

Financial Review 2024

The financial statements and notes to the financial statements are given at the end of the Annual Report. This report provides an overview for parishioners who are not financial specialists. The references in brackets give the relevant heading or note section of the financial statements.

2024 was notable primarily because our vicar Rev Steve Franklin retired in the middle of the year and much of our time and efforts were subsequently dealing with the management of the parish during another vacancy. Steve had been very active in the Parish and drove a number of initiatives.

Other significant changes from previous years were the following:

- The School House renovation was completed at the end of 2023 and a tenant with a growing family was installed during December of 2023 who has settled in very well. So both properties of the parish are now rented out at something approaching commercial rates.
- The current Treasurer, Mark Cross, has decided to step down after a decade in post to care for his wife and Andrew Munnings, currently the Planned Giving Officer is taking over and so 2024 has been something of a transition year.
- As part of this transition we have moved the financial management from the Fin4 system which we have used for the last decade to a new online system, ExpensePlus. This system automates a number of processes directly from the bank statement and ensures financial accuracy. It also simplifies the management and claims of gift aid substantially reduces the paperwork involved. However, it's a new system to the church team and so has taken quite a while to become accustomed to – there is no gain without some pain!!

During the year we carried out a range of fairly modest repairs including:

- Some of the church lights were replaced on a like-for-like basis (£800)
- Our organ was subject to some extensive maintenance (£544)
- A full scale electrical inspection was carried out for insurance purposes and found to be in good order (£1194)
- The north wall of the church was repaired and repainted (£960)

The authorised spend on repairs and renovations has been limited and targeted at being effective for the congregation, whilst ensuring the fabric of the Church is well maintained.

A notable element of income and expenditure in these accounts continues to be the operation of the Pre-School. This continues to be a very successful service to the community which is generally in high demand from families in the village. The recovery in 2023 in terms of child numbers was continued into 2024, as the socialisation problems from COVID have attenuated. As such, our income rose from £98847 in 2023 to £110319 in 2024, which is now above pre-pandemic levels. Part of the reason for the increase in income was that the fees paid by the local authority rose by about 10% to reflect the increase in pay costs associated with the rise in the national minimum pay rates. We continue the training of a second member of staff (where the cost has been borne through external sponsorship for which we are grateful). All of the Pre-school staff are well qualified – as qualified teachers, at level 3 in EYE or as a graduate. Because of the well deserved pay increases due to the rise in national minimum pay rates the Pre-school now has direct costs of £88,615 which mostly goes on staff salaries. In addition, of course, there are a range of overhead costs which this does not include (e.g. administrative support, cleaning, use of the Vestry Hall, clergy vestry, the dedicated storage area, etc.).

During the course of 2024 the full effects of the doubling of the cost of energy has been felt and this just had to be absorbed by the Church and Pre-school.

Total donations to charities included:

Churches Together in Fleet & Church Crookham (£1350), The Children's Society (£394), 'Feed a child' (support for needy families in the Parish) and Christians Against Poverty (CAP) together (£3847), Bibles for our Infants School Leavers (£522) and Toilet Twinning in Africa (£120).

Principal sources of income were:

- Pre-School income from Hampshire County Council, employer vouchers and parents together are the largest single source of income for the PCC at £110319 [Note 2c].
 - The Diocese very kindly forgave 90% of our debt to them from a decade ago if we paid the remaining 10% which we did
- The majority of the congregation donate by planned giving, much of which can have income tax reclaimed. There are others who give in other ways, some of which is also income -tax reclaimable. The total of these [Note 2a] is £71667, which is somewhat lower than in previous years mainly due to a number of elderly parishioners who died during the year. This is an issue our new Vicar and Treasurer must address during 2025.

Despite our drop in planned giving income the increase in rental income primarily from the School House and the debt forgiveness from the Diocese meant that our financial outturn came in with a small surplus for which we are grateful.

Financial Administration

Our finances continue to be administered by the following team which was initially put in place at the 2017 APCM and re-affirmed each APCM since:

- Treasurer outgoing (Professor Mark Cross)
- Planned Giving Officer and incoming Treasurer (Andrew Munnings)
- Pensions Officer (Bruce Bulgin)
- Independent Examiner (David Sprot)

Reserves Policy

It is the policy of the PCC to maintain sufficient unrestricted funds to meet running costs of the Church's ministry, maintenance of the buildings and emergency situations. The Reserves are sufficient to sustain the church operation under normal circumstances for a minimum of 6 months should all income cease.

Funds held as custodian trustees on behalf of others

The PCC manages the School House Trust on behalf of the trustees which are the Incumbent and Church Wardens of Christ Church Crookham.

Financial Risk Management

The PCC income is less than £500,000 per annum so there is no requirement for a formal financial risk policy. However, it is sensible to consider the main areas of risk. These are considered to be:

- Costs arising from unplanned repair or maintenance work that is not covered by our insurance policies. The policies are believed to be adequate and are with Ecclesiastical Insurance, the recognised insurers for churches and PCCs.
- A Quinquennial Review inspection occurred in the summer of 2020, and although no serious issues were uncovered, there are some costs arising from the findings of our Inspecting Architect's report which was published in 2021. All of the urgent minor work from the 2015 inspection have been completed. It is anticipated that the costs can be contained within current income and special appeals if necessary.
- A significant amount of necessary tree maintenance work was carried out in 2017 and 2018 and any remaining is well within current income levels.
- Under normal circumstances, although the Pre-School income base is the subject of variation because of Government changes to the funding of early years education, its income is reasonably stable.
- There is always a risk of accidents in the church premises and churchyard with claims against the PCC. No specific financial contingency can be made. The risk can be reduced by ensuring adherence to Health & Safety regulations.
- The church is generally in good repair and the PCC has been diligent in ensuring the QI conclusions have been actioned. However, it is clear that some large ticket items such as the church window frames and the roof will need serious renovation in the next decade or so. The PCC will need to consider how best to raise a fund to support such renovations as this must surely be an intergenerational project – delivered by one for those who follow! In this current year some funds have been secured to deal with the 2021 QI recommendations.

Financial Summary

Although the church community is pretty much back to 'normality' after COVID life in terms of activity this year has been disrupted by the retirement of our Vicar. We have been extremely fortunate to have been the recipient of legacies and a substantial gift which transformed our medium term financial position in 2023 together with the forgiveness of the majority of our Diocesan debt in 2024. Because of a reduction in planned giving income we have come in with a small deficit on the general fund though there is a surplus overall from our restricted funds of just over £13000 for which we thank God and our friends, through their gifts, and the fund-raising efforts which have made an immense difference to our financial outlook. However, our long term goal remains to put together a fund to enable the restoration and repair of the church window frames and the roof over the coming decade (a project in this coming decade for those that follow on!), and to improve our planned giving so that run a surplus from the General Fund.

INDEPENDENT EXAMINERS REPORT
TO THE PAROCHIAL CHURCH COUNCIL OF THE PARISH OF CROOKHAM
FOR THE YEAR ENDED 31 DECEMBER 2024

This report on the financial statements of the Parochial Church Council (PCC) for the year ended 31 December 2024, as set out on pages 6 to 18, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 (the Regulations) and section 144 of the Charities Act 2011 (the Act).

Respective responsibilities of the PCC and examiner

As members of the PCC you are responsible for the preparation of the financial statements; you consider that the audit requirements of the Regulations and section 144(2) of the Act do not apply, and that an independent examination is needed. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

Basis of this report

My examination was carried out in accordance with the General Directions given by the Charity Commission under section 145 of the Act and to be found in the Church guidance, 2013 edition. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the financial statements and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respects the requirements
 - to keep accounting records in accordance with section 130 of the Act; and
 - to prepare financial statements which accord with the accounting records and comply with the requirements of the Act and the Regulations have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached

D Sprot

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THE PAROCHIAL CHURCH COUNCIL OF THE PARISH OF CROOKHAM
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrest- ricted	Desig- nated	Restrict- ed	<u>Total</u>	
	<u>Notes</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>2024</u>	<u>2023</u>
INCOMING RESOURCES						
Incoming resources from donors	2a	70,646	0	1,021	71,667	83,773
Other voluntary incoming resources	2b	36,878	0	0	36,878	42,514
Income from charity & ancillary trading	2c	125,473	0	0	125,473	114,436
Income from investments	2d	19,107	0	21,466	40,573	25,136
TOTAL INCOMING RESOURCES		252,104	0	22,487	274,591	265,859
RESOURCES USED						
Grants & donations	3a	2,893	0	3,123	6,016	5,420
Activities directly relating to work of the church	3b	216,939	0	0	216,939	180,885
Fund-raising and publicity	3c	5,927	0	0	5,927	6,858
Church management and administration	3d	32,507	0	0	32,507	33,015
TOTAL RESOURCES USED		258,266	0	3,123	261,389	226,178
NET INCOMING RESOURCES/RESOURCES USED		(6,162)	0	19,364	13,202	39,681
BALANCES BROUGHT FORWARD		129,335	265,335	69,357	464,027	424,346
BALANCES CARRIED FORWARD		123,173	265,335	88,721	477,229	464,027
<u>FIXED ASSETS</u>						
Tangible fixed assets	5				250,000	250,000
<u>CURRENT ASSETS</u>						
Debtors	6				6,233	11,112
Short Term Deposits					66,968	63,593
Cash at Bank and in hand					157,342	164,993
					230,543	239,698
Liabilities Falling Due within 1 year	7				(3,314)	(25,671)
Net Current Assets					227,229	214,027
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					477,229	464,027
<u>LIABILITIES FALLING DUE AFTER ONE YEAR</u>						
					0	0
					477,229	424,346
<u>REPRESENTED BY FUNDS</u>						
Unrestricted					123,173	129,335
Designated	10				265,335	265,335
Restricted	9				88,721	69,357
Total					477,229	464,027

The financial statements on pages 6 to 18 were approved by the Parochial Church Council on 20th March 2025 and signed on its behalf by:

Professor Mark Cross, Chairman & Outgoing Treasurer

Andrew Munnings, Incoming Treasurer

THE PAROCHIAL CHURCH COUNCIL OF THE PARISH OF CROOKHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Statement of Recommended Practice: Accounting and Reporting by Charities as revised 2005.

The financial statements have been prepared under the historical cost convention.

Funds

General funds represent the funds of the Parochial Church Council (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 donations or grants received for a specific object or invited by the PCC for a specific object and can only be expended on the purpose for which they were given. Any balance remaining unused 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.

Designated funds are part of the unrestricted funds set aside by the PCC for a particular purpose. Unrestricted funds are general funds, which can be used for PCC ordinary purposes.

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.

Incoming Resources

Planned giving, collections, donations and fees are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Rental income from the letting of church premises is recognised when due. Interest is accrued. All other income is recognised when it is receivable. All incoming resources are accounted for gross.

Resources used

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. The diocesan parish share is an operational (though not a legal) liability and is accounted for when due. All other expenditure is recognised when a liability is incurred and is accounted for gross.

Church Workers Pension Fund (CWPF) - FRS102 Statement

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

CWPF has two sections:

1. the Defined Benefits Scheme

2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, 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. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

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 **(2024: £4587, 2023: £4444)**.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m 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, **Crookham PCC** could become responsible for paying a share of the failed employer's pension liabilities.

Fixed assets

Consecrated and beneficed property is excluded from the financial statements in accordance with section 10(2)(a) of the Charities Act 2011.

Movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property unless consecrated, and are not included in these financial statements. All expenditure incurred during the year on consecrated or benefice property

and inalienable church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities in the year in which it is incurred.

The PCC includes other buildings and properties at cost, with revaluation taking place when the PCC determines there has been a material change in value. No depreciation is applied to these properties, and any costs related to maintenance or improvements are expensed as incurred.

The property on Gally Hill Road, owned by the School House Trust, is not included, as it is not considered an asset of the PCC.

Other fittings and equipment used within the church premises, including assets acquired under a finance lease, are depreciated on a straight line basis over 5 years. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired.

Current assets

Amounts owed to the PCC at the year end less provision for amounts that may prove uncollectable are shown as debtors.

Short-term deposits are cash held on deposit either with the CBF Church of England Funds or at the bank.

THE PAROCHIAL CHURCH COUNCIL OF THE PARISH OF CROOKHAM
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Unrestricted Funds	Designated Funds	Restricted Funds	<u>2024</u> Total	<u>2023</u> Total
2 INCOMING RESOURCES					
a Incoming resources from donors					
Planned giving	51,709	0	0	51,709	61,429
Collections at all services	3,671	0	0	3,671	2,146
Sundry donations	4,054	0	1,021	5,075	7,500
Income tax recoverable	11,212	0	0	11,212	12,698
	70,646	0	1,021	71,667	83,773
b Other voluntary incoming resources					
Grants & donations	24,976	0	0	24,976	27,190
Fetes, Bazaars and other fund raising events	11,902	0	0	11,902	15,324
	36,878	0	0	36,878	42,514
c Income from charitable & ancillary trading					
Magazine	1,648	0	0	1,648	1,412
Vestry contributions	3,775	0	0	3,775	2,956
Pre-School	110,399	0	0	110,399	98,847
Fees	9,651	0	0	9,651	11,842
	125,473	0	0	125,473	114,967
d Income from investments					
Interest receivable	3,375	0	1378	4,753	1,975
Funds of School House Trust	0	0	20,088	20,088	6,489
Rent on Jubilee Drive	15,732	0	0	15,732	16,672
	19,107	0	21,466	40,573	25,136
TOTAL INCOMING RESOURCES	252,104	0	22,487	274,591	266,120
3 RESOURCES USED					
a Grants & donations	2,893	0	3,123	6,016	5,420
Missionary & charitable giving UK	2,893	0	3,123	6,016	5,420
b Activities directly related to the work of the church					
Ministry:					
Parish share	91,981	0	0	91,981	83,752
Clergy expenses	4,046	0	0	4,406	718
Vicarage expenses	1,073	0	0	1,073	516
Visiting Clergy	0	0	0	0	0
Church - running expenses	28,779	0	0	28,779	21,706

Professional fees	1080	0	0	1080	1080
Upkeep of services	2,365	0	0	2,365	2956
Expenditure on magazine & library	0	0	0	0	0
Upkeep of churchyard	0	0	0	0	0
Pre-school Salaries & Pensions	82,548	0	0	82,548	64,725
Other Pre-School expenses	5,067	0	0	5,067	5,432
	216,939	0	0	216,939	180,885

c Fund raising & publicity

Costs of fetes & other fund raising events	5,927	0	0	5,927	6,858
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d Church management & administration

Telephone & internet	1,340	0	0	1,340	1,716
Computers & Photocopiers	3,789	0	0	3,789	5,644
Other administration expenses	2,573	0	0	2,573	1,568
Staff pay	23,581	0	0	23,581	19,082
Investment property expenses	926	0	0	926	4,726
Bank charges	298	0	0	298	279
	32,507	0	0	32,507	33,015

TOTAL RESOURCES USED	258,266	0	3,123	261,389	226,178
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4 STAFF COSTS

Remuneration	101,542	79,364
Social security costs (included above)	0	0
Pension costs	4,587	4,444
	106,129	83,808

5 FIXED ASSETS FOR USE BY THE PCC

Tangible fixed assets

<u>2024</u>			<u>2023</u>
<u>FHL&B</u>	<u>Leased</u>	<u>Total</u>	<u>Total</u>

Gross book value

As at January 1st 2024	250,000	0	250,000	250,000
Additions	0	0	0	0
Disposals	0	0	0	0
As at 31 December 2024	250,000	0	250,000	250,000

Depreciation

At 1 January 2024	0	0	0	0
Charge for year	0	0	0	0
Disposals	0	0	0	0
As at 31st December 2024	0	0	0	0

Net book value**As at 31st December 2024**

250,000	0	250,000	250,000
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6 DEBTORS

Prepayments and accruals	3,811	1,612
Tax recoverable on covenants	2,422	9,500
	6,233	11,112

7 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

Amounts due under finance leases	0	0
Parish Share	0	(23,635)
Other accruals	(3,314)	(2036)
Other creditors	0	0
	(3,314)	(25,671)

8 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2024	-	2023
				-	-	-
Fixed assets	0	250,000	0	250,000		250,000
Current Assets	126,487	15,335	88,721	230,543		239,698
Liabilities : amounts falling due within 1 year	(3,314)	0	0	(3,314)		(25,671)
Liabilities : amounts falling due within 5 years	0	0	0	0		0
Fund balance	123,173	265,335	88,721	477,229		464,027

9 RESTRICTED FUNDS

	End 2023	Incoming	Outgoing	End 2024
Christ Church Community Project	(9,265)	0	0	(9,265)
Funds of School House Trust	53,004	21,466	0	74,470
Parish share debt reduction	883	0	0	883
Organ maintenance	17,805	0	(469)	17,336
Flowers	415	0	0	415
Library - Joan Blundell bequest	275	0	0	275
Pastoral care	474	0	0	474
Supporting children of the Parish	5,766	0	0	5,766
Collections - UK charities	0	1,021	(1,021)	0
	69,357	22,487	(1,490)	88,721

10 DESIGNATED FUNDS

	End 2023	Incoming	Outgoing	End 2024
Investment properties	250,000	0	0	250,000
Building and Fabric	15,355	0	0	15,355
	265,355	0	0	265,355

NOTES

2a – The vast majority of donor income arises from our planned giving programme where approaching 90 folk either have standing orders or give regularly through envelopes in the plate.

2b - The receipts for Churchyard Upkeep include £15 for the upkeep of a family grave and £30 from the Commonwealth War Graves Commission for the maintenance of the war graves in the cemetery.

2c – Our income from ancillary trading comes principally from our Pre-school serving our young families, in the community use of our spaces and major community events (e.g. the Arts Festival)

2d – Our income from investments arises principally from the rental of the two properties we are responsible for – one on Jubilee Drive and the other on Gally Hill Road, both in Church Crookham.

4 - During the year the PCC employed organists, cleaners, a parish administrator, an assistant and Pre-School staff, none of whom earned more than £60,000 p.a. (2023: Nil). Together these employees equate to 5 full time employees (2023: 5).

Payments to PCC members and persons related to PCC members: The expenses paid to various members of the PCC may have included an immaterial proportion relating to their specific function as a member of the PCC.

No payments were made in 2024 to persons closely connected to members of the PCC (2023: Nil).

5 - An investment property fund was set up by the PCC in 2013, to buy the freehold property, which is held as an investment, and is let.

There are no endowment funds to report.

There are no contingent liabilities as at 31 December 2024 (2023: Nil)

The registration number of the Crookham PCC with the Charity Commission is 1132174.