

**PAROCHIAL CHURCH COUNCIL
OF HOLY SAVIOUR, BITTERNE**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

CHARITY NO: 1157949

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2021**

CONTENTS

	Page
Trustees' Annual Report	1 - 9
Independent Examiner's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 - 26

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

TRUSTEES' ANNUAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2021**

The trustees present their Annual Report and Financial Statements of the Parochial Church Council of Holy Saviour, Bitterne for the year ended 31 December 2021.

The Financial Statements comply with the Trust Deed, the Church Accounting Regulations 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

REFERENCE AND ADMINISTRATIVE INFORMATION

Holy Saviour, Bitterne is part of the Diocese of Winchester within the Church of England.

Charity Name: Parochial Church Council of Holy Saviour, Bitterne

Charity Registration Number: 1157949

Correspondence Address: 14 Taunton Drive
Southampton
SO18 5BU

Parochial Church Council Trustees

The Parochial Church Council of Holy Saviour, Bitterne is a Charity which was registered at the Charity Commission on 22 July 2014 under Charity Number 1157949. The Parochial Church Council of Holy Saviour, Bitterne is administered and managed by "Church Council Trustees". Trustees of the Church Council are either ex officio, were elected by the Annual Parochial Church Meeting on 18 April 2021, in accordance with the Church Representation Rules, or co-opted by the Trustees during the year.

All those who worship with us are encouraged to join the Electoral Roll. They are then entitled to attend and vote at the Annual Parochial Church Meeting and stand for election to the Parochial Church Council.

During the period the following served as Parochial Church Council Trustees:

Vicar:	Rev'd. Tony Palmer	Chairman
Churchwardens:	Brian Gaffney	Until April 2021
	Adrian Jacobs	From April 2021
	Gareth Wood	
Licensed Lay Ministers:	Kim Baillie	
	Jane Fisher	
	Brian Gaffney	From April 2021
Licensed Lay Worker:	Amanda Wood	
Deanery Synod Members:	Phil Robinson	
	Stephen Spencer	
	Amanda Wood	

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

**TRUSTEES' ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

REFERENCE AND ADMINISTRATIVE INFORMATION (CONTINUED)

Elected Trustees from January 2021 to April 2021:

There are potentially fifteen elected trustees:

3 years	2 years	1 year
Joanne Ayres-Proctor	Ann Cousins	Andrew Binns
Rebecca Baillie	Adrian Jacobs	Alison Large
Katherine Cooper	Roger Moran	Claire Moore
Lucy Gwyn	Bryony Sawers	Sandra Payne
Kevin Sawers	Ric Wood	Sue Reynolds

Elected Trustees from April 2021:

There are potentially fifteen elected trustees:

3 years	2 years	1 year
Sue Bell	Jo Ayres-Proctor	Roger Moran
Alison Large	Rebecca Baillie	Bryony Sawers
Claire Moore	Katherine Cooper	Ric Wood
Sue Reynolds	Lucy Gwyn	Vacancy
Vacancy	Kevin Sawers	Vacancy

Abraham & Dobell
230 Shirley Road
Southampton
S015 3HR

HSBC
55 Above Bar Street
Southampton
S014 7DZ

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Epworth Investment Mgt Ltd
9 Bonhill Street
Shoreditch
London
EC2A 4PE

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE**TRUSTEES' ANNUAL REPORT
(CONTINUED)****FOR THE YEAR ENDED
31 DECEMBER 2021****OBJECTIVES AND ACTIVITIES**

The Parochial Church Council of Holy Saviour, Bitterne, has the responsibility in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has maintenance and financial responsibilities for Holy Saviour Church and other buildings on site.

Public Benefit Statement

All of our activities are undertaken to further our charitable purposes for the public benefit. In planning our activities for the year we have considered the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: Running a Charity (PB2)' and, in particular, the supplementary guidance on charities for the advancement of religion.

Church Membership and Attendance

The total number of members on the Electoral Roll as at 31 December 2021 was 178 detailed as follows:

- 84 living inside the Parish
- 94 living outside the Parish

We continued to find ourselves with COVID restrictions for much of 2021. We re-opened our 9am service without singing in March and then as restrictions eased found it possible to begin to worship again. We continued until June to only meet online at 10:30 with a mixture of live-streamed and pre-recorded services. We did continue to find significant numbers of people connecting in with services remotely. In June and July we met predominantly outside for services with children's work taking place in the Vicarage garden. Through August we made use of the Parish Hall for a breakfast style service, which was brilliant to begin to help people come back together.

In September we launched our new service pattern on Sundays, meeting in Bitterne CE Primary for the 9:30 informal service and at 11am in Holy Saviour for our more traditional Holy Communion service. We saw steady growth across all services as people felt able to gather again, with some limited restrictions. We have continued to connect with people online through live streaming our Sunday morning services, which has been well received by many.

Our Midweek Communion service also restarted once restrictions allowed for it to take place and we were so pleased to be able to make use of the additional space in Holy Saviour (through the removal of some pews) to create a café space for hospitality following our midweek services. This was especially well received.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED
31 DECEMBER 2021

ACHIEVEMENTS AND PERFORMANCE

The full Parochial Church Council held six meetings during the year mostly via Zoom.

Some of the significant items discussed and/or implemented by the council are as follows:

Regular reports were considered by PCC from the Property Working Group:

- Gareth has been keeping an eye on the graveyard as new regulations will be implemented on 1 January.
- We hope to clear the graveyard and create a bit more order and uniformity. Notices were put up in May giving plenty of time that anything taken from the graves will be kept for 3 months and can be collected by the families.
- The Graveyard Working Team have done amazing work working with the Probation Group and the Graveyard is looking well.
- The East and West Churchyard gates were locked between 28th and 31st December. This was our annual closure in accordance with the Highways Act so as to ensure that the footpath does not become an open public footpath.

PCC discussed the following:

- Our worship pattern was discussed, and changes were made after lockdown was relaxed in September

9.00 Service was rescheduled to 11.00

Slight changes (nothing radical) were made to the 9.00 service so that it became a little more informal. There are no robes, and we shall use a new 'iconic' movable table after redevelopment. There is a potential to bring some more modern songs to the service. We now use in house musicians with Graham Elliott and Jan Parfitt playing. We continue to use traditional liturgy with Common Worship Holy Communion each week.

Midweek Service

The BCP service is held once monthly at our midweek service. The midweek service will continue to be streamed as well as meeting together to enable those who are housebound to take part.

10.30 Service was rescheduled to 09.30

This service continues to be more informal. This will be the shop-front to our Church and will become a 'seekers' service which is fairly relaxed for those looking for an opportunity to hear and respond to the gospel. This will also be suitable for young families, Messy families or baptism families and will be followed by tea/coffee.

This service is currently held in the school but will be moved into the new building when it is completed – 27th February, 2022.

AAW will be held on festivals and during August, as Furnace will continue to run weekly. This will enable adults to focus on scriptural themes without interruption.

- PCC approved a proposal from World Church Action Group that 10% of our personal giving be shared among our Mission Partners for 2021. Donations were also made throughout the year from the tithe fund to DEC (Disasters Emergency Committee) when emergencies arose in fragile states.
- Regular reports were received from Barry Brand giving details of the huge amount of work undertaken with the **Young People** and **Young Families**.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED
31 DECEMBER 2021

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

- Stage 1 of **Site Redevelopment** began with removing hedges and preparing the pathway to the porch.
- The **Site Redevelopment Group** will continue to market and sell the land.
- Phil Robinson gave regular reports from the **Deanery Synod meetings** who continued to meet via Zoom during lockdown.
- Katherine Cooper was appointed as a temporary **Admin Assistant** from April until October for 10 hours a week.
- The discussion regarding the need of **Ministry to Older People** began in March.
- As the job of Church Warden can become a huge task, **Church Warden Assistants Becky Baillie and Roger Moran** were appointed to assist **Gareth and Adrian** who were elected at the APCM.
- Likewise the position of **Treasurer** is becoming more complex and **Jo Ayres Proctor** offered to assist **Lucy Gwyn**.
- **The Statement on Domestic Abuse and Violence** and **The Policy for the Protection of Adults who may be Vulnerable** were formally accepted in July and work updating the **Safeguarding Policy** continues.
- **Young People's work** began again in September.
- **Lucy Gwyn** stepped down as **Treasurer** in September. Jo Ayres Proctor with the help of Fiona Hutchings have agreed to take over the role.
- **Graveyard Regulations** will be implemented to keep in line with those of the Diocese in the New Year.
- **PCC** held an **Awayday** in November to focus on our **Vision for the Future**.
- A proposal for Staffing for 2022 was discussed. An extra 6 hours per week for Admin Assistant.
- Community Outreach Enabler (8 hours per week) and Older Person's Pastor (12 hours per week)

Regular reports were brought to the PCC on the progress of Site Redevelopment.

Of particular note:

- The Church Room was cleared and some pews were put into storage to create some flexible space.
- The Church Room was closed in March and toilet facilities and some storage had been built inside Holy Saviour.
- A temporary office was made in the vestry.
- A temporary kitchen was built in the storage space.
- Coinciding with lockdown we began Stage 1 Building Contract at the end of February.
- Due to lockdown, furloughing and material deliveries/shortages the building programme became extended through the summer.
- SRG continued to negotiate collaboration on land sale, but this has been protracted.
- Some objections to the Faculty for the Stage 1 Building were considered by the Chancellor.
- The process for obtaining a Post Office delivery site for Holy Saviour (which has stood since 1853) proved to be a problem as it has never had a delivery point, but now has a post box.
- Negotiations with SCC regarding the Lebanese Cedar in the corner of the graveyard have been ongoing.
- Also, because three trees were removed, three new trees were agreed to be planted.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED
31 DECEMBER 2021

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

- Throughout Stage 1 building, consideration for visitors to the graveyard caused various paths to be closed and redirected for safety.
- Scaffolding required us to provide CCTV and alarms for insurance purposes.
- The water tap was re-sited for graveyard use.
- There was rather more foundation work required than initially thought due to matching up of the internal floor.
- We saw the internal floors and ceilings appeared during the summer/autumn and the roof structure and its waterproofed substructure grew before Christmas.
- There was a request from the Church to the Contractor to make toilets available for a few days during the Christmas period.

One of the delays was Purbeck stone, due to what was being mined during the summer was not of saleable quality. Coupled with delivery delays which affected the whole country and us particularly with wood, glass and cement.

Our Professional Services, (Architect, Gareth Jenkins, and Quantity Surveyor, Paul Hillyard) kept close costs control along with the Building Implementation Group.

Despite the frustrations and slippage due to materials not being available on time work continued through the pandemic to deliver a high standard of workmanship.

The extension should be ready by early next year.

Regular reports were brought to the PCC by Barry Brand the Children and Youth Minister who reported on the challenge as to how to stay in touch with children and families.

Senior Leadership Team

This group includes Church Wardens and Ministers, meeting with the Vicar on a regular basis to discuss and pray for the Church's ministry and mission.

Licensed Lay Ministers

Our LLMs are Kim Baillie, Meg Cook, Mike Cranston, Jane Fisher, Brian Gaffney and Gareth Wood.

Licensed Lay Worker

Amanda Wood.

FINANCIAL REVIEW

The PCC recorded a deficit for the year to 31 December 2021 of £(150,612) (2020 - £145,419).

The income decreased from £429,768 for 2020 to £270,807 for the year to 31 December 2021.

Expenditure increased from £284,349 for 2020 to £420,969 for the year to 31 December 2021.

Overall the PCC trustees are satisfied with the position of the PCC.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED
31 DECEMBER 2021

FINANCIAL REVIEW (CONTINUED)

Investment Powers and Policy

The PCC holds funds which are not in the HSBC bank accounts but are with the Central Board of Finance of the Church of England (CBF) and Epworth Investment Management Ltd.

Reserves Policy and Going Concern

The trustees aim to maintain reserves in unrestricted funds at a level which will equate to sufficient resources being held to meet future requirements of the Parochial Church Council of Holy Saviour, Bitterne. The trustees are of a view that the PCC is a going concern.

PLANS FOR FUTURE PERIODS

2021 has been a year of significant disruption and change both because of the pandemic, reassessing what church looks like post-covid and with the site redevelopment taking place. As a church however we are excited about the whole range of possibilities available to us through the new facilities that are opening in Spring 2022.

We hope to see significant growth in our community engagement and outreach through:

- Hope Café running Mondays, Tuesdays and Thursdays as a community space for people to receive hospitality and welcome.
- The revised Children & Youth program being implemented by Barry and his wonderful team
- The launch of Omega ministries to specifically review, streamline and envision various different groups and new initiatives to engage with adults and those especially in their later years of life – Omega Café, Omega Table Tennis, Omega Lunches, Omega Teas etc.
- Evangelism and outreach through our regular service pattern, Alpha course and other courses such as Marriage, Debt and Money courses to name but a few.

We also hope to grow and develop new leaders within the church across all demographics, through the Growing Leaders program that will launch in 2022. There are a number of new people exploring preaching and vocation, which will also be mentored and developed through our Art of Teaching program too running in 2022.

It is also our aim that following the completion of the land sale and tendering processes that we will also move on to completing the site redevelopment vision with phase 2 in Holy Saviour. This work is likely to begin towards the end of 2022 and run into the Spring of 2023. We absolutely cannot wait for this dream to be realised and are so encouraged by how the new facilities are looking already in the phase one works.

In our latest budget for 2022, we continued to prioritise outreach and mission in the local community. Seeking to be bold in setting our aspirations to appoint additional staff members to target our work with older members of the community and a social outreach enabler to grow our connection with key specific issues in Bitterne and beyond. We do recognise the financial challenges ahead of us, not least with the £280,000 loan from the diocese that we are in the process of paying back over 5 years. We continue to need to focus on how we maximise giving, grow new revenue streams and seek to uphold our value of generosity throughout.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE**TRUSTEES' ANNUAL REPORT
(CONTINUED)****FOR THE YEAR ENDED
31 DECEMBER 2021****STRUCTURE GOVERNANCE AND MANAGEMENT****Governing Document**

The Parochial Church Council of Holy Saviour, Bitterne is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

The Parochial Church Council of Holy Saviour, Bitterne is a charity, number 1157949 registered on 22 July 2014.

Recruitment and Appointment of the PCC Trustees

All church attendees are encouraged to register on the Electoral Roll. They are then entitled to stand for election to the PCC.

Trustees' Induction and Training

New trustees receive initial training into the workings of the PCC.

Risk Management

The major risks to which the PCC is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks.

Safeguarding

The PCC having due regard for the House of Bishops Guidance covering safeguarding has standing orders that all trustees, staff and volunteers working with the young and vulnerable are DBS certificated to the required level.

Organisational Structure

The Parochial Church Council has been operating through a Standing and Finance Committee and Working Groups and teams, which meet between Church Councils, as follows:

Standing and Finance Committee

This is the only Committee required by law. It has the power to transact the business of the Church Council between its meetings, subject to any directions given by the Council. It also oversees the finances and helps set the Church Council agendas.

Building Implementation Group

This group meets to ensure that the practical elements of the building work are in accordance with the contract.

Property Working Group

Oversees the maintenance and long-term improvements of the property.

Publicity & Communications Working Group

Oversees our publicity and communications with the community and within the Church and on the Website.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED
31 DECEMBER 2021

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

Organisational Structure (Continued)

Site Redevelopment Group

Overseas and co-ordinates the planning and legal affairs relating to site redevelopment of the Church site.

Technology Working Group - oversees technology in Church i.e. sound, projectors etc.

World Church Action Working Group

Oversees the contact with and support of the Church's mission partners abroad as well as local groups: it also recommends to the Church Council the way the mission giving is distributed each year.

RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing those Financial Statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the charity and to enable them to ensure that the Financial Statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the provisions of the trust deed and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 12 April 2022 and signed on their behalf by:


.....
JOANNE AYRES-PROCTOR
TREASURER


.....
TONY PALMER
VICAR

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

FOR THE YEAR ENDED

31 DECEMBER 2021

I report to the trustees on my examination of the accounts of the Parochial Church Council of Holy Saviour, Bitterne, (the Trust) for the year ended 31 December 2021.

RESPONSIBILITIES AND BASIS OF REPORT

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

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

INDEPENDENT EXAMINER'S STATEMENT

Since the charity's gross income exceeded £250,000, your examiner must be a member of the 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 Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

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

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



.....
DAVID J MANT FCA
INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND & WALES

230 Shirley Road
Southampton
SO15 3HR

12 April 2022

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED
31 DECEMBER 2021

	Note	Unrestricted General Fund £	Restricted Fund £	Endowment Fund £	2021 Total Funds £	2020 Total Funds £
INCOME						
Donations and legacies	2	136,018	103,815	-	239,833	399,262
Charitable activities	3	30,888	-	-	30,888	25,259
Investment income	4	86	-	-	86	5,247
TOTAL INCOME		166,992	103,815	-	270,807	429,768
EXPENDITURE						
Charitable activities	5	159,301	261,668	-	420,969	284,349
TOTAL EXPENDITURE		159,301	261,668	-	420,969	284,349
NET INCOME FOR THE YEAR AND NET MOVEMENT IN FUNDS FOR THE YEAR		7,691	(157,853)	-	(150,162)	145,419
TRANSFER BETWEEN FUNDS		60	(60)	-	-	-
TOTAL FUNDS BROUGHT FORWARD		804,347	612,068	7,571	1,423,986	1,278,567
TOTAL FUNDS CARRIED FORWARD		£812,098	£454,155	£7,571	£1,273,824	£1,423,986

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

All income and expenditure derives from continuing activities.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Note	2021	2020
		£	£
FIXED ASSETS			
Tangible fixed assets	9	1,163,996	439,633
TOTAL FIXED ASSETS		1,163,996	439,633
CURRENT ASSETS			
Debtors	10	4,129	4,008
Investments	11	323,827	927,586
Cash at bank and in hand	12	311,611	100,705
TOTAL CURRENT ASSETS		639,567	1,032,299
LIABILITIES			
Creditors: Amounts falling due within one year	13	263,513	7,946
NET CURRENT ASSETS		376,054	1,024,353
TOTAL ASSETS LESS CURRENT LIABILITIES/NET ASSETS	17	1,540,050	1,463,986
LONG TERM LIABILITIES			
Creditors: Amounts falling due after more than one year	14	266,226	40,000
		£1,273,824	£1,423,986
THE FUNDS OF THE CHARITY	16		
Unrestricted income funds		812,098	804,347
Restricted income funds		454,155	612,068
Endowment funds		7,571	7,571
TOTAL CHARITY FUNDS		£1,273,824	£1,423,986

Approved by the trustees on 12 April 2022 and signed on their behalf by:


 JOANNE AYRES-PROCTOR
 TREASURER


 TONY PALMER
 VICAR

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the Financial Statements are as follows:

Basis of Preparation

The PCC is a public benefit entity within the meaning of FRS 102.

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Church Accounting Regulations 2006.

The Financial Statements have been prepared under the historical cost convention except for the valuation of investment assets which are shown at market value where applicable.

The Financial Statements include all transactions, assets and liabilities for which the PCC is responsible in law.

They do not include the Financial Statements of Church groups that owe their main affiliation to another body, nor those that are informal gatherings of Church members.

The Financial Statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts are rounded to the nearest £.

Income Recognition Policies(a) Donations and Legacies

Grants and donations are recognised when any pre-conditions preventing their use have been met.

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

Planned giving receivable under Gift Aid is recognised only when received.

Income Tax recoverable on Gift Aid donations is recognised when the related income is recognised.

Donated services and facilities are included at the value to the PCC where this can be quantified. The value of services provided by volunteers has not been included in these Financial Statements.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)FOR THE YEAR ENDED
31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

Income Recognition Policies (Continued)(a) Donations and Legacies (Continued)

Legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is reasonably certain.

(b) Other Income

Rental income from the letting of Church premises is recognised when the rental is due.

(c) Income from Investments

Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue. Tax recoverable on such income is recognised in the same accounting year.

(d) Gains and Losses on Investments

Realised gains and losses are recognised when investments are sold.

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

Expenditure

Expenditure is recognised on an accruals basis where there is a legal or constructive obligation and settlement is probable and quantifiable. Expenditure includes VAT as the PCC is not VAT registered and is reported as part of the expenditure to which it relates.

(a) Grants

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

(b) Activities Directly Relating to the Work of the Church

The diocesan parish share is accounted for when paid. Any parish share unpaid at 31 December is provided for in these Financial Statements as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

(c) Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

(d) Governance Costs

These include those costs associated with meeting the stationery requirements of the PCC.

Fixed Assets(a) Consecrated Property

Consecrated and beneficed property of any kind is excluded from the statutory definition of 'charity' by section 10(2)(a) and (c) of the Charities Act 2011.

All expenditure incurred on consecrated or beneficed buildings is written-off in the year that it is incurred.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)FOR THE YEAR ENDED
31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

Fixed Assets (Continued)(b) Moveable Church Furnishings

Moveable Church furnishings held by the Vicar and Church wardens on special trust for the PCC and which require a faculty for disposal are inalienable property listed in the church inventory. For inalienable property acquired prior to 2014 there is insufficient cost information available and, therefore, such assets are not valued in the Financial Statements. Items acquired since 14 May 2014 are capitalised and depreciated in the Financial Statements over their useful economic life on a straight-line basis.

(c) Other Fixtures, Fittings and Office Equipment

Equipment used within the Church premises is depreciated on a straight-line basis over its useful economic life.

(d) £10,000 Capitalisation Threshold

All expenditure incurred on individual fixed assets below £10,000 is written-off in the year that it is incurred.

Investments

Investments are valued at market value at 31 December where applicable.

Debtors

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

Current Asset Investments and Cash at Bank

Current asset investments and cash include cash held on deposit either with the CBF Church of England Funds, Epworth Investment Management Ltd or at the bank.

Creditors and Provisions

Creditors and provisions are recognised where the PCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Taxation

The PCC is exempt from taxation on its charitable activities.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)****FOR THE YEAR ENDED
31 DECEMBER 2021****1. ACCOUNTING POLICIES (CONTINUED)****Fund Accounting**

Unrestricted funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Designated funds are general funds set aside by the PCC for use in the future. Project funds are designated for particular projects for administration purposes only.

Restricted funds comprise:

- (a) income from endowments which is to be expended only on the restricted purposes intended by the donor; and
- (b) revenue donations or grants for a specific PCC activity intended by the donor.

Where these funds have unspent balances, interest on their pooled investment is apportioned to the individual funds on average balance basis.

Endowment funds are funds, the capital of which must be retained either permanently or at the PCC's discretion. The income derived from the endowment is to be used as restricted or unrestricted income funds, depending upon the purpose for which the endowment was established in the first place.

Financial Instruments

The PCC only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Significant Judgements and Estimates

Preparation of the Financial Statements may require the trustees to make significant judgements and estimates. There are no items in the Financial Statements where judgements and estimates would have a significant effect on amounts recognised in the Financial Statements.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)FOR THE YEAR ENDED
31 DECEMBER 2021

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Gift Aid bank orders and cheques	63,786	-	63,786	85,588
Gift Aid envelopes	320	-	320	3,377
Income Tax recovered	23,992	15,129	39,121	30,013
Non Gift Aid bank and envelopes	5,790	-	5,790	10,694
Church collections	2,391	-	2,391	6,838
Donations	39,341	6,132	45,473	13,018
Parish activities	398	-	398	872
Legacies	-	-	-	233,059
Redevelopment grants/donations	-	82,554	82,554	15,803
	£136,018	£103,815	£239,833	£399,262

In 2020, of the £399,262 income from donations and legacies, £375,413 was unrestricted and £23,849 was restricted.

There were no donated services and facilities receivable which could be quantified in the year (2020 - none).

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)FOR THE YEAR ENDED
31 DECEMBER 2021

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Church Activities				
Weddings and funerals	16,537	-	16,537	11,331
Hall lettings	975	-	975	1,616
	17,512	-	17,512	12,947
Fundraising				
Sundry income	5,876	-	5,876	4,812
Grants received	7,500	-	7,500	7,500
	13,376	-	13,376	12,312
	£30,888	£-	£30,888	£25,259

In 2020, of the £25,259 income from charitable activities, £25,259 was unrestricted and £nil was restricted.

4. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Interest received	£86	£-	£86	£5,247

In 2020 investment income of £5,247 was unrestricted.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)FOR THE YEAR ENDED
31 DECEMBER 2021

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Grants to Further the Work of the Church				
Overseas missions	2,705	6,825	9,530	18,291
Home missions	120	-	120	270
Church Expenses				
Worship	1,334	-	1,334	2,277
Parish share	69,567	-	69,567	77,891
Youth and children	2,634	-	2,634	1,179
Evangelism	163	-	163	133
Lay training	130	-	130	233
Weddings and funerals	5,223	-	5,223	5,445
Parish activities	7,588	-	7,588	10,873
Depreciation of equipment	813	-	813	293
Property				
Heating, lighting and water	7,706	-	7,706	10,480
Insurance	8,724	-	8,724	6,355
Property maintenance	5,450	-	5,450	11,818
Redevelopment costs	-	17,843	17,843	90,714
Hall cleaners	2,996	-	2,996	2,992
Cleaning materials	34	-	34	648
Caretaker	-	-	-	2,694
Disposal of church room	-	237,000	237,000	-
Management				
Parish administrator	5,165	-	5,165	3,728
Incumbent and Deacon's expenses	483	-	483	551
Families worker and expenses	24,972	-	24,972	23,185
Parish clerk	-	-	-	713
Finance assistant	3,089	-	3,089	2,674
Support and Governance				
Support costs	9,215	-	9,215	9,722
Governance costs	1,190	-	1,190	1,190
	£159,301	£261,668	£420,969	£284,349

The expenditure on charitable activities in 2020 of £284,349 comprised £188,815 unrestricted funds and £95,534 restricted funds.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

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

**FOR THE YEAR ENDED
31 DECEMBER 2021**

6. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The PCC identifies the costs of its support function. It then identifies those costs which relate to the governance function. The PCC allocates the support and governance costs entirely to the unrestricted expenditure (note 6).

	General Support £	Governance £	Total Funds £	Basis of Apportionment
Office costs	2,669	-	2,669	Usage
Technology	3,751	-	3,751	Usage
Telephone	2,231	-	2,231	Usage
Publicity	385	-	385	Usage
Professional fees	-	360	360	Governance
Independent Examiner's fee	-	830	830	Governance
Sundry expenses	179	-	179	Usage
	£9,215	£1,190	£10,405	

7. ANALYSIS OF STAFF COSTS AND TRUSTEES' REMUNERATION AND EXPENSES

	2021 £	2020 £
Salaries and wages	38,064	35,986
	£38,064	£35,986

The average number of full-time equivalent employees was:

2021	2020
3	3

No employee had emoluments in excess of £60,000 (2020 - None).

During the period the PCC employed a parish administrator, a parish clerk, a families worker, a finance assistant and a hall cleaner. Apart from the above, no other trustee received any remuneration or reimbursement of expenses (2020 - £nil).

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)FOR THE YEAR ENDED
31 DECEMBER 2021

8. TANGIBLE FIXED ASSETS

	New Church Room Extension £	Church Room £	Parish Hall £	Equipment £	Total
Cost					
At 31 December 2020	-	237,000	200,000	10,226	447,226
Additions	932,050	-	-	30,126	962,176
Disposals	-	(237,000)	-	-	(237,000)
At 31 December 2021	932,050	-	200,000	40,352	1,172,402
Depreciation					
At 31 December 2020	-	-	-	7,593	7,593
Charge for the year	-	-	-	813	813
At 31 December 2021	-	-	-	8,406	8,406
Net Book Values					
At 31 December 2021	£932,050	£-	£200,000	£31,946	£1,163,996
At 31 December 2020	£-	£237,000	£200,000	£2,633	£439,633

Consecrated Property

As set out in the Accounting Policies above, consecrated and beneficed property of any kind is excluded from the Financial Statements by the Charities Act 2011.

As a result, the Parish Church (Holy Saviour) is not shown as fixed assets. Expenditure on maintenance or refurbishment of this property is not capitalised but written-off in the year that it is incurred.

Church Room

During the year the church room was demolished with a view to redeveloping the site. The original cost of £237,000 has therefore been written-off.

The new church room extension development was commenced in this year, with completion expected in the year to 31 December 2022.

The title to the property is held by Winchester Diocese in trust for the PCC.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

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

**FOR THE YEAR ENDED
31 DECEMBER 2021**

11. CASH AT BANK AND IN HAND

	2021 £	2020 £
Current account	23,992	15,000
Cash in hand	322	322
No 2 Account	13,273	3,415
No 3 Account - Redevelopment	274,024	81,968
	£311,611	£100,705

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	9,972	300
Taxation and Social Security	1,259	-
Accruals	8,478	7,646
Other creditors - Development	190,030	-
Redevelopment loan - Diocesan	53,774	-
	£263,513	£7,946

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021 £	2020 £
Redevelopment loan	40,000	40,000
Redevelopment loan - Diocesan	226,226	-
	£266,226	£40,000

Redevelopment Loan

The redevelopment loan, received in September 2020 from a church member, is repayable no later than five years after September 2020. The loan carries no interest. No repayments have been made to date.

Redevelopment Loan - Diocesan

In October 2021, the PCC took out a loan with the Diocese of Winchester for £280,000 to assist with financing the redevelopment of the church site. The loan is repayable over a period of 60 months and carries an interest rate of the CCLA CBF Church of England Deposit rate plus 2%. Repayments commence on 4 January 2022. £53,774 falls due to be paid in the year to 31 December 2022, with £226,226 falling due in the years thereafter.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)FOR THE YEAR ENDED
31 DECEMBER 2021

14. FINANCIAL INSTRUMENTS

Financial instruments measured at amortised cost comprise the following:

	2021 £	2020 £
Financial assets that are debt instruments	1,923	2,471
Financial liabilities that are debt instruments	263,513	7,946

15. ANALYSIS OF CHARITABLE FUNDS

	Fund at 31.12.20 £	Incoming Resources £	Resources Expended £	Transfers £	Fund at 31.12.21 £
Analysis of Movements in Unrestricted Funds					
General Fund	804,347	166,992	159,301	60	812,098
Total Unrestricted Funds	804,347	166,992	159,301	60	812,098
Analysis of Movements in Restricted Funds					
Church room	237,000	-	237,000	-	-
Parish hall and office	200,000	-	-	-	200,000
Namalemba and Bumoozi Fund	2,708	7,001	6,825	-	2,884
Healing on the streets	60	-	-	(60)	-
Redevelopment (Note 15(d))	172,300	96,814	17,843	-	251,271
Total Restricted Funds	612,068	103,815	261,668	(60)	454,155
Analysis of Movements in Endowment Funds					
Churchyard endowments	7,571	-	-	-	7,571
Total Endowment Funds	7,571	-	-	-	7,571
Total Funds	£1,423,986	£270,807	£420,969	£-	£1,273,824

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)FOR THE YEAR ENDED
31 DECEMBER 2021

15. ANALYSIS OF CHARITABLE FUNDS (CONTINUED)

Unrestricted Funds

Unrestricted funds comprise those funds which trustees are free to use in accordance with the charitable objects.

Restricted Funds

Restricted funds are funds given for particular purpose and projects. The restricted funds must be used for the specific purpose as laid down by the donor.

The restricted funds are comprised:

- (a) The church room and parish hall and office funds are property and building funds for the use of the PCC.
- (b) The Namalemba and Bumoozi fund is for community and financial support for these partner parishes in Uganda.
- (c) The Healing on the Streets fund is for prayer and worship in the streets of Bitterne.
- (d) The redevelopment fund is a fund for the development of the new church room extension and its surroundings.

The fund represents monies received for the purposes of redeveloping the church room site. These donations and receipts have been expended on the development as it has progressed this year. The redevelopment fund will be transferred to the general unrestricted fund on completion of the church room extension in the year to 31 December 2022 as the church room extension, when complete, will be classed as unrestricted as the facility will be used in future for the general purposes and activities of the PCC.

Endowment Funds

Endowment funds are capital fund which the trustees have no power to convert the capital into income.

PAROCHIAL CHURCH COUNCIL OF HOLY SAVIOUR, BITTERNE

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)FOR THE YEAR ENDED
31 DECEMBER 2021

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted			Total
	General Funds	Restricted Funds	Endowment Funds	Funds
	£	£	£	£
Tangible fixed assets	963,996	200,000	-	1,163,996
Current assets	377,841	254,155	7,571	639,567
Current liabilities	(263,513)	-	-	(263,513)
Long-term liabilities	(266,226)	-	-	(266,226)
	£812,098	£454,155	£7,571	£1,273,824

17. TAXATION

As a registered charity, the income is generally exempt from tax by reason of its charitable objects and activities.