

Registered charity number 1131372

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2021

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
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FOR THE YEAR ENDED 31 DECEMBER 2021

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LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2021

Administrative information

The Parochial Church Council (PCC) of the Ecclesiastical Parish of St Mary with St John & St Anne, Lancaster is a charity registered with the Charity Commission as required by the Charities Act 2011.

The charity is usually known as Lancaster Priory and Parish Church of St Mary PCC.

The registered charity number is 1131372.

Lancaster Priory and Parish Church is situated in St Mary's Gate, Lancaster and is part of the Diocese of Blackburn within the Church of England.

The correspondence address is The Vicarage, Priory Close, Lancaster, LA1 1YZ.

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

<u>Incumbent:</u>	Revd Canon C W Newlands	<i>retired 02.03.21</i>
	Revd L B Vasey-Saunders	<i>Chair</i>
		<i>appointed 08.09.21</i>

<u>Ex Officio - Readers:</u>	Professor R G Carter
	Mrs L C Kirtley
	Canon C Mullineaux

<u>Churchwardens:</u>	Dame P Fielding	Vice -chair
	Mr A M Nicholson	<i>to 30.05.21</i>
	Mr D J Redmore	<i>from 30.05.21</i>

Synod Representatives

<u>Diocesan Synod:</u>	Dr A E Carter
	Professor R G Carter

<u>Elected Deanery Synod Members:</u>	Dame P Fielding	
	Mrs B A Gardner	Treasurer
	Mx K Wilkinson - Roberts	

<u>Co-opted Members:</u>	Mrs C A Hill	<i>resigned 28.03.21</i>
	Mrs A J Hetherington	<i>from 28.06.21</i>
	Mr M G Salameh	<i>from 28.06.21</i>

<u>Elected Members:</u>	Mr V Lean	<i>to 30.05.21</i>
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<i>To serve until APCM 2022</i>	Mr S T Birse	
	Mrs S J Edwards	<i>from 30.05.21</i>
	Mrs B D Roberts	
	Mr J N W Walker	

<i>To serve until APCM 2023</i>	Mrs M E Davis	
	Mrs S M Hutchins	
	Dr J D Lewis	
	Mrs V J Pearson	
	Mr D J Redmore	<i>to 30.05.21</i>

<i>To serve until APCM 2024</i>	Prof. J P Dickinson	<i>from 30.05.21</i>
	Mr B Greenwood	
	Mr A M Nicholson	<i>from 30.05.21</i>
	Mrs G M Witt	

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
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Administrative information (continued)

Independent Examiner:

S W Hinnigan FCA CTA
Scott & Wilkinson
Dalton House
9 Dalton Square
Lancaster
LA1 1WD

Bankers:

Barclays Bank plc
38 Market Street
Lancaster
LA1 1HR

CAF Bank Limited
Kings Hill
West Malling
Kent
ME19 4TA

Solicitors:

Oglethorpe, Sturton & Gillibrand
16 Castle Park
Lancaster
LA1 1YG

Day to day management was delegated to the incumbent, Revd Canon C W Newlands until 2 March 2021, to the churchwardens during the vacancy and then to Revd L B Vasey-Saunders from 8 September 2021.

Structure, governance and management

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC registered with the Charity Commission on 29 August 2009.

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.

Members of the PCC are either ex officio or elected by the Annual Parish Church Meeting (APCM) in accordance with the Church Representation rules. Each elected member holds their seat for 3 years. One third of the elected members of the council retire each year.

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish including deciding on how the funds of the PCC are to be spent. The PCC has wide responsibilities and has committees and groups which meet between the regular meetings of the PCC and report back to the PCC, each dealing with a particular aspect of parish life. The following groups have been active during the year:

The Standing Committee is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the PCC. It also receives and considers reports concerning the fabric of the building and church finances.

The Priory Planning Group oversees Vision and Strategy. The Resources Group monitors the financial affairs of the PCC in conjunction with the Treasurer, has responsibilities for budgeting and also assessing other non-monetary resources available. The Prayer & Spiritual Growth Group looks at the development of various aspects and plans Lent activities. The World and Community Group looks to develop links with various charities supported through our charitable giving programme. The Property Group looks at all aspects of maintaining the church building. All groups are invited to a PCC meeting to report on their activities.

The Bookshop funds form part of the resources of the PCC and are included in these financial statements. The bookshop has not been in operation during the year.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

Risk management

During the year the PCC has continued to assess various major risk areas which have an impact on the work of the Church in the parish. We have a Child Protection and Vulnerable Adults Policy in place, a set of financial procedures for monitoring on a monthly basis the actual results compared to the annual budget, and regular inspections to monitor the condition of the building. In addition, health & safety matters, fire risk, insurance cover and security continue to be reviewed on an ongoing basis.

Aim and purposes

The Parochial Church Council (PCC) has the responsibility of co-operating with the incumbent, Rev'd L Vasey-Saunders, in promoting in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

Objectives and activities

Lancaster Priory is a welcoming, inclusive, Christian community, serving the people of Lancaster. The PCC is committed to enabling as many people as possible to worship at Lancaster Priory and to become part of the parish community.

The PCC maintains an overview of worship and music and services are reviewed on an ongoing basis.

The Commission's guidance on public benefit and, in particular, the supplementary guidance on charities for the advancement of religion has been considered in planning the activities for the year. In particular, we promote a parish community which lives out its faith through:

- Worship and prayer.
- Provision of pastoral care for people living in the parish.
- Mission and Outreach work.

The Church is normally open seven days a week to all who wish to visit, attend any of the mid week or Sunday services or spend time in private prayer. The Church is available for community groups, schools and organisations to use for special services, events and concerts.

Achievements and performance

Worship and Prayer

During 2021 the Priory offered a range of services during the week and over the year, some by live stream only due to the constraints imposed by the ongoing Coronavirus pandemic: Holy Communion (BCP), Priory Eucharist with choir and Young Church (CW) and Choral Evensong (BCP) on Sunday with a Family Service held on two Sunday afternoons per month, Tuesday morning Eucharist (BCP), Wednesday lunchtime Eucharist with prayers for healing, daily morning prayer, Epiphany, Advent and Christmas Carol Services, Midnight Mass and services on other special days in the Church year.

Wedding, funeral and baptism services regularly take place with special services for local schools and other groups as required, particularly during the Christmas period. The pandemic has meant that some weddings have been postponed until 2022 and some school services were cancelled.

There were 163 names on the electoral roll at 31 December 2021. The average regular weekly attendance counted during October was 257. Numbers attending the Christmas Carol Service and Midnight Mass were restricted due to continued caution around the ongoing pandemic. It was possible to hold a Christingle Service on Christmas Eve with restricted numbers and also a new Crib Service.

Regular emails entitled Priory People at Prayer have been circulated throughout the year to all those on the mailing list.

Pastoral Care

In normal times, the clergy team together with pastoral care assistants regularly visit the sick and housebound members of the congregation to celebrate communion, including those in care homes. During the ongoing pandemic when visiting hasn't always been possible, contact has been maintained by phone calls, especially to the most vulnerable members of the congregation.

Diocesan Vision 2026

The Vision 2026 Group, made up of four PCC members, has been looking at how the PCC can be more fully engaged with the Vision and reports to the PCC at each meeting with updates from the Diocese.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Mission and Outreach

A set of three leaflets are available for visitors: 10 Highlights of the Priory, Spiritual Walk and Stained Glass Window Walk as well as short guides produced in a number of languages.

The World and Community Group has established links with six charities which the PCC agreed to support from our Charitable Giving Programme. Information about the charities is normally displayed in church, featuring a different charity each month. Representatives from the charities are invited attend the 10.00am Sunday service to speak about the work of their particular charity but the Coronavirus pandemic has meant that this has not been possible in 2021.

Gifts of fruit and vegetables received at the Harvest Festival in October were distributed to those in need.

Priory Community Work on the Marsh

The Priory community worker has continued to work very closely with the Marsh Community Centre, a small Charity in the Marsh Council Estate, and area of social deprivation.

The community worker regularly visits isolated elderly folk on the estate, but the majority of her work is based around organising and leading, with the help of volunteers, 4 groups that meet every week at the Community Centre:

The Coffee and Cake Club (increased to 14 members)

This ladies friendship group meets every week to chat, play board games and support each other. The majority of the members are elderly and quite isolated or have significant mental health problems. When Covid rates were high the group met outside or over Zoom.

The Marsh Community Choir (increased to 17 members)

This group is as much about friendship as it is about singing. A Christmas Carol concert was held but when Covid rates were high the group met over Zoom for a quiz, outside for a chat or inside but with no singing.

Mini Marshmallows. A mother and toddler group (14 mothers, 20 children)

This group stopped at the beginning of the Covid outbreak, but started again in the summer of 2021 meeting outside in the Centre grounds. The group now meets inside and has seen numbers and friendships grow.

Eye'll be seeing you. A small friendship and support group for blind adults living in the area.

A local blind and disabled lady was very keen to start this group, so the community worker encouraged her to talk to the Centre Manager and together they started the group in November 2021.

The Friends of Marsh Community Centre

The Centre Manager asked the community worker if she would start and Chair this group of 9 people. Members live locally or are regularly involved in the Centre and area. It has been very useful to have the local City Councillor on the Committee. The group started in September 2021 and has met twice a term to discuss the needs of the area and Centre and has worked to see change.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Review of the Year

Revd Chris Newlands conducted his final services before retirement on 31 January. Church was closed due to the pandemic so both services and the presentation of gifts following evening prayer were live streamed. A special video with tributes to Chris was shown and posted on the Priory Facebook page following the service.

Every morning during Lent, a reflection on a passage or verse from the Bible having special meaning during the pandemic was written by members of the congregation of all ages and emailed via Priory People Together. The theme for Lent Groups held via Zoom over five weeks was 'The Eucharist' using the Pilgrim Course.

The Big Hit Appeal was launched in June. During June and July various fund raising events took place and a Gift Day was held in an effort to recover some of the losses sustained during the pandemic.

A special service took place on 8 September to install Revd Leah Vasey-Saunders as Vicar of Lancaster and to welcome her to the parish.

Two exhibitions were held in Lancaster Priory over the Autumn; Threads Through Creation during October and Murmurations in November. Both attracted a number of visitors.

Light Up Lancaster returned in November and Lancaster Priory was once again a venue for one of the installations.

The coffee shop continued to offer refreshments at the back of church, observing social distancing rules, when the Saturday Coffee Concerts were able to take place and also provided bar facilities for some events which were able to take place during the year.

Choir and music

Despite the many restrictions imposed by the ongoing pandemic, we are delighted that we have maintained choral services at the Priory throughout 2021. Small groups of singers were still leading sung worship at the start of the year and it wasn't until April that we were able to resume rehearsals with the boys' and girls' treble lines. At this stage, choristers were still unable to take part in services, but it was good to have weekly contact with them. Restrictions finally eased in July, and our final service of the choir year was a socially distanced outdoor Songs of Praise service in the churchyard.

With the arrival of the new academic year, we were pleased to be able to get back to our usual routine with all singers involved week by week. Along with our normal commitment to services, the Festival of Song took place in September, with lots of concerts, including a come-and-sing performance of Handel's 'Messiah' with singers from across Lancashire and South Cumbria. Our Festival Voices concert at the end of the week was a celebration of hymnody from throughout the church calendar, making up for the lost singing opportunities for both choir and congregation; this concert featured new orchestrations of well-known hymns by Don Gillthorpe and choir alumni Adam Hilton, Alex Peters, Pip Alpin and Reuben Vasey-Saunders.

The annual Christmas Spectacular concerts took place and, thanks to a generous donation from a member of the congregation, included a new work for choir and orchestra by Oliver Tarney, setting the well-known poem 'The night before Christmas'.

We continue to enjoy having large numbers of undergraduate singers from Lancaster University in the choir. These senior choral scholars make a tremendous contribution to the musical life of the church and we are grateful for all their efforts. We also currently have three organ scholars generously supported by the Duchy of Lancaster Benevolent Fund: two school-age junior scholars and one undergraduate senior scholar.

Staffing remains stable, and the choir director is grateful to the Priory Organist for all his excellent work, to the two tutors who teach our choral scholars, and the Concerts Administrator for her sterling work. Two choir members continue to manage the library and the choir robes; important tasks which ensure the smooth running of the choir.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

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FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Schools and Families

Young Church

January to April – Young Church did not meet in groups during the 10am Eucharist service. Children were provided with activities to do in the pews. The activities usually linked in with the lectionary. During the Easter Holiday we provided an Easter Trail around the Priory grounds which was very well attended.

May to August – Young Church met outside as an All-Age group in the vicarage garden. We followed the outdoor curriculum provided by Blackburn Diocese called Outdoor Explorers. This course had specific themes and so during this time the learning departed from the lectionary-based resources.

From September onwards we resumed Young Church groups. We continued to run two groups. The youngest children meeting the Refectory and the older children meeting in the Upper Priory Hall. We used a combination of the Roots on the Web resource and the Blackburn Diocese Weekly@.

First Holy Communion

The Young Church children who participated in the admission to communion before confirmation class met for the sessions at the beginning of the year via Zoom. They had their First Holy Communion Ceremony in May.

Confirmation

A small number of children from Young Church joined the Confirmation Class in September. These were mainly children who had already taken part in the First Holy Communion. We followed a course called Faith Confirmed by Peter Jackson. The Confirmation Service took place in October.

Families@4

The 4pm Family Service continued regularly from January to August. This was well attended and had many of the Young Church children taking on an active role in the service. There were two more 4pm services between September and December.

Schools

There have been relatively few school visits over the course of the year. This was mainly due to the restrictions which had been put in place due to the pandemic. However, we did have secondary schools visiting from September onwards. Most schools were combining a visit to Lancaster Castle with Lancaster Priory on the theme of Crime and Punishment.

Mustard Seed @ Priory Hall

The last report in March 2021 described how Mustard Seed had adapted to drastically different circumstances to become a meal delivery service to those whom the City Council had housed in emergency accommodation during the winter of 2020/21.

This delivery service of meals in microwave-compatible containers continued until 27th April 2021, round about the date when the original Mustard Seed meals in the Priory Hall would pause for the summer.

By the autumn of 2021 the general feeling among the volunteers was that it would still not be possible to return to our original mode of operation and also that the majority of drivers were not able to continue with deliveries on winter nights. The appointment of a new Vicar of Lancaster also seemed a good point at which to re-assess the whole Mustard Seed operation in the context of other services to the 'housed homeless' in the area.

Before Christmas the Vicar encouraged an initiative which did involve many Mustard Seed volunteers and contributions from the congregation as a whole. This took the form of an appeal for Christmas food and other 'treats' which could then be delivered to recipients in the parish, especially the Marsh. There was a generous response, so on 15th December a 'production line' of volunteers packed about 30 bags with a variety of suitable items. These were then delivered to Willow Lane and Dallas Road Schools, who could identify needy families, to some refugees and to the Marsh Community Centre. Many volunteers were very glad of the opportunity to make a contribution and indeed to once again feel part of the very special Mustard Seed team which has grown over the years.

The process of re-assessment of needs and Mustard Seed's own contribution is now continuing in the form of weekly Lent lunches in the Refectory, preceded by a short service and open to all. Each week we hope to have reports from groups including FISH (Faith Groups in Support of the Homeless) and from representatives of other bodies such as the Olive Branch Food Bank and the Lancaster District Homeless Action Service at Edward Street.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

Total receipts on unrestricted funds were £537,800 which included £81,472 from unrestricted planned giving donations, £34,266 from Gift Aid recovered on all forms of eligible giving, £52,800 from sundry donations received in response to the Big Hit gift day appeal and £288,797 from grants & donations. Grants and donations includes grants claimed from Listed Places of Worship Grant Scheme and Culture Recovery Fund totalling £269,381 mainly in respect of the tower repairs. Restricted grants totalling £75,163 were received, being for tower repairs, Marsh outreach and support of the choir. Grants and donations are detailed in note 5 to the financial statements.

The planned giving through envelopes and standing orders showed an increase of 6.2% (2020: decrease 2.6%) over the year. Unrestricted collections showed an increase of 40.6% (2020: 62.2% decrease) but were still 46.8% below the 2019 level. The use of Gift Aid envelopes is encouraged for collections at special services, at regular services for those who do not give by standing order or planned giving envelopes and also for single donations. Contactless card and QR code payment is an alternative donation option and has proved to be beneficial, particularly for donations from visitors and during the pandemic when church has been closed.

Major repairs have been carried out during the year: balance of phase 1 of re-lighting the church at a cost of £36,014, part funded from a £12,000 grant from the Kings Own Chapel Trustees and tower repairs at a cost of £328,224, funded from grants, fundraising and restricted fabric repair funds.

The calculated Parish Share for 2021 was £88,034. The Parish Share largely provides the stipends and housing for our clergy. The calculated Parish Share for 2022 has increased to £101,694.

Reserves policy

The reserves policy adopted by the PCC is to maintain free unrestricted reserves at a level which equates to (i) up to 3 months running and staffing costs and (ii) a further £50,000 reserve to allow for the considerable responsibilities of maintaining a Grade 1 listed building. The free unrestricted reserves required under this policy based on the budgeted expenditure for 2022 is £106,000. The reserves policy is reviewed annually.

Total unrestricted reserves held at the year end amounted to £259,211. Included in unrestricted reserves are designated reserves totalling £2,951 to be used at the vicar's discretion. The free unrestricted reserves, not committed or invested in tangible fixed assets and bookshop stock, held by the PCC at 31 December 2021 amounted to £203,701. This is above the normal level of free unrestricted reserves required under the policy set by the trustees. However, there is a projected budget deficit of £71,767 for 2022 and work is required to the north aisle arch at a substantial cost which cannot be covered from annual income, rendering it necessary to hold a higher level of reserves for the time being. Steps will be taken by the PCC during 2022 and in future periods to reduce budget deficits in order to be able to hold a lower level of reserves in line with the reserves policy.

It is the PCC's policy to invest surplus funds in CBF funds and interest bearing accounts at its bank.

Statutory compliance

The accounts comply with the current statutory requirements, the requirements of the Church Accounting Regulations and the Charities SORP (FRS 102).

The PCC has complied with the duty to have regard to House of Bishops' guidance on safeguarding.

The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

On behalf of the PCC



Revd L B Vasey-Saunders
Incumbent

Date 26.4.22

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

INDEPENDENT EXAMINER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Independent Examiner's Report to the Parochial Church Council of Lancaster Priory and Parish Church of St. Mary

I report on the financial statements of the PCC for the year ended 31 December 2021, as set out on pages 10 to 21.

Your attention is drawn to the fact that the Charity has prepared the Financial Statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the PCC's members, as a body, in accordance with the Church Accounting Regulations 2006 ('the Regulations') and section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the PCC's members those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the PCC and the PCC's members as a body for my work or for this report.

Responsibilities and basis of report

As members of the PCC 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 accounts carried out under section 145 of the 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 a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, 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 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.



S W Hinnigan FCA CTA

Scott & Wilkinson

Dalton House

9 Dalton Square

Lancaster

LA1 1WD

Date 29 April 2022

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
	Note			2021 £	2020 £
INCOME AND ENDOWMENTS					
Voluntary income	2(a)	489,265	90,830	580,095	292,703
Church activities	2(b)	14,513	80	14,593	11,443
Facing the Past activities	2(c)	-	15,365	15,365	-
Activities for generating funds	2(d)	31,806	4,084	35,890	16,924
Income from investments	2(e)	2,216	1,578	3,794	4,286
Other incoming resources	2(f)	-	-	-	1,920
TOTAL INCOME		537,800	111,937	649,737	327,276
EXPENDITURE					
Raising funds	3(a)	10,344	4,967	15,311	6,503
Church activities	3(b)	511,940	106,383	618,323	473,734
Facing the Past activities	3(c)	-	10,262	10,262	-
TOTAL EXPENDITURE		522,284	121,612	643,896	480,237
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS		15,516	(9,675)	5,841	(152,961)
NET GAINS ON INVESTMENTS	8	10,922	7,747	18,669	8,387
TRANSFERS BETWEEN FUNDS					
Transfer to Fabric Funds		(163)	163	-	-
NET MOVEMENT IN FUNDS		26,275	(1,765)	24,510	(144,574)
TOTAL FUNDS BROUGHT FORWARD	14	232,936	228,329	461,265	605,839
TOTAL FUNDS CARRIED FORWARD	13 & 14	259,211	226,564	485,775	461,265

The funds breakdown for 2020 is shown in note 17.

The notes on pages 12 to 21 form part of the financial statements.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

BALANCE SHEET

AS AT 31ST DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	7	49,536	60,938
CURRENT ASSETS			
Stock		3,327	3,815
Investments	8	148,505	129,836
Debtors	9	33,022	44,460
Cash at bank and in hand		278,585	252,669
		463,439	430,780
LIABILITIES			
Creditors - amounts falling due in one year	10	27,200	30,453
NET CURRENT ASSETS			
		436,239	400,327
TOTAL NET ASSETS			
	13	485,775	461,265
PARISH FUNDS			
	14		
Unrestricted			
General	13 & 14	256,250	229,975
Designated	13 & 14	2,961	2,961
Restricted	13 & 14	226,564	228,329
		485,775	461,265

These accounts have been prepared in accordance with the Charities SORP (FRS 102)

Approved by the Parochial Church Council on 25.4.22 and signed on its behalf by

L B Vasey Saunders
 Revd L B Vasey Saunders
 Incumbent

26.4.22
 Date

The notes on pages 12 to 21 form part of the financial statements.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Church Accounting Regulations 2006 and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Lancaster Priory and Parish Church of St. Mary meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in GBP and rounded to the nearest £1.

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.

Exemption from preparing a cash flow statement

The Charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Funds

Restricted funds represent donations, grants and other income 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 each year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on the basis of the balances held in each fund on a daily basis. Details of funds held are provided in note 14 to the financial statements.

Unrestricted funds are general funds of the PCC that are not subject to any restrictions regarding their use and are available for the application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC form part of the unrestricted fund and are detailed in note 14 to the financial statements.

Income

Donations and legacies

Committed giving, collections and donations are recognised when received.

Tax refunds are recognised when the incoming resource to which they relate is received.

Grants and legacies are accounted for when the PCC is legally entitled to the amounts due.

Government grants

The charity receives government grants. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Other trading activities

Income from fund raising events are accounted for gross.

Sales of books and magazines from the church bookstall are accounted for gross.

Rental income from the letting of church premises to outside bodies is accounted for when earned.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (Continued)

Investments

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

Church activities

Parochial fees due to the PCC for weddings, funerals, etc are accounted for when due.

All other income is accounted for when due.

Investment gains and losses

Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Expenditure

Church activities

Grants and donations are accounted for when paid, or when awarded, if that award creates binding obligations on the PCC.

The Diocesan parish share is accounted for when payable and any assessment unpaid at 31 December is shown as a creditor in the Balance Sheet.

All other expenditure is recognised when it is incurred and is accounted for gross.

Fixed Assets

Consecrated land and buildings and moveable church furnishings

Consecrated land and buildings and beneficed property of any kind is excluded from the financial statements by s10(2)(a) and (c) of the Charities Act 2011.

No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be an inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings, including the pipe organ which is considered to be an immoveable item and part of the fabric of the church, and moveable church furnishings, whether maintenance or improvement, is written off as expenditure and separately disclosed.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years, 10 years or 20 years as appropriate. Individual items of equipment with a purchase price of £1,000 or less are written off in the period in which the asset is acquired.

Investments

Investments are valued at market value at 31 December.

Current assets

Stock of goods for resale is stated at the lower of cost or net realisable value.

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 irrecoverable.

Short-term deposits include cash held on deposit at the bank.

Operating leases

Rentals payable under operating leases are charged to the SOFA on the straight line basis over the term of the lease.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 INCOME AND ENDOWMENTS

			Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
	Note				2021 £	2020 £
(a) Voluntary income						
Planned giving:						
Gift aid donations			70,543	-	70,543	68,246
Other planned giving			10,929	-	10,929	8,445
Tax recoverable			34,266	2,856	37,122	24,264
Collections (open plate) at all services			12,417	-	12,417	8,821
Grants and donations	5		288,797	75,163	363,960	149,125
Other income and sundry donations			72,313	12,811	85,124	33,802
			<u>489,265</u>	<u>90,830</u>	<u>580,095</u>	<u>292,703</u>
(b) Church activities						
Newslink			-	-	-	52
Fees			5,491	80	5,571	2,798
Use of Church buildings			150	-	150	205
Contributions to other expenses			8,760	-	8,760	8,095
Social & outreach events income			112	-	112	187
Young people, families & outreach work			-	-	-	106
			<u>14,513</u>	<u>80</u>	<u>14,593</u>	<u>11,443</u>
(c) Facing the Past activities						
Facing the Past joint project	6		-	15,365	15,365	-
			<u>-</u>	<u>15,365</u>	<u>15,365</u>	<u>-</u>
(d) Activities for generating funds						
Bookstall			21	-	21	-
Fundraising events			11,575	4,084	15,659	2,573
Coffee shop			3,918	-	3,918	3,671
Use of Church buildings			16,292	-	16,292	10,680
			<u>31,806</u>	<u>4,084</u>	<u>35,890</u>	<u>16,924</u>
(e) Investment income						
Dividends on CBF Investment Fund Shares			2,212	1,566	3,778	3,644
Bank and other interest			4	12	16	642
			<u>2,216</u>	<u>1,578</u>	<u>3,794</u>	<u>4,286</u>
(f) Other incoming resources						
Insurance claims			-	-	-	1,920
			<u>-</u>	<u>-</u>	<u>-</u>	<u>1,920</u>
TOTAL			<u>537,800</u>	<u>111,937</u>	<u>649,737</u>	<u>327,276</u>

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 EXPENDITURE

	Note	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS 2021 £	2020 £
(a) Raising funds					
Bookstall expenses		564	-	564	827
Coffee shop expenses		2,988	-	2,988	3,406
Event expenses		5,652	4,967	10,619	1,176
Publicity costs		886	-	886	1,005
Planned giving and Gift Aid envelopes		254	-	254	89
		<u>10,344</u>	<u>4,967</u>	<u>15,311</u>	<u>6,503</u>
(b) Church activities					
Missionary and charitable giving	16	7,129	505	7,634	8,272
Ministry: Diocesan parish share		88,034	-	88,034	83,813
Other ministry costs		4,170	-	4,170	6,033
Music		349	10,658	11,007	5,441
Salaries	4	56,516	28,835	85,351	84,624
Church running and maintenance		40,759	2,020	42,779	41,553
Major fabric repairs		290,736	63,502	354,238	216,438
Young people, families & outreach work		183	276	459	2,675
Social & outreach events costs		142	-	142	487
Newslink & The See		-	-	-	93
Mustard Seed @ Priory Hall expenses		-	587	587	1,948
Stationery, telephone and office equipment		5,509	-	5,509	6,874
Office equipment lease charges		1,350	-	1,350	1,603
Bank charges		1,492	-	1,492	1,202
Independent examiner's remuneration		3,153	-	3,153	3,621
Sundry expenses		1,546	-	1,546	1,037
Depreciation & loss on disposals		10,872	-	10,872	8,020
		<u>511,940</u>	<u>106,383</u>	<u>618,323</u>	<u>473,734</u>
(c) Facing the Past activities					
Facing the Past joint project		-	10,262	10,262	-
TOTAL		<u>522,284</u>	<u>121,612</u>	<u>643,896</u>	<u>480,237</u>

4 STAFF COSTS

Wages and salaries	80,991	80,739
Employer's pension contributions	1,047	968
Social security costs	3,313	2,917
	<u>85,351</u>	<u>84,624</u>

During the year the PCC employed an organist, choir director, 4 vergers, schools & families learning officer, outreach worker, parish secretary and events manager, none of whom earned £60,000 p.a. or more. Mr S Birse, assistant verger, is a member of the PCC and during the year was paid £1,835 (2020 - £2,071). Mrs S Edwards, assistant verger and events manager was elected to the PCC on 26 May 2021 and during the period to 31 December 2021 was paid £6,566. PCC members were reimbursed expenses of £203 (2020 - £199) for the year. There were no other disclosable transactions in respect of PCC members, persons closely connected with them or other related parties.

The only full time member of staff was the head verger. The remaining employees equate to an average of approximately 2.5 full time employees.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
5 GRANTS AND DONATIONS RECEIVED		
Earl Peel Trust Fund	41,130	(2,017)
The John Pilling Trust	5,000	5,000
Kings Own Chapel Trustees	12,000	25,000
Lancaster Priory Music Trust	9,213	6,703
Listed Places of Worship Grant Scheme	58,203	38,790
The Moss Memorial Trust	-	15,000
Priory Hall Trustee Fund	-	9,635
HMRC Job Retention Scheme	1,286	5,460
Allchurches Trust	-	5,000
Duchy of Lancaster Benevolent Fund	3,000	3,000
Historic England Culture Recovery Fund	211,178	31,554
The Lord Shuttleworth Foundation	-	500
Jill Franklin Trust	-	500
WMB Trust	-	2,000
Elizabeth & Richard Wilson Charitable Fund	-	3,000
The National Lottery Community Fund	9,950	-
National Churches Trust	13,000	-
	363,960	149,125
6 FACING THE PAST PROJECT		
Grant - Arts Council England	14,365	-
Partner contribution - More Music	500	-
Partner contribution - Lancaster Judges Lodgings Museum	500	-
	15,365	-
7 FIXED ASSETS FOR USE BY THE PCC		
	Office Equipment £	Other Equipment £
GROSS BOOK VALUE		Total £
At 1 January 2021	4,192	116,387
Disposals	-	(1,199)
At 31 December 2021	4,192	115,188
DEPRECIATION		
At 1 January 2021	4,192	55,449
Charge for the year	-	11,402
Disposals	-	(1,199)
At 31 December 2021	4,192	65,652
NET BOOK VALUE		
At 31 December 2021	-	49,536
At 31 December 2020	-	60,938

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
8 INVESTMENTS		
Current asset investment		
6,349.98 CBF Church of England Investment Fund Income Shares		
Market value at 1 January 2021	129,836	121,449
Gain on annual revaluation	18,669	8,387
Market value at 31 December 2021	148,505	129,836
Cost at 31 December 2021	100,000	100,000
9 DEBTORS		
Income tax recoverable	28,904	17,405
Other debtors	2,331	11,981
Prepayments	1,787	15,074
	33,022	44,460
10 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Other creditors	5,131	21,055
Accruals	4,302	4,157
Income received in advance	2,767	5,241
Loan - Priory Hall Trustee Fund	15,000	-
	27,200	30,453
11 COMMITMENTS		
OPERATING LEASE COMMITMENTS		
The minimum lease payments under operating leases fall due as follows:		
Equipment		
Within 1 year	1,302	2,348
Between 1 - 5 years	2,650	3,952
	3,952	6,300

12 CONNECTED CHARITIES

During the year the PCC received grants from the following charities and trusts which support the Priory as appropriate within the terms of their governing documents and objects:

Lancaster Priory Music Trust which is a charity involved in raising funds for the support of the music department at Lancaster Priory. The amount received in 2021 was £9,213 (2020: £6,703).

The Moss Memorial Trust - £Nil (2020: £7,500) for outreach work on the Marsh Estate and £Nil (2020: £7,500) to support a Children and Families worker.

The Earl Peel Trust Fund - £718 (2020: £3,395 less £5,412 re 2019 not required) for qualifying fabric repairs plus a further £40,412 (2020: £Nil) for major repairs to the tower.

Priory Hall Trustee Fund - £Nil (2020 - £9,935 for live stream equipment and mood lighting).

During the year the PCC received a loan of £15,000 from the Priory Hall Trustee Fund to assist with cash flow in connection with the lighting scheme. A repayment of £5,000 was made in January 2022.

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted			Total
	General Fund	Designated Fund	Restricted Fund	
	£	£	£	£
Tangible fixed assets	49,536	-	-	49,536
Current assets	232,788	2,961	227,690	463,439
Current liabilities	(26,074)	-	(1,126)	(27,200)
	<u>256,250</u>	<u>2,961</u>	<u>226,564</u>	<u>485,775</u>

Comparative of net assets by fund:

	Unrestricted			Total
	General Fund	Designated Fund	Restricted Fund	
	£	£	£	£
Tangible fixed assets	60,938	-	-	60,938
Current assets	191,978	2,961	235,841	430,780
Current liabilities	(22,941)	-	(7,512)	(30,453)
	<u>229,975</u>	<u>2,961</u>	<u>228,329</u>	<u>461,265</u>

14 FUND DETAILS

The Unrestricted fund comprises:

	Balance at 01.01.21	Incoming resources	Resources expended	Transfers & investment gains/losses	Balance at 31.12.21
	£	£	£	£	£
Designated funds:					
Vicar's fund	2,961	-	-	-	2,961
	<u>2,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,961</u>
General reserve	229,975	537,800	(522,284)	10,759	256,250
	<u>232,936</u>	<u>537,800</u>	<u>(522,284)</u>	<u>10,759</u>	<u>259,211</u>

The Vicar's fund is for expenditure at the discretion of the vicar.

The general reserve represents those funds which are unrestricted and not specifically designated for other purposes.

Comparatives of Unrestricted funds:

	Balance at 01.01.20	Incoming resources	Resources expended	Transfers & investment gains/losses	Balance at 31.12.20
	£	£	£	£	£
Designated funds:					
Vicar's fund	2,961	-	-	-	2,961
	<u>2,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,961</u>
General reserve	380,886	270,823	(426,306)	4,572	229,975
	<u>383,847</u>	<u>270,823</u>	<u>(426,306)</u>	<u>4,572</u>	<u>232,936</u>

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14 FUND DETAILS (continued)

The Restricted fund comprises:	Balance at 01.01.21	Incoming resources	Resources expended	Transfers & investment gains/losses	Balance at 31.12.21
	£	£	£	£	£
Priory Fabric Fund	50,632	48,443	(63,932)	163	35,306
Education, Youth & Children's Work Fund	122,886	1,571	(11,562)	7,747	120,642
Marsh Fund	6,490	9,950	(8,111)	-	8,329
Music Fund	22,759	35,438	(25,088)	-	33,109
Organ Fund	20,787	35	(1,506)	-	19,316
Charitable Objects Fund	4,775	1,135	(1,151)	-	4,759
Facing the Past Joint Project Fund	-	15,365	(10,262)	-	5,103
	228,329	111,937	(121,612)	7,910	226,564

The Priory Fabric Fund is for expenditure on the Church buildings and fixtures.

The Education, Youth and Children's Work Fund supports the work of the education department and work with young people and families.

The Marsh Fund is for use in the Marsh residential area of the Parish.

The Music Fund is to promote the work of the Priory's choirs and music making.

The Organ Fund is for expenditure on the renewal or repair and tuning of the Priory organs and piano.

The Charitable Objects Fund represents monies for the support of work with the homeless through Mustard Seed @ Priory Hall and donations received which are to be distributed to other charities.

The Facing the Past Joint Project Fund represents monies held by the PCC as fund manager for a joint project involving Lancaster Priory, More Music and Lancaster Judges Lodgings Museum, primarily funded by an Arts Council England grant.

Comparatives of restricted funds:

	Balance at 01.01.20	Incoming resources	Resources expended	Transfers investment gains/losses	Balance at 31.12.20
	£	£	£	£	£
Priory Fabric Fund	39,247	20,774	(9,724)	335	50,632
Education, Youth & Children's Work Fund	122,630	9,135	(12,359)	3,480	122,886
Marsh Fund	11,619	7,502	(12,631)	-	6,490
Music Fund	19,476	16,859	(13,576)	-	22,759
Organ fund	23,256	867	(3,336)	-	20,787
Charitable Objects Fund	5,764	1,316	(2,305)	-	4,775
	221,992	56,453	(53,931)	3,815	228,329

15 RELATED PARTIES

	2021 £	2020 £
Unconditional donations received from PCC members and their close family	53,137	25,225

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16 SCHEDULE OF DONATIONS

	2021	2020
	£	£
<i>Donations nominated via 'Bride's Charity Scheme' and other specified donations</i>		
Lancaster & District Homeless Action Service	200	100
Marsh Community Centre	-	50
Safenet	-	100
St John's Hospice	278	-
The Olive Branch	-	1,765
	<hr/> 478	<hr/> 2,015
<i>Donations from charitable giving programme</i>		
CMS	1,200	1,000
DEC Coronavirus Appeal	-	200
EducAid Sierra Leone	1,000	1,000
Global Link	245	-
Marsh Community Centre	1,000	1,000
Musalaha UK	1,000	1,000
Open Doors UK	1,000	1,000
Reaching the Unreached	1,200	1,000
	<hr/> 6,645	<hr/> 6,200
<i>Donations from special services, collections and events:</i>		
Children's Society - Christingle Service and Christmas stars	305	57
Royal British Legion	206	-
	<hr/> 511	<hr/> 57
TOTAL DONATIONS	<hr/> 7,634	<hr/> 8,272

LANCASTER PRIORY AND PARISH CHURCH OF ST. MARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

17 COMPARATIVE OF STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS 2020 £
	Note			
INCOME AND ENDOWMENTS				
Voluntary income	2(a)	239,554	53,149	292,703
Church activities	2(b)	11,428	15	11,443
Activities for generating funds	2(c)	15,387	1,537	16,924
Income from investments	2(d)	2,534	1,752	4,286
Other incoming resources	2(e)	1,920	-	1,920
TOTAL		270,823	56,453	327,276
EXPENDITURE				
Raising funds	3(a)	6,424	79	6,503
Church activities	3(b)	419,882	53,852	473,734
TOTAL		426,306	53,931	480,237
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS		(155,483)	2,522	(152,961)
NET GAINS ON INVESTMENTS	8	4,907	3,480	8,387
TRANSFERS BETWEEN FUNDS				
Transfer to Fabric Funds		(335)	335	-
				-
NET MOVEMENT IN FUNDS		(150,911)	6,337	(144,574)
TOTAL FUNDS BROUGHT FORWARD		383,847	221,992	605,839
TOTAL FUNDS CARRIED FORWARD		232,936	228,329	461,265

In line with the requirements of FRS 102 SORP the above note shows the split of comparative information between the funds.

The option to prepare a separate note has been taken, over the integration within the existing SOFA (i.e. the eight column approach).