

PCC Annual Report for 2021

Administrative information

The Parochial Church Council (PCC) of St Michael & All Angels serves the communities of Southwick and Fishersgate in the diocese of Chichester. The following people have served on the Council during 2021/22, with their year of election shown after their name:

Revd J French – Incumbent
Mr T Backshall - Churchwarden
Mrs E Luff - Churchwarden

Mrs J Aspinall *21
Ms K Long *21
Mrs J Powell *21 - Secretary
Mr G Walder *21 - Treasurer

Mrs R Ellis 17
Mrs H Scott 17

Mrs S Byrne-Smith 18
Mrs A Jackson 18
Mrs G Courtage 21 (filling casual vacancy)

Mrs M Kelly **19 - Safeguarding
Miss A Beal 19
Mrs B Elms 19
Miss K Hamnett 19
Mr K McQueen **19 – Asst Treasurer

* Deanery Synod member

** Co-opted member

Structure, governance and management

The appointment of PCC members is governed by the Church Representation Rules. After ex-officio posts (clergy, churchwardens and deanery synod representatives) have been filled, one third of the ordinary members (four people) retire each year but can be re-elected after one year. Elected members normally serve three-year terms, but this has been extended due to the extenuating circumstances caused by Covid.

The PCC is a corporate body established by the Church of England. It operates under the PCC (Powers) Measure 1956 and the Synodical Government Measure 1969. The PCC is legally a charity and is registered with the Charity Commission (Number 1130870). This report has been drawn up in the frameworks of the Charities Act 1993, Charity SORP 2005 and Church Accounting Regulations 2006.

The address for correspondence is Mrs J Powell, 12 Phoenix Crescent, Southwick, West Sussex, BN42 4HR. The Council's bankers are Barclays Bank plc and Messrs Hodson and Co are the Independent Examiners. The PCC has delegated the day to day management of the Parish to the incumbent, Revd. Jonathan French.

This report covers the year to December 2021 and significant events during the early months of 2022.

Objectives

St Michael's PCC has the legal responsibility of co-operating "with the incumbent in promoting in the parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical." It is also responsible for maintaining various buildings in the parish including St Michael's Church and Hall.

Achievements and performance

Church attendance

Sadly, many of the Corona Virus pandemic restrictions continued for much of 2021, but gradually we moved back to holding weekly services in church, albeit with certain limitations to maintain safety measures. Each slow step forward has been welcomed as a sign of a return to normality and by Christmas, we enjoyed most of our normal celebrations which included music and singing – even if it was through face masks! Contact and zoom services were continued with those unable or unwilling to attend in person, including sending out activity packs to the younger members of our church family.

Review of the year

As only minimal communal worship and activities took place, the PCC met only 5 times during 2021 and urgent matters were dealt with by members of the standing committee. There were 1 baptism, 1 wedding and 7 funerals in church, including those of our dear friends Sylvia Kinsey and Victor Fleet. The cheerful contribution they each made to parish services and events is much missed.

Once again, the existing wardens and PCC members continued to serve, but new Deanery Synod representatives were elected at the APCM. The Fabric Committee continued to monitor the condition of the church and church hall and members of the Pastoral Group were kept busy keeping in touch with those with problems or we had not seen. The Social and Fundraising Committee arranged a very successful Car Boot Sale, one of the few held in Shoreham in 2021, which brought in much needed funds.

Despite the trials and hardships we all suffered, this church has stuck together and provided much mutual support and encouragement. We did manage to provide some help to the Diocesan charity, Family Support Work and joined in the Churches Together project to get people in Southwick to cheer up the neighbourhood by growing sunflowers, a great reminder of God's wonderful creation and his constant presence.

Plans for the future

The pandemic has affected all aspects of our lives. Confidence needs to be rebuilt and financial security restored. We are being encouraged to view this situation as an opportunity to review our old and interim practices and cease what doesn't work or isn't missed to make room for new ideas and methods, as reflected in our new Mission Action Plan. This will be difficult and challenging, so we all need to step up to the mark, taking an active part and encouraging and supporting others. This is a big ask, but, as Christians, we can move forward with the sure knowledge that, whatever happens, God is with us in our endeavours to do his will.

Financial Review

This being the year when we had a couple of extra sources of income, I had high hopes that that this would be a year when we could at last show a profit. The two extra items of income were from the sale of Holy Trinity Church and a generous legacy from Jean Danzelman giving us an additional £21,000 income this year. Unfortunately, this has been overtaken by a £6,000 overcharge by Gazprom. So, in the end, we have a deficit of just under £2,000. This is now the 4th year in a row where we are reporting a deficit and it is beginning to impact on our reserves.

We therefore convened an Extraordinary PCC meeting where it was agreed to reduce our Parish Contribution. We were alarmed by the fact that last year we were the only Parish in the Deanery to pay 100% of our Parish Contribution.

We have to take a realistic view of our longer term income and expenditure. Hall bookings are now up on last year but have not quite recovered to 2018 levels and income from fund raising is still some way down and is unlikely to return to pre-Covid levels. Income from regular giving has only had a very slight dip and we give thanks for the discipline of giving by standing orders, which have held up well during Covid times.

Expenditure is only increasing very slightly as the Church reopens, but we are anticipating some rises as inflation starts to take hold on day-to-day expenses.

Reserves Policy

1. The current account is currently at about £47,000 and there is about £26,000 in our investment accounts which gives us some interest. This is being held as an emergency fund for Boiler Repairs and long term maintenance.
2. The Kenyon Trust is a restricted fund for repair to St. Peters Church. The fund comprises CBF shares and is valued at £28,404. At present West Sussex County Council is leasing the building, so the fund remains unspent and is held by the Diocese.
3. The Simmons Trust is an endowment fund comprising 449 shares in a CBF Investment Fund, valued at £10,515 which may not be spent. Interest from this fund is paid into the General Fund.

Approved by the PCC on 20 September 22 and signed on its behalf by the Chair

The Reverend Jonathan French

Churchwardens' Report

It is great to see the church being used more again as people feel able to return to worship at St Michael's. It has been wonderful to be able to return to a relatively normal style of worship and to have the choir singing again.

The redecoration of the church was completed some time ago. People returning after a period of time away are now seeing what has been done.

The hall remains a vitally important resource for St Michael's. We have been able to gather after Sunday worship again to have a coffee and a chat. Coffee and Company is meeting again and provides a much valued source of companionship and friendship. Church Lane Nursery continues to be the main user of the hall on a weekly basis. We are pleased that they have increased the amount of time that they use the hall to include Wednesday afternoons. Other lettings are gradually picking up again.

Many of our social activities have not been able to go ahead. It has been frustrating when people have planned events only to see Covid rates increase to the point where we have had no choice but to postpone them. We continue to be hopeful that more of our social events will be able to take place in the coming months.

Elaine Luff and Tom Backshall

Independent examiner's report to the Trustees of Parochial Church Council of St Michael and All Angels, Southwick

I report to the trustees on my examination of the accounts of Parochial Church Council of St Michael and All Angels, Southwick (the PCC) for the year ended 31 December 2021 which are set out on pages 10 to 19.

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').

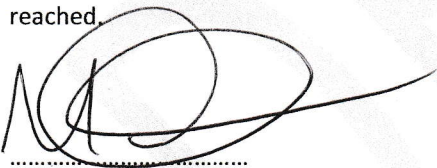
I report in respect of my examination of the Trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

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.



Matthew Hodson FCA
Independent examiner
Hodson & Co
Wiston House
1 Wiston Avenue
Worthing
West Sussex
BN14 7QL

Date: 20/09/22

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st DECEMBER 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
Incoming resources						
<i>Voluntary income</i>	2a	81,731	106		81,837	68,965
<i>Activities for generating funds</i>	2b	2,203			2,203	984
<i>Income from investments</i>	2c	318			318	553
<i>Church activities</i>	2d	11,777			11,777	9,208
<i>Other incoming resources</i>	2e	31,079			31,079	89,869
Total incoming resources		127,108	106		127,214	169,579
Resources expended						
<i>Costs of generating voluntary income</i>	3a	150			150	590
<i>Fund-raising trading costs</i>	3b	300			300	400
<i>Church activities</i>	3c	119,236	417		119,653	137,578
<i>Governance Costs</i>	3d	3,048			3,048	600
Total resources expended		122,734	417		123,151	139,168
Net incoming/(outgoing) resources		4,374	(311)		4,063	30,411
<i>Other recognised gains/losses</i>		(45,661)			(45,661)	
<i>Gains/(losses) on revaluation of fixed assets</i>	5					1,496
<i>Gains/(losses) on investment assets</i>	6		2,284	1,316	3,600	-67,649
Net movement in funds		(41,287)	1,973	1,316	(37,998)	(35,742)
Total funds brought forward at 1st January 2021		325,061	32,229	9,199	366,489	
Total funds carried forward at 31st December 2021		283,774	34,202	10,515	328,491	

Change notes 7 and 10

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

BALANCE SHEET AT 31st DECEMBER 2021

	Notes	2021	2020
		£	£
Fixed assets			
Tangible fixed assets	5	200,000	200,000
Investments	6	38,919	34,319
Total fixed assets		<u>238,919</u>	<u>234,319</u>
Current assets			
Debtors	8	17,000	10,000
Short term deposits		26,200	72,861
Cash at bank and in hand		<u>48,070</u>	<u>49,709</u>
		91,270	132,570
Creditors: amounts falling due within one year	9	-1,698	<u>-400</u>
Net current assets		89,572	132,170
Total assets less current liabilities		<u>328,491</u>	<u>366,489</u>
Creditors: amounts falling due after one year	9	0	0
NET ASSETS		<u>328,491</u>	<u>366,489</u>
Funds	7		
Endowment funds	10	10,515	9,199
Restricted funds	10	34,202	32,229
Unrestricted funds	10	283,774	325,061
		<u>328,491</u>	<u>366,489</u>

Approved by the Parochial Church Council on 20 September 22 and signed on its behalf

The Revd Jonathan French
Chairman

The Revd Jonathan French

The accompanying notes form a part of these financial statements.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2021**

1. Accounting policies

a Accounting convention

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and SORP 2005.

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and the revaluation of fixed assets. 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 purposes 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.

Endowment funds - funds the capital of which must be maintained; only income arising from the investment of the endowment may be used, either as restricted or unrestricted funds, depending on the purpose set out in the terms of the original endowment

c Incoming resources

All incoming resources are accounted for gross.

Voluntary Income

Collections are recognised when received.

Planned giving receivable is recognised only when received.

Income tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants and legacies are recognised when the PCC is legally entitled to the amount due.

Income from investments

Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue.

All other income

All other income is recognised when it is receivable.

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.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2021**

d Resources used

Resources expended are accounted for on an accruals basis and are accounted for gross.

Grants

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

Church Activities

The diocesan parish contribution is accounted for when paid. Any parish contribution unpaid at 31st 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

Consecrated and beneficed property of any kind is excluded from the accounts by s.96(2) of the Charities Act 1993.

Movable 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's inventory which can be inspected. For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Individual items acquired since 2000 have been capitalised in the accounts and depreciated over their useful economic life (see note (d)).

All expenditure on consecrated or beneficed buildings and individual items costing 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:

Fixtures and fittings	25% straight line
Computer equipment	30% straight line

No depreciation is provided on freehold property as it is the PCC's policy to maintain these assets in a continual state of sound repair. The useful economic life of these assets is so long and residual values so high that any depreciation would not be material. These assets will be subject to annual impairment reviews. Provision will be made if there has been any permanent diminution in value.

Investments

Investments are stated at market value at the balance sheet date.

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 Funds, or at the bank.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2021

2 Incoming resources

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
a Voluntary income					
Planned giving	53,063			53,063	54,693
Collections at all services	1,365			1,365	1,110
Sundry donations and appeals	909	106		1,015	119
Income tax recoverable	13,714			13,714	13,043
Legacies	12,680			12,680	
	<u>81,731</u>	<u>106</u>		<u>81,837</u>	<u>68,965</u>
b Activities for generating funds					
Fetes, bazaars and other fund-raising events	2,203			2,203	984
	<u>2,203</u>			<u>2,203</u>	<u>984</u>
c Investment income					
Dividends and interest	318			318	553
	<u>318</u>			<u>318</u>	<u>553</u>
d Income from Church Activities					
Church hall lettings etc	10,443			10,443	8,753
Fees from weddings etc	1,334			1,334	455
	<u>11,777</u>			<u>11,777</u>	<u>9,208</u>
e Other incoming resources					
Curate's House rent	17,100			17,100	16,920
Sale of land					71,496
HMRC grants					1,453
From Deanery sales of redundant churches	11,000			11,000	
DCMS scheme	2,979			2,979	
	<u>31,079</u>			<u>31,079</u>	<u>89,869</u>
Total incoming resources	<u>127,108</u>	<u>106</u>		<u>127,214</u>	<u>169,579</u>

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2021**

3 Resources expended

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
a Costs of generating voluntary income					
Stewardship costs	150			150	590
	<u>150</u>			<u>150</u>	<u>590</u>
b Fund-raising trading costs					
Fete costs					
Miscellaneous fundraising activities	300			300	400
	<u>300</u>			<u>300</u>	<u>400</u>
c Church Activities					
Missionary and charitable giving (see note 11):					
Church societies overseas					
Christian relief and development agencies					
Home missions	6	162		168	431
Other charities & organisations		255		255	
	<u>6</u>	<u>417</u>		<u>423</u>	<u>431</u>
Ministry costs:					
diocesan parish contribution	74,300			74,300	73,295
Incumbent's expenses	2,801			2,801	2,569
other clergy costs	5,147			5,147	3,958
Church running expenses	7,765			7,765	7,914
Church maintenance	5,638			5,638	3,292
Upkeep of services	8,145			8,145	9,902
Upkeep of 1 Church House Close	2,403			2,403	2,820
Church hall running costs	12,246			12,246	11,845
Youth and children's work	785			785	420
Church redecoration (including architect's fees)					21,132
	<u>119,236</u>	<u>417</u>		<u>119,653</u>	<u>137,578</u>
d Governance costs					
Cost of annual accounts	3,048			3,048	600
	<u>3,048</u>			<u>3,048</u>	<u>600</u>
Total resources expended	<u>122,734</u>	<u>417</u>		<u>123,151</u>	<u>139,168</u>

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2021**

4 Staff costs

	2021
	£
a Wages and salaries	16,684

During the year the PCC employed an organist, cleaners for the church hall, and an office administrator. All are part time.

b Payments to PCC members

Mr Adrian Ellis, whose wife serves on the PCC, provided professional garden services for maintenance of the hall gardens.

Mrs S. Byrne-Smith is the Parish Administrator and is a PCC member. Her sister, Mrs S. Bowrah, is a member of the hall cleaning team

Dr. H. O'Neal is the organist.

There were no other payments made to PCC members or persons closely connected to them, nor other related parties, during the year.

5 Tangible fixed assets

	Freehold land and buildings	TOTAL
Cost or valuation	£	£
At 1st January 2021	200,000	200,000
Additions	-	-
Disposals	-	-
Revaluation	-	-
At 31st December 2021	<u>200,000</u>	<u>200,000</u>
Depreciation		
	-	-
At 1st January 2021	<u>200,000</u>	<u>200,000</u>
At 31st December 2021	<u>200,000</u>	<u>200,000</u>

The freehold land and buildings comprise solely the curate's house at 1 Church House Close, Southwick

6 Investments

	£
Market value 1st January 2021	35,319
Disposals at carrying value	0
Purchases at cost	0
Net gains and revaluation (note 7)	3,600
Market value 31st December 2021	<u>38,919</u>

These are funds, held through the Diocese, which are revalued annually at 31st December.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2021**

7 Analysis of Net assets by fund

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Fixed assets for church use	200,000			200,000
Investment fixed assets		28,404	10,515	38,919
Current assets	85,472	5,798		91,270
Current liabilities	-1,698			-1,698
Long term liabilities				
	283,774	34,202	10,515	328,491

8 Debtors

	2021 £	2020 £
Income tax recoverable	11,000	10,000
Prepayments and accrued income	6,000	0
Other debtors	0	0
	17,000	10,000

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals for utilities and other costs	1,698	400
Other creditors		
	1,698	400

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2021**

10 Statement of funds

	Bal b/fwd 1st Jan 2021	Income	Expenditure	Transfers, other gains and losses	Bal c/fwd 31st Dec 2021
	£	£	£	£	£
Unrestricted Fund					
General fund	288,061	127,108	(122,734)	-105,661	186,774
Designated funds:-					
Church reordering fund	30,000				30,000
Repairs & Renewals	7,000			60,000	67,000
	<u>325,061</u>	<u>127,108</u>	<u>-122,734</u>	<u>-45,661</u>	<u>283,774</u>
Restricted Funds					
Kenyon Trust	26,120			2,284	28,404
Outward Giving etc.	6,109	106	-417		5,798
	<u>32,229</u>	<u>106</u>	<u>-417</u>	<u>2,284</u>	<u>34,202</u>
Endowment Fund					
Simmonds Trust	9,199			1,316	10,515
	<u>9,199</u>	<u>0</u>	<u>0</u>	<u>1,316</u>	<u>10,515</u>
Total funds	<u><u>366,489</u></u>	<u><u>127,214</u></u>	<u><u>-123,151</u></u>	<u><u>-42,061</u></u>	<u><u>328,491</u></u>

The PCC decided to re-assess the designated funds and set aside a sum of £30,000 for reordering and a sum of £67,000 for repairs and renewals.

The Kenyon Trust fund has a value of £28,404 and is held in CBF deposit and share accounts.

The Simmonds Trust fund is an endowment, which provides quarterly interest to the PCC General Fund and comprises 449 CBF Investment Fund shares.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL AND ALL ANGELS, SOUTHWICK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2021**

11. Outward Giving	£	£
	Unrestricted	Restricted
a). Church societies overseas		
b). Christian Relief and Development Agencies		
c). Home missions		
Chichester Diocesan Association for Family Support Work		162
The Church Aid Society	6	
Turning Tides		150
Open Book		30
d). Other charities and organisations		
PDSA		75
Total	6	417