

**Brockenhurst Parochial Church Council
St. Nicholas' with St. Saviour's**

Registered Charity 1131796

**Annual Report
and
Financial Statements**

for the year ended 31 December 2020

Vicar:

Revd. Simon Newham



Annual Report for 2020

Background

The Parochial Church Council of the Ecclesiastical Parish of Brockenhurst has the responsibility for promoting within the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical in co-operation with the vicar, the Revd Simon Newham to whom day to day management of the parish is delegated.

The ecclesiastical parish is part of the Diocese of Winchester within the Church of England. There are two churches within the parish: St Nicholas' the parish church and St Saviour's located in the centre of the village of Brockenhurst.

The registered name of the PCC is The Parochial Church Council of the Ecclesiastical Parish of Brockenhurst and its registered working name is Brockenhurst PCC. The registered number of the charity is 1131796, and statutory information regarding the Parish may be found on the Charity Commission website, which it is the responsibility of the PCC to update, particularly following the Annual Parochial Church Meeting.

When planning activities for the year the Vicar and PCC have adopted Charity Commission guidance on public benefit and, in particular, specific guidance on charities for the advancement of religion.

Administrative Information

Vicar: Revd. Simon Newham

The correspondence address is:

The Church Office,
Wilverley Road,
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SO42 7SP

The Independent Examiner is:

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BH23 1QL

Our bankers are:

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HSBC Lymington
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SO41 9ZP

Winchester Diocesan Board of Finance
Old Alresford Place
Old Alresford
SO24 9DH

CCLA Investment Management Ltd
The CBF Church of England Funds
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Parochial Church Council

During the period 1 January 2020 until the date that this report was approved the following have served as members of the Parochial Church Council PCC:

<i>Vicar</i>	The Revd. Simon Newham	Chairman from June 2019
<i>Wardens</i>	Mrs Rosalind Dennison Mr Jeremy Moss Mr Alan Wright	Retired at 2020 APCM
<i>Deanery Synod Representatives</i>	Mr Peter Lay Mr John Pearson Mr Martyn Taylor Mrs Cynthia Wilson	Treasurer Retired at 2020 APCM
<i>Elected Members</i>	Mrs Pauline Brown Mrs Tina Cumberlege Mrs Elizabeth Dodwell Mr Timothy Dodwell Mrs Diana Fletcher Mr Tony Foulger Mr Geoffrey Jennings Mrs Joyce Kolaczowski Mr Simon Lansdowne Mrs Wendy Lay Mr Nathan Parnaby Mrs Camilla Pearse Mrs Jo Plummer Mrs Lindy Waight	Resigned during the year Retired at 2020 APCM Retired at 2020 APCM

Structure, Governance and Management

The PCC is a body corporate established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. During 2009 as a result of changes to legislation, The Parochial Church Council (PCC) became a separately registered Charity with the Charity Commission under number 1131796.

Members of the PCC are appointed ex officio, or co-opted, or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules.

All Church members are encouraged to register on the Electoral Roll and stand for election to the PCC.

Teams and Committees

The PCC operates through a number of teams and committees which meet between full meetings of the PCC. The teams have oversight responsibility for some additional committees. The committees review major risks to which the PCC may be exposed and implement systems or procedures to manage those risks. This includes appropriate training, and taking advice from experts.

- **Standing Committee:** The Standing Committee has the power to transact the business of the PCC between its meetings, subject to any directions given by the PCC. The Standing Committee comprises the: Vicar, Church Wardens, Treasurer, PCC Secretary, and another member of the PCC;

- **Children and Youth Team:** Seeks God's heart and vision for our children and youth work. The team encourages the children and young people in their faith and supports the leaders and helpers in their work;
- **Fabric Team:** Manages the maintenance and development of the two church buildings, hall and the church grounds;
- **Finance Team:** Assists the Treasurer with the development of the annual PCC budget; reviews and monitors the state of the PCC's finances; and assists the treasurer with the development of appropriate financial policies for approval by the PCC;
- **Hall Committee:** Manages the running of the Church Hall adjacent to St. Saviour's Church;
- **Mission Team:** Promotes the support of the wider church, both at home and overseas;

- **Pastoral Team:** Seeks to support the elderly and lonely, the sick and vulnerable, and the bereaved within the Parish through pastoral visiting;
- **Prayer Team:** Members of the team are available every Sunday after the 9.30am service at St Saviour's for those who would like prayer. They also arrange and lead other prayer meetings during the year;
- **Social Committee:** Organises and manages the social activities within the Parish, ranging from lunches and BBQ's to an annual Newcomers' Evening and a Summer Celebration event; and
- **Worship Team:** Plans the services and patterns of worship in both churches, in co-operation with the Vicar.
- **Eco Team:** Seeks to raise awareness of the link between environmental issues and the Christian faith, and to respond with practical action in the Church itself, in the lives of individuals within the church, and in the local and global community.

Objectives and Activities

The PCC is responsible for co-operating with the Vicar in promoting within the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It is also responsible for maintaining the two village churches of St. Nicholas' and St. Saviour's. The vision is to be a Christ Centred Community

There were 214 parishioners on the Church Electoral Roll at the 2020 APCM, of whom 28 were not resident in the Parish compared with 219 in 2019. The size of the worshipping community is 196 with an average weekly attendance of 77, although the number increases substantially at major festivals. As a result of the closure of churches, due to the Covid-19 Pandemic, Sunday and weekday services have been made available online and attract similar numbers of worshippers.

Review of the year

Despite the impact of the pandemic the full PCC met four times using online facilities and with a high level of attendance. The PCC committees and appointed teams continued between PCC meetings and their reports were received by the PCC, discussed and acted on where necessary.

The key points of focus for our Church in 2020 were:

- Support for our congregations in the Pandemic
- Digital Church – moving services and facilities online
- Opening St Nicholas church each day as a place for private prayer
- Operating services and administration as safely as possible
- Our role in the community

We have two church buildings – St Nicholas' (the parish church) and St Saviour's. Both buildings were closed during the first Pandemic Lockdown in line with Government and Diocesan instructions. Services moved online – initially through a pre-recorded video service and ultimately with 'live' online services using Zoom video facilities.

Support for our congregations

During the first 3 months' of 2020 during activities continued following our normal Sunday service patterns:

St Nicholas' – 0800 Holy Communion & 11.15 Service of Word – with monthly Evensong
St Saviour's – 0930 Holy Communion (2x), Café Church & Family Service each month

Daily Morning Prayer (St Saviour's) and Evening Prayer (St Nicholas') services were held together with a weekly Holy Communion on Thursday mornings. Each month Holy Communion was taken to two care homes and two residential homes in the village.

These activities were curtailed from the end of March following the Covid-19 Pandemic restriction imposed on social distancing and 'stay-at-home' to be replaced by online services and an emerging alternative pattern of physical services when restrictions were reduced from late June. In November restrictions were tightened and physical services again curtailed for that month.

From mid-June St Nicholas' church was opened daily for Private Prayer and a weekly Sunday service at St Saviour's restarted from mid-July – with strict restrictions on distancing, hygiene and no singing! In August a second Sunday service of Holy Communion at St Saviour's was introduced while attendance at the Thursday Holy Communion service was allowed from mid-July.

Many housegroups continued during 2020 with various innovative approaches (Zoom, walks, etc.) to allow continued fellowship.

In October we held a Bereavement Service in St Saviour's to offer support to those who have lost a loved one although the usual afternoon tea had to be absent.

Remembrance services in November were moved online with success but the most dramatic expression was the field of 1000 crocheted poppies setup in front of St Saviour's and much photographed by passers-by.

Christmas activities were adapted for the new normal of a Coronavirus world, with two 'Covid Carol Services' proving popular both in person and online. On Christmas Eve and Christmas morning we held outside services in front of St Saviour's with an informal children's Nativity play on Christmas Eve. The outside format allowed more people to attend in safety and showed our presence to anyone passing by.

Our Youth and Children's worker's contract came to an end in September and the PCC elected not to renew as demographic changes in the village coupled with the effects of the pandemic had made progress with this aspect of our work unproductive. However Simon Newham, our vicar, continues enthusiastically with his links to local primary schools including the creation of a weekly Assembly video which is appreciated by parents too. The PCC appointed one of its members as a new Children and Youth coordinator so that new plans for this work, including within the local Brookenhurst College, can be developed during 2021.

Digital Church

The pandemic and lockdown forced a significant switch to move our activities online using the website as the focal point (<https://www.brookenhurstchurch.com>). Initially used for communications of key information and news (Brockcare, local services etc.) a programme of online 'Virtual Church' services was developed.

Simon Newham (Vicar) and John Pearson (Lay Reader) quickly showed great skills in recording and editing offline video services which were published each Sunday from the end of March. Over time a method of capturing and broadcasting 'live' services from St Saviour's was developed without requiring major investment. These facilities allowed both live input from the church combined with pre-recorded video material (songs, talks) and eventually even remote guest speakers (live or recorded).

These live services used the Zoom platform to connect remote attendees – enabling contributions (reading, prayer, thoughts) from those not in the building. In this way a community 'feel' was maintained with lots of interaction between attendees after the services. The services were also recorded and available to watch after the event through the website.

These facilities developed during the year and become more reliable and comprehensive. In turn more members of our congregation became familiar with their part in the technology, many learning new skills despite advancing years. Each week all three services were captured in this way and continued to cater for those unable to attend even when the church building was open.

A further 'audio only' facility was provided for those unable to connect by the internet, giving contact to anyone able to simply receive a phone call broadcast of the service. Several folk confined to residential care were able to participate in his way which would not have been possible in 'normal' times.

Our role in the community

Brockcare – our pastoral group providing support to the vulnerable and elderly in the village took a leading role from late March to organise help for those shielding and isolated. A full leaflet drop was quickly arranged to every Brockenhurst household offering help with shopping and supplies and a list of almost 100 people willing to provide help was coordinated. Regular telephone calls and contact were organised with the elderly to give support and contact.

Other activities such as Wednesday Lunches and Thursday coffee mornings (CAMEO, **C**ome **A**nd **M**ee**T** **E**ach **O**ther) and our annual Holidays At Home were curtailed from late March although weekly 'socially distanced teas' were able to be provided in September and October.

Remarkably Christmas Day lunch was provided for some of the villagers who would otherwise be on their own. This was supported by members of the church family who delivered the lunches to homes having been prepared in the Church Hall by a professional caterer who willingly gave their time free of charge.

We also served our community through baptisms, weddings and funerals as allowed under the restrictions including the provision of online access so that people not able to attend could participate.

Financial Review

Independent Examiner

The appointment of Mr Lewis Ball as Independent Examiner for these financial statements was approved at the APCM meeting held on 22 October 2020.

Overall Summary

Overall there was a net surplus of £13,204 before the unrealised investment gains are taken into account. However, this includes the following exceptional items and depreciation charges

- Legacies of £18,500
- Donation of £5,000
- Depreciation charges of £13,253

If depreciation charges are excluded the surplus before depreciation was £26,457 and £2,957 if the exceptional income from legacies and donations is excluded.

Impact of Covid-19 Pandemic

The pandemic resulted in an estimated loss of income of about £15,800 compared to 2019 from

- letting the hall
- wedding and funeral fees
- collections

However, this was partially offset by Job Retention Scheme grants of £7,800 received from HMRC resulting in an overall loss of income due to the pandemic of about £7,960 compared to 2019.

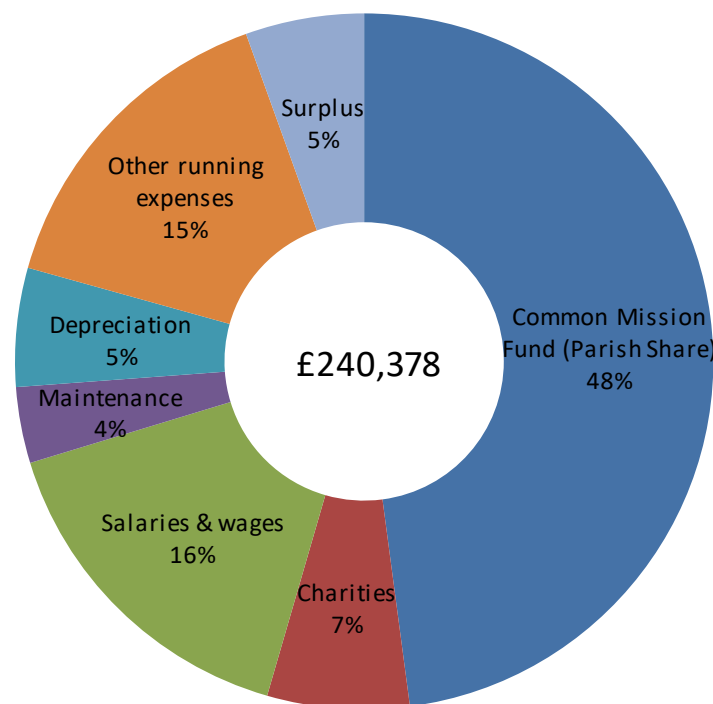
The loss of income was also further offset by a reduction in gas consumption resulting in a reduction in Gas, Electric and Water charges of £7,900 in 2019 to £3,500 in 2020.

Overall Expenditure

Overall expenditure was £227,174 against income of £240,378 resulting in an overall surplus of £13,204 compared to a deficit in 2019 of £4,262 from expenditure of £260,912 against income of £256,650.

Contributions to the Diocesan Common Mission Fund (Parish Share) amounted to £115,152 (or 48% of overall income) in 2020 compared with £110,330 in 2019. Other major categories of expenditure were

	2020	2019
• Donations to charities	£15,813	£19,038
• Staff salaries (including the employment costs of the Youth Worker)	£37,997	£47,235
• Total expenditure on youth work	£16,693	£22,786
• Maintenance of both churches and the hall	£8,496	£12,550
• Other running costs (electricity, gas, clergy expenses, insurance etc.)	£36,463	£58,508
• Depreciation charges	£13,253	£13,251
• Overall surplus/(deficit)	£13,204	(£4,262)



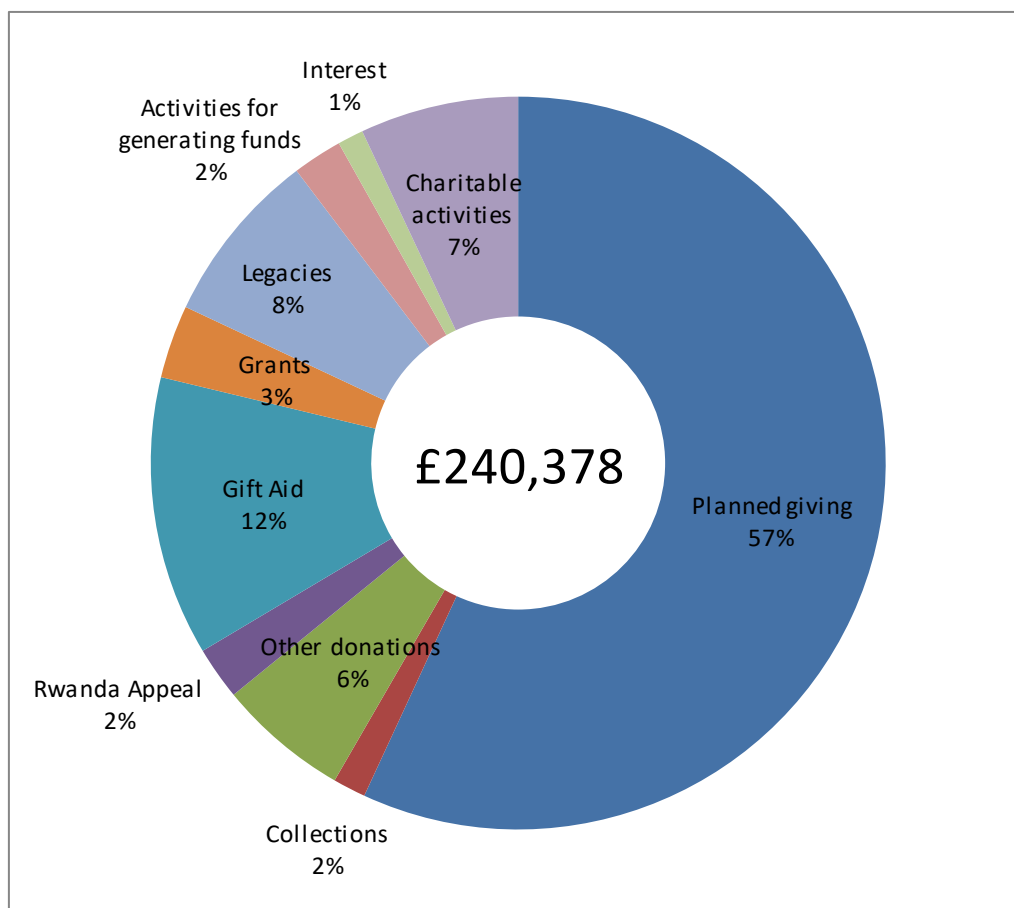
Overall Income

Income comes mainly from donations and the associated Gift Aid claimed from HMRC. Income was boosted in 2020 by:

- Legacies of £18,500 (8% of overall income)
- Job Retention Scheme (JRS) grants from HMRC of £7,771 (3% of overall income)
- Covid-19 appeal for Kigeme diocese, Rwanda

The graph below shows the proportion of income coming from the main accounting categories. This shows that

- 79% of income came from donations including Gift Aid claimed on donations
- 57% of income came from planned, regular donations given through
 - Parish Giving Scheme
 - Standing Orders
 - Charities Aid Foundation (CAF)
 - Other regular donations
- 12% of income comes from Gift Aid claimed on donations
- 11% came from Legacies and the Covid-19 JRS grants
- 10% came from normal activities. This includes things like fees received for weddings and funerals, trading activities and the parish magazine.



Appeals

During 2020 an appeal was held to help support the diocese of Kigeme in Rwanda from the impact of the Covi-19 Pandemic. This raised £5,610.

Ordinary Activities

The church spends the money at its disposal on the following main items:

- The Common Mission Fund (Parish Share)
- Youth Work
- Maintenance on the two church buildings (St Saviour's and St Nicholas') the church hall, and the churchyards
- Charitable giving from general income
- Other running expenses e.g. gas, electricity, insurance and salaries.
- Mission to the parish e.g. Brockcare activities

Money to support these is available from a number of Funds, primarily:

- The General Fund
- The Hall Management Fund
- The Youth Work Fund
- The St Nicholas Fund
- The St Nicholas Churchyard Income Fund
- The St Saviour's Fund

- The Brockcare funds

In addition money is also available from:

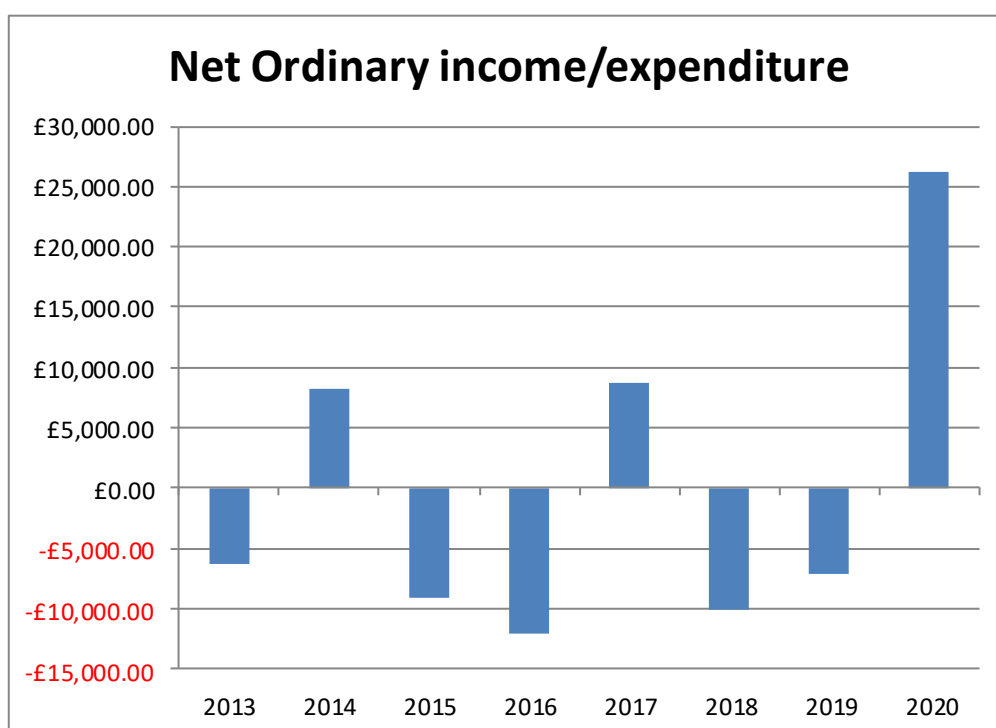
- The flower funds which are used to fund the provision of flowers in the two churches
- The Walker Munro Income Fund

Comparison with Previous Years

Excluding depreciation charges and appeal income there was a large surplus of £26,160 as shown in the graph below which shows the overall surplus or deficit for the years 2013 to 2020. This was boosted by extraordinary income from:

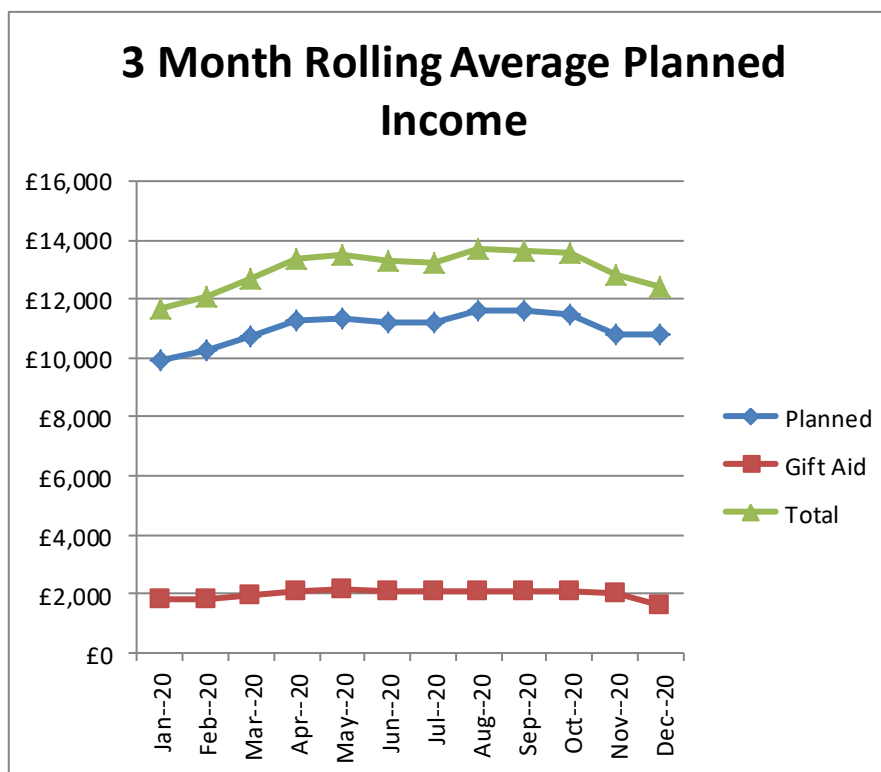
- Legacies £18,500
- One-off donations £5,000

If these are excluded the overall surplus before depreciation is £2,660.



Stewardship Campaign

A Stewardship Campaign was held in February 2020 resulting in an increase in planned donations from about £10,000 per month to about £11,500 per month in May an increase of 15%. However, recently a number of regular donations have been lost and monthly donations have dropped by about £700 to £10,800 in December.



Reserves

The PCC reviewed the reserves policy and decided that it was sufficient to keep a cash (or cash equivalent) reserve of three times the average monthly cash expenditure. The PCC considers this is sufficient to cover against

- A sudden loss of income
- Any major repairs that need to be funded urgently

The reserves comprise the cash held in unrestricted funds and at present exclude the cash held in the unrestricted flower funds. The cash reserves held on 31 December 2020 were £93,021 with an additional £2,393 held in the flower funds. The average monthly cash expenditure in 2020 was £20,500 for which the reserves policy requires a reserve of £61,500. The PCC decided that £30,000 of unrestricted funds should be designated as a Fabric Fund to pay for the repairs and maintenance work on the two churches, recommended by the Quinquennial Inspection carried out in 2020, over the next five years. Consequently, the undersigned reserves at 31 December 2020 are £63,021 which is £1,500 more than required by the reserves policy. However, the PCC believes to be reasonable because cash expenditure in 2020 has been lower than normal due to the Covid-19 Pandemic

Conclusions

2020 was an extraordinary year due to the Covid-19 Pandemic. Although income was reduced due to the churches being closed, the lack of fees from cancelled or postponed weddings, the reduction of income from collections and lack of income from hiring the church hall expenditure was less than normal and donations increased due to the response to the Stewardship Campaign. The overall outcome was a surplus even before income from legacies and extra-ordinary donations is taken into account. This positive outcome has allowed the PCC to set aside funds to cover the costs of the repairs identified by the Quinquennial Inspection which are estimated to cost around £30,000 over the next five years.

Although there was a large surplus in 2020 the church is reliant on income from regular donations, which account for 79% of all income. There was a good response to the Stewardship Campaign in February, increasing regular donations by 15%. However, some of these gains have recently been lost so that the monthly regular income is now about 9% higher than in December 2019.

Statement of trustee responsibilities applicable to members of the Parochial Church Council of the Ecclesiastical Parish of Brockenhurst (Brockenhurst PCC)

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Annual Financial Statements

The attached financial statements for the year ended 31 December 2020 have been prepared in accordance with the relevant Church Accounting Regulations, applicable Accounting Standards and Statement of Recommended Practice (FRS 102) 2015.

Independent Examiner's Report to Brockenhurst PCC

We report on the accounts for the year ended 31 December 2020 which are set out on pages 14 to 30.

Respective responsibilities of the Trustees and Independent Examiner

The church's trustees are responsible for the preparation of the accounts. The church's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is our responsibility to:

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

Basis of Independent Examiner's Statement

Our examination was carried out in accordance with the General Directions given by the Charity Commission.

An examination includes the review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the management committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently we do not express an audit opinion on the accounts.

Independent Examiner's Statement

Since the gross income for the year exceeds the amount provided in section 145(3) of the Act, we conform that we are qualified to act as Independent Examiner under the provisions of that section of the Act and that our qualification is as shown below.

In connection with our examination, no matters have come to my attention

1. which give us reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
2. to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mr L D Ball FCPA

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BH23 1QL

Statement of Financial Activities for the year ended 31 December 2020

	Note	Unrestricted Funds 2020	Restricted Funds 2020	Endowment Funds 2020	Total 2020	Unrestricted Funds 2019	Restricted Funds 2019	Endowment Funds 2019	Total 2019
		£	£	£	£	£	£	£	£
Income and Endowments from:									
Donations and Legacies	2(a)	196,490	19,120	-	215,610	168,253	45,772	-	214,025
Other trading activities	2(b)	5,196	-	-	5,196	11,289	-	-	11,289
Investments	2(c)	451	2,293	-	2,744	773	2,229	-	3,002
Charitable activities	2(d)	16,769	-	-	16,769	25,827	1,459	-	27,286
Other Income	2(e)	59	-	-	59	465	583	-	1,048
Total		218,965	21,413	-	240,378	206,607	50,043	-	256,650
Expenditure on:									
Raising funds	3(a)	3,493	-	-	3,493	8,756	-	-	8,756
Charitable activities	3(b)	181,424	42,257	-	223,681	189,595	62,561	-	252,156
Total		184,917	42,257	-	227,174	198,351	62,561	-	260,912
Net Income/(Expenditure)		34,048	(20,844)	-	13,204	8,256	(12,518)	-	(4,262)
Transfers between Funds		(8,552)	8,552	-	-	9,717	(9,717)	-	-
Other recognised gains/(losses)									
Gains/(losses) on investments	7	-	-	5,269	5,269	-	-	12,074	12,074
Net Movement in Funds		25,496	(12,292)	5,269	18,473	17,973	(22,235)	12,074	7,812
Balances brought forward at 1 January		69,918	35,015	76,619	181,552	51,945	57,250	64,545	173,740
Balances carried forward at 31 December		95,414	22,723	81,888	200,025	69,918	35,015	76,619	181,552

The notes on pages 17 to 30 form part of these accounts

Balance sheet at 31 December 2020

	Note	Unrestricted Funds 2020	Restricted Funds 2020	Endowment Funds 2020	Total Funds 2020	Unrestricted Funds 2019	Restricted Funds 2019	Endowment Funds 2019	Total Funds 2019
		£	£	£	£	£	£	£	£
FIXED ASSETS									
Tangible assets	11	-	15,100	-	15,100	-	28,353	-	28,353
Investment assets: Endowment fund investments	6	-	-	81,888	81,888	-	-	76,619	76,619
		-	15,100	81,888	96,988	-	28,353	76,619	104,972
CURRENT ASSETS									
Stock		1,442	-	-	1,442	799	-	-	799
Investments		-	-	-	-	-	-	-	-
Debtors and prepayments	8	67,226	70	-	67,296	63,993	468	-	64,461
Short-term deposits		-	-	-	-	-	-	-	-
Cash at bank and in hand		36,250	8,977	-	45,227	14,089	9,511	-	23,600
Total current assets		104,918	9,047	-	113,965	78,881	9,979	-	88,860
LIABILITIES									
Creditors - amounts falling due within one year	9	9,504	1,424	-	10,928	8,963	3,317	-	12,280
Net current assets/(liabilities)		95,414	7,623	-	103,037	69,918	6,662	-	76,580
Total assets less current liabilities		95,414	22,723	81,888	200,025	69,918	35,015	76,619	181,552
Creditors - amounts falling due after one year		-	-	-	-	-	-	-	-
Total net assets		95,414	22,723	81,888	200,025	69,918	35,015	76,619	181,552
PARISH FUNDS									
Unrestricted	10(a)	95,414			95,414	69,918			69,918
Restricted	10(b)		22,723		22,723		35,015		35,015
Endowment	10(c)			81,888	81,888			76,619	76,619
		95,414	22,723	81,888	200,025	69,918	35,015	76,619	181,552

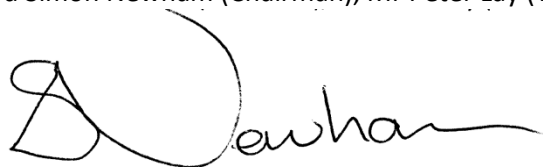
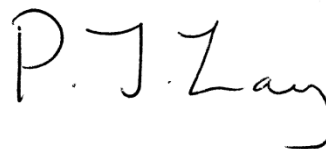
The notes on pages 17 to 30 form part of this account

Cash flow statement at 31 December 2020

	End 2020	End 2020	End 2019	End 2019
Net cash from operating activities		18,883		4,634
Cash flows from investing activities				
Dividends, interest and rent from investments	2,744		3,002	
Purchase of:				
Tangible fixed assets for use of the PCC	-		(117)	
		<u>2,744</u>		<u>2,885</u>
Change in cash and cash equivalents in the reporting period		21,627		7,519
Cash and cash equivalents at 1 January		23,600		16,081
Cash and cash equivalents at 31 December		<u>45,227</u>		<u>23,600</u>
Reconciliation of net income/(expenditure) before investment gains				
Net income before investment gains at 31 December		13,204		(4,262)
Adjustments for:				
Depreciation charges		13,253		13,251
Dividends, interest and rent from investments		(2,744)		(3,002)
Decrease/(Increase) in stock		(643)		17
Decrease/(increase) in debtors		(2,835)		8,419
(Decrease)/Increase in creditors		(1,352)		(9,789)
Net cash provided by/(used in) operating activities		<u>18,883</u>		<u>4,634</u>
Analysis of cash and cash equivalents				
Cash in hand		45,227		23,600
Notice deposits (less than 3 months)		-		-
		<u>45,227</u>		<u>23,600</u>

The notes on pages 17 to 30 form part of this account

Approved by the Parochial Church Council on 25 March 2021 and signed on its behalf by:
 Revd Simon Newham (Chairman), Mr Peter Lay (Treasurer)

Notes to the financial statements for the year ended 31 December 2020

1. Accounting Policies

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCC's and with the Regulations "true and fair view" provisions.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

Funds

Unrestricted funds are general funds which can be used for PCC ordinary purposes. They represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated by the PCC for a particular purpose, though also unrestricted, are separately disclosed.

Restricted Funds represent donations, grants and other income received for a specific objective or invited by the PCC for a specific objective. The Funds may only be expended on the specific objective 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.

Endowment Funds are funds, the capital of which must be maintained as determined by the terms of the Fund; only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending on the purpose for which the endowment was established.

Income

Planned giving, collections and donations are recognized when received. Tax refunds are recognized 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. Dividends are accounted for when receivable, interest is accrued. All other income is recognized when it is receivable. All incoming resources are accounted for gross. Amounts collected on behalf of other bodies at events held on church premises and handed to their representatives on the day are not considered to be incoming resources of the PCC and are not included in these statements.

Expenditure

Grants

Grants and donations are accounted for when paid over, or when awarded. Where the PCC has agreed in principle during the year to make grants up to a specified total, subject only to the ascertainment of the year's result, and such grants are subsequently confirmed and paid, they are provided for in these accounts as an operational (though not a legal) liability and are shown as creditors in the Balance Sheet.

Activities directly relating to the work of the Church

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

Assets

Consecrated and benefice property

In so far as consecrated and benefice property of any kind is excluded from the statutory definition of 'charity' by Section 109(2)(a) and (c) of the Charities Act 2011 such assets are not capitalised in the financial statements.

Moveable church furnishings

These are capitalised at cost and depreciated over their useful economic life other than where insufficient cost information is available. In this case the item is not capitalised, but all items are included in the Church's inventory in any case.

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £1,000, They are valued at cost or else, for gifts-in-kind, at a reasonable estimate of their open market value on receipt.

Depreciation is calculated to write off the capitalised cost of fixed assets less their currently anticipated residual fair value over five years.

An impairment review is carried out at each year-end and any resultant loss identified included in expenditure for the year.

Investments

Investments quoted on a recognised stock exchange or whose value derives from them are valued at market value at the year end. Other investment assets are included at the PCC's best estimate of market value.

Short term deposits

These are the cash held on deposit either with the CCLA, Diocesan Loans Fund or at the bank.

2. Income and Endowments

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
2(a)	Donations and Legacies						
	Planned giving:						
	Gift Aid donations	96,765	3,423	100,188	86,175	9,033	95,208
	CAF	26,050	-	26,050	22,500	-	22,500
	Other	10,216	275	10,491	8,820	225	9,045
	Collections	2,242	1,233	3,475	9,496	5,685	15,181
	Donations						
	Gift Aid donations	3,440	4,140	7,580	2,919	14,815	17,734
	CAF	5,000	200	5,200	40	1,050	1,090
	Other	4,294	2,416	6,710	7,482	7,050	14,532
	Tax Recoverable	27,728	1,917	29,645	25,321	6,064	31,385
	Grants	2,255	5,516	7,771	-	100	100
	Legacies	18,500	-	18,500	5,500	1,750	7,250
		196,490	19,120	215,610	168,253	45,772	214,025
2(b)	Activities for generating funds						
	Parish Magazine (advertising)	4,766	-	4,766	5,748	-	5,748
	Wedding Flowers	411	-	411	5,541	-	5,541
	Other	19	-	19	-	-	-
		5,196	-	5,196	11,289	-	11,289
2(c)	Investments						
	Dividends on CBF Investment Fund	-	2,293	2,293	-	2,227	2,227
	Bank and WDBF Loans Fund	451	-	451	773	2	775
		451	2,293	2,744	773	2,229	3,002
2(d)	Charitable activities						
	Fees for weddings and funerals	1,852	-	1,852	6,387	-	6,387
	Non-statutory fees	1,375	-	1,375	666	-	666
	Parish magazine sales	4,711	-	4,711	4,369	-	4,369
	Bookstall	5,959	-	5,959	2,395	-	2,395
	Payments for events	183	-	183	773	1,459	2,232
	Trading activities						
	Letting of hall	1,445	-	1,445	6,125	-	6,125
	Wednesday Lunches	1,201	-	1,201	5,112	-	5,112
	Other	43	-	43	-	-	-
		16,769	-	16,769	25,827	1,459	27,286
2(e)	Other Income						
	Insurance claim	-	-	-	-	-	-
	Pension Refund	59	-	59	-	583	583
	Interregnum	-	-	-	465	-	465
		59	-	59	465	583	1,048
	Total incoming resources	218,965	21,413	240,378	206,607	50,043	256,650

3. Expenditure On

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	
3(a) Raising funds								
Cost of generating funds								
Trading	Bookstall	2,268	-	2,268	1,552	-	1,552	
	Wednesday lunches	829		829	3,601		3,601	
	Flower arranging	396	-	396	3,603	-	3,603	
	Cost of fetes and other events	-	-	-	-	-	-	
		3,493	-	3,493	8,756	-	8,756	
3(b) Charitable Activities								
Missionary and charitable giving		4	8,500	7,313	15,813	13,000	6,038	19,038
Ministry:	Diocesan parish share	115,152	-	115,152	110,330	-	110,330	
	Other ministry costs	1,224	411	1,635	1,172	1,417	2,589	
	Gas, Electric & Water	3,492	67	3,559	7,953	-	7,953	
	Insurance	6,684	-	6,684	6,744	-	6,744	
	Salaries & wages	5	21,638	16,359	37,997	25,292	21,943	47,235
	Training & Mission costs	851	-	851	332	-	332	
	Stationery	3,601	-	3,601	2,843	-	2,843	
	Bank charges	452	-	452	575	-	575	
	Maintenance	693	2,621	3,314	1,271	8,469	9,740	
	Upkeep of sevicees	1,374	472	1,846	1,819	1,297	3,116	
	Churchyard	691	1,271	1,962	540	2,441	2,981	
	Other running expenses	4,956	490	5,446	5,987	1,801	7,788	
Major repairs - installation		-	-	-	-	-	-	
Major repairs - structure		-	-	-	-	5,232	5,232	
New Building Work		-	-	-	-	-	-	
Other expenditure		-	-	-	-	672	672	
Depreciation		-	13,253	13,253	-	13,251	13,251	
Parish magazine costs		5,520	-	5,520	5,062	-	5,062	
Church hall running costs								
	Gas & Electric	1,205	-	1,205	1,961	-	1,961	
	Maintenance	5,182	-	5,182	2,810	-	2,810	
	Depreciation	-	-	-	-	-	-	
	Other	209	-	209	1,904	-	1,904	
		181,424	42,257	223,681	189,595	62,561	252,156	
Total resources expended		184,917	42,257	227,174	198,351	62,561	260,912	

4. Missionary and Charitable Giving

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £	Total 2019 £
Overseas missionary and relief societies:					
Aid for Romania	-	-	-	-	-
Bible Society	1,000	-	-	1,000	1,000
Church Mission Society	2,500	-	-	2,500	2,500
DEC (Cyclone Idai)	-	-	-	-	740
Leprosy Mission	-	645	-	645	-
Jerusalem & Middle East Church Association	750	271	-	1,021	1,408
Lent boxes	-	372	-	372	428
Open Doors	-	-	-	-	1,000
Rwanda	1,000	5,610	-	6,610	1,500
Sat 7	-	-	-	-	1,000
Tearfund	1,000	-	-	1,000	2,423
	6,250	6,898	-	13,148	11,999
Home missions and other church societies:					
Childrens' Society	-	-	-	-	307
Christians Against Poverty	750	-	-	750	750
Young Minds	-	54	-	54	-
	750	54	-	804	1,057
Local charities:					
Basics Bank	-	20	-	20	-
Bishop's Ordination Fund	-	-	-	-	639
Brockenhurst Day Care Centre	750	-	-	750	750
Naomi House	-	-	-	-	1,126
New Forest Mencap	750	50	-	800	750
Oakhaven Hospice	-	291	-	291	1,876
Royal British Legion	-	-	-	-	841
	1,500	361	-	1,861	5,982
Total Missionary and charitable giving	8,500	7,313	-	15,813	19,038

5. Staff Costs

	2020	2019
	£	£
Wages and salaries	37,341	46,328
National Insurance	-	-
Pension	579	806
Life Assurance	77	101
Training	-	-
	<u>37,997</u>	<u>47,235</u>

During year the PCC employed a Parish Administrator; Youth Worker; Family Worker; organists; sexton and cleaners for the church and hall. No employee was paid more than £60,000

6. Related Parties

No payments or expenses were paid to any PCC member, or persons closely connected to them or related parties.

7. Investments

	St Nicholas' Churchyard £	Walker Munro £	Harding £	Total £
Market value at 1 January 2020	53,560	13,858	9,201	76,619
Disposal	-	-	-	-
Purchases at cost	-	-	-	-
Net gains	3,683	953	633	5,269
Market value at 31 December 2020	<u>57,243</u>	<u>14,811</u>	<u>9,834</u>	<u>81,888</u>
Units held	2,794	723	480	

The St Nicholas' Churchyard, Walker Munro and Harding endowment funds are invested in CBF Church of England Investment Fund – Income Shares.

8. Debtors and Prepayments

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £	2019 £
Debtors					
Gift Aid Tax	777	5	-	782	1,168
HMRC (employment)	-	-	-	-	-
Diocesan Loans Fund	61,486	-	-	61,486	61,486
Other debtors	<u>4,380</u>	<u>65</u>	<u>-</u>	<u>4,445</u>	<u>1,228</u>
	66,643	70	-	66,713	63,882
Prepayments	583	-	-	583	579
	<u>67,226</u>	<u>70</u>	<u>-</u>	<u>67,296</u>	<u>64,461</u>

9. Liabilities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds	
				2020 £	2019 £
Accruals and deferred income					
Charities	-	1,047	-	1,047	2,597
Other	6,961	277	-	7,238	6,119
	<u>6,961</u>	<u>1,324</u>	<u>-</u>	<u>8,285</u>	<u>8,716</u>
Creditors for goods and services	2,543	100	-	2,643	3,564
Other creditors	-	-	-	-	-
	<u>9,504</u>	<u>1,424</u>	<u>-</u>	<u>10,928</u>	<u>12,280</u>

10. Funds

10(a) Unrestricted Funds

	Balance at 1 January	Incoming Resources	Resources Expended	Net	Transfers	Balance at 31 December
General	67,324	213,282	(173,976)	39,306	(43,734)	62,896
Hall	-	5,147	(10,545)	(5,398)	5,398	-
Fabric	-	-	-	-	30,000	30,000
Music	-	125	-	125	-	125
St Nicholas' Flower Trading	1,279	411	(396)	15	(1,294)	-
St Saviour's Flower Trading	1,315	-	-	-	(1,315)	-
Flower (Trading)	-	-	-	-	2,393	2,393
	<u>69,918</u>	<u>218,965</u>	<u>(184,917)</u>	<u>34,048</u>	<u>(8,552)</u>	<u>95,414</u>

For administrative and monitoring purposes the PCC has designated its unrestricted funds into five funds:

- The General Fund is used for the day-to-day running expenses of the church activities that cannot be charged to any other fund;
- The Hall Fund is used for the day-to-day running expenses of the church hall under the control of the Hall Management committee;
- The PCC has designated £30,000 of unrestricted money as the Fabric Fund to cover the costs of implementing the recommendations of the Quinquennial survey conducted on both churches in 2020. These costs are estimated to be £30,000 and the expenditure will be spread over the next five years.
- The Music Fund is a designated fund to be spent on the enhancement of music within the worship of both churches.
- The two flower trading funds were designated funds that account for funds raised in the provision and arrangement of church flowers for weddings and funerals. The net income of these funds is used to support the provision of flowers for church services also partly funded by the corresponding restricted funds. These funds have now been merged into a single Flower (Trading) fund.

10(b) Restricted Funds

	Note	Balance at 1 January	Incoming Resources	Resources Expended	Net	Transfers	Balance at 31 December
St Nicholas'		14	-	(2,062)	(2,062)	2,048	-
St Nicholas' Churchyard Fund Income		260	1,603	(1,216)	387	(425)	222
St Nicholas' Flower Guild		191	146	(271)	(125)	-	66
Total St Nicholas'		465	1,749	(3,549)	(1,800)	1,623	288
St Saviour's		-	500	(402)	98	137	235
St Saviour's AV system		15,850	-	(4,047)	(4,047)	-	11,803
Walker Munro Fund Income		-	415	(174)	241	74	315
St Saviour's Flower Guild		-	95	(309)	(214)	217	3
Total St Saviour's		15,850	1,010	(4,932)	(3,922)	428	12,356
Youth Worker		-	10,192	(16,693)	(6,501)	6,501	-
Total Youth		-	10,192	(16,693)	(6,501)	6,501	-
Brockcare							
General		(796)	200	(110)	90	-	(706)
Christmas Lunch		878	430	(232)	198	-	1,076
Holidays at Home		816	-	-	-	-	816
Total Brockcare		898	630	(342)	288	-	1,186
Charities	4	105	7,407	(7,313)	94	-	199
Music		603	150	(117)	33	-	636
Harding Fund Income		4,590	275	(105)	170	-	4,760
Total other restricted funds		5,298	7,832	(7,535)	297	-	5,595
Hall Development							
Kitchen		11,364	-	(8,522)	(8,522)	-	2,842
Carpet		1,140	-	(684)	(684)	-	456
Total Hall Development		12,504	-	(9,206)	(9,206)	-	3,298
Total restricted funds		35,015	21,413	(42,257)	(20,844)	8,552	22,723

There are a number of restricted funds that account for money donated for specific purposes. In 2020 these funds accounted for income of £21,413 and expenditure of £42,257. These funds include the St Saviour's AV Fund, and the Hall Development Kitchen and Carpet Funds all of which have capitalised assets with total depreciation of £13,215 in 2020.

Specific points regarding each fund are:

- St Nicholas'
 - This accounts for money donated specifically for the maintenance and other running costs of St Nicholas' church.
 - No income was received in 2020. However, expenditure of £2,062 was allocated to this fund supported by transfers of £2,048 from other funds..
- St Nicholas Churchyard Income

- This fund accounts for the investment income received from the St Nicholas Churchyard endowment fund. This income may be spent on the maintenance of the churchyard and any surplus on the maintenance of St Nicholas' church.
- St Nicholas Flower Guild
 - This fund accounts for money given for the provision of flowers in St Nicholas such as the Flower Pot collections and other donations. This is separate from any money raised through the provision of wedding flowers which is regarded as a trading activity the profit from which is treated as unrestricted income.
 - The provision of flowers is reported as part of the Upkeep of Services costs.
- St Saviours
 - This fund accounts for money donated specifically for the maintenance and other running costs of St Saviour's church.
- St Saviour's AV System
 - This fund accounts for the appeal income raised to pay for the installation of a new sound system in St Saviour's church.
 - The cost of the sound system was capitalised and this fund now accounts for the depreciation of the sound system over a five year period.
 - The 2020 expenditure of £4,047 is the cost of depreciation for 2020.
- Walker Munro
 - This fund accounts for the investment income received from the Walker Munro endowment fund.
 - The exact purpose of this fund is unclear as no formal documentation can be found. The PCC have therefore decided that this fund can be used to support the costs of St Saviour's church the construction of which was paid for by the Walker Munro family of Rhinefield House.
 - Money from the fund was used to pay for maintenance of St Saviour's church.
- St Saviours Flower Guild
 - This fund accounts for money given for the provision of flowers in St Saviour's such as the Flower Pot collections and other donations. This is separate from any money raised through the provision of wedding flowers which is regarded as a trading activity the profit from which is treated as unrestricted income.
 - The provision of flowers is reported as part of the Upkeep of Services costs
- Youth Worker
 - This fund accounts for the income and expenditure of funds received explicitly for Youth Work. Only a few donors are still supporting this fund so the cost of youth work has been partially paid from the General Fund (accounted for as a transfer of funds into the Youth Worker fund)
 - A Youth Worker was employed from January to September resulting in less expenditure than normal.
 - The total cost of youth work was £16,693 against which £10,192 of restricted funds for youth work were received.
 - Expenditure exceeded the fund's assets and income by £6,501 in 2020, the cost of which was met out of general funds.
- Brockcare General
 - This fund accounts for the general costs of running the Brockcare activities. Brockcare activities such as Holiday at Home attract grant income which is difficult to allocate to general costs. Consequently, the general fund is overspent while more specific funds are in surplus. The PCC aim to resolve this issue but no solution has been found to date.
- Christmas Lunch
 - This fund accounts for the income and expenditure associated with providing the Christmas lunch.
 - The total income of £430 comprises charges made for the lunch and grant income of £100 received from the Groome Trust.
 - Income exceeded expenditure resulting in a small surplus of £198
- Holidays at Home
 - This fund accounts for the income and expenditure for the annual Holidays at Home

- Due to the Covid-19 Pandemic there was no Holidays at Home in 2020 so income and expenditure are both zero.
- Charities
 - Any collection (such as those at Easter, harvest and Christmas) or other fund raising activity on behalf of other charities is treated as a restricted fund. Details of the charities supported in this way are detailed in note 4 under the restricted funds heading.
 - In total, £7,313 was raised for charities including £5,610 raised by an emergency appeal to support the Kigeme diocese, Rwanda, as a result of the Covid-19 Pandemic.
- Music
 - The music fund was established to support the musical activities of both churches in the parish (St Saviour's and St Nicholas').
 - Income predominately comes from choir members who donate their fees for singing at funerals.
 - Money from the fund was used in 2020 to pay for:
 - Subscription to the RSCM
- Harding Income
 - This accounts for investment income received from the Harding Investment Fund used to maintain the Harding grave in St Nicholas' churchyard
- Hall Development Funds
 - These are the funds opened to fund the extension to the church hall. These funds now account for the depreciation of the capitalised assets (kitchen and carpet). These assets will become fully depreciated in 2021.
 - Kitchen
 - This accounts for any money donated specifically for the refurbishment of the hall kitchen as part of the development project.
 - The cost of the kitchen was capitalised at £42,612 to be depreciated to £0 over a five year period.
 - The expenditure of £8,522 from this fund represents the depreciation for 2020.
 - Carpet
 - This accounts for money given for the re-carpeting of the hall.
 - The hall carpet was capitalised at £3,420 to be depreciated to £0 over 5 years.
 - The expenditure of £684 from this fund represents the depreciation for 2020.

10 (c) Endowment Funds

	Note	Balance at 1 January	Incoming Resources	Resources Expended	Investment Gains	Transfers	Balance at 31 December
St Nicholas' Churchyard		53,560	-	-	3,683	-	57,243
Walker Munro		13,858	-	-	953	-	14,811
Harding		9,201	-	-	633	-	9,834
		<u>76,619</u>	<u>-</u>	<u>-</u>	<u>5,269</u>	<u>-</u>	<u>81,888</u>

The Endowment Funds comprise

- The St Nicholas Churchyard Fund which was established by a gift of £15,000. The income from this can be used for the maintenance of the St Nicholas Churchyard and also for maintenance of St Nicholas church;
- The purpose of the Parish Church Fund was unclear and the PCC resolved that the best use of the funds available was to consolidate them with the St Nicholas restricted fund
- The income from the Walker Munro Fund can be used for the maintenance of St Saviours church;
- The Harding fund was established by a gift of £2,000 from Miss Harding to maintain her parents grave. The capital was left in trust to the Vicar and Church Wardens in 1976 for 79 years after which the capital becomes the property of the PCC.

11. Fixed Assets

		Kitchen £	Carpet £	St S AV £	Total £
Cost or valuation	At beginning of the year	42,612	3,420	20,117	66,149
	Additions at cost	-	-	-	-
	At end of the year	<u>42,612</u>	<u>3,420</u>	<u>20,117</u>	<u>66,149</u>
Depreciation	At beginning of the year	31,248	2,280	4,268	37,796
	Charge for the year	8,522	684	4,047	13,253
	At end of the year	<u>39,770</u>	<u>2,964</u>	<u>8,315</u>	<u>51,049</u>
Net book value	At beginning of the year	11,364	1,140	15,849	28,353
	At end of the year	2,842	456	11,802	15,100

12. Retirement and Post-Employment Benefits

Brockenhurst PCC participates in the Pension Builder Scheme section of the Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2020: £579 2019: £806).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, Brockenhurst PCC could become responsible for paying a share of that employer's pension liabilities.