

REGISTERED CHARITY NUMBER: 1130891

Parochial Church Council of St. Peter & St. Paul, Shepton Mallet

**Trustees Annual Report and Unaudited Financial
Statements**

31st December 2021

Annual Report and Financial Statements

Year ended 31st December 2021

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Parochial Church Council of St. Peter & St. Paul, Shepton Mallet

Trustees Annual Report

Year ended 31st December 2021

ADMINISTRATIVE INFORMATION

St Peter & St Paul Church, Shepton Mallet is situated in Somerset and is part of the Diocese of Bath and Wells within the Church of England. The correspondence address is Peter Street Rooms, Peter Street, Shepton Mallet, Somerset, BA4 5BL.

The Parochial Church Council (PCC) is a Registered Charity (Number 1130891).

PCC members (trustees) who served during the period were as follows:

Rector	Rev. Jonathan Hunter Dunn
Churchwardens	Vaughan Ives, Nick Bennett
Lay Chairperson	David Crisfield
Treasurer	John Knight
Secretary	Robert Goodhand
Deanery Synod	Suzi Mackenzie, and from April Chris Lord
Elected Members	Wendi Davis, Stephen Jarrett, Cliff Brown, Steve Bruce-Jones, Moira Knight

to April Sophie Jarrett
from April Ros Baldwin

Independent Examiner Simone Paull (ACMA)

Structure, governance and management

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

Objectives and activities

Shepton Mallet PCC has the responsibility of co-operating with the incumbent in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has maintenance responsibilities for the St Peter & St Paul's Church and associated property.

Church Attendance

There were 116 parishioners on the Church Electoral Role (Oct 2021). Declared Church membership as of October 2021 was 114. Average, in-church, attendance when restrictions permitted was 62 and there was an average of 21 connections listening on-line during the same period.

We conducted 2 Baptisms, 17 Funeral Services and 4 Wedding ceremonies.

Families, children and youth ministry

Although 2021 began with another Covid lockdown, as the pandemic began to ease, we were able to begin restarting, and expanding on many of the regular activities for children, you and families at St. Peter and St. Paul's. Over the past year, our core number of church families has increased. Over two groups, we have 12 children meeting regularly, with another 5 coming intermittently. In 2021 we were also able to restart a group for toddlers and their carers, Treasure Tots, where we regularly see around 11-12 families each week. Our midweek Bible study and fellowship group for our church family teenagers also continues, now in-person. School assemblies regularly take place with our local Junior School, both online and in-person. In 2021, we were also able to hold Christmas services in-person, with a Christingle service, and two Christmas Eve nativity services, while the local Secondary School also held their Christmas Concert at the church for the first time. Encouragingly, the number of volunteers serving within the children's and youth ministry has also increased by a good number over this past year.

Trustees Annual Report (continued)

Year ended 31st December 2021

RECTOR'S REVIEW OF THE YEAR

**"In him you also are being built together into a dwelling place for God
by the Spirit." Ephesians 2:22**

Thinking about lockdown, in last year's report I used the image of stones scattered (Ecclesiastes 3:5) for a season, gathered again to be built together in a new way (1 Peter 2:5). Looking back over 2021, we begin see something of this new building in our joy, growth, fellowship and, not least, our unity.

When someone becomes a Christian, the transformation of their identity is comprehensive: the lost is found, the dead sinner is now alive in Christ, the child of wrath becomes a child of God (cf. Ephesians 2). But Christians are not each alone in Christ. We join His Family of the local Church. The Gospel is therefore at the very heart of our fellowship and unity. Only God can soften hard hearts, only God can open blind eyes and only God can bring disparate people together and form something truly, gloriously united: His Church. In Jesus, God is building a holy temple, Ephesians 2:21, that is '...being built together into a dwelling place for God by the Spirit.'

How has this been evident in the life of St. Peter and St. Paul's over the past year?

The second temporary suspension of in-person services due to the Covid pandemic early in 2021 gave us valuable time and space to re-evaluate our pattern of in-person services. Towards the end of 2020, the Service Discernment Group (SDG) was formed. A diverse group, their brief was prayerfully to consider what patterns of services we should adopt in the short, medium and longer term.

Easter 2021 saw us return to in-person services after the second lockdown. This was a humble beginning, a time of joy and some frustration: the joy of gathering together again was frustrated by continued restrictions on seating, masks and singing.

As restrictions eased, the vision of the SDG was put first to the PCC and then commended to the church family. In brief, for not less than a year, we would meet as one Church Family at 10:30 am on Sunday mornings. We would work hard to develop a service that acknowledged the wide range of preferences within the Family. This new service was launched on Sunday 1st August 2021. Previously, during the suspension of in-person services, we had been pre-recording and producing services which were streamed Sunday mornings. While a great success, the workload of preparing them was unsustainable so these were replaced with a live audio feed through our new internet radio channel LifeStream. Progress in developing this new common service has been slower than anticipated. Though a work in progress, there is already much to celebrate and huge potential as we keep looking to Jesus.

During the Summer of 2021 we reviewed suitable evangelistic material. This was developed into the course: Imagine... the world we all want, aimed at reaching Shepton Mallet in the Winter of 2022.

These are merely two of the more significant developments in what has been a surprisingly good year despite ongoing challenges of Covid. It is amazing – deeply humbling – when I stop to think how many are serving - using their individual gifts for the good of all to the praise of Jesus. I thank you all for responding to the call of Jesus and for your love, care and support of me and Emma and Zach.

In all this we feel the Lord at work in our midst and look ahead with humble hope in Him as we pray for Him to do more with us to His Glory.

In Him, Jonathan

Rev. Jonathan Hunter Dunn

Trustees Annual Report (continued)

Year ended 31st December 2021

FINANCE REPORT

Income

Our total income for the year was £170,504 representing an increase of 18% on 2020. Planned Giving and Ad hoc Donations to the General Fund were 19% higher and Cash Collections were 17% lower. Our income from Gift Aid increased by 21% but Weddings & Funerals income decreased by 50% due to a once-off catch up in accounting for these in the previous year.

Two restricted ad hoc donations of £20,000 each were received into the funds for the Re-ordering and Digital Organ.

Expenditure

Our total expenditure of £160,864 represents an increase of 21% on last year. The main increases from last year that contributed to this were: Parish Share (up £5,381), Children's and Youthwork (up £20,636 with Families Worker employed for the full year), and Professional Fees associated with our Re-ordering project (up £9,482). Charitable Giving fell by £1,950 as the PCC decided to retain this for emergency giving in future years. Most other categories of expenditure were little changed from 2020.

Funds value

In addition to the income and expenditure movements outlined above the value of the PCC's investments rose by £2,237 over the year recovering 64% of the value lost in the previous year.

The net result of the excess of income over expenditure and the increase in investment value was to increase the value of the PCC's total funds by £11,877 to £145,964. Within this total, however, the value of the General Fund fell by £15,722 (22%) to £58,077, of which £12,451 is held in tangible fixed assets which are not readily usable as cash.

Reserves

The PCC is required to formulate and disclose its policy on "reserves", i.e. the level of funds which are freely available at any time. The PCC has adopted a policy to maintain reserves of £41,500 which is based upon 3 months of average projected general expenditure to cover variability in the timing of outgoings and a £5,000 lump sum to cover unforeseen short term building maintenance needs. The PCC defines reserves as the total value of its unrestricted funds less Tangible fixed assets. Using this definition, PCC reserves were therefore £69,928 on 31 December 2021, down £10,422 on the previous year.

Comments

The uncertainties of the pandemic continued through 2021 and by mid-year we were forecasting a general fund deficit of £45k by the end of the year. A presentation to the church family in July plus a number of significant one-off gifts combined with reduced expenditure on building maintenance resulted in a greatly reduced deficit of £13k at the year end. The installation of a digital organ (to be completed in 2022) was fully funded by a single, generous gift. As we plan for 2022 with greatly increased utility costs and anticipate the increasing living costs of our church family, a further deficit budget of £24k has been agreed by the PCC.

John Knight

Independent Examiner's Report to the Trustees

Year ended 31st December 2021

I report to the trustees on my examination of the financial statements of Parochial Church Council of St. Peter & St. Paul, Shepton Mallet ('the charity') for the year ended 31 December 2021.

Responsibilities and basis of report

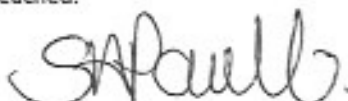
As the trustees or the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act'). I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in 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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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.



SIMONE PAULL ACMA
Independent Examiner

Date 6th March 2022

45 Compton Rd, Shepton Mallet BA4 5QR

Parochial Church Council of St. Peter & St. Paul, Shepton Mallet

Statement of Financial Activities

31st December 2021

		2021			2020
	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Income		£	£	£	£
Donations & Legacies	4	119,200	40,000	159,200	125,967
Charitable Activities	5	7,456	0	7,456	14,337
Trading Activities	6	1,923	0	1,923	2,909
Investment Income/Interest	7	1,294	0	1,294	1,377
Other Income	8	632	0	632	462
Total Income		130,504	40,000	170,504	145,052
Expenditure					
Expenditure on fundraising		0	0	0	0
Expenditure on Charitable Activities	9	143,122	12,351	155,473	125,230
Other Expenditure	10	5,391	0	5,391	7,344
Total Expenditure		148,513	12,351	160,864	132,574
Net Income/(Expenditure)		-18,009	27,649	9,640	12,478
Transfers between funds		0	0	0	0
Gains on investments	11	2,237	0	2,237	0
Net Movement in Funds		-15,772	27,649	11,877	12,478
Total Funds brought forward		98,151	35,936	134,087	
Total Funds Carried forward		82,379	63,585	145,964	

The statement of financial activities includes all gains and losses recognised in the year

All income and expenditure derives from continuing activities.

Statement of Financial Position

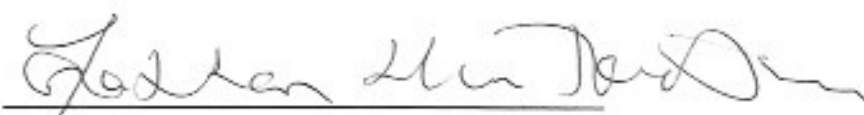
31st December 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible Fixed Assets	15	12,451	17,801
Intangible Fixed Assets	16	19,184	16,946
Total Fixed Assets		31,634	34,748
Current Assets			
Cash at bank and in hand		114,330	99,340
Total Current Assets		114,330	99,340
Liabilities			
Agency Collections		0	0
Total Liabilities		0	0
Net Assets		145,964	134,087
Represented by Funds	17		
Unrestricted - General		58,077	73,849
Unrestricted - Designated		24,302	24,302
Restricted		63,585	35,936
Total Funds		145,964	134,087

The notes on pages 9 to 13 form part of these financial statements

The Trustees Annual Report and Financial Statements were approved by the PCC and authorised for presentation to the APCM.

Rev. Jonathan Hunter Dunn
PCC Chairman


Date 14th March 2022

Notes to Financial Statements

1. General information

2. Statement of compliance

3. Accounting Policies

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value.

Going concern

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds which have been earmarked by the trustees for a particular future project or commitment.

Restricted funds are subject to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Incoming resources

All incoming resources are included in the statement of financial activities when the income has been received .

Resources expended

Expenditure is recognised when a payment is made. Expenditure includes any VAT and is classified under headings of the statement of financial activities to which it relates i.e.

** expenditure on raising funds includes all the costs of fundraising activities, events, non-charitable trading activities, and the purchase of goods for sale;

** expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including support costs and costs relating to the governance of the charity;

** other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible fixed assets and depreciation

All tangible fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less any residual value, over its useful economic life as follows:

Office equipment	straight line over 4 years
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Audiovisual equipment straight line over 5 years

The annual depreciation charge is recognised in expenditure

Investments

Investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Parochial Church Council of St. Peter & St. Paul, Shepton Mallet

Notes to Financial Statements (continued)

31st December 2021

	Unrestricted £	2021 Restricted £	Total £	2020 Total £
4. Donations & Legacies				
Planned giving	76,321	-	76,321	65,466
Cash collections	2,056	-	2,056	2,472
Ad hoc donations	12,443	40,000	52,443	16,225
Income tax recovered	27,630	-	27,630	22,771
Grants	750	-	750	-
Legacies	-	-	-	19,033
Total donations and legacies	119,200	40,000	159,200	125,967
5. Charitable activities				
Donations to toddlers/children/youth	258	-	258	913
Wedding and funeral fees retained	6,658	-	6,658	13,055
Other income from charitable activities	539	-	539	369
Total charitable activity income	7,456	0	7,456	14,337
6. Trading Activities				
Bookstall	1,024	-	1,024	1,230
Peter Street lettings	375	-	375	150
Church lettings	505	-	505	0
Refreshments	19	-	19	104
Concerts and functions	-	-	-	0
Parish weekend	-	-	-	1,425
Total trading activity income	1,923	0	1,923	2,909
7. Investment Income				
Dividends and Interest	1,294	0	1,294	1,377
8. Other Income				
Fundraising income	497	-	497	43
Miscellaneous Income	135	-	135	419
Total other income	632	0	632	462

Parochial Church of St. Peter & St. Paul, Shepton Mallet

Notes to Financial Statements (continued)

31st December 2021

	Note	Unrestricted £	2021 Restricted £	Total £	2020 Total £
9. Expenditure on Charitable Activities					
Parish Share		68,237	-	68,237	62,856
Childrens & Youthwork		27,831	-	27,831	7,207
Finance & Administration		14,937	-	14,937	15,637
Charitable Giving	18	10,000	235	10,235	12,185
Church Utilities & Insurance		5,826	-	5,826	7,007
Church Buildings & Maintenance		2,442	11,156	13,598	6,633
Weddings & Funerals		3,097	-	3,097	3,370
Music & Services		1,055	960	2,015	2,231
Clergy Expenses		1,957	-	1,957	1,757
Training & Recruitment		250	-	250	300
Books to promote objectives		1,215	-	1,215	320
Mission		894	-	894	214
Equipment		31	-	31	163
Depreciation	12	5,350	-	5,350	5,350
Total Exp. on Charitable Activities		143,122	12,351	155,473	125,230

10. Other Expenditure

PSR Buildings & Maintenance	898	-	898	1,708
PSR Utilities & Insurance	2,691	-	2,691	2,837
Parish Away Day	-	-	0	1,425
Bookstall	1,280	-	1,280	1,142
Refreshment costs	238	-	238	88
Concerts & Functions	210	-	210	0
Miscellaneous costs	75	-	75	143
Total Other Expenditure	5,391	-	5,391	7,344

	2021 £	2,020 £
11. Net gains on investments		
M&G Charifund and Charibond	2,237	-3,519

12. Depreciation

Net income is stated after charging depreciation of tangible fixed assets as follows:

Photocopier	1,200	1,200
A/V Equipment	4,150	4,150
Total depreciation	5,350	5,350

13. Staff costs

The total staff costs (including employee benefits) for the year	37,949	17,243
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The PCC employed a Parish Administrator and a Families Youth and Children's Worker throughout the year so the number of employees at the year end was 2 (2020 : 2)

Parochial Church of St. Peter & St. Paul, Shepton Mallet

Notes to Financial Statements Continued)

31st December 2021

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were paid to trustees or persons directly associated with them except for the reimbursement of expenses incurred by various trustees on behalf of the PCC.

15. Tangible fixed assets

	£
<u>Acquisition cost</u>	
Brought forward at 1 January 2021	25,551
Additions	0
Disposals	0
Carried forward at 31 December 2021	25,551
<u>Depreciation</u>	
Brought forward at 1 January 2021	7,750
Charge for the year	5,350
Carried forward at 31 December 2021	13,100
<u>Carrying Amount</u>	
Brought forward at 1 January 2021	17,801
Carried forward at 31 December 2021	12,451

16. Investments

M&G Charifund and Charibond	
Valuation at 1 January 2021	16,946
Revaluation	2,237
Valuation at 31 December 2021	19,184

17. Analysis by fund

	Value 1st Jan	Income & Gains	Expenditure	Transfers	Value 31st Dec
	£	£	£	£	£
Unrestricted Funds					
General	73,849	130,504	148,513	0	58,077
Designated Funds					
Margaret Dyke	24,302	0	0	0	24,302
Total Unrestricted Funds	98,151	130,504	148,513	0	82,379
Restricted Funds	£	£	£	£	£
Roof Repairs	0	0	0	0	0
Re-Ordering	35,141	20,000	11,156	0	43,985
Digital Organ	560	20,000	960	0	19,600
Overseas Disaster	235	0	235	0	0
Total Restricted Funds	35,936	40,000	12,351	0	63,585
Total funds of the charity	134,087				145,964

Margaret Dyke: Set up with a legacy from Margaret Dyke, this fund has been designated by the PCC to support the church, particularly for mission and music, as decided by the incumbent and wardens in consultation with the PCC.

Roof repairs: A restricted fund to pay for repairs to the church roof. Although the fund has no value at the year end it will be retained to allow restricted donations and grants for these necessary repairs in future.

Overseas disaster: A restricted fund to help people overseas following a disaster when the local infrastructure cannot meet their needs. The fund was exhausted during the year with a donation to Tear Fund's Afghanistan Appeal. The fund has now been closed and unless restricted donations are received in future our giving to overseas disaster relief will be channelled through the General Fund under Charitable Giving.

Re-ordering: A restricted fund to provide for the development and implementation costs of our re-ordering project

Digital organ: A restricted fund for the purchase of a new digital organ expected to be completed in 2022.

Notes to Financial Statements (continued)

31st December 2021

18. Charitable Giving from General Fund	2021	2020
	£	£
Tearfund	2,000	1300
Wycliffe Bible Translators	2,000	0
St Peter's Lifeline	1,500	1300
Windsor Hill Wood	1,500	1,300
Salvation Army	1,000	1300
YWAF	1,000	1,300
Shepton Mallet Relief in Need	1,000	0
Shepton Mallet Men's Shed	0	1300
A Rocha	0	1300
Solar Cookers Int.	0	1,342
Hope UK	0	1,300
Various Others	0	444
Total charitable giving	10,000	12,185
 Percent of previous years unrestricted income	 8.4%	 9.6%
 Charitable Giving from Restricted Funds	 2021	 2020
	£	£
Tear Fund (from Overseas Disaster Fund)	235	0

Main charities supported

Tearfund: As a Christian charity, Tearfund believes that everyone has an amazing God-given potential to create change. They show people around the world how to unlock these gifts and put them to use escaping poverty. Many of their partners in this work are local churches, who discover how to offer their communities material and spiritual hope.

St Peter's Lifeline is a small charity that supports an impoverished parish community in a harsh, remote, area of Kenya. It's principle activities are: educating orphaned and impoverished children, eliminating the foul scourge of FGM, a sustainable micro finance scheme for women, daily feeding scheme at 7 local primary schools, caring for over 120 disable children & their families and the provision of a water supply & irrigation.

Salvation Army: Our gift was to support the local food bank operations in our town.

Windsor Hill Wood is a woodland shelter, a place of radical hospitality, manual labour and prayer. They aim to create a loving environment for people going through tough or uncertain times and offering them the chance to rediscover peace, silence and acceptance amidst the beauty and simplicity of the woods.

Youth With A Future (YWAF) is a small Mendip-wide charity that supports 16-25 year olds who have had a tough start in life, especially those who have been homeless and are being supported by the YMCA. Grants are given for young people to purchase essentials for their first tenancy, to purchase interview clothes or college kits, and also grants to organisations supporting this age group.

Wycliffe Bible Translators is a mission agency with a big vision: A world where everyone can know Jesus through the Bible. 1 in 5 people worldwide still don't have a Bible in their language. Wycliffe serve local partners worldwide as they bring God's word to their communities in the language which speaks to them best.

Shepton Mallet Relief In Need exists to assist residents of Shepton Mallet who are in conditions of need, hardship or distress by making grants of money, or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons. One-off grants of up to £250 are available.

In 2021 the charity assisted seven needy individuals to pay for products or services that were deemed vital to their situation at the time.