

**THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF
SOUTHAMPTON CITY CENTRE**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2021**

Registered Charity Number: 1126950

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
SOUTHAMPTON CITY CENTRE**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2021**

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF SOUTHAMPTON CITY CENTRE

TRUSTEES ANNUAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2021**

The trustees present their Annual Report and Financial Statements of The Parochial Church Council of the Ecclesiastical Parish of Southampton City Centre for the year ended 31 December 2021.

The Financial Statements comply with the Trust Deed, the Church Accounting Regulations 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name: The Parochial Church Council of the Ecclesiastical Parish of
Southampton City Centre

Registered Charity Number: 1126950

The PCC is a charity and registered with the Charity Commission on 26 November 2008.

The Parochial Church Council of the Ecclesiastical Parish of Southampton City Centre is the charity name of the Parish of Saint Mary, Southampton.

Correspondence Address: The Parish Office
135 St Mary Street
Southampton
S014 1NX

PCC members (trustees) who have served from 1 January 2021 until the date this report was approved are:

Incumbent:	Rev'd Jon Finch	Vicar	App	June 2018
	Ms Catherine Delve	Co-Chair	App	Apr 2019
	Dr Nicholas Fuggle	Co-Chair	App	Dec 2018
Clergy:	Rev'd Jon Finch	Vicar	App	June 2018
	Rev'd Jonny Goodchild	Curate	App	June 2020
	Rev'd Nathan Leigh	Curate	App	Jul 2019
Church Wardens:	Ms Catherine Delve	Co-Chair	App	Apr 2019
	Dr Nicholas Fuggle	Co-Chair	App	Dec 2018

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

REFERENCE AND ADMINISTRATIVE INFORMATION (CONTINUED)

Deanery Synod	Ms Gemma Snell		App	Oct 2020
Representatives:	Mr Chris Scoggins		App	Oct 2020
Other Elected Members: of the PCC	Mr Neil Atherton	Treasurer	App	Feb 2019
	Mrs Juliet Collinson		App	Apr 2019
	Mrs Susanna Stafford-Curtis		App	Apr 2019
	Mrs Lizzie Nevard		App	Apr 2019
	Mr Ayo Falade		App	Oct 2020
	Ms Rachel Swift		App	Oct 2020
	Ms Rachel Pawsey		App	Oct 2020
	Dr Ben Thomas		App	Oct 2020
	Miss Abielle Inegbenebho		App	Apr 2021
Secretary:	Miss Emma Du Croz		App	Jul 2018
Our Advisors:				
Independent Examiner:	Abraham & Dobell 230 Shirley Road Southampton S015 3HR			
Bankers:	National Westminster Bank Plc 68 Above Bar Street Southampton S014 7DS			
Investment Managers:	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET			

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
SOUTHAMPTON CITY CENTRE**

**TRUSTEES' ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

OBJECTIVES AND ACTIVITIES

Vision Statement

St Mary's Southampton is a community following Jesus, playing our part in the renewal of Southampton.

We aren't just here to build a church we are here to transform a city. Church was never meant to be contained in a building, it was meant to flow out and permeate society, uplifting and bringing hope to everyone.

We believe that Southampton can be known as a city where people love their neighbour, where people experience forgiveness and so they forgive, where kindness is rife and generosity common. Where the young and old are filled with purpose and the rich and poor overflow with compassion.

We believe that in Southampton Jesus is making all things new and we long to see every citizen of our city marching together with all of the saints singing "we've found a LOVE that has changed EVERYTHING!". Because with Jesus, the **best** is yet to come!

Public Benefit Statement

All of our activities are undertaken to further our charitable purposes for the public benefit. In planning our activities for the year we have considered the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: Running a Charity (PB2)' and, in particular, the supplementary guidance on charities for the advancement of religion.

ACHIEVEMENTS AND PERFORMANCE

Fellowship Numbers

There were 127 members on the Electoral Roll on 26 April 2021. Of these, 24 live in the parish.

Review of the Year

2021 started in lockdown for the first few months but, as restrictions relaxed, gatherings in the church recommenced and gradually each of the ministries felt a return to 'normality'. While regathering has had its challenges, it has been a hugely encouraging year with growth in each area of ministry and a high number of new people engaged in the church.

Saints in the City

As the need for the foodbank started to reduce, a decision was made to move from a 'hand out' model of food provision, to a 'hand up' model and in March the Marketplace was launched in partnership with Southampton City Mission. This has been a huge success and continues to grow, with additional wrap around support being added each month.

At Christmas a successful Love Christmas campaign was launched, delivering packages to over 900 households across Southampton.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**TRUSTEES' ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Review of the Year (Continued)

Sundays

The installation of live streaming equipment meant that it has been possible to offer both gatherings in the church, and online each Sunday. A return to the church building has come with the challenge of rebuilding teams but it has been encouraging to see those who are new to Saint Mary's take the opportunity to step up and get involved. The worship team has invested time into song writing and raising up new worship leaders.

Alpha & Marriage Courses

Alpha started the year online, but in September 2021 the first course was run in the church since January 2020. Nearly 80 people attended with a high number of those being previously unchurched. The Marriage course also continued to run successfully online, enabling parents to attend without struggles of childcare.

Saints Kids

Saints Kids has returned to City College and has grown significantly both with volunteers, and new families joining the church. Partnering with City College has been a successful and mutual relationship that continues to develop.

Saints Youth

Reaching this demographic during the pandemic has been a nationwide challenge, however an intentional decision was made to invest in Saints Youth in 2021 and the benefits are evident; Through relationships with the existing youth in our congregation and partnering with City College, Saints Youth has continued to grow. In September Saints Cafe relaunched and has seen a steady growth in newcomers attending each week.

Students

In person lectures have seen a large return of students to Southampton, resulting in a strong student community growing at Saint Mary's. The student weekend away in the autumn term saw the highest attendance since the church launched, and that community has been rooted in midweek Table groups as well as regular Thursday student gatherings.

Baptisms

In July there was a weekend of celebrations over the time that FOCUS would have been held. In a joint celebration with St Win's Church, 10 people were baptised at Lepe beach followed by a barbecue on the beach. Many of those baptised had come to faith following the Alpha course during lockdown.

Totton Church Plant

At the start of 2021, Rev. Ali Hill and her husband Steve launched St Win's church plant. Originally meeting in a school hall while building work was completed, they had their first service in the (almost) completed building in December 2021. They have been running Alpha since September, and both the youth and kids ministries are growing quickly through developing relationships with the local community

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**TRUSTEES' ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Review of the Year (Continued)

Carlton Road Site Plant

Whilst waiting on finalisation of the pastoral scheme for St Barnabas, the evening service was launched in a second site on Carlton Road. This was well attended by students and young adults and gave a greater opportunity to connect and socialise after the service which has been a challenge at the Chapel Road site.

FINANCIAL REVIEW

Saint Mary's continues to operate, for the time being, under the charity name The Parochial Church Council of the Ecclesiastical Parish of Southampton City Centre and this has assisted in making gift aid claims under the pre-existing accounts.

Grants

Saint Mary's received a couple of grants to support the work of the church. The Diocese continues to partially fund the Student Worker role which enables us to have a 4 day per week student worker.

In addition we have received Government funding through the Job Retention scheme for the Bridge the Gap worker.

Giving

In 2021 the planned giving was £183,705 (excluding gift aid). In addition to this, we have various one-off donations. The planned giving average has remained consistent throughout the year, however we received little cash giving due to online gatherings..

Overall

The overall income in 2021 was £531,849 with expenditure of £485,846. This resulted in a surplus for the year of £46,003 before net gains on investments.

Staffing

In August 2021 Tom James was recruited as Worship and Creative Lead, in September Megan James joining for a six month contract as Courses & Admin support, and in October Sophie Holt joined the team as Saints in the City Lead.

In August 2021 Nathan Leigh accepted a position with Coventry Diocese once his Curacy ends in 2022.

In September 2021 four new apprentices joined the team, alongside an additional second year apprentice.

David Mant from Abraham & Dobell was instructed to complete the end of year accounts for the parish, and particular thanks to Maven Accountants for compiling the necessary information for this to be possible.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**TRUSTEES' ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

FINANCIAL REVIEW (CONTINUED)

Investment Powers and Policy

The PCC holds those funds which are not in the NatWest current account with the Central Board of Finance of the Church of England (CBF). There are some long-term investments held in the form of CBF share investment accounts.

Other investments and deposits as we continue to hold relate solely to restricted funds and this includes specific deposit accounts relating to restricted funds.

We have one endowment fund whose income is restricted to supporting repairs at Saint Mary's. Permission has been obtained from the Charity Commission to be able to use the capital, whose value is currently £24,431. This fund will be accessed by the Diocese to fund some of the building works completed in 2018.

Reserves Policy and Going Concern

It is the policy of the PCC to maintain unrestricted and designated funds at a level which will enable the PCC to cover its on-going direct charitable expenditure and its management and administration costs. This should be at least 3 months' running costs which the PCC currently exceeds. The trustees are of a view that the PCC is a going concern.

PLANS FOR FUTURE PERIODS

2022 promises to be a year of growth and rebuilding, post Covid. HTB Focus will happen over the summer and this will be an important gathering point for the community.

Saints in the City

As the Marketplace continues to thrive, the plan is to build on that foundation and develop The Meeting Place which will be a drop in cafe for those in the SO14 area. Alongside this there will courses such as ESOL, learning to cook, Let's get Digital etc.

Saints in the City Day

On May 14th volunteers from Saint Mary's will be sent out to serve the city through litter picking, DIY and gardening at various projects. The church grounds will become a family friendly space for the local community to come and enjoy the morning together.

Saints Kids, Youth & Students

Each of these ministries has seen growth in the past year which continues to develop. Through mid-week events and reaching out to colleges, schools and universities there are strong foundations for the year ahead.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**TRUSTEES' ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

PLANS FOR FUTURE PERIODS (CONTINUED)

Building

Planning permission for the car park barrier has been delayed, but it is expected to be installed in the coming months. Tree work has also been scheduled to carry out necessary maintenance in the church grounds.

Strategic planning for the year ahead has enabled a more structured approach to fundraising which should enable additional projects to become possible.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Parochial Church Council of the Ecclesiastical Parish of Southampton City Centre (the PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

The Parochial Church Council of the Ecclesiastical Parish of Southampton City Centre is a registered charity number 1126950.

Recruitment and Appointment of Trustees

Members of the PCC are either ex-officio or elected at the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. Elected members serve for three years and approximately one third are elected each year, ensuring an appropriate element of continuity.

Trustee Induction and Training

New members are briefed by existing members as appropriate and from time to time the PCC holds an away day to review its work and discuss future plans.

Risk Management

The PCC was registered as a charity on 26 November 2008. As such no consolidated work on risk management has been undertaken. However, the major risks to which the charity is exposed will be identified by the trustees and will be reviewed and systems or procedures established to manage those risks.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**TRUSTEES' ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Organisational Structure

The PCC of the Ecclesiastical Parish of Southampton City Centre has the responsibility of co-operating with the Team Ministry in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has maintenance responsibilities for Saint Mary's and the Parish Office (135 St Mary Street). The PCC has one sub-committees: a Standing Committee as required by law, with powers to transact business between PCC meetings, subject to the direction of the PCC.

RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing those Financial Statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the charity and to enable them to ensure that the Financial Statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the provisions of the trust deed and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
SOUTHAMPTON CITY CENTRE**

**TRUSTEES' ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

INDEPENDENT EXAMINER

A resolution to re-appoint Abraham & Dobell as independent examiner for the ensuing year will be proposed at the Annual Church Meeting.

Approved by the trustees on 28 April 2022 and signed on their behalf by:

.....
**MS CATHERINE DELVE
CHURCH WARDEN**

.....
**DR NICHOLAS FUGGLE
CHURCH WARDEN**

INDEPENDENT EXAMINER'S REPORT**TO THE TRUSTEES OF****THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
SOUTHAMPTON CITY CENTRE****FOR THE YEAR ENDED
31 DECEMBER 2021**

I report to the charity trustees on my examination of the accounts of the Parochial Church Council of the Ecclesiastical Parish of Southampton City Centre, (the charity) for the year ended 31 December 2021.

RESPONSIBILITIES AND BASIS OF REPORT

As the trustees of the charity 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 charity'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

Since the charity's gross income exceeded £250,000 your examiner must be a member of the body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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 charity 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 requirements that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

.....
DAVID J MANT FCA
INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND & WALES

230 Shirley Road
Southampton
SO15 3HR

28 April 2022

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF SOUTHAMPTON CITY CENTRE**

STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED
31 DECEMBER 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME						
Donations and legacies	2	402,200	102,060	-	504,260	439,853
Charitable activities	3	13,909	-	-	13,909	5,128
Other trading activities	4	6,460	-	-	6,460	2,289
Investment income	5	249	13	620	882	990
Other income	6	6,338	-	-	6,338	104
TOTAL INCOME		429,156	102,073	620	531,849	448,364
EXPENDITURE						
Raising funds	7	-	-	-	-	1,012
Charitable activities	8	393,073	92,153	620	485,846	377,860
TOTAL EXPENDITURE		393,073	92,153	620	485,846	378,872
NET INCOME LESS EXPENDITURE		36,083	9,920	-	46,003	69,492
NET GAINS/(LOSSES) ON INVESTMENTS	11	-	64	3,058	3,122	1,404
NET INCOME FOR THE YEAR		36,083	9,984	3,058	49,125	70,896
Transfers between funds	12	2,955	(2,955)	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		39,038	7,029	3,058	49,125	70,896
RECONCILIATION OF FUNDS						
Total funds brought forward		107,954	67,362	21,373	196,689	125,793
Total funds carried forward		£146,992	£74,391	£24,431	£245,814	£196,689

The notes on pages 13 to 26 form part of these Financial Statements

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
SOUTHAMPTON CITY CENTRE**

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	184,421	180,045
Investments	14	24,946	21,824
TOTAL FIXED ASSETS		209,367	201,869
CURRENT ASSETS			
Debtors	15	10,449	14,529
Cash at bank and in hand	16	211,984	218,428
TOTAL CURRENT ASSETS		222,433	232,957
LIABILITIES			
Creditors: Amounts falling due within one year	17	47,960	71,133
NET CURRENT ASSETS		174,473	161,824
TOTAL ASSETS LESS CURRENT LIABILITIES		383,840	363,693
CREDITORS: Amounts falling due after more than one year	18	138,026	167,004
NET ASSETS	20	£245,814	£196,689
THE FUNDS OF THE CHARITY	21		
Unrestricted income funds		146,992	107,954
Restricted income funds		74,391	67,362
Endowment funds		24,431	21,373
TOTAL CHARITY FUNDS		£245,814	£196,689

Approved by the trustees on 28 April 2022 and signed on their behalf by:

.....
MS CATHERINE DELVE
CHURCH WARDEN

.....
DR NICHOLAS FUGGLE
CHURCH WARDEN

The notes on pages 13 to 26 form part of these Financial Statements

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
SOUTHAMPTON CITY CENTRE**

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2021**

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the Financial Statements are as follows:

(a) Basis of Preparation

The PCC is a public benefit entity within the meaning of FRS 102.

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102) and the Church Accounting Regulations 2006.

The Financial Statements have been prepared under the historical cost convention except for the valuation of investment assets which are shown at market value where applicable.

The Financial Statements include all transactions, assets and liabilities for which the PCC is responsible in law.

They do not include the Financial Statements of Church groups that owe their main affiliation to another body, nor those that are informal gatherings of Church members.

The Financial Statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts are rounded to the nearest £.

(b) Income Recognition Policies

(i) Donations and Legacies

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 related income is recognised.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable, its ultimate receipt by the PCC is reasonably certain and when any pre-conditions preventing their use have been met.

Donated services and facilities are included at the value to the PCC where this can be quantified. The value of services provided by volunteers has not been included in these Financial Statements.

(ii) Charitable Activities

Income from fees and other charitable activities is recognised when it is received.

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

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**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

1. ACCOUNTING POLICIES (CONTINUED)

(b) Income Recognition Policies (Continued)

(iii) Other Trading Activities

Car park income is accounted for when due.

Income from the fête, garden party and similar events are accounted for gross.

Sales of t-shirts, books etc from the church stall are accounted for gross.

(iv) Investment Income

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.

(v) Gains and Losses on Investments

Realised gains and losses are recognised when investments are sold.

Unrealised gains and losses are accounted for on revaluation of investments at 31 December.

(c) Expenditure

Expenditure is recognised on an accruals basis where there is a legal or constructive obligation and settlement is probable and quantifiable. Expenditure includes VAT as the PCC is not VAT registered and is reported as part of the expenditure to which it relates.

(i) Grants

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

(ii) Charitable Activities

The Parish Share is accounted for when payable. Any Parish Share unpaid at 31 December is provided for in these Financial Statements as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

(iii) Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

(iv) Governance Costs

These include those costs associated with meeting the statutory requirements of the PCC.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

1. ACCOUNTING POLICIES (CONTINUED)

(d) Tangible Fixed Assets

(i) Consecrated Land and Buildings and Movable Church Furnishings

Consecrated and beneficed property of any kind is excluded from the statutory definition of 'charity' by section 10(2)(a) and (c) of the Charities Act 2011.

All expenditure incurred on consecrated or beneficed buildings, whether maintenance or improvement, is written-off as expenditure in the SOFA and separately disclosed in the year that it is incurred.

Moveable church furnishings are depreciated on a straight-line basis over ten years, where capitalised.

(ii) Other Fixtures, Fittings, Office Equipment and Consumables

Equipment and consumables used within the church premises are depreciated on a straight line basis over four years where capitalised.

Individual items with a purchase price of £1,000 or less are written off when the asset is acquired.

(e) Investments

Investments are valued at market value at 31 December.

(f) Debtors

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less any provision for amounts that may prove uncollectible.

(g) Current Asset Investments and Cash at Bank

Current asset investments and cash include cash held on deposit either with the CBF Church of England Funds or at the bank.

(h) Creditors and Provisions

Creditors and provisions are recognised where the PCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

(i) Taxation

The PCC is exempt from taxation on its charitable activities.

(j) Fund Accounting

Unrestricted Funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Designated funds are general funds set aside by the PCC for use in the future.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

1. ACCOUNTING POLICIES (CONTINUED)

(j) Fund Accounting (Continued)

Restricted funds comprise:

- (a) income from endowments which is to be expended only on the restricted purposes intended by the donor; and
- (b) revenue donations or grants for a specific PCC activity intended by the donor.

Where these funds have unspent balances, interest on their pooled investment is apportioned to the individual funds on average balance basis.

Endowment funds are funds, the capital of which must be retained either permanently or at the PCC's discretion. The income derived from the endowment is to be used as restricted or unrestricted income funds, depending upon the purpose for which the endowment was established in the first place.

(k) Financial Instruments

The PCC only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(l) Significant Judgements and Estimates

Preparation of the Financial Statements may require the trustees to make significant judgements and estimates. There are no items in the Financial Statements where judgements and estimates would have a significant effect on amounts recognised in the Financial Statements.

2. DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	£	£	£	2021 £	2020 £
Planned giving	182,705	1,000	-	183,705	202,771
Income Tax recoverable on planned giving	41,934	-	-	41,934	39,127
Collections (open plate) at all services	890	-	-	890	2,522
Other donations	83,996	67,984	-	151,980	100,428
Grants	92,675	33,076	-	125,751	95,005
	£402,200	£102,060	£-	£504,260	£439,853

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**NOTES TO THE FINANCIAL STATEMENTS
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**FOR THE YEAR ENDED
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2. DONATIONS AND LEGACIES (CONTINUED)

In 2020, of the £439,853 income from donations and legacies, £308,311 was unrestricted and £131,542 restricted.

There were no donated services and facilities receivable which could be quantified in the year (2020 - none).

3. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	2020 £
Fees	4,076	-	-	4,076	90
Other Church activities	9,833	-	-	9,833	5,038
	£13,909	£-	£-	£13,909	£5,128

In 2020, the income from charitable activities of £5,128 was unrestricted.

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	2020 £
Sale of t-shirts, books etc	25	-	-	25	94
Car park income:					
- Pay & Display and other	6,435	-	-	6,435	2,195
	£6,460	£-	£-	£6,460	£2,289

In 2020, the income from other trading activities of £2,289 was unrestricted.

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5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	2020 £
Dividends and interest from investments	-	13	620	633	611
Rents 135 St Mary Street	249	-	-	249	379
	£249	£13	£620	£882	£990

In 2020, of the £990 investment income, £379 was unrestricted, £13 was restricted and £598 was from endowment funds.

6. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	2020 £
Interest from HM Revenue & Customs	-	-	-	-	104
CJRS Grants	6,338	-	-	6,338	-
	£6,338	£-	£-	£6,338	£104

7. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	2020 £
Goods for resale and associated expenses	£-	£-	£-	£-	£1,012

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8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Grants to home missions and other church					
Societies	9,073	27,707	-	36,780	44,455
Parish share	(4,719)	-	-	(4,719)	22,000
Clergy and staff expenses	18,483	898	-	19,381	3,748
Clergy houses	-	-	-	-	595
Church running expenses	32,836	-	-	32,836	19,692
Church maintenance	23,533	13	-	23,546	14,592
Upkeep of services	32,442	-	-	32,442	24,506
Education and training	4,390	-	620	5,010	3,051
Salaries and agency staff	155,458	13,782	-	169,240	163,448
Other church activities and events	23,798	49,729	-	73,527	6,262
Support costs	97,059	24	-	97,083	74,791
Governance costs	720	-	-	720	720
	£393,073	£92,153	£620	£485,846	£377,860

The expenditure on charitable activities in 2020 of £377,860 comprised £298,762 unrestricted funds, £78,500 restricted funds and £598 endowment funds.

9. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The PCC identifies the costs of its support function. It then identifies those costs which relate to the governance function. The PCC allocates the support and governance costs entirely to the unrestricted expenditure (note 8).

	General Support	Governance	Total Funds	Basis of Apportionment
	£	£	£	
Office expenses	50,878	-	50,878	Usage
Accountancy and payroll fees	13,274	-	13,274	Usage
Independent Examiner's fee	-	720	720	Governance
Depreciation of tangible assets	22,714	-	22,714	Usage
Loan interest	3,970	-	3,970	Usage
Bank charges	419	-	419	Usage
Other fees	5,828	-	5,828	Usage
	£97,083	£720	£97,803	

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(CONTINUED)**

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**10. ANALYSIS OF STAFF COSTS AND NUMBERS AND
TRUSTEES' REMUNERATION AND EXPENSES**

	2021	2020
	£	£
Wages and salaries	160,945	152,637
Social Security costs and pension	8,295	10,811
	£169,240	£163,448

During 2021 the PCC employed an Operations Manger, a Facilities Manager, a Parish Administrator, a Worship Leader, a Student and Youth worker, a Bridge the Gap worker, a Kids worker, a fusion worker and an organist. None of whom earned £60,000 per annum or more.

The average number of employees during the year was 8 (2020 - 8)

Team members were reimbursed expenses of £762 (2020 - £3,748). One trustee received £283 for professional services, training the staff team, during the year ended 31 December 2020. Apart from the above, no other trustee received any reimbursement of expenses or remuneration.

11. GAINS OR LOSSES ON INVESTMENT

	2021	2020
	£	£
Gain on CBF Investment	£3,122	£1,404

12. TRANSFERS

In the year to 31 December 2021 the Facilities Apprentice Fund was transferred from restricted funds to designated funds following a significant donation, which the donor expressly advised should be treated as a designated donation.

	2021	2020
	£	£
	£2,955	£-

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(CONTINUED)**

**FOR THE YEAR ENDED
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13. TANGIBLE ASSETS

	Moveable Church Furnishings	Total
Cost	£	£
At 1 January 2021	200,049	200,049
Additions	27,090	27,090
	227,139	227,139
Depreciation		
At 1 January 2021	20,004	20,004
Charge for the year	22,714	22,714
	42,718	42,718
Net Book Values		
At 31 December 2021	£184,421	£184,421
At 31 December 2020	£180,045	£180,045

14. INVESTMENTS

Holding	Market Value at 31 December 2021			
				£
CBF Investment Fund	1,065.25	units	@	£23.4181
				£24,946
Holding	Market Value at 31 December 2020			
				£
CBF Investment Fund	1,065.25	units	@	£20.4873
				£21,824

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15. DEBTORS

	2021	2020
	£	£
Other debtors	9,617	9,476
Prepayments	832	5,053
	£10,449	£14,529

16. CASH AT BANK AND IN HAND

	2021	2020
	£	£
National Westminster Bank	207,092	213,191
Pleo Account	4,892	5,237
	£211,984	£218,428

17. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Other creditors	5,461	2,946
Accruals	5,511	32,107
Diocese loan	36,988	36,080
	£47,960	£71,133

18. CREDITORS: Amounts falling due after more than one year

	2021	2020
	£	£
Loan from the Diocese	£138,026	£167,004

The PCC took out a £200,000 loan with the Diocese in order to carry out a program of refurbishment at St Mary's Church, which was paid out and dealt with by the Diocese centrally. The loan is repayable over 6 years from 1 September 2020 with an interest rate of the CCLA CBF Church of England Deposit Fund rate plus 2%.

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18. CREDITORS: Amounts falling due after more than one year (Continued)

The repayment of the loan is shown as follows:

		2021		2020
		£	£	£
Short-term creditor within one year		36,988		36,080
Long-term creditor:	Between 2-5 years	124,495		122,043
	Over 5 years	13,531		44,961
		138,026		167,004
		£175,014		£203,084

The short-term creditor includes the accrued loan interest as at 31 December 2021 of £4,825.

19. FINANCIAL INSTRUMENTS

Financial instruments measured at amortised cost comprise the following:

	2021	2020
	£	£
Financial assets that are debt instruments	10,449	14,529
Financial liabilities that are debt instruments	185,986	238,137

20. ANALYSIS OF NET ASSETS BY FUND

	General			Total	Total
	Unrestricted	Restricted	Endowment	Funds	Funds
	Funds	Funds	Funds	2021	2020
	£	£	£	£	£
Tangible assets	160,040	24,381	-	184,421	180,045
Investment assets	-	515	24,431	24,946	21,824
Current assets	172,938	49,495	-	222,433	232,957
Current liabilities	(47,960)		-	(47,960)	(71,133)
Long-term liabilities	(138,026)		-	(138,026)	(167,004)
	£146,992	£74,391	£24,431	£245,814	£196,689

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**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

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21. ANALYSIS OF CHARITABLE FUNDS

<u>Analysis of Movements in</u> <u>Unrestricted Funds</u>	At 01.01.21	Incoming Resources	Outgoing Resources	Transfers	Investment/ Gains	At 31.12.21
£	£	£	£	£	£	£
General Funds	67,842	349,611	324,641	36,192	-	129,004
Designated Funds						
Church planting	15,920	1,000	4,920	(12,000)	-	-
Diocese staff	-	36,598	34,761	-	-	1,837
Fusion Student Worker	-	14,920	14,920	-	-	-
Diocese repayment	24,192	-	-	(24,192)	-	-
Flourish project	-	2,347	469	-	-	1,878
Facilities apprentice	-	24,680	13,362	2,955	-	14,273
Total Designated Funds	40,112	79,545	68,432	33,237	-	17,988
Total Unrestricted Funds	107,954	429,156	393,073	2,955	-	146,992
<u>Analysis of Movements in</u> <u>Restricted Funds</u>						
St Mary Williams	451	13	13	-	64	515
Bishops Ord Fund	278	-	-	-	-	278
Bridge the Gap	2,452	6,795	7,641	-	-	1,606
Totton church plant	10,050	11,000	21,050	-	-	-
Facilities apprentice	2,955	-	-	(2,955)	-	-
Love your neighbour (Including Saints in the City)	45,153	3,698	13,051	-	-	35,800
Lyn DCMS	6,023	1,533	7,556	-	-	-
Alpha	-	9,400	7,051	-	-	2,349
Love Christmas	-	23,554	22,544	-	-	1,010
Lodge Road - Build	-	31,445	5,495	-	-	25,950
Lodge Road - Staff	-	14,635	7,752	-	-	6,883
Total Restricted Funds	67,362	102,073	92,153	(2,955)	64	74,391
<u>Analysis of Movements in</u> <u>Endowment Funds</u>						
St Mary Russell Bencraft	21,373	620	620	-	3,058	24,431
Total Endowment Funds	21,373	620	620	-	3,058	24,431
Total Funds	£196,689	£531,849	£485,846	£-	£3,122	£245,814

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21. ANALYSIS OF CHARITABLE FUNDS (CONTINUED)

Unrestricted funds are funds which the PCC is free to spend on any of its activities. The PCC can, from time to time, designate unrestricted funds for particular purposes. The PCC may subsequently choose to re-designate unrestricted funds for another purpose.

The PCC has a number of designated funds as follows:

- (a) Church Planting Fund Funds set aside for planting churches in the year to 31 December 2021.
- (b) Diocesan Staff Fund A fund to assist with staff salaries.
- (c) Fusion Student Worker Fund A fund to enable the PCC to use a student worker.
- (d) Diocese Repayment Fund Funds set aside to repay the Diocesan loan.
- (e) Flourish Project A fund set aside for a wellbeing project, working with at-risk women.
- (f) Facilities Apprentice Fund is to facilitate the cost of an apprentice.

Restricted funds are those which the PCC can only spend on purposes determined by the terms on which a fund is set up, typically as a trust fund.

- (a) The Mary St John Fund is a small fund for maintenance at St Mary's Church.
- (b) Bishops Ordination Fund is a diocesan fund to assist ordinands in training.
- (c) Bridge the Gap is a fund that creates football communities that connect young adults with a view to developing friendships and leaders and transforming lives.
- (d) The Totton Church Plant Fund is to carry out planting churches in Totton.
- (e) Love Your Neighbour Fund (including Saints in the City) is a fund to enable our social action projects. This includes the foodbank, Care for Carer packages, Christmas food parcels and ReWork, as well as future projects such as the Marketplace and CAP.
- (f) Lyn DCMS Fund is a fund received from the government, via the Church Revitalisation Trust to further our Love Your Neighbour project. This fund was set up to match our spending against the grant that we received.

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21. ANALYSIS OF CHARITABLE FUNDS (CONTINUED)

Restricted funds (Continued)

- (g) Alpha Fund is a fund for a city-wide advertising campaign to promote Alpha.
- (h) Love Christmas Fund is to run a city-wide project at Christmas, delivering gifts to those in need.
- (i) Lodge Road - Build Fund is funding received via the Diocese for staffing to develop Lodge Road.
- (j) Lodge Road - Staff Fund is funding received via the Diocese for staffing to develop the Lodge Road community.

Endowment funds are those which are specified for a particular purpose but where the PCC can spend only the income and not the capital. The only endowment fund is the Russell Bencraft Legacy, with a modest capital. The income from this fund is specified as being for repairs and maintenance at St Mary's church.