

**The Parochial Church
Council of the Ecclesiastical
Parish of St Stephen on the
Cliffs, Blackpool**

**Annual Report and
Unaudited Financial
Statements**

**For the Year Ended
31 December 2020**

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Rev Canon A Sage (Chairperson and Incumbent)
Mrs S Bayliss (Co-opted member)
Mr N Nortcliffe (Co-opted member)
Mrs C Grimsted
Mrs J Green (Treasurer)
Mrs D Graham (Vice Chair)
Mrs H Sage
Mr C Norton (Secretary and Co-opted member)
Mr I Butterworth
Mrs K Billinghamurst
Mr A Norton
Mr K McLennan (Churchwarden)
Mrs J Stansfield
Mr M Wilcock (Co-opted member)
Mrs A McLennan (Co-opted member)
Mr W Cairns (Co-opted member)
Mrs L Jeffery

Charity number 1131959

Principal address

St. Stephen's Vicarage
St. Stephens Avenue
Blackpool
Lancashire
FY2 9RB

Independent examiner

Julie Flintoff FCA
Charter House
Pittman Way
Fulwood
Preston
Lancashire
PR2 9ZD

Bankers

Natwest
20 Corporation Street
Blackpool
Lancashire
FY1 1EY

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST STEPHEN ON THE CLIFFS, BLACKPOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Structure, governance and management

The Legal and Administrative information at the front of the financial statements forms part of this report.

Governing Document

PCC is an unincorporated association and registered as a charity on 1 October 2009. It is governed by the Parochial Church Council Powers Measure (1956) as amended and church representation rules.

The trustees who served during the year and up to the date of signature of the financial statements were:

Rev Canon A Sage (Chairperson and Incumbent)	
Mrs S Bayliss (Co-opted member)	
Mr N Nortcliffe (Co-opted member)	
Mrs C Grimsted	
Mrs J Green (Treasurer)	
Mrs D Graham (Vice Chair)	
Mrs H Sage	
Mr C Norton (Secretary and Co-opted member)	
Mr I Butterworth (Church Warden)	
Mrs K Billinghamurst	
Mr A Norton	
Mrs L Jeffery	(appointed 10 October 2020)
Mr K McLennan	(appointed 10 October 2020)
Mrs J Stansfield	(appointed 10 October 2020)
Mr M Wilcock	(resigned 10 October 2020, co-opted 26 January 2021)
Mrs A McLennan	(resigned 10 October 2020, co-opted 26 January 2021)
Mr W Cairns	(resigned 10 October 2020, co-opted 26 January 2021)
Mrs J Delauney	(resigned 2 March 2020)
Mr A Floyd	(resigned 10 October 2020)

Mrs H Sage and Mr A Floyd are ex officio members by virtue of their membership of the Deanery Synod however Mr A Floyd resigned in October 2020 requiring the place on Synod to be filled. The PCC thanks him for all his hard work over the years. Mrs D Graham and Mr I Butterworth continue as Churchwardens. Mr N Nortcliffe and Mrs A McLennan have continued in their roles as safeguarding officers and their help and guidance in what has proved to be a very difficult year has been invaluable. Due to the pandemic, the PCC has been only able to hold three meetings during 2020 and the finance and standing committee, who were able to meet each month remotely, were elected to make decisions on their behalf. The PCC has the authority to admit other members ex officio if the need arises. The number of elected members shall not be more than twelve and normally they would serve a term of no more than three years. PCC members may resign at any time either verbally or in writing at a PCC meeting. PCC members receiving a remuneration or reimbursement of their expenses are as disclosed in the financial statements. Members who are new to the PCC are given guidance on the duties and responsibilities pertaining to their appointment by existing PCC members and from the relevant publications of the Charities Commission.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST STEPHEN ON THE CLIFFS, BLACKPOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Father Harry Pugh has continued as Hon. Assistant Priest throughout the year and has been joined by Father Paul Smith and the PCC thank them both for their services as part of the ministry team.

As always we are very grateful to our Musical Director Mr Philip Berry and his deputy Mr Andrew Cramer for all their continued hard work and especially for doing their utmost to keep spirits up with their playing (when allowed) during 2020.

Organisation

Whilst the PCC has overall responsibility, from a practical point of view the finance and standing committee oversees the maintenance and upkeep of the buildings on a day to day basis, leaving the PCC to manage the aspects of work relating to Mission, Outreach and Pastoral support. Between PCC meetings, general business has been transacted by the finance and standing committee who meet on a monthly basis. This has been of great help during the pandemic as the PCC has been unable to meet during times of lockdown or due to cases of self-isolation. The end of year membership for the electoral roll stood at 86 (2019:113). The average Sunday communicant figure counted during the four Sundays in October was 55 adults.

Objectives and activities

The Parochial Church Council of the Ecclesiastical Parish of St Stephen on the Cliffs (PCC) has the responsibility of co-operating with the Incumbent in promoting the whole mission of the Church, spiritual, liturgical, pastoral, evangelistic, social and ecumenical. It also has the maintenance responsibilities for the Parish Church complex of St Stephen on the Cliffs, Holmfield Road and the Church halls on St Stephens Avenue, Blackpool.

The objective of the PCC is to promote and maintain the Holy Catholic Faith through our own example of Worship, Spiritual life and service. To this end the PCC will:

- Strive to maintain the richness of Traditional Anglo-Catholic Worship
- Endeavour to encourage and foster both newcomers to the faith and also our fellow Christians through private Devotion and Common Prayer and Spiritual Refreshment for all.
- Seek to maintain an oasis of Prayer and Spiritual Refreshment for all.
- Be committed to the creation of a welcoming and serving community through the care of both young and old in North Shore, Blackpool.
- Seek to make the Good News of Christ known through Word and Sacrament through joyful fellowship and loving service.

Along with other Churches in the Diocese the PCC is part of a 10 year Mission and Reformation Plan which involves the Parish being challenged to produce a practical strategy to feed into the overall Mission entitled 'Healthy Churches Transforming Communities'.

The PCC seek to do all of this under the guidance of the Holy Spirit and through the saving grace of our Risen Saviour Jesus Christ.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST STEPHEN ON THE CLIFFS, BLACKPOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Public Benefit

The charity Trustees have complied with their duty to have regard to the guidance on public benefit as published by the Charities Commission in exercising their powers or duties.

The Church halls are available to all in the community requiring a suitable venue.

The Church has always maintained a close relationship with the local school and nursery and has welcomed them in staging concerts and assemblies and also after school activities which has continued to promote Christian values among the community. Unfortunately, due to the circumstances of 2020 this has not been able to take place but we hope to resume these activities as soon as is allowed.

In normal times it is usual for the Vicar, Organist and a few of the congregation to visit the local care homes to play hymns, offer spiritual guidance or just chat to the residents. This has, over time, encouraged a number of the residents to attend services and become part of the St Stephens family. Unfortunately due to the pandemic (this is phrase you are going to hear a lot!) this has been unable to happen, however every effort has been made to keep the Church open for prayer and quiet reflection whenever possible to do so. It is to be noted that the health and wellbeing of all who attend St Stephens is paramount and rigorous steps have been taken to ensure all precautions have been met. This includes strict social distancing, hand sanitising stations and gloves and masks on offer to all visitors.

Achievements and performance

The PCC only managed to sit on 3 occasions during the year with an average attendance of 68%. As is mentioned previously, the finance and standing committee have continued to meet monthly via Microsoft teams and have been able to make decisions on maintenance and funding on the PCC'S behalf.

All of the repairs and maintenance costs have been made by Friends, with the exception of £4,137 which was used towards audio works, lighting and roof repairs. The Parish share was paid in full thanks to the Diocese allowing us to realise part of the investment fund which contributed £23,425. The rest was paid out of the bank account. There was an overpayment made in 2020 of £833 which will be deducted from 2021.

The Church has continued its Mission to support to CHIKS, Holy Cross soup kitchen and The Children's Society to the sum of £1,072.

The COVID-19 pandemic has curtailed many of the hall lettings, activities and fundraising events that the Church would normally host. The halls were able to briefly open on occasions between lockdowns and much effort has been made to try and keep meetings going wherever safely possible to do so. It is heartening to know that our regular hall users all wish to return as soon as it is possible to do so and we are deeply grateful for the understanding and support they have shown when the rules have changed and their groups have had to be cancelled. There have been a large number of enquiries regarding hall hire throughout the year and these have been kept on file in preparation for reopening.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST STEPHEN ON THE CLIFFS, BLACKPOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

A summary of our income and expenditure is set out on page 9 and shows net deficit for the year of £13,809. Total receipts from unrestricted funds during the year were £83,311 (2019: £112,938) of which £60,486 (2019: £76,246) was from donations and legacies.

The amount of total funds the charity holds at the end of the reporting period is £73,218. Included in this total are restricted funds of £11,318.

The Church holds cash at bank of £21,990 (2019:£15,311) and £544 (2019: £542) which is deposited with Central Board of Finance Church of England Funds.

The fixed assets shown on the balance sheet show a figure of £72,722 (2019: 100,504). This is comprised of freehold land and buildings and computers/I.T. equipment of £16,484 and investments held by the Diocese of £56,238.

The Parish share was paid in full with an overpayment of £833 which will be deducted from the 2021 amount.

The hall hire was down significantly by £7,271 (2020: £6,390; 2019:£13,661), due to being unable to rent the halls out, and this has impacted greatly on the Churches income stream.

Thanks to continued support from the congregation of St Stephens the decrease in Stewardship payments was only £307 (2020: £35,966; 2019:£36,273), and it cannot be stressed enough how important regular giving is necessary to the upkeep of the Church and buildings at this very difficult time. As is shown in the income our overall revenue was reduced by £47,125 over the course of the year 2020.

Although the COVID-19 pandemic has hit the hall income hard during 2020 we are heartened by the generosity of all who continue to donate and pay Stewardship towards St Stephens and the fact that it is highly likely we will be able to resume lettings from 12th April 2021. There is already a lot of interest in the halls and several preliminary bookings have been made. Given the net asset position, the trustees feel we are certainly able to continue through the next twelve months and as things return to a semblance of normality all efforts will be made to start up fundraising and hopefully recoup some lost revenue. The Church is very hopeful for the future and is looking to secure further grants to assist with its financial loss due to the pandemic.

Reserves Policy

In accordance with guidelines issued by the Charity Commission the level of reserves is considered and reviewed at regular intervals by the Trustees.

It is the policy of the Charity to keep a bank balance of no less than £5,000 at all times. The trustees consider that these reserves will ensure that should there be a drop in funding they will be able to continue the charity's current activities and meet the Parish share whilst consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year. The bank balances as at 31 December 2020 were £21,990 and total free reserves were £45,416.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST STEPHEN ON THE CLIFFS, BLACKPOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Risk Management

The PCC members have examined the major strategic, business and operational risks which the PCC faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen risks.

The key risks identified, along with relevant mitigating actions are: Drop in donations.- We are fortunate that should this happen there are limited reserves we can fall back on.

Fall in Stewardship – All efforts are made to encourage the congregation to join the Stewardship campaign and if at all possible to increase their giving if they are in a position to so.

Rise in Utilities – All utilities are checked and best price compared before starting a new contract. This was put in place in 2019 for the phone lines and has helped reduce costs.

Repair Bills- The Church and halls are checked constantly for any sign of wear or damage and repairs made as soon as possible to stop problems become more costly. The Friends of St Stephens has reserve funds to assist with any larger repair bills.

Lack of volunteers – St Stephens relies heavily on its group of volunteers and we have been fortunate to have welcomed a number of new members however this is an ongoing marketing strategy and hopefully the increase in social events will encourage more people to join in.

Plans for the future

It is going to be a very difficult time for the Church over the coming years to try and recoup some of the losses due to the pandemic and to go forward in a productive way. There are always necessary repairs to be made and we are currently looking at urgent work to be carried out on the Church roof.

All efforts will be made to market the halls and get them back to full capacity as soon as it is safe to do so, and thanks to Fr Andrew he has managed to secure a grant this year in which to decorate the halls and toilets in readiness for reopening. This will help hugely in getting new business as the halls are looking tired and there is a lot of competition in this sector.

Although things do look a little bleak at the moment, thanks to the introduction of the vaccine, the future is looking hopeful and it should not be too long before life can return to some semblance of normality. The Vicar, Churchwardens and the PCC would like to thank everybody who has continued to give, through Stewardship, donations and envelopes. It is very much appreciated and has been so important whilst the Church has been unable to open.

The Tea and Chat group that was launched in 2019 has slowly but surely started to grow and the organisers are committed to continuing and expanding the group. There has been extra advertising planned and this should hopefully show dividends.

The Sunday School is to receive £500 to improve resources and encourage more young people to attend.

Cantantes Domino put out a request at the beginning of 2020 for new members to join the Cantantes choir. We are hoping that this will soon start to show results.

We were fortunate to receive a payment from the Actors Guild of £5,000 (See donations and Legacies) which is to go towards the improvement of the lighting in Church which should in turn encourage more events which showcase the Actors Chapel.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST STEPHEN ON THE CLIFFS, BLACKPOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Impact of COVID-19

The Impact of COVID-19 has significantly affected the Church with decreased income received from Stewardship, envelopes, collections and candles and hall hire. On top of this there has been no way of carrying out any fundraising activities since the outbreak and it is still unclear how long the situation will continue. The Church has now been able to reopen with very limited numbers attending Church services and even less being able to use the community halls due to social distancing. A great deal of effort has been put into making sure the Church and halls are clean and safe for users and all procedures are followed verbatim.

Although aims for the future are dependent on the ongoing situation, plans have been put in place to be ready to open more fully as soon as it is safe to do so. The congregation have been very supportive in continuing to pay their Stewardship where possible and a donation page has been set up to allow contact free payments. Father Andrew and the Churchwardens have worked very hard to reach out to as many people as possible in the hope that everybody feels valued and included. A number of grants have been applied for and we have already received a payment of £2,500 from the local council. The Church has also been fortunate in being able to take advantage of the governments furlough scheme which has assisted with staff costs.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' 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 year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 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 the 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 sufficient 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.

The trustees confirm that to the best of their knowledge there is no information relevant to the independent examination of which the independent examiner are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant independent examination information and that this information has been communicated to the independent examiners.

The trustees have no beneficial interest in the charity.

Independent examiners

Azets were appointed as independent examiners to the charity during the year and have expressed their willingness to continue in that capacity.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees' report was approved by the Board of Trustees.


.....
Rev Canon A Sage (Chairperson and Incumbent)

Trustee

Dated: 23/3/21

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

INDEPENDENT EXAMINER'S REPORT

**TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF ST STEPHEN ON THE CLIFFS, BLACKPOOL**

I report to the trustees on my examination of the accounts of The Parochial Church Council of the Ecclesiastical Parish of St Stephen on the Cliffs for the year ended 31 December 2020, which are set out on pages 8 to 21.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

I have completed my examination. I confirm that no 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 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Julie Flintoff

**Julie Flintoff BA (Hons), FCA
Charter House
Pittman Way
Fulwood
Preston
Lancashire
PR2 9ZD**

Dated: *24 May 2021*

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>					
Donations and legacies	2	60,486	-	60,486	81,246
Charitable activities	3	12,649	1,390	14,039	46,772
Investments	4	1,840	-	1,840	2,122
Other income	5	8,336	1,494	9,830	3,180
Total income		83,311	2,884	86,195	133,320
<u>Expenditure on:</u>					
Charitable activities	6	99,499	2,863	102,362	116,688
Other	9	1,013	-	1,013	1,320
Total resources expended		100,512	2,863	103,375	118,008
Net gains/(losses) on investments	10	3,371	-	3,371	11,490
Net movement in funds		(13,830)	21	(13,809)	26,802
Fund balances at 1 January 2020		75,730	11,297	87,027	60,225
Fund balances at 31 December 2020		61,900	11,318	73,218	87,027

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

All income and expenditure derive from continuing activities.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		16,484		24,227
Investments	12		56,238		76,277
			<u>72,722</u>		<u>100,504</u>
Current assets					
Debtors	13	3,583		3,239	
Cash at bank and in hand		22,534		15,854	
		<u>26,117</u>		<u>19,093</u>	
Creditors: amounts falling due within one year	14	(8,741)		(8,481)	
Net current assets			17,376		10,612
Total assets less current liabilities			90,098		111,116
Creditors: amounts falling due after more than one year	15		(16,880)		(24,089)
Net assets			<u>73,218</u>		<u>87,027</u>
Income funds					
Restricted funds	17		11,318		11,297
<u>Unrestricted funds</u>					
Designated funds	18	16,484		24,227	
General unrestricted funds		45,416		51,503	
		<u>61,900</u>		<u>75,730</u>	
			<u>73,218</u>		<u>87,027</u>

The financial statements were approved by the Trustees on 23/3/21

Rev Canon A Sage (Chairperson and Incumbent)
Trustee

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST STEPHEN ON THE CLIFFS, BLACKPOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Offerings and donations are recognised when received by or on behalf of PCC. Planned giving receivable under the gift aid scheme is recognised only when received. Tax recoverable on Gift Aid donations is recognised when the donation is recognised.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate by the PCC is reasonably certain.

Funds raised by social and fundraising events are accounted for gross.

Investment income is recognised on a receivable basis.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised when it is incurred and includes where applicable, irrecoverable VAT. Expenditure other than that on charitable activities is allocated to other headings of expenditure as considered appropriate by the PCC.

Grants

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

Parish Share

The Diocesan Parish Share is accounted for when due. Any Parish Share unpaid as at 31 December is provided for in the financial statements as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.

Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs (Independent examiners fee and trustee liability insurance) which support the charity activities. These costs have been allocated to charitable activities against the single charitable activity which is described in objectives within the trustees report.

1.6 Consecrated property and moveable furnishings

Consecrated and beneficial property of any kind is excluded from the financial statements by s.10 (2) (c) of the Charities Act 2011. Movable Church furnishings held by the Vicar and Churchwardens on special trust for the PCC and which require a faculty for disposal are accounted as inalienable property unless consecrated. They are listed in the Church inventory, which can be inspected (at any reasonable time). For all expenditure incurred in the year on consecrated or beneficed buildings, or on the repair of movable Church furnishings, individual items under £1,000 are written off.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Assets of less than £2,000 are not capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil
Computers	33% Straight line

Freehold land and buildings are stated at original cost which is significantly less than their current market value, and consequently are not depreciated. The freehold land and buildings are held for long- term use by the Church in its charitable activity and in the opinion of the PCC the costs of obtaining a professional current valuation are not justified as such evaluation would not provide input to users of the accounts in judging their stewardship of the assets of the Church.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations from Friends	5,000	-	5,000	17,332
Grants	1,700	-	1,700	6,126
Parish donations	4,287	-	4,287	1,656
Collections	1,177	-	1,177	3,211
Envelopes	1,646	-	1,646	3,660
Flower donations	490	-	490	1,347
Sanctuary	-	-	-	99
Stewardship	35,966	-	35,966	36,273
Votives	288	-	288	668
Gift Aid	9,932	-	9,932	10,874
	<u>60,486</u>	<u>-</u>	<u>60,486</u>	<u>81,246</u>
For the year ended 31 December 2019	<u>76,246</u>	<u>5,000</u>		<u>81,246</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Charitable activities

	Charitable Income Unrestricted Funds	Charitable Income Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Cantantes Domino	-	-	-	271
Funeral Fee Income	3,939	-	3,939	7,227
Hall hire	6,390	-	6,390	13,661
Magazine advert income	125	-	125	100
Mission income	-	1,390	1,390	1,445
Parish feasts	-	-	-	673
Tea dance holiday fund	-	-	-	10,990
Keep fit income	178	-	178	1,228
Fundraising	825	-	825	3,040
Ancillary trading income	134	-	134	169
Wedding fee income	90	-	90	2,414
Wedding deposits	-	-	-	100
Tea dance income	968	-	968	5,454
	<u>12,649</u>	<u>1,390</u>	<u>14,039</u>	<u>46,772</u>
For the year ended 31 December 2019				
Unrestricted funds	34,066	-		34,066
Restricted funds	-	12,706		12,706
	<u>34,066</u>	<u>12,706</u>		<u>46,772</u>

4 Income from Investments

	2020 £	2019 £
Income from listed investments	1,824	2,118
Interest receivable	16	4
	<u>1,840</u>	<u>2,122</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Other income

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Job Retention Scheme	5,498	-	5,498	-
COVID Financial Support Grant	2,500	-	2,500	-
Columbarium income	-	675	675	27
Photocopier	48	-	48	31
Walsingham	-	819	819	2,676
Bar income	290	-	290	396
Other	-	-	-	50
	<u>8,336</u>	<u>1,494</u>	<u>9,830</u>	<u>3,180</u>
For the year ended 31 December 2019	<u>504</u>	<u>2,676</u>		<u>3,180</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	2020	2019
	£	£
Staff costs	11,636	10,833
Depreciation and impairment	7,743	4,335
Mission giving	1,072	650
Cantantes	306	232
Columbarium payments	675	720
Walsingham	810	5,042
Tea dance holiday	-	11,040
Parish share	29,732	39,117
Priests Honorarium	350	500
Vicars expenses and rates	6,908	7,550
Parish feasts	317	1,238
Organist	4,970	6,255
Event catering	150	304
Flowers	-	800
Sanctuary expense	2,707	1,930
Discretionary fund	1,000	1,220
IT software and consumables	2,549	2,120
Licence fees	596	707
Cleaning	4,369	4,463
Repairs and renewals	4,137	701
Rates and insurance	4,512	1,250
Heat, light & power	5,842	6,395
Telephone and broadband	5,359	5,277
Printing, postage and stationery	985	612
Advertising and marketing	520	897
Audit and accountancy	2,295	1,611
Bank fees	41	58
Miscellaneous	2,745	831
Returned fees	36	-
	<u>102,362</u>	<u>116,688</u>
Analysis by fund		
Unrestricted funds	99,499	
Restricted funds	2,863	
	<u>102,362</u>	
For the year ended 31 December 2019		
Unrestricted funds		100,026
Restricted funds		16,662
		<u>116,688</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year other than listed below.

The vicar, a trustee, is paid a stipend by the Diocese through the clergy payroll scheme operated by the Church of England. This also makes provision for a pension. The charity pays a parish share to the Diocese to cover the Vicar's costs as well as a contribution to central costs. The parish share was £43,332 however with LICF offsets the amount was reduced to £29,515 (2019: £39,117). The reduction also reflects the Vicars duties for the Diocese.

The Vicar was reimbursed expenses of £3,160 incurred by him in the furtherance of his duties. This includes travelling costs in connection with his work in the Diocese.

Expenses have been paid on behalf of the Vicar for rates totalling £3,748 (2019: £2,670) and accountancy fees of £419 (2019: £411).

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Finance and administration	2	2
Cleaner	1	1
Organist	1	1
	<u>4</u>	<u>4</u>

Employment costs

	2020 £	2019 £
Wages and salaries	20,974	18,372
	<u>20,974</u>	<u>18,372</u>

There were no employees whose annual remuneration was £60,000 or more.

9 Other

	2020 £	2019 £
Financing costs	1,013	1,320
	<u>1,013</u>	<u>1,320</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Net gains/(losses) on investments

	2020 £	2019 £
Revaluation of investments	3,371	11,490

11 Tangible fixed assets

	Freehold land and buildings £	Computers £	Total £
Cost			
At 1 January 2020	9,434	30,350	39,784
At 31 December 2020	9,434	30,350	39,784
Depreciation and impairment			
At 1 January 2020	-	15,557	15,557
Depreciation charged in the year	-	7,743	7,743
At 31 December 2020	-	23,300	23,300
Carrying amount			
At 31 December 2020	9,434	7,050	16,484
At 31 December 2019	9,434	14,793	24,227

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £3,327 (2019 - £2,495) for the year.

	2020 £	2019 £
Computers	1,764	5,090

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2020	76,277
Valuation changes	3,386
Disposals	(23,425)
	<hr/>
At 31 December 2020	56,238
	<hr/>
Carrying amount	
At 31 December 2020	56,238
	<hr/>
At 31 December 2019	76,277
	<hr/>

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	3,583	3,239
	<hr/>	<hr/>

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Obligations under finance leases	2,211	1,951
Unsecured loan from Diocese	5,000	5,000
Accruals and deferred income	1,530	1,530
	<hr/>	<hr/>
	8,741	8,481
	<hr/>	<hr/>

Obligations under finance leases are secured against the asset to which they relate.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Obligations under finance leases	3,129	5,339
Unsecured loan from Diocese	13,751	18,750
	<u>16,880</u>	<u>24,089</u>

Obligations under finance leases are secured against the asset to which they relate.

16 Loans and overdrafts

	2020	2019
	£	£
Unsecured loan from Diocese	18,751	23,750
	<u>18,751</u>	<u>23,750</u>
Payable within one year	5,000	5,000
Payable after one year	13,751	18,750
	<u>18,751</u>	<u>18,750</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£
Donations and legacies	779	-	-	779
Columbarium/ Garden of Repose	-	675	(675)	-
Mission income	3,214	1,390	(1,072)	3,532
Tea dance holiday fund	79	-	-	79
Choir fund	150	-	-	150
Cantantes Domino	1,840	-	(306)	1,534
Parish feast	235	-	-	235
Walsingham	-	819	(810)	9
Lighting fabric fund	5,000	-	-	5,000
	<u>11,297</u>	<u>2,884</u>	<u>(2,863)</u>	<u>11,318</u>

Donations and legacies - amounts received to be used for the specific upkeep of the Church.

Missions - monies raised to support missionary charities connected to the Church.

Tea Dance Holiday Fund - funds paid by club members towards the annual holiday costs.

Choir Fund - donations received for choir social events.

Cantantes Domino - donations received for a music society whose aim is to provide Liturgical music.

Parish feast - monies received and paid re the annual parish feast.

Walsingham - monies received and paid re the annual pilgrimage.

Lighting fabric fund - monies received to fund lighting project.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
STEPHEN ON THE CLIFFS, BLACKPOOL**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Unrestricted funds

	Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£
General funds	51,503	86,682	(92,769)	45,416
Property Asset Fund	24,227	-	(7,743)	16,484
	<u>75,730</u>	<u>86,682</u>	<u>(100,512)</u>	<u>61,900</u>

General Fund

The 'free' reserves of the charity after allowing for all designated funds.

Designated Fund

The unrestricted property asset fund of £16,484 is the value of the unrestricted funds already spent and represented by the tangible fixed assets of the charity.

The resources expended of £7,743 represents the depreciation charge in the current year and a correction to the prior year.

19 Analysis of net assets between funds

	General Fund	Designated Fund	Restricted Fund	Total
	£	£	£	£
Fund balances at 31 December 2020 are represented by:				
Tangible assets	-	16,484	-	16,484
Investments	56,238	-	-	56,238
Current assets/(liabilities)	6,058	-	11,318	17,376
Long term liabilities	(16,880)	-	-	(16,880)
	<u>45,416</u>	<u>16,484</u>	<u>11,318</u>	<u>73,218</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

The Friends of Saint Stephen on the Cliffs, Blackpool (1120454) is a related charity which is operated and controlled by 10 Trustees, 7 of whom are the Incumbent, Treasurer and churchwardens of the Parochial Church Council of St. Stephen on the Cliffs, Blackpool.

During the year the Parochial Church Council of St. Stephen on the Cliffs, Blackpool received £5,000 (2019: £17,332) in donations from The Friends of Saint Stephen on the Cliffs, Blackpool.

During the year expenditure totalling £50,570 (2019: £44,789) has been borne by the Friends of Saint Stephen on the Cliffs, Blackpool to assist with the running costs of the Church and the Parochial Church Council of St. Stephen on the Cliffs, Blackpool and is most appreciative of its support.