

EASTLEIGH PARISH

Full title: the Parochial Church Council of the Ecclesiastical Parish of Eastleigh
Registered trading name: Eastleigh Parish

Annual Report and Accounts 2021

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Annual Report

Charitable Objects - what do we exist to do?

This is the second report of Eastleigh Parish as a stand alone charity, registered in England and Wales, number 1189594.

As part of the Church of England (CoE) *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. Our Mission for the next stage of EPC remains: *to be discipling disciples* and our Vision is: *to be a community of discipleship groups*.

Outputs - what have we achieved?

Our **Mission output** is central to who we are. In 2021 despite a very demanding first six months due to COVID restrictions, we have retained our strong links with our international and local mission partners. *Abroad*, our main mission partners are in Guatemala and Israel, and we have been building a link in Uganda. Support to the Israeli work has been hard in lockdown, and our prayers and financial support for the Christian medical missionaries in Guatemala have seen real progress in their son's slow recovery from cancer. We praise God for these answers. The Ugandan link is investing in the gospel and long term food security. *Locally* the PCC has provided support to: relaunching the local Christians Against Poverty; to Street Pastors; and we support 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. In 2021, Mission spending was 50% of total income (2020: 55%).

A significant part of our mission spending (30%; 2020 24%) has been on the employment of a Youth and Children's Minister: September 2020 to November 2021 being the first full year of that dedicated focus. Finding the extra funds for this ministry has been aided by extra giving by our congregations' commitment to this work. We thank them. Our first Youth Camp was reshaped by short notice COVID changes, but our commitment remains to invest in the youth and children of the Parish, and finding employee(s) for this key work.

However, the financial mission output of the charity must not disguise the broader mission output of our church community. 2021 has seen us reinforce these links locally in key ways, through preaching the gospel and through support to the wider parish and our diocese through meetings, phone calls, and meeting food and financial needs. Our parishioners also volunteer locally with Acts of Random Kindness (ARK) Eastleigh and CAP Eastleigh and volunteer and donate abroad.

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 parishioners. This has included up to 4 services per week, facilitated by video and telephone connectivity. In 2021, we have been transitioning to live services again but many are phy-gital, i.e. a people attending either physically or digitally. The giving of health affirming Communion was restarted in 2021.

Our **Support outputs** cover the administration of the church and the running of the buildings, as a witness to Christ and for revenue. This voluntary work is largely by PCC members and the PCC minutes show its agreement regularly to remunerate the unending office work, because of its size and importance; and when headroom allows we will seek another Administrator. But, like the comment under Mission above, the real investment of our church family in Support activities cannot be seen in financial terms. For example, extensive time was invested in advance of the Buildings Quinquennial in September 2021.

Overview

Eastleigh Parish had a very difficult first six months in 2021. Hirings remain a significant income source for PCC but limited by COVID; (Q1 income 3,921; 2020 Q3:). But PCC held its nerve, and despite heavy demands on our volunteers and cleaners 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

Facebook

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 to our public (which includes sharing the gospel of Jesus Christ as the Saviour).

Constitution

We are charity number 1889594 registered in England and Wales with the Charity Commission. Our constitution is the Parochial Church Council Powers Measure 1956 (as amended) and the Church Representation Rules that came into force on 2 January 1957. The PCC is the governing body and had 12 trustees on 31 December 2021.

On 31 December 2021, the PCC held funds for other charities for the first time. £3,021 of funds was as custodian trustee for the Miles Bequest Charity (number 253847), of which the PCC is the sole trustee (see note 14 below). In 2021, on behalf of Churches Together in Eastleigh (CTiE), the PCC also established a custodial fund for care of the unborn child but to date no funds have been received.

As to property and buildings, the church sites are registered with the Land Registry to the Winchester Diocesan Board of Finance, and the PCC acts as managing trustee. The last quinquennial architectural inspection was in September 2021, the last Archdeacon's quinquennial inspection of internal processes was in November 2019.

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.

Advisors

Bank

Lloyd's Bank

Insurance

Ecclesiastical

Lawyers
Via its insurers

Architectural /Surveys
Ryan Bunce & Co, RICS


PR Rev Ian Fletcher
Feb-22 JUNE 22

Financial Review 2021

These accounts are prepared on an accruals basis and are the second annual accounts for the new charity: the Parochial Church Council of the Ecclesiastical Parish of Eastleigh (registered with a trading name of Eastleigh Parish with the Charity Commission); charity number 1189594.

Performance

To provide an accurate picture, the last three years are compared. The PCC's **income** for the year ended 31 December 2021 was £112,598 (2020: £100,426; 2019: £117,037). This 12% increase on 2020 reverses over 70% of the decline caused by the COVID infection. Hiring income was £33,017 (29% of total income) versus £22,592 (22%) in 2020, it is normally about 40%. One-off gifts once again kept income over £100,000. From a financial point of view, very pleasingly a greater proportion of income was unrestricted than in 2020, 87% of total giving, also largely reversing the unrestricted income drop in 2020. Unrestricted income allows the PCC to manage its funds more responsively.

Expenditure was £85,061 in 2021 (2020: £83,544; 2019: £95,340). PCC maintained its moratorium through the year. Funds remain focused on *Mission* (2021: 50% of income; 2020: 55%; 2019: 42%) showing how the PCC has held this priority during COVID as Eastleigh folk were hit by COVID-19. PCC also paid 100% of the Diocesan Common Mission Fund (2020: 91%). *Fellowship* for the church family made up 16% of spending (2020: 19%; 2019: 28%), as utilities savings were made. *Support to Rental Income* was 7% of expenditure (2020: 10%; 2019: 6%), whilst *Other Support Costs* rose as PCC to 7% invested in administration (2020: 2%; 2019: 7%), but more is needed, a guideline is 10%.

2021 total income was £27,537 more than expenditure (2020 £16,883; 2019: £9,709), of which £30,486 was put into designated or restricted funds to prepare for future expenditures. **The PCC overspent its income by £245** (2020: overspent its unrestricted income by £4,337; 2019: £2,003 overspend).

Position

The charity was worth £87,869 on 31 Dec 21 (2020: £64,237) and has 95% of its unrestricted reserves target. Its monies are organised into unrestricted, designated and restricted funds described in the Notes below.

Basis of accounts

Before 2020, the PCC's Accounts were prepared on a Receipts and Payments basis. This report is the second where the accounts are presented on an accruals basis using the Charities SORP (FRS 102) and the historical costs convention. Unlike the 2020 report both years in this 2021 report are on the same basis of accounts, so the position and performance of the charity can be properly compared.

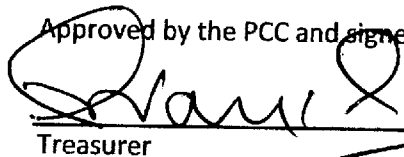
Responsibilities of the members of the PCC in relation to the Accounts

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 20

Approved by the PCC and signed on its behalf by:



Treasurer

Dated 25 April 2022

Independent Examiner's Report **to the PCC Parish of Eastleigh**

This report on the accounts of the PCC for the year ended 31 December 2021, which are set out on the adjoining pages, is in respect of an examination carried out under regulation 3(3) of the Church Accounting Regulations 1997 to 2001 ('the regulations') and s.43 of the Charities Act 1993 ('the Act').

Respective responsibilities of the PCC and the examiner

As members of the PCC you are responsible for the preparation of the accounts; you consider that the audit requirement of Regulation 3(3) and section 43(3) of the Act do not apply. It is my responsibility to issue this report on those accounts in accordance with the terms of Regulation 25.

Basis of this report

My examination was carried out in accordance with the General Directions given by the Charity Commission under section 43(7)(b) of the Act and to be found in the Church guidance, 2001 edition, issued by the Finance Division of the Archbishops' Council. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering 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 I do not express an audit opinion on the view given by the accounts.

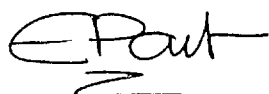
Independent Examiner's statement

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 41 of the Act; and
- to prepare accounts which accord with the accounting records and to

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

25 April 2022

Statement of Financial Activities

For the year ended 31 December 2021

	Notes	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
Incoming resources		£	£	£	£	£
Donations and legacies	2	65,092	14,295	196	79,583	74,840
Fees	2	-264	0	0	-264	970
Fundraising activities	2	254	0	0	254	145
Hiring income	2	33,017	0	0	33,017	22,592
Investment income	2	7	0	0	7	1,880
Total resources received		98,107	14,295	196	112,598	100,427
Resources expended						
Mission and Evangelism	3	41,694	14,295	0	55,989	55,513
Fellowship & Services	3	16,977	0	0	16,977	17,562
Support to rental income	3	6,080	0	0	6,080	8,678
Other support costs	3	6,014	0	0	6,014	1,734
Costs of fundraising	11	0	0	0	0	57
Total resources expended		70,766	14,295	0	85,061	83,544
Net incoming/ (outgoing) resources before transfers		27,342	0	196	27,537	16,883
Funds at 1 January 2021		£ 27,168	£ 18,569	£ 18,500	£ 64,237	

**Transfers between funds
in/(out)**

	Balance 12-20	31- 12-21	Net Designated Transfers	Net Restricted Transfers	Balance 12-21
Restricted Funds					
Transfers to/from Car Park Fund	8,500	0	0	4,000	12,500
Transfers to/from Christmas 2021 Fund	0	0	0	0	0
Transfers to/from Lady Chapel Fund (K Clarke)	10,000	0	0	2,500	12,500
Designated Funds					
Youth & Children Ministry Fund	9,834	18,687	0	0	28,521
Parish Hardship Fund	6,680	(2,656)	0	0	4,024
Overseas Mission	477	228	0	0	705
Building Maintenance Fund	1,578	2,530	0	0	4,108
Net movement between funds		18,789		6,500	

Net income (expenditure)

Funds at 31 December 2021	£ 25,511	£ 37,358	£ 25,000	£ 87,869
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Represented by:

		01-Jan-21	Movement	31-Dec-21
Unrestricted	General (Unrestricted) Funds	£ 27,168	-£ 1,657	£ 25,511
Restricted	Restricted fund - Car park	£ 8,500	£ 4,000	£ 12,500
	Restricted - Christmas Collections		£ -	£ -
	Restricted Legacy - Lady Chapel Fund	£ 10,000	£ 2,500	£ 12,500
Designated	Desig Fund - Youth & Children's Min (YCM)	£ 9,834	£ 18,687	£ 28,521
	Desig Fund - Parish Hardship	£ 6,680	-£ 2,656	£ 4,024
	Desig Fund - Overseas Missions & Relief	£ 477	£ 228	£ 705
	Desig Fund - Building Maintenance	£ 1,578	£ 2,530	£ 4,108
Total		£ 64,237	£ 23,632	£ 87,869

Balance Sheet

For the year ended 31 December 2021

	Notes	2021 £	2020 £
Current Assets			
Debtors and prepayments	4	£ 6,246	£ 2,536
Cash at Bank and in hand	5	£ 93,844	£ 67,841
Total Current assets		£ 100,090	£ 70,377
Liabilities			
Creditors: amounts falling due within 1 year	6	£ 12,222	£ 6,141
Net Current Assets		£ 87,869	£ 64,237

Represented by:

		2021	2020
Unrestricted Funds	7	£ 25,511	£ 27,168
Restricted fund - Car park	7	£ 12,500	£ 8,500
Restricted - Christmas Collections	7	£ -	
Restricted Legacy - Lady Chapel Fund	7	£ 12,500	£ 10,000
Desig Fund - Youth & Children's Min (YCM)	7	£ 28,521	£ 9,834
Desig Fund - Parish Hardship	7	£ 4,024	£ 6,680
Desig Fund - Overseas Missions & Relief	7	£ 705	£ 477
Desig Fund - Building Maintenance	7	£ 4,108	£ 1,578
Total funds		£ 87,869	£ 64,237

Held for others:

PCC unrestricted reserves target

£ 27,000 £ 27,000

Achievement of PCC reserves target

94% 101%

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



Vice Chairman



Treasurer

25 April 2022

Date

Charity Number 1189594 registered with the Charity Commission of England and Wales

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 18 January 2021, the PCC adopted the Financial Policies and Procedures which underpin these financial statements. These policies were amended to reflect the PCC becoming a new charity and are available on request. This is the second year that the annual accounts have been prepared on an accruals basis.
- d. During financial year 2020 the PCC of Eastleigh Parish became registered with the Charity Commission 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. This is its second Annual Report.

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 (Gift Aid and GASDS) are recognised when the incoming resource to which they relate are received. The Charity is not registered for VAT. 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) is accounted for when it is expected to be paid. All other expenditure is recognised when it is incurred and is accounted for gross.

Fixed assets

j. The value of 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 which are held by the vicar and church wardens on special trust for the PCC (and which require a faculty for disposal) are inalienable property, and are listed in the church's inventory, which can be inspected (at any reasonable time) through the wardens. For anything acquired prior to 2010 there is insufficient cost information available and therefore such assets are not valued in these financial statements.

l. The PCC has decided that new fixtures, fittings, and equipment, used within the church premises and with a purchase cost of £10,000 or more, are to be capitalised as assets and depreciated on a straight line basis over each asset's estimated useful life. The value of individual items of equipment with a purchase price of less than £10,000 is written off when the asset is acquired.

2. Incoming resources

	Notes	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2021	Total 2020
	a	£	£	£	£	£
						See Note below
<i>Incoming resources from donations and legacies</i>						
Planned Giving		53,673	3,770	0	57,443	44,945
Offertory and unplanned giving		1,223	10,000	196	11,419	8,530
Gift Aid & GASDS	a	10,174	525	0	10,699	11,340
Legacies & Bequests		22	0	0	22	10,025
SubTotal		65,092	14,295	196	79,583	74,840
<i>Incoming resources from fees</i>						
Wedding, Funeral & Baptism fees	b	(264)	0	0	(264)	970
Cumulative total		64,828	14,295	196	79,319	75,810
<i>Income from fundraising activities</i>						
Event fundraising	c	254	0	0	254	0
Fundraising Coffee mornings		0	0	0	0	145

		SubTotal	254	0	0	254	145
Income from rental and hirings							
Hiring Income - St Francis	d		17,441	0	0	17,441	10,972
Hiring Income - ASCH (Meeting Room)	d		15,576	0	0	15,576	11,620
Hiring Income - All Saints Church Building			0	0	0	0	0
SubTotal			33,017	0	0	33,017	22,592
Investment income							
Bank interest			7	0	0	7	18
Income from Rebates & Overpayments	e		0	0	0	0	1862
SubTotal			7	0	0	7	1,880
Total incoming resources			98,107	14,295	196	112,598	100,427

a. Incoming resources for 2021 include outstanding Gift Aid and GASDS which was collected in January 2022.

b. In 2021, the final sums of PCC monies were brought into the accounts. This results in a recognition of the sum in the PCC Fees account in this Report for the first time, and includes seeing a series of liabilities for weddings paid for but not yet conducted. Hence the figure is negative. Some couples plan their weddings several years in advance, and so some of the wedding income payments into the Fees account have been spread over several years. This made it difficult to bring the Fees into the digital accounts. At the October 2021 PCC, the Treasurer made a substantial error in his first report of these Fees, which has now been corrected. It is believed that the assets and liabilities for Fees are now correctly recognised. The 2021 figure is negative because one couple cancelled their wedding and a refund had to be made.

c. As COVID distancing restrictions have eased, it has been possible to hold fundraising events for the church family. These have all incurred no fundraising costs. But given the national focus on the potential for fraud in event fundraising, the PCC's fundraising for all events in 2021 is declared here for transparency.

The 2021 events were a youth summer camp (cost neutral), a collection for the wedding of the Youth and Children's Minister (cost neutral), a seated Advent Banquet and a collection for trees for the St Francis site. For the wedding gift no Gift aid or GASDS has been reclaimed because the activity was not charitable in law. The two cost neutral events saw Gift Aid recovered as they were in the PCC's charitable objects, but those receipts do not affect the total here, as both events were cost neutral. The Banquet was a ticketed event and all who came were told that any surplus would go to our African mission partner. The total funds received for events in 2021 was £1750 of which £1496 was expended. The surplus in 2021, namely £254 is reported here.

d. Readers will note that hiring income has been a substantial part of PCC income for the last few years. In 2021 hiring income was £33,017, some 29% of total income for the year. We thank out volunteers for their efforts in this amazing work. Hiring revenues have been very seriously affected by the COVID restrictions and, in 2021, this revenue source has also been volatile. This volatility gave no basis for the PCC's financial planning, because government decisions (to "follow the science") were themselves uncertain. Up to 1 July 2021, hiring income was £10,785. In July 2021 the restrictions started to ease. As a result, hiring income for the second half of the year was £22,233, over double. It is this major change in income which allowed the PCC in October to designate substantial monies (£28,500) to three projects, Youth Ministry and two faculties on which we still await Diocesan approval (as was also reported in the 2020 Accounts). These Diocesan delays are both very frustrating and costing your PCC money, as costs escalate and tradesmen become more difficult to get. In 2021, PCC did all it could to hurry these outstanding approvals.

Since the April 2021 PCC, 2% of hiring receipts have been designated for overseas mission; and 20% was designated for Building Maintenance at the PCC in July 2020. Sums in 2021 are at Note 7c below.

e. In 2021, there was no one-off VAT rebate for overpayment, unlike the £1,862 recovered and reported in the 2020 Annual Accounts.

3. Resources expended

Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2021	Total 2020
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		£	£	£	£	£
Mission & Evangelism	a					See Note below
Mission - Overseas donations	b	0	0	0	0	1990
Mission - Home donations	c	850	0	0	850	1,455
Mission - own evangelism etc		129	0	0	129	0
Outreach - incl website		571	0	0	571	390
Mission - Visiting missionaries		123	0	0	123	0
Common Mission Fund	d	34,994	0	0	34,994	36,150
Mission - Clergy Expenses	e	824	0	0	824	1,189
Clergy Support equipment	f	1,250	0	0	1,250	194
Mission Salaries - YCM/Pastor/Intern	g	2,701	14,295	0	16,996	13,330
YCM/Pastor/Intern support equipment	g	0	0	0	0	755
YCM/Pastor/Intern support costs	g	251	0	0	251	60
SubTotals	a	41,694	14,295	0	55,989	55,513
Fellowship	h					
Fellowship - All Saints Utilities	h	1,343	0	0	1,343	3,338
Fellowship - All Saints Building Maint	h	1,043	0	0	1,043	2,891
Fellowship - All Saints Insurance		3,946	0	0	3,946	3,903
Fellowship Cost of services incl kitchen		1,106	0	0	1,106	432
Fellowship - All Saints Clean & Garden		1,591	0	0	1,591	1,297
Fellowship - Flowers		216	0	0	216	200
Fellowship - Pastoral		709	0	0	709	195
Fellowship - Sound and AV equipment		3,674	0	0	3,674	907
Fellowship - Music, Organ, choir, RSCM		505	0	0	505	196
Fellowship - Organists & worship leaders		1,730	0	0	1,730	2,200
Fellowship - Sector Ministries		261	0	0	261	240
COVID financial costs		145	0	0	145	1,794
Adjustments, incl write offs	i	708	0	0	708	-32
SubTotals	h	16,977	0	0	16,977	17,562
Support to Hiring Income						
St Francis - Utilities, Insurance & Clean	j	4,203	0	0	4,203	3,252
St Francis - Maintenance		221	0	0	221	213
All Saints Hall - Utilities, Insurance & Clean	j	1,377	0	0	1,377	2,223
All Saints Hall - Maintenance	j	280	0	0	280	2,989
SubTotals	j	6,080	0	0	6,080	8,678
Other support costs	k					
Costs of fundraising Note 11		0	0	0	0	57
Vehicles and travel expenses		292	0	0	292	144
Office Salaries - Administrator	k	2,655	0	0	2,655	314
Office&Admin expenses - incl phone, IT		1,745	0	0	1,745	452
Office - Stationery, Printing, Postage +		537	0	0	537	333
Office equipment bought - incl furniture		0	0	0	0	27
Governance		50	0	0	50	142
Costs of PCC meetings/away days		6	0	0	6	0
Training and ministry development costs		558	0	0	558	151
Faculties and Site development		30	0	0	30	0
Bank Charges		142	0	0	142	171
SubTotals	k	6,014	0	0	6,014	1,791
Total resources expended		70,766	14,295	0	85,061	83,544

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

- a. The PCC's commitment to mission is strong: despite 2021's highly volatile income (see Note 2d above), Mission spending grew slightly (£55,989 versus £55,513 for 2020) but income grew faster, so Mission spending was 50% of the 2021 total, versus 55% in 2020.
- b. In April 2021, the PCC decided to put 2% of hiring income into the Overseas Mission Fund. Income and Expenditures of those funds are reported under that fund at Note 7 below.
- c. For most of the year, Home donations included support to the Eastleigh Street Pastors, and Acts of Random Kindness (ARK). At the PCC in October 2021, support for Street Pastors sadly was stopped as, despite requests for them not to conduct training during church service time and on a Sunday, they persisted.
- d. Graciously, Winchester Diocese lowered reduced its 2021 Common Mission Fund request below the 2020 figure. As a result the PCC paid 100% (2020: 91%). This figure represents 63% of total 2021 mission spending.
- e. Clergy expenses comprise the ministerial expenses of the Incumbent, not of his office as Chair of the PCC.
- f. In October 2021 the PCC (at a meeting in which the incumbent and his wife were not present) decided, exceptionally and without creating a precedent, financially to support the vicar in managing the impact of the change in Diocesan policy over the replacement of the decayed wooden vicarage decking by providing £1,250 from its general funds. This is also a related party transaction and the detail is at Note 12c below.
- g. Youth and Children's Ministry (YCM) remains a very high priority for the PCC. Sadly in October 2021, Michael Weatherall resigned after his marriage, giving one month's notice. So the 2021 spend was under the £20,000 expected and the £16,996 spent in 2021 is explained under Funds at Note 7b3 below. YCM support costs are for materials for ministry, mobile phone etc.

Fellowship and Church services

- h. As COVID restrictions have eased, fellowship activities have increased, but costs have been kept down by tight management of utilities and maintenance costs. Total fellowship costs have therefore reduced from 2020.
- i. After 2 years hunting for an NS&I account reported as £676 at handover of Treasurer, including letters to NS&I and to successor overseers of Bank Giro accounts, no trace was found. So the PCC wrote this sum off in April 2021. Also in 2021, the Treasurer in good faith made a payment mistake of £32 to a wrong account. This was immediately reported to the Finance Sub Committee, who decided to write this sum off in these accounts.

Support to hiring income

- j. In 2021, the costs of utilities and maintenance of St Francis Hall Church have increased as usage has increased. The drop in costs for the Hall reflects good maintenance and the lower gas consumption of the boiler bought in 2020. The result is a 30% reduction in support costs for hiring income, also being 'greener', see Note 13.

Other support costs

- k. After a difficult 2020 for parish support with no Administrator, volunteers have tried to fill the gap but the load is high and regular efforts need to be recognised financially. Most of these payments are to related parties, see Note 12 below. As a result, PCC spending on support was £6,014 (2020: £1,791; 2019: £7,665).

4. Debtors & Prepayments

		2021 £	2020 £
<u>Unrestricted Funds</u>			
Unrestricted Gift Aid and GASDS recoverable	a	1,272	1,516
Other Debtors & Prepayments	b	4,862	930
Total unrestricted		6,134	2,446
<u>Designated Funds</u>			
Designated Gift Aid recoverable	a	113	90
Total designated		113	90
<u>Restricted Funds</u>			
Restricted Gift Aid recoverable		0	0
Total restricted		0	0
Total Debtors and Prepayments		6,246	2,536

a. The 2021 4th Quarter Gift Aid and GASDS claim. The PCC recovered all outstanding 2021 Gift Aid and GASDS in January 2022.

b. As hiring income increases so do outstanding bills from Debtors at the end of a month. Most pay promptly, but some are less attentive as home businesses recover from the economic downturn of COVID and BREXIT.

5. Cash at bank and in hand

		2021 £	2020 £
PCC Current Account		1,750	1,750
PCC Deposit Account		89,742	65,314
PCC Fees Account			
NS&I account	new this report see Note 3i	2,251	0
Petty Cash		0	676
		12	12
Operations Petty Cash account		90	90
Total cash at bank and in hand		93,844	67,841

a. Substantial funds are held but designated for projects for which approvals are awaited, see notes 2d (faculties) and 3f (vicarage decking) above. See also the notes on Funds at 7 below.

6. Creditors: amounts falling due within 1 year

Unrestricted Funds

		2021 £	2020 £
Unclaimed breaches of moratorium from 2021	a	1,000	1,373
Unclaimed funds for vicarage decking	Note 3f	1,250	0
Unpaid older invoices (rebates for utilities over charging)			-840
Resolution of National Insurance contributions			189
Resolution of NEST contributions			298
Unpaid purchases	b	6,199	5,121
Fees liabilities	c	751	0
Custodial account: Liability to Miles Bequest	Note 7	3021	£ -
		12,222	6,141
Designated Funds		0	0
Restricted Funds		0	0
Total		12,222	6,141

a. Two items of £500 each (a new office computer and a replacement TV screen for services) were planned expenditure in 2021: these are not yet paid.

b. COVID measures have delayed weddings. In the 21st century also people seem to plan their weddings years in advance. The consequence of bringing PCC Fees into the accounts is that the PCC is liable to pay people for the verger, AV and other support that they provide especially for weddings, so these are recognised for the first time.

c. In addition to the creditors recognised at Note 6b above, the conduct of weddings and funerals also creates a liability to pay the Diocesan levy on parish fees. This sum is from the 4th quarter fees return, which was settled just after New Year. The fees dues to the PCC are not recognised as these are an internal transaction.

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.

PCC Fees Account (new to this report)	Bank Current account	Fee transactions for Baptisms, Weddings and Funerals	Bank Statements	Cost neutral. Quarterly payment of Diocesan and PCC levies. Also ongoing payments of support staffs (verger, AV, flowers, choir, organist).
National Savings	Deposit Fund	Savings	Written off by PCC in 2021	NS&I deny existence. Corporate memory cannot locate.
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

ii. Designated funds

Name of Desig Fund	Type of Fund	Purposes of Fund	Basis of	Expenditure Plans
Youth and Children's Ministry Fund	Designated income fund – started 2018	To accumulate funds for a Youth and Childrens Minister (YCM) (renamed from Children and Families Ministry fund by PCC in Jan 21)	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	None	Continuous lookout by PCC and Vicar, includes COVID support costs.
Overseas Mission	Designated income fund – start unknown	To help EPC to focus on overseas & relief too.	2% of hiring revenue	Income decided at April PCC. Largely for mission partners. (Renamed 2021).
Building Maintenance Fund	Designated income fund - started 20 Jul 2020	Based on historic costs since 2014, this reserve protects the General Fund from arising maintenance costs.	20% of hiring revenue	To accumulate for building maintenance contingencies

iii. Restricted funds

Name of Restr Fund	Type of Restricted Fund	Purposes of Restricted Fund	Documentati on 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, Apr 20 and Oct21. Awaiting Faculty.
Lady Chapel Fund (started Feb 2020)	Restricted income fund	Legacy from K Clarke	Will	Top up Oct21. Faculty awaited.

iv. Custodial Restricted Funds

Name of Custodial Restricted Fund	Type	Purposes of Custodial Restricted Fund	Document proving restriction	Plans to spend funds?
Miles Bequest fund	Custodial Restricted Fund	For the purposes of the charity <i>Miles Bequest</i> of which the PCC in common is the trustee.	Will of 1930 held at Hampshire Records	See Note 14
CTiE Fund for the unborn, see note 7b4 below.	Custodial Restricted Fund	For the care of the unborn and their mothers to be.	Email from CtiE	See Note 15

b. Fund details	Balances at 1 January 2021	Incoming resources	Outgoing resources	Transfers in (out)	Balances 31 December 2021
	£	£	£	£	£
<u>Total Cash in funds</u>					
PCC Current Account	1,750	64,191	(35,691)	(28,500)	1,750
PCC Deposit Account	65,314	24,428	0	0	89,742
PCC Fees Account 7b1	0	5,780	(3,529)	0	2,251
National Savings 7b2	676	0	(676)	0	0
Petty Cash	12	0	0	0	12
Operations Petty Cash account	90	0	0	0	90
Total Cash	67,841	94,398	(39,897)	(28,500)	93,845
<u>Of which Resources the following are Designated Funds</u>					
Youth & Children Ministry Fund 7b3	9,834	0	(3,313)	22,000	28,521
Parish Hardship Fund	6,680	408	(3,064)	0	4,024
Overseas Mission	477	749	(521)	0	705
Building Maintenance Fund	1,578	6,584	(4,055)	0	4,108
Total Designated	18,569	1,157	(6,897)	22,000	37,358
<u>Of which Resources the following are Restricted Funds</u>					
Car Park Fund	8,500	0	0	4,000	12,500
Christmas Collections		338	(338)	0	0
Lady Chapel Fund (started Feb 2020)	10,000	0	0	2,500	12,500
Total Restricted	18,500	338	(338)	6,500	25,000
Total Restricted and Designated	37,069	1,495	(7,235)	28,500	62,358
<u>Restricted Custodial Funds (for information)</u>					
Miles Bequest fund 7b4	0	6,021	(3,000)	0	3,021
CTIE Fund for the unborn 7b5	0	0	0	0	0
Total Restricted Custodial Funds	0	6,021	(3,000)	0	3,021

7b1. The Treasurer assumed control of the PCC Fees Account on 30 June 2021, which funds of the PCC have been held in a bank account in the PCC's name, but which have not been previously reported in its accounts. So this 2021 Annual Report brings together all the funds of the PCC into one place for the first time.

7b2. Extensive effort was been made in 2020 to trace this NS&I account, to no avail. Consequently, the PCC wrote off these unlocated funds in April 2021.

7b3. Strictly this is a restricted fund, as donors give directly into it. But the restricted donations fall short of that required to pay a minister in this area. So in the year, the PCC designates money from its general funds to YCM funds to support this ministry. In 2021 direct giving of £14,417 came into this fund (including one very generous gift of £10,000 without Gift Aid). The gross outflow was £17,730. Only the net outflow is shown. The balance was made up from general funds by the PCC.

7b4. The Miles Bequest fund was named as the *legacy hardship fund* in the 2020 accounts, with the following note: "In 2020 a legacy from the year 1934 was restricted to the needy in the Parish. These funds are held by the Diocese of Winchester but under the control of the PCC." As mentioned in Note 14 of the 2020 accounts, PCC sought and in August 2021 gained control of these funds. See Note 14 below.

7b5. Shortened title. In 2021, at the request of Churches Together in Eastleigh a restricted custodial fund was established called "Care for the unborn ...And their mothers to be". See Note 15.

c. Transfers between funds

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Authority</u>
General Funds	Youth & Children's ministry	-36,417	CFM desig income and PCC top up (22,000)
Youth & Children's ministr	General Funds	17,730	CFM salaries and costs
General Funds	Christmas Collection	-338	Transfer of Christmas Collection
Christmas collection 20	General Funds	169	Sending 50% of collection abroad
Christmas collection 20	Parish Hardship	169	Sending 50% of collection to Hardship Fund
General Funds	Parish Hardship	-408	Surpluses and designated gift
Parish Hardship	General Funds	3,064	For Hardship support in 2021
General Funds	Overseas Mission	-749	2% of hiring income since Apr21 PCC
Overseas Mission	General Funds	521	PCC donations to Adonai/Aquino/Justus
General Funds	Buildings Maintenance	-6,584	20% of hiring incomes (PCC decision Jul20)
Buildings	General Funds	4,055	Maintain All Saints gas heating & HIVE StF
General Funds	Car Park	-4,000	PCC decision to top up fund
General Funds	Lady Chapel	-2,500	PCC decision to top up fund
Total Transfers		-25,289	

The PCC remains hugely disappointed that the submitted faculties for the Car Park and the Lady Chapel have still not been approved. As well as the absence of the facilities, these delays are costing the PCC significant sums of money (£6,500 in 2021). Every effort is being made to bring these planned facilities into use.

8. Assets and Liabilities by Fund

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Total</u>
<i>Unrestricted funds</i>				
Creditors: amounts falling due in one year	6 (12,222)	0	0	(12,222)
Unrestricted Gift Aid and GASDS recoverable	4 1,272	0	0	1,272
Other Debtors & Prepayments	4 4,862	0	0	4,862
Total unrestricted	(6,088)	0	0	(6,088)
<i>Designated funds</i>				
Designated Gift Aid recoverable	4 0	113	0	113
<i>Restricted funds</i>				
	0	0	0	0
<i>Restricted Custodial funds</i>				
Miles Bequest Fund	a 0	0	0	0
Churches Together in Eastleigh "Care for the unborn and their mothers to be"				
Totals all funds	(6,088)	113	0	(5,976)

a. Miles Bequest Funds were £3021 on 31 December 2021, but are not included in the PCC's assets.

9. Commitments under Lease Hire Contract

Nil.

10. Hiring Revenues & Costs

a. As 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.

b. In 2021 the PCC continued to use the new contracts in its policies as reported last year, and had to be reactive to the changing advice on COVID measures, therefore rental income for the first six months of 2021 was lower than usual at £10,785. After the restrictions changed in July 2021 the hiring income for the second half of the year was £22,233 exceeding £19,844 (the pre COVID rate of £9,922 per quarter (2019 hirings)). PCC October deliberations on rates for 2022 included a commercial comparator for the first time and, largely as a reflection of the hike in utility prices announced in early October 2021, agreed to increase prices for the first time in 2 years, this time by 10%.

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

	2021 Return (ROCE)	Asset Value (2021)	2021		2021 Surplus	2020 Surplus
		£	Incoming resources £	Outgoing resources £	£	£
All Saints Building	-0.06%	11,200,000	0	6,332	(6,332)	(10,133)
AS Church Hall	0.50%	2,800,000	15,576	1,657	13,919	8,246
St Francis Building	1.81%	720,000	17,441	4,424	13,017	7,599
Total	0.14%	14,720,000	33,017	12,413	20,605	5,712

d. The rental income for All Saints Building was nil in 2021, it is being used for its proper purpose of ministry. Its insurance and utilities costs are reported here as part of the PCC's stewardship of these assets of the Diocese. The 2021 return on the capital employed (ROCE) in the PCC's Diocesan buildings was 0.14% (0.47% in 2020) compared with a Bank of England interest rate of 0.1% for 2021. The two major earners returned at 0.77%.

e. The PCC is in no way qualified, nor is it attempting, to produce commercial returns on these buildings (which it considers overvalued by insurers anyway). But it does report the return as a comparative way to demonstrate the efficient use of the buildings under its management. 2021 returns are badly affected by COVID restrictions.

11. Costs of fundraising

	2021 £	2020 £
Costs of fundraising	0	57

a. The Charity Commission guidance on Charities and Fundraising (CC20), requires the PCC to declares its costs of fundraising. PCC use of the envelope giving scheme is being revisited, and the 2021 cost is zero.

b. In 2021, the PCC had no contract or other relationship with professional fundraisers, but it does use the Parish Giving Scheme and ChurchSuite (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 direct cost to the PCC, and PCC has control of no account with Amazon, and so no funds are reported here. Any giving over £5 per quarter is received quarterly about one month in arrears. These funds are reported under unrestricted donations and totalled £52 in 2021 (2020: zero).

12. Related Party Transactions

	2021 £	2020 £
Related Party transactions	5,105	1,299

- a. Churches face the increasing burdens of regulatory compliance and of maintenance work on elderly buildings. This burden when combined with the COVID induced pressures like job survival, online meetings and isolation reduces the number of volunteers and puts ever increasing pressure on PCC members to meet the PCC's responsibilities. This results in payments to PCC members for their labour. Such payments are reported here.
- b. The charity's constitution allows PCC members to be remunerated for work other than as a trustee. In 2021 this was £5,105 a 293% increase (2020: £1,299) on cleaning, administrative support and the patio repair at c below. £2,200 of these transactions were for Administration, £1,655 for cleaning and the balance for services rendered.
- c. It also needs to be reported that two factors affect the PCC's financial relationship with the Vicar, who is also a related party. First, for the whole of his incumbency here he has been one of the best buyer of items for the church, especially AV equipment but also many other things, through a talent he has for finding bargains. In 2021 he procured an HD ready OLED TV for the children's work for £305. So significant funds flow through his hands each month, and these are scrutinised by a warden and the treasurer to ensure value for money and appropriateness. Second, this year PCC has again struggled with the Diocese over the maintenance of the Vicarage, over which the vicar holds the freehold. Some defective items had been outstanding for 8 years and the quinquennial inspection was at least 3 years late. The worst issue was a Health and Safety item for the patio at the rear. The PCC as a whole has been energised by this and authorised the Treasurer to write, hastening the Diocese, from February 2020 onwards. In 2021, the Diocese claimed a policy change, and refused to repair this 18 month outstanding safety issue without a £1,280 contribution from the vicar. After 3 PCC discussions in the absence of related parties, the October 2021 PCC accepted that this sum was unaffordable and that the principle was wrong, and so decided to fund the vicar's contribution with £1,250. This related party transaction is fully disclosed here. If further details are required, please discuss it with the Treasurer, for there are other factors unsuitable for publication.
- d. One PCC member rented St Francis Church for a party and was given a community discount of 20%.

13. 'Green' parish

- a. As well as focusing on Jesus' Mission in Eastleigh, in 2021 officers of the PCC actions have continued to build foundations for a 'greener' parish. The Parish website has details. Actions in 2021 included:
- Continued use of 100% 'green' electricity from August 2020.
 - Visit by the Diocesan heating advisor in November 2021 to review options for a greener heating system for All Saints Church Building. All options were considered. The assessment was that sources of draughts should be eliminated, but that major expenditure should wait until after the government has decided on the results of the current trial to replace the current fossil gas fuel (natural gas) with hydrogen (which is renewable).
 - Better control solutions for heating at St Francis. Fitted in November 2021.
 - Continued pressure from the PCC to transition to SMART meters from the new energy supplier.
 - Viewing glazing the Lady Chapel (for which a legacy was received in 2020) both as creating a breakout room and as an energy saving measure. (Still awaiting faculty approval from the Diocese.)
 - A preaching series on the environment leading up to COP21 and continued reporting of environmentally friendly initiatives to the Parish.
 - Planting new trees at St Francis as a compensator for the tree to be removed as part of the Car Park project.

14. Custodial funds on behalf of Miles Bequest

In 2020 (and as reported in last year's report), it was discovered that in 1934 the will of Miss Ellen Mary Miles had created a registered charity which is named *Miles Bequest*, both 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 the funds of this charity to Winchester Diocese, but the PCC members in common remained the trustee on record with the Charity Commission. The requirement for gravestone upkeep lapsed with the closure of the graveyard. And as the PCC does not believe it was the intent of the testatrix for the funds not to be fully applied to her secondary purposes (the poor of Eastleigh parish) this long after the churchyard closed, it regained control of the outstanding £6021.26 of funds on 9 August 2021. On the advice of our External Examiner, the PCC established a Restricted *Custodial* Fund on receipt of the money because this money is held for another charity. These funds do not belong to this charity but the full value of the fund is reported here for the first time on behalf of Miles Bequest, charity number 253847 registered in England and Wales, but the funds are discounted from the assets of the PCC.

In pursuit of the wishes in her will, that the funds be used for the poor of the ecclesiastical parish, the Treasurer sought internal financial advice. It was considered that it was beyond the skills of the PCC to create modern systems for poverty relief without fraud, so in 2021 the Trustee of Miles Bequest (namely the PCC) made two allocations from this fund (totalling £3,000) to Christians against Poverty (CAP Eastleigh) for the poor of this Parish. The PCC's trustee with an interest in CAP Eastleigh abstained throughout. The PCC has an intent to spend the remaining funds in 2022 and to close the charity.