

**Parochial Church Council of Newark St Mary Magdalene with St Leonard:
Annual report and financial statements 2021**

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
NEWARK ON TRENT ST MARY MAGDALENE WITH ST LEONARD**

Registered Charity number 1131972

ANNUAL REPORT and FINANCIAL STATEMENTS

for the financial year 1 January 2021 - 31 December 2021

**Parochial Church Council of Newark St Mary Magdalene with St Leonard:
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**Parochial Church Council of Newark St Mary Magdalene with St Leonard:
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Bankers

Virgin Money
11 Smithy Row
Nottingham NG1 3EJ

NatWest plc
1 Market Place
Newark NG24 1DY

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent ME19 4JQ

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

Independent Examiner

Michelle Allen FCA, CTA
Access Accounts Services Ltd
Office 11
Navigation Business Centre
Mill Gate
Newark NG24 4TS

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Administrative Information

The parish consists of two churches: Newark St Leonard and Newark St Mary Magdalene, situated in the Deanery of Newark and Southwell, the Archdeaconry of Newark, and the Diocese of Southwell and Nottingham.

The Parochial Church Council (PCC) is a registered charity (1131972) and its members are the charity's trustees. The members are listed on the next page.

The working name as registered with the Charity Commission has for historical reasons and convenience remained as Newark Team PCC. The PCC's name as an employer registered with HMRC is Newark Team Ministry PCC.

The address for correspondence is:

St Mary Magdalene Church
Church Walk
Newark NG24 1JS
email: office@stmnewark.org

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The following were PCC members (trustees) from 1 January 2021 through the date (12 May 2022) on which the PCC approved the 2021 report and financial statements.

Ex-officio

Rector of parish	*Revd Christopher Lion (from 18 October 2021; chairman from that date)
Parish churchwardens	*Jackie Turner (St Leonard) *Roy Leary (St Leonard; until 19 February 2022) *Tony Roberts (St Mary Magdalene; chairman until 18 October 2021) *Andrew Fearn (St Mary Magdalene)
Synods	*Tony Yates (deanery synod) *Pam Hall (deanery synod)

Elected Members

*Marilyn Blakeman
*Anne Coyne
*Rebekah Davison (from 17 May 2021)
*Sue Dutton
*Angela Hatter
*James Howlett
*Shekaniya Matsiko
*Pat Mercer
Charles Olowofela (until 25 October 2021)
*Cheryl Turner
*Stephen Turner
Helen Wilkinson (from 17 May 2021 until 10 October 2021)

* in office at 31 December 2021

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Structure, governance and management

The parish of Newark on Trent with St Mary Magdalene with St Leonard evolved by means of four pastoral schemes made between 1980 and 2017. The Parochial Church Council (PCC) is a registered charity and is the body with legal responsibility for the church activities within the parish.

The two churches in the parish each have two churchwardens as required by statute. While all four wardens are legally wardens of the whole parish they exercise their functions primarily at the church from whose congregation they were appointed.

Parishioners give to the churches separately for mission and ministry and maintenance and this income therefore creates a set of restricted funds within the PCC's accounts (in that the PCC is generally constrained to apply it for uses specific to the church to which it is given).

Aim and purposes

The PCC is responsible for co-operating with the Clergy in promoting in the ecclesiastical parish the whole mission of the Church, spiritual, pastoral, evangelistic, social and ecumenical.

Church buildings within the parish

The two parish churches are set in different and distinct geographical and social environments. The building at Newark St Mary Magdalene is old and traditional and provides a venue for civic services. The building used by Newark St Leonard is part of the Bridge Community Centre which is owned by the local authority and run by a management committee on which the St Leonard congregation has substantial representation.

The PCC is ultimately responsible for managing the fabric of its buildings (this includes a limited responsibility for the for the internal fabric of the Bridge Community Centre). Members of both churches are actively engaged in reviewing and implementing repairs and restorations.

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Objectives and activities

The PCC provides an office (currently in the vestry at St Mary Magdalene). The PCC continued to employ a parish administrator (costs funded by the diocese) throughout 2021.

Churchwardens and clergy and others appointed by the PCC continue to monitor health and safety of premises and the safeguarding of children and vulnerable adults among the church congregations and where appropriate among visitors to church premises. During 2021 as in 2020 the efforts required to maintain safe premises were considerably more demanding owing to the coronavirus pandemic. For much of the previous twelve months we have tried to encourage people to come to both churches by making use of restricted seating and limiting the number of pews or chairs in use. Congregational singing was reintroduced once regulations permitted.

After the easing of covid restrictions in the latter half of 2021 and the appointment of a new Rector (Revd Chris Lion) in October, there has been a marked and positive shift in the parish outlook. We have also acquired the services of retired Bishop Peter Hill, who will be supporting Chris in his ministry. Sadly, we had to say farewell to Owen and Gill Page who have moved back to Nottingham. They were both so helpful and dedicated during the parish vacancy and will be sorely missed.

During 2021 two lay members of the PCC sat on the deanery synod (whose purpose is to provide PCCs with an important link between parishes and the wider structures of the church).

Some ecumenical involvement has continued with Churches Together in Newark, though this was greatly reduced during the pandemic.

Achievements and performance

As well as Sunday worship services the churches have sought to provide a number of activities that reach out in one way or another to the wider communities. Owing to the coronavirus pandemic these activities had been severely restricted during much of 2020. In May 2021 the Community Café was able to restart on Mondays at St Mary Magdalene and has proved to be popular.

In July we reopened Coffee Bar at St Mary Magdalene with a new manager. It operated very successfully for several months, but for a variety of reasons as the year closed its continued operation was once again in some doubt.

In November we heard that a round 1 bid to the National Lottery Heritage Fund (NLHF) for much-needed restoration work at St Mary Magdalene had been successful. Funding is therefore available to develop detailed plans for a round 2 bid in 2023 - if this bid is also successful then restoration work and associated activities can begin. At about the same time the diocese confirmed that central CoE funding is available for some re-ordering at St Mary Magdalene, together with children and youth worker appointments for the parish. It is worth noting that the focus of this work is mission, whereas the focus of the NLHF project is building restoration and heritage awareness.

In September the PCC established a Finance and Administration committee and its members have been heavily involved in the NLHF project.

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Investment policy

The short-term investment policy of the PCC is to invest restricted and unrestricted reserves in the CBF Church of England Deposit Fund. Endowment funds are held in the name of the Southwell & Nottingham Diocesan Board of Finance as custodial trustee. Endowment funds are invested primarily (but not exclusively) in the CBF Fixed Interest Securities Fund. This fund aims to maximise the income whilst maintaining the value of the investment. The fund managers' investment policy meets the ethical standards of the Church of England.

Reserves policy

In respect of St Leonard there is no specific policy as unavoidable expenditure is low.

Given its age and size and listed status the PCC believes it prudent to try to maintain in respect of St Mary Magdalene a cash balance on reserves of £50,000 to cover contingencies.

In respect of the two residential properties owned by the PCC about £40,000 is nominally reserved in general funds to cover planned and emergency maintenance.

Commitment to major projects

Over the next two years the PCC has committed £50,000 from its eligible funds to each of the two major projects described above. This may impact the ability of the PCC to maintain its reserves policy.

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2021

Consolidated Statement of Financial Activities for the year ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
Income and Endowments from:									
Donations and legacies	2		213,427		213,427	-	194,703		194,703
Charitable activities	3		10,878		10,878		1,816		1,816
Other trading activities	4		35,783		35,783		18,155		18,155
Investments	5		11,408		11,408	-	13,616		13,616
Total incoming resources		-	271,496	-	271,496	-	228,290	-	228,290
Expenditure on:									
Raising funds	6		13,786		13,786		6,577		6,577
Charitable activities	7		254,846		254,846		253,077		253,077
Other	8		821		821	-	6,953		6,953
Total resources expended		-	269,453	-	269,453	-	266,607	-	266,607
Net incoming resources/(resources expended) before transfers		-	2,043	-	2,043	-	(38,317)	-	(38,317)
Transfers between funds					-				-
Net incoming resources/(resources expended)		-	2,043	-	2,043	-	(38,317)	-	(38,317)
Realised and unrealised gains / (losses) on investment assets			758	(15,834)	(15,076)		361	15,731	16,092
Net movement in funds		-	2,801	(15,834)	(13,033)	-	(37,956)	15,731	(22,225)
Fund balances 1 January 2021		-	428,520	413,203	841,722	-	466,476	397,472	863,948
Fund balances 31 December 2021		-	431,321	397,368	828,689	-	428,520	413,203	841,723

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2021

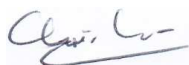
Consolidated Balance Sheet as at 31 December 2021

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020
		£	£	£	£	£	£	£	£
Fixed assets									
Tangible assets	11		213,227		213,227		213,887		213,887
Investments	12		13,419	397,368	410,787		12,662	413,202	425,864
		-	226,646	397,368	624,014	-	226,549	413,202	639,751
Current assets									
Debtors	13		14,064		14,064		49,860		49,860
Other current assets			3,553		3,553		3,654		3,654
Cash at bank and in hand			200,726		200,726		160,357		160,357
		-	218,343	-	218,343	-	213,871	-	213,871
Creditors: amounts falling due within one year	14		(12,902)		(12,902)		(11,394)		(11,394)
Net current assets		-	205,441	-	205,441	-	202,477	-	202,477
Total assets less current liabilities		-	432,087	397,368	829,455	-	429,027	413,202	842,229
Creditors: amounts falling due after more than one year			(767)		(767)		(507)		(507)
Net assets		-	431,321	397,368	828,690	-	428,520	413,202	841,722
Funds:									
Unrestricted funds									
General funds		-			-	-			-
Endowment funds				397,368	397,368			413,202	413,202
		-		397,368	397,368	-		413,202	413,202
Restricted income funds			431,321		431,321		428,520		428,520
Total funds		-	431,321	397,368	828,689	-	428,520	413,202	841,723

These financial statements were approved by the Parochial Church Council on

12 May 2022

and signed on its behalf by



Revd Chris Lion (Rector and chairman)

**Notes forming part of the financial statements for the year
ended 31 December 2021**

1 Accounting policies

a Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Charities Statement of Recommended Practice (SORP) (FRS102) effective January 2015.

They have been prepared under the historical cost convention, except for the valuation of investment assets, which are included at market value.

Subject to any exceptions noted below, the financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the financial statements of church groups that owe their main affiliation to another body (e.g. Mothers Union), nor those that are informal gatherings of church members.

b Fund accounting

General funds are unrestricted 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 for a particular purpose by the PCC are also unrestricted.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms or bequest or (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on an average balance basis.

Endowment funds are funds where the capital must be retained; only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established.

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2021

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies continued

c Incoming resources

All incoming resources are accounted for gross

Voluntary income and capital sources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable, whether under Gift Aid scheme or not, is recognised when it is received.

Tax recovered on Gift Aid donations is recognised in the same accounting year as 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 receipt by the PCC is reasonably certain.

Funds raised by fetes, garden parties and similar events are accounted for gross.

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

Other income

Rental income is recognised when the rental is due.

Income from investments

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

Tax recoverable on such income is recognised in the same accounting year.

Gains and losses on investments

Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2021

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies continued

d Resources used

Grants

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

Activities directly relating to the work of the Church

The diocesan parish share is accounted for when due. 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.

e Tangible fixed assets

Consecrated property and moveable church furnishings

Consecrated and beneficed property of any kind is excluded from the financial statements by the Charities Act 2011 s.10 (2)(a)

Moveable church furnishings held by the rector and churchwardens on special trust for the PCC and which require a faculty for disposal are accounted for as inalienable property unless consecrated.

They are listed in the church inventory, which can be inspected at any reasonable time upon application to the churchwardens.

For inalienable property acquired before 1 January 2006 there is insufficient cost information readily available and therefore such assets are not valued in the financial statements.

Inalienable property acquired since 1 January 2006 is capitalised and depreciated in the financial statements over its current anticipated useful economic life (usually 25 years) on a straight-line basis.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £2,000 or on the repair of movable church fittings acquired before 1 January 2006 is written off.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight-line basis over four years.

Individual items with a purchase price of £2,000 or less are written off when the asset is acquired.

f Investments

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

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Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies continued

g Current assets

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less the provision for amounts that may prove uncollectable.

Short term deposits include cash held on deposit either with the Central Board of Finance Church of England Funds or at the bank.

	2021 £	2020 £
2 Income from donations and legacies		
Restricted:		
St Mary Magdalene	207,158	189,425
St Leonard	6,269	5,278
	<u>213,427</u>	<u>194,703</u>
3 Income from charitable activities		
Restricted:		
St Mary Magdalene	10,878	1,513
St Leonard	-	303
	<u>10,878</u>	<u>1,816</u>
4 Income from other trading activities		
Restricted:		
St Mary Magdalene	35,783	18,155
St Leonard	-	-
	<u>35,783</u>	<u>18,155</u>
5 Income from investments		
Restricted:		
St Mary Magdalene	8,298	10,802
St Leonard	3,110	2,814
	<u>11,408</u>	<u>13,616</u>

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2021

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

	2021 £	2020 £
6 Expenditure on raising funds		
Restricted:		
St Mary Magdalene	13,741	6,543
St Leonard	45	34
	<u>13,786</u>	<u>6,577</u>
7 Charitable activities (expenditure)		
Restricted:		
St Mary Magdalene	246,455	241,973
St Leonard	8,391	11,104
	<u>254,846</u>	<u>253,077</u>
8 Other expenditure		
Restricted:		
St Mary Magdalene	821	5,718
St Leonard	-	1,235
	<u>821</u>	<u>6,953</u>

9 Trustees' remuneration

No trustee either received or waived any emoluments during the year or during the preceding year.

10 Employment costs

The PCC employed at St Mary Magdalene in 2020 a director of music, an assistant organist, a head verger, and from July 2021 a coffee bar administrator. The PCC also employed in 2021 a parish administrator. The total employment cost during 2021 (including national insurance and pension contributions) was £77,088 (2020 £80,111).

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2021

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

11 Tangible fixed assets

	Freehold land and buildings	Office equipment	Total
	£	£	£
Cost			
At 1 January 2021	195,000	26,467	221,467
Additions	-	-	-
Disposals	-	-	-
At 31 December 2021	195,000	26,467	221,467
Depreciation			
At 1 January 2021	-	7,580	7,580
Charge for the year	-	660	660
At 31 December 2021	-	8,240	8,240
Net book value			
At 31 December 2021	195,000	18,227	213,227
At 31 December 2020	195,000	18,887	213,887

	2021 £	2020 £
12 Fixed asset investments		
Market value 31 December	410,787	425,864

13 Debtors

Prepayments and accrued income	4,118	43,044
Tax recoverable and fees	9,946	6,816
	14,064	49,860

14 Creditors: amounts falling due within one year

Accruals and deferred income	4,333	2,267
Trade creditors	6,372	3,812
Other creditors including tax and NI	2,197	5,315
	12,902	11,394

15 Creditors: amounts falling due after more than one year

Provision for liabilities and charges	767	507
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PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2021

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

16 Fund movements

Fund name	Opening balance £	Income £	Expense £	Transfers £	Gains and (losses) £	Closing balance £
<u>Funds specific to St Mary Magdalene</u>						
NLHF	-		(1,000)			(1,000)
Diocesan Grant	1,667	20,109	(20,109)	(1,256)		411
SDU (Reordering)	-		(492)			(492)
Newark schools	56					56
General funds	20,839	120,167	(86,785)	(9,923)		44,298
Unrestricted Endowments	44,099				(2,930)	41,169
Property owned by PCC	195,000					195,000
Property rent and management	47,957	12,182	(3,762)			56,377
Christmas Tree Festival	-	11,708	(2,349)	(9,358)		-
Fabric	202,295	16,404	(58,432)	28,312	(12,453)	176,126
Major Repairs & Alterations	851					851
Christmas CD	(57)	105	(101)			(53)
Chimes/Belfry	11,561		(4,900)			6,661
Vergers and other lay staff	15,027	10,867	(23,006)		(131)	2,757
Organist	13,706	30,654	(34,223)		(414)	9,723
Music and Choir	49,479	10,158	(10,144)		(800)	48,693
St. George's Chapel	5,991	67			325	6,383
St. George's Chapel Fowers	769	4			(12)	762
Lay Education	15,471	183			(491)	15,163
Bishop White Library	8,205		(90)			8,115
External floodlighting	173	600	(424)			349
Organ	-	11,096	(7,849)	2,000		5,247
Assistant Clergy	1,176	28			(76)	1,129
Charity	436					436
Church of England Charity	6,946	160			773	7,879
Chancel Repairs	1,578				(36)	1,542
St Augustine's	60,322				(4,008)	56,314
Funeral and Wedding fees	-	7,235		(7,235)		-
Music for market	2,000	2,070	(1,531)	(2,539)		-
Flowers	-	367	(209)			158
Hospitality	441		(336)			104
Magnus scholarship 19/20	-	3,496	(3,595)			(98)
Magnus scholarship 20/21	98	3,667	(1,678)			2,087
Youth work	570		(2)			568
Roof Repairs	16,759	793				17,552
Sub total	723,416	262,118	(261,017)	-	(20,252)	704,267

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Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

16 Fund movements (continued)

Fund name	Opening balance £	Income £	Expense £	Transfers £	Gains and (losses) £	Closing balance £
<u>Funds specific to St Leonard</u>						
Welfare (Mountney)	449				(30)	419
Newton	1,855				263	2,119
Adcock	3,647				522	4,169
Fabric Fund	20,883	2,540	(1,867)			21,556
Ferrier Trust	47,407				6,782	54,189
St Leonard Newbald	35,575				(2,364)	33,211
General funds	8,490	6,839	(6,569)			8,760
	<u>118,306</u>	<u>9,379</u>	<u>(8,436)</u>	<u>-</u>	<u>5,173</u>	<u>124,422</u>
Total	<u>841,722</u>	<u>271,496</u>	<u>(269,453)</u>	<u>-</u>	<u>(15,078)</u>	<u>828,689</u>

Parochial Church Council of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2021

Independent examiner's report to the Trustees of the Parochial Church Council

I report to the trustees on my examination of the accounts of the Parochial Church Council for the year ended 31 December 2021, which are set out on pages 9 to 18

Responsibilities and basis of the report

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

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Signed: 

Name: Michelle Katie Allen FCA, CTA
Chartered Account and Tax Advisor

Address: Office 11, Navigation Business Centre
Mill Gate
Newark
Nottinghamshire NG24 4TS

Date: 5 May 2022