

**THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF
ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2020**

Registered Charity Number: 1180694

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2020**

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 - 23

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

TRUSTEES ANNUAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2020**

The trustees present their Annual Report and Financial Statements of The Parochial Church Council of the Ecclesiastical Parish of St Michael the Archangel, Southampton for the year ended 31 December 2020.

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

Charity Name: The Parochial Church Council of the Ecclesiastical Parish of
St Michael the Archangel, Southampton

Registered Charity Number: 1180694

The PCC is a charity and registered with the Charity Commission on 14 November 2018.

Correspondence Address: 55 Bugle Street
Southampton
SO14 2AG

PCC members (trustees) who have served from 1 January 2020 until the date this report was approved are:

Incumbent:	Rev'd David Deboys	Vicar and Chairman	
Other Clergy:	Rev'd Philip Hand	Non-Stipendiary	
	Rev'd Mohan Uddin	Non-Stipendiary	
	Rev'd Jackie Sellin	Curate	Res Jan 2020
Licenced Lay Minsters:	Mr Duncan Bradley		
Church Wardens:	Dr Stephen Whitaker	Lay Chair	
	Mrs Pam Hand		Res Oct 2020
	Mrs Alexandra Stokes		App Oct 2020
Deputy Church Wardens:	Miss Kath Singleton		
	Mr Mark Sellin		Res Oct 2020
	Mrs Glenda Gardiner		Res May 2020
	Mrs Pam Hand		App Oct 2020

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

REFERENCE AND ADMINISTRATIVE INFORMATION (CONTINUED)

Deanery Synod Representatives:	Dr Elisabeth Schroeder-Butterfill Mrs Margaret Deboys			
Other Elected	Mrs Glenda Gardiner	Secretary		Res May 2020
	Mr Alan Pitfield	Treasurer	App Oct 2020	
	Mrs Alexandra Stokes			Res Oct 2020
	Mrs Lorna Brown			
	Mrs Pam Hand		App Oct 2020	
	Mrs Jenny Hughes			
	Jacques Momnougui			Res Oct 2020
	Mr Christopher Ricketts			
	Mr Mark Sellin			Res Oct 2020
	Miss Kath Singleton			
	Mr John Williams		App Oct 2020	
	Rev'd Mohan Uddin (Co-opted)	(Not specifically linked to this parish)		
Safeguarding Officer:	Mrs Margaret Deboys			
Our Advisors:				
Independent Examiner:	Abraham & Dobell 230 Shirley Road Southampton SO15 3HR			
Bankers:	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ			
Investment Managers:	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET			

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

OBJECTIVES AND ACTIVITIES

People have been worshipping at St Michael the Archangel in the Old Town Southampton for almost 950 years.

St Michael's offers a welcome to 'all sorts of conditions' of people Sunday by Sunday.

The sacraments are celebrated reverently and joyfully and received as God's good gifts.

We seek to engage with our local community and the wider world through involvement in schools, the Southampton Council of Faiths, Peace Walks and the dispersed Community of the Cross of Nails (based at Coventry Cathedral).

We seek to develop our relationship with the Catholic City Centre parish through shared soup lunches with St Joseph's Church, which support CAFOD and Christian Aid.

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.

ACHIEVEMENTS AND PERFORMANCE

Fellowship Numbers

There were 81 members on the Electoral Roll at 31 December 2020. Of these, 17 live in the parish.

Review of the Year

It is very tempting to call 2020 the 'lost year'. This Report must acknowledge the immense sense of disappointment that almost none of the activities planned to celebrate the 950th anniversary of St Michael's Church happened. Of course, we are mindful that this loss is small in comparison to the loss of livelihood or even life experienced by many others because of the pandemic.

However, what provoked astonishment and anger, is that when the government eventually imposed a national lockdown which included forbidding public worship... the Archbishops of Canterbury and York went further and banned clergy from entering the churches for which they were responsible to pray! A deeply troubling decision.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Review of the Year (Continued)

The Vicar entered St Michael's regularly – as he permitted to do so! – *to ventilate the building*, to run water so that no nasties built up. But he wasn't allowed to pray while doing that. He did, however, light the new Paschal candle on Easter Day and posted the photo on the church WhatsApp group.

As St Michael's wasn't set up for streaming services, we couldn't. We did continue publishing the weekly news sheet, Take Away News, both electronically and posted or delivered to those without computers. Deep thanks to Pam and Phil Hand for resourcing this.

How many lockdowns? How did they work? In one of the gaps, with another looming a baptism happened; and a wedding happened. A handful of funerals also happened.

As congregational singing was forbidden, we saw no point in attempting to hold Carol services. However, we did host Midnight Mass at Christmas, allocating 'tickets' for the first time ever to ensure social distancing compliant numbers.

We did eventually manage to hold the Annual Parochial Church Meeting. Pam Hand stood down after a very intense period of service to St Michael's which included all the drama of the City Centre Parish coming to an end and St Michael's being set up as a Parish in its own right. Deep gratitude is due to Pam for her indefatigable labours. Alex Stokes was elected alongside Stephen Whitaker, who has been willing to continue in post – thank you Stephen! – as Churchwardens.

Visitors there were none – in the sense of persons coming solely (or principally) to visit Southampton's oldest building. Covid kyboshed that. During one period of lockdown we were open twice a week for private prayer – but few came.

We are deeply grateful to those who give in a planned way to support St Michael's: this has been a godsend, in that we haven't been hit as other 'closed' churches by nothing coming in via the collection plate. We are also deeply grateful to those who cleaned the church, to comply with government regulations before we re-opened. With no Cantores singing, and no congregational singing, we have been most grateful to Duncan for his inspirational playing on the organ – at one point probably the only legitimate live music in Southampton!

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Review of the Year (Continued)

The one major triumph of 2020 was the replacement of the lighting system. Not only do all the chandeliers work, they can also be dimmed. And the spire has been lit: not as previously with all faces illuminated, but alternative faces – which is very dramatic. We are most grateful to Jean who gifted the cost of the nave lighting in memory of her husband John; and to another benefactor (unknown personally to us) who gifted sufficient for the spire lighting.

A strange year, with literally more light by the end than at the start!

Father David

FINANCIAL REVIEW

2020 proved to be another challenging year for different reasons beyond our planning and the control of the parish. The COVID-19 virus made its first appearance in England in January 2020, resulting in the first national lockdown in March 2020, which had a major effect on both the life of the Church and its parishioners through lockdown and then restricted numbers with Sunday services only.

2020 was to have been a year of major celebration to mark the 950th anniversary of St Michael's, which also coincided with the 400th anniversary of the sailing of the Mayflower. Through the hard work of Keith Davis, 2020 was to have been celebrated by a programme of 24 concerts during the year, culminating on 3 October with a concert by Cantores Michaelias with guest artist Joe Stilgoe.

Unfortunately, as a result of COVID-19, on best advice the concert season had to be cancelled after only the 4th concert in March, although it was proposed to have a major event to end the celebrations later in 2020 but, again, through COVID-19 this also had to be cancelled.

The concert programme should have produced a positive impact on church funds and importantly raised awareness of the Church to the wider community throughout Southampton. In round figures the cancellation of the concert programme cost the Church about £5,000 in preparatory set up costs over 2019 and 2020, mainly printing.

The effect of COVID-19 also meant that in 2020 the Church was not open to visitors so there was no revenue from visitor donations.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

FINANCIAL REVIEW (CONTINUED)

How did we do in 2020?

Surprisingly, despite the negative impact of COVID-19, the Church continued to remain solvent due to the continued support and generosity of its members and we have to make a special mention to all those who continued to contribute through the Parish Giving Scheme, standing orders, plate giving and many who kindly supplemented their regular giving by one-off donations. We are continually grateful to the kind generosity of everyone in supporting the wellbeing of our Church.

Whilst there was a decrease in some overhead costs due to COVID-19, restrictions on Church activity, expenditure such as our Parish Share to the Diocese, insurance and utilities continued through the year.

The independently reviewed Accounts details the overall financial position of the church but the following highlight some of the main figures extracted from the Accounts:

	2020	2019
	£	£
Total Income	66,444	56,848
Total expenditure	68,568	55,981
Net (expenditure)/income for the year	(2,124)	867
Net gains on investment	950	1,887
Total income/(expenditure)	(1,174)	2,754

Major One-Off Expenditure

As part of essential and improvement upgrade work, mainly electrical, £28,633 was spent in 2020 funded from the Church accounts and donations. The improvement to the safety of the electrical system, including lighting upgrades, was paramount and the changes to the lighting through improved vibrancy is immediately visible to those attending church.

This work was in part off-set by donations of £13,839 with additional funds drawn down from the deposit account.

Moving Forward into 2021

The COVID-19 virus will still have a major impact on church life into 2021 and we await developments which are in the hands of the Government and Diocese on the opening up of churches and church-life.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

FINANCIAL REVIEW (CONTINUED)

Investment Powers and Policy

The PCC holds those funds which are not in the CAF Bank current or deposit account with the Central Board of Finance of the Church of England (CBF). There are some long-term investments held in the form of CBF share investment accounts.

Other investments and deposits as we continue to hold relate solely to restricted funds and this includes specific deposit accounts relating to restricted funds.

Reserves Policy and Going Concern

It is the policy of the PCC to maintain unrestricted funds at a level which will enable the PCC to cover its on-going direct charitable expenditure and its management and administration costs. This should be at least 3 months running costs, ideally 6 months. In 2020 the average monthly expenditure was £5,714, thus the reserves should be at least £17,142 and preferably £34,284. We currently have £100,188 in our CAF Bank deposit account. The trustees are of a view that the PCC is a going concern.

PLANS FOR FUTURE PERIODS

As we have reported above the 950th celebratory events for 2020 had to be curtailed due to COVID-19 and at the end of 2020 the church was still treading water into 2021. The COVID-19 epidemic is very fluid and as a result it has been deemed impossible to plan precisely as operational matters are beyond the power of the Parish.

As a result, outline plans originally considered for 2020 are currently held pending in the hope that they can be revised as 2021 progresses.

The long term aim to place the parish in a more pivotal role within the Community is still central to the parish and to ensure that as COVID-19 is worked through, the church can ensure it looks after its existing parishioners as well as building for the future.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Parochial Church Council of the Ecclesiastical Parish of St Michael the Archangel, Southampton ('the PCC') is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

The PCC is a registered charity number 1180694.

Recruitment and Appointment of Trustees

Members of the PCC are either ex-officio or elected at the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. Elected members serve for three years and approximately one third are elected each year, ensuring an appropriate element of continuity.

Trustee Induction and Training

New members are briefed by existing members as appropriate and from time to time the PCC holds an away day to review its work and discuss future plans.

Risk Management

The PCC was registered as a charity on 14 November 2018. As such no work on risk management has been undertaken. However the major risks to which the charity is exposed, will be identified by the trustees and will be reviewed and systems or procedures established to manage those risks. A safeguarding policy and a lone working policy are in place.

Organisational Structure

The PCC has the responsibility of co-operating with the clergy in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has maintenance responsibilities for St Michael's Church. The PCC has one sub-committee: a Standing Committee as required by law, with powers to transact business between PCC meetings, subject to the direction of the PCC.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

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.

INDEPENDENT EXAMINER

A resolution to re-appoint Abraham & Dobell as independent examiner for the ensuing year will be proposed at the Annual Church Meeting.

Approved by the trustees on 19 May 2021 and signed on their behalf by:

.....
**REV'D D DEBOYS
VICAR & CHAIRMAN**

.....
**MR A PITFIELD
TREASURER**

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

I report to the charity's trustees on my examination of the accounts of The Parochial Church Council of the Ecclesiastical Parish of St Michael the Archangel, Southampton ('the PCC') for the year ended 31 December 2020.

RESPONSIBILITIES AND BASIS OF REPORT

As trustees of the PCC 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 PCC'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

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 charity 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

19 May 2021

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED
31 DECEMBER 2020**

		Unrestricted	Restricted	2020	2019
	Notes	Funds	Funds	Total	Total
				Funds	Funds
INCOME					
Donations and legacies	2	63,988	-	63,988	53,474
Charitable activities	3	1,858	-	1,858	2,697
Investment Income	4	84	514	598	677
TOTAL INCOME		65,930	514	66,444	56,848
EXPENDITURE					
Raising funds		-	-	-	147
Charitable activities	6	68,568	-	68,568	55,834
TOTAL EXPENDITURE		68,568	-	68,568	55,981
NET GAINS/(LOSSES) ON INVESTMENTS	9	-	950	950	1,887
NET INCOME FOR THE YEAR/NET MOVEMENT IN FUNDS FOR THE YEAR		(2,638)	1,464	(1,174)	2,754
RECONCILIATION OF FUNDS					
Total funds brought forward		103,272	18,183	121,455	118,701
Total funds carried forward		£100,634	£19,647	£120,281	£121,455

The notes on pages 13 to 23 form part of these Financial Statements

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
Investment assets	10		17,154		16,204
			<hr/>		<hr/>
TOTAL FIXED ASSETS			17,154		16,204
CURRENT ASSETS					
Investments	11	2,493		1,979	
Cash at bank and in hand	12	104,714		107,718	
		<hr/>		<hr/>	
TOTAL CURRENT ASSETS		107,207		109,697	
LIABILITIES					
Creditors: Amounts falling due within one year	13	4,080		4,446	
		<hr/>		<hr/>	
NET CURRENT ASSETS			103,127		105,251
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES/ TOTAL NET ASSETS	15		£120,281		£121,455
			<hr/>		<hr/>
THE FUNDS OF THE CHARITY	16				
Unrestricted income funds			100,634		103,272
Restricted income funds			19,647		18,183
			<hr/>		<hr/>
TOTAL CHARITY FUNDS			£120,281		£121,455
			<hr/>		<hr/>

Approved by the trustees on 19 May 2021 and signed on their behalf by:

.....
REV'D D DEBOYS
VICAR & CHAIRMAN

.....
MR A PITFIELD
TREASURER

The notes on pages 13 to 23 form part of these Financial Statements

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2020**

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:

(a) 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) 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 £.

(b) Income Recognition Policies

(i) Donations and Legacies

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

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

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable, its ultimate receipt by the PCC is reasonably certain and when any pre-conditions preventing their use have been met.

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.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

(b) Income Recognition Policies (Continued)

(ii) Charitable Activities

Income from fees and other charitable activities is recognised when it is received.

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

(iii) Other Trading Activities

Income from the fête, garden party and similar events are accounted for gross.

Sales of books and magazines from the church bookstall are accounted for gross.

(iv) Investment Income

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.

(v) Gains and Losses on Investments

Realised gains and losses are recognised when investments are sold.

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

(c) 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.

(i) Grants

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

(ii) Charitable Activities

The Parish Share is accounted for when payable. 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.

(iii) Support Costs

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

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

(c) Expenditure (Continued)

(iv) Governance Costs

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

(d) Tangible Fixed Assets

(i) Consecrated Land and Buildings and Movable Church Furnishings

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.

No value is placed on movable church furnishings held by the church wardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be an inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

(ii) Other Fixtures, Fittings, Office Equipment and Consumables

Equipment and consumables used within the church premises are depreciated on a straight line basis over four years where capitalised.

Individual items with a purchase price of £1,000 or less are written off when the asset is acquired.

(e) Investments

Investments are valued at market value at 31 December.

(f) 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.

(g) 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 or at the bank.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(i) Taxation

The PCC is exempt from taxation on its charitable activities.

(j) 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.

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.

(k) 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.

(l) 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.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

2. DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	2020 Total Funds	2019 Total Funds
	£	£	£	£
Planned giving	34,535	-	34,535	31,249
Income Tax recoverable on planned giving	10,436	-	10,436	10,152
Collections (open plate) at all services	4,430	-	4,430	5,273
Sundry donations	14,587	-	14,587	6,800
	<hr/>	<hr/>	<hr/>	<hr/>
	£63,988	£-	£63,988	£53,474
	<hr/>	<hr/>	<hr/>	<hr/>

There were no donated services and facilities receivable which could be quantified in the year.

3. CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	2020 Total Funds	2019 Total Funds
	£	£	£	£
Fees	1,045	-	1,045	778
Church lettings etc	50	-	50	1,350
Other activities to generate funds	763	-	763	569
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,858	£-	£1,858	£2,697
	<hr/>	<hr/>	<hr/>	<hr/>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

4. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Dividends from investments	-	504	504	526
Bank interest and interest from investments	84	10	94	151
	—	—	—	—
	£84	£514	£598	£677
	—	—	—	—

5. COST OF RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Stewardship and other costs	£-	£-	£-	£147
	—	—	—	—

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	2020 Total Funds	2019 Total Funds
	£	£	£	£
Parish share	23,494	-	23,494	24,906
Celebrations and events	760	-	760	4,845
Clergy expenses	-	-	-	20
Church running expenses	9,207	-	9,207	10,817
Church maintenance	270	-	270	4,872
Upkeep of services	987	-	987	2,588
Major repairs and building work	28,633	-	28,633	-
Salaries/organist/cantores	3,550	-	3,550	5,950
Support costs	877	-	877	766
Governance costs	790	-	790	1,070
	<hr/>	<hr/>	<hr/>	<hr/>
	£68,568	£-	£68,568	£55,834
	<hr/>	<hr/>	<hr/>	<hr/>

7. 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 expenses	877	-	877	Usage
Professional costs	-	730	730	Governance
PCC meetings hall hire	-	60	60	Governance
	<hr/>	<hr/>	<hr/>	
	£877	£790	£1,667	
	<hr/>	<hr/>	<hr/>	

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

8. TRUSTEES' REMUNERATION AND EXPENSES

No payments were made to trustees by way of remuneration or expenses during the period.

9. GAINS OR LOSSES ON INVESTMENT

	2020 £	2019 £
Unrealised gain/(loss) on CBF Investment	£950	£1,887
	—	—

10. INVESTMENT ASSETS

Holding	Market Value at 31 December 2020 (5 Months)			£
CBF Fixed Interest	2,999	units	@ £1.6962	5,087
CBF Investment Fund	589	units	@ £20.4873	12,067
				—
				£17,154
				—

Holding	Market Value at 31 December 2019			£
CBF Fixed Interest	2,999	units	@ £1.6384	4,914
CBF Investment Fund	589	units	@ £19.1691	11,290
				—
				£16,204
				—

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

11. INVESTMENTS

	2020	2019
	£	£
CBF Deposit Funds	£2,493	£1,979
	<hr/>	<hr/>

12. CASH AT BANK AND IN HAND

	2020	2019
	£	£
CAF Bank	104,561	107,555
Cash	153	163
	<hr/>	<hr/>
	£104,714	£107,718
	<hr/>	<hr/>

13. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	-	646
Accruals	2,318	1,520
Other creditors	1,762	2,280
	<hr/>	<hr/>
	£4,080	£4,446
	<hr/>	<hr/>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

14. FINANCIAL INSTRUMENTS

Financial instruments measured at amortised cost comprise the following:

	2020	2019
	£	£
Financial assets that are debt instruments	-	-
Financial liabilities that are debt instruments	4,080	4,446
	<hr/>	<hr/>

15. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds	Restricted Funds	2020 Total Funds	2019 Total Funds
	£	£	£	£
Investment assets	-	17,154	17,154	16,204
Current assets	104,714	2,493	107,207	109,697
Current liabilities	(4,080)	-	(4,080)	(4,446)
	<hr/>	<hr/>	<hr/>	<hr/>
	£100,634	£19,647	£120,281	£121,455
	<hr/>	<hr/>	<hr/>	<hr/>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST MICHAEL THE ARCHANGEL, SOUTHAMPTON**

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

**FOR THE YEAR ENDED
31 DECEMBER 2020**

16. ANALYSIS OF CHARITABLE FUNDS

	At 01.01.20 £	Incoming Resources £	Outgoing Resources £	Investment Gains/ (Losses) £	At 31.12.20 £
Analysis of Movements in Unrestricted Funds					
General funds	103,272	65,930	68,568	-	100,634
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Funds	103,272	65,930	68,568	-	100,634
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Analysis of Movements in Restricted Funds					
Michael Alderson	18,183	514	-	950	19,647
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	18,183	514	-	950	19,647
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Funds	£121,455	£66,444	£68,568	£950	£120,281
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Unrestricted funds are funds which the PCC is free to spend on any of its activities. The PCC can, from time to time, designate unrestricted funds for particular purposes. The PCC may subsequently choose to re-designate unrestricted funds for another purpose.

Restricted funds are those which the PCC can only spend on purposes determined by the terms on which a fund is set up, typically as a trust fund. The Michael Alderson Trust is to support training principally but not exclusively for the clergy.