



St.James' Church
Rowledge

Annual Report 2022



This is an extract from the full 2022 Annual Report which covers 2021 activity. This extract contains just the audited 2021 Financial Report and Accounts.

Diocese of
Guildford

TRANSFORMING **CHURCH**
TRANSFORMING **LIVES**

Financial Review 2021

I. Overview

The church funds were in credit throughout 2021 and at the end of the year.

Total Income for all funds was £265,911, a rise of £6,052 (2%) relative to 2020, whilst Total Expenditure was £265,244, a £33,122 (14%) increase, resulting in a £667 surplus - much below the £27,737 surplus in 2020.

The total of all Voluntary Giving (including Gift Aid and Legacies) rose by £3k to £140,021, though approximately £33k of this was one-off giving – including £5k in legacies. Underlying this giving is a base of regular/planned giving totalling about £95k (including gift aid), which grew slightly.

Fundraising activity resumed in 2021, contributing to the increase in income.

One of the most significant features of the 2021 results is the £33k increase in total expenditure. The major reason was a £27k rise in total cost of the Little Fishes pre-school, mainly staff costs. Some of this is one-off, associated with the transition to a new manager, cost of temporary staff cover during Covid sickness absence, and cost of implementing the new rigorous requirements of the Early Years Foundation Stage statutory framework. However, the EYFS changes will lead to higher costs in future years as well.

Other cost factors included:

- A £15k increase in Church Repairs, Maintenance & Improvements to cover roof repairs recommended in the last Quinquennial Inspection report, and upgrade of the church lighting system.
- A £6k increase in Parish Share paid to Guildford Diocese – this was partly an increase in underlying fee, partly because a rebate was received in 2020.
- The increases were partially offset by lower administration cost (because no staff cost and a higher cross charge of printer costs out of administration to the magazine), lower spend on the house (25 Broad Ha'penny), and the cessation of depreciation charge on the house.

2. Reserves

The policy of the PCC is to hold sufficient unrestricted funds to ensure that costs for the following six months can be paid, to have a reserve for major church fabric repairs and a reserve for redecoration of the vicarage.

The level of unrestricted net current assets/liabilities (£128,612) at the end of 2021 was slightly less than six months' expenditure (£132,622); and those assets include those notionally allocated to specific unrestricted funds.

3. Movement in Reserves

During 2021 total funds increased from £266,922 to £267,589. Of this amount, £2,900 is in newly-created Restricted Fund and £136,076 is tied up in the book value of the house (25 Broad Ha'penny), which is used as accommodation for the Youth and Children's Minister.

Until 31/12/20 the house had been depreciated at 2% per annum (£3,776) but in 2021 the PCC decided to stop further depreciation and hold it in the accounts at the 31/12/20 book value because its market value is significantly higher.

4. Funds

4.1 The Church Fabric Sinking Fund

This is in theory to enable any major work to be carried out when needed, in conjunction with associated fundraising. Although some repair and improvement works were carried out in 2021, these were paid from the General Fund (with the help of a grant from The Dyers Company), and nothing from the CFS Fund. So at the end of 2021 the Fund stood unchanged at £30,000.

4.2 The Little Fishes Solvency Fund

This is to ensure PCC funds are available to sustain operation of the pre-school and is normally set to a value equivalent to six months' of LF expenditure. To achieve this, £13,271 was transferred from the General Fund to the LF Solvency Fund at the end of 2021 to increase it to £52,223 (50% of 2021 costs).

4.3 The Vicarage Redecoration Fund

This is to cover costs for redecorating the vicarage as and when they arise. The balance remained unchanged at £3,000.

4.4 The Russell Harvey Organ Fund

This fund derives from a legacy left by the late organist. While the funds are not restricted, the PCC has so far only used it for costs that are related to the organ, though there was no such expenditure in 2021. The very small increase over the year came from interest earned on the cash on one of the deposit accounts. The balance is £24,853 at end-2021.

4.5 The House Reserve

This represents the accounting value of the house in Broad Ha'penny - £136,076 at end of 2021. The market value is likely to be significantly higher.

4.6 The Vicar's Discretionary Fund (2)

This was set up to provide funds for the Vicar to use at his discretion if a compelling charitable need arises. The PCC agreed in November 2021 to transfer £1000 to this from the General Fund. This is additional to what is now referred to as the Vicar's Discretionary Fund (1) which held £1,042 at 31/12/21. VDF1 will be used and exhausted first. (VDFs 1&2 are similar in terms of availability for use by the vicar, but totally different in accounting terms – VDF1 is held as a Liability on the balance sheet.)

4.7 The Bursary Fund (Restricted)

This fund was set up in 2021 to hold donations given to help people attend the St James' Lee Abbey weekend in April/May 2022. It held £400 as at 31/12/21. It may be used in future for similar purposes, with distinct sections for different needs if appropriate.

4.8 The Audio-Visual & IT Fund (Restricted)

This fund was set up in 2021 to hold donations from individuals and a grant from Binsted Parish Council towards a new AV system for the church. It held £2,500 as at 31/12/21.

4.9 The General Fund

This is the retained income fund for running the church operations on a day-to-day basis. The aim is to build this up as a buffer against future deficits on the Income and Expenditure account, to a level such that further funds could be allocated elsewhere. The balance has dropped sharply in 2021 from £34,054 to £17,536 as at 31/12/21 because of a £2,233 deficit on the General Fund Income & Expenditure account and the transfers to other Funds, particularly the £13,271 top-up of the LF Fund.

5. Funding Sources and use of Funds

49% of income came from voluntary giving (including Gift Aid but excluding Donations/Grants and Legacies) and a further 41% came from Little Fishes.

31% of total expenditure was for the Parish Share Fee which is paid to the Diocese, and 39% was spent on Little Fishes costs; with the balance used to run the church and develop its outreach to the village, particularly in ministry to young people.

Surplus cash is held in the CCLA Church of England Deposit Fund to ensure that social, environmental and ethical considerations are taken into account when investing.

6. The Coming Year

The 2021 Income and Expenditure account yielded a very small overall surplus only because approx. £33k of one-off giving, grants and legacies was received, overcoming a large increase in the Little Fishes cost base.

The underlying financial situation is that regular, predictable expenditure continues to exceed predictable income so the 2022 Budget shows a significant deficit: and that is while still budgeting for little beyond essential expenditure.

Andrew Fewster - PCC Treasurer

End of Year Accounts

PAROCHIAL CHURCH COUNCIL OF ST JAMES' ROWLEDGE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

		Notes			
Fund type:		2021			2020
		Unrestricted	Restricted	Total	Total
		£	£	£	£
INCOME					
Voluntary income	2a	137,121	2,900	140,021	137,311
Fundraising income	2b	4,101	-	4,101	644
Church activities	2c	7,500	-	7,500	7,459
Income from investments	2d	41	-	41	333
Trading Income (Pre-school & magazine)	2e	114,247	-	114,247	114,110
Total Income		263,011	2,900	265,911	259,858
EXPENDITURE					
Church activities	3a	155,969	-	155,969	151,792
Fundraising costs	3b	764	-	764	116
Trading costs	3c	108,511	-	108,511	80,213
Total Expenditure		265,244	-	265,244	232,122
NET INCOME/(EXP.) before investment gains		(2,233)	2,900	667	27,737
NET GAINS ON INVESTMENTS		-			-
NET INCOME/(EXPENDITURE)		(2,233)	2,900	667	27,737
NET MOVEMENT IN FUNDS					
	10				
Opening Balance		266,922	-	266,922	239,185
Transfers between fund types		-	-	-	
Movement		(2,233)	2,900	667	27,737
Closing Balance		264,689	2,900	267,589	266,922

All values are shown as as the underlying accurate ££.pp value rounded to the nearest £1.
Totals may therefore appear not to add up exactly because of the rounding.

PAROCHIAL CHURCH COUNCIL OF ST JAMES' ROWLEDGE
BALANCE SHEET AT 31 DECEMBER 2021

Fund type:	Notes	2021			2020
		Unrestricted	Restricted	Total	Total
		£	£	£	£
FIXED ASSETS					
Tangible	5	136,076	-	136,076	136,076
CURRENT ASSETS					
Debtors and Prepayments	6	1,801	-	1,801	7,517
Short term deposits		77,716	-	77,716	77,675
Cash at bank and in hand		58,448	2,900	61,348	55,514
		<u>137,965</u>	<u>2,900</u>	<u>140,865</u>	<u>140,706</u>
LIABILITIES					
Creditors: amounts falling due in one year	7a	3,454	-	3,454	6,465
Vicar's Discretionary Fund (1)	7b	1,042	-	1,042	1,455
Deferred Income	7c	4,856	-	4,856	1,941
		<u>9,352</u>	<u>-</u>	<u>9,352</u>	<u>9,861</u>
NET CURRENT ASSETS/LIABILITIES		<u>128,612</u>	<u>2,900</u>	<u>131,512</u>	<u>130,846</u>
TOTAL ASSETS LESS CURR. LIABS		<u>264,689</u>	<u>2,900</u>	<u>267,589</u>	<u>266,922</u>
Creditors: amounts falling due after one year		-	-	-	-
TOTAL NET ASSETS		<u>264,689</u>	<u>2,900</u>	<u>267,589</u>	<u>266,922</u>
PARISH FUNDS					
Unrestricted					
Church Fabric Sinking Fund		30,000	-	30,000	30,000
Little Fishes Solvency Fund		52,223	-	52,223	38,952
Vicarage Redecoration Fund		3,000	-	3,000	3,000
R Harvey Organ Fund		24,853	-	24,853	24,840
Vicar's Discretionary Fund (2)		1,000	-	1,000	-
House Reserve		136,076	-	136,076	136,076
General Fund		17,536	-	17,536	34,054
Restricted					
Bursary Fund		-	400	400	-
AV & IT Fund		-	2,500	2,500	-
TOTAL RESERVES		<u>264,689</u>	<u>2,900</u>	<u>267,589</u>	<u>266,922</u>

PAROCHIAL CHURCH COUNCIL OF ST JAMES' ROWLEDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES
Basis of financial statements

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs. They have been prepared under FRS102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP(FRS102)).

The financial statements have been prepared under the historical cost convention. The book value of fixed assets will therefore not necessarily reflect their market value. Indeed the market value of the house 25 Broad Ha'penny is likely to be significantly higher than the book 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 main affiliation to another body, nor those that are informal gatherings of church members.

Consecrated and benefice property is not included in the accounts in accordance with s.10(2)(a) and (c) of the Charities Act 2011.

PAROCHIAL CHURCH COUNCIL OF ST JAMES' ROWLEDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Notes

Fund type:

2 INCOME

2a VOLUNTARY GIVING

Giving and Gift-Aid

	2021			2020
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Giving	103,922	1,220	105,142	87,101
Gift-Aid Tax Recovered	24,270	180	24,450	20,678
	<u>128,192</u>	<u>1,400</u>	<u>129,592</u>	<u>107,779</u>
Donations and Grants	3,929	1,500	5,429	8,027
Legacies	5,000	-	5,000	21,505
	<u>8,929</u>	<u>1,500</u>	<u>10,429</u>	<u>29,532</u>
	<u>137,121</u>	<u>2,900</u>	<u>140,021</u>	<u>137,311</u>

2b ACTIVITIES FOR GENERATING FUNDS

Rowledge Village Fayre	1,283	-	1,283	-
'150' fundraising	2,189	-	2,189	-
Photojournal sales	-	-	-	150
Easyfundraising	102	-	102	72
Christmas Tree Festival (2019)	-	-	-	43
Christmas Card sales	455	-	455	345
Christingle	60	-	60	-
Other Fundraising	12	-	12	35
	<u>4,101</u>	<u>-</u>	<u>4,101</u>	<u>644</u>

2c CHURCH ACTIVITIES

Fees for Weddings and Funerals	6,543	-	6,543	3,476
Youth Activity fees	690	-	690	330
CJRS (Furlough) payments, excl LF	-	-	-	3,582
Miscellaneous Income	266	-	266	71
	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>7,460</u>

2d INCOME FROM INVESTMENTS

Interest	<u>41</u>	<u>-</u>	<u>41</u>	<u>333</u>
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2e TRADING INCOME

Little Fishes Income **9**

Fees & Deposits	105,034	-	105,034	101,892
Merchandising	1,170	-	1,170	238
Outings	438	-	438	131
CJRS (Furlough) payments	368	-	368	2,168
Other	747	-	747	948
	<u>107,756</u>	<u>-</u>	<u>107,756</u>	<u>105,376</u>
Magazine Income				
Subscriptions	1,474	-	1,474	3,295
Advertisements	5,017	-	5,017	5,439
	<u>6,491</u>	<u>-</u>	<u>6,491</u>	<u>8,734</u>
	<u>114,247</u>	<u>-</u>	<u>114,247</u>	<u>114,110</u>

TOTAL INCOME

<u>263,011</u>	<u>2,900</u>	<u>265,911</u>	<u>259,858</u>
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PAROCHIAL CHURCH COUNCIL OF ST JAMES' ROWLEDGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

This Expenditure is all for the General Fund - there was no expenditure in other funds

Notes	2021		2020	
	£	£	£	£
3 EXPENDITURE				
3a CHURCH ACTIVITIES				
General Expenditure				
Music	-		155	
Heat Light and Water	4,354		4,372	
Broadband and Telephone	977		1,354	
Insurance	696		1,680	
Printing and Stationery	4,003		5,721	
Churchyard and Drive	8,257		8,177	
Church Repairs and Maintenance	18,859		3,998	
Service costs	711		1,348	
		37,857		26,807
Parochial Expenses				
Administration	2,084		8,839	
Vicar's Costs	1,277		427	
Mission, Ministry Costs	1,237		282	
Vicarage Costs	1,299		1,407	
		5,896		10,955
Youth Costs		26,418		28,175
House Costs (incl. £3776 depreciation, in 2020 only)		1,645		8,759
Guildford Diocesan Parish Share Fee		82,761		77,096
Missions and Charities 8		1,391		-
		<u>155,969</u>		<u>151,792</u>
3b FUND RAISING COSTS				
Rowledge Village Fayre costs	469		-	
Christmas cards for sale	295		116	
		<u>764</u>		<u>116</u>
3c TRADING COSTS				
Little Fishes 9	104,446		77,904	
Magazine Production Costs	4,065		2,309	
		<u>108,511</u>		<u>80,213</u>
TOTAL COSTS		<u>265,244</u>		<u>232,122</u>

Depreciation of the house was suspended as at 31/12/20, so the £3776 depreciation charged in 2020 does not appear in 2021.

From 1/6/21 the PCC moved the insurance cover from Ecclesiastical Ins Co to Trinitas Church Insurance Services (underwritten by Aviva), with premium paid monthly rather than annually. The annual premium had always been recognised in full in the year paid rather than showing 5/12ths as a prepayment at year end.

The 2021 results therefore show insurance cost for just 7 months. 2021 expenditure would have been £1,193 higher (£700 for the Church, £493 for Little Fishes) if 5/12ths of the 1/6/20 renewal premium had been recognised in 2021.

PAROCHIAL CHURCH COUNCIL OF ST JAMES' ROWLEDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4	2021	2020
4a STAFF COSTS	£	£
Wages and Salaries (inc NI)		
Church Staff	22,010	28,836
Little Fishes Staff	94,291	73,166
	<u>116,301</u>	<u>102,002</u>

During the year the PCC employed a Youth and Children's Minister,
It also employed staff to run the Little Fishes pre-school.

During 2021 the PCC received £367.85 from HMRC as Coronavirus
Job Retention Scheme payments, all for furloughed LF staff.

This compares with a total of £5,750.45 CJRS payments in 2020 (£2,168 for LF staff, £3,582 for Admin staff).

These payments were processed in the accounts as income (see Notes 2e and 9)
so staff costs above are the gross costs, **not** net of CJRS.

4b PAYMENTS TO PCC MEMBERS

There were no payments to PCC members during the year.

5 FIXED ASSETS

Land and Buildings	2021	2020
	£	£
Actual Cost		
Starting Balance	188,810	188,810
Disposal	-	-
Additions at Cost	-	-
Closing Balance	<u>188,810</u>	<u>188,810</u>
Depreciation		
Starting Balance	52,734	48,958
Withdrawn on Disposal	-	-
Charge for the Year	-	3,776
Closing Balance	<u>52,734</u>	<u>52,734</u>
Closing Written Down Value	<u><u>136,076</u></u>	<u><u>136,076</u></u>

The Land and Buildings comprises the freehold house at 25 Broad Ha'penny, Farnham GU10 4TF
The PCC decided in 2021 not to charge depreciation after 31/12/20 because the written down value
is well below the current market value.

PAROCHIAL CHURCH COUNCIL OF ST JAMES' ROWLEDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
6 DEBTORS		
Prepayments and accrued income		
Prepayments (to Lee Abbey)	1,500	1,500
HMRC (Gift Aid claim)	301	5,505
Other Debtors	-	512
	<u>1,801</u>	<u>7,517</u>
7 LIABILITIES		
7a Amounts falling due in one year		
Creditors - accounts payable	3,454	6,465
7b Vicar's Discretionary Fund (1)	1,042	1,455
7c Deferred Income		
Deferred Magazine Subscription	110	-
Deferred Advertising Income	1,615	340
Deferred Little Fishes Deposits	250	250
Deferred Wedding Income	681	1,351
Deposits paid for Lee Abbey 2022 weekend	2,200	-
	<u>4,856</u>	<u>1,941</u>
	<u>9,352</u>	<u>9,861</u>
8 CHARITABLE GIVING		
Local and National		
FCCT	1,200	-
Grassroots	131	-
The Children's Society	60	-
	1,391	-
International	-	-
	<u>1,391</u>	<u>-</u>

PAROCHIAL CHURCH COUNCIL OF ST JAMES' ROWLEDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9 LITTLE FISHES NURSERY SCHOOL

	2021		2020	
	£	£	£	£
INCOME				
Fees & Deposits	105,034		101,892	
Outings	438		131	
Activities for generating funds	1,170		238	
CJRS (Furlough scheme) payments	368		2,168	
Other	747		948	
Total Income		107,756		105,376
EXPENDITURE				
Staff Costs & Expenses	94,291		73,166	
Rent	-		-	
Insurance	484		1,183	
Stationery & Materials	2,150		1,349	
Food	642		394	
Equipment	2,362		357	
Training	1,301		538	
Outings	379		204	
Merchandising Costs	1,097		219	
Miscellaneous	1,741		494	
Total Expenditure		104,446		77,904
Net Income/Expenditure		<u>3,310</u>		<u>27,472</u>

These financial statements do not include any crosscharge to Little Fishes for rent and utilities costs.

Because of a change to paying insurance monthly rather than annually at the 1/6/21 renewal the 2021 results show insurance cost for just 7 months. 2021 LF expenditure would have been £493 higher if 5/12ths of the 1/6/20 renewal premium had been recognised in 2021.

PAROCHIAL CHURCH COUNCIL OF ST JAMES' ROWLEDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 FUND MOVEMENT SUMMARY 2021

Fund Name	Opening Balance 1/1/2021	Income	Expenditure	Fund Transfers	Closing Balance 31/12/2021
Church Fabric Sinking Fund	30,000	0	0	0	30,000
Little Fishes Solvency Fund	38,952	0	0	13,271	52,223
Vicarage Redecoration Fund	3,000	0	0	0	3,000
R Harvey Organ Fund	24,840	0	0	14	24,853
Vicar's Discretionary Fund (2)	0	0	0	1,000	1,000
House Reserve	136,076	0	0	0	136,076
General	34,054	263,011	265,244	-14,284	17,536
Bursary Fund	0	400	0	0	400
AV and IT Fund	0	2,500	0	0	2,500
TOTAL	266,922	265,911	265,244	0	267,589

2021 Independent Examiner's Report

Independent Examiner's Report to the members/trustees of St James' Church Rowledge Parochial Church Council

I report on the accounts for the year ended 31st December 2021 which are set out in the 'Financial Review' and 'Financial Statements' sections of this Annual Report.

Respective responsibilities of the Trustees and Independent Examiner

As trustees of the charity, the members of the PCC are responsible for the preparation of the accounts. They consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to

- Examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act); and
- To state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

Since the gross income for the year exceeds the amount provided in section 145(3) of the 2011 Act, I confirm that I am qualified to act as an Independent Examiner under the provisions of that section of the Act and that my qualification is as shown below.

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 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
 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.



Peter Handscomb FCA

26 March 2022



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