

The Parochial Church Council of St Nicholas, Sutton



St Nicholas Church, Sutton

Jesus said 'I have come that you might have life and have it to the full' John 10:10

www.stnicholas.suttonteam.org.uk

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

Registered Charity No. 1134049

Rector

Revd Frances Arnold
The Rectory
34 Robin Hood Lane
Sutton SM1 2RG

Independent Examiner

Kevin Ogilvie

Bankers

Metro Bank

The Parochial Church Council of St Nicholas, Sutton

Annual Report for the Year Ended 31 December 2023

Functions of the Parochial Church Council

St Nicholas Church is a Parish Church situated in central Sutton. It is also part of the Diocese of Southwark within the Church of England. The correspondence address is The Rectory, 34 Robin Hood Lane, Sutton, Surrey, SM1 2RG.

The St Nicholas Parochial Church Council ("PCC") has the responsibility for co-operating with the Rector to promote the whole mission of the church, pastoral, evangelistic, social and ecumenical. It also has maintenance responsibilities for the church and Community Hall of St Nicholas, St Nicholas Way, Sutton. The London Borough of Sutton is responsible for the maintenance of the church grounds. St Nicholas is part of an ecumenical partnership with Trinity Church and Sutton Baptist Church.

The PCC is a charity registered with the Charity Commission. Those who served as members of the PCC during the year were as follows:

Revd Frances Arnold	<i>Rector</i>
Rita Anderson	<i>elected 21 May 2023</i>
Gill Ayres	<i>resigned as Church Warden on 15 January 2023; resigned from PCC September 2023</i>
Lily Bande	
Chris Cann	<i>elected 21 May 2023</i>
Emma Cann	
Revd Beverly Fraser	<i>Non Stipendiary Minister</i>
Andrew Gordon	<i>elected 21 May 2023, resigned December 2023</i>
John Kerr	<i>Church Warden, elected 3 December 2023</i>
Pamela Kerr	<i>PCC Secretary, elected 3 December 2023</i>
Val Large	<i>Deanery Synod Rep, elected 21 May 2023</i>
Matthew Phillips	<i>resigned March 2023</i>
Rebecca Phillips	<i>resigned March 2023</i>
Megan Richards	<i>elected 21 May 2023</i>
Jeff Richards	<i>Reader – membership confirmed 3 December 2023</i>
Nicki Richards	<i>Safeguarding Officer; elected to PCC 3 December 2023</i>
Scott Sherriff	<i>elected 21 May 2023, resigned December 2023</i>
Patricia Squires	<i>Deanery Synod Rep</i>
Richard West	<i>Church Warden, elected 3 December 2023</i>
Diane Young	<i>Deanery Synod Rep, resigned 26 December 2023</i>

Statement of Public Benefit

The members of the PCC are aware of the Charity Commission guidance on public benefit in 'The Advancement of Religion for the Public Benefit' and have had regard to it in their administration of the PCC.

The PCC believes that by promoting the work of the Church of England in the parish of St Nicholas, Sutton, Surrey, it provides a benefit to the public by:

- providing facilities for public worship and pastoral care both for its members and for anyone who wishes to benefit from what the Church can offer; and
- by promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Structure, Governance and Management

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC met seven times during the year, in January, February, March, May, June, July and September.

A meeting planned for November was cancelled as a result of the Rector being on sick leave.

It was sometimes necessary to make decisions by email alone.

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Apart from its routine business, major items of business included:

- discussing the conversations to be held with the congregation regarding Mission Action Planning;
- the lack of two Church Wardens, Treasurer, PCC Secretary, Stewardship Officer and a Safeguarding Officer;
- continuing work on fire safety training;
- continuing to respond to Notification of Deficiencies following the London Fire Brigade Inspection of the Community Hall (commissioning risk assessments of Church & Hall);
- exploring the possibility of using Data Developments to help with our Accounts as the church is without the services of a Treasurer;
- maintenance of the church building.

The PCC operates through a number of committees and working groups, which meet between full meetings of the PCC. These committees are set out below:

Standing Committee:

This is the only committee required by law. However, the Standing Committee did not have the required five members and it did not meet during the year.

Premises Committee (from 18.07.2022):

The Premises Committee's purpose is to effect simple routine maintenance matters for the Church building and its goods and ornaments and for the surrounding grounds, not including those areas for which the local authority is responsible, viz the mowing of the lawns in the graveyard, and the maintenance of footpaths;

To plan, budget for, and effect a regular programme of maintenance and redecoration of the church building, both internally and externally, in consultation with the Rector, Churchwardens and Office team;

To consider the Quinquennial survey report on the Church, to make recommendations therein to the Council, and to oversee the implementation of the resulting Council decisions in consultation with church architects;

However, the Group did not meet in 2023.

Finance Committee:

Oversees the general financial dimension of the work of St Nicholas by monitoring income and expenditure, budgeting, maintaining appropriate financial controls and co-ordinating regular reviews of planned giving.

The Committee comprised: Rector, Alistair Cruickshank (resigned during 2023), Pamela Kerr, Rebecca Phillips (resigned during 2023), Richard West. It met when required during the year.

Community Hall Working Group

The CHWG was reconstituted in December 2020 as a temporary group to facilitate preparation of the Elim Church hiring agreement and to look to update other existing contracts. The work of the committee was conducted by email.

Its Terms of Reference were broadened on 18 July 2022 to include:

Use best financial endeavours to ensure the Community Hall has a positive impact on the overall church accounts.

Determine and periodically review the hiring charges bearing in mind the above and ensuring that all costs relating to each hiring are fully covered – subject to the use of discretion if exceptional circumstances warrant.

The Group did not meet in 2023.

Safeguarding

The PCC has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 to have due regard to the House of Bishops guidance on safeguarding children and vulnerable adults.

It has implemented recommendations to ensure that all recruitment is done safely.

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Financial Review

The year saw unrestricted funds fell from £32,495 to end the year at £6,347. Designated funds rose from £30,107 to £31,982. Restricted funds rose from £1,172,771 to £1,173,691. Net assets amounted to £1,212,019 (2022: £1,235,372) which, after deducting the value of the Community Hall of £1,000,000, leaves net disposable assets of £212,019 (2022: £235,372).

Total income fell from £110,403 in 2022 to £100,473 in 2023. Expenditure rose from £101,011 to £124,748, resulting in a deficit of £24,275 for the year (2022: surplus of £9,390). Of the deficit, £26,148 represented an unrestricted deficit; £1,875 represented a surplus on restricted funds.

Voluntary income, comprising fundraising, grants, planned giving and collections, fell during the year from £66,278 to £49,130. Within this, planned giving fell from £46,617 to £40,579, but cash collections rose from £3,510 to £5,167. Sundry donations however fell from £2,981 to £2,813, this including a legacy of £1,000. Tax recovered this year from the Gift Aid scheme and the Gift Aid Small Donations scheme amounted to £8,214 (2022: £11,272).

Community Hall letting income rose slightly to £40,579 (2022: £40,518). Hall expenditure rose sharply to £52,387 from £26,351 as a result of increased costs for heating and lighting, and on extensive fire safety work.

Income from clergy fees fell from £923 to £64. This income is derived from set fees charged by the clergy in carrying out services such as weddings and funerals. The diocese allows clergy expenses incurred in carrying out this activity to be offset against these fees and St Nicholas retains a proportion of this income. This year, £905 was assigned and paid to the diocese.

The Parish Support Fund is a sum paid to the Diocese of Southwark. Most of it goes to pay the stipends, housing and pensions of the clergy; it also operates as a pooling system enabling richer parishes to support poorer ones. St Nicholas benefits considerably from the pooling arrangement. The amount paid by St Nicholas in 2023 was £34,256 (2022: £37,370).

Unrestricted Funds

Unrestricted funds are funds that can be used by the PCC for any purpose within its remit. Gifts and donations to these funds are not subject restrictions upon how these funds may be spent.

Church General Fund

This fund is used for the general income and expenditure of the church. These funds are used for the general upkeep of the church, to pay our contribution to the diocesan Parish Support Fund, and to pay for repairs and administrative costs. In 2023 the Church General Fund received income of £59,894 (2022: £66,375) and incurred expenditure of £72,361 (2022: £72,499). This year £625 was transferred into Church Repair Fund. Altogether this resulted in an operating deficit of £13,092, which compares with a deficit of £7,628 in 2022. As a result the deficit balance on this fund, which stood at £27,939 at the end of 2022, has risen to £41,028.

Community Hall Fund

This fund is used to account for income generated from hall bookings and expenditure on its administration and upkeep. Hall bookings rose in 2023 to £40,579 (2022: £40,518). Hall maintenance, repairs and expenses rose to £52,387 from £26,351, with fire safety work being carried out, and higher utility costs. A transfer of £1,250 was made into the Hall Repair Fund. The result was a deficit of £13,058 (2022: surplus of £9,166), and the balance in this fund is now £47,375 (2022: £60,433).

Designated Funds

Designated funds are a type of unrestricted fund containing moneys that have been set aside by the PCC for specific purposes.

Church Repair Fund

This fund was set up in 2015 to hold funds put aside from the Church General Fund to make provision for major repairs to the church building. The need for such repairs occurs at irregular intervals and this fund should make it easier to manage the consequent large fluctuations in expenditure. The intention is to make transfers into the fund every year. In 2023, £625 was transferred into this Fund. As no expenditure was incurred by this fund in 2023, this fund had a balance of £12,652 at the end of 2023.

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Hall Repair Fund

This fund was also set up in 2015 for similar reasons to the Church Repair Fund (see above). £1,250 was transferred into the fund in 2023. There was no expenditure from this fund in 2023, so the fund ended the year with a balance of £19,330.

Restricted Funds

Other funds maintained by the Church are restricted in that the sums may be spent only on the specific purposes for which they were given.

New Capital Fund

The New Capital Fund is designed to be used for capital projects in the Church. There were no transactions on this fund during the year, and the fund therefore finished the year with an unchanged balance of £162,272.

Floodlighting Fund

The Floodlighting Fund was set up to raise money to pay for the exterior floodlighting of the Church and for repairs to the floodlighting equipment. This fund had no income during the year and had no costs charged to it, with the result that the balance on the fund at the end of the year was unchanged at £409.

Poor Fund

The Poor Fund receives income from ancient permanent endowments left by people who had a connection with St Nicholas in the past for the benefit of the poor of the parish and to be distributed at the discretion of the Rector or the Rector and Church Wardens. The assets are held in trust at Lloyds Bank and the income received represents the income generated from the fund's investments. During the year, the Poor Fund received £1,033 in income but made no out-going payments. The fund therefore finished the year with a balance of £4,655.

Church Toilet Fund

The Church Toilet Fund was set up in 2001 from a grant from the Wates Foundation. There were no transactions on this fund in 2023 and it again closed the year with a balance of £5,768.

Missions Fund

The Church Missions fund is used to receive cash donations from the congregation to be distributed to specific charities selected monthly by the PCC, and to make occasional donations determined by the PCC. A total of £650 was raised and £761 was distributed to various charitable causes during the year. The fund finished the year with a surplus balance of £587.

Next year

The Church continues to face challenges with decreased regular giving while utility costs still remain high. There is still some outstanding work to be undertaken to ensure the Hall and Church meet fire safety standards. With a reduction in the Parish Support Fund to £10,000 for 2024 it is hoped that the continuing deficits can be reduced, and hopefully reversed from 2025 onwards.

Reserves Policy

It is the PCC's policy to maintain a balance on unrestricted and designated funds at an appropriate level in order to cover emergency situations that may arise from time to time. The year end balance of £38,329 (2022: £62,601) represents 20 weeks cover of unrestricted and designated expenditure.

Investment Policy

It is our policy to invest our funds balances with the CBF Church of England Deposit Fund.

The Parochial Church Council of St Nicholas, Sutton

Independent Examiner's Report to the Trustees of St Nicholas Sutton .

I report on the accounts of the church for the year ended 31st December 2023 which are set out on finance pages of the Annual Report.

Respective Responsibilities of Trustees and Examiner

The church's trustees are responsible for the preparation of the accounts. The church's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act **2011** (the 2011 Act)) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act);
- To follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act); and
- To state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the gross income for the year exceeds the amount provided in section 145(3) of the Act, I confirm that I am qualified to act as Independent Examiner under the provisions of that section of the Act and that my qualification is as shown below.

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

- 1 which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Kevin Ogilvie
Charity Bookkeeping and Examination Services
13 Evelyns Close,
Hillingdon,
Middlesex,
UB8 3LR

Signed



Date 22nd April 2024

The Parochial Church Council of St Nicholas, Sutton

Statement of Financial Activities

For the Year Ended 31st December 2023

		Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	Note	£	£	£	£	£
Incoming resources	2					
Voluntary income		57,344	-	1,683	59,027	66,278
Activities for generating funds		40,743	-	-	40,743	42,841
Investment income		2,385	-	-	2,385	1,284
Total Incoming Resources		<u>100,472</u>	<u>-</u>	<u>1,683</u>	<u>102,155</u>	<u>110,403</u>
Resources expended	3					
Expenditure on charitable objectives		-	-	761	761	1,817
Church Activities		124,750	-	-	124,750	99,194
Total resources expended		<u>124,750</u>	<u>-</u>	<u>761</u>	<u>125,511</u>	<u>101,011</u>
Net incoming (outgoing) resources		(24,279)	-	921	(23,358)	9,390
Transfers between funds		(1,875)	1,875	-	-	-
Gains on revaluation of fixed assets	4	-	-	-	-	-
Fund Balances B/Fwd		32,494	30,107	1,172,771	1,235,372	1,225,982
FUND BALANCES C/FWD		<u>6,340</u>	<u>31,982</u>	<u>1,173,692</u>	<u>1,212,014</u>	<u>1,235,372</u>

The Parochial Church Council of St Nicholas, Sutton

Balance Sheet

For the Year Ended 31st December 2023

	Note	2023		2022	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		1,000,000		1,000,000
Current Assets					
Debtors				-	
Tax due on gift aid		-		2,775	
Short term deposits		150,551		33,156	
Cash at bank & in hand		61,417		135,191	
		<u>211,968</u>		<u>236,122</u>	
Creditors; Amounts Falling Due Within One Year					
Sundry creditors and accruals		50		(750)	
Net Current Assets			212,018		235,372
Creditors; Amounts Falling Due in more than one Year					
			-		-
NET ASSETS			<u>1,212,018</u>		<u>1,235,372</u>
Represented by:					
Unrestricted funds	5		6,344		32,434
Designated funds	5		31,982		30,107
Restricted funds	5		1,173,693		1,172,771
TOTAL FUNDS			<u>1,212,018</u>		<u>1,235,372</u>

Approved by the Parochial Church Council and signed on its behalf:

.....
Chair

.....
Churchwarden

The Parochial Church Council of St Nicholas, Sutton

1. Accounting Policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Charities SORP 2015. The financial statements have been prepared under the historical cost convention except for the valuation of fixed assets (the Community Hall) which is shown at the market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

Funds

Restricted funds represent donations and grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of the year must be carried forward as a balance on that fund.

Unrestricted Funds are funds which can be used by the PCC for any purpose within its remit.

Designated Funds are a type of unrestricted fund containing moneys which have been set aside by the PCC for specific purposes.

Incoming Resources

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

Resources Expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The parish support fund pledge is accounted for when due. Amounts received specifically for mission are dealt with as restricted funds. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed Assets

Consecrated and benefice property is not included in the accounts in accordance with s.96(2)(a) of the Charities Act 1993.

Movable church furnishings and fittings require a faculty for disposal and are inalienable property. These items are listed in the Church's inventory and may be inspected at any reasonable time.

It is the policy of PCC to capitalise assets with a cost of over £1,000 per item. Depreciation is set on a straight-line basis over a period of five years.

Freehold land and buildings are valued by the PCC at least every five years by a chartered surveyor.

Investments are valued at market value at the Balance Sheet date

The Parochial Church Council of St Nicholas, Sutton

Notes to the Financial Statements for the Year Ended 31st December 2023 (Continued)

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2. Incoming Resources

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Voluntary income					
Planned giving	40,579			40,579	46,617
Cash collections	5,167			5,167	3,510
Sundry donations	1,813	-	1,033	2,846	2,981
Receipts for Charities & Missions			650	650	1,898
Capital fundraising income			-	-	-
Floodlighting donations			-	-	-
Grants	571			571	-
Legacies	1,000		-	1,000	-
Tax recoverable	8,214		-	8,214	11,272
	<u>57,344</u>	<u>-</u>	<u>1,683</u>	<u>59,027</u>	<u>66,278</u>
Activities for Generating Fund					
Bookstall	-			-	-
Catering	-			-	-
Hall lettings	40,579			40,579	40,518
Clergy fees	64			64	923
Administration costs recovered	-			-	-
Miscellaneous activities	100			100	1,400
	<u>40,743</u>	<u>-</u>	<u>-</u>	<u>40,743</u>	<u>42,841</u>
Investment income					
Interest receivable	<u>2,385</u>		<u>-</u>	<u>2,385</u>	<u>1,284</u>
	<u>2,385</u>	<u>-</u>	<u>-</u>	<u>2,385</u>	<u>1,284</u>
TOTAL INCOMING RESOURCES	<u>100,472</u>	<u>-</u>	<u>1,683</u>	<u>102,155</u>	<u>110,403</u>

The Parochial Church Council of St Nicholas, Sutton

Notes to the Financial Statements for the Year Ended 31st December 2023 (Continued)

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3. Resources Expended

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Expenditure on charitable objectives					
Mission and charitable giving	-		761	761	1,817
	-	-	761	761	1,817
Church Activities Expenditure					
Diocesan Parish Support Fund	34,256			34,256	37,370
Clergy fees assigned to diocese	905			905	592
Clergy & pastoral expenses	854			854	1,729
Church cleaning & maintenance	9,374		-	9,374	8,656
Church heat, light & insurance	11,518			11,518	8,131
Church toilet			-	-	-
Church administration	12,595			12,595	11,326
Church sound system	7			7	-
Church floodlighting			-	-	-
Church music	1,625			1,625	2,039
Church sanctuary	547			547	560
Church bookstall	-			-	-
Church Sunday School	-			-	-
Catering & social events	257			257	228
Training	-			-	756
Hall maintenance	3,746			3,746	919
Hall repairs	16,129			16,129	2,279
Hall expenses	32,512			32,512	23,153
Other support costs	458	-		458	412
Poor fund donations			-	-	344
Audit fees	(33)			(33)	700
	124,750	-	-	124,750	99,194
TOTAL RESOURCES EXPENDED	124,750	-	761	125,511	101,011

The Parochial Church Council of St Nicholas, Sutton

Notes to the Financial Statements for the Year Ended 31st December 2023 (Continued)

4. Tangible Fixed Assets

	Freehold Land & Buildings £	Church Hall Equipment £	TOTAL £
Cost			
1st January 2023	1,000,000	3,432	1,003,432
Additions	-	-	-
Revaluation	-	-	-
31st December 2023	<u>1,000,000</u>	<u>3,432</u>	<u>1,003,432</u>
Depreciation			
31st December 2023	<u>-</u>	<u>3,432</u>	<u>3,432</u>
Net Book Value			
31st December 2023	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
31st December 2022	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>

The Parochial Church Council of St Nicholas, Sutton

Notes to the Financial Statements for the Year Ended 31st December 2023 (Continued)

5. Fund Details

	2023 £	2022 £
Unrestricted Funds		
General Church Fund	(41,031)	(27,939)
Community Hall Fund	47,375	60,433
TOTAL	6,344	32,494
Designated Funds		
Church Repair Fund	12,652	12,027
Hall Repair Fund	19,330	18,080
TOTAL	31,982	30,107
Restricted Funds		
Hall Property Fund	1,000,000	1,000,000
Mission Fund	588	619
New Capital Fund	162,272	162,272
Floodlighting Fund	409	409
Church Toilet Fund	5,768	5,768
Poor Fund	4,656	3,352
TOTAL	1,173,693	1,172,420
TOTAL FUNDS	1,212,018	1,235,021

The Parochial Church Council of St Nicholas, Sutton

6 Funds Movements

	Balance 1st January 2023	Incoming Resources	Resources Expended	Transfers Between Funds	31st December 2023
Unrestricted Funds					
General Church Fund	(27,939)	59,894	72,361	(625)	(41,031)
Community Hall Fund	60,433	40,579	52,387	(1,250)	47,375
TOTAL	32,494	100,473	124,748	(1,875)	6,344
Designated Funds					
Church Repair Fund	12,027	-	-	625	12,652
Hall Repair Fund	18,080	-	-	1,250	19,330
TOTAL	30,107	-	-	1,875	31,982
Restricted Funds					
Hall Property Fund	1,000,000	-	-	-	1,000,000
New Capital Fund	162,272	-	-	-	162,272
Floodlighting Fund	409	-	-	-	409
Missions Fund	699	650	761	-	588
Church Toilet Fund	5,768	-	-	-	5,768
Poor Fund	3,623	1,033	-	-	4,656
TOTAL	1,172,771	1,683	761	-	1,173,693
TOTAL FUNDS	1,235,372	102,156	125,509	-	1,212,018

7 Analysis of Net Assets

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2023
Tangible Fixed Assets			1,000,000	1,000,000
Current Assets	6,294	31,982	173,693	211,968
Creditors; amounts falling due within one year	50		-	50
Net Assets	6,344	31,982	1,173,693	1,212,018