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PAROCHIAL CHURCH COUNCIL OF ST. MARY'S PENWORTHAM
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31st December 2019

		Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2019	Total 2018
	Note	£	£	£	£		
Incoming Resources							
From Donors	2(a)	57,863	0	0	-	57,863	55,991
Other Voluntary	2(b)	4,114	0	895	-	5,009	23,211
Activities:-							
to further the Councils Objects	2(c)	11,658	0	856	-	12,514	15,282
to generate Funds	2(d)	5,062	0	0	-	5,062	8,104
From Investments	2(e)	27	4,726	0	-	4,753	15
Other	2(f)	5,992	780,710	0	-	786,701	58,139
Total Incoming Resources		84,715	785,436	1,751	-	871,902	160,742
Resources Expended							
Grants	3(a)	8,296	0	100	-	8,396	1,783
Activities directly relating to the work of the church	3(b)	100,113	0	1,144	-	101,257	91,743
Church Management and Admin	3(c)	2,117	0	0	-	2,117	1,627
Cost of Generating Funds	3(d)	94	0	0	-	94	23
Support Costs	3(e)	322	0	28	-	350	85
Other Resources Expended	3(f)	327	0	0	-	327	397
Total Resources Expended		111,269	0	1,272	-	112,541	95,657
Net Incoming (Outgoing) Resources before Transfers		-26,554	785,436	479	-	759,361	65,085
Transfers Between Funds	9(a)						
Transfers Between Funds in		0	0	0	-	0	0
Transfers Between Funds out			0	0	-	0	0
Net Incoming (Outgoing) Resources		-26,554	785,436	479	-	759,361	65,085
Gains/(losses) on Investment Assets:-							
Realised							
Unrealised							
Net Movement in Funds		-26,554	785,436	479	-	759,361	65,085
Fund Balances B/F at 1 Jan		189,596	6,133	4,492	215	200,436	135,352
Fund Balances C/F at 31 Dec		163,042	791,569	4,971	215	959,797	200,436

PAROCHIAL CHURCH COUNCIL OF ST. MARY'S PENWORTHAM

BALANCE SHEET YEAR ENDED 31st December 2019

			2019	2018
		NOTE	£	£
FIXED ASSETS				
Investment Assets		5(c)	215	215
House		5(b)	155,000	155,000
TOTAL FIXED ASSETS			155,215	155,215
CURRENT ASSETS				
Stock			0	0
Debtors		7	524	524
Short Term deposits				
Current Account			7,604	4,392
Deposit Account			11,101	35,449
Development Account			16	22
New Building Account			785,436	0
Cash in Hand			100	100
Accounts Receivable			2,147	8,228
TOTAL CURRENT ASSETS			806,927	48,715
Liabilities (falling due within 1 year)		8	2,345	3,493
NET CURRENT ASSETS			804,582	45,221
NET ASSETS			959,797	200,436
FUNDS		6		
UNRESTRICTED			163,042	189,596
DESIGNATED			791,569	6,133
RESTRICTED			4,971	4,492
ENDOWMENT			215	215
TOTAL FUNDS			959,797	200,436

The statement of financial activities and balance sheet, together with the independent examiners report, were presented and unanimously approved at their virtual Parochial Church Council meeting on Monday 29th June, 2020



The Revd Chris Nelson (Chair)



David Thornton- Secretary.

29/6/2020

NOTES TO THE FINANCIAL STATEMENTS**1. PENWORTHAM ST MARY'S PARISH ACCOUNTING POLICIES:**

The financial statements have been prepared in accordance with the Church Accounting Regulations 1997 as amended by the Church Accounting (Amendment) Regulations 2001 together with applicable accounting Standards and the Charities Statement of Recommended Practice (SORP).

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value.

FUNDS:

Explanations of the various funds are shown on earlier pages of the Annual Reports and Statement of Accounts. The relevant pages are marked P and Q. The amounts and details of each fund are shown on Pages 1 and 2 which are the statutory accounting requirements. The funds are also explained in further detail in Note 6 on page 7 and Note 9 on pages 8 and 9.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body or those that are informal gatherings of Church members.

INCOMING RESOURCES:

- These are summarised on Page 1 and are explained in detail, where necessary, in Note 2 on page 5.

Voluntary income and capital sources

- Collections are recognised when received by or on behalf of the PCC.
- Planned giving receivable under Gift Aid is recognised only when received.
- Income tax recoverable on Gift Aid donations is recognised when the income is received.
- Grants and Legacies to the PCC are accountable as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is reasonably certain.
- Funds raised by the fete, garden party and similar events are accounted for gross.
- Sales of book and magazines from the church bookstall are accounted for gross.

Other income

- Rental Income from the letting of church premises is recognised when the rental is due.

Income from Investments

- Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue. Tax recoverable on such income is recognised in the same accounting year.

Gains and losses on Investments

- Realised gains or losses are recognised when investments are sold.
- Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

RESOURCES USED:

These are summarised on page 1 and explained in detail, where necessary, in note 3 on page 6.

Grants

- Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

Activities directly relating to the work of the Church

- The diocesan parish share is accounted for when paid. Any parish share unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

FIXED ASSETS:

These are summarised on page 2 and explained in detail, where necessary, in Note 5a and Note 5b on page 7.

Consecrated property and moveable church furnishings

- Consecrated and beneficed property of any kind is excluded from the accounts by Section 96(2)(a) of the Charities Act 1993.
- Moveable church furnishings held by the Vicar and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted as inalienable property unless consecrated. They are listed in the church inventory which can be inspected (at any reasonable time). For inalienable property acquired prior to 2000 and there is insufficient cost information available, such assets are therefore not valued in the accounts. Items which are acquired after 1 January 2000 will be capitalized and depreciated in the accounts over their currently anticipated useful economic life (initially 10 years) on a straight line basis.
- All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £2,000 or on the repair of moveable church furnishings acquired before 1 January 2000 is written off.

Other fixtures, fittings and office equipment

- Equipment used within the church premises is depreciated on a straight-line basis over 4 years. Individual items of equipment with a purchase price of £2,000 or less are written off when the asset is acquired.

Investments

- Investments are valued at market value at 31 December. (see note 5(b) on page 7).

CURRENT ASSETS:

These are summarised on page 2 and explained in detail, where necessary in Note 7 on page 8.

- Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectible
- Short term deposits include cash held on deposit either with the CBF church of England Funds or at the bank.

PAROCHIAL CHURCH COUNCIL OF ST. MARY'S PENWORTHAM

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31st December 2019

		Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2019	Total 2018
		£	£	£	£	£	£
2	INCOMING RESOURCES						
2(a)	Incoming resources from donors						
	Planned giving:-						
	Stewardship Envelopes	39,153	-	-	-	39,153	37,223
	Income Tax recoverable	10,403	-	-	-	10,403	10,043
	Collections (Open Plate) all services	8,307	-	-	-	8,307	8,725
	Sundry Donations	0	-	0	-	0	0
		57,863	0	0	0	57,863	55,991
2(b)	Other voluntary incoming resources						
	Donations, appeals etc	4,114	-	895	-	5,009	12,211
	Legacies	-	-	-	-	0	11,000
		4,114	0	895	0	5,009	23,211
2(c)	Income from operating activities to further the Council's objects						
	Magazines & Bookstall, etc sales	1,144	-	-	-	1,144	1,383
	Fees - Weddings & Funerals	10,514	-	856	-	11,370	13,899
		11,658	0	856	0	12,514	15,282
2(d)	Income from operating activities to generate funds						
	Magazine Advertising	924	-	-	-	924	762
	Church Hall letting, non-parochial	0	-	-	-	0	45
	Fetes, Bazaars & other fund raising events	541	-	-	-	541	518
	Bookstall sales - sundry items	209	-	-	-	209	516
	Car Park	0	-	-	-	0	1,450
	Miscellaneous	-	-	-	-	0	0
	Vat Refunds	-	-	-	-	0	0
	Church Letting	3,388	-	-	-	3,388	4,814
		5,062	0	0	0	5,062	8,104
2(e)	Income from investments						
	Dividends	9	-	-	-	9	0
	Bank Interest	18	4,726	-	-	4,745	15
		27	4,726	0	0	4,753	15
2(f)	Other ordinary incoming resources						
	Miscellaneous *(See page 13 under "location of Fund details in the accounts")	232	*780,710	-	-	780,942	51,856
	Insurance Claims		-	-	-	0	0
	House Income	5,760	-	-	-	5,760	6,283
		5,992	780,710	0	0	786,701	58,139
TOTAL INCOMING RESOURCES		84,715	785,436	1,751	0	871,902	160,742

PAROCHIAL CHURCH COUNCIL OF ST. MARY'S PENWORTHAM

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31st December 2019

		Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2019	Total 2018
		£	£	£	£	£	£
3	RESOURCES EXPENDED						
3(a)	Grants						
	Missionary & charitable giving						
	Church overseas:-	-	-	-	-	0	0
	Missionary societies	-	-	100	-	100	0
	Relief & development agencies	0	-	-	-	0	0
	Home missions & other Church Societies	5,062	-	-	-	5,062	1,062
	Secular Charities	3,234	-	-	-	3,234	721
		8,296	0	100	0	8,396	1,783
3(b)	Activities directly relating to the work of the church						
	Ministry:-						
	Parish Share	66,229	-	-	-	66,229	65,480
	Assigned Fees/DBF	0	-	-	-	0	0
	Clergy expenses	3,593	-	-	-	3,593	3,677
	Locum	0	-	-	-	0	76
	Vicarage repairs	0	-	-	-	0	0
	Vicarage - other costs	3,574	-	-	-	3,574	3,224
	Church running expenses	8,355	-	-	-	8,355	8,051
	Church Maintenance	3,468	-	5	-	3,473	2,082
	Church Equipment	805	-	336	-	1,141	205
	Upkeep of Services	3,038	-	160	-	3,198	1,556
	Upkeep of churchyard	1,244	-	-	-	1,244	328
	Parish Magazine & bookstall	349	-	-	-	349	1,132
	Church hall running costs	0	-	-	-	0	713
	Refurbishment of Church Buildings	6,386	-	-	-	6,386	660
	Salaries, wages, fees - organists	3,072	-	-	-	3,072	3,505
	Salaries, wages, fees - bell ringers & choir	0	-	618	-	618	1,055
	Miscellaneous	-	-	25	-	25	0
		100,113	0	1,144	0	101,257	91,743
3(c)	Church management & admin						
	Printing, stationery & postage	2,117	-	-	-	2,117	1,627
	Miscellaneous	0	-	-	-	0	0
	Parish Office:-						
	Equipment & fittings	-	-	-	-	0	0
		2,117	0	0	0	2,117	1,627
3(d)	Costs of generating funds						
	Fetes, Bazaars & other fund raising events	94	-	-	-	94	23
	Stewardship giving envelopes	0	-	-	-	0	0
	Miscellaneous	0	-	-	-	0	0
		94	0	0	0	94	23
3(e)	Support Costs						
	Junior Church	250	-	-	-	250	0

	Youth	-	-	-	-	0	0
	Child Protection	-	-	-	-	0	0
	Miscellaneous	-	-	28	-	28	0
	Bank Charges	72	-	-	-	72	85
		322	0	28	0	350	85
3(f)	Other Resources Expended						
	House Expenses	327	-	-	-	327	397
		327	0	0	0	327	397
TOTAL RESOURCES EXPENDED		111,269	0	1,272	0	112,541	95,657

4 Staff Costs

Salaries, wages and fees

During the year the PCC employed:

	2019	2018
	£	£
a) For the whole year – organists	3,073	3,505

No payments were made for out of the pocket expenses to any PCC member, persons closely connected with them or any other related parties. During the year PCC member(s) Rachel Tuke received fees for ringing bells at Wedding services. David Thornton and Jill Howe received fees for acting as a vergers at services.

5 FIXED ASSETS FOR USE BY THE PCC

Tangible fixed assets:

- a) 177 Cop Lane which belongs to the PCC is included at a fixed asset
The value in Dec 2011 was £155,000
- b) Central Board of Finance Shares £215

6 ANALYSYS OF NET ASSETS BY FUND

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2019
	£	£	£	£	£
Investment Fixed Assets	155,000	-	-	215	155,215
Current Assets	10,387	791,569	4,972	-	806,928
Current Liabilities	-2,345	-	-	-	-2,345
	163,042	791,569	4,492	215	959,798

PAROCHIAL CHURCH COUNCIL OF ST. MARY'S PENWORTHAM

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31st December 2019

7 Debtors

	2019	2018
	£	£
Income Tax Recoverable on Gift Aid	0	0
Debtors for Goods & Services	524	524
Prepayment and accrued income	8,278	8,278
Other Debtors	-	-
	8,801	8,801

8 Liabilities – amounts falling due within one year

	2019	2018
	£	£
Deferred income	1,500	1,500
Creditors for Utility and other costs	-	-
Accruals of utility and other costs	845	1,078
	2,345	2,578

9 Fund Details

UNRESTRICTED FUNDS

Unrestricted funds totalling £163,042 are the unspent balance available for future use.

DESIGNATED FUNDS

Designated funds totalling £791569.38 comprise:-	£
Unrestricted Legacies notified/received for proposed future spending on	
i) the general refurbishment of the church buildings including the hall	4,729
Provision out of unrestricted funds towards proposed future spending on	
i) the replacement Parish Office equipment	1,404
i) Funds for upkeep of Church buildings and new extension	785,436
	791,569

RESTRICTED FUNDS

Restricted funds totalling £4970.98 comprise:-	£
Singleton Memorial Estate and other funds	1,371
Pastoral Care Team	499
Sundry amounts in respect of Easter Lilies, flowers, Memorial Garden, Bell ropes, Disabled facilities, Church linen, Choir and Fox Street community	2,644
Younity	157
Charitable donation	225
Church yard maintenance	75
	4,971

PAROCHIAL CHURCH COUNCIL OF ST. MARY'S PENWORTHAM**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31st December 2019**ENDOWMENT FUND

The Endowment Fund of **£215** is a permanent endowment of 132 Central Board of Finance shares and requires the income to be spent on the Chancel.

TRANSFER BETWEEN FUNDS

<u>Designated to General Funds</u>	£0
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<u>Restricted to General Funds</u>	£0
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10 CERTAIN INDIVIDUAL ACCOUNT PERFORMANCES**£**

Magazine and Bookstall income exceeded costs by	1,213
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11 QUINQUENNIAL INSPECTION

The last quinquennial report on the Church was in 2017.

PAROCHIAL CHURCH COUNCIL OF ST. MARY'S PENWORTHAM

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31st December 2019Balance sheet excluding Land release funds

				2019	2018
			NOTE	£	£
FIXED ASSETS					
Investment Assets			5(c)	215	215
House			5(b)	155,000	155,000
TOTAL FIXED ASSETS				155,215	155,215
CURRENT ASSETS					
Stock				0	0
Debtors			7	524	524
Short Term deposits					
Current Account				7,604	4,392
Deposit Account				11,101	35,449
Development Account				16	22
New Building Account				0	0
Cash in Hand				100	100
Accounts Receivable				2,147	8,228
TOTAL CURRENT ASSETS				21,491	48,715
Liabilities (falling due within 1 year)			8	2,345	3,493
NET CURRENT ASSETS				19,146	45,221
NET ASSETS				174,361	200,436
FUNDS			6		
UNRESTRICTED				163,042	189,596
DESIGNATED				6,133	6,133
RESTRICTED				4,971	4,492
ENDOWMENT				215	215
TOTAL FUNDS				174,361	200,436

INDEPENDENT EXAMINER'S REPORT
TO THE PCC OF PENWORTHAM ST MARY'S PARISH CHURCH.

This report on the accounts of the PCC for the year ended 31st December, 2019, which are set out on pages 1 and 2, is in respect of an examination carried out under Regulation 3(3) of the Church Accounting Regulations, 1997 to 2001 ('the regulations') and Section 43 of the Charities Act 1993 ('the Act').

Respective responsibilities of the PCC and the examiner

As members of the PCC, you are responsible for the preparation of the accounts; you consider that the audit requirement of Regulation 3(3) and Section 43(2) of the Act do not apply. It is my responsibility to issue this report on those accounts in accordance with the terms of Regulation 25.

Basis of this report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners under Section 43(7)(b) of the Act and to be found in the Church guidance, 2001 edition, issued by the Finance Division of the Archbishops' Council. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from you as trustees 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 views given by the accounts.

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 41 of the Act; and
 - to prepare accounts which accord with the accounting records and comply with the requirements of the Act, and Regulations 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.

signed

S. E. Walsh

dated: 6th March 2020

Mrs Susan Walsh
79, Greencroft,
Penwortham,
Preston PR1 9LB

PENWORTHAM ST MARY'S PAROCHIAL CHURCH COUNCIL

AN EXPLANATION OF THE VARIOUS FUNDS USED IN OUR ACCOUNTS

The various funds which are used in our accounts are described below to assist in the understanding of the accounts and the management of our church finances.

UNRESTRICTED FUNDS:

All PCCs have a fund, normally called a General Fund, which they use to pay all the everyday expenses. This fund is "**unrestricted**" because the money has been given to the Church on the general understanding that it will be used at the discretion of the PCC for furthering the mission and ministry of the Church. Unless specified otherwise, all the money received by the Church is first put into the General Fund. Income generated from assets held in an unrestricted fund will be unrestricted income.

DESIGNATED FUNDS:

The PCC may decide to put some of the **unrestricted** fund money aside in other funds for use in the future (for example, for future building repairs). This money is "**designated**" for these particular projects for administrative purposes only. **Designated** funds are still **unrestricted** and can be moved to other general funds (re-designated or un-designated) if the PCC so decides.

RESTRICTED FUNDS:

PCCs also receive money which has been given for a particular purpose, for example

a collection in church may be announced as being for a particular purpose (such as the purchase of new hymn books, the repair to the chancel roof or for Christian Aid)

A fund-raising event (such as a coffee morning or a Spring Fair) may be held for a particular purpose

A donation may have been made or a legacy may have been left to the church for a particular purpose (such as the upkeep of the churchyard or the repair of the fabric)

All these sums have been **restricted** by the donor for a particular purpose and they cannot, and must not, be used by the PCC for any other purpose unless determined by the courts or the Charity Commission. Income generated from assets held in a **restricted** fund will generally be subject to the same restrictions as the fund.

An oral or written appeal or a collection for a special purpose, such as the fabric fund, will **restrict** the income for that purpose. There may be times when more money is raised than is needed for the particular purpose of the appeal. This excess money is **restricted** to the purpose and should be retained for use on the same purpose.

continued.....

RESTRICTED FUNDS (cont'd):

This situation can be eased if the PCC acquires the power beforehand to use any surpluses for other purposes. The easiest way to avoid any problems is by announcing at the time of the appeal that any unused balance will be put to the general purposes of the PCC. The **restriction** then applies until the purpose of the appeal has been satisfied. (A general notice to this effect can be placed prominently in the church to catch all occasions). If someone wants to make a significant donation for a particular purpose, the donor could be asked to specify that they give the PCC permission to use it for alternative purposes under certain conditions.

There could be a potential problem if insufficient funds are raised for a particular purpose and the shortfall cannot be made good out of **general** funds. The PCC should always make clear in appeals what it would do if this situation arose – for example, to return all the donations or to use them for another related purpose.

ENDOWMENT FUNDS:

Another form of **restricted** fund is known as an **endowment** fund. This is either money given to the church with the specific instruction that only the income gained from the money can be spent or an asset (such as a house) donated to be retained for continuing use by the Church. The original money or assets (the “capital”) cannot normally be spent and must remain in the form of equivalent assets (such as a house) or investments, but not necessarily the same asset that was given. It may be in a fund named after the donor.

There are two types of **endowment** fund, which must be distinguished in the accounts by note:

Permanent:

A particular type of **restricted** fund which, in accordance with the explicit requirements of the funding donor, must be held permanently (the PCC have no power to convert it into income and spend it like other income):

Expendable:

An endowment fund which may, in certain circumstances, be spent. (The PCC have this power, if given by the donor. This fund is not income when it is first received because there is no duty on the part of the PCC to apply it for its purposes. However, if the power to convert is used, then at that time the amount converted becomes income).

LOCATION OF FUND DETAILS IN THE ACCOUNTS:

At the top of pages 1, 5, and 6 of the accounts, allocated monies are shown against each of the above funds, namely **unrestricted, designated restricted and endowment**. In addition, note 9 to the financial statements, which is on pages 8 and 9 of the accounts, gives further details about each of the above funds.

There are two balances sheets shown. Page 2 includes land assets whilst Page 10 excludes land assets. The recent sale of Glebe land belonging to the Diocese was leased back to the Diocese in 1947 for 99 years. As the Parish agreed to surrender the lease, it acquired the sum of £780,710 which has been designated for the building of a new annex at church and to carry out essential repairs and maintenance identified in the last quinquennial inspection report and documented on pages I, J and K in the Annual Report.