

**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 2021**

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 2021**

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

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 the Ecclesiastical Parish of St Michael the Archangel, Southampton 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

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 2021 until the date this report was approved are:

Incumbent:	Rev'd David Deboys	Vicar and Chairman	Retired Sep 2021
Other Clergy:	Rev'd Philip Hand	Non-Stipendiary	
	Rev'd Mohan Uddin	Non-Stipendiary	Res Oct 2021
Licenced Lay Minsters:	Mr Duncan Bradley		
Church Wardens:	Dr Stephen Whitaker	Lay Chair	
	Mrs Alexandra Stokes		
Deputy Church Wardens:	Miss Kath Singleton		
	Mrs Pam Hand		
	Mrs Doina Whitaker		App Nov 2021

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

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

REFERENCE AND ADMINISTRATIVE INFORMATION (CONTINUED)

Deanery Synod Representatives:	Dr Elisabeth Schroeder-Butterfill Mrs Margaret Deboys		Res Sep 2021
Other Elected	Mr Alan Pitfield Mrs Lorna Brown Mr Neil Giles Mrs Pam Hand Mrs Jenny Hughes Mr Christopher Ricketts Miss Kath Singleton Mr John Williams Rev'd Mohan Uddin (Co-opted)	Treasurer (Not specifically linked to this parish)	App May 2021 Res May 2021 Res Oct 2021
PCC Secretary	Miss Naomi Rides		
Safeguarding Officer:	Mr John Williams Mrs Margaret Deboys	App Nov 2021	Res Sep 2021
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 2021**

OBJECTIVES AND ACTIVITIES

People have been worshipping at St Michael the Archangel in the Old Town Southampton for over 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 83 members on the Electoral Roll at 31 December 2021. Of these, 17 live in the parish.

Review of the Year

The past year has been eventful for our parish, particularly as we have experienced major changes to the clergy team as well as negotiating issues around covid-19 and improvements to our building.

Clergy Team

At the start of 2021 there were four main players in the team responsible for leading our worship:

- David Deboys (incumbent & vicar)
- Phil Hand (assistant priest)
- Mohan Uddin (assistant priest)
- Duncan Bradley (licenced lay minister)

Between them they shared the leading of worship and preaching, and it was a particular privilege to lead the celebrations over Easter, something that was entirely lost in 2020 due to Covid.

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

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Review of the Year (Continued)

Clergy Team (Continued)

We were able to hold most of our Easter services, including Maundy Thursday, the Good Friday meditation and litany, and of course Easter Sunday. Due to various restrictions we were unable to meet with our friends from St Joseph's Catholic Church on Palm Sunday, nor did we hold the Saturday Easter Vigil.

Over this period David was struggling with ill health that was causing some uncertainty that sometimes necessitated cover at short notice, but the team was pulling well together so these things were well managed.

Everything changed on 25 June when, following discussion with Bishop Debbie, David announced that he was off sick with immediate effect and retiring on the grounds of ill health. His one remaining service would be in early August when the Bishop would be present for his last service.

His much appreciated ministry came to an end on 1 August 2021 when he and Margaret left the parish. We are hugely grateful to Rev Mohan Uddin, one of our assistant priests who was due to retire at the end of June, but continued until 3 October, which was our Patronal celebration, and was Mohan's last Sunday. By then, with the help of our Area Dean, we had drawn together a small team of clergy who have been able to support Duncan and Phil in leading worship through the autumn. This new team comprises:

- Rev Phil Hand
- Duncan Bradley (LLM)
- Rev Liz Pickett
- Rev Brian Pickett
- Rev Peter Haughton
- Rev Brian Elliott

Our Area Dean Rev Sheena Williams has also led the service on one Sunday, with plans for further ministry from her. We are very grateful to these colleagues for their ministry Sunday by Sunday. Whilst their contribution has been invaluable, it must be recognised that the load carried by Phil Hand (who manages the service schedule) and Duncan Bradley has been enormous.

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

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Review of the Year (Continued)

Covid-19

We have been pleased that St Michael's was one of the few parishes in Southampton that remained open for worship throughout the pandemic, apart from the spring of 2020 when all churches were closed. During 2021 we have been able to move from two socially distanced services on a Sunday morning to one service, with the north side of the church (on the left as you face the altar) being kept for social distance. We have been able to provide communion in both kinds (bread and wine) through the autumn by the president intincting (dipping) each wafer in the wine held by a eucharistic assistant.

Other services

We have continued to provide weddings, baptisms and funerals through the year. Our obligation to provide these is a significant responsibility, given that we only have one volunteer priest in the parish. The Diocese has offered clergy from the Registry to lead these, but we have found on balance that providing these from within our team has worked well, given that there are not very many requests for these.

Over Christmas we held our normal range of services - Advent Carols, the Carol Service, the children's workshop and Midnight Mass and the Christmas Day Eucharist. Yes that was a fair load, so we were very grateful to Liz and Brian Pickett who came and led our service on Boxing Day, which was a Sunday.

Cantores Michaelis

We are grateful that Cantores Michaelis continues to enhance our worship under the leadership of Keith Davis. Keith's job in recruiting singers has been made more difficult both through Covid and changes at the University.

Church Wardens

We are thankful that Alex Stokes and Stephen Whitaker continue to serve as our church wardens. Their task has been made much more challenging now that we are in a vacancy. The PCC met Bishop Debbie in the late autumn to begin the process of finding a new incumbent to follow David, and this is no small task.

Church cleaning

We are extremely grateful to members of our church community who gather regularly to keep the church clean and tidy for worship. In particular there were at least two 'big clean' events - Holy Saturday at Easter and just before our patronal celebrations in early October.

Flowers

Joyce Ellis has given up her responsibility for preparing flowers for church services. She has made a magnificent contribution to our worship over the years and it has been very much appreciated. Jean Oxley has taken on the mantle and has made a brilliant start.

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

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

FINANCIAL REVIEW

Despite the continuation of the Covid-19 pandemic during 2021, St Michael's remained open for the whole year. The attendance at the Sunday services has remained constant and this was reflected in the giving through the collection plate. The fact that a large number of parishioners give either through the Parish Giving Scheme or through Standing Orders means that we have had a steady reliable stream of income through the year. We welcomed visitors again during the week from November and this is seen in the donations in the church box. Cruise ships, though, are slow to come back. On the expenditure front if the electrical works are excluded, our running costs were up on 2019. In particular the CMF contribution increased by £5.5K and, since the church was in use the whole year, the expenditure on gas and electricity was up on 2019

Major Works

The final payments for the electrical works, including the architect's fees were just over £23K. However, we were successful in obtaining the VAT reimbursement of £8.7K for the Listed Places of Worship scheme.

The detailed accounts are set out on subsequent pages. An extract is shown here:

	2021	2020
	£	£
Total Income	59,532	66,444
Total expenditure	73,280	68,568
Net gains on investment	1,388	950
Net (expenditure)/income for the year	(12,360)	(1,174)

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 2021 the average monthly expenditure was £4,154, thus the reserves should be at least £12,460 and preferably £24,923. We currently have £90,471 in our CAF Bank current and deposit accounts. The trustees are of a view that the PCC is a going concern.

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

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

PLANS FOR FUTURE PERIODS

As we are currently in a vacancy, it's not easy to have long term aims. We hope that we will have a new incumbent in post as a House for Duty during 2022. This would enable us to restart service such as the mid-week Thursday Eucharist.

However the quinquennial report did identify some structural repairs that need to be done (eg the guttering). The boiler will need to be replaced in the near future. The plan is still to redo the kitchen and toilet areas. This would probably involve some degree of fund-raising/grant applications.

The long term plan to place the parish with a more pivotal role in the community is still central to the parish.

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.

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

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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.

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.

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

**TRUSTEES ANNUAL REPORT
(CONTINUED)**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

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 8 May 2022 and signed on their behalf by:


.....
DR S G WHITAKER
CHURCH WARDEN & LAY CHAIR


.....
MRS A STOKES
ACTING 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 2021

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 2021.

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

8 May 2022

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

STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED
31 DECEMBER 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
INCOME					
Donations and legacies	2	56,963	-	56,963	63,988
Charitable activities	3	2,075	-	2,075	1,858
Investment Income	4	9	485	494	598
TOTAL INCOME		59,047	485	59,532	66,444
EXPENDITURE					
Raising funds		-	-	-	-
Charitable activities	6	73,280	-	73,280	68,568
TOTAL EXPENDITURE		73,280	-	73,280	68,568
NET GAINS/(LOSSES) ON INVESTMENTS	9	-	1,388	1,388	950
NET INCOME FOR THE YEAR/NET MOVEMENT IN FUNDS FOR THE YEAR		(14,233)	1,873	(12,360)	(1,174)
RECONCILIATION OF FUNDS					
Total funds brought forward		100,634	19,647	120,281	121,455
Total funds carried forward		£86,401	£21,520	£107,921	£120,281

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

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investment assets	10	18,542	17,154
TOTAL FIXED ASSETS		18,542	17,154
CURRENT ASSETS			
Investments	11	1,837	2,493
Cash at bank and in hand	12	90,624	104,714
TOTAL CURRENT ASSETS		92,461	107,207
LIABILITIES			
Creditors: Amounts falling due within one year	13	3,082	4,080
NET CURRENT ASSETS		89,379	103,127
TOTAL ASSETS LESS CURRENT LIABILITIES/ TOTAL NET ASSETS	15	£107,921	£120,281
THE FUNDS OF THE CHARITY	16		
Unrestricted income funds		86,401	100,634
Restricted income funds		21,520	19,647
TOTAL CHARITY FUNDS		£107,921	£120,281

Approved by the trustees on 8 May 2022 and signed on their behalf by:


DR S G WHITAKER
CHURCH WARDEN & LAY CHAIR


MRS A STOKES
ACTING 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 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:

(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 2021**

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 2021**

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 2021**

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 2021**

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Planned giving	32,287	-	32,287	34,535
Income Tax recoverable on planned giving	8,204	-	8,204	10,436
Collections (open plate) at all services	4,913	-	4,913	4,430
Sundry donations	2,845	-	2,845	14,587
Grants	8,714	-	8,714	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£56,963	£-	£56,963	£63,988
	<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 £	2021 Total Funds £	2020 Total Funds £
Fees	1,757	-	1,757	1,045
Church lettings etc	180	-	180	50
Other activities to generate funds	138	-	138	763
	<hr/>	<hr/>	<hr/>	<hr/>
	£2,075	£-	£2,075	£1,858
	<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 2021**

4. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Dividends from investments	-	484	484	504
Bank interest and interest from investments	9	1	10	94
	—	—	—	—
	£9	£485	£494	£598
	—	—	—	—

5. COST OF RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Stewardship and other costs	£-	£-	£-	£-
	—	—	—	—

**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 2021**

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	2021 Total Funds	2020 Total Funds
	£	£	£	£
Parish share	29,040	-	29,040	23,494
Celebrations and events	-	-	-	760
Clergy expenses	70	-	70	-
Church running expenses	10,837	-	10,837	9,207
Church maintenance	238	-	238	270
Upkeep of services	2,429	-	2,429	987
Major repairs and building work	23,434	-	23,434	28,633
Salaries/organist/cantores	4,410	-	4,410	3,550
Support costs	2,002	-	2,002	877
Governance costs	820	-	820	790
	<hr/>	<hr/>	<hr/>	<hr/>
	£73,280	£-	£73,280	£68,568
	<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	2,002	-	2,002	Usage
Professional costs	-	730	730	Governance
PCC meetings hall hire	-	90	90	Governance
	<hr/>	<hr/>	<hr/>	
	£2,002	£820	£2,822	
	<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 2021**

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

	2021	2020
	£	£
Unrealised gain/(loss) on CBF Investment	£1,388	£950
	<hr/>	<hr/>

10. INVESTMENT ASSETS

Holding	Market Value at 31 December 2021				£
CBF Fixed Interest	2,999	units	@	£1.5835	4,749
CBF Investment Fund	589	units	@	£23.4181	13,793
					<hr/>
					£18,542
					<hr/>

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
					<hr/>
					£17,154
					<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 2021**

11. INVESTMENTS

	2021	2020
	£	£
CBF Deposit Funds	£1,837	£2,493
	<hr/>	<hr/>

12. CASH AT BANK AND IN HAND

	2021	2020
	£	£
CAF Bank	90,471	104,561
Cash	153	153
	<hr/>	<hr/>
	£90,624	£104,714
	<hr/>	<hr/>

13. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Accruals	3,082	2,318
Other creditors	-	1,762
	<hr/>	<hr/>
	£3,082	£4,080
	<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 2021**

14. FINANCIAL INSTRUMENTS

Financial instruments measured at amortised cost comprise the following:

	2021	2020
	£	£
Financial assets that are debt instruments	-	-
Financial liabilities that are debt instruments	3,082	4,080
	<hr/>	<hr/>

15. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Investment assets	-	18,542	18,542	17,154
Current assets	89,483	2,978	92,461	107,207
Current liabilities	(3,082)	-	(3,082)	(4,080)
	<hr/>	<hr/>	<hr/>	<hr/>
	£86,401	£21,520	£107,921	£120,281
	<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 2021**

16. ANALYSIS OF CHARITABLE FUNDS

	At 01.01.21 £	Incoming Resources £	Outgoing Resources £	Investment Gains/ (Losses) £	At 31.12.21 £
Analysis of Movements in Unrestricted Funds					
General funds	100,634	59,047	73,280	-	86,401
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Funds	100,634	59,047	73,280	-	86,401
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Analysis of Movements in Restricted Funds					
Michael Alderson	19,647	485	-	1,388	21,520
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	19,647	485	-	1,388	21,520
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Funds	£120,281	£59,532	£73,280	£1,388	£107,921
	<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.