

East Blatchington PCC
The Treasurer's 2021 Financial Report

This year saw a little more normality returning to church life, particularly from July onwards. Total income was 14% higher than the previous year at £98,521 but still well below pre-Covid levels seen in 2019 (£103,179).

Running costs have been well controlled but there has been a need to expend quite considerable sums on Repairs & Replacements (£13,748 – including a new boiler, LED lighting and repairs to the stone work and this figure includes the associated Architects Fees.

An investment into new chairs for the Nave (£2,911) has been made, the payment is showing as a Payment in Advance within the accounts as the new chairs had not been delivered before the year end.

There is an overall shortfall in the year between income and outgoings of £9,277 (shortfall £11,742 - 2020).

The value of our stock market investments has increased during the year by £49,235 thus producing an overall surplus of £39,957

Income

Planned giving continues to be the mainstay of our support and is up again by another 5% to £42,641. Further tax relief income relating to the period of £7,951 (Planned Giving and Gift Aid) will be received in the new year. Total income tax recovered was slightly up at £12,075. In the second part of the year we could re-instate some fundraising activities, the Craft Fair raised £1,300, Book sales £442, Plant Sale £1,230 and other small donations £50, making a total of £3,022 (£1,498 -2020). Six months of Chapel rooms lettings brought in £5,795 (£5,141 -2020) and we also received a legacy of £4,578 (recorded within Voluntary Income).

Expenditure

Total expenditure was £107,798. It was necessary to spend considerable sums on Repairs & Replacements. The large spend items were a New boiler in Church £4,299: Repairs to Stonework £2,263: New LED lighting in Church for efficiency and economy reasons £3,378: New chairs for Nave £2,911: Associated architects and faculty fees £3,808.

There has been a good control of the costs that are within our remit, but some of the above has meant Church running expenses were £15,891 (£11,767) and Upkeep of Services £8,288 (£5,060) and Cost of Hall trading slightly up at £7,138 (£6,494)

Reserves

We started the year with £108,219 on Deposit with CCLA. It has been necessary to withdraw £20,000 to fund R & R activity but we have received £10,341 in interest and income from stock market investments, so at 31 December 2021 these deposits stood at £98,560.

Longer Term Investments

These are stock market funds managed on our behalf by CCLA. On 1st January 2021 the book value was £344,212. Despite the difficult economic climate this figure had risen to £393,446 on 31st December 2021.

Conclusion

The PCC is truly grateful for the wonderful financial support it has received from across the parish with donations big and small, but our efforts to carry out all our regular activities and achieve a surplus have once again been thwarted by the pandemic. The shortfall is less than in the previous year which is encouraging, and we have absorbed the loss. We are working on a reserves policy, and as it can be seen the PCC is in a stable financial position to carry out its mission objectives.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

		UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 31.12.21 £	TOTAL FUNDS 31.12.20 £
Income and Endowments					
Voluntary income	2a	66,648	5,832	72,479	66,631
Activities for generating funds	2b	3,022	0	3,022	1,498
Income from investments	2c	23	10,318	10,341	10,482
Church activities	2d	12,680	0	12,679	7,451
Other income		0	0	0	0
Total income and endowments		82,372	16,149	98,521	86,062
Expenditure					
Church activities	3a	99,560	5,105	104,664	94,976
Costs of generating funds	3b	644	0	644	0
Other resources expended	3c	2,490	0	2,490	2,828
Total expenditure		102,693	5,105	107,798	97,804
Net incoming/(outgoing) resources for the year		-20,321	11,044	-9,277	-11,742
Other recognised gains /losses	1c	0	0	0	0
Gains/(losses) on revaluation of fixed assets		0	0	0	0
Gains/(losses) on investment income	5b	0	49,235	49,235	20,428
		-20,321	60,279	39,957	8,686
(Net) Funds Vired During Year		-6,753	6,753	0	
Total funds b/fwd at 1st January 2021	6	74418	649087	723505	714819
Total funds c/fwd at 31st December 2021		47343	716120	763463	723505

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<u>Notes</u>	<u>2021</u> £	<u>2020</u> £
<u>Fixed Assets</u>			
Tangible fixed assets	5(a)	249,121	249,005
Investment	5(b)	393,446	344,212
<u>Current Assets</u>			
Debtors (Inc. Payment in Advance)	8	8,070	4,409
Short term deposits Unrestricted		24,832	44,809
Short term deposits Restricted		73,728	63,410
Cash at bank St Peters		19,835	22,676
Cash in hand		14	16
		<hr/>	<hr/>
		126,479	135,320
Creditors due within one year	9	<hr/> -5,585	<hr/> -5,032
Net current assets		120,896	130,288
TOTAL NET ASSETS		<hr/> <hr/> 763,463	<hr/> <hr/> 723,505
<u>Funds</u>			
Unrestricted Funds	7	47343	74,418
Restricted Funds	7	716120	649,087
		<hr/>	<hr/>
		<hr/> <hr/> 763463	<hr/> <hr/> 723,505

Approved by the Parochial Church Council on22nd April 2022 and signed on its behalf by:

Rev. Arwen Folkes
Chairman

A Folkes

The accompanying notes form a part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies

a Accounting convention

The financial statements have been prepared under the Charities Act 2011 and Charities Act 2016 and in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the 2016 update of the Statement of Recommended Practice, Accounting and Reporting by Charities [SORP (FRS102)]

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at fair value. The financial statements 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 affiliation to another body, nor those which are informal gatherings of church members.

b Funds accounting

Funds held by the PCC are:

Unrestricted funds - general funds which can be used for PCC ordinary purposes.

Designated funds - monies set aside by the PCC out of unrestricted funds for specific future purpose or projects.

Restricted funds -

a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest;

b) donations or grants received for a specific object or invited by the PCC for a specific object.

The funds may only be expended on the specific object for which they were given.

Any balance remaining unspent at the end of the year is carried forward as a balance on that fund.

c Income and Endowments

These are included in the Statement of Financial Activities [SOFA] when:

1. the PCC becomes legally entitled to the use of the resources;
2. and the inflow of economic benefit is probable; and
3. the monetary value can be measured with sufficient reliability.

Voluntary Income

Funds raised from events and trading activities are reported gross in the SOFA

Collections and Planned Giving receivable is recognised only when received.

Gift Aid and other tax claims are included in the SOFA at the same time as the cash donations to which they relate.

Grants and donations are included in the SOFA when any preconditions preventing their use by the PCC have been met.

Income from investments

Dividends and interest entitlements are included in the accounts when receivable

All other income

All other income is recognised when it is receivable.

Gifts in kind are accounted for at a reasonable estimate of their fair value at the time of the gift.

Gains and losses on investments

Realised gains are recognised when the investments are sold.

Unrealised gains and losses are accounted for on revaluation on 31 December each year.

The Recognised Gain from the sale of St Johns in 2007 is being held within the Restricted Funds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

d Expenditure

Expenditure is accounted for on an accruals basis and is accounted for gross.

Grants

Grants payable are recognised in the accounts when a commitment has been made externally and there are no pre-conditions still to be met for entitlement to the grant which remain within control of the PCC.

Church Activities

The diocesan parish contribution is accounted for when paid. Any parish contribution 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

e Fixed Assets

Tangible fixed assets

As consecrated and beneficial property of any kind is excluded from the statutory definition of "charity" by Section 10(2) (a) and (c) of the Charities Act 2011 such assets are not capitalised in the financial statements.

Movable church furnishing held by the Rector 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's inventory which can be inspected. For inalienable property acquired prior to 31st December 1990 there is insufficient cost information available and therefore such assets are not valued in the accounts. Individual items acquired since 1st January 1991 have been capitalised in the accounts and depreciated over their useful economic life (see depreciation note below).

All expenditure on consecrated or beneficed buildings and individual items under £1000 are written off in the year they were incurred.

Depreciation

Depreciation is calculated to write down the cost of tangible fixed assets, excluding freehold properties, over their expected useful lives. The rates generally applicable are:

Organ	write off at the rate of £1000 per annum
Fixtures, Fittings & Moveable Furnishings	25% straight line basis
Electronic Equipment	25% straight line basis

No depreciation is provided on buildings as the currently estimated residual value of the properties (discounted for monetary inflation since their capitalisation) is not less than their carrying value and the remaining useful life of these assets currently exceeds 50 years, so that any depreciation charges would be immaterial.

An impairment review is carried out each year and any resultant loss identified included in expenditure for the year.

f Current Assets

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, or at the bank.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Income and Endowments

	Note	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 31.12.21 £	TOTAL FUNDS 31.12.20 £
a Voluntary income					
Planned giving		42,641	0	42,641	40,450
i Collections at all services		3,688	999	4,687	2,600
Gift days		0	0	0	0
Grants		0	0	0	1,000
Sundry donations and appeals	6	8,493	4,583	13,076	10,728
Income tax recoverable		11,825	250	12,075	11,853
		<u>66,648</u>	<u>5,832</u>	<u>72,481</u>	<u>66,631</u>
i	<i>includes restricted collection of £630 for ex-PCC member from congregation</i>				
b Activities for generating funds					
Fairs, bazaars and other fund-raising events		3,022	0	3,022	1,498
		<u>3,022</u>	<u>0</u>	<u>3,022</u>	<u>1,498</u>
c Investments income					
Interest & dividends		23	10,318	10,341	10,482
		<u>23</u>	<u>10,318</u>	<u>10,341</u>	<u>10,482</u>
d Income from Church Activities					
Church hall lettings etc		6,591	0	6,591	5,141
Fees from weddings etc		6,089	0	6,089	2,310
Parish magazine		0	0	0	0
Chichester Trip		0	0	0	0
		<u>12,680</u>	<u>0</u>	<u>12,680</u>	<u>7,451</u>
Total income & Endowments		<u>82,372</u>	<u>16,149</u>	<u>98,524</u>	<u>86,062</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Expenditure

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 31.12.21	TOTAL FUNDS 31.12.20
	£	£	£	£
a Church Activities				
Missionary and charitable giving				
Overseas	0	0	0	0
Home	0	369	369	260
	<hr/> 0	<hr/> 369	<hr/> 369	<hr/> 260
Ministry costs				
Diocesan parish contribution	47,736	0	47,736	47,736
i other clergy costs *	5,750	0	5,750	4,340
Church running expenses	15,835	56	15,891	11,767)
Wedding & Funeral Expenses	0	0	0	495)
Church maintenance	11,106	189	11,295	12,680
Upkeep of services	8,288	0	8,288	5,060
ii Upkeep of churchyard	1,720	630	2,350	1,786
Church hall running costs	7,138	0	7,138	6,496
Church hall Major repairs	0	0	0	0
Depreciation	1,987	3,861	5,848	4,357
	<hr/> 99,560	<hr/> 5,105	<hr/> 104,665	<hr/> 94,976
i <i>after council tax repaid from St Andrews</i>				
ii <i>restricted payment of £630 to ex-PCC member (from congregation's collection)</i>				
b Costs of generating funds	644	0	644	0
	<hr/> 644	<hr/> 0	<hr/> 644	<hr/> 0
c Other resources expended				
Independent examination fee	2,490	0	2,490	1,828
SVET Grant - for Covid relief	0	0	0	1,000
	<hr/> 2,490	<hr/> 0	<hr/> 2,490	<hr/> 2,828
Total expenditure	<hr/> <hr/> 102,693	<hr/> <hr/> 5,105	<hr/> <hr/> 107,798	<hr/> <hr/> 97,804

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

4	Staff Costs	2021	2020
a	Wages and Salaries	<u>-</u>	<u>-</u>

The PCC did not employ any staff during 2021. Self-employed organists, cleaners and gardeners were hired to supply these services.

b **Payments to PCC members**

Payments made to professional gardener, Nick Linsell (PCC member and Churchwarden -who stepped down in April 2021), for upkeep of the churchyard totalled £330 (2020 £1599) during the year. No other payments or expenses were paid to any other member which were not in the nature of reimbursed expenses. Total of expenses reimbursed to PCC members during the year was £1098 (2020 £930)

5 (a)	Tangible fixed assets	UR & R	R	R	UR	UR & R	
		Freehold land	Organ	Plant	Electrical	Fixtures	Total
		and		&	Equipment	&	
		buildings		Equipment		Fittings	
	Cost as at 1st January 2021	228417	36530	5480	1473	6476	278376
	Additions					5964	5964
	Cost as at 31st December 2021	<u>228417</u>	<u>36530</u>	<u>5480</u>	<u>1473</u>	<u>12440</u>	<u>284341</u>
	Depreciation as at 1st January 2021		23000	4110	368	1893	29372
	Charge for the year		1000	1370	368	3110	5848
	Depreciation as at 31st December 2021	<u>0</u>	<u>24000</u>	<u>5480</u>	<u>736</u>	<u>5003</u>	<u>35220</u>
	Net book value at 31st December 2021	<u>228417</u>	<u>12530</u>	<u>0</u>	<u>737</u>	<u>7438</u>	<u>249121</u>
	Net book value at 31st December 2020	<u>228417</u>	<u>13530</u>	<u>1370</u>	<u>1105</u>	<u>4583</u>	<u>249005</u>

The freehold land and buildings comprise the Chapel Rooms. For accounting purposes the historical cost of this property was £228,417.

5 (b)	Investments	Investment	Property	Total
	Market value 1st January 2021	329,476	14,736	344,212
	Purchases at Cost	0	0	0
	Revaluation Gain/(Loss)	47,133	2,102	49,235
	Market value 31st December 2021	<u>376,609</u>	<u>16,838</u>	<u>393,446</u>

During 2007 two investments were purchased, £200,000 in the CBF Church of England Investment Fund Income Shares and £20,000 in the CBF Church of England Property Fund.

The PCC are content with the current performance of the investments during the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

6 Sundry Donations and Appeals

Included within this amount are legacies of £4,737, which were spent at the Trustee's discretion during the year, on capital items.

7 Analysis of Net assets by fund	Unrestricted Funds	Restricted Funds	2021 TOTAL	2020
Fixed Assets	6,334	242,787	249,121	249,005
Investments		393,446	393,446	344,212
Current Assets	46,594	79,886	126,481	135,320
Current Liabilities	(5,585)		(5,585)	(5,032)
	<u>47,343</u>	<u>716,120</u>	<u>763,463</u>	<u>723,505</u>

8 Debtors

				2020
Church hall letting fees due	288	0	288	0
PGS & tax refunds due from HMRC	4,621	250.00	4,871	4,409
Sundry debtors & Payments in Advance *	0	2,911	2,911	0
<i>(*Note inc money paid for new chairs yet to be received)</i>	<u>4,909</u>	<u>3,161</u>	<u>8,070</u>	<u>4,409</u>

9 Creditors: amounts falling due within one year

				2020
Accruals for utilities and other costs	4,462	0	4,462	5,032
Sundry Creditors - Dignity Funerals	1,123	0	1,123	0
	<u>5,585</u>	<u>0</u>	<u>5,585</u>	<u>5,032</u>

Independent examiner’s report to the PCC of St Peter’s, East Blatchington.

I report on the accounts of the PCC of St Peter’s, East Blatchington for the year ended 31st December 2021, which are set out on pages 2 to 9.

I report to the trustees on my examination of the accounts of the PCC of St Peter’s, East Blatchington (the PCC) for the year ended 31st December 2021.

Responsibilities and basis of report

As the charity trustees of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (‘the Act’).

I report in respect of my examination of the PCC’s accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner’s statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect: -

- 1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- 2. the accounts do not accord with those records; or
- 3. the accounts do not 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.

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 to be reached.

Signed: *M Spencer* 25/04/22
Name: Michele Spencer

Professional qualifications: FAIA, CTA,

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