

EAST+LEIGH PARISH

Full title: the Parochial Church Council of the Ecclesiastical Parish of Eastleigh

Annual Report and Accounts 2020

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Annual Report

Charitable Objects - what do we exist to do?

It is appropriate to start this the first report of the new charity with what the PCC is trying to achieve.

As part of the Church of England (CoE) the charity now known as *the Parochial Church Council of the Ecclesiastical Parish of Eastleigh* is here to serve the people of our town. For centuries the CoE has offered help at times of both great celebration and tremendous sadness, as well as in the day-to-day lives we all lead. Even though times are always changing, our faith in the resurrection of Jesus Christ is still the same as it has always been. See www.eastleighparish.com

Outputs - what have we achieved?

Our **Mission output** is central to who we are. In 2020 we have built stronger links with international and local mission partners. *Abroad*, our main mission partners are in Guatemala and Israel. Support to the Israeli work has been hard in lockdown, but our Christian medical missionaries in Guatemala found their son had cancer and we have been assisting. Also the PCC has provided funding support *locally* to: Christians Against Poverty; Street Pastors; and supports the local church family through Churches Together in Eastleigh, all as part of the wider mission of the church. Also locally, as part of the CoE, we provide financial support to our Diocese (as our mother church) through the Common Mission Fund. Mission spending was 55% of total income in 2020.

With 23,000 16-18 year old students in the Parish in the daytime, we explored a local mission opportunity to partner with the Deanery in funding a Student Ambassador, but it didn't mature. In February, we recruited two Children and Families Ministers (as a job share), who resigned in their probation period. In September, we remodelled the work and an exciting new Youth and Children's Minister (YCM) ended his probation at year end.

However, the financial mission output of the charity must not disguise the broader mission output of our church community. 2020 has seen us reinforce these links locally in key ways, including through support to the wider parish through our COVID response plan (entertainment events, phone calls, food and financial needs). Our parishoners also volunteer with Acts of Random Kindness (ARK) Eastleigh, Eastleigh Street Pastors, provide food for the Basics Bank and abroad support by volunteering for Friends of African Nurses and the disaster response charity Wings Like Eagles.

Our **Fellowship output** has really been tested in the COVID crisis, not least through making every effort to provide church services and a health giving sense of community to our parishoners. This has included up to 4 services per week, facilitated by video and telephone connectivity. Early services and events in the lockdown had sufficient reach to attract people from Belgium and Russia, as well as across the UK.

Our **Support outputs** cover the administration of the church family and the running of the buildings as a witness to Christ and for revenue. Much of this is now voluntary work since the paid Administrator resigned in 2019. Funding a replacement has been not been possible in 2020. So, like the comment under Mission above, the much of the investment of our church family in supporting the parish cannot be seen in financial terms. That said, a new gas boiler was installed in the All Saints Church Hall/Meeting Room; we repaired a leak that developed in the Church Building roof; and expenditure was required for COVID to make the sites compliant.

Overview

Eastleigh Parish was in transition in 2020. We reached a major milestone as we registered as an independent charity and so we audited the community achievements since recruiting our vicar, Rev Ian Fletcher in 2014. We have achieved all the aspirations of the Parish Profile that brought him. We are so grateful to God for this. This and an APCM delayed by COVID gave the opportunity to look forward with God; looking at His aspirations for this Christian community. It has been exciting and rewarding building a vision for a deeper community and exploring what God is doing around us. Thank you so much for your support.

So we look and move forward. The delayed APCM presented the Mission for the next stage of EPC which is to be *disciplemaking disciples* and a Vision to be *a community of discipleship groups*. The prospects are exciting!

Communications

Website: www.eastleighparish.com

Twitter: @eastleighparish

Facebook: [Facebook.com/eastleighparish](https://www.facebook.com/eastleighparish)

Annual Report - continued

Legal Framework, including Public Benefit test, Constitution, Compliance, Risk and Advisors

Public benefit test

The Charity Commission website lists the people we benefit as: children /young people, elderly /old people, people with disabilities, other charities or voluntary bodies and the General Public. How we do it is also listed: making grants to individuals and organisations, providing buildings, facilities and open space, and perhaps most importantly providing services.

Constitution

We are charity number 1889594 registered in England and Wales with the Charity Commission. Our constitution like all CofE derived charities is in the Parochial Church Council Powers Measure 1956 (as amended) and the Church Representation Rules (that came into force on 2 January 1957 and are subsequently amended). The PCC is the governing body and had 13 trustees on 31 December 2020.

The Church Representational Rules changed significantly in 2020 and we are evolving in response.

On 31 December 2020, the PCC held no funds as custodian trustee for other charities. Our last organisational quinquennial inspection by the archdeacon was in November 2019.

As to property and buildings, the church lands and buildings are registered with the Land Registry to the Winchester Diocesan Board of Finance, and the PCC acts as managing trustee. Please ask if you require details of the consecrations / deconsecrations and dedications of the two sites. The next quinquennial architectural inspection is due in September 2021.

Compliance

The PCC reviews its safeguarding , financial, data protection and health and safety policies annually.

Reporting

The PCC reports its financial position and performance to the Charity Commission, to Winchester Diocese and to the wider Church of England annually. It provides its Electoral Roll report and its Statistics for Mission report annually to appropriate authorities.

Risk

The PCC's approach to risk is stated in the Financial Report below. The last insurance risk valuation of the All Saints site was on 10 February 2020, and of the St Francis site in 2012. The St Francis site valuation has been updated in line with changes in property prices.

Advisors

Bank

Lloyd's Bank

Lawyers

Via its insurers

Insurance

Ecclesiastical

Architectural /Surveys

Ryan Bunce & Co, RICS



Chair of PCC/Trustees

Rev Ian Fletcher

Mar-21

Financial Review 2020

These are the first accounts prepared on an accruals basis and the first accounts for the new charity: the Parochial Church Council of the Ecclesiastical Parish of Eastleigh Church (registered as trading as Eastleigh Parish with the Charity Commission), charity number 1189594 on 21 May 2020.

Performance

The PCC's **income** for the year ended 31 December 2020 was £100,426 (2019: £117,037 on an accrual basis). This 14% reduction on 2019 was caused by the COVID protection measures of the National Church and the government. For example, hiring income (normally about 40% of total income) declined by £17,708. And income only remained over £100,000 because of a £10,000 legacy and £6,380 in unplanned donations to the Parish Hardship Fund. Thus, with the use of 21% of the PCC's 2020 income already designated by donors and with a 14% drop in total income, PCC saw its unrestricted income reduced by 35% in 2020.

Expenditure was £83,544 (2019: £95,340). PCC maintained its moratorium on spending through the year. Funds were focused into *Mission* (2020: 55% of income; 2019: 42%) as Eastleigh folk were hit the debilitating health, financial and social storms of COVID-19's illnesses and measures. As the charity was also hit by much reduced unrestricted income, the PCC had to make tough decisions on the Diocesan Common Mission Fund, which was reduced by 9%. *Fellowship* was also important for the church family and made up 17% of 2020's spending (2019: 28%), but meetings were restricted to electronic means for much of the year. The Hall's new boiler took spending to *Support Hirings* up to 9% of expenditure (2019: 6%), whilst *Other Support* costs were pruned to 2% (2019: 7%).

2020 total income was £16,883 more than expenditure (2019: £9,709), but £18,475 of the PCC's 2020 income was designated or restricted. ***Thus the PCC overspent its unrestricted income by £1,592 (1.9%) (2019: 1.7% overspend). This should not disguise a demanding year.***

Position

The charity was valued at £64,237 at year end (31Dec19: £47,353) and its reserves are organised into unrestricted (£170 short of target), designated and restricted funds as described in the Notes below.

Basis of accounts

Historically, the PCC's Accounts have been prepared on the Receipts and Payments basis, but due to the increase in gross income in 2019, the PCC decided to present its Accounts on an accruals basis using the historical costs convention. So the published 2019 figures are restated on an accrual basis in this Report and, exceptionally where it assists better to understand the transition to accruals, the 2019 figures are sometimes shown on a Receipts and Payments basis in the Notes so that the financial position and performance of the charity are transparent.

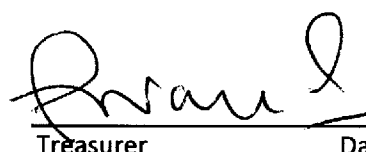
Responsibilities of the members of the PCC in relation to the Accounts

The PCC of Eastleigh Parish is responsible for all parish finance, its management and control, including the appointment of a suitable treasurer. Its legal responsibilities include:

- * Keeping proper accounting records, which are sufficient to show & explain all the PCC's transactions
- * Ensuring that the finances of the PCC of Eastleigh are under its control & only delegated if the PCC can ensure that its wishes are being followed;
- * Preparing the annual accounts and a report, which shall be presented to the Annual Parochial Church Meeting in accordance with the requirements of the Church Representation Rules
- * Arranging an independent examination of the accounts.

This shows how the PCC seeks fully to discharge its accounting responsibilities under Part 8 of the Charities Act 2011.

Approved by the PCC and signed on its behalf by:



Treasurer

Dated

13 Mar-21
May

Independent Examiner's Report
to the Trustees of The Parochial Church Council of the Ecclesiastical Parish of Eastleigh

I report on the accounts of the charity for the year ended 31 December 2020 which are set out on pages 6 to 16.

Respective responsibilities of Trustees and Examiner

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

It is my responsibility to:

Examine the accounts under section 145 of the 2011 Act;

To follow the procedures laid down in the General Direction given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act); and

To state whether particular matters have come to my attention.

Basis of Independent Examiner's report:

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

Independent examiner's statement

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

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

which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the requirements of the 2011 Act have not been met; or

to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mrs Erica Parker FCCA

Greyholme
Lumby Drive
Ringwood
Hants

21 March 2021

Statement of Financial Activities

For the year ended 31 December 2020

| | Notes | Unrestricted Funds | Designated Funds | Restricted Funds | Total Funds 2020 | Total Funds 2019 |
|--|-----------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
| Incoming resources | | £ | £ | £ | £ | £ |
| Donations and legacies | 2 | 52,720 | 11,783 | 10,338 | 74,840 | 73,495 |
| Fees | 2 | 970 | 0 | 0 | 970 | 2,524 |
| Fundraising activities | 2 | 145 | 0 | 0 | 145 | 709 |
| Hiring income | 2 | 20,563 | 2,029 | 0 | 22,592 | 40,300 |
| Investment income | 2 | 1,880 | 0 | 0 | 1,880 | 9 |
| Total incoming resources | | 76,277 | 13,812 | 10,338 | 100,426 | 117,037 |
| Resources expended | | | | | | |
| Mission and Evangelism | 3 | 41,350 | 14,107 | 56 | 55,513 | 48,655 |
| Fellowship & Services | 3 | 17,562 | 0 | 0 | 17,562 | 32,244 |
| Support to hiring income | 3 | 5,728 | 2,950 | 0 | 8,678 | 6,545 |
| Other support costs | 3 | 1,734 | 0 | 0 | 1,734 | 7,665 |
| Costs of fundraising | 11 | 57 | 0 | 0 | 57 | 231 |
| Total resources expended | | 66,430 | 17,057 | 56 | 83,544 | 95,340 |
| Net incoming/ (outgoing) resources before transfers | | 9,847 | (3,245) | 10,282 | 16,883 | 21,698 |
| Transfers between funds in / (out) | 7 | (11,439) | 8,939 | 2,500 | 0 | |
| Net movement in funds | | -£ 1,592 | £ 5,694 | £ 12,782 | £ 16,883 | £ 21,698 |
| Funds at 1 January 2020 | | £ 28,427 | £ 12,870 | £ 6,056 | £ 47,353 | £ 25,655 |
| Funds at 31 December 2020 | | £ 26,835 | £ 18,564 | £ 18,838 | £ 64,237 | £ 47,353 |
| Represented by: | | | | | | |
| Unrestricted | General Fund | £ 26,835 | £ - | £ - | £ 26,835 | £ 28,427 |
| Restricted | Car Park | £ - | £ - | £ 8,500 | £ 8,500 | £ 6,000 |
| | Christmas | £ - | £ - | £ 338 | £ 338 | £ 56 |
| | Lady Chapel | £ - | £ - | £ 10,000 | £ 10,000 | £ - |
| Designated | Parish Hardship | £ - | £ 6,680 | £ - | £ 6,680 | £ 299 |
| | Youth & Children's Ministry | £ - | £ 9,829 | £ - | £ 9,829 | £ 10,401 |
| | Overseas Mission | £ - | £ 477 | £ - | £ 477 | £ 1,527 |
| | Building Maintenance | £ - | £ 1,578 | £ - | £ 1,578 | £ - |
| | Vicar's fund | £ - | £ - | £ - | £ - | £ 285 |
| | Flowers | £ - | £ - | £ - | £ - | £ 358 |
| Total | | £ 26,835 | £ 18,564 | £ 18,838 | £ 64,237 | £ 47,353 |

Balance Sheet

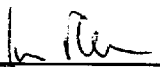
For the year ended 31 December 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|-----------------|-----------------|
| <u>Current Assets</u> | | | |
| Debtors and prepayments | 4 | £ 2,536 | £ 24,988 |
| Cash at Bank and in hand | 5 | £ 67,841 | £ 24,815 |
| Total Current assets | | £ 70,377 | £ 49,803 |
| <u>Liabilities</u> | | | |
| Creditors: amounts falling due within 1 year | 6 | £ 6,141 | £ 2,450 |
| Net Current Assets | | £ 64,237 | £ 47,353 |

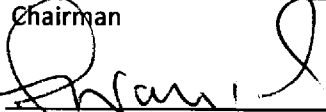
| | | | |
|---|---|-----------------|-----------------|
| <u>Represented by:</u> | | 2020 | 2019 |
| Unrestricted funds | 7 | £ 26,835 | £ 28,427 |
| Restricted fund - Car park | 7 | £ 8,500 | £ 6,000 |
| Restricted - Christmas Collections | 7 | £ 338 | £ 56 |
| Restricted Legacy - Lady Chapel Fund | 7 | £ 10,000 | £ - |
| Desig Fund - Children/Families Min (now Youth&Children) | 7 | £ 9,829 | £ 10,401 |
| Desig Fund - Parish Hardship | 7 | £ 6,680 | £ 299 |
| Desig Fund - Overseas Missions & Relief | 7 | £ 477 | £ 1,527 |
| Desig Fund - Building Maintenance | 7 | £ 1,579 | £ - |
| Desig Fund - Vicar Fund | 7 | £ - | £ 285 |
| Desig Fund - Flowers | 7 | £ - | £ 358 |
| Total funds | | £ 64,237 | £ 47,353 |

| | | |
|---|----------|----------|
| PCC unrestricted reserves target (3 months unrestricted expenditure): | £ 27,000 | £ 27,000 |
| Achievement of PCC reserves target: | 99% | 105% |

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



 Chairman



 Treasurer

 13-5-2021

 Date

Notes to the Accounts

1. Accounting Policies

Basis of financial statements

- a. The financial statements have been prepared under the Church Accounting Regulations 2006, in accordance with applicable accounting standards, and the current Statement of Recommended Practice, Accounting and Reporting by Charities (SORP), and applicable accounting standard FRS 102.
- b. These annual financial statements have been prepared under the historic cost convention. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.
- c. On 20 January 2020, the PCC adopted the Financial Policies and Procedures which underpin these annual financial statements. These policies were amended to reflect the PCC becoming a new charity and are available on request. This is the first year that the annual accounts have been prepared using accruals accounting.
- d. During the financial year of these annual financial statements the PCC of Eastleigh Parish became registered with the Charity Commission of England and Wales and its legal identity changed to *the Parochial Church Council of the Ecclesiastical Parish of Eastleigh*: short title *Eastleigh Parish Church*. Its charity number is 1189594.

Fund accounting

- e. Unrestricted funds are income funds that are to be spent on the PCC's general purposes.
- f. Designated funds are general funds set aside by the PCC for use in the future. Project funds are designated for particular projects for administration purposes only. Designated funds remain unrestricted and the PCC may move any surplus to other general funds.
- g. Restricted funds comprise 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 an average balance basis.

Incoming resources

- h. Planned giving, collections and similar donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate are received. Grants and legacies are accounted for when the PCC is entitled to the use of the resources, their ultimate receipt is considered reasonably certain and the amounts due are readily quantifiable. Interest is accounted for as and when accrued by the payer. All incoming resources are accounted for gross.

Resources expended

- i. Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share (Common Mission Fund) expected to be paid is accounted for monthly when due. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

- j. Consecrated and benefice property is not included in the accounts in accordance with s.10(2)(a) and (c) of the Charities Act 2011.
- k. Movable church furnishings held by the vicar and church wardens on special trust for the PCC (and which require a faculty for disposal) are inalienable property, are listed in the church's inventory and which can be inspected (at any reasonable time). For anything acquired prior to 2010 there is insufficient cost information available and therefore such assets are not valued in the financial statements.
- l. New fixtures, fittings, and equipment used within the church premises with a purchase cost of £10,000 or more are capitalised as assets and depreciated on a straight line basis over each asset's estimated useful life. Individual items of equipment with a purchase price of less than £10,000 are written off when the asset is acquired.

2. Incoming resources

| | Notes | Unrestricted Funds | Designated Funds | Restricted Funds | Total 2020 | Total 2019 |
|--|-------|--------------------|------------------|------------------|----------------|----------------|
| | a | £ | £ | £ | £ | £ |
| <i>See Note below</i> | | | | | | |
| <i>Incoming resources from donations and legacies</i> | | | | | | |
| Planned Giving | | 41,257 | 3,668 | 20 | 44,945 | 59,902 |
| Offertory and unplanned giving | b | 1,226 | 7,055 | 250 | 8,530 | 353 |
| Gift Aid & GASDS | | 10,213 | 1,060 | 68 | 11,340 | 11,842 |
| Legacies & Bequests | c | 25 | 0 | 10,000 | 10,025 | 1,398 |
| SubTotal | | 52,720 | 11,783 | 10,338 | 74,840 | 73,495 |
| <i>Incoming resources from fees</i> | | | | | | |
| Wedding, Funeral & Baptism fees | | 970 | 0 | 0 | 970 | 2,524 |
| Cumulative total | | 53,690 | 11,783 | 10,338 | 75,810 | 76,019 |
| <i>Income from fundraising activities</i> | | | | | | |
| Fundraising Coffee mornings | | 145 | 0 | 0 | 145 | 709 |
| SubTotal | | 145 | 0 | 0 | 145 | 709 |
| <i>Income from rental and hirings</i> | | | | | | |
| Hiring Income - St Francis | | 10,566 | 406 | 0 | 10,972 | 26,672 |
| Hiring Income - Meeting Room | | 9,997 | 1,623 | 0 | 11,620 | 13,018 |
| Hiring Income - All Saints Church Building | | 0 | 0 | 0 | 0 | 610 |
| SubTotal | | 20,563 | 2,029 | 0 | 22,592 | 40,300 |
| <i>Investment income</i> | | | | | | |
| Bank interest | | 18 | 0 | 0 | 18 | 9 |
| Income from Rebates & Overpayments | d | 1,862 | 0 | 0 | 1,862 | 0 |
| SubTotal | | 1,880 | 0 | 0 | 1,880 | 9 |
| Total incoming resources | | 76,277 | 13,812 | 10,338 | 100,426 | 117,037 |

a. Incoming resources for 2019 have been corrected from the PCC's 2019 Annual Financial Statements in two ways to account for the transition to accrual accounting. They are corrected firstly by showing the Gift Aid and GASDS accrued in 2019 but not collected from HM Revenue and Customs (£23,387 - shown as a prepayment); and secondly they are corrected by the rental income accrued for December 2019 which was invoiced on 31 December but not collected (£1,867). All outstanding Gift Aid and GASDS was collected in 2020.

b. COVID 19 caused: drops in routine giving by 12%; hiring income by 44%; fees by 62% and fundraising by 80%. Giving only rose on 2019 because of a £10,000 legacy. £6,380 of unplanned gifts went the Parish Hardship Fund.

c. The PCC gladly received a legacy of £10,000, restricted to developing the Lady Chapel. A new Fund was started.

d. It was identified that for years the PCC had been overpaying VAT on a utility. A rebate of £1,862 was received.

3. Resources expended

| | Note | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | Total 2020 £ | Total 2019 £ |
|---|----------|----------------------------|--------------------------|--------------------------|-----------------|-----------------|
| Mission & Evangelism | a | | | | | See Note below |
| Mission - Overseas donations | b | 0 | 1,934 | 56 | 1,990 | 0 |
| Mission - Home donations | c | 1,455 | 0 | 0 | 1,455 | 868 |
| Mission - own evangelism etc | | 0 | 0 | 0 | 0 | 4,986 |
| Outreach - incl website | | 390 | 0 | 0 | 390 | 200 |
| Mission - Visiting missionaries | | 0 | 0 | 0 | 0 | 101 |
| Common Mission Fund | d | 36,150 | 0 | 0 | 36,150 | 37,020 |
| Mission - Clergy Expenses | e | 1,189 | 0 | 0 | 1,189 | 1,974 |
| Clergy Support equipment | | 194 | 0 | 0 | 194 | 1,169 |
| Mission Salaries - CFM/Pastor/Intern | | 1,157 | 12,173 | 0 | 13,330 | 2,338 |
| CFM/Pastor/Intern support equipment | | 755 | 0 | 0 | 755 | 0 |
| CFM/Pastor/Intern support costs | | 60 | 0 | 0 | 60 | 0 |
| SubTotals | a | 41,350 | 14,107 | 56 | 55,513 | 48,655 |
| Fellowship | f | | | | | |
| Fellowship - All Saints Utilities | g | 3,338 | 0 | 0 | 3,338 | 9,827 |
| Fellowship - All Saints Building Maint | | 2,891 | 0 | 0 | 2,891 | 6,062 |
| Fellowship - All Saints Insurance | h | 3,903 | 0 | 0 | 3,903 | 3,803 |
| Fellowship Cost of services incl kitchen | | 432 | 0 | 0 | 432 | 1,490 |
| Fellowship - Salaries & Wages - Vergers | | 0 | 0 | 0 | 0 | 175 |
| Fellowship - All Saints Clean & Garden | | 1,297 | 0 | 0 | 1,297 | 2,888 |
| Fellowship - Flowers | | 200 | 0 | 0 | 200 | 200 |
| Fellowship - Pastoral | | 195 | 0 | 0 | 195 | 1,366 |
| Fellowship - Sound and AV equipment | | 907 | 0 | 0 | 907 | 528 |
| Fellowship - Music, Organ, choir, RSCM | | 196 | 0 | 0 | 196 | 1,155 |
| Fellowship - Organists & worship leaders | | 2,200 | 0 | 0 | 2,200 | 2,710 |
| Fellowship - Sector Ministries | | 240 | 0 | 0 | 240 | 1,596 |
| Advertising | | 0 | 0 | 0 | 0 | 12 |
| COVID financial costs | i | 1,794 | 0 | 0 | 1,794 | 0 |
| Miscellaneous expenses | | 0 | 0 | 0 | 0 | 256 |
| Adjustments | | -32 | 0 | 0 | -32 | 175 |
| SubTotals | i | 17,562 | 0 | 0 | 17,562 | 32,244 |
| Support to Rental Income | | | | | | |
| St Francis - Utilities, Insurance & Clean | g | 3,252 | 0 | 0 | 3,252 | 4,056 |
| St Francis - Maintenance | j | 213 | 0 | 0 | 213 | 266 |
| Meeting Rm - Utilities, Insurance & Clean | g | 2,223 | 0 | 0 | 2,223 | 2,175 |
| Meeting Room - Maintenance | j | 39 | 2,950 | 0 | 2,989 | 48 |
| SubTotals | | 5,728 | 2,950 | 0 | 8,678 | 6,545 |
| Other support costs | k | | | | | |
| Costs of fundraising | Note 11 | 57 | 0 | 0 | 57 | 231 |
| Vehicles and travel expenses | | 144 | 0 | 0 | 144 | 0 |
| Office Salaries - Administrator | | 314 | 0 | 0 | 314 | 2,614 |
| Office&Admin expenses - incl phone, IT | | 452 | 0 | 0 | 452 | 1,938 |
| Office - Stationary, Printing, Postage + | | 333 | 0 | 0 | 333 | 1,478 |
| Office equipment bought - incl furniture | | 27 | 0 | 0 | 27 | 399 |
| Governance | | 142 | 0 | 0 | 142 | 66 |
| Audit and Accountancy Fees | | 0 | 0 | 0 | 0 | 61 |
| Training and ministry development costs | | 151 | 0 | 0 | 151 | 624 |
| Bank Charges | | 171 | 0 | 0 | 171 | 254 |
| SubTotals | | 1,791 | 0 | 0 | 1,791 | 7,665 |
| Total resources expended | | 66,430 | 17,057 | 56 | 83,544 | 95,108 |

3. Resources expended (continued)**Mission and Evangelism**

- a. The PCC's commitment to mission is strong. Mission spending grew by 14% on 2019, when income dropped by 14%. The biggest change has been in Youth/Children's Ministry. Michael Weatherall was confirmed in post at the end of the year. Welcome! Mission spending is now 55% of income. The Diocese consumed 65% of that.
- b. The PCC's overseas donations grew substantially, supporting the global church, and using both the 2019 Christmas Collection and the Overseas Mission Fund which was unused for several years.
- c. Home donations included support to the Eastleigh Street Pastors, and Acts of Random Kindness (ARK).
- d. Government/Church COVID 19 restrictions reduced overall income by 14% (£16,611). The PCC reduced Common Mission Fund payments (the largest outgoing) proportionately. By the year end against the Diocesan request for £39,784, the charity paid £36,150 (91%); protecting the wider church from the full COVID impact.
- e. Clergy expenses comprise the ministerial expenses of the Incumbent, not of his office as Chair of the PCC.

Fellowship and Church services

- f. The COVID pandemic has significantly reduced the costs and use of the buildings for worship in 2020.
- g. The PCC has transitioned to greener energy and made total utilities savings of £7,336 on 2019.
- h. In order better to report to the National Church, insurance costs have been broken away from utilities costs.
- i. Significant effort has been applied in running church services in person where this has been possible. This resulted in expenses on masks, sanitisers, signs, and other equipment: some will go into the Terrier inventory.

Support to rental income

- j. PCC established a designated Buildings' Maintenance Fund, to help protect hiring income. The fund receives 20% of hiring income, and it paid for the replacement of the >20 year old Meeting Room boiler in October 2020, saving more

Other support costs

- k. 2020 has been a difficult year for parish support, with no Administrator. Volunteers, short term projects have been used, but PCC members were doing much of the work until a casual administrator volunteered.
- l. Costs of fundraising reflect the need to produce new giving envelopes with the name of the charity, and the postage to reclaim value from the foreign coins deposited in collections. Also see Note 11 below.

4. Debtors & Prepayments

| | 2020 £ | 2019 £ |
|---|--------------|---------------|
| Unrestricted Funds | | |
| Unrestricted Gift Aid and GASDS recoverable | 1,516 | 23,282 |
| Other Debtors & Prepayments | 930 | 1602 |
| Total unrestricted | 2,446 | 24,883 |
| Designated Funds | | |
| Designated Gift Aid recoverable | 90 | 105 |
| Total designated | 90 | 105 |
| Restricted Funds | | |
| Restricted Gift Aid recoverable | 0 | 0 |
| Total restricted | 0 | 0 |
| Total Debtors and Prepayments | 2,536 | 24,988 |

The PCC recovered all outstanding 2018 and 2019 Gift Aid and GASDS in 2020.

5. Cash at bank and in hand

| | 2020 £ | 2019 £ |
|---------------------------------------|------------------|---------------|
| PCC Current Account | 1,750 | 1,250 |
| PCC Deposit Account | 65,314 | 22,617 |
| NS&I account | 5b 676 | 676 |
| Petty Cash | 12 | 0 |
| Flower Petty Cash account | 5c 0 | 238 |
| Operations Petty Cash account | 90 | 34 |
| Total cash at bank and in hand | 5a 67,841 | 24,815 |

5a. Cash funds grew by 277% due to the collection of overdue Gift Aid.

5b. Extensive effort has been made to trace the NS&I account in the General Funds: to no avail by 31 Dec 20.

6. Creditors: amounts falling due within 1 year**Unrestricted Funds**

| | 2020 £ | 2019 £ |
|---|--------------|--------------|
| Unclaimed breaches of moratorium from 2019 & 2020 | 1,373 | 1,150 |
| Unpaid older invoices (rebates for utilities over charging) | -840 | 950 |
| Unpaid purchases Dec 20 | 5,120 | 350 |
| Resolution of National Insurance contributions | 189 | 0 |
| Resolution of NEST contributions | 298 | 0 |
| | 6,141 | 2,450 |

Designated Funds

| | | |
|--|----------|----------|
| | 0 | 0 |
|--|----------|----------|

Restricted Funds

| | | |
|--|----------|----------|
| | 0 | 0 |
|--|----------|----------|

| | | |
|--------------|--------------|--------------|
| Total | 6,141 | 2,450 |
|--------------|--------------|--------------|

7. Funds**a. Fund descriptions****i. Unrestricted funds**

| Name of Fund | Type of Fund | Purpose of Fund | Record | Plans for Funds |
|---------------------------|---------------------------|---|--------------------------|---|
| PCC Business Account | Bank Current Account | Routine Operations | Bank Statements | Continuous |
| PCC Business Bank Instant | Bank Deposit Account | Backup funds for Routine Operations | Bank Statements | Continuous –transfer trigger to above at £1750. |
| National Savings | Deposit Fund | Savings | Worked to locate in 2020 | NS&I deny existence. Corporate memory cannot locate. Still searching. |
| Petty Cash 1 | Cash for treasurer work | Routine – this is the main cash account | Quickfile | Continuous |
| Petty Cash 2 | Cash float for operations | Routine operations costs | Cash Book | Continuous |
| Petty Cash 3 | Cash for flowers | Routine flower costs | Cash Book | Closed in November 2020. |

ii. Designated funds

| Name of Desig Fund | Type of Fund | Purposes of Fund | Basis of Income | Expenditure Plans |
|---|--|---|-----------------------------------|--|
| Children & Families Minister Fund (renamed Youth & Children's Ministry Fund in Jan 2021) | Designated income fund – started 2018 | To accumulate funds for a Children and Families Minister ((CFM) now YCM) | Designated bank and PGS income | Spend 2021. Topped up Dec 20, so 50% of 1 year pay in fund, so that CFM probation could be ended and contract offered. |
| Parish Hardship Fund | Designated income fund –started Dec 19 | For donations to individuals in cases of hardship | Direct donations/PC C decisions | Continuous lookout by PCC and Vicar, includes COVID support costs. |
| Overseas Missions & Relief Agencies. Renamed Overseas Mission fund. | Designated income fund – start unknown | To help EPC to focus on overseas & relief too. | 10% of coffee fundraising revenue | Largely for mission partners. |
| Building Maintenance Fund | Designated income fund - started 20 Jul 2020 | Based on historic costs since 2014, this reserve protects the General Fund from spikes from short notice maintenance costs. | 20% of hiring revenue | To accumulate and spend on building contingencies |

III. Restricted funds

| Name of Restr Fund | Type of Restricted Fund | Purposes of Restricted Fund | Documentat ion proving Restriction | Plans to spend funds made? |
|-------------------------------------|--|--|--|---|
| Car Park Fund | Restricted income fund – started November 2019 | To build the EPC All Saints church site car park | Restricted Donation from 2019 Harvest Appeal | PCC topped up fund in Nov 19 and Apr 20. Estimate in. Awaiting Faculty. |
| Lady Chapel Fund (started Feb 2020) | Restricted income fund | Legacy from K Clarke | Will | Faculty broadly agreed Dec20. Estimate due Jan21. |

b. Fund details

| | Notes | | | | | |
|--|---------------------|----------------------------|--------------------|--------------------|--------------------|---------------------------|
| | | Balances at 1 January 2020 | Incoming resources | Resources expended | Transfers in (out) | Balances 31 December 2020 |
| | | £ | £ | £ | £ | £ |
| <u>Unrestricted Funds</u> | | | | | | |
| General Fund | | 28,427 | 76,277 | 66,430 | -11,439 | 26,835 |
| <u>Designated Funds</u> | | | | | | |
| | Receipts & Payments | Accruals | | | | |
| Children's & Families Minister (now YCM) | 9,881 1 | 10,401 | 4,585 | 12,157 | 7,000 | 9,829 |
| Parish Hardship Fund | 75 2 | 299 | 7,113 | 732 | 0 | 6,680 |
| Overseas Missions & Relief Agencies. | 1,527 | 1,527 | 0 | 1,050 | 0 | 477 |
| Building Maintenance Fund | 0 3 | 0 | 2,029 | 2,950 | 2500 | 1,579 |
| Vicar's fund | | 285 | | | -285 | 0 |
| Flower fund (cash) | 358 | 358 | 85 | 168 | -275 | 0 |
| Total Designated | 11,482 | 12,870 | 13,812 | 17,057 | 8,939 | 18,564 |
| <u>Restricted Funds</u> | | | | | | |
| Car Park Fund | 4 | 6,000 | 0 | 0 | 2,500 | 8,500 |
| Christmas Collections | 5 | 56 | 338 | 56 | 0 | 338 |
| Lady Chapel Fund (started Feb 2020) | | 0 | 10,000 | 0 | 0 | 10,000 |
| Legacy hardship fund | 6 | 0 | 0 | 0 | 0 | 0 |
| Total Restricted | | 6,056 | 10,338 | 56 | 2,500 | 18,838 |
| Total Restricted and Designated | | 18,926 | 24,149 | 17,113 | 11,439 | 37,402 |
| Totals | | £ 47,353 | £ 100,426 | £ 83,543 | £ - | £ 64,237 |

7b1. The Children & Families Ministry (CFM) role was renamed Youth and Children's Minister (YCM) in September 2020 at recruitment of a new minister. Funds come in directly from designated donations, and funds go out directly in YCM pay and ministry costs. PCC topped up this fund up by £4,000 at its July Meeting and Standing Committee (SC) added a further £3,000 in December so that a contract could be offered.

7b2. The Vicar's Discretionary Fund was renamed the Parish Hardship Fund. In 2020 funds were donated to care for those in straightened circumstances because of the COVID 19 pandemic. We are most grateful.

7b3. The new Buildings Maintenance Fund paid for a new, and thermally far more efficient boiler for the Meeting Room (All Saints Church Hall) in Oct 20, helping to *Green* the parish, see Note 13.

7b4. The restricted Car Park Fund was topped up in Jul 20 to meet the estimate. Diocesan approval is awaited.

7b5. Rather than establishing a new fund each year, the 2019 Collection Fund was renamed *Christmas Collections fund*, and allow its funds to be restricted to the causes announced by PCC. The 2020 appeal raised £250 (which with Gift Aid) which was added to the fund on 31 Dec 20.

7b7. In 2020 a legacy from the year 1934 was discovered, now restricted to the needy in the Parish. These funds are held by the Diocese of Winchester. They are noted here for the first time. See Note 14.

c. Transfers between funds

| <u>From</u> | <u>To</u> | <u>Amount</u> | <u>Authority</u> |
|------------------------|----------------------------|-----------------|---|
| General Funds | CFM (now YCM) Fund | 4000 | PCC to help recruiting a new minister. |
| General Funds | CFM (now YCM) Fund | 3000 | SC to allow a contract to be offered. |
| Flower fund | General Funds | -275 | On closure of designated Flower fund. |
| General Funds | Buildings Maintenance Fund | 2500 | PCC to initiate the fund |
| Vicar's fund | General Funds | -285 | On closure of designated Vicar's fund. |
| General Funds | Car Park | 2,500 | PCC decision to top up fund to estimate |
| Total Transfers | | £ 11,440 | |

8. Assets and Liabilities by Fund type

| <u>Unrestricted funds</u> | <u>Unrestricted</u> | <u>Designated</u> | <u>Restricted</u> | <u>Total</u> |
|---|---------------------|-------------------|-------------------|-----------------|
| Cash at bank | 26,835 | 18,564 | 18,838 | 67,841 |
| Creditors: amounts falling due in one year | (6,141) | 0 | 0 | (6,141) |
| Unrestricted Gift Aid and GASDS recoverable | 1,516 | 90 | 0 | 1,606 |
| Other Debtors & Prepayments | 930 | 0 | 0 | 930 |
| Totals all funds | £ 23,141 | £ 18,654 | £ 18,838 | £ 64,237 |

9. Commitments under Lease Hire Contract

Nil.

10. Hiring Revenues & Costs

a. As the managing trustee for the two sites in the Parish, the PCC sets the rates of hire annually. The significance of hiring income to the PCC accounts is such that the PCC tracks the costs of its rental activities for each building to ensure it is properly discharging its responsibilities. This tracking is reported here for the first time.

b. In October 2019, Winchester Diocese led a seminar of rental income from church halls. During 2020, the PCC has implemented the advice received from the Archdeacon, the Diocesan Board of Finance, the Insurers and Lawyers in its comprehensive review of hiring contracts. These new arrangements were implemented in September 2020, and are now believed to be compliant with the laws and practices of the Church and state.

c. The table below reports the return on capital on each building under the PCC's management. Site values were updated by the PCC's insurers in 2020.

| <u>PCC assessment of return on managed assets</u> | | <u>2020</u> | | | | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------|---------------------|
| | <u>2020 Return (ROCE)</u> | <u>Asset Value (2020)</u> | <u>Incoming resources</u> | <u>Resources expended</u> | <u>2020 Surplus</u> | <u>2019 Surplus</u> |
| | | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| All Saints Building | -0.09% | 11,200,000 | 0 | 10,133 | (10,133) | 610 |
| Meeting Room | 0.29% | 2,800,000 | 11,620 | 3,373 | 8,246 | 10,795 |
| St Francis Building | 1.06% | 720,000 | 10,972 | 3,373 | 7,599 | 22,350 |
| Total | 0.04% | 14,720,000 | 22,592 | 16,879 | 5,713 | 33,755 |

d. The rental income for All Saints Building was nil in 2020. Its insurance and utilities costs are reported here as part of the PCC's stewardship of the sites of the Diocese. In line with the transition to accruals, the 2019 surplus has been reduced by the hirings amounts received in January 2019 which were due in 2018 and increased by the accrued income not received in 2019. Bank interest was 0.1% for much of 2020.

e. The PCC is in no way qualified nor is attempting to produce commercial returns on the capital of these buildings. But it does report the return on capital of 0.04% (2019: 1.9%) as a comparative way to measure the efficient use of the buildings under its management. 2020 returns are badly affected by COVID restrictions.

11. Costs of fundraising

| | 2020 £ | 2019 £ |
|-----------------------------|-----------|------------|
| Costs of fundraising | 57 | 231 |

a. In line with the guidance of the Charity Commission on Charities and Fundraising (CC20), the PCC declares the costs of fundraising for the period. It should be noted that as the figures in this note are reported separately in the Statement of Financial Activities above, the total *Support Costs* figures from Note 3 are reduced in the SOFA by the sums in this Note to avoid double counting.

b. In 2020, the PCC had no contract or other relationship with professional fundraisers, but it does use the Parish Giving Scheme, ChurchSuite, CAF and Stewardship as appropriate to help gather funds and claim Gift Aid. The costs of the Church Suite fundraising package are not broken out from its administrative functions, but are reported under *Other Support Costs* as Office&Admin expenses at Note 2 above.

c. In November 2020, the PCC opened a relationship with Amazon Smile to garner 0.5% of parishioners' online spending with Amazon, at their choice. This way of fundraising is at no cost. PCC has control of no account with Amazon, so no funds are reported here. Any giving over £5 per quarter should be received quarterly about one month after the end of the calendar quarter. At first report (Feb21) there were no funds to transfer.

12. Related Party Transactions

| | 2020 £ | 2019 £ |
|-----------------------------------|--------------|------------|
| Related Party transactions | 1,299 | 160 |

a. Churches face the increasing burdens of regulatory compliance and work on the maintenance of elderly buildings. In 2020, to that load has been added a very strong focus on cleaning our buildings between uses to help stop the spread of the COVID virus. These accumulating burdens, combined with the COVID induced pressures on job survival, on online meetings and on isolation reduces the number of volunteers and puts pressure on the PCC members themselves to meet the increased workload. This results in payments to PCC members for their labour. Such payments are reported here for the first time, a 712% increase on 2019.

b. The constitution of the new charity allows PCC members to be remunerated for work other than as a trustee. 2020: £1158; 2019: nil. In July 2020, two new PCC members joined, one of whom had been remunerated for cleaning the church for several years (total 2020: £746 as a trustee; 2019: nil), later a second new trustee has assisted (both ratified by the Oct PCC)(total 2020: £411; 2019: nil). A family member of two trustees has assisted the office (2020: £141; 2019: £160). Written agreements are in place.

13. 'Green' parish

a. As well as focusing on Jesus' Mission in Eastleigh, in 2020 officers of the PCC actions have also been working to establish foundations for a 'greener' parish. Actions in 2020 include:

- Transition to 100% 'green' electricity from August 2020.
- Reviewing previous initiatives such as 20.46 kW electric solar panels on the church roof. Rejected because of the inadequate structural strength of the roof.
- New much more efficient boiler for the Meeting Room, with a new more responsive control system.
- Better tracking and reporting the energy usage of the Parish.
- Investigating 'greener' gas solutions.
- Investigating better control solutions for heating at St Francis.
- Transition to SMART meters once settled with new energy supplier.
- Viewing glazing the Lady Chapel (legacy in 2020) both as creating a breakout room and as an energy saving measure.

ix. Discussing and reporting environmentally friendly initiatives with the Parish.

b. In 2019, the Parish made first use of the Parish Returns energy assessment for the National Church. It is intended to report this data when it has stabilised, (COVID measures will make the consumption figures unrepresentative) as a way of showing how seriously we are taking not just energy sources, but energy usage.

14. Miles Bequest

In 2020 it was discovered that the will of Miss Ellen Mary Miles had created a registered charity (number 253847) for the upkeep of her mother's grave and for the poor of the Parish of Eastleigh. At some point in the intervening 86 years the PCC lost control of this charity named *Miles Bequest* to Winchester Diocese. The charity records are up to date with the Charity Commission as it has been fully tended and reported by the Winchester Diocesan Board of Finance. The PCC is most grateful for that work. However, the PCC members in common still appear to be the trustees on record for the charity.

With the deconsecration of the graveyard for the development of the adjacent buildings, funds for the upkeep of the grave are no longer required. The PCC does not believe it was the intent of the testatrix for the funds not to have been fully applied to her wishes some 88 years later. So the control of the fund is now being discussed with the Diocese of Winchester. The PCC hopes that the future of these funds will be resolved to mutual satisfaction in 2021. The PCC does not report these funds numerically, as it does not yet control them, but the PCC wishes to note the balance of £5,993 of the Miles Bequest funds in these accounts, in case any responsibilities as custodian trustees arise to them and the charity.

EAST+LEIGH PARISH

Full title: the Parochial Church Council of the Ecclesiastical Parish of Eastleigh

Annual Report and Accounts 2020

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| Notes to the Accounts | 8 to 16 |

Annual Report

Charitable Objects - what do we exist to do?

It is appropriate to start this the first report of the new charity with what the PCC is trying to achieve.

As part of the Church of England (CoE) the charity now known as *the Parochial Church Council of the Ecclesiastical Parish of Eastleigh* is here to serve the people of our town. For centuries the CoE has offered help at times of both great celebration and tremendous sadness, as well as in the day-to-day lives we all lead. Even though times are always changing, our faith in the resurrection of Jesus Christ is still the same as it has always been. See www.eastleighparish.com

Outputs - what have we achieved?

Our **Mission output** is central to who we are. In 2020 we have built stronger links with international and local mission partners. *Abroad*, our main mission partners are in Guatemala and Israel. Support to the Israeli work has been hard in lockdown, but our Christian medical missionaries in Guatemala found their son had cancer and we have been assisting. Also the PCC has provided funding support *locally* to: Christians Against Poverty; Street Pastors; and supports the local church family through Churches Together in Eastleigh, all as part of the wider mission of the church. Also locally, as part of the CoE, we provide financial support to our Diocese (as our mother church) through the Common Mission Fund. Mission spending was 55% of total income in 2020.

With 23,000 16-18 year old students in the Parish in the daytime, we explored a local mission opportunity to partner with the Deanery in funding a Student Ambassador, but it didn't mature. In February, we recruited two Children and Families Ministers (as a job share), who resigned in their probation period. In September, we remodelled the work and an exciting new Youth and Children's Minister (YCM) ended his probation at year end.

However, the financial mission output of the charity must not disguise the broader mission output of our church community. 2020 has seen us reinforce these links locally in key ways, including through support to the wider parish through our COVID response plan (entertainment events, phone calls, food and financial needs). Our parishoners also volunteer with Acts of Random Kindness (ARK) Eastleigh, Eastleigh Street Pastors, provide food for the Basics Bank and abroad support by volunteering for Friends of African Nurses and the disaster response charity Wings Like Eagles.

Our **Fellowship output** has really been tested in the COVID crisis, not least through making every effort to provide church services and a health giving sense of community to our parishoners. This has included up to 4 services per week, facilitated by video and telephone connectivity. Early services and events in the lockdown had sufficient reach to attract people from Belgium and Russia, as well as across the UK.

Our **Support outputs** cover the administration of the church family and the running of the buildings as a witness to Christ and for revenue. Much of this is now voluntary work since the paid Administrator resigned in 2019. Funding a replacement has been not been possible in 2020. So, like the comment under Mission above, the much of the investment of our church family in supporting the parish cannot be seen in financial terms. That said, a new gas boiler was installed in the All Saints Church Hall/Meeting Room; we repaired a leak that developed in the Church Building roof; and expenditure was required for COVID to make the sites compliant.

Overview

Eastleigh Parish was in transition in 2020. We reached a major milestone as we registered as an independent charity and so we audited the community achievements since recruiting our vicar, Rev Ian Fletcher in 2014. We have achieved all the aspirations of the Parish Profile that brought him. We are so grateful to God for this. This and an APCM delayed by COVID gave the opportunity to look forward with God; looking at His aspirations for this Christian community. It has been exciting and rewarding building a vision for a deeper community and exploring what God is doing around us. Thank you so much for your support.

So we look and move forward. The delayed APCM presented the Mission for the next stage of EPC which is to be *disciplemaking disciples* and a Vision to be *a community of discipleship groups*. The prospects are exciting!

Communications

Website: www.eastleighparish.com

Twitter: @eastleighparish

Facebook: [Facebook.com/eastleighparish](https://www.facebook.com/eastleighparish)

Annual Report - continued

Legal Framework, including Public Benefit test, Constitution, Compliance, Risk and Advisors

Public benefit test

The Charity Commission website lists the people we benefit as: children /young people, elderly /old people, people with disabilities, other charities or voluntary bodies and the General Public. How we do it is also listed: making grants to individuals and organisations, providing buildings, facilities and open space, and perhaps most importantly providing services.

Constitution

We are charity number 1889594 registered in England and Wales with the Charity Commission. Our constitution like all CofE derived charities is in the Parochial Church Council Powers Measure 1956 (as amended) and the Church Representation Rules (that came into force on 2 January 1957 and are subsequently amended). The PCC is the governing body and had 13 trustees on 31 December 2020.

The Church Representational Rules changed significantly in 2020 and we are evolving in response.

On 31 December 2020, the PCC held no funds as custodian trustee for other charities. Our last organisational quinquennial inspection by the archdeacon was in November 2019.

As to property and buildings, the church lands and buildings are registered with the Land Registry to the Winchester Diocesan Board of Finance, and the PCC acts as managing trustee. Please ask if you require details of the consecrations / deconsecrations and dedications of the two sites. The next quinquennial architectural inspection is due in September 2021.

Compliance

The PCC reviews its safeguarding , financial, data protection and health and safety policies annually.

Reporting

The PCC reports its financial position and performance to the Charity Commission, to Winchester Diocese and to the wider Church of England annually. It provides its Electoral Roll report and its Statistics for Mission report annually to appropriate authorities.

Risk

The PCC's approach to risk is stated in the Financial Report below. The last insurance risk valuation of the All Saints site was on 10 February 2020, and of the St Francis site in 2012. The St Francis site valuation has been updated in line with changes in property prices.

Advisors

Bank

Lloyd's Bank

Lawyers

Via its insurers

Insurance

Ecclesiastical

Architectural /Surveys

Ryan Bunce & Co, RICS



Chair of PCC/Trustees

Rev Ian Fletcher

Mar-21

Financial Review 2020

These are the first accounts prepared on an accruals basis and the first accounts for the new charity: the Parochial Church Council of the Ecclesiastical Parish of Eastleigh Church (registered as trading as Eastleigh Parish with the Charity Commission), charity number 1189594 on 21 May 2020.

Performance

The PCC's **income** for the year ended 31 December 2020 was £100,426 (2019: £117,037 on an accrual basis). This 14% reduction on 2019 was caused by the COVID protection measures of the National Church and the government. For example, hiring income (normally about 40% of total income) declined by £17,708. And income only remained over £100,000 because of a £10,000 legacy and £6,380 in unplanned donations to the Parish Hardship Fund. Thus, with the use of 21% of the PCC's 2020 income already designated by donors and with a 14% drop in total income, PCC saw its unrestricted income reduced by 35% in 2020.

Expenditure was £83,544 (2019: £95,340). PCC maintained its moratorium on spending through the year. Funds were focused into *Mission* (2020: 55% of income; 2019: 42%) as Eastleigh folk were hit the debilitating health, financial and social storms of COVID-19's illnesses and measures. As the charity was also hit by much reduced unrestricted income, the PCC had to make tough decisions on the Diocesan Common Mission Fund, which was reduced by 9%. *Fellowship* was also important for the church family and made up 17% of 2020's spending (2019: 28%), but meetings were restricted to electronic means for much of the year. The Hall's new boiler took spending to *Support Hirings* up to 9% of expenditure (2019: 6%), whilst *Other Support* costs were pruned to 2% (2019: 7%).

2020 total income was £16,883 more than expenditure (2019: £9,709), but £18,475 of the PCC's 2020 income was designated or restricted. ***Thus the PCC overspent its unrestricted income by £1,592 (1.9%) (2019: 1.7% overspend). This should not disguise a demanding year.***

Position

The charity was valued at £64,237 at year end (31Dec19: £47,353) and its reserves are organised into unrestricted (£170 short of target), designated and restricted funds as described in the Notes below.

Basis of accounts

Historically, the PCC's Accounts have been prepared on the Receipts and Payments basis, but due to the increase in gross income in 2019, the PCC decided to present its Accounts on an accruals basis using the historical costs convention. So the published 2019 figures are restated on an accrual basis in this Report and, exceptionally where it assists better to understand the transition to accruals, the 2019 figures are sometimes shown on a Receipts and Payments basis in the Notes so that the financial position and performance of the charity are transparent.

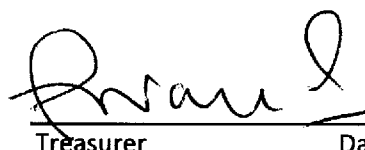
Responsibilities of the members of the PCC in relation to the Accounts

The PCC of Eastleigh Parish is responsible for all parish finance, its management and control, including the appointment of a suitable treasurer. Its legal responsibilities include:

- * Keeping proper accounting records, which are sufficient to show & explain all the PCC's transactions
- * Ensuring that the finances of the PCC of Eastleigh are under its control & only delegated if the PCC can ensure that its wishes are being followed;
- * Preparing the annual accounts and a report, which shall be presented to the Annual Parochial Church Meeting in accordance with the requirements of the Church Representation Rules
- * Arranging an independent examination of the accounts.

This shows how the PCC seeks fully to discharge its accounting responsibilities under Part 8 of the Charities Act 2011.

Approved by the PCC and signed on its behalf by:



Treasurer

Dated

13 Mar-21
May

Independent Examiner's Report
to the Trustees of The Parochial Church Council of the Ecclesiastical Parish of Eastleigh

I report on the accounts of the charity for the year ended 31 December 2020 which are set out on pages 6 to 16.

Respective responsibilities of Trustees and Examiner

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

It is my responsibility to:

Examine the accounts under section 145 of the 2011 Act;

To follow the procedures laid down in the General Direction given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act); and

To state whether particular matters have come to my attention.

Basis of Independent Examiner's report:

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

Independent examiner's statement

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

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

which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the requirements of the 2011 Act have not been met; or

to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mrs Erica Parker FCCA

Greyholme
Lumby Drive
Ringwood
Hants

21 March 2021

Statement of Financial Activities

For the year ended 31 December 2020

| | Notes | Unrestricted Funds | Designated Funds | Restricted Funds | Total Funds 2020 | Total Funds 2019 |
|--|-----------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
| | | £ | £ | £ | £ | £ |
| Incoming resources | | | | | | |
| Donations and legacies | 2 | 52,720 | 11,783 | 10,338 | 74,840 | 73,495 |
| Fees | 2 | 970 | 0 | 0 | 970 | 2,524 |
| Fundraising activities | 2 | 145 | 0 | 0 | 145 | 709 |
| Hiring income | 2 | 20,563 | 2,029 | 0 | 22,592 | 40,300 |
| Investment income | 2 | 1,880 | 0 | 0 | 1,880 | 9 |
| Total incoming resources | | 76,277 | 13,812 | 10,338 | 100,426 | 117,037 |
| Resources expended | | | | | | |
| Mission and Evangelism | 3 | 41,350 | 14,107 | 56 | 55,513 | 48,655 |
| Fellowship & Services | 3 | 17,562 | 0 | 0 | 17,562 | 32,244 |
| Support to hiring income | 3 | 5,728 | 2,950 | 0 | 8,678 | 6,545 |
| Other support costs | 3 | 1,734 | 0 | 0 | 1,734 | 7,665 |
| Costs of fundraising | 11 | 57 | 0 | 0 | 57 | 231 |
| Total resources expended | | 66,430 | 17,057 | 56 | 83,544 | 95,340 |
| Net incoming/ (outgoing) resources before transfers | | 9,847 | (3,245) | 10,282 | 16,883 | 21,698 |
| Transfers between funds in / (out) | 7 | (11,439) | 8,939 | 2,500 | 0 | |
| Net movement in funds | -£ | 1,592 | £ 5,694 | £ 12,782 | £ 16,883 | £ 21,698 |
| Funds at 1 January 2020 | £ | 28,427 | £ 12,870 | £ 6,056 | £ 47,353 | £ 25,655 |
| Funds at 31 December 2020 | £ | 26,835 | £ 18,564 | £ 18,838 | £ 64,237 | £ 47,353 |
| Represented by: | | | | | | |
| Unrestricted | General Fund | £ 26,835 | £ - | £ - | £ 26,835 | £ 28,427 |
| Restricted | Car Park | £ - | £ - | £ 8,500 | £ 8,500 | £ 6,000 |
| | Christmas | £ - | £ - | £ 338 | £ 338 | £ 56 |
| | Lady Chapel | £ - | £ - | £ 10,000 | £ 10,000 | £ - |
| Designated | Parish Hardship | £ - | £ 6,680 | £ - | £ 6,680 | £ 299 |
| | Youth & Children's Ministry | £ - | £ 9,829 | £ - | £ 9,829 | £ 10,401 |
| | Overseas Mission | £ - | £ 477 | £ - | £ 477 | £ 1,527 |
| | Building Maintenance | £ - | £ 1,578 | £ - | £ 1,578 | £ - |
| | Vicar's fund | £ - | £ - | £ - | £ - | £ 285 |
| | Flowers | £ - | £ - | £ - | £ - | £ 358 |
| Total | | £ 26,835 | £ 18,564 | £ 18,838 | £ 64,237 | £ 47,353 |

Balance Sheet

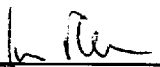
For the year ended 31 December 2020

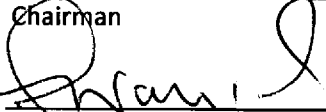
| | Notes | 2020 £ | 2019 £ |
|--|-------|-----------------|-----------------|
| <u>Current Assets</u> | | | |
| Debtors and prepayments | 4 | £ 2,536 | £ 24,988 |
| Cash at Bank and in hand | 5 | £ 67,841 | £ 24,815 |
| Total Current assets | | £ 70,377 | £ 49,803 |
| <u>Liabilities</u> | | | |
| Creditors: amounts falling due within 1 year | 6 | £ 6,141 | £ 2,450 |
| Net Current Assets | | £ 64,237 | £ 47,353 |

| | | | |
|---|---|-----------------|-----------------|
| <u>Represented by:</u> | | 2020 | 2019 |
| Unrestricted funds | 7 | £ 26,835 | £ 28,427 |
| Restricted fund - Car park | 7 | £ 8,500 | £ 6,000 |
| Restricted - Christmas Collections | 7 | £ 338 | £ 56 |
| Restricted Legacy - Lady Chapel Fund | 7 | £ 10,000 | £ - |
| Desig Fund - Children/Families Min (now Youth&Children) | 7 | £ 9,829 | £ 10,401 |
| Desig Fund - Parish Hardship | 7 | £ 6,680 | £ 299 |
| Desig Fund - Overseas Missions & Relief | 7 | £ 477 | £ 1,527 |
| Desig Fund - Building Maintenance | 7 | £ 1,579 | £ - |
| Desig Fund - Vicar Fund | 7 | £ - | £ 285 |
| Desig Fund - Flowers | 7 | £ - | £ 358 |
| Total funds | | £ 64,237 | £ 47,353 |

| | | |
|---|----------|----------|
| PCC unrestricted reserves target (3 months unrestricted expenditure): | £ 27,000 | £ 27,000 |
| Achievement of PCC reserves target: | 99% | 105% |

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


 Chairman


 Treasurer

 13-5-2021
 Date

Notes to the Accounts

1. Accounting Policies

Basis of financial statements

- a. The financial statements have been prepared under the Church Accounting Regulations 2006, in accordance with applicable accounting standards, and the current Statement of Recommended Practice, Accounting and Reporting by Charities (SORP), and applicable accounting standard FRS 102.
- b. These annual financial statements have been prepared under the historic cost convention. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.
- c. On 20 January 2020, the PCC adopted the Financial Policies and Procedures which underpin these annual financial statements. These policies were amended to reflect the PCC becoming a new charity and are available on request. This is the first year that the annual accounts have been prepared using accruals accounting.
- d. During the financial year of these annual financial statements the PCC of Eastleigh Parish became registered with the Charity Commission of England and Wales and its legal identity changed to *the Parochial Church Council of the Ecclesiastical Parish of Eastleigh*: short title *Eastleigh Parish Church*. Its charity number is 1189594.

Fund accounting

- e. Unrestricted funds are income funds that are to be spent on the PCC's general purposes.
- f. Designated funds are general funds set aside by the PCC for use in the future. Project funds are designated for particular projects for administration purposes only. Designated funds remain unrestricted and the PCC may move any surplus to other general funds.
- g. Restricted funds comprise 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 an average balance basis.

Incoming resources

- h. Planned giving, collections and similar donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate are received. Grants and legacies are accounted for when the PCC is entitled to the use of the resources, their ultimate receipt is considered reasonably certain and the amounts due are readily quantifiable. Interest is accounted for as and when accrued by the payer. All incoming resources are accounted for gross.

Resources expended

- i. Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share (Common Mission Fund) expected to be paid is accounted for monthly when due. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

- j. Consecrated and benefice property is not included in the accounts in accordance with s.10(2)(a) and (c) of the Charities Act 2011.
- k. Movable church furnishings held by the vicar and church wardens on special trust for the PCC (and which require a faculty for disposal) are inalienable property, are listed in the church's inventory and which can be inspected (at any reasonable time). For anything acquired prior to 2010 there is insufficient cost information available and therefore such assets are not valued in the financial statements.
- l. New fixtures, fittings, and equipment used within the church premises with a purchase cost of £10,000 or more are capitalised as assets and depreciated on a straight line basis over each asset's estimated useful life. Individual items of equipment with a purchase price of less than £10,000 are written off when the asset is acquired.

2. Incoming resources

| | Notes | Unrestricted Funds | Designated Funds | Restricted Funds | Total 2020 | Total 2019 |
|--|-------|--------------------|------------------|------------------|----------------|----------------|
| | a | £ | £ | £ | £ | £ |
| <i>See Note below</i> | | | | | | |
| <i>Incoming resources from donations and legacies</i> | | | | | | |
| Planned Giving | | 41,257 | 3,668 | 20 | 44,945 | 59,902 |
| Offertory and unplanned giving | b | 1,226 | 7,055 | 250 | 8,530 | 353 |
| Gift Aid & GASDS | | 10,213 | 1,060 | 68 | 11,340 | 11,842 |
| Legacies & Bequests | c | 25 | 0 | 10,000 | 10,025 | 1,398 |
| SubTotal | | 52,720 | 11,783 | 10,338 | 74,840 | 73,495 |
| <i>Incoming resources from fees</i> | | | | | | |
| Wedding, Funeral & Baptism fees | | 970 | 0 | 0 | 970 | 2,524 |
| Cumulative total | | 53,690 | 11,783 | 10,338 | 75,810 | 76,019 |
| <i>Income from fundraising activities</i> | | | | | | |
| Fundraising Coffee mornings | | 145 | 0 | 0 | 145 | 709 |
| SubTotal | | 145 | 0 | 0 | 145 | 709 |
| <i>Income from rental and hirings</i> | | | | | | |
| Hiring Income - St Francis | | 10,566 | 406 | 0 | 10,972 | 26,672 |
| Hiring Income - Meeting Room | | 9,997 | 1,623 | 0 | 11,620 | 13,018 |
| Hiring Income - All Saints Church Building | | 0 | 0 | 0 | 0 | 610 |
| SubTotal | | 20,563 | 2,029 | 0 | 22,592 | 40,300 |
| <i>Investment income</i> | | | | | | |
| Bank interest | | 18 | 0 | 0 | 18 | 9 |
| Income from Rebates & Overpayments | d | 1,862 | 0 | 0 | 1,862 | 0 |
| SubTotal | | 1,880 | 0 | 0 | 1,880 | 9 |
| Total incoming resources | | 76,277 | 13,812 | 10,338 | 100,426 | 117,037 |

a. Incoming resources for 2019 have been corrected from the PCC's 2019 Annual Financial Statements in two ways to account for the transition to accrual accounting. They are corrected firstly by showing the Gift Aid and GASDS accrued in 2019 but not collected from HM Revenue and Customs (£23,387 - shown as a prepayment); and secondly they are corrected by the rental income accrued for December 2019 which was invoiced on 31 December but not collected (£1,867). All outstanding Gift Aid and GASDS was collected in 2020.

b. COVID 19 caused: drops in routine giving by 12%; hiring income by 44%; fees by 62% and fundraising by 80%. Giving only rose on 2019 because of a £10,000 legacy. £6,380 of unplanned gifts went the Parish Hardship Fund.

c. The PCC gladly received a legacy of £10,000, restricted to developing the Lady Chapel. A new Fund was started.

d. It was identified that for years the PCC had been overpaying VAT on a utility. A rebate of £1,862 was received.

3. Resources expended

| | Note | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | Total 2020 £ | Total 2019 £ |
|---|----------|----------------------------|--------------------------|--------------------------|-----------------|-----------------|
| Mission & Evangelism | a | | | | | See Note below |
| Mission - Overseas donations | b | 0 | 1,934 | 56 | 1,990 | 0 |
| Mission - Home donations | c | 1,455 | 0 | 0 | 1,455 | 868 |
| Mission - own evangelism etc | | 0 | 0 | 0 | 0 | 4,986 |
| Outreach - incl website | | 390 | 0 | 0 | 390 | 200 |
| Mission - Visiting missionaries | | 0 | 0 | 0 | 0 | 101 |
| Common Mission Fund | d | 36,150 | 0 | 0 | 36,150 | 37,020 |
| Mission - Clergy Expenses | e | 1,189 | 0 | 0 | 1,189 | 1,974 |
| Clergy Support equipment | | 194 | 0 | 0 | 194 | 1,169 |
| Mission Salaries - CFM/Pastor/Intern | | 1,157 | 12,173 | 0 | 13,330 | 2,338 |
| CFM/Pastor/Intern support equipment | | 755 | 0 | 0 | 755 | 0 |
| CFM/Pastor/Intern support costs | | 60 | 0 | 0 | 60 | 0 |
| SubTotals | a | 41,350 | 14,107 | 56 | 55,513 | 48,655 |
| Fellowship | f | | | | | |
| Fellowship - All Saints Utilities | g | 3,338 | 0 | 0 | 3,338 | 9,827 |
| Fellowship - All Saints Building Maint | | 2,891 | 0 | 0 | 2,891 | 6,062 |
| Fellowship - All Saints Insurance | h | 3,903 | 0 | 0 | 3,903 | 3,803 |
| Fellowship Cost of services incl kitchen | | 432 | 0 | 0 | 432 | 1,490 |
| Fellowship - Salaries & Wages - Vergers | | 0 | 0 | 0 | 0 | 175 |
| Fellowship - All Saints Clean & Garden | | 1,297 | 0 | 0 | 1,297 | 2,888 |
| Fellowship - Flowers | | 200 | 0 | 0 | 200 | 200 |
| Fellowship - Pastoral | | 195 | 0 | 0 | 195 | 1,366 |
| Fellowship - Sound and AV equipment | | 907 | 0 | 0 | 907 | 528 |
| Fellowship - Music, Organ, choir, RSCM | | 196 | 0 | 0 | 196 | 1,155 |
| Fellowship - Organists & worship leaders | | 2,200 | 0 | 0 | 2,200 | 2,710 |
| Fellowship - Sector Ministries | | 240 | 0 | 0 | 240 | 1,596 |
| Advertising | | 0 | 0 | 0 | 0 | 12 |
| COVID financial costs | i | 1,794 | 0 | 0 | 1,794 | 0 |
| Miscellaneous expenses | | 0 | 0 | 0 | 0 | 256 |
| Adjustments | | -32 | 0 | 0 | -32 | 175 |
| SubTotals | i | 17,562 | 0 | 0 | 17,562 | 32,244 |
| Support to Rental Income | | | | | | |
| St Francis - Utilities, Insurance & Clean | g | 3,252 | 0 | 0 | 3,252 | 4,056 |
| St Francis - Maintenance | j | 213 | 0 | 0 | 213 | 266 |
| Meeting Rm - Utilities, Insurance & Clean | g | 2,223 | 0 | 0 | 2,223 | 2,175 |
| Meeting Room - Maintenance | j | 39 | 2,950 | 0 | 2,989 | 48 |
| SubTotals | | 5,728 | 2,950 | 0 | 8,678 | 6,545 |
| Other support costs | k | | | | | |
| Costs of fundraising | Note 11 | 57 | 0 | 0 | 57 | 231 |
| Vehicles and travel expenses | | 144 | 0 | 0 | 144 | 0 |
| Office Salaries - Administrator | | 314 | 0 | 0 | 314 | 2,614 |
| Office&Admin expenses - incl phone, IT | | 452 | 0 | 0 | 452 | 1,938 |
| Office - Stationary, Printing, Postage + | | 333 | 0 | 0 | 333 | 1,478 |
| Office equipment bought - incl furniture | | 27 | 0 | 0 | 27 | 399 |
| Governance | | 142 | 0 | 0 | 142 | 66 |
| Audit and Accountancy Fees | | 0 | 0 | 0 | 0 | 61 |
| Training and ministry development costs | | 151 | 0 | 0 | 151 | 624 |
| Bank Charges | | 171 | 0 | 0 | 171 | 254 |
| SubTotals | | 1,791 | 0 | 0 | 1,791 | 7,665 |
| Total resources expended | | 66,430 | 17,057 | 56 | 83,544 | 95,108 |

3. Resources expended (continued)**Mission and Evangelism**

- a. The PCC's commitment to mission is strong. Mission spending grew by 14% on 2019, when income dropped by 14%. The biggest change has been in Youth/Children's Ministry. Michael Weatherall was confirmed in post at the end of the year. Welcome! Mission spending is now 55% of income. The Diocese consumed 65% of that.
- b. The PCC's overseas donations grew substantially, supporting the global church, and using both the 2019 Christmas Collection and the Overseas Mission Fund which was unused for several years.
- c. Home donations included support to the Eastleigh Street Pastors, and Acts of Random Kindness (ARK).
- d. Government/Church COVID 19 restrictions reduced overall income by 14% (£16,611). The PCC reduced Common Mission Fund payments (the largest outgoing) proportionately. By the year end against the Diocesan request for £39,784, the charity paid £36,150 (91%); protecting the wider church from the full COVID impact.
- e. Clergy expenses comprise the ministerial expenses of the Incumbent, not of his office as Chair of the PCC.

Fellowship and Church services

- f. The COVID pandemic has significantly reduced the costs and use of the buildings for worship in 2020.
- g. The PCC has transitioned to greener energy and made total utilities savings of £7,336 on 2019.
- h. In order better to report to the National Church, insurance costs have been broken away from utilities costs.
- i. Significant effort has been applied in running church services in person where this has been possible. This resulted in expenses on masks, sanitisers, signs, and other equipment: some will go into the Terrier inventory.

Support to rental income

- j. PCC established a designated Buildings' Maintenance Fund, to help protect hiring income. The fund receives 20% of hiring income, and it paid for the replacement of the >20 year old Meeting Room boiler in October 2020, saving more

Other support costs

- k. 2020 has been a difficult year for parish support, with no Administrator. Volunteers, short term projects have been used, but PCC members were doing much of the work until a casual administrator volunteered.
- l. Costs of fundraising reflect the need to produce new giving envelopes with the name of the charity, and the postage to reclaim value from the foreign coins deposited in collections. Also see Note 11 below.

4. Debtors & Prepayments

| | 2020 £ | 2019 £ |
|---|--------------|---------------|
| Unrestricted Funds | | |
| Unrestricted Gift Aid and GASDS recoverable | 1,516 | 23,282 |
| Other Debtors & Prepayments | 930 | 1602 |
| Total unrestricted | 2,446 | 24,883 |
| Designated Funds | | |
| Designated Gift Aid recoverable | 90 | 105 |
| Total designated | 90 | 105 |
| Restricted Funds | | |
| Restricted Gift Aid recoverable | 0 | 0 |
| Total restricted | 0 | 0 |
| Total Debtors and Prepayments | 2,536 | 24,988 |

The PCC recovered all outstanding 2018 and 2019 Gift Aid and GASDS in 2020.

5. Cash at bank and in hand

| | 2020 £ | 2019 £ |
|---------------------------------------|------------------|---------------|
| PCC Current Account | 1,750 | 1,250 |
| PCC Deposit Account | 65,314 | 22,617 |
| NS&I account | 5b 676 | 676 |
| Petty Cash | 12 | 0 |
| Flower Petty Cash account | 5c 0 | 238 |
| Operations Petty Cash account | 90 | 34 |
| Total cash at bank and in hand | 5a 67,841 | 24,815 |

5a. Cash funds grew by 277% due to the collection of overdue Gift Aid.

5b. Extensive effort has been made to trace the NS&I account in the General Funds: to no avail by 31 Dec 20.

6. Creditors: amounts falling due within 1 year**Unrestricted Funds**

| | 2020 £ | 2019 £ |
|---|--------------|--------------|
| Unclaimed breaches of moratorium from 2019 & 2020 | 1,373 | 1,150 |
| Unpaid older invoices (rebates for utilities over charging) | -840 | 950 |
| Unpaid purchases Dec 20 | 5,120 | 350 |
| Resolution of National Insurance contributions | 189 | 0 |
| Resolution of NEST contributions | 298 | 0 |
| | 6,141 | 2,450 |

Designated Funds

| | | |
|--|----------|----------|
| | 0 | 0 |
|--|----------|----------|

Restricted Funds

| | | |
|--|----------|----------|
| | 0 | 0 |
|--|----------|----------|

| | | |
|--------------|--------------|--------------|
| Total | 6,141 | 2,450 |
|--------------|--------------|--------------|

7. Funds**a. Fund descriptions****i. Unrestricted funds**

| Name of Fund | Type of Fund | Purpose of Fund | Record | Plans for Funds |
|---------------------------|---------------------------|---|--------------------------|---|
| PCC Business Account | Bank Current Account | Routine Operations | Bank Statements | Continuous |
| PCC Business Bank Instant | Bank Deposit Account | Backup funds for Routine Operations | Bank Statements | Continuous –transfer trigger to above at £1750. |
| National Savings | Deposit Fund | Savings | Worked to locate in 2020 | NS&I deny existence. Corporate memory cannot locate. Still searching. |
| Petty Cash 1 | Cash for treasurer work | Routine – this is the main cash account | Quickfile | Continuous |
| Petty Cash 2 | Cash float for operations | Routine operations costs | Cash Book | Continuous |
| Petty Cash 3 | Cash for flowers | Routine flower costs | Cash Book | Closed in November 2020. |

ii. Designated funds

| Name of Desig Fund | Type of Fund | Purposes of Fund | Basis of Income | Expenditure Plans |
|---|--|---|-----------------------------------|--|
| Children & Families Minister Fund (renamed Youth & Children's Ministry Fund in Jan 2021) | Designated income fund – started 2018 | To accumulate funds for a Children and Families Minister ((CFM) now YCM) | Designated bank and PGS income | Spend 2021. Topped up Dec 20, so 50% of 1 year pay in fund, so that CFM probation could be ended and contract offered. |
| Parish Hardship Fund | Designated income fund –started Dec 19 | For donations to individuals in cases of hardship | Direct donations/PC C decisions | Continuous lookout by PCC and Vicar, includes COVID support costs. |
| Overseas Missions & Relief Agencies. Renamed Overseas Mission fund. | Designated income fund – start unknown | To help EPC to focus on overseas & relief too. | 10% of coffee fundraising revenue | Largely for mission partners. |
| Building Maintenance Fund | Designated income fund - started 20 Jul 2020 | Based on historic costs since 2014, this reserve protects the General Fund from spikes from short notice maintenance costs. | 20% of hiring revenue | To accumulate and spend on building contingencies |

III. Restricted funds

| Name of Restr Fund | Type of Restricted Fund | Purposes of Restricted Fund | Documentat ion proving Restriction | Plans to spend funds made? |
|-------------------------------------|--|--|--|---|
| Car Park Fund | Restricted income fund – started November 2019 | To build the EPC All Saints church site car park | Restricted Donation from 2019 Harvest Appeal | PCC topped up fund in Nov 19 and Apr 20. Estimate in. Awaiting Faculty. |
| Lady Chapel Fund (started Feb 2020) | Restricted income fund | Legacy from K Clarke | Will | Faculty broadly agreed Dec20. Estimate due Jan21. |

b. Fund details

| | Notes | | | | | |
|--|---------------------|----------------------------|--------------------|--------------------|--------------------|---------------------------|
| | | Balances at 1 January 2020 | Incoming resources | Resources expended | Transfers in (out) | Balances 31 December 2020 |
| | | £ | £ | £ | £ | £ |
| <u>Unrestricted Funds</u> | | | | | | |
| General Fund | | 28,427 | 76,277 | 66,430 | -11,439 | 26,835 |
| <u>Designated Funds</u> | | | | | | |
| | Receipts & Payments | Accruals | | | | |
| Children's & Families Minister (now YCM) | 9,881 1 | 10,401 | 4,585 | 12,157 | 7,000 | 9,829 |
| Parish Hardship Fund | 75 2 | 299 | 7,113 | 732 | 0 | 6,680 |
| Overseas Missions & Relief Agencies. | 1,527 | 1,527 | 0 | 1,050 | 0 | 477 |
| Building Maintenance Fund | 0 3 | 0 | 2,029 | 2,950 | 2500 | 1,579 |
| Vicar's fund | | 285 | | | -285 | 0 |
| Flower fund (cash) | 358 | 358 | 85 | 168 | -275 | 0 |
| Total Designated | 11,482 | 12,870 | 13,812 | 17,057 | 8,939 | 18,564 |
| <u>Restricted Funds</u> | | | | | | |
| Car Park Fund | 4 | 6,000 | 0 | 0 | 2,500 | 8,500 |
| Christmas Collections | 5 | 56 | 338 | 56 | 0 | 338 |
| Lady Chapel Fund (started Feb 2020) | | 0 | 10,000 | 0 | 0 | 10,000 |
| Legacy hardship fund | 6 | 0 | 0 | 0 | 0 | 0 |
| Total Restricted | | 6,056 | 10,338 | 56 | 2,500 | 18,838 |
| Total Restricted and Designated | | 18,926 | 24,149 | 17,113 | 11,439 | 37,402 |
| Totals | | £ 47,353 | £ 100,426 | £ 83,543 | £ - | £ 64,237 |

7b1. The Children & Families Ministry (CFM) role was renamed Youth and Children's Minister (YCM) in September 2020 at recruitment of a new minister. Funds come in directly from designated donations, and funds go out directly in YCM pay and ministry costs. PCC topped up this fund up by £4,000 at its July Meeting and Standing Committee (SC) added a further £3,000 in December so that a contract could be offered.

7b2. The Vicar's Discretionary Fund was renamed the Parish Hardship Fund. In 2020 funds were donated to care for those in straightened circumstances because of the COVID 19 pandemic. We are most grateful.

7b3. The new Buildings Maintenance Fund paid for a new, and thermally far more efficient boiler for the Meeting Room (All Saints Church Hall) in Oct 20, helping to *Green* the parish, see Note 13.

7b4. The restricted Car Park Fund was topped up in Jul 20 to meet the estimate. Diocesan approval is awaited.

7b5. Rather than establishing a new fund each year, the 2019 Collection Fund was renamed *Christmas Collections fund*, and allow its funds to be restricted to the causes announced by PCC. The 2020 appeal raised £250 (which with Gift Aid) which was added to the fund on 31 Dec 20.

7b7. In 2020 a legacy from the year 1934 was discovered, now restricted to the needy in the Parish. These funds are held by the Diocese of Winchester. They are noted here for the first time. See Note 14.

c. Transfers between funds

| <u>From</u> | <u>To</u> | <u>Amount</u> | <u>Authority</u> |
|------------------------|----------------------------|-----------------|---|
| General Funds | CFM (now YCM) Fund | 4000 | PCC to help recruiting a new minister. |
| General Funds | CFM (now YCM) Fund | 3000 | SC to allow a contract to be offered. |
| Flower fund | General Funds | -275 | On closure of designated Flower fund. |
| General Funds | Buildings Maintenance Fund | 2500 | PCC to initiate the fund |
| Vicar's fund | General Funds | -285 | On closure of designated Vicar's fund. |
| General Funds | Car Park | 2,500 | PCC decision to top up fund to estimate |
| Total Transfers | | £ 11,440 | |

8. Assets and Liabilities by Fund type

| <i>Unrestricted funds</i> | Unrestricted | Designated | Restricted | Total |
|---|-----------------|-----------------|-----------------|-----------------|
| Cash at bank | 26,835 | 18,564 | 18,838 | 67,841 |
| Creditors: amounts falling due in one year | (6,141) | 0 | 0 | (6,141) |
| Unrestricted Gift Aid and GASDS recoverable | 1,516 | 90 | 0 | 1,606 |
| Other Debtors & Prepayments | 930 | 0 | 0 | 930 |
| Totals all funds | £ 23,141 | £ 18,654 | £ 18,838 | £ 64,237 |

9. Commitments under Lease Hire Contract

Nil.

10. Hiring Revenues & Costs

a. As the managing trustee for the two sites in the Parish, the PCC sets the rates of hire annually. The significance of hiring income to the PCC accounts is such that the PCC tracks the costs of its rental activities for each building to ensure it is properly discharging its responsibilities. This tracking is reported here for the first time.

b. In October 2019, Winchester Diocese led a seminar of rental income from church halls. During 2020, the PCC has implemented the advice received from the Archdeacon, the Diocesan Board of Finance, the Insurers and Lawyers in its comprehensive review of hiring contracts. These new arrangements were implemented in September 2020, and are now believed to be compliant with the laws and practices of the Church and state.

c. The table below reports the return on capital on each building under the PCC's management. Site values were updated by the PCC's insurers in 2020.

PCC assessment of return on managed assets

| | 2020 Return (ROCE) | Asset Value (2020) £ | 2020 Incoming resources £ | 2020 Resources expended £ | 2020 Surplus £ | 2019 Surplus £ |
|---------------------|-----------------------|----------------------------|------------------------------------|------------------------------------|----------------------|----------------------|
| All Saints Building | -0.09% | 11,200,000 | 0 | 10,133 | (10,133) | 610 |
| Meeting Room | 0.29% | 2,800,000 | 11,620 | 3,373 | 8,246 | 10,795 |
| St Francis Building | 1.06% | 720,000 | 10,972 | 3,373 | 7,599 | 22,350 |
| Total | 0.04% | 14,720,000 | 22,592 | 16,879 | 5,713 | 33,755 |

d. The rental income for All Saints Building was nil in 2020. Its insurance and utilities costs are reported here as part of the PCC's stewardship of the sites of the Diocese. In line with the transition to accruals, the 2019 surplus has been reduced by the hirings amounts received in January 2019 which were due in 2018 and increased by the accrued income not received in 2019. Bank interest was 0.1% for much of 2020.

e. The PCC is in no way qualified nor is attempting to produce commercial returns on the capital of these buildings. But it does report the return on capital of 0.04% (2019: 1.9%) as a comparative way to measure the efficient use of the buildings under its management. 2020 returns are badly affected by COVID restrictions.

11. Costs of fundraising

| | 2020 £ | 2019 £ |
|-----------------------------|-----------|------------|
| Costs of fundraising | 57 | 231 |

a. In line with the guidance of the Charity Commission on Charities and Fundraising (CC20), the PCC declares the costs of fundraising for the period. It should be noted that as the figures in this note are reported separately in the Statement of Financial Activities above, the total *Support Costs* figures from Note 3 are reduced in the SOFA by the sums in this Note to avoid double counting.

b. In 2020, the PCC had no contract or other relationship with professional fundraisers, but it does use the Parish Giving Scheme, ChurchSuite, CAF and Stewardship as appropriate to help gather funds and claim Gift Aid. The costs of the Church Suite fundraising package are not broken out from its administrative functions, but are reported under *Other Support Costs* as Office&Admin expenses at Note 2 above.

c. In November 2020, the PCC opened a relationship with Amazon Smile to garner 0.5% of parishioners' online spending with Amazon, at their choice. This way of fundraising is at no cost. PCC has control of no account with Amazon, so no funds are reported here. Any giving over £5 per quarter should be received quarterly about one month after the end of the calendar quarter. At first report (Feb21) there were no funds to transfer.

12. Related Party Transactions

| | 2020 £ | 2019 £ |
|-----------------------------------|--------------|------------|
| Related Party transactions | 1,299 | 160 |

a. Churches face the increasing burdens of regulatory compliance and work on the maintenance of elderly buildings. In 2020, to that load has been added a very strong focus on cleaning our buildings between uses to help stop the spread of the COVID virus. These accumulating burdens, combined with the COVID induced pressures on job survival, on online meetings and on isolation reduces the number of volunteers and puts pressure on the PCC members themselves to meet the increased workload. This results in payments to PCC members for their labour. Such payments are reported here for the first time, a 712% increase on 2019.

b. The constitution of the new charity allows PCC members to be remunerated for work other than as a trustee. 2020: £1158; 2019: nil. In July 2020, two new PCC members joined, one of whom had been remunerated for cleaning the church for several years (total 2020: £746 as a trustee; 2019: nil), later a second new trustee has assisted (both ratified by the Oct PCC)(total 2020: £411; 2019: nil). A family member of two trustees has assisted the office (2020: £141; 2019: £160). Written agreements are in place.

13. 'Green' parish

a. As well as focusing on Jesus' Mission in Eastleigh, in 2020 officers of the PCC actions have also been working to establish foundations for a 'greener' parish. Actions in 2020 include:

- Transition to 100% 'green' electricity from August 2020.
- Reviewing previous initiatives such as 20.46 kW electric solar panels on the church roof. Rejected because of the inadequate structural strength of the roof.
- New much more efficient boiler for the Meeting Room, with a new more responsive control system.
- Better tracking and reporting the energy usage of the Parish.
- Investigating 'greener' gas solutions.
- Investigating better control solutions for heating at St Francis.
- Transition to SMART meters once settled with new energy supplier.
- Viewing glazing the Lady Chapel (legacy in 2020) both as creating a breakout room and as an energy saving measure.

ix. Discussing and reporting environmentally friendly initiatives with the Parish.

b. In 2019, the Parish made first use of the Parish Returns energy assessment for the National Church. It is intended to report this data when it has stabilised, (COVID measures will make the consumption figures unrepresentative) as a way of showing how seriously we are taking not just energy sources, but energy usage.

14. Miles Bequest

In 2020 it was discovered that the will of Miss Ellen Mary Miles had created a registered charity (number 253847) for the upkeep of her mother's grave and for the poor of the Parish of Eastleigh. At some point in the intervening 86 years the PCC lost control of this charity named *Miles Bequest* to Winchester Diocese. The charity records are up to date with the Charity Commission as it has been fully tended and reported by the Winchester Diocesan Board of Finance. The PCC is most grateful for that work. However, the PCC members in common still appear to be the trustees on record for the charity.

With the deconsecration of the graveyard for the development of the adjacent buildings, funds for the upkeep of the grave are no longer required. The PCC does not believe it was the intent of the testatrix for the funds not to have been fully applied to her wishes some 88 years later. So the control of the fund is now being discussed with the Diocese of Winchester. The PCC hopes that the future of these funds will be resolved to mutual satisfaction in 2021. The PCC does not report these funds numerically, as it does not yet control them, but the PCC wishes to note the balance of £5,993 of the Miles Bequest funds in these accounts, in case any responsibilities as custodian trustees arise to them and the charity.

EAST+LEIGH PARISH

Full title: the Parochial Church Council of the Ecclesiastical Parish of Eastleigh

Annual Report and Accounts 2020

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| Notes to the Accounts | 8 to 16 |

Annual Report

Charitable Objects - what do we exist to do?

It is appropriate to start this the first report of the new charity with what the PCC is trying to achieve.

As part of the Church of England (CoE) the charity now known as *the Parochial Church Council of the Ecclesiastical Parish of Eastleigh* is here to serve the people of our town. For centuries the CoE has offered help at times of both great celebration and tremendous sadness, as well as in the day-to-day lives we all lead. Even though times are always changing, our faith in the resurrection of Jesus Christ is still the same as it has always been. See www.eastleighparish.com

Outputs - what have we achieved?

Our **Mission output** is central to who we are. In 2020 we have built stronger links with international and local mission partners. *Abroad*, our main mission partners are in Guatemala and Israel. Support to the Israeli work has been hard in lockdown, but our Christian medical missionaries in Guatemala found their son had cancer and we have been assisting. Also the PCC has provided funding support *locally* to: Christians Against Poverty; Street Pastors; and supports the local church family through Churches Together in Eastleigh, all as part of the wider mission of the church. Also locally, as part of the CoE, we provide financial support to our Diocese (as our mother church) through the Common Mission Fund. Mission spending was 55% of total income in 2020.

With 23,000 16-18 year old students in the Parish in the daytime, we explored a local mission opportunity to partner with the Deanery in funding a Student Ambassador, but it didn't mature. In February, we recruited two Children and Families Ministers (as a job share), who resigned in their probation period. In September, we remodelled the work and an exciting new Youth and Children's Minister (YCM) ended his probation at year end.

However, the financial mission output of the charity must not disguise the broader mission output of our church community. 2020 has seen us reinforce these links locally in key ways, including through support to the wider parish through our COVID response plan (entertainment events, phone calls, food and financial needs). Our parishoners also volunteer with Acts of Random Kindness (ARK) Eastleigh, Eastleigh Street Pastors, provide food for the Basics Bank and abroad support by volunteering for Friends of African Nurses and the disaster response charity Wings Like Eagles.

Our **Fellowship output** has really been tested in the COVID crisis, not least through making every effort to provide church services and a health giving sense of community to our parishoners. This has included up to 4 services per week, facilitated by video and telephone connectivity. Early services and events in the lockdown had sufficient reach to attract people from Belgium and Russia, as well as across the UK.

Our **Support outputs** cover the administration of the church family and the running of the buildings as a witness to Christ and for revenue. Much of this is now voluntary work since the paid Administrator resigned in 2019. Funding a replacement has been not been possible in 2020. So, like the comment under Mission above, the much of the investment of our church family in supporting the parish cannot be seen in financial terms. That said, a new gas boiler was installed in the All Saints Church Hall/Meeting Room; we repaired a leak that developed in the Church Building roof; and expenditure was required for COVID to make the sites compliant.

Overview

Eastleigh Parish was in transition in 2020. We reached a major milestone as we registered as an independent charity and so we audited the community achievements since recruiting our vicar, Rev Ian Fletcher in 2014. We have achieved all the aspirations of the Parish Profile that brought him. We are so grateful to God for this. This and an APCM delayed by COVID gave the opportunity to look forward with God; looking at His aspirations for this Christian community. It has been exciting and rewarding building a vision for a deeper community and exploring what God is doing around us. Thank you so much for your support.

So we look and move forward. The delayed APCM presented the Mission for the next stage of EPC which is to be *disciplemaking disciples* and a Vision to be *a community of discipleship groups*. The prospects are exciting!

Communications

Website: www.eastleighparish.com

Twitter: @eastleighparish

Facebook: [Facebook.com/eastleighparish](https://www.facebook.com/eastleighparish)

Annual Report - continued

Legal Framework, including Public Benefit test, Constitution, Compliance, Risk and Advisors

Public benefit test

The Charity Commission website lists the people we benefit as: children /young people, elderly /old people, people with disabilities, other charities or voluntary bodies and the General Public. How we do it is also listed: making grants to individuals and organisations, providing buildings, facilities and open space, and perhaps most importantly providing services.

Constitution

We are charity number 1889594 registered in England and Wales with the Charity Commission. Our constitution like all CofE derived charities is in the Parochial Church Council Powers Measure 1956 (as amended) and the Church Representation Rules (that came into force on 2 January 1957 and are subsequently amended). The PCC is the governing body and had 13 trustees on 31 December 2020.

The Church Representational Rules changed significantly in 2020 and we are evolving in response.

On 31 December 2020, the PCC held no funds as custodian trustee for other charities. Our last organisational quinquennial inspection by the archdeacon was in November 2019.

As to property and buildings, the church lands and buildings are registered with the Land Registry to the Winchester Diocesan Board of Finance, and the PCC acts as managing trustee. Please ask if you require details of the consecrations / deconsecrations and dedications of the two sites. The next quinquennial architectural inspection is due in September 2021.

Compliance

The PCC reviews its safeguarding , financial, data protection and health and safety policies annually.

Reporting

The PCC reports its financial position and performance to the Charity Commission, to Winchester Diocese and to the wider Church of England annually. It provides its Electoral Roll report and its Statistics for Mission report annually to appropriate authorities.

Risk

The PCC's approach to risk is stated in the Financial Report below. The last insurance risk valuation of the All Saints site was on 10 February 2020, and of the St Francis site in 2012. The St Francis site valuation has been updated in line with changes in property prices.

Advisors

Bank

Lloyd's Bank

Lawyers

Via its insurers

Insurance

Ecclesiastical

Architectural /Surveys

Ryan Bunce & Co, RICS



Chair of PCC/Trustees

Rev Ian Fletcher

Mar-21

Financial Review 2020

These are the first accounts prepared on an accruals basis and the first accounts for the new charity: the Parochial Church Council of the Ecclesiastical Parish of Eastleigh Church (registered as trading as Eastleigh Parish with the Charity Commission), charity number 1189594 on 21 May 2020.

Performance

The PCC's **income** for the year ended 31 December 2020 was £100,426 (2019: £117,037 on an accrual basis). This 14% reduction on 2019 was caused by the COVID protection measures of the National Church and the government. For example, hiring income (normally about 40% of total income) declined by £17,708. And income only remained over £100,000 because of a £10,000 legacy and £6,380 in unplanned donations to the Parish Hardship Fund. Thus, with the use of 21% of the PCC's 2020 income already designated by donors and with a 14% drop in total income, PCC saw its unrestricted income reduced by 35% in 2020.

Expenditure was £83,544 (2019: £95,340). PCC maintained its moratorium on spending through the year. Funds were focused into *Mission* (2020: 55% of income; 2019: 42%) as Eastleigh folk were hit the debilitating health, financial and social storms of COVID-19's illnesses and measures. As the charity was also hit by much reduced unrestricted income, the PCC had to make tough decisions on the Diocesan Common Mission Fund, which was reduced by 9%. *Fellowship* was also important for the church family and made up 17% of 2020's spending (2019: 28%), but meetings were restricted to electronic means for much of the year. The Hall's new boiler took spending to *Support Hirings* up to 9% of expenditure (2019: 6%), whilst *Other Support* costs were pruned to 2% (2019: 7%).

2020 total income was £16,883 more than expenditure (2019: £9,709), but £18,475 of the PCC's 2020 income was designated or restricted. ***Thus the PCC overspent its unrestricted income by £1,592 (1.9%) (2019: 1.7% overspend). This should not disguise a demanding year.***

Position

The charity was valued at £64,237 at year end (31Dec19: £47,353) and its reserves are organised into unrestricted (£170 short of target), designated and restricted funds as described in the Notes below.

Basis of accounts

Historically, the PCC's Accounts have been prepared on the Receipts and Payments basis, but due to the increase in gross income in 2019, the PCC decided to present its Accounts on an accruals basis using the historical costs convention. So the published 2019 figures are restated on an accrual basis in this Report and, exceptionally where it assists better to understand the transition to accruals, the 2019 figures are sometimes shown on a Receipts and Payments basis in the Notes so that the financial position and performance of the charity are transparent.

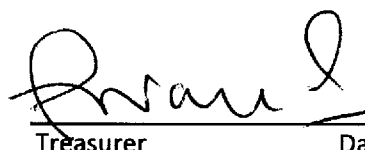
Responsibilities of the members of the PCC in relation to the Accounts

The PCC of Eastleigh Parish is responsible for all parish finance, its management and control, including the appointment of a suitable treasurer. Its legal responsibilities include:

- * Keeping proper accounting records, which are sufficient to show & explain all the PCC's transactions
- * Ensuring that the finances of the PCC of Eastleigh are under its control & only delegated if the PCC can ensure that its wishes are being followed;
- * Preparing the annual accounts and a report, which shall be presented to the Annual Parochial Church Meeting in accordance with the requirements of the Church Representation Rules
- * Arranging an independent examination of the accounts.

This shows how the PCC seeks fully to discharge its accounting responsibilities under Part 8 of the Charities Act 2011.

Approved by the PCC and signed on its behalf by:



Treasurer

Dated

13 Mar-21
May

Independent Examiner's Report
to the Trustees of The Parochial Church Council of the Ecclesiastical Parish of Eastleigh

I report on the accounts of the charity for the year ended 31 December 2020 which are set out on pages 6 to 16.

Respective responsibilities of Trustees and Examiner

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

It is my responsibility to:

Examine the accounts under section 145 of the 2011 Act;

To follow the procedures laid down in the General Direction given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act); and

To state whether particular matters have come to my attention.

Basis of Independent Examiner's report:

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

Independent examiner's statement


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

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

which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the requirements of the 2011 Act have not been met; or

to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mrs Erica Parker FCCA

Greyholme
Lumby Drive
Ringwood
Hants

21 March 2021

Statement of Financial Activities

For the year ended 31 December 2020

| | Notes | Unrestricted Funds | Designated Funds | Restricted Funds | Total Funds 2020 | Total Funds 2019 |
|--|-----------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
| Incoming resources | | £ | £ | £ | £ | £ |
| Donations and legacies | 2 | 52,720 | 11,783 | 10,338 | 74,840 | 73,495 |
| Fees | 2 | 970 | 0 | 0 | 970 | 2,524 |
| Fundraising activities | 2 | 145 | 0 | 0 | 145 | 709 |
| Hiring income | 2 | 20,563 | 2,029 | 0 | 22,592 | 40,300 |
| Investment income | 2 | 1,880 | 0 | 0 | 1,880 | 9 |
| Total incoming resources | | 76,277 | 13,812 | 10,338 | 100,426 | 117,037 |
| Resources expended | | | | | | |
| Mission and Evangelism | 3 | 41,350 | 14,107 | 56 | 55,513 | 48,655 |
| Fellowship & Services | 3 | 17,562 | 0 | 0 | 17,562 | 32,244 |
| Support to hiring income | 3 | 5,728 | 2,950 | 0 | 8,678 | 6,545 |
| Other support costs | 3 | 1,734 | 0 | 0 | 1,734 | 7,665 |
| Costs of fundraising | 11 | 57 | 0 | 0 | 57 | 231 |
| Total resources expended | | 66,430 | 17,057 | 56 | 83,544 | 95,340 |
| Net incoming/ (outgoing) resources before transfers | | 9,847 | (3,245) | 10,282 | 16,883 | 21,698 |
| Transfers between funds in / (out) | 7 | (11,439) | 8,939 | 2,500 | 0 | |
| Net movement in funds | | -£ 1,592 | £ 5,694 | £ 12,782 | £ 16,883 | £ 21,698 |
| Funds at 1 January 2020 | | £ 28,427 | £ 12,870 | £ 6,056 | £ 47,353 | £ 25,655 |
| Funds at 31 December 2020 | | £ 26,835 | £ 18,564 | £ 18,838 | £ 64,237 | £ 47,353 |
| Represented by: | | | | | | |
| Unrestricted | General Fund | £ 26,835 | £ - | £ - | £ 26,835 | £ 28,427 |
| Restricted | Car Park | £ - | £ - | £ 8,500 | £ 8,500 | £ 6,000 |
| | Christmas | £ - | £ - | £ 338 | £ 338 | £ 56 |
| | Lady Chapel | £ - | £ - | £ 10,000 | £ 10,000 | £ - |
| Designated | Parish Hardship | £ - | £ 6,680 | £ - | £ 6,680 | £ 299 |
| | Youth & Children's Ministry | £ - | £ 9,829 | £ - | £ 9,829 | £ 10,401 |
| | Overseas Mission | £ - | £ 477 | £ - | £ 477 | £ 1,527 |
| | Building Maintenance | £ - | £ 1,578 | £ - | £ 1,578 | £ - |
| | Vicar's fund | £ - | £ - | £ - | £ - | £ 285 |
| | Flowers | £ - | £ - | £ - | £ - | £ 358 |
| Total | | £ 26,835 | £ 18,564 | £ 18,838 | £ 64,237 | £ 47,353 |

Balance Sheet

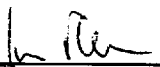
For the year ended 31 December 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|-----------------|-----------------|
| <u>Current Assets</u> | | | |
| Debtors and prepayments | 4 | £ 2,536 | £ 24,988 |
| Cash at Bank and in hand | 5 | £ 67,841 | £ 24,815 |
| Total Current assets | | £ 70,377 | £ 49,803 |
| <u>Liabilities</u> | | | |
| Creditors: amounts falling due within 1 year | 6 | £ 6,141 | £ 2,450 |
| Net Current Assets | | £ 64,237 | £ 47,353 |

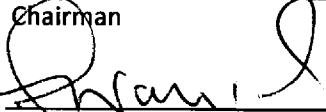
| | | | |
|---|---|-----------------|-----------------|
| <u>Represented by:</u> | | 2020 | 2019 |
| Unrestricted funds | 7 | £ 26,835 | £ 28,427 |
| Restricted fund - Car park | 7 | £ 8,500 | £ 6,000 |
| Restricted - Christmas Collections | 7 | £ 338 | £ 56 |
| Restricted Legacy - Lady Chapel Fund | 7 | £ 10,000 | £ - |
| Desig Fund - Children/Families Min (now Youth&Children) | 7 | £ 9,829 | £ 10,401 |
| Desig Fund - Parish Hardship | 7 | £ 6,680 | £ 299 |
| Desig Fund - Overseas Missions & Relief | 7 | £ 477 | £ 1,527 |
| Desig Fund - Building Maintenance | 7 | £ 1,579 | £ - |
| Desig Fund - Vicar Fund | 7 | £ - | £ 285 |
| Desig Fund - Flowers | 7 | £ - | £ 358 |
| Total funds | | £ 64,237 | £ 47,353 |

| | | |
|---|----------|----------|
| PCC unrestricted reserves target (3 months unrestricted expenditure): | £ 27,000 | £ 27,000 |
| Achievement of PCC reserves target: | 99% | 105% |

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



 Chairman



 Treasurer

 13-5-2021

 Date

Notes to the Accounts

1. Accounting Policies

Basis of financial statements

- a. The financial statements have been prepared under the Church Accounting Regulations 2006, in accordance with applicable accounting standards, and the current Statement of Recommended Practice, Accounting and Reporting by Charities (SORP), and applicable accounting standard FRS 102.
- b. These annual financial statements have been prepared under the historic cost convention. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.
- c. On 20 January 2020, the PCC adopted the Financial Policies and Procedures which underpin these annual financial statements. These policies were amended to reflect the PCC becoming a new charity and are available on request. This is the first year that the annual accounts have been prepared using accruals accounting.
- d. During the financial year of these annual financial statements the PCC of Eastleigh Parish became registered with the Charity Commission of England and Wales and its legal identity changed to *the Parochial Church Council of the Ecclesiastical Parish of Eastleigh: short title Eastleigh Parish Church*. Its charity number is 1189594.

Fund accounting

- e. Unrestricted funds are income funds that are to be spent on the PCC's general purposes.
- f. Designated funds are general funds set aside by the PCC for use in the future. Project funds are designated for particular projects for administration purposes only. Designated funds remain unrestricted and the PCC may move any surplus to other general funds.
- g. Restricted funds comprise 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 an average balance basis.

Incoming resources

- h. Planned giving, collections and similar donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate are received. Grants and legacies are accounted for when the PCC is entitled to the use of the resources, their ultimate receipt is considered reasonably certain and the amounts due are readily quantifiable. Interest is accounted for as and when accrued by the payer. All incoming resources are accounted for gross.

Resources expended

- i. Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share (Common Mission Fund) expected to be paid is accounted for monthly when due. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

- j. Consecrated and benefice property is not included in the accounts in accordance with s.10(2)(a) and (c) of the Charities Act 2011.
- k. Movable church furnishings held by the vicar and church wardens on special trust for the PCC (and which require a faculty for disposal) are inalienable property, are listed in the church's inventory and which can be inspected (at any reasonable time). For anything acquired prior to 2010 there is insufficient cost information available and therefore such assets are not valued in the financial statements.
- l. New fixtures, fittings, and equipment used within the church premises with a purchase cost of £10,000 or more are capitalised as assets and depreciated on a straight line basis over each asset's estimated useful life. Individual items of equipment with a purchase price of less than £10,000 are written off when the asset is acquired.

2. Incoming resources

| | Notes | Unrestricted Funds | Designated Funds | Restricted Funds | Total 2020 | Total 2019 |
|--|-------|--------------------|------------------|------------------|----------------|----------------|
| | a | £ | £ | £ | £ | £ |
| <i>See Note below</i> | | | | | | |
| <i>Incoming resources from donations and legacies</i> | | | | | | |
| Planned Giving | | 41,257 | 3,668 | 20 | 44,945 | 59,902 |
| Offertory and unplanned giving | b | 1,226 | 7,055 | 250 | 8,530 | 353 |
| Gift Aid & GASDS | | 10,213 | 1,060 | 68 | 11,340 | 11,842 |
| Legacies & Bequests | c | 25 | 0 | 10,000 | 10,025 | 1,398 |
| SubTotal | | 52,720 | 11,783 | 10,338 | 74,840 | 73,495 |
| <i>Incoming resources from fees</i> | | | | | | |
| Wedding, Funeral & Baptism fees | | 970 | 0 | 0 | 970 | 2,524 |
| Cumulative total | | 53,690 | 11,783 | 10,338 | 75,810 | 76,019 |
| <i>Income from fundraising activities</i> | | | | | | |
| Fundraising Coffee mornings | | 145 | 0 | 0 | 145 | 709 |
| SubTotal | | 145 | 0 | 0 | 145 | 709 |
| <i>Income from rental and hirings</i> | | | | | | |
| Hiring Income - St Francis | | 10,566 | 406 | 0 | 10,972 | 26,672 |
| Hiring Income - Meeting Room | | 9,997 | 1,623 | 0 | 11,620 | 13,018 |
| Hiring Income - All Saints Church Building | | 0 | 0 | 0 | 0 | 610 |
| SubTotal | | 20,563 | 2,029 | 0 | 22,592 | 40,300 |
| <i>Investment income</i> | | | | | | |
| Bank interest | | 18 | 0 | 0 | 18 | 9 |
| Income from Rebates & Overpayments | d | 1,862 | 0 | 0 | 1,862 | 0 |
| SubTotal | | 1,880 | 0 | 0 | 1,880 | 9 |
| Total incoming resources | | 76,277 | 13,812 | 10,338 | 100,426 | 117,037 |

a. Incoming resources for 2019 have been corrected from the PCC's 2019 Annual Financial Statements in two ways to account for the transition to accrual accounting. They are corrected firstly by showing the Gift Aid and GASDS accrued in 2019 but not collected from HM Revenue and Customs (£23,387 - shown as a prepayment); and secondly they are corrected by the rental income accrued for December 2019 which was invoiced on 31 December but not collected (£1,867). All outstanding Gift Aid and GASDS was collected in 2020.

b. COVID 19 caused: drops in routine giving by 12%; hiring income by 44%; fees by 62% and fundraising by 80%. Giving only rose on 2019 because of a £10,000 legacy. £6,380 of unplanned gifts went the Parish Hardship Fund.

c. The PCC gladly received a legacy of £10,000, restricted to developing the Lady Chapel. A new Fund was started.

d. It was identified that for years the PCC had been overpaying VAT on a utility. A rebate of £1,862 was received.

3. Resources expended

| | Note | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | Total 2020 £ | Total 2019 £ |
|---|----------|----------------------------|--------------------------|--------------------------|-----------------|-----------------|
| Mission & Evangelism | a | | | | | See Note below |
| Mission - Overseas donations | b | 0 | 1,934 | 56 | 1,990 | 0 |
| Mission - Home donations | c | 1,455 | 0 | 0 | 1,455 | 868 |
| Mission - own evangelism etc | | 0 | 0 | 0 | 0 | 4,986 |
| Outreach - incl website | | 390 | 0 | 0 | 390 | 200 |
| Mission - Visiting missionaries | | 0 | 0 | 0 | 0 | 101 |
| Common Mission Fund | d | 36,150 | 0 | 0 | 36,150 | 37,020 |
| Mission - Clergy Expenses | e | 1,189 | 0 | 0 | 1,189 | 1,974 |
| Clergy Support equipment | | 194 | 0 | 0 | 194 | 1,169 |
| Mission Salaries - CFM/Pastor/Intern | | 1,157 | 12,173 | 0 | 13,330 | 2,338 |
| CFM/Pastor/Intern support equipment | | 755 | 0 | 0 | 755 | 0 |
| CFM/Pastor/Intern support costs | | 60 | 0 | 0 | 60 | 0 |
| SubTotals | a | 41,350 | 14,107 | 56 | 55,513 | 48,655 |
| Fellowship | f | | | | | |
| Fellowship - All Saints Utilities | g | 3,338 | 0 | 0 | 3,338 | 9,827 |
| Fellowship - All Saints Building Maint | | 2,891 | 0 | 0 | 2,891 | 6,062 |
| Fellowship - All Saints Insurance | h | 3,903 | 0 | 0 | 3,903 | 3,803 |
| Fellowship Cost of services incl kitchen | | 432 | 0 | 0 | 432 | 1,490 |
| Fellowship - Salaries & Wages - Vergers | | 0 | 0 | 0 | 0 | 175 |
| Fellowship - All Saints Clean & Garden | | 1,297 | 0 | 0 | 1,297 | 2,888 |
| Fellowship - Flowers | | 200 | 0 | 0 | 200 | 200 |
| Fellowship - Pastoral | | 195 | 0 | 0 | 195 | 1,366 |
| Fellowship - Sound and AV equipment | | 907 | 0 | 0 | 907 | 528 |
| Fellowship - Music, Organ, choir, RSCM | | 196 | 0 | 0 | 196 | 1,155 |
| Fellowship - Organists & worship leaders | | 2,200 | 0 | 0 | 2,200 | 2,710 |
| Fellowship - Sector Ministries | | 240 | 0 | 0 | 240 | 1,596 |
| Advertising | | 0 | 0 | 0 | 0 | 12 |
| COVID financial costs | i | 1,794 | 0 | 0 | 1,794 | 0 |
| Miscellaneous expenses | | 0 | 0 | 0 | 0 | 256 |
| Adjustments | | -32 | 0 | 0 | -32 | 175 |
| SubTotals | i | 17,562 | 0 | 0 | 17,562 | 32,244 |
| Support to Rental Income | | | | | | |
| St Francis - Utilities, Insurance & Clean | g | 3,252 | 0 | 0 | 3,252 | 4,056 |
| St Francis - Maintenance | j | 213 | 0 | 0 | 213 | 266 |
| Meeting Rm - Utilities, Insurance & Clean | g | 2,223 | 0 | 0 | 2,223 | 2,175 |
| Meeting Room - Maintenance | j | 39 | 2,950 | 0 | 2,989 | 48 |
| SubTotals | | 5,728 | 2,950 | 0 | 8,678 | 6,545 |
| Other support costs | k | | | | | |
| Costs of fundraising | Note 11 | 57 | 0 | 0 | 57 | 231 |
| Vehicles and travel expenses | | 144 | 0 | 0 | 144 | 0 |
| Office Salaries - Administrator | | 314 | 0 | 0 | 314 | 2,614 |
| Office&Admin expenses - incl phone, IT | | 452 | 0 | 0 | 452 | 1,938 |
| Office - Stationary, Printing, Postage + | | 333 | 0 | 0 | 333 | 1,478 |
| Office equipment bought - incl furniture | | 27 | 0 | 0 | 27 | 399 |
| Governance | | 142 | 0 | 0 | 142 | 66 |
| Audit and Accountancy Fees | | 0 | 0 | 0 | 0 | 61 |
| Training and ministry development costs | | 151 | 0 | 0 | 151 | 624 |
| Bank Charges | | 171 | 0 | 0 | 171 | 254 |
| SubTotals | | 1,791 | 0 | 0 | 1,791 | 7,665 |
| Total resources expended | | 66,430 | 17,057 | 56 | 83,544 | 95,108 |

3. Resources expended (continued)**Mission and Evangelism**

- a. The PCC's commitment to mission is strong. Mission spending grew by 14% on 2019, when income dropped by 14%. The biggest change has been in Youth/Children's Ministry. Michael Weatherall was confirmed in post at the end of the year. Welcome! Mission spending is now 55% of income. The Diocese consumed 65% of that.
- b. The PCC's overseas donations grew substantially, supporting the global church, and using both the 2019 Christmas Collection and the Overseas Mission Fund which was unused for several years.
- c. Home donations included support to the Eastleigh Street Pastors, and Acts of Random Kindness (ARK).
- d. Government/Church COVID 19 restrictions reduced overall income by 14% (£16,611). The PCC reduced Common Mission Fund payments (the largest outgoing) proportionately. By the year end against the Diocesan request for £39,784, the charity paid £36,150 (91%); protecting the wider church from the full COVID impact.
- e. Clergy expenses comprise the ministerial expenses of the Incumbent, not of his office as Chair of the PCC.

Fellowship and Church services

- f. The COVID pandemic has significantly reduced the costs and use of the buildings for worship in 2020.
- g. The PCC has transitioned to greener energy and made total utilities savings of £7,336 on 2019.
- h. In order better to report to the National Church, insurance costs have been broken away from utilities costs.
- i. Significant effort has been applied in running church services in person where this has been possible. This resulted in expenses on masks, sanitisers, signs, and other equipment: some will go into the Terrier inventory.

Support to rental income

- j. PCC established a designated Buildings' Maintenance Fund, to help protect hiring income. The fund receives 20% of hiring income, and it paid for the replacement of the >20 year old Meeting Room boiler in October 2020, saving more

Other support costs

- k. 2020 has been a difficult year for parish support, with no Administrator. Volunteers, short term projects have been used, but PCC members were doing much of the work until a casual administrator volunteered.
- l. Costs of fundraising reflect the need to produce new giving envelopes with the name of the charity, and the postage to reclaim value from the foreign coins deposited in collections. Also see Note 11 below.

4. Debtors & Prepayments

| | 2020 £ | 2019 £ |
|---|--------------|---------------|
| <u>Unrestricted Funds</u> | | |
| Unrestricted Gift Aid and GASDS recoverable | 1,516 | 23,282 |
| Other Debtors & Prepayments | 930 | 1602 |
| Total unrestricted | 2,446 | 24,883 |
| <u>Designated Funds</u> | | |
| Designated Gift Aid recoverable | 90 | 105 |
| Total designated | 90 | 105 |
| <u>Restricted Funds</u> | | |
| Restricted Gift Aid recoverable | 0 | 0 |
| Total restricted | 0 | 0 |
| Total Debtors and Prepayments | 2,536 | 24,988 |

The PCC recovered all outstanding 2018 and 2019 Gift Aid and GASDS in 2020.

5. Cash at bank and in hand

| | 2020 £ | 2019 £ |
|---------------------------------------|------------------|---------------|
| PCC Current Account | 1,750 | 1,250 |
| PCC Deposit Account | 65,314 | 22,617 |
| NS&I account | 5b 676 | 676 |
| Petty Cash | 12 | 0 |
| Flower Petty Cash account | 5c 0 | 238 |
| Operations Petty Cash account | 90 | 34 |
| Total cash at bank and in hand | 5a 67,841 | 24,815 |

5a. Cash funds grew by 277% due to the collection of overdue Gift Aid.

5b. Extensive effort has been made to trace the NS&I account in the General Funds: to no avail by 31 Dec 20.

6. Creditors: amounts falling due within 1 year**Unrestricted Funds**

| | 2020 £ | 2019 £ |
|---|--------------|--------------|
| Unclaimed breaches of moratorium from 2019 & 2020 | 1,373 | 1,150 |
| Unpaid older invoices (rebates for utilities over charging) | -840 | 950 |
| Unpaid purchases Dec 20 | 5,120 | 350 |
| Resolution of National Insurance contributions | 189 | 0 |
| Resolution of NEST contributions | 298 | 0 |
| | 6,141 | 2,450 |

Designated Funds

| | | |
|--|----------|----------|
| | 0 | 0 |
|--|----------|----------|

Restricted Funds

| | | |
|--|----------|----------|
| | 0 | 0 |
|--|----------|----------|

| | | |
|--------------|--------------|--------------|
| Total | 6,141 | 2,450 |
|--------------|--------------|--------------|

7. Funds**a. Fund descriptions****i. Unrestricted funds**

| Name of Fund | Type of Fund | Purpose of Fund | Record | Plans for Funds |
|---------------------------|---------------------------|---|--------------------------|---|
| PCC Business Account | Bank Current Account | Routine Operations | Bank Statements | Continuous |
| PCC Business Bank Instant | Bank Deposit Account | Backup funds for Routine Operations | Bank Statements | Continuous –transfer trigger to above at £1750. |
| National Savings | Deposit Fund | Savings | Worked to locate in 2020 | NS&I deny existence. Corporate memory cannot locate. Still searching. |
| Petty Cash 1 | Cash for treasurer work | Routine – this is the main cash account | Quickfile | Continuous |
| Petty Cash 2 | Cash float for operations | Routine operations costs | Cash Book | Continuous |
| Petty Cash 3 | Cash for flowers | Routine flower costs | Cash Book | Closed in November 2020. |

ii. Designated funds

| Name of Desig Fund | Type of Fund | Purposes of Fund | Basis of Income | Expenditure Plans |
|---|--|---|-----------------------------------|--|
| Children & Families Minister Fund (renamed Youth & Children's Ministry Fund in Jan 2021) | Designated income fund – started 2018 | To accumulate funds for a Children and Families Minister ((CFM) now YCM) | Designated bank and PGS income | Spend 2021. Topped up Dec 20, so 50% of 1 year pay in fund, so that CFM probation could be ended and contract offered. |
| Parish Hardship Fund | Designated income fund –started Dec 19 | For donations to individuals in cases of hardship | Direct donations/PC C decisions | Continuous lookout by PCC and Vicar, includes COVID support costs. |
| Overseas Missions & Relief Agencies. Renamed Overseas Mission fund. | Designated income fund – start unknown | To help EPC to focus on overseas & relief too. | 10% of coffee fundraising revenue | Largely for mission partners. |
| Building Maintenance Fund | Designated income fund - started 20 Jul 2020 | Based on historic costs since 2014, this reserve protects the General Fund from spikes from short notice maintenance costs. | 20% of hiring revenue | To accumulate and spend on building contingencies |

III. Restricted funds

| Name of Restr Fund | Type of Restricted Fund | Purposes of Restricted Fund | Documentat ion proving Restriction | Plans to spend funds made? |
|-------------------------------------|--|--|--|---|
| Car Park Fund | Restricted income fund – started November 2019 | To build the EPC All Saints church site car park | Restricted Donation from 2019 Harvest Appeal | PCC topped up fund in Nov 19 and Apr 20. Estimate in. Awaiting Faculty. |
| Lady Chapel Fund (started Feb 2020) | Restricted income fund | Legacy from K Clarke | Will | Faculty broadly agreed Dec20. Estimate due Jan21. |

b. Fund details

| | Notes | | | | | |
|--|---------------------|----------------------------|--------------------|--------------------|--------------------|---------------------------|
| | | Balances at 1 January 2020 | Incoming resources | Resources expended | Transfers in (out) | Balances 31 December 2020 |
| | | £ | £ | £ | £ | £ |
| <u>Unrestricted Funds</u> | | | | | | |
| General Fund | | 28,427 | 76,277 | 66,430 | -11,439 | 26,835 |
| <u>Designated Funds</u> | | | | | | |
| | Receipts & Payments | Accruals | | | | |
| Children's & Families Minister (now YCM) | 9,881 1 | 10,401 | 4,585 | 12,157 | 7,000 | 9,829 |
| Parish Hardship Fund | 75 2 | 299 | 7,113 | 732 | 0 | 6,680 |
| Overseas Missions & Relief Agencies. | 1,527 | 1,527 | 0 | 1,050 | 0 | 477 |
| Building Maintenance Fund | 0 3 | 0 | 2,029 | 2,950 | 2500 | 1,579 |
| Vicar's fund | | 285 | | | -285 | 0 |
| Flower fund (cash) | 358 | 358 | 85 | 168 | -275 | 0 |
| Total Designated | 11,482 | 12,870 | 13,812 | 17,057 | 8,939 | 18,564 |
| <u>Restricted Funds</u> | | | | | | |
| Car Park Fund | 4 | 6,000 | 0 | 0 | 2,500 | 8,500 |
| Christmas Collections | 5 | 56 | 338 | 56 | 0 | 338 |
| Lady Chapel Fund (started Feb 2020) | | 0 | 10,000 | 0 | 0 | 10,000 |
| Legacy hardship fund | 6 | 0 | 0 | 0 | 0 | 0 |
| Total Restricted | | 6,056 | 10,338 | 56 | 2,500 | 18,838 |
| Total Restricted and Designated | | 18,926 | 24,149 | 17,113 | 11,439 | 37,402 |
| Totals | | £ 47,353 | £ 100,426 | £ 83,543 | £ - | £ 64,237 |

7b1. The Children & Families Ministry (CFM) role was renamed Youth and Children's Minister (YCM) in September 2020 at recruitment of a new minister. Funds come in directly from designated donations, and funds go out directly in YCM pay and ministry costs. PCC topped up this fund up by £4,000 at its July Meeting and Standing Committee (SC) added a further £3,000 in December so that a contract could be offered.

7b2. The Vicar's Discretionary Fund was renamed the Parish Hardship Fund. In 2020 funds were donated to care for those in straightened circumstances because of the COVID 19 pandemic. We are most grateful.

7b3. The new Buildings Maintenance Fund paid for a new, and thermally far more efficient boiler for the Meeting Room (All Saints Church Hall) in Oct 20, helping to *Green* the parish, see Note 13.

7b4. The restricted Car Park Fund was topped up in Jul 20 to meet the estimate. Diocesan approval is awaited.

7b5. Rather than establishing a new fund each year, the 2019 Collection Fund was renamed *Christmas Collections fund*, and allow its funds to be restricted to the causes announced by PCC. The 2020 appeal raised £250 (which with Gift Aid) which was added to the fund on 31 Dec 20.

7b7. In 2020 a legacy from the year 1934 was discovered, now restricted to the needy in the Parish. These funds are held by the Diocese of Winchester. They are noted here for the first time. See Note 14.

c. Transfers between funds

| <u>From</u> | <u>To</u> | <u>Amount</u> | <u>Authority</u> |
|------------------------|----------------------------|-----------------|---|
| General Funds | CFM (now YCM) Fund | 4000 | PCC to help recruiting a new minister. |
| General Funds | CFM (now YCM) Fund | 3000 | SC to allow a contract to be offered. |
| Flower fund | General Funds | -275 | On closure of designated Flower fund. |
| General Funds | Buildings Maintenance Fund | 2500 | PCC to initiate the fund |
| Vicar's fund | General Funds | -285 | On closure of designated Vicar's fund. |
| General Funds | Car Park | 2,500 | PCC decision to top up fund to estimate |
| Total Transfers | | £ 11,440 | |

8. Assets and Liabilities by Fund type

| <u>Unrestricted funds</u> | <u>Unrestricted</u> | <u>Designated</u> | <u>Restricted</u> | <u>Total</u> |
|---|---------------------|-------------------|-------------------|-----------------|
| Cash at bank | 26,835 | 18,564 | 18,838 | 67,841 |
| Creditors: amounts falling due in one year | (6,141) | 0 | 0 | (6,141) |
| Unrestricted Gift Aid and GASDS recoverable | 1,516 | 90 | 0 | 1,606 |
| Other Debtors & Prepayments | 930 | 0 | 0 | 930 |
| Totals all funds | £ 23,141 | £ 18,654 | £ 18,838 | £ 64,237 |

9. Commitments under Lease Hire Contract

Nil.

10. Hiring Revenues & Costs

a. As the managing trustee for the two sites in the Parish, the PCC sets the rates of hire annually. The significance of hiring income to the PCC accounts is such that the PCC tracks the costs of its rental activities for each building to ensure it is properly discharging its responsibilities. This tracking is reported here for the first time.

b. In October 2019, Winchester Diocese led a seminar of rental income from church halls. During 2020, the PCC has implemented the advice received from the Archdeacon, the Diocesan Board of Finance, the Insurers and Lawyers in its comprehensive review of hiring contracts. These new arrangements were implemented in September 2020, and are now believed to be compliant with the laws and practices of the Church and state.

c. The table below reports the return on capital on each building under the PCC's management. Site values were updated by the PCC's insurers in 2020.

| <u>PCC assessment of return on managed assets</u> | | <u>2020</u> | | | | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------|---------------------|
| | <u>2020 Return (ROCE)</u> | <u>Asset Value (2020)</u> | <u>Incoming resources</u> | <u>Resources expended</u> | <u>2020 Surplus</u> | <u>2019 Surplus</u> |
| | | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| All Saints Building | -0.09% | 11,200,000 | 0 | 10,133 | (10,133) | 610 |
| Meeting Room | 0.29% | 2,800,000 | 11,620 | 3,373 | 8,246 | 10,795 |
| St Francis Building | 1.06% | 720,000 | 10,972 | 3,373 | 7,599 | 22,350 |
| Total | 0.04% | 14,720,000 | 22,592 | 16,879 | 5,713 | 33,755 |

d. The rental income for All Saints Building was nil in 2020. Its insurance and utilities costs are reported here as part of the PCC's stewardship of the sites of the Diocese. In line with the transition to accruals, the 2019 surplus has been reduced by the hirings amounts received in January 2019 which were due in 2018 and increased by the accrued income not received in 2019. Bank interest was 0.1% for much of 2020.

e. The PCC is in no way qualified nor is attempting to produce commercial returns on the capital of these buildings. But it does report the return on capital of 0.04% (2019: 1.9%) as a comparative way to measure the efficient use of the buildings under its management. 2020 returns are badly affected by COVID restrictions.

11. Costs of fundraising

| | 2020 £ | 2019 £ |
|-----------------------------|-----------|------------|
| Costs of fundraising | 57 | 231 |

a. In line with the guidance of the Charity Commission on Charities and Fundraising (CC20), the PCC declares the costs of fundraising for the period. It should be noted that as the figures in this note are reported separately in the Statement of Financial Activities above, the total *Support Costs* figures from Note 3 are reduced in the SOFA by the sums in this Note to avoid double counting.

b. In 2020, the PCC had no contract or other relationship with professional fundraisers, but it does use the Parish Giving Scheme, ChurchSuite, CAF and Stewardship as appropriate to help gather funds and claim Gift Aid. The costs of the Church Suite fundraising package are not broken out from its administrative functions, but are reported under *Other Support Costs* as Office&Admin expenses at Note 2 above.

c. In November 2020, the PCC opened a relationship with Amazon Smile to garner 0.5% of parishioners' online spending with Amazon, at their choice. This way of fundraising is at no cost. PCC has control of no account with Amazon, so no funds are reported here. Any giving over £5 per quarter should be received quarterly about one month after the end of the calendar quarter. At first report (Feb21) there were no funds to transfer.

12. Related Party Transactions

| | 2020 £ | 2019 £ |
|-----------------------------------|--------------|------------|
| Related Party transactions | 1,299 | 160 |

a. Churches face the increasing burdens of regulatory compliance and work on the maintenance of elderly buildings. In 2020, to that load has been added a very strong focus on cleaning our buildings between uses to help stop the spread of the COVID virus. These accumulating burdens, combined with the COVID induced pressures on job survival, on online meetings and on isolation reduces the number of volunteers and puts pressure on the PCC members themselves to meet the increased workload. This results in payments to PCC members for their labour. Such payments are reported here for the first time, a 712% increase on 2019.

b. The constitution of the new charity allows PCC members to be remunerated for work other than as a trustee. 2020: £1158; 2019: nil. In July 2020, two new PCC members joined, one of whom had been remunerated for cleaning the church for several years (total 2020: £746 as a trustee; 2019: nil), later a second new trustee has assisted (both ratified by the Oct PCC)(total 2020: £411; 2019: nil). A family member of two trustees has assisted the office (2020: £141; 2019: £160). Written agreements are in place.

13. 'Green' parish

a. As well as focusing on Jesus' Mission in Eastleigh, in 2020 officers of the PCC actions have also been working to establish foundations for a 'greener' parish. Actions in 2020 include:

- Transition to 100% 'green' electricity from August 2020.
- Reviewing previous initiatives such as 20.46 kW electric solar panels on the church roof. Rejected because of the inadequate structural strength of the roof.
- New much more efficient boiler for the Meeting Room, with a new more responsive control system.
- Better tracking and reporting the energy usage of the Parish.
- Investigating 'greener' gas solutions.
- Investigating better control solutions for heating at St Francis.
- Transition to SMART meters once settled with new energy supplier.
- Viewing glazing the Lady Chapel (legacy in 2020) both as creating a breakout room and as an energy saving measure.

ix. Discussing and reporting environmentally friendly initiatives with the Parish.

b. In 2019, the Parish made first use of the Parish Returns energy assessment for the National Church. It is intended to report this data when it has stabilised, (COVID measures will make the consumption figures unrepresentative) as a way of showing how seriously we are taking not just energy sources, but energy usage.

14. Miles Bequest

In 2020 it was discovered that the will of Miss Ellen Mary Miles had created a registered charity (number 253847) for the upkeep of her mother's grave and for the poor of the Parish of Eastleigh. At some point in the intervening 86 years the PCC lost control of this charity named *Miles Bequest* to Winchester Diocese. The charity records are up to date with the Charity Commission as it has been fully tended and reported by the Winchester Diocesan Board of Finance. The PCC is most grateful for that work. However, the PCC members in common still appear to be the trustees on record for the charity.

With the deconsecration of the graveyard for the development of the adjacent buildings, funds for the upkeep of the grave are no longer required. The PCC does not believe it was the intent of the testatrix for the funds not to have been fully applied to her wishes some 88 years later. So the control of the fund is now being discussed with the Diocese of Winchester. The PCC hopes that the future of these funds will be resolved to mutual satisfaction in 2021. The PCC does not report these funds numerically, as it does not yet control them, but the PCC wishes to note the balance of £5,993 of the Miles Bequest funds in these accounts, in case any responsibilities as custodian trustees arise to them and the charity.