

**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 2022**

**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 2022**

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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 2022**

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 2022.

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 2022 until the date this report was approved are:

<b>Incumbent:</b>	Rev'd Canon David Miller	Vicar and Chairman	App Nov 2022
<b>Other Clergy:</b>	Rev'd Philip Hand	Non-Stipendiary	
<b>Licenced Lay Minsters:</b>	Mr Duncan Bradley		
<b>Church Wardens:</b>	Dr Stephen Whitaker Mrs Alexandra Stokes	Vice Chair Acting Treasurer	
<b>Deputy Church Wardens:</b>	Miss Kath Singleton Mrs Pam Hand Mrs Doina Whitaker		

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

**TRUSTEES ANNUAL REPORT  
(CONTINUED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**REFERENCE AND ADMINISTRATIVE INFORMATION (CONTINUED)**

<b>Deanery Synod Representatives:</b>	Dr Elisabeth Schroeder-Butterfill Mr Alistair Stokes	App May 2022
<b>Other Elected</b>	Mr Alan Pitfield Mrs Lorna Brown Mr Neil Giles Mrs Pam Hand Mrs Marian Hubble Mr Matthew Read Mr Christopher Ricketts Miss Kath Singleton Mr John Williams	(Treasurer Resigned May 2022)    App May 2022 App May 2022   Dec'd Jan 2023
<b>PCC Secretary</b>	Miss Naomi Rides	
<b>Safeguarding Officer:</b>	Mr John Williams	Dec'd Jan 2023
<b>Our Advisors:</b>		
<b>Independent Examiner:</b>	Abraham & Dobell 230 Shirley Road Southampton SO15 3HR	
<b>Bankers:</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
<b>Investment Managers:</b>	CCLA Investment Management Ltd One Angel Lane London EC4R 3AB	

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

**TRUSTEES ANNUAL REPORT  
(CONTINUED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**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 2022. Of these, 15 live in the parish.

**Review of the Year**

2022 was a transition year for the Parish of St Michael the Archangel. At the start of the year we were still in a Vacancy with no vicar. Revd Phil Hand continued to do a superb job of ensuring there was a priest every Sunday and we are very grateful to him, Revd Peter Haughton, Revd Brian Pickett, Revd Liz Pickett and Revd Canon Brian Elliot for providing this, together of course with our hard-working LLM, Duncan Bradley.

A lot of work was done by the PCC to produce a Parish Profile which was a necessary step prior to appointing a new vicar. Bishop Debbie then put forward a "bishop's candidate" for our consideration. We decided to call the bishop's candidate for interview first as we could still advertise after that if we were not happy. In fact the bishop's candidate turned out to be very suitable and so Revd Canon David Miller was appointed as our new vicar. We also shortened our vacancy period considerably by not needing to advertise. His service of institution and induction took place on 8<sup>th</sup> November and we are very happy to welcome him.

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

**TRUSTEES ANNUAL REPORT  
(CONTINUED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

**Review of the Year (Continued)**

On Palm Sunday we joined with our catholic friends from St Joseph's, along with Monsignor Vincent Harvey, for a memorable liturgy at both the Westgate and in St Michael's Square, followed by our service which included distribution of communion at the high altar. At Easter we were able to hold the full range of services from Maundy Thursday to Easter Sunday – Easter Sunday being led by Revs Brian and Liz Pickett. At Pentecost the service was followed by a shared lunch in the square with our friends from St Joseph's. Since this was also the occasion of the Platinum Jubilee of Her Majesty Queen Elizabeth II, there was also a special Evensong, led magnificently by Keith Davis and Cantores, which was well attended. Advent Carols was a magnificent occasion, and really well attended. At the end of the year the Christmas festivities went well, including Carols in the Square. This year the weather held out for us to actually be outside in the square (unlike 2021). The Nine Lessons and Carols, and Midnight Mass were also great events.

The Thursday Eucharist at 12.30pm was re-introduced in December initially on a monthly basis. Currently the 8 o'clock communion service on Sundays is not held. The Litany of Reconciliation, from Coventry Cathedral as an expression of our membership of the Community of the Cross of Nails, has been said every Friday at midday.

The Sunday School was in abeyance as there were no children of the right age.

Our choir, Cantores Michaelis, together with our Director of Music, Keith Davis, continued to provide music of outstanding quality.

We hosted the Southampton Civic Service in October as well as the Shaw Saville Society service in May, the Southampton Master Mariners' ("Cachalot's") service in June and the Winchester & District Association of Organists' concert in August. We had several other concerts during the year. We did not have a Fayre in the Square this year.

We held the French Service at St Julien's Church in July.

We obtained a faculty from the diocese enabling the Southampton congregation of the Orthodox Church of Georgia to hold services at St Michael's. They held their first service in May and continued to hold monthly services after that on Saturdays.

Our Parish Safeguarding Officer John Williams continued to ensure we were up to date with our procedures. All PCC members are up to date with their DBS checks. The status of safeguarding training for all trustees was reviewed and the necessary training is being undertaken. Policies have been updated. We were greatly helped in all these processes by the Parish Safeguarding Dashboard. Sadly John died in January 2023 so a new safeguarding officer will need to be appointed.

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

**TRUSTEES ANNUAL REPORT  
(CONTINUED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

**Review of the Year (Continued)**

In March the sound engineers came to adjust our sound system, following which the quality of the sound has been much improved.

Our heating boiler is very old and will need replacing fairly soon so we arranged for a heating engineer to inspect the church in September. He produced a report in December detailing the various options we have for heating the church.

The church guttering and downpipes are badly in need of repair. Plans had been drawn up by our previous architect, Columba Cook, to rectify this and in January we obtained a faculty from the diocese enabling us to proceed. However Columba had retired by then and so we met our new church architect, Antony Feltham-King, who reviewed the plans and recommended some additional work to include the downpipes on the tower. We obtained further approval from the diocese for this which was deemed not to require a new faculty.

We continue to enjoy the bells being rung by the Southampton City Ringers and the University band, including peels for the Platinum Jubilee and ringing for the funeral of Her Majesty Queen Elisabeth II.

The church was re-opened for visitors in January 2022 and the numbers are beginning to go back towards pre-Covid levels, particularly with the return of the cruise ships. In 2022 we had around 8,300 visitors. There is always great interest in our font and the two brass lecterns.

We would like to thank the many people who have contributed to keeping our church going: the ministry team, the PCC, the Director of Music and Cantores, the deputy wardens and sides people, the readers, servers, stewards, coffee makers and servers, flower arrangers, cleaners and others.

**FINANCIAL REVIEW**

Alan Pitfield stood down as Treasurer at the APCM in May 2022 due to ill health. One of the churchwardens, Alex Stokes, has been acting as Treasurer since then whilst a search for a new Treasurer continues.

2022 was a relatively stable year as the effects of the pandemic gradually wore off. The attendance at the Sunday services remained stable.

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

**TRUSTEES ANNUAL REPORT  
(CONTINUED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**FINANCIAL REVIEW (CONTINUED)**

**Income**

- We now have a total of 42 parishoners giving either through the Parish Giving Scheme or by standing order, which helps to stabilise and forecast our income. The average weekly giving was £14.60, which is slightly below the diocesan average of £16.
- The cruise ships returned in greater numbers during the year which meant an increase in visitors to the church during the week. This is reflected in the increase in the donations in the church box and the foreign money we are able to bank.
- The PCC agreed to return to the pre-pandemic agreement to share this part of our income with the Friends of St Michaels.
- A new SumUp contactless machine was introduced in the autumn in order to allow giving with cards. Other means will be explored next year as the thick walls of the church make it difficult to connect to the mobile network.
- A faculty was approved during the year to allow the Georgian Orthodox community to use St Michael's once a month for their Liturgy. They make a contribution towards the heating and electricity costs.
- The income for the Alderson Trust has remained steady.

**Expenditure**

The running costs for the church remained relatively constant until the end of the year.

- The Common Mission Fund contributions (parish share) was less than in 2021, due to the diocese using a different method to calculate the Worshipping Community, due to the pandemic.
- The cost of gas and electricity increased by 15%, mainly towards the end of the year. In July the contract for gas and electricity was due for renewal. This was unfortunate timing as the old contract was on very good terms. However, after some research, it was decided to continue with our existing supplier as, in particular, the offer through Parish Buying was more expensive. We are receiving the government rebate as from October (approximately 30% of the bill) and, in addition, we received a one-off grant of £1,000 from the diocese towards the utility bills.
- The rest of the running expenditure remained flat.

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

**TRUSTEES ANNUAL REPORT  
(CONTINUED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**FINANCIAL REVIEW (CONTINUED)**

**Major Works and Repairs**

There were no major works to the fabric of the church building during 2022. As our inspecting architect was retiring, we changed to a new architect who would be able to see any work through to completion. The outcome of his quinquennial inspection at the end of 2021 was that there are some urgent repairs to be done, in particular to the rainwater goods. A faculty had been granted for some of the work but the QI had identified further problems so the faculty was amended to include them. The costs this year have been for the architect's fees. The work is due to be done during the first half of 2023.

**Summary**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Total income	55,338	59,532
Total expenditure	54,163	73,280
Net (losses)/gains on investment	(2,261)	1,388
	_____	_____
Net (expenditure) for the year	£(1,086)	£(12,360)
	_____	_____

**Challenges for 2023**

The expenditure for 2023 will have a significant increase.

- The CMF is due to increase by 16%. An application was made in August 2022 for special consideration in view of the anticipated building works as a mitigating factor but this was turned down by the diocese.
- The utility bills will increase significantly, particularly once the government Energy Bill Relief Scheme finishes at the end of March 2023.
- The work on the rainwater goods will cost approximately £35,000. Some of this will be covered by an anonymous donation and by a donation from the Friends of St Michael but this will still have an impact on our small reserves.
- The congregation will be asked for an increase in their weekly giving but this is a difficult issue with the current increase in cost of living.

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

**TRUSTEES ANNUAL REPORT  
(CONTINUED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**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 2022 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.

**PLANS FOR FUTURE PERIODS**

Now that we have a new vicar in place, we will use the opportunity to review our use of the liturgies, music etc.

In 2023 there will be major repairs to the rainwater goods to ensure the building is watertight. This will enable other more minor repairs to be done inside the church once the walls have dried out.

Longer term the boiler needs replacing, both because it is old but also because it will be more efficient. We plan to use this as an opportunity to redesign the whole area to the south east side of the church, including removing the old organ console and pipes, enabling a disabled access toilet to be put in place, redesigning the kitchen, sacristy and ensuring adequate storage space. We would also wish to make the existing choir vestry into a quiet room for the Sunday School. All this requires longer term planning and a significant amount of fund-raising.

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.

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

**TRUSTEES ANNUAL REPORT  
(CONTINUED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

**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.

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

**TRUSTEES ANNUAL REPORT  
(CONTINUED)**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

**RESPONSIBILITIES OF THE TRUSTEES (CONTINUED)**


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 14 May 2023 and signed on their behalf by:**

  
.....  
**REV CANON D MILLER**  
**VICAR AND CHAIR**

  
.....  
**MRS A STOKES**  
**CHURCH WARDEN & 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 2022**

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 2022.

**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**

**14 May 2023**

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

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
<b>INCOME</b>					
Donations and legacies	2	51,877	-	51,877	56,963
Charitable activities	3	2,620	-	2,620	2,075
Investment Income	4	333	508	841	494
<b>TOTAL INCOME</b>		<b>54,830</b>	<b>508</b>	<b>55,338</b>	<b>59,532</b>
<b>EXPENDITURE</b>					
Charitable activities	5	54,163	-	54,163	73,280
<b>TOTAL EXPENDITURE</b>		<b>54,163</b>	<b>-</b>	<b>54,163</b>	<b>73,280</b>
<b>NET GAINS/(LOSSES) ON INVESTMENTS</b>	8	-	(2,261)	(2,261)	1,388
<b>NET INCOME FOR THE YEAR</b>		<b>667</b>	<b>(1,753)</b>	<b>(1,086)</b>	<b>(12,360)</b>
<b>TRANSFER BETWEEN FUNDS</b>	16	1,139	(1,139)	-	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>1,806</b>	<b>(2,892)</b>	<b>(1,086)</b>	<b>(12,360)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		86,401	21,520	107,921	120,281
Total funds carried forward		£88,207	£18,628	£106,835	£107,921

The notes on pages 14 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 2022**

	Note	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investment assets	9		16,282		18,542
			<hr/>		<hr/>
<b>TOTAL FIXED ASSETS</b>			16,282		18,542
<b>CURRENT ASSETS</b>					
Investments	10	2,346		1,837	
Cash at bank and in hand	11	91,346		90,624	
		<hr/>		<hr/>	
<b>TOTAL CURRENT ASSETS</b>		93,692		92,461	
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	12	3,139		3,082	
		<hr/>		<hr/>	
<b>NET CURRENT ASSETS</b>			90,553		89,379
<b>TOTAL ASSETS LESS CURRENT LIABILITIES/ TOTAL NET ASSETS</b>	14		<hr/>		<hr/>
			£106,835		£107,921
			<hr/>		<hr/>
<b>THE FUNDS OF THE CHARITY</b>	15				
Unrestricted income funds			88,207		86,401
Restricted income funds			18,628		21,520
			<hr/>		<hr/>
<b>TOTAL CHARITY FUNDS</b>			£106,835		£107,921
			<hr/>		<hr/>

Approved by the trustees on 14 May 2023 and signed on their behalf by:

  
 .....  
**REV CANON D MILLER**  
**VICAR AND CHAIR**

  
 .....  
**MRS A STOKES**  
**CHURCH WARDEN & ACTING TREASURER**

The notes on pages 14 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 2022**

**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 2022**

**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 2022**

**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 2022**

**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 2022**

**2. DONATIONS AND LEGACIES**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2022 Total Funds £</b>	<b>2021 Total Funds £</b>
Planned giving	31,683	-	31,683	32,287
Income Tax recoverable on planned giving	8,689	-	8,689	8,204
Collections (open plate) at all services	5,320	-	5,320	4,913
Sundry donations	5,185	-	5,185	2,845
Grants	1,000	-	1,000	8,714
	<hr/>	<hr/>	<hr/>	<hr/>
	£51,877	£-	£51,877	£56,963
	<hr/>	<hr/>	<hr/>	<hr/>

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

**3. CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2022 Total Funds £</b>	<b>2021 Total Funds £</b>
Fees	1,203	-	1,203	1,757
Church lettings etc	750	-	750	180
Other activities to generate funds	667	-	667	138
	<hr/>	<hr/>	<hr/>	<hr/>
	£2,620	£-	£2,620	£2,075
	<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 2022**

**4. INVESTMENT INCOME**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2022 Total Funds £</b>	<b>2021 Total Funds £</b>
Dividends from investments	-	480	480	484
Bank interest and interest from investments	333	28	361	10
	—	—	—	—
	£333	£508	£841	£494
	—	—	—	—

**5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2022 Total Funds £</b>	<b>2021 Total Funds £</b>
Donations	2,138	-	2,138	-
Parish share	26,217	-	26,217	29,040
Clergy expenses	28	-	28	70
Church running expenses	10,502	-	10,502	10,837
Church maintenance	791	-	791	238
Upkeep of services	3,068	-	3,068	2,429
Major repairs and building work	2,870	-	2,870	23,434
Salaries/organist/cantores	5,550	-	5,550	4,410
Support costs	2,089	-	2,089	2,002
Governance costs	910	-	910	820
	—	—	—	—
	£54,163	£-	£54,163	£73,280
	—	—	—	—

**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 2022**

**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).

	<b>General Support £</b>	<b>Governance £</b>	<b>Total Funds £</b>	<b>Basis of Apportionment</b>
Office expenses	2,089	-	2,089	Usage
Professional costs	-	730	730	Governance
PCC meetings hall hire	-	180	180	Governance
	<hr/>	<hr/>	<hr/>	
	£2,089	£910	£2,999	
	<hr/>	<hr/>	<hr/>	

**7. TRUSTEES' REMUNERATION AND EXPENSES**

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

**8. GAINS OR LOSSES ON INVESTMENT**

	<b>2022 £</b>	<b>2021 £</b>
Unrealised (loss)/gain on CBF Investment	£(2,261)	£1,388
	<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 2022**

**9. INVESTMENT ASSETS**

<b>Holding</b>	<b>Market Value at 31 December 2022</b>				
					£
CBF Fixed Interest	2,999	units	@	£1.3710	4,112
CBF Investment Fund	589	units	@	£20.6614	12,170
					_____
					£16,282
					_____

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

**10. INVESTMENTS**

	<b>2022</b>	<b>2021</b>
	£	£
CBF Deposit Funds	£2,346	£1,837
	_____	_____

**11. CASH AT BANK AND IN HAND**

	<b>2022</b>	<b>2021</b>
	£	£
CAF Bank	91,193	90,471
Cash	153	153
	_____	_____
	£91,346	£90,624
	_____	_____

**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 2022**

**12. CREDITORS: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accruals	£3,139	£3,082
	<hr/>	<hr/>

**13. FINANCIAL INSTRUMENTS**

Financial instruments measured at amortised cost comprise the following:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Financial assets that are debt instruments	-	-
Financial liabilities that are debt instruments	3,139	3,082
	<hr/>	<hr/>

**14. ANALYSIS OF NET ASSETS BY FUND**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2022 Total Funds £</b>	<b>2021 Total Funds £</b>
Investment assets	-	16,282	16,282	18,542
Current assets	91,346	2,346	93,692	92,461
Current liabilities	(3,139)	-	(3,139)	(3,082)
	<hr/>	<hr/>	<hr/>	<hr/>
	£88,207	£18,628	£106,835	£107,921
	<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 2022**

**15. ANALYSIS OF CHARITABLE FUNDS**

	At 01.01.22 £	Incoming Resources £	Outgoing Resources £	Investment Gains/ (Losses) £	Transfer £	At 31.12.22
<b>Analysis of Movements in Unrestricted Funds</b>						
General funds	86,401	54,830	54,163	-	1,139	88,207
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Unrestricted Funds</b>	86,401	54,830	54,163	-	1,139	88,207
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Analysis of Movements in Restricted Funds</b>						
Michael Alderson	21,520	508	-	(2,261)	(1,139)	18,628
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Restricted Funds</b>	21,520	508	-	(2,261)	(1,139)	18,628
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Funds</b>	£107,921	£55,338	£54,163	£(2,261)	£-	£106,835
	<hr/>	<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.

**16. TRANSFER BETWEEN FUNDS**

The transfer between unrestricted and restricted funds relates to the parish retreat paid out of the Michael Alderson Fund.