

**FERNDOWN PAROCHIAL CHURCH COUNCIL**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**tc** accounts • tax • legal • financial planning

10 Bridge Street  
Christchurch  
Dorset  
BH23 1EF

## FERNDOWN PAROCHIAL CHURCH COUNCIL

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## FERNDOWN PAROCHIAL CHURCH COUNCIL

### LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Rev. S Pix	
	D Howshall	
	M Orman	
	Rev P Chabala	
	R Jobbins	
	D White	
	R Broadley	
	RA Loader	
	Mrs K Scarfe	
	O Chappell	
	A Thornton	(Appointed 27 May 2021)
	Mrs Diane French	(Appointed 29 May 2022)
	Mrs Sarah Collins	(Appointed 29 May 2022)
	Mr Alan Field	(Appointed 18 September 2021)
	Mr Michael Raven	(Appointed 27 July 2021)
	Rev Oliver Fricker	(Appointed 27 June 2021)
	Mrs Vera Waters	(Appointed 27 May 2021)
	Mr Ryan Baldwin	(Appointed 27 May 2021)
	Mr Barry Robertson	(Appointed 27 May 2021)
	Mrs Tracey Nicholls	(Appointed 28 June 2021)
<b>Charity number</b>	1134028	
<b>Principal address</b>	St Marys Church Hall Church Road Ferndown Dorset United Kingdom BH22 9EU	
<b>Independent examiner</b>	TC Group 10 Bridge Street Christchurch Dorset BH23 1EF	

## **FERNDOWN PAROCHIAL CHURCH COUNCIL**

### **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The trustees present their report and financial statements for the year ended 31 December 2021.

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) and the Church Accounting Regulations 2006

#### **Objectives and activities**

##### **Status**

St Mary's is the local 'Church of England' church, led and managed by the Parochial Church Council (PCC) which in turn is chaired by the incumbent of the church, Rev Sarah Pix. The PCC is given a mandate to further the work of the mission of the church in its worship and witness. Our stated aim is 'Transformation through Jesus'. This is done in many ways, some of which are described in the following pages.

##### **Vision Statement: Transformation through Jesus**

St Mary's can best be described as a family rather than an organisation, and as such, its aim and objectives are really relational. The Trustees have identified ten values which underpin our work and method of operation which reflect this:

Encountering Jesus, Celebration: a worshipping people, Kingdom Living; People of Faith; People of the Word and Spirit; Praying People; Equipping the Saints; Relational: Loving and Serving People; People Set Free. These values recognise our core objectives of growing and encouraging those who belong to St Mary's, equipping them to live the Christian life day to day, and reaching out with the Good News and love of Jesus to our community in a desire to demonstrate the goodness of God. These are still well summarised by the following three aims:

1. To be rooted in Jesus through worship, prayer, bible study, small groups, and public worship that is offered in a variety of styles.
2. Growing up to maturity in Jesus through discipleship, pursuing the Presence of God, service, sacrificial giving, and leadership development.
3. Reaching Out with Jesus through our welcome and witness. The quality of our love, care and relationships is key to extending God's Kingdom in this locality. We believe that the Good News of Jesus is good news for everyone, and that in Him all the solutions to the deepest needs of humanity can be found and so we intentionally share Him.

## **FERNDOWN PAROCHIAL CHURCH COUNCIL**

### **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Public Benefit**

Throughout this report we have illustrated the impact we are having on the local community. We exist to benefit the wider community but a by-product of this objective is that we benefit those that join us and are gathered in to the Church who in turn multiply the impact on the wider public. The PCC have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The following information demonstrates this duty and measurement of impact as a proactive part of managing the Charity.

The trustees regularly review our aims, objectives and activities of the charity and communicate this to the PCC body as a whole at least on an annual basis. The trustees have considered the Charity Commission's general guidance on public benefit and its supplementary guidance on the advancement of religion for the public benefit.

#### **Volunteers**

Unpaid volunteers contribute a large amount in terms of time to the work of the PCC, including working in the office, cafe, church services, childrens work and visiting. The value of this time is considered too hard to quantify and not included as income in the charity accounts.

#### **Achievements and performance**

Psalm 103:1-2 says "Praise the Lord, my soul; and all my inmost being, praise his holy name. Praise the Lord, my soul, and forget not all his benefits". Indeed, the Lord has been so faithful to us in so many ways in the past year despite the challenges of COVID-19. We began the year in January with another national lockdown. St Mary's PCC took the difficult decision to suspend in-person church services and move to providing on-line services instead. That decision was a difficult one made prayerfully, not out of fear, but with hope in our loving heavenly Father, trusting him to help us navigate through the times ahead with love, faith and courage. Later, we were able to have in-person service with the provision of live-streaming for those who were unable to join us on site.

We also enjoyed the opportunities to continue to build up links across the Benefice, with continued joint gatherings, including the evening monthly worship night – an opportunity to lay aside everything else and just focus on worshipping Jesus. Worship is such a key weapon in the spiritual battle, and such an important way of reminding ourselves of the truth of who He is and what He has done when everything else has been shaken.

Those who had participated in our joint Benefice services have found them to be a great encouragement!

## **FERNDOWN PAROCHIAL CHURCH COUNCIL**

### **TRUSTEES' REPORT (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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Coming out of the Covid crisis, the recovery phase was quite complex at times, particularly navigating the various changes in government regulations and helping people feel confident to resume meeting together. But our God is faithful, and St Mary's is blessed with many gifted, dedicated and loving people who had tirelessly served the Lord, our church and our community.

During the year we had special moments to say goodbye to Ann Scouse and Paul Craddock. We thank God for the love and faithful service they demonstrated through their ministries. It was with great joy, and thankfulness for the Lord's provision, that we successfully appointed a new Children and Families Pastor in Ryan Baldwin, a new Café Team Leader in Maria Wilson, and we also welcomed Amy Boon as part of our Grow Project.

It was also with great delight that the PCC welcomed the very special news that Oli Fricker was to join us with his family in the summer of 2021 as our new curate. We can celebrate the fact that we are blessed with a wonderful staff team who, through their faithful leadership, love and servant attitude, continue to care for the members of our church and our community, and lead us in extending the kingdom of God in Ferndown.

In June 2022, it was quite clear that we were in a new season as St Mary's, with many changes for us as a church family. With some of our senior staff team moving on, and with ongoing adjustments after the shockwaves of the pandemic, we had been seeking the Lord for where he wants to take us. With Jesus, the best is always yet to come! He takes us from 'glory to glory'! And we can trust him as the One who has good plans for His people (Jer. 23: 11) and as the One who calls us and is faithful (1 Thess. 5: 24).

We sensed the Lord was calling us to come higher, to move from maintenance to growth, to begin running with him, to step up into the huge work that he has entrusted into our hands. We needed to be prayerfully thinking about what sort of a church we needed to be in order to reach all generation of people, many of whom have never heard of Jesus or experienced his love and presence.

Something that we had been mulling over at PCC for some time now, is whether our current pattern of services was going to aid a growing church and a growing vision. One of the things that is great about St Mary's is the variety of styles of worship and types of service. There are many ways in which we can worship God, and we all have our preferences. From His point of view, he always looks at the heart - and as long as our worship is in Spirit and in Truth then it delights Him. There is so much to celebrate about our current offering! I hope that we will always have a variety of expressions of worship at St Mary's and that each of those services will be growing - not just numerically but also in spiritual depth and real worship.

Having said that, we were conscious that we are living in a rapidly changing society. What could we do to ensure that there is a lively, thriving community of faith here for all generations in the years' to come? A number of people have commented that we don't seem to have as many children and young families as we used to - particularly at the 10.45 service. Breakfast Church started eight years ago, and it has been a huge success, attracting many families, some of whom have not been to church before. The aim has been to be genuinely all-age, with an approachable style of worship, ensuring that there is space for people to encounter Jesus. Since the outset of Breakfast Church, we have been grappling with the question of how to make sure that this congregation are being discipled, and how can we help them to feel a part of the wider St Mary's? Mulling over these questions, as well as looking at our reduced resources with the departure of Sarah at the end of August, the staff with the approval of the PCC had come up with a plan to rethink our Sunday services.

This September, we followed the service pattern of August. We had one main service at 10:30am, with children's work and a simplified Breakfast Church running at 9 am.

## **FERNDOWN PAROCHIAL CHURCH COUNCIL**

### **TRUSTEES' REPORT (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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In October and onwards, Breakfast church and the 10:45 service became one service. This service is at 9am in the church and the traditional service that was at 9am is now at 10:45am. Below is how the Sunday services now look like from October:

8.45 am - Simplified Breakfast in the café.

9 am - Church @ 9am: This service in Church will be high-energy, interactive and fun with an accessible talk. All ages will worship together throughout the service, but 3 or 4 times a month, there will be special groups for children where they will study the same passage and theme as that in church, in an age-appropriate way. The hope is that this will allow us to go into great depth. There will also be a group for younger children following a curriculum prepared by Natacha Fricker and tried and tested at her previous church. In order to make the church a more relaxed and welcoming environment for our families, we would move things around a little, creating more space at the front of church by removing pews, and adding in chairs and tables.

10.15 am - Coffee as usual in the Beacon.

10.45 am - Our more formal morning service will take place. Both morning services would follow the same theme and reading, but the approach will be different. Sung worship will be led by organ, piano and sometimes a band. The service will use more liturgy, as our current 9 am service is.

6:30pm - Encounter which is a Benefice for an evening of worship and prayer, and the preaching of God's word. At Encounter, we are walking through the Book of Ephesians. Since this is a benefice service, we meet at St Mary's Beacon Café on the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and at times the 4<sup>th</sup> week of the Month. But for every last Sunday evening of the month, Encounter will be at All Saints Hampreston.

Change is not always easy. But I believe that these change will be of benefit to us as a church, and to those who have not engaged with us yet. It is my prayer that in taking this step, we will grow together as an intergenerational community wholeheartedly following Jesus. And shining more brightly, we will carry the gospel into every part of our community and beyond.

Every blessing to you all,

Patches

The Rev'd Patches Chabala

Team Vicar, St Mary's Ferndown & Hampreston

## **FERNDOWN PAROCHIAL CHURCH COUNCIL**

### **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **Financial review**

It's been another hard year with income down due to covid restrictions and people's reluctance to venture out resulting in the main areas of Donations, Café sales and the room hire being adversely affected. Expenses have also been affected, particularly with the ending of the furlough scheme as we have had to meet the full salary costs but we were still able to pay the full Diocesan share and honour in full the 5 Charities that we support. We also set aside 1% of our income on a monthly basis to go into a designated 'Capital Fund' for use when we need to purchase new equipment etc. The Beacon Project is continuing at a steady pace and probably will take another 2 years to complete this phase subject to funds being available. The project is financed out of the restricted 'Beacon Project Fund' and we are very grateful to those people that still give to this project.

Looking at 2022 we have some serious financial challenges as we have forecast that we will have a deficit of approximately £40,000 and looking even further into 2023 we cannot sustain this sort of loss.

#### **Reserve Policy**

We aim to keep one months budgeted expenditure in our General Fund where possible to ensure that our obligations to Staff, Diocese and other expenses are never a concern.

#### **Risk assessment**

All adults working with children have been cleared with the DBS (formerly CRB) or their forms are being processed at the moment. We have a new Parish Safeguarding Representative who is working closely with those involved in working with vulnerable adults to insure that they also have the relevant DBS checks. We now have a list of authorised First Aiders who are regular church members to cover the main acts of public worship on Sundays and many of our mid-week ministries. In 2016 we installed a defibrillator as a public service and a number of church members have been trained in its proper use. Risk Assessment issues are addressed at the monthly PCC meetings or its Standing Committee, and appropriate action or precautions put in place depending on the level of risk.

In connection with the building fabric and premises during the year, the following aspects have duly been undertaken.

- Annual inspection of lightening protection system
- Annual inspection and testing of gas powered heating installations
- Annual testing of portable electrical appliances
- Annual maintenance of fire safety equipment

The Café had an Environmental Health Inspection and received a 5\* rating.

#### **Financial controls**

Invoices are authorised and signed by two members of the PCC if over £1,000. Under £1,000 only one PCC member need authorise the invoices. The Finance administrator pays the invoices and the Treasurer countersigns either the cheque or online with the bank.

Reconciliations are done on a monthly basis and reports are produced for the PCC to show Income and Expenditure against a budget that is set for the year.

Finance Coordinator has been used over many years as our main software system but we have decided to change on 1<sup>st</sup> January 2022 to Quickbooks as we have found that FC does not have the ability to cope with VAT that we have to pay on the Café sales and we have had to run two systems. At present we will be keeping the Donations Coordinator system to run our gift aid claims to HMRC.



## **FERNDOWN PAROCHIAL CHURCH COUNCIL**

### **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **Short term**

The PCC and staff team gather regularly to seek God's guidance, and to discern His priorities for us going forward. This has been a year of going back to the basics of our Mission, and prayerfully discerning how best to continue reaching out to the people of Ferndown.

At the time of writing we are slowly emerging from Lockdown. It is again a time of great change, and great need. Some of the ways in which we are looking to help Ferndown navigate this 'Recovery phase' are listed here:

- The Listening Table - a place at the Beacon Cafe for people to come to process some of their experiences of the past year.
- A service to celebrate Key Workers
- The Bereavement Course will be run
- A memorial service for those that have lost loved-ones
- A Parish-wide letter informing the Community of opportunities for connecting
- Alpha

With the anonymous gift we received, we are upgrading our audio-visual facilities to allow live-streaming and other digital content.

We are also excited to be welcoming a new Curate, Oli Fricker and his family, in June.

#### **Medium Term**

A major review of our activities to consider what needs to be resurrected, what has had its time and what new vision is bubbling up. Reviewing our pattern of services in light of changes through Covid.  
Appointing a new full-time Children and Families Pastor

Writing a Digital Strategy about how to engage best with our online congregations.

Revamping our Small Groups by looking at their effectiveness and offering, to increase capacity to receive more members.

Training Church Members in Practicing the Presence of Christ, and operating in the gifts of the Spirit in order to equip for living as Christians in the World.

Assessing the way in which the Benefice works together to see how St Mary's along with All Saints can be effective in building the Kingdom in a more united way.

#### **Longer term**

We will continue to prayerfully reflect on the needs of our community in order to decide on ongoing ministry priorities. At some point a review of our Vision will be undertaken. These may include growing our provision of youth work and adding a baptistery for adult baptism in the Chancel.

## FERNDOWN PAROCHIAL CHURCH COUNCIL

### TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Structure, governance and management**

The PCC is the legal entity that is responsible for the leadership of the church. It works within the Anglican framework provided by Salisbury Diocese. The PCC is made up of the Team Rector, Team Vicar, Church Wardens, Assistant Curate and other elected lay members of the church, each heading up a department or sphere of church life.

The Annual Meeting of Parishioners and Annual Parochial Church Meeting (for church members) give a natural place for any issue to be openly discussed, and gives the legal framework for the election of Church Wardens and lay members who serve on the PCC.

The PCC meets monthly to oversee different activities and, where possible, discerns those whom God is calling to serve in the various "heads of department" roles such as mission, children's work, outreach, finance, fabric and the Beacon Project etc. Having been elected at the Annual Meetings (see above) they then have a duty to report back to the PCC and keep it informed as to how they manage the responsibilities, including budgets, delegated to them. With regard to finances, the PCC decides on the salaries of their employees, and also on the charges for letting out our premises. As a PCC our decision-making is fairly unusual in so far as changes are only made where unanimity is reached at the meetings.

Day to day management of the Church takes place through a variety of means, but especially through the ministries of its appointed leaders: the Team Rector, Team Vicar, Assistant Curate (when one is in place), Church Wardens, Operations Manager, Church Secretary, Children's and Families Pastor, Worship and Youth Pastor and Treasurer. We have a Café Manager overseeing the work of the Beacon Café.

The Trustees of the Charity are identical to the members of the Parochial Church Council (PCC). There are presently 15 positions on the PCC, including Rector, Associate Minister, two Church Wardens, Treasurer, Secretary, and 'heads of department' for various spheres of Christian Ministry in the Church.

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

Rev. S Pix	
D Howshall	
M Orman	
Rev P Chabala	
R Jobbins	
D White	
A Scouse	(Resigned 27 May 2021)
G Tyler	(Resigned 27 May 2021)
M Belbin	(Resigned 27 May 2021)
R Broadley	
S Deall	(Resigned 27 May 2021)
RA Loader	
Mrs K Scarfe	
O Chappell	
A Thornton	(Appointed 27 May 2021)
Mrs Diane French	(Appointed 29 May 2022)
Mrs Sarah Collins	(Appointed 29 May 2022)
Mr Alan Field	(Appointed 18 September 2021)
Mr Michael Raven	(Appointed 27 July 2021)

## FERNDOWN PAROCHIAL CHURCH COUNCIL

### TRUSTEES' REPORT (CONTINUED)

#### *FOR THE YEAR ENDED 31 DECEMBER 2021*

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Rev Oliver Fricker	(Appointed 27 June 2021)
Mrs Vera Waters	(Appointed 27 May 2021)
Mr Ryan Baldwin	(Appointed 27 May 2021)
Mr Barry Robertson	(Appointed 27 May 2021)
Mrs Tracey Nicholls	(Appointed 28 June 2021)

Individuals with particular gifts and passions are approached and asked to consider standing, but then elections are held at the APCM, where others could stand against them. The appointed trustees are deemed to possess the appropriate abilities and experience required. From 2017 all Trustees will be DBS checked, and the recently agreed Safer Recruitment process will be used in recruitment of new Trustees. All trustees are considered to be highly experienced and skilled individuals. Training is provided where necessary.

#### **Key management personnel**

T A Nicholls - Administration

P Craddock - Cafe manager.

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

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**Rev P Chabala**

Trustee

Dated: .....

## **FERNDOWN PAROCHIAL CHURCH COUNCIL**

### **INDEPENDENT EXAMINER'S REPORT**

#### **TO THE TRUSTEES OF FERNDOWN PAROCHIAL CHURCH COUNCIL**

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I report to the trustees on my examination of the financial statements of Ferndown Parochial Church Council (the charity) for the year ended 31 December 2021.

#### **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**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants (ACCA), which is one of the listed bodies.

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

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

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.

James Paget

TC Group

10 Bridge Street

Christchurch

Dorset

BH23 1EF

Dated: .....

**FERNDOWN PAROCHIAL CHURCH COUNCIL**

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	274,253	500	12,687	287,440	381,166
Charitable activities	4	101,621	-	-	101,621	64,480
Investments	5	-	-	-	-	1
Other income	6	12,459	-	-	12,459	22,633
<b>Total income</b>		<b>388,333</b>	<b>500</b>	<b>12,687</b>	<b>401,520</b>	<b>468,280</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	7	380,621	28,833	3,768	413,222	367,757
<b>Net incoming resources before transfers</b>		<b>7,712</b>	<b>(28,333)</b>	<b>8,919</b>	<b>(11,702)</b>	<b>100,523</b>
Gross transfers between funds		(24,079)	26,919	(2,840)	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(16,367)</b>	<b>(1,414)</b>	<b>6,079</b>	<b>(11,702)</b>	<b>100,523</b>
Fund balances at 1 January 2021		85,777	46,788	16,890	149,455	48,933
<b>Fund balances at 31 December 2021</b>		<b>69,410</b>	<b>45,374</b>	<b>22,969</b>	<b>137,753</b>	<b>149,456</b>

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

All income and expenditure derive from continuing activities.

**FERNDOWN PAROCHIAL CHURCH COUNCIL**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	<b>12</b>		5,933		-
<b>Current assets</b>					
Stocks	<b>13</b>	1,538		1,081	
Debtors	<b>14</b>	12,280		6,928	
Cash at bank and in hand		133,133		155,818	
		<u>146,951</u>		<u>163,827</u>	
<b>Creditors: amounts falling due within one year</b>	<b>15</b>	<u>(15,131)</u>		<u>(14,371)</u>	
Net current assets			131,820		149,456
<b>Total assets less current liabilities</b>			<u>137,753</u>		<u>149,456</u>
<b>Income funds</b>					
Restricted funds	<b>16</b>	22,969		16,890	
Unrestricted funds - designated	<b>17</b>	45,374		46,789	
Unrestricted funds - general		69,410		85,777	
		<u>137,753</u>		<u>149,456</u>	

The financial statements were approved by the Trustees on .....

.....  
Rev P Chabala  
Trustee

.....  
Mr Barry Robertson  
Trustee

# FERNDOWN PAROCHIAL CHURCH COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Charity information**

St Mary's is the local 'Church of England' church in Ferndown, Dorset, led and managed by the Parochial Church Council (PCC), the unincorporated registered UK charity, which in turn is chaired by the incumbent of the church, Rev Sarah Pix. The PCC is the legal entity that is responsible for the leadership of the church. It works within the Anglican framework provided by Salisbury Diocese.

#### **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) and the Church Accounting Regulations 2006. 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 unless the funds have been designated for other purposes.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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**1 Accounting policies**

**(Continued)**

**1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. Donated fixed assets are recorded at fair value. The time of volunteers is not recognised.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

VAT is charged on Cafe sales and food provided for venue hire and income derived from this is shown net of VAT.

**1.5 Resources expended**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. VAT is claimable on vatable Cafe related expenditures.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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**1 Accounting policies**

**(Continued)**

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, repairs and maintenance costs, finance etc which supports the charity's activities. All support costs are deemed to relate to the charitable activity of the charity, any costs related to other income methods are deemed to be immaterial.

Governance costs are those support costs incurred to meet the statutory and constitutional requirements of the charity.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**1.6 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.

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:

Other Fixtures, Fittings & Office Equipment

Equipment used within the church premises is recorded at cost and depreciated on a straight-line basis over 4 years, apart from the digital organ which is depreciated over 10 years. Individual items of equipment with a purchase price of £5,000 or less are written off when the asset is acquired.

Freehold land is not depreciated.

Dedicated (not consecrated) land and buildings and movable church furnishings

No value is placed on moveable church furnishings held since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or benefice buildings and moveable church furnishings, whether maintenance or improvement is written off as expenditure in the SOFA and separately disclosed.

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.

**1.7 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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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**1 Accounting policies**

**(Continued)**

**1.8 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**1.9 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. Bank overdrafts are shown within borrowings in current liabilities.

**1.10 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.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**FERNDOWN PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1 Accounting policies**

**(Continued)**

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.11 Employee benefits**

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Donations and legacies**

	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Donations and gifts	270,253	500	12,687	283,440	381,166
Employment allowance	4,000	-	-	4,000	-
	274,253	500	12,687	287,440	381,166
<b>For the year ended 31 December 2020</b>	367,952	-	13,214		381,166

**FERNDOWN PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**3 Donations and legacies**

**(Continued)**

**Donations and gifts**

Envelope scheme	1,715	-	-	1,715	9,430
Gift aid recoverable	42,063	-	-	42,063	41,723
General church collections	6,411	-	-	6,411	7,048
Regular giving	189,113	-	9,500	198,613	171,697
Harvest collections	-	-	2,217	2,217	907
Other donations	30,951	500	-	31,451	122,504
Christmas service collections	-	-	970	970	395
Other	-	-	-	-	27,462
	<u>270,253</u>	<u>500</u>	<u>12,687</u>	<u>283,440</u>	<u>381,166</u>

There were no donated goods or services during the year.

**4 Charitable activities**

	<b>Charitable Activities 2021 £</b>	<b>Charitable Activities 2020 £</b>
Cafe sales	88,336	40,539
Fees & bookstall sales	95	2,465
Room hire	13,079	10,753
Other income - Open Doors, Men's group, Lighthouse club & events	111	10,723
	<u>101,621</u>	<u>64,480</u>
Analysis by fund		
Unrestricted funds - general	101,621	64,265
Unrestricted funds - designated	-	215
	<u>101,621</u>	<u>64,480</u>
<b>For the year ended 31 December 2020</b>		
Unrestricted funds - general	64,265	
Unrestricted funds - designated	215	
	<u>64,480</u>	

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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**5 Investments**

	<b>Unrestricted funds general 2021 £</b>	<b>Total 2020 £</b>
Interest receivable	-	1
	<u>          </u>	<u>          </u>

**6 Other income**

	<b>Unrestricted funds general 2021 £</b>	<b>Total 2020 £</b>
Covid-19 Job Retention scheme grants	12,459	22,633
	<u>          </u>	<u>          </u>

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities		Ministry		Children & youth work		Church & grounds		Cafe		Other		Total 2021		Total 2020	
		2021	£	2021	£	2021	£	2021	£	2021	£	2021	£	2020	£
	<b>Staff costs</b>	31,605		11,548		18,856		28,459		-		90,468		91,434	
	Depreciation and impairment	-		-		-		-		1,978		1,978		1,645	
	Diocesan share/Children's expenses/Upkeep/Cost of sales/Bookstall	140,052		550		13,771		28,539		456		183,368		139,998	
	Rector's/Youth/Refurbishment/-/Catering expenses	1,080		348		2,175		-		1,689		5,292		2,913	
	Assoc' minister/Outreach/Grounds/Maintenance/Advert expenses	1,092		841		5,123		414		396		7,866		8,282	
	Training/Beacon running/Pastoral expenses	-		3,178		17,447		1,902		-		22,527		15,756	
	Sound & vision	-		-		-		-		-		-		862	
	Worship sound desk/-/Advertising	-		-		5,889		-		651		6,540		1,778	
	Marriage prep	-		-		-		-		108		108		419	
	Men's group	-		-		-		-		60		60		152	
	Other events	-		-		-		-		1,686		1,686		10,391	
	Lighthouse club	-		-		-		-		105		105		187	
	Sundry	-		-		-		-		3,399		3,399		3,270	
		173,829		16,465		63,261		59,314		10,528		323,397		277,087	
	Grant funding of activities (see note 8)	27,423		-		-		-		-		27,423		31,391	
	Share of support costs (see note 9)	59,762		-		-		-		-		59,762		56,679	
	Share of governance costs (see note 9)	2,640		-		-		-		-		2,640		2,600	
		263,654		16,465		63,261		59,314		10,528		413,222		367,757	

**FERNDOWN PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

7	Charitable activities	(Continued)					
		Ministry	Children & youth work	Church & grounds	Cafe	Other	Total
		2021	2021	2021	2021	2021	2021
		£	£	£	£	£	£
<b>Analysis by fund</b>							
	Unrestricted funds - general	237,056	16,465	57,318	59,314	10,468	380,621
	Unrestricted funds - designated	26,598	-	2,175	-	60	28,833
	Restricted funds	-	-	3,768	-	-	3,768
		263,654	16,465	63,261	59,314	10,528	413,222
<b>For the year ended 31 December 2020</b>							
	Unrestricted funds - general	204,811	20,242	37,808	50,513	18,018	331,392
	Unrestricted funds - designated	25,411	-	1,625	-	152	27,188
	Restricted funds	5,929	-	3,248	-	-	9,177
		236,151	20,242	42,681	50,513	18,170	367,757

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Grants payable	Ministry 2021 £	Ministry 2020 £
Grants to institutions (7 grants):		
Missionary committee - tithe	25,675	21,690
Missionary donations	923	3,721
Charities and Church Societies	825	56
Charities and Church Societies	-	5,924
	<u>27,423</u>	<u>31,391</u>
	<u>          </u>	<u>          </u>

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**FERNDOWN PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**9 Support costs**

	<b>Support costs</b>	<b>Governance costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	52,320	-	52,320	50,243
Accountancy - independent examination	-	2,640	2,640	2,600
General office expenses	7,442	-	7,442	6,436
	<u>59,762</u>	<u>2,640</u>	<u>62,402</u>	<u>59,279</u>
Analysed between				
Charitable activities	<u>59,762</u>	<u>2,640</u>	<u>62,402</u>	<u>59,279</u>

**10 Trustees**

A Scouse, trustee, was paid £1,759 (2020: £6,272) gross salary for her role as childrens worker. R Baldwin was paid £7,566 and £219 employer pension for his role as childrens worker.

M Orman, trustee, was paid £29,670 (2020: £29,377) gross salary and £937 (2020: £926) employer pension for his role as Pastor.

**Trustees' expenses**

Expenses of £5,540 were refunded to 5 trustees (2020: £2,703 to 4 trustees) in the year, for travel, stationery, books, repairs, equipment and other general expenses incurred on church related activities in the year.

**11 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
	6	6
	<u>6</u>	<u>6</u>
<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	142,788	141,677
	<u>142,788</u>	<u>141,677</u>

**FERNDOWN PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**12 Tangible fixed assets**

	<b>£</b>
<b>Cost</b>	
At 1 January 2021	37,186
Additions	7,911
	<hr/>
At 31 December 2021	45,097
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2021	37,186
Depreciation charged in the year	1,978
	<hr/>
At 31 December 2021	39,164
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	5,933
	<hr/> <hr/>

**13 Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	1,538	1,081
	<hr/>	<hr/>

**14 Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	11,111	3,761
Prepayments and accrued income	1,169	3,167
	<hr/>	<hr/>
	12,280	6,928
	<hr/>	<hr/>

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

**FERNDOWN PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**15 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	3,501	6,971
Trade creditors	2,337	944
Other creditors	5,793	2,956
Accruals and deferred income	3,500	3,500
	<u>15,131</u>	<u>14,371</u>

**16 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:

	<b>Balance at 1 January 2021</b>	<b>Movement in funds</b>			<b>Balance at 31 December 2021</b>
	<b>£</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>£</b>
The Beacon Project	16,203	9,500	(3,564)	-	22,139
Choir fund	204	-	(204)	-	-
Christmas services fund	447	970	-	(587)	830
Harvest fund	10	2,217	-	(2,227)	-
Collection fund	26	-	-	(26)	-
	<u>16,890</u>	<u>12,687</u>	<u>(3,768)</u>	<u>(2,840)</u>	<u>22,969</u>

**FERNDOWN PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**17 Unrestricted funds - designated**

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds				
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£
Missionary fund	770	-	(26,658)	27,663	1,775
AV Fund	35,000	-	-	(4,559)	30,441
Quinquennial fund	2,000	-	(2,000)	175	175
Capital/refurbishment fund	8,120	500	(175)	3,640	12,085
Men's group	898	-	-	-	898
	<u>46,788</u>	<u>500</u>	<u>(28,833)</u>	<u>26,919</u>	<u>45,374</u>

**18 Analysis of net assets between funds**

	Unrestricted General	Designated	Restricted	Total	Total
	2021	2021	2021	2021	2020
	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:					
Tangible assets	5,933	-	-	5,933	-
Current assets/(liabilities)	63,477	45,374	22,969	131,820	149,456
	<u>69,410</u>	<u>45,374</u>	<u>22,969</u>	<u>137,753</u>	<u>149,456</u>

**19 Related party transactions**

**Transactions with related parties**

During the year the charity entered into the following transactions with related parties:

	Donations from trustees		Diocese of Salisbury - Diocesan Quota	
	2021	2020	2021	2020
	£	£	£	£
Entities with control, joint control or significant influence over the company	21,890	16,940	140,054	111,713
	<u>21,890</u>	<u>16,940</u>	<u>140,054</u>	<u>111,713</u>