available at:

<https://parishreturns.churchofengland.org/UserGuides/2015FinanceForm.pdf>

##### Receipts:

Receipts are normally recorded at the time of banking. Cash from offertory boxes are included at date of counting and posted to the PCC cash position. Certain other offertory box cash is recorded at date of banking. Cash activity by subgroups are recorded at the date they are entered in the respective cash books.

##### Disbursements:

Cheques are recorded at the time they are written. Direct debits and standing orders are posted to the cash book at the date they appear on the bank statements.

The Parish return requires that all lines are broken down between unrestricted and restricted funds. Restricted funds received are those received for a specific purpose designated by the donor or by PCC policy. Where disbursements are made from restricted funds received they are reported on the return as restricted. These accounts do not distinguish between restricted and unrestricted items but where appropriate the breakdown is shown in the notes to these accounts. A full breakdown of receipts and disbursements between restricted and unrestricted funds for 2015 is shown in Note 27.

All figures are rounded to the nearest £, with the result that some tables may contain figures that do not appear to add to the totals shown.

#### 3 - Basis of Consolidation

The accounts are the consolidated activities of all the churches and chapels and their associated subsidiary church related groups under the auspices of the Rushen Parochial Church Council.

These accounts therefore cover the activities of Kirk Christ (Rushen, known as the Parish Church), St Catherine's (Port Erin), St Mary's (Port St Mary) and St Peter's (Cregneish). The legal position of Rushen Parish is that there is a parish Church (Kirk Christ) and three chapels of ease to the parish church, namely St. Catherine, St. Mary and St. Peter. For the sake of simplicity, and to reflect general usage, the three chapels of ease will be referred to as churches in these Notes.

The accounts for 2015 have been prepared on the same basis as 2014. The activities included in these accounts for 2015 are the same as for 2014.

**Vicar & Wardens Reserves:**

The Vicar & Wardens is a separate legal entity to the PCC whose sole remaining church related financial activity is the receiving, holding and distribution of legacies donated to them. For information purposes a summary of the Vicar & Wardens accounts is presented in Note 28. The PCC manages all the assets of the Vicar & Wardens and holds such assets in its own bank accounts. Note 29 shows the combined receipts and disbursements for the PCC and the Vicar and Wardens.

Note that the activities of the Vicar & Wardens with respect to the burial grounds forms no part of the Rushen PCC or Rushen Vicar & Wardens accounts. This activity is managed and accounted for separately under statutory regulation.

**4 - Collections and Giving**

The Parish uses envelopes for collections but no pledges are taken and no records are kept of who uses envelopes. Therefore, all collections at services are treated as unplanned giving for Parish Return reporting, except where a known annual cheque is received through the plate. Only giving by covenant, standing order and annual cheque is treated as planned giving in the parish return. Also note that retiring collections and those taken at weddings and funerals are treated as donations because they are restricted and do not flow through the PCC's General Reserve.

**5 – Donations, Legacies and Grants received**

Donations received of £5,423 included £1,820 for St. Catherine's windows, £150 for St. Peter's, £856 from retiring collections for charitable purposes and £450 from wedding and funeral collections. The accounts this year show the reserve held for the Vicar's Discretion. The PCC agreed that collections taken at weddings and funerals would be credited to this reserve. Therefore, such collections are treated as donations in the accounts for 2015. The 2014 comparative figures have not been adjusted for this change.

No legacies were received by the PCC during the year.

Grants of £25,360 received comprised the following:

£500 from the Diocese because the parish has four churches holding services and the incumbent is not able to officiate at all of them. Therefore, the PCC has to pay fees to retired clergy for certain services in order to maintain an appropriate worship schedule. This grant has been received for many years, but the amount has not changed. The fees paid to retired clergy are stipulated by the diocese and are included in the disbursements line Salaries, Wages and Honoraria.

£40 was received from the Church Commissioners. This is a curacy endowment grant due to Rushen Parish. This grant has also been used on meeting clergy fees for services, as described above.

Grants received for the renovation of St Peter's were: £5,000 from the Gough Ritchie Charitable Trust, £10,000 from Manx National Heritage and £1,000 from the Squire Trust.

The Leigh-Squire Trust was able to provide a grant of £8,820 to the PCC for expenditures made "for the upkeep of the fabric of St Mary's Church".

The amount shown as Grant from the Vicar & Wardens represent the funds released to cover PCC expenditures that met the restrictions on legacies held by the Vicar & Wardens.

## 6 - Fundraising Activities

The total amount of £15,808 comprises the following: the receipts of the St Mary's Ladies Working Party (£4,561), the St Catherine's Hall Friendly Lunch Committee (£889), the Parish Fete (£1,119), our concert programme (£2,401), events for the renovation of St Peter's (£2,274), CAMEO receipts (1,202), the Vicar's New Year dip (£935) plus £2,417 from various other activities including receipts from The Way of The Cross and The Great Rescue, the Passover and Advent meals and subs received by RUSH. These activities show a significant increase on 2014, partly due to the expanded concert programme and events held at St Peter's in aid of its renovation. The total includes restricted funds of £2,274 all of which was for St Peter's and all of which was expended during the year.

## 7 - Income from Investments and Bank Interest

For 2015 investment income has again been apportioned between Vicar & Wardens and the PCC proportional to the funds attributable to the V&W held in PCC bank accounts at the start of the year.

Investment income has fallen very sharply due to a reduction in the overall funds at our disposal plus the withdrawal of the bonus saver account by our bank with effect from January 1<sup>st</sup>. 2015. In addition, the UK Treasury redeemed all the 3 1/2% War Stock held by the PCC during March of 2015, further reducing interest income. However, this redemption did result in a significant capital gain which has been reported as Other Income and is detailed in note 10 below.

## 8 - Weddings and Funeral Fees

These are shown after paying Organist, Verger and Clerk fees, per the Parish Return convention. During 2015 £3,368 were the statutory fees set by the diocese for use of the church.

## 9 – Trading Income

This category of income is specified in the parish return to include: magazine receipts (£185), letting of halls (£3,144), PCC fees for provision of a choir at weddings (£605) and heating the church for funerals and weddings (£1,685).

## 10 – Other Income

This figure of £3,969 represents the difference between the book cost of our various holdings of 3½% War Stock and the full redemption value we received from the UK Treasury in March 2015. This redemption was compulsory and we had no choice in the matter. The gain results from the difference between the price it was held in our books (prices of 37 and 42 for various tranches) and the redemption price of 100 (i.e. full redemption value). Note that the full redemption value has been credited to the PCC designated reserves for the churches originally holding the various tranches. For more on this see Notes 24 and 26.

## 11 - Accounting Changes shown in Receipts

There were no accounting changes to report for 2015 as all PCC activities are now fully consolidated into these accounts and no changes to those activities occurred.

For 2014 this amount represents the assets of activities brought into the accounts for the first time, as at the start of that year. The following were brought into the accounts as at 1<sup>st</sup>. January 2014:

| Account                       | Amount £     | Accounting status at 01/01/14 |
|-------------------------------|--------------|-------------------------------|
| CAMEO                         | 1,357        | Not examined                  |
| St Catherine Sunday School    | 1,171        | Not examined                  |
| St Mary's Sunday School       | 142          | Not examined                  |
| <b>Net Accounting Changes</b> | <b>2,670</b> |                               |

## 12 - Fundraising Costs

These are the costs of the various groups who raise funds through lunches, coffee mornings, weekly subs plus those of the St. Catherine's fete.

## 13 - Charitable Donations

These are detailed below:

| Charitable Donations analysis for 2015   | Paid by:                       | Amount £     |
|--|--------------------------------|--------------|
| The Children's Society                   | PCC                            | 428          |
| Tear Fund - Nepal Appeal                 | PCC                            | 248          |
| Bishop's Discretionary Fund              | PCC                            | 50           |
| Christian Aid - Refugee Appeal for Syria | PCC                            | 608          |
| Southern Befrienders                     | PCC                            | 22           |
| M E Support Group                        | St Mary's Ladies Working Party | 250          |
| Hyperbaric Chamber                       | St Mary's Ladies Working Party | 250          |
| The Salvation Army                       | St Mary's Ladies Working Party | 250          |
| Friends of Chernobyl's Children          | St Mary's Ladies Working Party | 250          |
| Hospice Isle of Man                      | Rush                           | 25           |
| Crossroads Care                          | Friendly Lunch Committee       | 150          |
| Hope on the Horizon                      | Friendly Lunch Committee       | 150          |
| Sreepur Village Refuge & Orphanage       | Friendly Lunch Committee       | 150          |
| Freedom From Torture                     | Friendly Lunch Committee       | 250          |
| Leprosy Mission                          | Friendly Lunch Committee       | 9            |
| Water Aid                                | CAMEO                          | 75           |
| Rebecca House                            | St Catherine's Sunday School   | 60           |
| <b>Total</b>                             |                                | <b>3,225</b> |

Note that giving to the Church Missionary Society and the Beach Mission has been treated as Mission and Evangelism in the 2015 accounts but no adjustment was made to the 2014 comparative accounts.

## 14 - Salaries and Fees Paid

These consist of the Parish Administrator's salary, the Director of Music's honorarium, substitute and extra organist's fees plus fees and expenses paid to the retired clergy.

## 15 - Vicar's expenses

These represent sundry expenses incurred directly by the vicar in the performance of his duties plus the Easter collection traditionally given to the vicar. The Easter collection makes up more than a third of the total of £3,972 and it increased by £160 on 2014. The balance of the total annual vicar's expense figure is heavily influenced by the timing of claims made by the vicar. During 2014 only 10 months of expenses were paid but for 2015 some 14 months were paid. This difference accounts for the majority of the increase in the overall amount from 2014 to 2015.

## 16 - Mission and Evangelism

This consists of the cost of supplies for St Mary's Sunday School, Rush, Messy Church and any other youth work. This year it also includes the PCC's £300 donation to the Church Missionary Society and the St Mary's Ladies Working Party donation to the Port St Mary Beach Mission of £250.

### 17 – Total Church Running Expenses

This is defined in the parish return form to include insurance, cleaning, church supplies, copying, books, stationery, telephone, administration costs plus routine repairs and maintenance. The table that follows lays out the disbursements booked under these various headings for the last two years.

| <b>Total Church Running Expenses - £</b> | <b>2015</b>   |  | <b>2014</b>   |
|--|---------------|--|---------------|
| Insurance                                | 2,365         |  | 2,031         |
| Cleaning                                 | 2,241         |  | 1,591         |
| Church supplies                          | 1,582         |  | 2,387         |
| Copying, books, stationery               | 1,983         |  | 2,234         |
| Telephone                                | 477           |  | 472           |
| Admin costs                              | 1,517         |  | 1,482         |
| Repairs & maintenance                    | 17,787        |  | 12,620        |
| <b>Total Church Running Expenses</b>     | <b>27,952</b> |  | <b>22,818</b> |

The increase in insurance is largely due to the allocation to the Burial Grounds Authority which covered only 2015 whereas in 2014 it was for 2 years. Our insurance policies, issued by Ecclesiastical Insurance, automatically cover all our churchyards, including that under the auspices of the Rushen Burial Grounds Authority, hence some of the premium is charged to that authority. An allocation is also made to the 2 church halls and this is included in the hall costs line.

Cleaning costs are up because we are now paying to have St Mary's and St Peter's cleaned as well as St Catherine's and Kirk Christ. We use a single contractor for all this work. Church supplies are lower due to the inclusion of the cost of an electric piano for the use of St Catherine in 2014. Our administration costs comprise mainly our copyright licenses, our website expense and the annual charge from the diocese to cover our quinquennial inspections by the diocesan surveyor.

Our maintenance was significantly higher in 2015. The total of £17,787 comprises: the care of church grounds (£1,974), servicing our heating systems and the cost of a new oil tank for St Mary's (£2,329 in total), the tuning of our 3 organs (£428), work on St Mary's vestry (£3,080) plus a miscellany of other minor maintenance items to our six properties (£9,976). The expenses of renovating St Peter's and the stained glass windows in St Catherine's and St Mary's are included in the figure for Major Work – churches, see Note 21.

### 18 - Church Electricity and Oil

There was a reduction in funds spent on oil and electricity. This is influenced by the timing of oil tanks being filled and electricity bills received. However, this figure has declined for the last two years and this is very likely due in large part to the efforts made to control our heating more effectively.

The St. Catherine's hall shares the heating system with the church. Consequently 25% of the bills for St Catherine's heating has been shown as Hall Costs.

### 19 - Governance Costs

During 2013 the Vicar & Wardens paid a fee of £780 to the accounting firm Moore Stephens for providing an audited account for 2012 of the bank account then used by the Vicar & Wardens. The PCC agreed to accept this as an expense during 2014 because the activity in the bank account concerned was mostly PCC business.

## 20 - Hall Costs

The total figure of £7,591 includes both St. Mary's and St Catherine's halls. This figure comprises the following items: insurance premium allocated to the halls (£1,164), electricity and oil (£2,053), repairs and maintenance (£1,738), quinquennial reports on the two halls from the diocesan architect (£1,050), cleaning St Catherine's Hall (£439) plus various items for the kitchens (£1,147). The St Mary's Ladies Working Party funded £697 of overall hall expenses, all for St Mary's Hall.

## 21 - Major Work – churches

Three projects are included in the total figure of £85,927 for 2015: the renovation of St Peter's (£62,947), the renovation of the stained glass windows behind St Catherine's altar (£17,360) and the repair and renovation of stained glass windows at the west end of St Mary's (£5,620).

Of the total expense of £85,927 on major work on the churches, restricted funds financed £45,555, leaving a total of £40,372 that was charged to the PCC's own designated reserves (St Peter's £23,458 and St Catherine's £7,644) and the general reserve (£9,270). Note that all of the £5,620 expended on work on St Mary's was financed by the Leigh-Squire Trust.

All the restricted funds available for these works were used during 2015.

## 22 - Major Work – halls

The £221 in this category was the final bill from the Diocesan architect for work on St Catherine's Hall which was completed in 2014.

## 23 - Balances at Year End

In the Assets at year end the Isle of Man Bank balance is shown net of the monies held in trust for the Vicar & Wardens of £147,342.

## 24 - Investments

Investments are shown at cost or the best approximation thereto. Investments held at 31<sup>st</sup> December 2015 were as follows:

| Investment        | Amount held   | Cost   | Market Value |
|-------------------|---------------|--------|--------------|
| CBF Income Fund   | 642.84 shares | £5,176 | £8,653       |
| Total Investments |               | £5,176 | £8,653       |

Market value is at 31<sup>st</sup>. December 2015 as supplied by CCLA, the investment management arm of the Central Board of Finance of the Church of England.

The UK Government redeemed at par value (i.e. a price of 100) all outstanding 3.5% War Stock on 9<sup>th</sup>. March 2015. The capital gain on redemption of £3,969 is shown under Other Income – see Note 10. Where War Stock was identified as attached to a particular church the full value of the redemption has been credited to the PCC designated reserve for that Church – see Note 26 below.

With the War Stock redeemed the only investments held by the Parish are the 642.84 income shares in the CBF Church of England Investment Fund.

## 25 - Cash Flow Statement

The cash flow statement for the year shows a net outflow of £84,854, which includes several exceptional items.

The cash flow is then restated with these exceptional items removed. The result is that, with these items removed, there was a net cash outflow of £38,439 for 2015 versus an outflow of £33,928 for

2014. These figures represent the net cash flows on the PCC's ordinary business. The principal reason for this increase in cash outflow was the increased spend on buildings repair and maintenance as described in Note 17 above.

There were no unspent restricted funds at 31<sup>st</sup>. December 2015.

## 26 - Reserves

There are three types of reserves shown as follows:

**Restricted reserves:** those attributable to legacies or other donors who have stipulated specific purposes for their bequests and donations. It is the PCC's policy that where expenditure meets the restrictions of a particular reserve it will be set against that reserve before being set against other reserves. Legacies and donations will be used in the order in which they were received. This means that the oldest reserves will be used up before newer reserves covering the same type of expenditure

**PCC designated reserves:** these are reserves established by order of the PCC for specific designated purposes. This includes reserves for specific purposes, such as replacing certain windows in St Catherine's, where the donor's intent is not captured in a legal document such as a will. Such reserves are a means for the PCC to manage its financial affairs. Any reserve established by the PCC can be changed at the PCC's specific direction.

**General reserves:** these are reserves without any restriction or designation.

### Changes in Reserves during 2015

#### Restricted reserves:

Restricted Reserves brought forward from 2014 comprised: £735 for repairs to the east windows of St Catherine's, £8,423 for the refurbishment of St. Peter's and a legacy for general use valued at £1,013. All these were expended during 2015 as were all restricted funds received during the year.

#### PCC Designated Reserves:

The movements on the PCC designated reserves are shown on page 10 of these accounts. They reflect the impact of the following matters:

The full value of all 3 1/2% War Stock held by the PCC was £6,660. This full value was received upon redemption on March 9<sup>th</sup> 2015. For accounting purposes, it is made up of £2,691 of book value and £3,969 of capital gain (see Note 10). The full value was credited to the PCC designated church reserves as follows: Kirk Christ £5,768, St Mary's £292 and St Peter's £500 plus £100 to the PCC General Reserve. (see Note 24 above).

£8,400 was charged to the St Catherine's reserve for the window renovations

Note that all the major work on St Mary's was financed by the Leigh-Squire Trust so that no charge was made to the PCC designated reserve for St Mary's.

£22,960 was charged to St Peter's for the renovation of its interior, leaving a nil balance.

The St Mary's Ladies Working Party saw an increase in its reserve of £2,765 in 2015.

Rush saw a decline in its reserve, reflecting the fact that it paid for certain items that were really for the benefit of the churches. During January 2016 RUSH has transferred all its assets into the PCC's cash and bank accounts. The balance taken into 2016 will be used to finance mission and outreach work in 2016.

The St Catherine's Friendly Lunch Committee retired from active duty in August 2015 and used up all remaining reserves on charitable donations.

CAMEO showed an increase in its reserve of £201.

The Sunday Schools transferred their funds to the PCC early in 2015. All remaining reserves were expended on mission and outreach, leaving nil balances.

The Vicar's Discretionary Fund saw a net rise of £157 to £1,800. During 2015 the PCC reaffirmed the policy of crediting this reserve with collections taken at weddings and funerals. It also stipulated that the Vicar can use this reserve to fund projects up to the point at which they become break even. Projects in financial surplus are then to be transferred to the PCC's General Reserve. During 2015 two projects, The Way of the Cross and The Great Rescue, both of which were silk screen based gospel interpretations in St Catherine's, met this criterion and have been accounted for accordingly.

### General Reserves:

The PCC's General Reserve declined by £52,467 during 2015.

### 27 – Restricted Funds analysis

The table below shows the PCC receipts and disbursements for 2015 broken down between those that were restricted in what they could be used for and those which were free of any restrictions. Note that the PCC expended all restricted funds brought forward from 2014 (£10,172) plus all those received in 2015.

| Note | RECEIPTS £                        | Restricted    | Unrestricted   | Combined       |
|------|-----------------------------------|---------------|----------------|----------------|
| 4    | Collections and Giving            | 579           | 60,481         | 61,060         |
| 5    | Donations                         | 2,846         | 2,576          | 5,423          |
|      | Legacies received                 | 0             | 0              | 0              |
| 5    | Grants                            | 24,820        | 540            | 25,360         |
| 5    | Grants from Vicar & Wardens       | 6,998         | 0              | 6,998          |
| 6    | Fundraising activities            | 2,274         | 13,534         | 15,808         |
| 7    | Income from Investments           | 2             | 524            | 525            |
| 8    | Wedding & Funeral Fees            | 0             | 3,368          | 3,368          |
| 9    | Trading Income                    | 0             | 5,619          | 5,619          |
| 10   | Other Income                      | 0             | 3,969          | 3,969          |
|      | <b>Receipts for the year</b>      | <b>37,519</b> | <b>90,610</b>  | <b>128,129</b> |
|      |                                   |               |                |                |
|      | <b>DISBURSEMENTS £</b>            |               |                |                |
| 12   | Fundraising Costs                 | 0             | 2,807          | 2,807          |
| 13   | Charitable Donations              | 1,154         | 2,071          | 3,225          |
|      | Diocesan Parish Share             | 0             | 54,877         | 54,877         |
| 14   | Salaries, Wages and Honoraria     | 0             | 13,020         | 13,020         |
| 15   | Vicar's expenses                  | 0             | 3,972          | 3,972          |
| 16   | Mission and Evangelism            | 0             | 2,111          | 2,111          |
| 17   | Total Church Running Expenses     | 962           | 26,991         | 27,952         |
| 18   | Church Electricity & Oil          | 0             | 11,280         | 11,280         |
| 19   | Hall costs                        | 0             | 7,591          | 7,591          |
| 21   | Major Work - churches             | 45,555        | 40,372         | 85,927         |
| 22   | Major Work - halls                | 0             | 221            | 221            |
|      | <b>Disbursements for the year</b> | <b>47,670</b> | <b>165,313</b> | <b>212,983</b> |

**28 - Vicar & Wardens Accounts**

A summary of the Vicar & Wardens accounts is shown below. This summary is included for information only.

| <b>RECEIPTS £</b>                 | <b>2015</b>       |  | <b>2014</b>       |
|-----------------------------------|-------------------|--|-------------------|
|                                   | <b>£</b>          |  | <b>£</b>          |
| Legacies received                 | 0                 |  | 49,079            |
| Income from Investments           | 289               |  | 2,041             |
| Accounting changes                | 0                 |  | 780               |
| <b>Receipts for the year</b>      | <b>289</b>        |  | <b>51,900</b>     |
| <b>ASSETS at</b>                  | <b>01/01/2015</b> |  | <b>01/01/2014</b> |
| Cash                              | 0                 |  | 0                 |
| Assets held by PCC                | 154,050           |  | 151,873           |
| Total Assets                      | 154,050           |  | 151,873           |
| <b>TOTAL RECEIPTS</b>             | <b>154,339</b>    |  | <b>203,773</b>    |
|                                   |                   |  |                   |
|                                   |                   |  |                   |
| <b>DISBURSEMENTS £</b>            | <b>2015</b>       |  | <b>2014</b>       |
| Grants to the PCC                 | 6,998             |  | 49,723            |
| Audit Fee                         | 0                 |  | 0                 |
| <b>Disbursements for the year</b> | <b>6,998</b>      |  | <b>49,723</b>     |
| <b>ASSETS at</b>                  | <b>31/12/2015</b> |  | <b>31/12/2014</b> |
| Cash                              | 0                 |  | 0                 |
| Assets held by the PCC            | 147,342           |  | 154,050           |
| Total Assets                      | 147,342           |  | 154,050           |
| <b>TOTAL DISBURSEMENTS</b>        | <b>154,339</b>    |  | <b>203,773</b>    |

**29 - Combined PCC and Vicar & Wardens Accounts**

The following schedule combines summaries of the receipts and disbursements accounts for the PCC and Vicar & Wardens. It is included to give the reader a view of the overall affairs of the Parish.

| <b>RECEIPTS</b>                   | <b>2015</b>     |  | <b>2014</b>     |
|-----------------------------------|-----------------|--|-----------------|
|                                   | <b>£</b>        |  | <b>£</b>        |
| PCC Receipts                      | 128,129         |  | 144,888         |
| Vicar & Wardens Receipts          | 289             |  | 51,900          |
| Eliminations:                     |                 |  |                 |
| Reserves moved to Vicar & Wardens | 0               |  | (780)           |
| Grants from Vicar & Wardens       | (6,998)         |  | (49,723)        |
| <b>Receipts for the year</b>      | <b>121,421</b>  |  | <b>146,285</b>  |
| <b>ASSETS at</b>                  | <b>01/01/15</b> |  | <b>01/01/14</b> |
| PCC                               | 279,606         |  | 296,611         |
| Vicar & Wardens                   | 154,050         |  | 151,873         |
| Total Assets                      | 433,656         |  | 448,484         |
| <b>TOTAL RECEIPTS</b>             | <b>555,077</b>  |  | <b>594,769</b>  |
|                                   |                 |  |                 |
|                                   |                 |  |                 |
| <b>DISBURSEMENTS</b>              | <b>2015</b>     |  | <b>2014</b>     |
| PCC                               | 212,983         |  | 161,893         |
| Vicar & Wardens                   | 6,998           |  | 49,723          |
| Eliminations (from Receipts))     | (6,998)         |  | (50,503)        |
| <b>Disbursements for the year</b> | <b>212,983</b>  |  | <b>161,113</b>  |
| <b>ASSETS at</b>                  | <b>31/12/15</b> |  | <b>31/12/14</b> |
| PCC                               | 194,752         |  | 279,606         |
| Vicar & Wardens                   | 147,342         |  | 154,050         |
| Total Assets                      | 342,093         |  | 433,656         |
| <b>TOTAL DISBURSEMENTS</b>        | <b>555,077</b>  |  | <b>594,769</b>  |