

Charity Registration No. 1134028

FERNDOWN PAROCHIAL CHURCH COUNCIL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Trustees	D Howshall	
	Rev P Chabaia	
	O Chappell	
	Mrs Diane French	(Appointed 29 May 2022)
	Mrs Sarah Collins	(Appointed 29 May 2022)
	Mr Alan Field	
	Mr Michael Raven	
	Rev Oliver Fricker	
	Mrs Vera Waters	
	Mr Barry Robertson	
Charity number	1134028	
Principal address	St Marys Church Hall Church Road Ferndown Dorset United Kingdom BH22 9EU	
Independent examiner	TC Group 10 Bridge Street Christchurch Dorset BH23 1EF	

FERNDOWN PAROCHIAL CHURCH COUNCIL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

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.
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FERNDOWN PAROCHIAL CHURCH COUNCIL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 115:1 says "not to us, Lord, not to us but to your name be the glory, because of your love and faithfulness". Indeed, the Lord has been so faithful to us in so many ways in the past year even though we faced some financial challenges. We also experienced some changes in the life of St Mary's in the following ways: (a) Stop livestreaming Services, (b) Tracey and Sarah Pix leaving for pastures new, (c) Change of Services Patterns and (d) the appointment of the new rector.

(a) Stop livestreaming of services:

We began the year in January 2022 by stopping livestreaming of our services. The reasons were as follows: Firstly, we were limited with only two people who were trained to operate the system. So, if one of them was not in church on Sunday, there was so much pressure for one person to operate the system. In due course, we became inconsistent with our output on the Livestreams. Secondly, we stopped livestreaming because we noted that there were very few people watching our livestream and so we wanted to encourage many people to attend in-person church services. 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!

(b) Tracey and Sarah Pix leaving for pastures new:

During the year we had special moments to say goodbye to Tracey Nicholls and Sarah Pix (our rector). We thank God for the love and faithful service they demonstrated through their ministries. With them, we celebrate the fact that we are blessed with a wonderful staff team who, through their faithful leadership, love and servant attitude, care and will continue to care for the members of our church and our community and lead us in extending the kingdom of God in Ferndown. May the Lord bless Tracey and Sarah's family and cause them to be fruitful in the Lord's service.

FERNDOWN PAROCHIAL CHURCH COUNCIL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

(c) Change of Services Patterns:

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. We had been seeking the Lord for where he wants to take us. 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 to reach all generation of people, many of whom have never heard of Jesus or experienced his love and presence.

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.

Breakfast church and 10:45 service became one service called Church @9 and the traditional service that was at 9am was now at 10:45am. Below is how the Sunday services now look like:

8.45am - Simplified Breakfast in the cafe

9am - Church @ 9am: All ages worship together throughout the service, but 3 or 4 times a month, there is special groups for children where they will study the word of God in an age-appropriate way. Every first Sunday of the month is an all-age service. In order to make the church a more relaxed and welcoming environment for our families, we moved things around a little, creating more space at the front of church by removing pews, and adding in chairs and tables.

10.15am - Coffee as usual in the Beacon

10.45am - is our more formal morning service. Both morning services follow the same theme and reading, but the approach will may be different.

6:30pm - Encounter which is a Benefice for an evening of worship and prayer, and the preaching of God's word. At Encounter, we walked through the Book of Ephesians, 1 & 2 Timothy and soon we will be walking through the book of Daniel under theme "Godly living in a secular world". Since this is a benefice service, we meet at St Mary's Beacon Café on the 1st, 2nd, 3rd and at times the 4th week of the Month. But for every last Sunday evening of the month, Encounter will be at All Saints Hampreston. Every first Sunday of month, we will have prayer and praise.

Change has not come easy for some, but we believe that this change will be of benefit to us as a church, and to those who have not engaged with us yet. It is our 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.

(d) The appointment of the new Rector:

It was with great joy, and thankfulness for the Lord's provision, on a successful appointment of the Revd Dominic Meering as the next Team Rector. Dom is currently Associate Vicar of Holy Trinity Church, Hazelmere in Buckinghamshire. He will come to Ferndown and Hampreston having much experience of a large multi-congregational church, which has a growing ministry involving all-ages. Dom bring a passion for developing leadership and discipleship, for schools' work, outreach, pastoral care, team working and vision building. We look forward to him moving to Dorset with his wife Crystal and his two children in the summer. Dom's institution, induction and installation as Team Rector by the Bishop of Salisbury will take place at 7pm on 12th September.

FERNDOWN PAROCHIAL CHURCH COUNCIL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

There has been a huge change in 2022 moving from 4 finance systems to 2 i.e. :

- 1/ Finance Coordinator – the main accounts system
- 2/ Donations Coordinator- the Gift Aid Accounts system
- 3/ Sage – the payroll system
- 4/ QuickBooks – Café accounts and Venue hire

We now run:

- 1/ QuickBooks – the main operating accounts system
- 2/ Donations Coordinator: - the Gift Aid accounts system

The reason behind the change was to simplify the finance operation that had changed over the years due to the growing needs of the church and the Café. QuickBooks offered a solution, that we could comply with HMRC with VAT reporting online whereas Finance Coordinator was not able to do this. The payroll in Sage had to be entered manually into Finance coordinator but using QB for the payroll it automatically populates the data where needed.

This has not been an easy task as we are dealing with charity finance requirements and café, business finance requirements, but with the help of our accountants we have now completed our first year.

This year we have tried to produce a balanced budget, but it will be difficult to achieve and would ask all members to prayerfully consider reviewing their giving.

A card reader was in use earlier in this year where people could just tap with a fixed amount to give but unfortunately the supplier went into administration, so we no longer could use it, but the good news is that we now have a new reader that will be introduced in 2023.

There have been a few queries that have come to my attention towards the end of 2022, and they are, if we are short of funds how can we continue the hall refurbishment and secondly how can we propose to have a refit in the café in 2023? A very reasonable question considering last 2 year's finances. This I will try to explain: -

1/ The Hall refurbishment is financed by the money that was left over from the main development in the building of the Beacon Project. This project is a restricted fund and can only be used for that purpose. The Beacon Project encompasses the other rooms that were not included in the builder's scope i.e., Spring Room, Venue 1, and the hall and most of the work could be undertaken by the Old Duffers. The Spring room and Venue 1 was completed a few years ago and that left the Hall that was started pre covid and we should have just enough funds to complete it by the end of 2024.

2/ The Café refit has been blessed with a legacy for that purpose and should be completed in May 2023.

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.

Free Reserves currently stand at £54,211 which just exceeds one month's operational costs including grants, support and governance.

FERNDOWN PAROCHIAL CHURCH COUNCIL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 member need to authorise the invoices. The Treasurer pays all payments except Direct Debits/Standing Orders as they are ongoing the Finance Administrator counter signs all payments, Cheques and online.

Reconciliations are made monthly, and reports are produced and distributed to the PCC showing Actual against Budget for the month and Year to date.

FERNDOWN PAROCHIAL CHURCH COUNCIL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 Bereavement Course will be run
- A memorial service for those that have lost loved-ones
- Alpha

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.

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 2022

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, 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 12 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	(Resigned 31 August 2022)
D Howshall	
M Orman	(Resigned 16 May 2023)
Rev P Chabala	
R Jobbins	(Resigned 29 May 2022)
D White	(Resigned 29 May 2022)
R Broadley	(Resigned 29 May 2022)
RA Loader	(Resigned 29 May 2022)
Mrs K Scarfe	(Resigned 29 May 2022)
O Chappell	
A Thornton	(Resigned 29 May 2022)
Mrs Diane French	(Appointed 29 May 2022)
Mrs Sarah Collins	(Appointed 29 May 2022)
Mr Alan Field	
Mr Michael Raven	
Rev Oliver Fricker	
Mrs Vera Waters	
Mr Ryan Baldwin	(Resigned 16 May 2023)
Mr Barry Robertson	
Mrs Tracey Nicholls	(Resigned 31 July 2022)

FERNDOWN PAROCHIAL CHURCH COUNCIL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

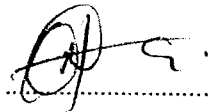
Individuals with particular gifts and passions are approached and asked to consider standing, but then elections are held at the APCM, where others could stand against them. The appointed trustees are deemed to possess the appropriate abilities and experience required. From 2017 all Trustees will be 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 to 31/07/2022

S Michelo - Cafe manager from 01/10/2022

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



Rev P Chabala

Trustee

Dated: 27/07/23

FERNDOWN PAROCHIAL CHURCH COUNCIL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FERNDOWN PAROCHIAL CHURCH COUNCIL

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 2022.

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 FCCA

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 2022

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	288,349	10,060	8,525	306,934	287,440
Charitable activities	4	129,701	13,535	-	143,236	101,621
Investments	5	111	-	-	111	-
Other income	6	-	-	-	-	12,459
Total income		418,161	23,595	8,525	450,281	401,520
<u>Expenditure on:</u>						
Charitable activities	7	429,405	46,588	10,547	486,540	413,222
Net expenditure for the year/ Net movement in funds		(11,244)	(22,993)	(2,022)	(36,259)	(11,702)
Fund balances at 1 January 2022		69,410	45,374	22,969	137,753	149,455
Fund balances at 31 December 2022		58,166	22,381	20,947	101,494	137,753

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

All income and expenditure derive from continuing activities.

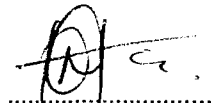
FERNDOWN PAROCHIAL CHURCH COUNCIL

BALANCE SHEET

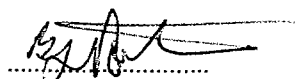
AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		3,955		5,933
Current assets					
Stocks	13	1,600		1,538	
Debtors	14	11,999		12,280	
Cash at bank and in hand		113,615		133,133	
		<u>127,214</u>		<u>146,951</u>	
Creditors: amounts falling due within one year	15	<u>(29,675)</u>		<u>(15,131)</u>	
Net current assets			97,539		131,820
Total assets less current liabilities			<u>101,494</u>		<u>137,753</u>
Income funds					
Restricted funds	16	20,947		22,969	
Unrestricted funds - designated	17	22,381		45,374	
Unrestricted funds - general		58,166		69,410	
		<u>101,494</u>		<u>137,753</u>	

The financial statements were approved by the Trustees on 24/7/2023



Rev P Chabala
Trustee



Mr Barry Robertson
Trustee

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 and by Rev Patches Chabala (team vicar) from 01/09/2022. 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.

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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).

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Donations and gifts	283,349	10,060	8,525	301,934	283,440
Employment allowance	5,000	-	-	5,000	4,000
	<u>288,349</u>	<u>10,060</u>	<u>8,525</u>	<u>306,934</u>	<u>287,440</u>
For the year ended 31 December 2021	<u>274,253</u>	<u>500</u>	<u>12,687</u>		<u>287,440</u>

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

(Continued)

Donations and gifts

Envelope scheme	635	-	-	635	1,715
Gift aid recoverable	43,730	-	-	43,730	42,063
General church collections	17,568	-	-	17,568	6,411
Regular giving	196,984	-	5,830	202,814	198,613
Harvest collections	-	-	679	679	2,217
Other donations	22,611	10,060	-	32,671	31,451
Christmas service collections	-	-	2,016	2,016	970
Other	1,821	-	-	1,821	-
	<u>283,349</u>	<u>10,060</u>	<u>8,525</u>	<u>301,934</u>	<u>283,440</u>

There were no donated goods or services during the year.

4 Charitable activities

	Charitable Activities 2022 £	Charitable Activities 2021 £
Cafe sales	104,944	88,336
Fees & bookstall sales	-	95
Room hire	24,553	13,079
Other income - Open Doors, Men's group, Lighthouse club & events	13,739	111
	<u>143,236</u>	<u>101,621</u>
Analysis by fund		
Unrestricted funds - general	129,701	101,621
Unrestricted funds - designated	13,535	-
	<u>143,236</u>	<u>101,621</u>
For the year ended 31 December 2021		
Unrestricted funds - general	<u>101,621</u>	

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments

	Unrestricted funds general 2022 £	Total 2021 £
Interest receivable	111	-
	<u>111</u>	<u>-</u>

6 Other income

	Unrestricted funds general 2022 £	Total 2021 £
Covid-19 Job Retention scheme grants	-	12,459
	<u>-</u>	<u>12,459</u>

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	Ministry 2022 £	Children & youth work 2022 £	Church & grounds 2022 £	Cafe 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Staff costs	34,308	33,599	14,452	30,367	-	112,726	90,468
Depreciation and impairment	-	-	-	-	1,978	1,978	1,978
Diocesan share/Children's expenses/Upkeep/Cost of sales/Bookstall	160,424	2,483	13,699	33,661	238	210,505	183,368
Rector's/-/Refurbishment/-/Catering expenses	1,007	-	3,228	-	3,734	7,969	5,292
Assoc' minister/Outreach/Grounds/Maintenance/Open Doors expenses	1,160	2,258	814	5,186	1,098	10,516	7,866
Pastoral expenses/Beacon running/Card machine & internet/	447	-	22,572	1,267	-	24,286	22,527
Worship equipment	-	-	3,195	-	-	3,195	6,540
Marriage prep	-	-	-	-	7,495	7,495	108
Men's group	-	-	-	-	1,919	1,919	60
Other events	-	-	-	-	-	-	1,686
Lighthouse club	-	-	-	-	-	-	105
Sundry	-	-	-	-	1,103	1,103	3,399
The Grow Project	-	-	-	-	2,240	2,240	-
	197,346	38,340	57,960	70,481	19,805	383,932	323,397
Grant funding of activities (see note 8)	41,441	-	-	-	-	41,441	27,423
Share of support costs (see note 9)	57,769	-	-	-	-	57,769	59,762
Share of governance costs (see note 9)	3,398	-	-	-	-	3,398	2,640
	299,954	38,340	57,960	70,481	19,805	486,540	413,222

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities	(Continued)						
	Ministry 2022 £	Children & youth work 2022 £	Church & grounds 2022 £	Cafe 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Analysis by fund							
Unrestricted funds - general	258,513	38,340	44,185	70,481	17,886	429,405	380,621
Unrestricted funds - designated	41,441	-	3,228	-	1,919	46,588	28,833
Restricted funds	-	-	10,547	-	-	10,547	3,768
	<u>299,954</u>	<u>38,340</u>	<u>57,960</u>	<u>70,481</u>	<u>19,805</u>	<u>486,540</u>	<u>413,222</u>
For the year ended 31 December 2021							
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
	<u>263,654</u>	<u>16,465</u>	<u>63,261</u>	<u>59,314</u>	<u>10,528</u>		<u>413,222</u>

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Grants payable	Ministry	
	2022	2021
	£	£
Grants to institutions:		
Missionary committee - tithe	29,104	25,675
Missionary donations	12,337	923
Charities and Church Societies	-	825
	<u>41,441</u>	<u>27,423</u>

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Staff costs	49,824	-	49,824	52,320
Accountancy - independent examination	-	3,398	3,398	2,640
General office expenses	7,945	-	7,945	7,442
	<u>57,769</u>	<u>3,398</u>	<u>61,167</u>	<u>62,402</u>
Analysed between				
Charitable activities	<u>57,769</u>	<u>3,398</u>	<u>61,167</u>	<u>62,402</u>

10 Trustees

R Baldwin, trustee, was paid £28,050 (2021: £7,566) gross salary and £872 (2021: £219) employer pension for his role as children's worker and for cleaning services.

M Orman, trustee, was paid £30,263 (2021: £29,670) gross salary and £961 (2021: £937) employer pension for his role as Pastor.

Trustees' expenses

Expenses of £3,300 were refunded to 8 trustees (2021: £5,540 to 5 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:

	2022 Number	2021 Number
	<u>6</u>	<u>6</u>
Employment costs	2022	2021
	£	£
Wages and salaries	<u>162,550</u>	<u>142,788</u>

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

	£
Cost	
At 1 January 2022	45,097
At 31 December 2022	45,097
Depreciation and impairment	
At 1 January 2022	39,164
Depreciation charged in the year	1,978
At 31 December 2022	41,142
Carrying amount	
At 31 December 2022	3,955
At 31 December 2021	5,933

13 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	1,600	1,538

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	10,270	11,111
Other debtors	507	-
Prepayments and accrued income	1,222	1,169
	11,999	12,280

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 2022

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	13,402	3,501
Trade creditors	5,630	2,337
Other creditors	6,593	5,793
Accruals and deferred income	4,050	3,500
	<u>29,675</u>	<u>15,131</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:

	Balance at 1 January 2022	Movement in funds		Balance at 31 December 2022
	£	Incoming resources £	Resources expended £	£
The Beacon Project	22,139	5,830	(8,613)	19,356
Christmas services fund	830	2,017	(1,256)	1,591
Harvest fund	-	679	(679)	-
	<u>22,969</u>	<u>8,526</u>	<u>(10,548)</u>	<u>20,947</u>

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Unrestricted funds - designated

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

	Balance at 1 January 2022	Movement in funds		Balance at 31 December 2022
	£	Incoming resources £	Resources expended £	£
Missionary fund	1,775	10,060	(41,441)	(29,606)
AV Fund	30,441	-	-	30,441
Quinquennial fund	175	-	-	175
Capital/refurbishment fund	12,085	8,375	(3,228)	17,232
Men's group	898	1,831	(939)	1,790
Women's group	-	730	(392)	338
Ukraine support group	-	2,100	(370)	1,730
ECO group	-	499	(218)	281
	<u>45,374</u>	<u>23,595</u>	<u>(46,588)</u>	<u>22,381</u>

18 Analysis of net assets between funds

	Unrestricted General 2022 £	Designated 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:					
Tangible assets	3,955	-	-	3,955	5,933
Current assets/(liabilities)	54,211	22,381	20,947	97,539	131,820
	<u>58,166</u>	<u>22,381</u>	<u>20,947</u>	<u>101,494</u>	<u>137,753</u>

FERNDOWN PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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	
	2022	2021	2022	2021
	£	£	£	£
Entities with control, joint control or significant influence over the company	14,680	21,890	160,423	140,054
	<u>14,680</u>	<u>21,890</u>	<u>160,423</u>	<u>140,054</u>
	<u>14,680</u>	<u>21,890</u>	<u>160,423</u>	<u>140,054</u>
