

PAROCHIAL CHURCH COUNCIL OF ST. MARGARET'S, SOUTHSEA

England & Wales · Charity number 1189666

Details

Other names SAINT MARGARET'S COMMUNITY CHURCH

Status Registered

Legal form Other

Registered 2020-05-27

Register [View on the Charity Commission register](#)

Contact

Address St. Margarets Community Church
Highland Road
Southsea
PO4 9DD

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Activities

Objects: PROMOTING IN THE ECCLESIASTICAL PARISH THE WHOLE MISSION OF THE CHURCH.

Activities: Promoting in the ecclesiastical parish the whole mission of the Church.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- Portsmouth City

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£335,610	£256,331	-	-
2023-12-31	£267,992	£222,048	-	-
2022-12-31	£204,338	£179,041	-	-
2021-12-31	£173,960	£195,990	-	-
2020-12-31	£211,419	£132,244	-	-

Trustees

Name	Role	Appointed
Andrew Malbon		2025-05-11
Helen Malbon		2025-06-26
Howard Jones		2020-10-18
Laura Preston		2020-10-18
Lynne Harvey		2025-05-11
Raymond Smith		2020-10-18
Stephen Hayward		2020-10-18
Thomas Rayner		2025-05-11
Wendy Britnell		2025-05-11

Accounts

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

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PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The members of St Margaret's Parochial Church Council (PCC) submit their Annual Report and the financial statements for the year ended 31st December 2024. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing regulations, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Location

St Margaret's Church address is Highland Road, Southsea, Hants PO4 9DD. Its bank accounts are held with Lloyds Bank plc, and Carpenter Box Limited, Chartered Accountants, independently examines its accounts.

Background

St Margaret's PCC has responsibility for promoting within the ecclesiastical parish the mission of the Church: pastoral, evangelistic, social and ecumenical.

It is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

St Margaret's parish falls within the Diocese of Portsmouth. The parish now makes an annual contribution, ("the parish share"), which is used to pay clergy stipends, to fund diocesan ministries that support the parish and for diocesan and general synod costs. The diocese appoints the parish clergy.

St Margaret's PCC is a charity - registration number 189666.

Public Benefit

The PCC has complied with the duty in the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission.

Membership of the Church

The Electoral Roll for 2024 stood at 61 members, as reported by Sue Lynes, Electoral Roll Officer.

Operation of the Parochial Church Council

The PCC was elected at the APCM on 19th May 2024 with 20 members in attendance. As the electoral roll number at the meeting stood at 61 people there were spaces for six members to be elected to the PCC. Four current members continued to serve leaving two vacancies. One nomination was received, and they were duly elected. This left one vacancy. No nomination was received for a Deanery Synod representative. The PCC met five times during the year.

Standing & Finance Committee

This committee exists by law with power to transact the business of the PCC between meetings. It also considers financial needs, (including preparation of annual PCC budget), plans PCC meeting agendas, and makes recommendations for PCC consideration as it sees fit. Its membership comprised the Curate, the Priest in Charge, the Church Wardens, the Treasurer, one Trustee/PCC member and the Secretary. The Standing and Finance Committee met five times during the year.

REVIEW OF THE YEAR 2024

Ministry: There is lots to celebrate about 2024

Worship

Sunday services have continued to grow and flourish. We are actively training and empowering our team of lay leaders, who are growing in confidence in hosting, preaching, and taking on greater responsibility. The Prayer Ministry at our morning service has also expanded over the past year, with more people stepping forward to serve and receive prayer.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Finance Report

2024 was an exciting year as alongside the growth of the congregation and other activities described elsewhere in this report, we achieved an overall level of financial stability. Key figures for the year are at in the statement of financial activities, but the following financial highlights are worthy of note:

Voluntary Unrestricted giving for the year was in the region of £72k arising from an increase in of regular giving through the Parish Giving Scheme with 42 regular donors (last year 36) giving a little under £4,500/month as at 31 Dec 2024. A further £40K of Unrestricted funds arose from grants received.

Voluntary restricted giving amounted to £45K with a further £113k from grants received.

Income from charitable activities saw ancillary trading increase to £99K, £28K of which is Restricted, and a further £5K from rental income (Bicycle Recycling).

The Pantry is a key ministry and was established with a review cycle to ensure that it was affordable on an ongoing basis. Income from the Pantry and some donations are Restricted such that those funds can only be used for the Pantry and these have exceeded the costs; as such have provided a degree of resilience to the ongoing operation.

Gift Aid Recovery has provided over £12K and is a valuable increase to the amount of a tax paying individual's voluntary giving. This is at no cost to the donor and qualifying donors are encouraged to sign up for Gift Aid.

Gas and electricity costs exceeded £27K in the year noting that the building is in regular use throughout the week. The renewable heat incentive (RHI) payments have yet to provide the payback hoped for.

The installation of solar PV panels and roof replacement is now booked for the first few months in 2025. This will significantly reduce electricity costs as well as demonstrate the church's commitment to sustainability.

We continue to be blessed by the provision of the diocesan Strategic Development Fund which contributed to specific staff costs as well as some building work. The remaining restricted funding for operations was transferred to us in January 2025. This is a finite source of income and the growth of regular giving is progress towards St Margaret's becoming financially self-sufficient.

Church Hall lettings generated over £33K of income and the hall continues to be a valuable asset both as a provision to the community but also in generating income to be used for the church's ministry.

As a PCC we were able to fully meet the Parish Share requirement of £17,280.

The year ended with a total income of £336K and expenditure of £256K which resulted in a net movement of £80K across both Unrestricted and Restricted funds. This positions St Margaret's well for their ongoing ministry.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Finance Report (Continued)

During the year, we were able to continue to set aside a reserve ensuring sufficient financial resources are protected to cover any costs should any unforeseen circumstances occur that result in restricting the ability to operate.

The greatest risk to the ongoing operation of the church's ministry is a failure of the roof. The intent is to reroof the nave during spring 2025. Consideration of placing netting under the ceiling to avoid the need to stop activities during the building works is underway.

Risk item	Likelihood	Impact	Mitigation	Treatment
Failure of the roof	Medium	High	Some activities moved into the hall. Shop and café would have to pause resulting in loss of income.	Replace roof
Increase in energy bills	Medium	Medium	Installation of solar PV to reduce future costs of electricity.	Manage energy usage

Day to day financial operations are conducted by the bookkeeper, Kate Precious, with oversight and guidance from the Operations Manager and the treasurer. The Operations Manager has undertaken both of these roles since the bookkeeper left. Significant expenditure requires approval from duly authorised persons.

Safeguarding

The Parish continues to liaise with the Diocese for safeguarding advice and training. The PCC lead for safeguarding is Laura Preston, the Parish Safeguarding Officer is Philippa Dawson.

Buildings Report

The roof project continued to run throughout 2024, with several fund-raising events occurring throughout the year with significant funding obtained through the National Lottery Community fund and the Community Infrastructure Levy. A Faculty for the roof project was obtained in March 2024. A final bat survey and structural survey have ensured that the programme will progress early in 2025.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

PCC Membership

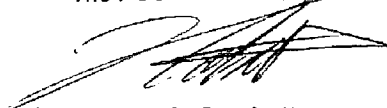
Members of PCC of St Margaret's Church in 2024

The elections took place on Sunday 19th May at the APCM

Name	Role	Notes
Fran Carabott	Curate	
Neil Smart	Priest in Charge	
Laura Preston	Church Warden	Re-elected
Howard Jones	Church Warden	Re-elected
Tom Rayner	Treasurer	
Hilda Mapeta	Denary Synod Representative	Re-elected from 14th May 2023
Ray Smith	Elected member	Re-elected from 14 th May 2023
Stephen Dawson	Elected member	Re-elected from 14 th May 2023
Paul Thwaites	Elected member	Re-elected from 14 th May 2023
Steve Hayward	Elected member	Re-elected from 14 th May 2023
Lauren Stevens	Elected member	From 19 th May 2024

The PCC members report was approved by the Board of Members of the PCC.

The PCC members report was approved by the Board of Members Of The PCC.



Rev. Mr Francis Carabott

Dated: 24 April 2025

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

INDEPENDENT EXAMINER'S REPORT

TO THE MEMBERS OF THE PCC OF PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

I report to the members of the PCC on my examination of the financial statements of Parochial Church Council of St Margaret's Southsea (the PCC) for the year ended 31 December 2024.

Responsibilities and basis of report

As the members of the PCC of the PCC you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the PCC's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

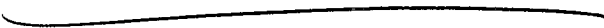
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Timothy Millett FCA



Carpenter Box
53 Kent Road
Southsea
Hampshire
PO5 3HU
United Kingdom

Dated: 24 April 2025

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Income and endowments from:											
Donations and legacies	2	72,276	-	157,745	-	230,021	93,221	-	84,708	-	177,929
Charitable activities	3	76,500	-	27,633	-	104,133	64,512	-	24,390	-	88,902
Investments	4	451	-	248	-	699	245	-	118	-	363
Other income	5	757	-	-	-	757	798	-	-	-	798
Total income		149,984	-	185,626	-	335,610	158,776	-	109,216	-	267,992
Charitable activities											
St Margaret's church and church hall	6	134,687	-	121,644	-	256,331	175,092	-	46,956	-	222,048
Net gains on investments	10	-	-	-	372	372	-	-	-	56	56
Net income		15,297	-	63,982	372	79,651	(16,316)	-	62,260	56	46,000
Transfers between funds		36,786	(3,520)	(33,266)	-	-	12,649	(8,149)	(4,500)	-	-
Net movement in funds		52,083	(3,520)	30,716	372	79,651	(3,667)	(8,149)	57,760	56	46,000

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted Unrestricted funds		Restricted Endowment funds		Unrestricted Unrestricted funds		Restricted Endowment funds		Total	
		2024	2024	2024	2024	2023	2023	2023	2023	2024	2023
		£	£	£	£	£	£	£	£	£	£
Net movement in funds		52,083	(3,520)	30,716	372	(3,667)	(8,149)	57,760	56	79,651	46,000
Reconciliation of funds:											
Fund balances at 1 January 2024		35,579	23,120	100,140	15,031	39,246	31,269	42,380	14,975	173,870	127,870
Fund balances at 31 December 2024		87,662	19,600	130,856	15,403	35,579	23,120	100,140	15,031	253,521	173,870

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

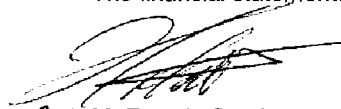
PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		22,600		29,120
Investments	13		15,403		15,031
			<u>38,003</u>		<u>44,151</u>
Current assets					
Debtors	14	22,432		3,557	
Cash at bank and in hand		198,626		131,934	
		<u>221,058</u>		<u>135,491</u>	
Creditors: amounts falling due within one year	15	5,540		5,772	
Net current assets			<u>215,518</u>		<u>129,719</u>
Total assets less current liabilities			<u><u>253,521</u></u>		<u><u>173,870</u></u>
The funds of the PCC					
Endowment funds	16		15,403		15,031
Restricted income funds	17		130,856		100,140
Unrestricted funds - general			87,662		35,579
Unrestricted funds - designated			19,600		23,120
			<u><u>253,521</u></u>		<u><u>173,870</u></u>

The financial statements were approved by the members of the PCC on 24 April 2025


 Rev. Mr Francis Carabott
 Trustee

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Parochial Church Council of St Margaret's Southsea is a registered charity in England and Wales. The Trustees are the members of the PCC named in the Annual Report. The church of St Margaret's address is Highland Road, Southsea, Hants, PO4 9DD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the PCC's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The PCC is a Public Benefit Entity as defined by FRS 102.

The PCC has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members of the PCC have a reasonable expectation that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus the members of the PCC continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the members of the PCC in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the members of the PCC for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the PCC.

1.4 Income

Income is recognised when the PCC is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the PCC has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the PCC has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Costs are charged directly to the most appropriate activity or category of expenditure.

Parish share and other costs directly relating to the work and activities of the Church are accounted for when they are incurred or become due and payable.

1.6 Tangible fixed assets

Consecrated and beneficed property is excluded from the accounts by S10(2)(a & c) of the Charities Act 2011. Moveable church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal are capitalised at cost and written off over their useful economic life other than where insufficient cost information is available. In this case the item is not capitalised, but is included in the Church's inventory. All expenditure incurred during the year on consecrated or benefice buildings, whether for maintenance or improvement, is written off as expenditure and separately disclosed.

Other Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% on the reducing balance or straight line
--------------------------------	--

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Individual items of equipment with a purchase value of under £3,500 are written off when acquired.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the PCC reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the PCC is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	72,276	44,763	117,039	58,437	46,355	104,792
Legacies receivable	-	-	-	-	5,000	5,000
Grants received	-	112,982	112,982	34,784	33,353	68,137
	<u>72,276</u>	<u>157,745</u>	<u>230,021</u>	<u>93,221</u>	<u>84,708</u>	<u>177,929</u>
Grants receivable for core activities						
Portsmouth Diocesan Board of Finance & SDF Contribution	-	40,243	40,243	34,784	-	34,784
PCC pantry grant	-	-	-	-	7,511	7,511
Tesco foodbank grant	-	-	-	-	375	375
PCC Household Support Fund	-	71,339	71,339	-	18,367	18,367
HIVE	-	-	-	-	1,500	1,500
Future Youth Development Grant	-	1,400	1,400	-	5,600	5,600
	<u>-</u>	<u>112,982</u>	<u>112,982</u>	<u>34,784</u>	<u>33,353</u>	<u>68,137</u>

3 Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
St Margaret's church and church hall						
Sale of goods	34	-	34	398	-	398
Ancillary trading income	71,466	27,633	99,099	59,114	24,390	83,504
Charitable rental income	5,000	-	5,000	5,000	-	5,000
	<u>76,500</u>	<u>27,633</u>	<u>104,133</u>	<u>64,512</u>	<u>24,390</u>	<u>88,902</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Interest receivable	451	248	699	245	118	363

5 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	757	798

6 Expenditure on charitable activities

	St Margaret's church and church hall 2024 £	St Margaret's church and church hall 2023 £
Direct costs		
Staff costs	71,204	60,431
Depreciation and impairment	11,861	11,149
Parish quota	17,279	17,197
Church building	58,423	57,894
Community cafe, shop and soft play area	16,347	18,654
Pantry	48,499	30,977
Mission and support	15,579	8,918
Church management and administration	12,579	12,234
	251,771	217,454
Share of support and governance costs (see note 7)		
Governance	4,560	4,594
	256,331	222,048
Analysis by fund		
Unrestricted funds - general	134,687	175,092
Restricted funds	121,644	46,956
	256,331	222,048

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Support costs

	Support costs £	Governance costs £	2024 Support costs £	Governance costs £	2023 £
Independent Examiners fees	-	4,560	4,560	-	4,594
	-	4,560	4,560	-	4,594
Analysed between Charitable activities	-	4,560	4,560	-	4,594

The independent examiners fees for the examination of the accounts were £1,200 (including vat), other payroll and accountancy services are provided.

8 Members Of The PCC

None of the members of the PCC (or any persons connected with them) received any remuneration or expenses as a PCC member during the year.

Clergy stipends were paid by the Church Commissioners within Church of England stipendiary guidelines.

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	4	4
Employment costs	2024 £	2023 £
Wages and salaries	70,747	59,909
Other pension costs	457	522
	71,204	60,431

There were no employees whose annual remuneration was more than £60,000.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Employees

(Continued)

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024 £	2023 £
Aggregate compensation	33,661	31,533

10 Gains and losses on investments

	Endowment funds 2024 £	Endowment funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	372	56

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2024	55,743
Additions	5,341
At 31 December 2024	61,084
Depreciation and impairment	
At 1 January 2024	26,623
Depreciation charged in the year	11,861
At 31 December 2024	38,484
Carrying amount	
At 31 December 2024	22,600
At 31 December 2023	29,120

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

13 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2024	15,031
Valuation changes	372
	<u>15,403</u>
At 31 December 2024	<u>15,403</u>
Carrying amount	
At 31 December 2024	<u>15,403</u>
At 31 December 2023	<u>15,031</u>

14 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	5,750	138
Other debtors	15,000	1,935
Prepayments and accrued income	1,682	1,484
	<u>22,432</u>	<u>3,557</u>

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	5,540	5,772
	<u>5,540</u>	<u>5,772</u>

16 Endowment funds

Endowment funds represent assets which must be held permanently by the PCC. Income arising on the endowment funds can be used in accordance with the objects of the PCC and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 January 2024 £	Gains and losses £	At 31 December 2024 £
Permanent endowments	15,031	372	15,403
	<u>15,031</u>	<u>372</u>	<u>15,403</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Endowment funds

(Continued)

Previous year:	At 1 January 2023	Gains and losses	At 31 December 2023
	£	£	£
Permanent endowments			
Benefice Augmentation Fund	14,975	56	15,031

The capital of this fund is not available to the PCC but the income from it may be used by the PCC for its general purposes.

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
Diocesan Strategic Development Fund	-	43,080	(43,080)	-	-	-
Pantry	42,482	112,103	(67,241)	(30,266)	-	57,078
Roof Fund	47,858	9,343	(6,123)	-	-	51,078
Roof Fund - Lottery Solar Panel Funding	-	19,700	-	-	-	19,700
PCC - Soft Play Area	6,000	-	-	(3,000)	-	3,000
Future Youth Development	3,800	1,400	(5,200)	-	-	-
	<u>100,140</u>	<u>185,626</u>	<u>(121,644)</u>	<u>(33,266)</u>	<u>-</u>	<u>130,856</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Restricted funds

(Continued)

Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
Pantry	23,380	71,758	(45,156)	(7,500)	-	42,482
Roof Fund	10,000	31,858	-	6,000	-	47,858
PCC - Soft Play Area	9,000	-	-	(3,000)	-	6,000
Future Youth Development Grant	-	5,600	(1,800)	-	-	3,800
	<u>42,380</u>	<u>109,216</u>	<u>(46,956)</u>	<u>(4,500)</u>	<u>-</u>	<u>100,140</u>

The Strategic Development Fund has provided funding for staff costs, operations and building work.

Portsmouth City Council contributed £15,000 towards the provision of a soft play area within the St Margaret's church. The transfer to unrestricted fund matches the depreciation charged.

A pantry was established in 2022. Grants were received from Portsmouth City Council.

Donations and a legacy were received for roof repairs. Lottery funding of £19,700 was received for Solar Panels.

A grant of £5,600 was received which funds an intern. A further £1,400 was received in the year.

18 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 January 2023	Transfers	Balance at 1 January 2024	Transfers	Balance at 31 December 2024
	£	£	£	£	£
Fixed Asset Fund	31,269	(8,149)	23,120	(3,520)	19,600
	<u>31,269</u>	<u>(8,149)</u>	<u>23,120</u>	<u>(3,520)</u>	<u>19,600</u>

A fixed asset fund has been designated equivalent to the value of unrestricted fixed assets.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

19 Analysis of net assets between funds

	Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Fund balances at 31 December 2024 are represented by:					
Tangible assets	-	19,600	3,000	-	22,600
Investments	-	-	-	15,403	15,403
Current assets/(liabilities)	87,662	-	127,856	-	215,518
	<u>87,662</u>	<u>19,600</u>	<u>130,856</u>	<u>15,403</u>	<u>253,521</u>

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:					
Tangible assets	-	23,120	6,000	-	29,120
Investments	-	-	-	15,031	15,031
Current assets/(liabilities)	35,579	-	94,140	-	129,719
	<u>35,579</u>	<u>23,120</u>	<u>100,140</u>	<u>15,031</u>	<u>173,870</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

Accounts

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

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PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The members of St Margaret's Parochial Church Council (PCC) submit their Annual Report and the financial statements for the year ended 31st December 2023. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing regulations, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Location

St Margaret's Church address is Highland Road, Southsea, Hants PO4 9DD. Its bank accounts are held with Lloyds Bank plc, and Carpenter Box Jones Avens Limited, Chartered Accountants, independently examines its accounts.

Background

St Margaret's PCC has responsibility for promoting within the ecclesiastical parish the mission of the Church: pastoral, evangelistic, social and ecumenical.

It is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

St Margaret's parish falls within the Diocese of Portsmouth. The parish now makes an annual contribution, ("the parish share"), which is used to pay clergy stipends, to fund diocesan ministries that support the parish and for diocesan and general synod costs. The diocese appoints the parish clergy.

St Margaret's PCC is a charity - registration number 189666.

Public Benefit

The PCC has complied with the duty in the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission.

Membership of the Church

The Electoral Roll for 2023 stood at 38 members, as reported by Sue Lynes, Electoral Roll Officer.

Operation of the Parochial Church Council

The PCC was elected at the APCM on 14th May 2023 with 22 members in attendance. As the electoral roll number at the meeting stood at 38 people there were spaces for six members to be elected to the PCC. One current member continued to serve leaving five vacancies. Five nominations were received and all were duly elected. A Deanery Synod representative for the parish was also appointed. The PCC met five times during the year.

Standing & Finance Committee

This committee exists by law with power to transact the business of the PCC between meetings. It also considers financial needs, (including preparation of annual PCC budget), plans PCC meeting agendas, and makes recommendations for PCC consideration as it sees fit. Its membership comprised the Curate, the Priest in Charge, the Church Wardens, the Treasurer, one Trustee/PCC member and the Secretary. The Standing and Finance Committee met five times during the year.

REVIEW OF THE YEAR 2023

Ministry:

Worship

Sunday services have continued to grow and flourish. The morning service hosted an Alpha course during the autumn term which led to all children's Sunday teaching moving to the morning session.

We are continuing to train and empower our team of lay leaders who are growing in confidence both in hosting and preaching and taking on more responsibility. Prayer Ministry at both services has grown over the past year with the team attending New Wine prayer ministry training at Holy Rood church.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Ministry(Continued):

Prayer

Prayer continued to underpin everything at St Mag's. 24/7 prayer was held in the church and became a monthly event from September 2023. We are developing a rhythm of prayer throughout the week; Prayer on Tuesday and Thursday mornings from 7 am- 8 am continued to grow with up to 12 the church family attending. We have continued to meet once a month at Encounter to seek God's direction and power through his Holy Spirit; Encounter is a creative space where we are able to explore the gifts of the spirit, through art, silence, and sung worship.

Discipleship:

Life Groups

Over the past year we continued speaking on the value of being part of a Life-group. This is a place where you can build friendship and share your faith journey with fellow sisters and brothers in Christ. It also encourages a place where you can share and be open with each other and hold one another in prayer, additionally a place of fun and we encourage our small group leaders to organize regular socials. We have seen our life groups grow. and have 10 groups meeting throughout the week.

Youth Group

Youth group met each Wednesday during term time from 6.30pm -- 8pm. We completed a second 'Youth-Alpha' which the young people really engaged with. We have a small team of volunteer youth leaders that serve our young people on a Wednesday evening. Numbers have been consistent over the past year and we are seeing between 12-15 young people each week. We have joined in with 'Hightide' the city-wide youth event.

New Wine

St Margaret's again took a group to New Wine. This is a great blessing and has now become an annual church event with 38 attending in July 2023.

Bereavement drop in

This ministry started in 2021 and has been a huge blessing to our community during 2022 & 2023. The small team of volunteers from our church family and the community, led by Diane Smith, is making a huge difference to those suffering from loss and grief within our community. This ministry operates in the church on the first Wednesday of the month from 1.30pm – 3 pm.

Occasional Offices

During 2023 St Margaret's Church held 13 baptisms and 13 confirmations.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Mission:

Alpha Courses

St Margaret's ran two Alpha courses simultaneously in 2023, one for the whole of the morning service and one for the youth group. Both courses were successful with a number of new people attending the morning service Alpha.

Café and Shop

The Café, which opened on 27 May 2021, continues to thrive and we have seen this ministry continue to be a blessing to our community. Our volunteer team has been consistent over the year, and we are continuing to see many from our parish find a place of belonging, and what has been so encouraging is to see people join our Sunday services from coming into the Café and shop.

Food Pantry

The Food Pantry celebrated being open for a year in May 2023. There are now over 220 members with 70 – 100 people shopping each week. Food continues to be donated by individuals as well as being purchased through Fair Share. Financial donations from both individuals and supportive groups continue to be vitally important to ensure the future of the Pantry. We have worked in collaboration with YouTrust to give advice to our clients with regards to benefits. Several Food Pantry clients have become volunteers in the Pantry, Café and Shop.

In December we again ran Hampers of Hope providing 170 families and individuals with all the food for Christmas day.

Children's Soft Play

The children's soft play, which opened in July 2021, continues to open after Sunday services and for two sessions on Thursday and Friday afternoons. Each soft play session ends with a Christian action song followed by a prayer with an invitation to come to church on Sunday morning - this new initiative has proved very popular with young families with many families now attending Church on Sunday morning.

Church Hall

The Church Hall usage increased slightly during 2023 for church and other groups, as well as providing a valuable stream of rental income. Regular users have included Slimming World, Portsmouth Scouts, Five Elements Tai Chi, and Personal Fitness training, as well as several ad hoc bookings. We updated the lighting, decorations and blinds midyear which has helped to secure our lettings.

Staff

The staff team of Fran Carabott, Curate; Philippa Dawson, Operations Manager, Sue Lynes, Administrator and Francesca Sherron, Café, Shop and Foodbank Manager, continued to serve the church in implementing the system and processes required for running the parish. Changes to the team included Sue Lynes becoming the Pantry manager alongside her administrative role and Kate Precious being appointed as the bookkeeper in September. Fran Carabott was ordained Priest in late June 2023 and is continuing his curacy training.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Finance Report

2023 was an exciting year as alongside the growth of the congregation and other activities described elsewhere in this report, we achieved an overall level of financial stability. Key figures for the year are at in the statement of financial activities, but the following financial highlights are worthy of note:

Voluntary Unrestricted giving for the year was in the region of £58k arising from an increase in of regular giving through the Parish Giving Scheme with 36 regular donors (last year 28) giving a little under £4,500/month as at 31 Dec 2023. A further £34.8K of Unrestricted funds arose from grants received.

Voluntary restricted giving amounted to £46K with a further £33K from grants received.

Income from charitable activities saw ancillary trading increase to £84K, £24K of which is Restricted, and £5K from rental income (Bicycle Recycling). This increase is not a surprise due to church operations being able to fully resume post pandemic restrictions.

The Pantry is a key ministry and was established with a review cycle to ensure that it was affordable on an ongoing basis. Income from the Pantry and some donations are Restricted such that those funds can only be used for the Pantry and these have exceeded the costs; as such have provided a degree of resilience to the ongoing operation.

Gift Aid Recovery has provided over £10K and is a valuable increase to the amount of a tax paying individual's voluntary giving. This is at no cost to the donor and qualifying donors are encouraged to sign up for Gift Aid.

Gas and electricity costs exceeded £30k in the year noting that the building is in regular use throughout the week. The renewable heat incentive (RHI) payments have yet to stabilise, there have been ongoing issues with maintaining the Air Source Heat Pumps impacting on costs although the system is providing warmth.

The installation of solar PV and roof repairs have yet to be undertaken due to a number of issues that include ensuring the chosen system is fit for purpose and awaiting licenses to install. This will significantly reduce electricity costs as well as demonstrate the church's commitment to sustainability.

We continue to be blessed by the provision of the diocesan Strategic Development Fund which contributed to specific staff costs as well as some building work. This is a finite source of income and the growth of regular giving is progress towards St Margaret's becoming financially self sufficient.

Church Hall lettings generated over £30k of income and the hall continues to be a valuable asset both as a provision to the community but also in generating income to be used for the church's ministry.

As a PCC we were able to fully meet the Parish Share requirement of £17,197.

The year ended with a total income of £268K and expenditure of £222K which resulted in a net movement of £46K across both Unrestricted and Restricted funds. This positions St Margaret's well for their ongoing ministry.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Finance Report (Continued)

We have set aside a reserve ensuring sufficient financial resources are protected to cover any costs should any unforeseen circumstances occur that result in restricting the ability to operate.

The greatest risk to the ongoing operation of the church's ministry is a failure of the roof. The intent was to reroof the nave during 2022 and then during 2023 but, due to several delays, this has yet to happen and as such the likelihood of an event is rising. The financial resources are now in place to treat the risk by undertaking roof repairs and the installation of solar PV. Delays have in part been due to re-evaluating the solar PV solution and awaiting specific licenses to undertake the work.

Risk item	Likelihood	Impact	Mitigation	Treatment
Failure of the roof	Medium	High	Some activities moved into the hall. Shop and café would have to pause resulting in loss of income.	Replace roof
Increase in energy bills	Medium	Medium	Installation of solar PV to reduce future costs of electricity.	Manage energy usage

Day to day financial operations are conducted by the bookkeeper, Kate Precious, with oversight and guidance from the Operations Manager and the treasurer. Significant expenditure requires approval from duly authorised persons.

Safeguarding

The Parish continues to liaise with the Diocese for safeguarding advice and training. The PCC lead for safeguarding is Laura Preston, the Parish Safeguarding Officer is Philippa Dawson with Sue Lynes continuing as Safeguarding Administrator.

Buildings Report

The roof project continued to run throughout 2023, with several fund-raising events occurring throughout the year. Utility usage was modelled to demonstrate that including PV solar panels in the roof was financially viable. Site visits shared between the architect, solar panel expert and roofer have enabled a tight proposal for replacement/repair of the roof including solar panels to be ready for application to the Diocese for a Faculty. This should happen early in 2024.

Work was undertaken to update the interior of the church hall with new paint, replacement of the lights and new blinds.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

PCC Membership

Members of PCC of St Margaret's Church in 2023

The elections took place on Sunday 14th May at the APCM

Name	Role	Notes
Fran Carabott	Curate	
Neil Smart	Priest in Charge	Re-elected
Laura Preston	Church Warden	Re-elected
Howard Jones	Church Warden	Re-elected
Paul Nelson	Treasurer	Re-elected
Hilda Mapeta	Denary Synod Representative	Re-elected
Ray Smith	Elected member	Re-elected
Stephen Dawson	Elected member	Re-elected
Paul Thwaites	Elected member	Re-elected
Steve Hayward	Elected member	Re-elected
Kelly Cooper	Elected member	From 14 th May 2023

The PCC members report was approved by the Board of Members Of The PCC.

.....
Fran Carabott

Dated:

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

INDEPENDENT EXAMINER'S REPORT

TO THE MEMBERS OF THE PCC OF PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

I report to the members of the PCC on my examination of the financial statements of Parochial Church Council of St Margaret's Southsea (the PCC) for the year ended 31 December 2023.

Responsibilities and basis of report

As the members of the PCC of the PCC you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the PCC's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Timothy Millett FCA

Carpenter Box Jones Avens

53 Kent Road
Southsea
Portsmouth
Hampshire
PO5 3HU

Dated:

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Endowment funds	Total	Unrestricted funds general	Unrestricted funds designated	Restricted funds	Endowment funds	Total
	Notes	2023 £	2023 £	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £	2022 £	2022 £
Income and endowments from:											
Donations and legacies	2	93,221	-	84,708	-	177,929	89,560	-	46,814	-	136,374
Charitable activities	3	64,512	-	24,390	-	88,902	56,359	-	11,340	-	67,699
Investments	4	245	-	118	-	363	175	-	-	-	175
Other income	5	798	-	-	-	798	90	-	-	-	90
Total income		<u>158,776</u>	<u>-</u>	<u>109,216</u>	<u>-</u>	<u>267,992</u>	<u>146,184</u>	<u>-</u>	<u>58,154</u>	<u>-</u>	<u>204,338</u>
<u>Charitable activities</u>											
St Margaret's church and church hall	6	<u>175,092</u>	<u>-</u>	<u>46,956</u>	<u>-</u>	<u>222,048</u>	<u>140,905</u>	<u>-</u>	<u>38,136</u>	<u>-</u>	<u>179,041</u>
Net gains/(losses) on investments	10	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,021)</u>	<u>(1,021)</u>
Net income/(expenditure)		<u>(16,316)</u>	<u>-</u>	<u>62,260</u>	<u>56</u>	<u>46,000</u>	<u>5,279</u>	<u>-</u>	<u>20,018</u>	<u>(1,021)</u>	<u>24,276</u>
Transfers between funds		<u>12,649</u>	<u>(8,149)</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>(15,975)</u>	<u>18,975</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(3,667)</u>	<u>(8,149)</u>	<u>57,760</u>	<u>56</u>	<u>46,000</u>	<u>(10,696)</u>	<u>18,975</u>	<u>17,018</u>	<u>(1,021)</u>	<u>24,276</u>
Reconciliation of funds:											
Fund balances at 1 January 2023		<u>39,246</u>	<u>31,269</u>	<u>42,380</u>	<u>14,975</u>	<u>127,870</u>	<u>49,942</u>	<u>12,294</u>	<u>25,362</u>	<u>15,996</u>	<u>103,594</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Fund balances at 31 December 2023	35,579	23,120	100,140	15,031	173,870	39,246	31,269	42,380	14,975	127,870
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		29,120		40,269
Investments	13		15,031		14,975
			<u>44,151</u>		<u>55,244</u>
Current assets					
Debtors	14	3,557		2,140	
Cash at bank and in hand		131,934		75,734	
		<u>135,491</u>		<u>77,874</u>	
Creditors: amounts falling due within one year	15	5,772		5,248	
		<u></u>		<u></u>	
Net current assets			129,719		72,626
Total assets less current liabilities			<u>173,870</u>		<u>127,870</u>
The funds of the PCC					
Endowment funds	16	15,031		14,975	
Restricted income funds	17	100,140		42,380	
Unrestricted funds - general		35,579		39,246	
Unrestricted funds - designated		23,120		31,269	
		<u>173,870</u>		<u>127,870</u>	

The financial statements were approved by the members of the PCC on

.....
 Fran Carabott
Trustee

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Parochial Church Council of St Margaret's Southsea is a registered charity in England and Wales. The Trustees are the members of the PCC named in the Annual Report. The church of St Margaret's address is Highland Road, Southsea, Hants, PO4 9DD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the PCC's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The PCC is a Public Benefit Entity as defined by FRS 102.

The PCC has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members of the PCC have a reasonable expectation that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus the members of the PCC continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the members of the PCC in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the members of the PCC for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the PCC.

1.4 Income

Income is recognised when the PCC is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the PCC has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the PCC has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Costs are charged directly to the most appropriate activity or category of expenditure.

Parish share and other costs directly relating to the work and activities of the Church are accounted for when they are incurred or become due and payable.

1.6 Tangible fixed assets

Consecrated and beneficed property is excluded from the accounts by S10(2)(a & c) of the Charities Act 2011. Moveable church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal are capitalised at cost and written off over their useful economic life other than where insufficient cost information is available. In this case the item is not capitalised, but is included in the Church's inventory. All expenditure incurred during the year on consecrated or benefice buildings, whether for maintenance or improvement, is written off as expenditure and separately disclosed.

Other Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% on the reducing balance or straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Individual items of equipment with a purchase value of under £3,500 are written off when acquired.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the PCC reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the PCC is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	58,437	46,355	104,792	69,510	21,464	90,974
Legacies receivable	-	5,000	5,000	-	-	-
Grants received	34,784	33,353	68,137	20,050	25,350	45,400
	<u>93,221</u>	<u>84,708</u>	<u>177,929</u>	<u>89,560</u>	<u>46,814</u>	<u>136,374</u>
Grants receivable for core activities						
PCC - Food bank grant	-	-	-	-	3,000	3,000
Portsmouth Diocesan Board of Finance & SDF Contribution	34,784	-	34,784	18,550	14,238	32,788
PCC pantry grant	-	7,511	7,511	-	6,987	6,987
National Church Energy cost grant	-	-	-	1,500	-	1,500
Tesco foodbank grant	-	375	375	-	1,125	1,125
PCC Household Support Fund	-	18,367	18,367	-	-	-
HIVE	-	1,500	1,500	-	-	-
Future Youth Development Grant	-	5,600	5,600	-	-	-
	<u>34,784</u>	<u>33,353</u>	<u>68,137</u>	<u>20,050</u>	<u>25,350</u>	<u>45,400</u>

3 Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
St Margaret's church and church hall						
Sale of goods	398	-	398	62	-	62
Ancillary trading income	59,114	24,390	83,504	51,197	11,340	62,537
Charitable rental income	5,000	-	5,000	5,000	-	5,000
Other income	-	-	-	100	-	100
	<u>64,512</u>	<u>24,390</u>	<u>88,902</u>	<u>56,359</u>	<u>11,340</u>	<u>67,699</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Income from investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Interest receivable	245	118	363	175	-	175

5 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	798	90

6 Expenditure on charitable activities

	St Margaret's church and church hall 2023 £	St Margaret's church and church hall 2022 £
Direct costs		
Staff costs	60,431	35,770
Depreciation and impairment	11,149	10,174
Food bank	-	3,462
Parish quota	17,197	16,460
Church building	57,894	61,405
Community cafe, shop and soft play area	18,654	16,559
Pantry	30,977	14,888
Mission and support	8,918	6,428
Church management and administration	12,234	10,236
	217,454	175,382
Share of support and governance costs (see note 7)		
Governance	4,594	3,659
	222,048	179,041
Analysis by fund		
Unrestricted funds - general	175,092	140,905
Restricted funds	46,956	38,136
	222,048	179,041

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Independent Examiners fees	-	4,594	4,594	-	3,659	3,659
	-	4,594	4,594	-	3,659	3,659
Analysed between Charitable activities	-	4,594	4,594	-	3,659	3,659

The independent examiners fees for the examination of the accounts were £1,104 (including vat), other payroll and accountancy services are provided.

8 Members Of The PCC

None of the members of the PCC (or any persons connected with them) received any remuneration or expenses as a PCC member during the year.

Clergy stipends were paid by the Church Commissioners within Church of England stipendiary guidelines.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	4	2
Employment costs	2023 £	2022 £
Wages and salaries	59,909	35,179
Other pension costs	522	591
	60,431	35,770

There were no employees whose annual remuneration was more than £60,000.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Employees

(Continued)

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	31,533	19,716

10 Gains and losses on investments

	Endowment funds 2023 £	Endowment funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	56	(1,021)

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2023	55,743
At 31 December 2023	55,743
Depreciation and impairment	
At 1 January 2023	15,474
Depreciation charged in the year	11,149
At 31 December 2023	26,623
Carrying amount	
At 31 December 2023	29,120
At 31 December 2022	40,269

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2023	14,975
Valuation changes	56
At 31 December 2023	15,031
Carrying amount	
At 31 December 2023	15,031
At 31 December 2022	14,975

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	138	448
Other debtors	1,935	1,325
Prepayments and accrued income	1,484	367
	3,557	2,140

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	-	52
Trade creditors	-	1,433
Accruals and deferred income	5,772	3,763
	5,772	5,248

16 Endowment funds

Endowment funds represent assets which must be held permanently by the PCC. Income arising on the endowment funds can be used in accordance with the objects of the PCC and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 January 2023 £	Gains and losses £	At 31 December 2023 £
Permanent endowments			
Benefice Augmentation Fund	14,975	56	15,031

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Endowment funds

(Continued)

Previous year:	At 1 January 2022	Gains and losses	At 31 December 2022
	£	£	£
Permanent endowments			
Benefice Augmentation Fund	15,996	(1,021)	14,975

The capital of this fund is not available to the PCC but the income from it may be used by the PCC for its general purposes.

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Pantry	23,380	71,758	(45,156)	(7,500)	42,482
Roof Fund	10,000	31,858	-	6,000	47,858
PCC - Soft Play Area	9,000	-	-	(3,000)	6,000
Future Youth Development Grant	-	5,600	(1,800)	-	3,800
	<u>42,380</u>	<u>109,216</u>	<u>(46,956)</u>	<u>(4,500)</u>	<u>100,140</u>

Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	At 31 December 2022
	£	£	£	£	£
SDF - Church Building Works	-	14,238	(14,238)	-	-
Food Bank	13,362	-	-	(13,362)	-
Pantry	-	33,916	(23,898)	13,362	23,380
Roof repair donation	-	10,000	-	-	10,000
PCC - Soft Play Area	12,000	-	-	(3,000)	9,000
	<u>25,362</u>	<u>58,154</u>	<u>(38,136)</u>	<u>(3,000)</u>	<u>42,380</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Restricted funds

(Continued)

The Strategic Development Fund is providing funding for the redevelopment of St Margaret's church building interior.

Portsmouth City Council contributed £15,000 towards the provision of a soft play area within the St Margaret's church. The transfer to unrestricted fund matches the depreciation charged.

A pantry was established in 2022. Grants were received from Portsmouth City Council. HIVE and Tesco.

Donations and a legacy were received for roof repairs.

A grant of £5,600 was received which funds an intern.

18 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 January 2022	Transfers	Balance at 1 January 2023	Transfers	Balance at 31 December 2023
	£	£	£	£	£
Fixed Asset Fund	-	31,269	31,269	(8,149)	23,120
AV Ministry	12,294	(12,294)	-	-	-
	<u>12,294</u>	<u>18,975</u>	<u>31,269</u>	<u>(8,149)</u>	<u>23,120</u>

A fixed asset fund has been designated equivalent to the value of unrestricted fixed assets.

19 Analysis of net assets between funds

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:					
Tangible assets	-	23,120	6,000	-	29,120
Investments	-	-	-	15,031	15,031
Current assets/(liabilities)	35,579	-	94,140	-	129,719
	<u>35,579</u>	<u>23,120</u>	<u>100,140</u>	<u>15,031</u>	<u>173,870</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Analysis of net assets between funds

(Continued)

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:					
Tangible assets	-	31,269	9,000	-	40,269
Investments	-	-	-	14,975	14,975
Current assets/(liabilities)	39,246	-	33,380	-	72,626
	<u>39,246</u>	<u>31,269</u>	<u>42,380</u>	<u>14,975</u>	<u>127,870</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

Accounts

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

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PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The members of St Margaret's Parochial Church Council (PCC) submit their Annual Report and the financial statements for the year ended 31st December 2022. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing regulations, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Location

St Margaret's Church address is Highland Road, Southsea, Hants PO4 9DD. Its bank accounts are held with Lloyds Bank plc, and Jones Avens Limited, Chartered Accountants, independently examines its accounts.

Background

St Margaret's PCC has responsibility for promoting within the ecclesiastical parish the mission of the Church: pastoral, evangelistic, social and ecumenical.

It is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

St Margaret's parish falls within the Diocese of Portsmouth. The parish now makes an annual contribution, ("the parish share"), which is used to pay clergy stipends, to fund diocesan ministries that support the parish and for diocesan and general synod costs. The diocese appoints the parish clergy.

St Margaret's PCC is a charity - registration number 189666.

Public Benefit

The PCC has complied with the duty in the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission.

Membership of the Church

The Electoral Roll for 2022 stood at 28 members, as reported by Sue Lynes, Electoral Roll Officer.

Operation of the Parochial Church Council

The PCC was elected at the APCM on 29th May 2022 with 16 members in attendance. As the electoral roll number at the meeting stood at 28 people there were spaces for six members to be elected to the PCC. All current members had indicated that they were content to be reappointed and were duly elected. A Deanery Synod representative for the parish was also appointed. The PCC met five times during the year.

Standing & Finance Committee

This committee exists by law with power to transact the business of the PCC between meetings. It also considers financial needs, (including preparation of annual PCC budget), plans PCC meeting agendas, and makes recommendations for PCC consideration as it sees fit. Its membership comprised the Lay Pioneer Minister, the Priest in Charge, the Church Wardens, the Treasurer and the Secretary. The Standing and Finance Committee met four times during the year.

REVIEW OF THE YEAR 2022

Ministry:

Worship

Sunday services have continued to grow and flourish. The morning service, 'soft play' church, launched in October 2021. Aimed at families and the un-churched, this service has been a success and we have seen growth in numbers. We are continuing to train and empower our team of lay leaders who are growing in confidence both in hosting and preaching and taking on more responsibility. Prayer Ministry at both services has grown over the past year with the team attending New Wine prayer ministry training at Holy Rood church.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Ministry(Continued):

Prayer

Prayer continued to underpin everything at St Mag's. 24/7 prayer was held in the church. We are developing a rhythm of prayer throughout the week; Prayer on Thursday morning from 7 am- 8 am continued to grow with up to 12 the church family attending. In September 2022 we felt God wanted us to increase our prayer life as a church so we launched Monday morning prayer from 7-8 am and this has been a success. We have continued to meet once a month at Encounter to seek God's direction and power through his Holy Spirit; Encounter is a creative space where we are able to explore the gifts of the spirit, through art, silence, and sung worship.

Discipleship:

Life Groups

Over the past year we continued speaking on the value of being part of a Life-group. This is a place where you can build friendship and share your faith journey with fellow sisters and brothers in Christ. It also encourages a place where you can share and be open with each other and hold one another in prayer, additionally a place of fun and we encourage our small group leaders to organize regular socials. We have seen our life groups grow and have 10 groups meeting throughout the week.

Youth Group

Youth group started on Wednesday 9 June 2021 at 6.30pm -- 8pm. We started with 'Youth-Alpha' which the young people really engaged with. We have a small team of volunteer youth leaders that serve our young people on a Wednesday evening. Numbers have been consistent over the past year and we are seeing between 12-15 young people at our youth group which has continued to grow, and we see between 15-18 young people each Wednesday. We have joined in with 'Hightide' the city-wide youth event. In September 2022 Fran asked Irene Jackson and Lauren Stevens to help with a funding Bid in the hope that we could employ a full-time youth minister to develop and grow our youth ministry.

New Wine

St Margaret's again took a group to New Wine. This is a great blessing and has now become an annual church event with 34 attending in July 2022.

Bereavement drop in

This ministry was planned to start in 2020 however due to Covid it was delayed until 2021. It has been a huge blessing to our community during 2022. The small team of volunteers from our church family and the community, led by Diane Smith, is making a huge difference to those suffering from loss and grief within our community. This ministry operates in the church on the first Wednesday of the month from 1.30pm – 3 pm.

Occasional Offices

During 2022 St Margaret's Church held 18 baptisms, including the baptism of 6 young people by Bishop Jonathan on 26th June 2022. One funeral was taken by Fran Carabott.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Mission:

Alpha Courses

St Margaret's ran two Alpha courses simultaneously in 2022, one for the Iranian group with subtitles in Farsi. Both groups joined together for a particularly powerful Away Day at All Saints, Catherington, with one of the group interpreting.

Café and Shop

The Café, which opened on 27 May 2021, continues to thrive and we have seen this ministry continue to be a blessing to our community. Our volunteer team has been consistent over the year, and we are continuing to see many from our parish find a place of belonging, and what has been so encouraging is to see people join our Sunday services from coming into the Café and shop.

Food Bank/Food Pantry

Following on from last year's growth the decision was taken to move from a Food Bank to a franchised Food Pantry in association with YourLocalPantry. In March 2022 Lauren Broughton was appointed as Food Pantry manager to oversee this transition which was completed in May 2022.

Food continues to be donated by individuals as well as being purchased through Fair Share. The transition allowed greater choice with a provision of chilled and frozen produce as well as increasing the dignity of users who now make a small contribution to the cost of the food. The numbers accessing the Food Pantry continued to increase across the year due to the effect of the cost-of-living crisis.

We have worked in collaboration with YouTrust to give advice to our clients with regards to benefits and Switched On Portsmouth have visited to advise clients about energy supplies. Several food bank/Food Pantry clients have become volunteers in the Foodbank, Café and Shop.

In December we again ran Hampers of Hope providing food for 254 adults and 298 children across Portsmouth including all the food for Christmas day.

Children's Soft Play

The children's soft play, which opened in July 2021, continues to open after Sunday services and for two sessions on Thursday and Friday afternoons. At New Wine we felt God say that we need to be more intentional with the soft play ministry and put Jesus at the centre. In September 2022 we introduced a Christian action song followed by a prayer with an invitation to come to church on Sunday morning - this new initiative has proved very popular with young families with many families now attending Church on Sunday morning.

Church Hall

The Church Hall usage increased slightly during 2022 for church and other groups, as well as providing a valuable stream of rental income. Regular users have included Slimming World, Portsmouth Scouts, Five Elements Tai Chi, and Personal Fitness training, as well as several ad hoc bookings. Going forward the aim is to gain financial approval to replace all the lighting with uniform colour LEDs, (there is a mixture of colours currently, a quarter of the lights need replacing anyway, and LED's would be more economical) and to replace the worn window blinds.

Staff

The staff team of Fran Carabott, Licensed Pioneer Minister; Stephen Dawson, Operations Manager, Sue Lynes, Administrator and Bookkeeper; and Amy Grindlay, Café, Shop and Foodbank Manager, continued to serve the church in implementing the system and processes required for running the parish. Fran Carabott was ordained Deacon in late June 2022 and is now in formal curacy training. Sam Rowan was a self-funding intern and member of staff to September 2022 before leaving to start Ordination Training at Trinity College Bristol. Lauren Broughton joined the team as our Pantry coordinator in April 2022. Amy Grindlay resigned as Café, Shop manager in July 2022 and we appointed Francesca Sherren as our new manager in December 2022. Stephen Dawson retired as Operations Manager in December 2022.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Finance Report

2022 was an exciting year as alongside the growth of the congregation and other activities described elsewhere in this report, we achieved an overall level of financial stability. The income and expenditure for the year is shown in the Statement of Financial Activities on pages 8 and 9 but the following financial highlights are worthy of note:

Voluntary Unrestricted giving for the year was in the region of £70k arising from an increase in regular giving through the Parish Giving Scheme with 28 regular donors (last year 20) giving a little under £3,600/month as at 31 Dec 2022. A further £20K of Unrestricted funds arose from grants received.

Voluntary restricted giving amounted to £21K with a further £25K from grants received.

Income from charitable activities saw ancillary trading increase from £46K to £63K, £11K of which is Restricted, and £5K from rental income (Motiv8 South). This increase is not a surprise due to church operations being able to fully resume post pandemic restrictions.

The Pantry is a key ministry and was established with a review cycle to ensure that it was affordable on an ongoing basis. Income from the Pantry and some donations are Restricted such that those funds can only be used for the Pantry and these have exceeded the costs; as such have provided a degree of resilience to the ongoing operation.

Gift Aid Recovery has provided over £5,500 and is a valuable increase to the amount of a tax paying individual's voluntary giving. This is at no cost to the donor and qualifying donors are encouraged to sign up for Gift Aid.

The final installation of the audio upgrade/streaming service was completed early in the year and the final bill was paid from allocated funding carried forward from 2021.

The ongoing war in Ukraine has had a significant impact on fuel prices and will continue to do so for some time. Gas and electricity costs exceeded £27k in the year noting that the building is in regular use throughout the week. The renewable heat incentive (RHI) payments have yet to stabilise, but the air source heat pumps are contributing to the efficiency of the heating system.

Research has been undertaken into the installation of solar PV which would be installed at the same time as the much-needed roof repairs. This will significantly reduce electricity costs as well as demonstrate the church's commitment to sustainability. This is an ongoing project being managed by one of the Church Wardens, but it is hoped installation will occur in 2023. Repairs to the roof over the Nave are deemed a necessity as all operations in the main building would have to cease should any water ingress lead to a failure.

We continue to be blessed by the provision of the diocesan Strategic Development Fund which contributed to specific staff costs as well as some building work. Whilst this has some capacity, there will be a time when this fund runs out and income will need to have increased if the current level of operational costs are to be maintained.

A Gift Day was held to support the ambition to employ a Youth Worker. This raised just over £3k but is considered alongside other giving in terms of progressing with the aim.

Church Hall lettings generated over £16k of income and some small upgrades are being undertaken to enhance the space thereby increasing the utility further. This is a valuable asset and any hiring enquiries can be directed to Sue Lynes.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Finance Report (Continued)

As a PCC we were able to fully meet the Parish Share requirement of £16,378.

The year ended with a total income of 204K and expenditure of £179K which, when taking into account losses on investments (£1K), resulted in a net movement of £24K across both Unrestricted and Restricted funds. This positions St Margaret's well for their ongoing ministry.

Whilst no reserve has yet been set aside, it is deemed that income from voluntary giving and cash at hand is currently sufficient to cover costs, including staff, for an appropriate period should there be any change to circumstances that results in restricting the ability to operate.

The greatest risk to the ongoing operation of the church's ministry is a failure of the roof. The intent was to reroof the nave during 2022 but, due to a number of delays, this has yet to happen and as such the likelihood of an event is rising. We have had water ingress during inclement weather which heightens the urgency and the financial resources are now in place to treat the risk by undertaking a full reroof. Delays have in part been due to considerations relating to the installation on solar PV which is to mitigate the impact of rising energy costs.

Risk item	Likelihood	Impact	Mitigation	Treatment
Failure of the roof	Medium	High	Some activities moved into the hall. Shop and café would have to pause resulting in loss of income.	Replace roof
Increase in energy bills	Medium	Medium	Installation of solar PV to reduce future costs of electricity.	Manage energy usage

Day to day financial operations are conducted by the bookkeeper, Sue Lynes, with oversight and guidance from the Operations Manager and the treasurer. Significant expenditure requires approval from duly authorised persons.

Safeguarding

The Parish continues to liaise with the Diocese for safeguarding advice and training. The PCC lead for safeguarding is Laura Preston, the Parish Safeguarding Officer is Hildah Mapeta with Sue Lynes continuing as Safeguarding Administrator.

Buildings Report

Feb 22 - The faculty for the roof was submitted and the bat surveys booked.

June 22 - It was hoped to avoid the requirement for a Faculty and proceed as List B. Revised costs showed a modest increase due to the requirement to use lead replacement for the guttering and additional survey work in relation to possible bat roosting.

Sept 22 - Roofing work was delayed due to the presence of bats. Additional bat emergence surveys have been required and we will need a bat licence before work can commence. This is likely to be November 2022 at the earliest. Some initial investigation was done to explore the scope for combining the roof work with fitting solar panels. PCC were encouraged by the possibilities offered to be greener and to help reduce utility costs.

Nov 22 - All bat surveys had been completed with a bat licence now required to progress the roof work. The licence can only be applied for once a firm start date is agreed. Two quotes have been received for installing solar panels and a third is being sought. There is also a possibility the Portsmouth City Council (PmthCC) could fund the installation, though they would then own the asset and sell the electricity generated back to us at a discounted rate. An action group may be formed once all the information is in hand.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

PCC Membership

Members of PCC of St Margaret's Church in 2022

The elections took place on Sunday 29th May at the APCM

Name	Role	Notes
Fran Carabott	Curate	Licences Lay minister until Jun 2022
Neil Smart	Priest in Charge	
Laura Preston	Church Warden	
Howard Jones	Church Warden	
Paul Nelson	Treasurer	
Hilda Mapeta	Denary Synod Representative	
Ray Smith	Elected member	
Stephen Dawson	Elected member	
Paul Thwaites	Elected member	
Jill Chalmers	Elected member	Until 29th May 2022
Steve Hayward	Elected member	From 29th May 2022
Rosie Fry	Elected member	Until 29th May 2022

The PCC members report was approved by the Board of Members Of The PCC.

Fran Carabott

Dated: 27 April 2023

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

INDEPENDENT EXAMINER'S REPORT

TO THE MEMBERS OF THE PCC OF PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

I report to the members of the PCC on my examination of the financial statements of Parochial Church Council of St Margaret's Southsea (the PCC) for the year ended 31 December 2022.

Responsibilities and basis of report

As the members of the PCC of the PCC you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Timothy Millett FCA

53 Kent Road
Southsea
Portsmouth
Hampshire
PO5 3HU

Dated: 27 April 2023

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total Unrestricted funds general 2022 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Income and endowments from:										
Donations and legacies	2	89,560	-	46,814	-	136,374	88,665	13,314	18,980	120,959
Charitable activities	3	56,359	-	11,340	-	67,699	50,029	-	2,720	52,749
Investments	4	175	-	-	-	175	165	-	-	165
Other income	5	90	-	-	-	90	87	-	-	87
Total income		146,184	-	58,154	-	204,338	138,946	13,314	21,700	173,960
Expenditure on:										
<u>Charitable activities</u>										
St Margaret's church and church hall	6	140,905	-	38,136	-	179,041	188,481	1,020	6,489	195,990
Total charitable expenditure		140,905	-	38,136	-	179,041	188,481	1,020	6,489	195,990
Net gains/(losses) on investments	10	-	-	-	(1,021)	(1,021)	-	-	1,934	1,934
Net incoming/(outgoing) resources before transfers		5,279	-	20,018	(1,021)	24,276	(49,535)	12,294	1,934	(20,096)

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total Unrestricted funds general 2022 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Net incoming/(outgoing) resources before transfers		5,279	-	20,018	(1,021)	24,276	(49,535)	12,294	1,934	(20,096)
Gross transfers between funds		(15,975)	18,975	(3,000)	-	-	3,000	-	-	-
Net movement in funds		(10,696)	18,975	17,018	(1,021)	24,276	(46,535)	12,294	1,934	(20,096)
Fund balances at 1 January 2022		49,942	12,294	25,362	15,996	103,594	96,477	-	14,062	123,690
Fund balances at 31 December 2022		39,246	31,269	42,380	14,975	127,870	49,942	12,294	15,996	103,594

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		40,269		46,272
Investments	12		14,975		15,996
			<u>55,244</u>		<u>62,268</u>
Current assets					
Debtors	13	2,140		2,019	
Cash at bank and in hand		75,734		58,738	
		<u>77,874</u>		<u>60,757</u>	
Creditors: amounts falling due within one year	14	(5,248)		(19,431)	
Net current assets			72,626		41,326
Total assets less current liabilities			<u>127,870</u>		<u>103,594</u>
Capital funds					
Endowment funds	15		14,975		15,996
Income funds					
Restricted funds	16		42,380		25,362
Unrestricted funds - designated			31,269		12,294
Unrestricted funds - general			39,246		49,942
			<u>127,870</u>		<u>103,594</u>

The financial statements were approved by the Members Of The PCC on 27 April 2023

Fran Carabott
Trustee

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity Information

Parochial Church Council of St Margaret's Southsea is a registered charity in England and Wales. The Trustees are the members of the PCC named in the Annual Report. The church of St Margaret's address is Highland road, Southsea, Hants, PO4 9DD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the PCC's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The PCC is a Public Benefit Entity as defined by FRS 102.

The PCC has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members of the PCC have a reasonable expectation that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus the members of the PCC continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the members of the PCC in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the members of the PCC for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the PCC.

1.4 Income

Income is recognised when the PCC is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the PCC has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the PCC has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Costs are charged directly to the most appropriate activity or category of expenditure.

Parish share and other costs directly relating to the work and activities of the Church are accounted for when they are incurred or become due and payable.

1.6 Tangible fixed assets

Consecrated and beneficed property is excluded from the accounts by S10(2)(a & c) of the Charities Act 2011. Moveable church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal are capitalised at cost and written off over their useful economic life other than where insufficient cost information is available. In this case the item is not capitalised, but is included in the Church's inventory. All expenditure incurred during the year on consecrated or benefice buildings, whether for maintenance or improvement, is written off as expenditure and separately disclosed.

Other Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% on the reducing balance or straight line
--------------------------------	--

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Individual items of equipment with a purchase value of under £2,500 are written off when acquired.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.8 Impairment of fixed assets

At each reporting end date, the PCC reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the PCC is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations and legacies

	Unrestricted funds general	Restricted funds	Total	Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total
	2022	2022	2022	2021	2021	2021	2021
	£	£	£	£	£	£	£
Donations and gifts	69,510	21,464	90,974	68,815	13,314	1,480	83,609
Grants received	20,050	25,350	45,400	19,850	-	17,500	37,350
	<u>89,560</u>	<u>46,814</u>	<u>136,374</u>	<u>88,665</u>	<u>13,314</u>	<u>18,980</u>	<u>120,959</u>
Grants receivable for core activities							
Coronavirus job retention scheme grant	-	-	-	1,300	-	-	1,300
PCC - Soft play area grant	-	-	-	-	-	15,000	15,000
PCC - Food bank grant	-	3,000	3,000	-	-	2,500	2,500
Portsmouth Diocesan Board of Finance Contribution	18,550	14,238	32,788	18,550	-	-	18,550
PCC pantry grant	-	6,987	6,987	-	-	-	-
National Church Energy cost grant	1,500	-	1,500	-	-	-	-
Tesco foodbank grant	-	1,125	1,125	-	-	-	-
	<u>20,050</u>	<u>25,350</u>	<u>45,400</u>	<u>19,850</u>	<u>-</u>	<u>17,500</u>	<u>37,350</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Charitable activities

	2022 £	2021 £
Sales within charitable activities	62	915
Grants	-	2,470
Ancillary trading income	62,537	45,969
Charitable rental income	5,000	1,250
Other income	100	2,145
	<u>67,699</u>	<u>52,749</u>
Analysis by fund		
Unrestricted funds - general	56,359	50,029
Restricted funds	11,340	2,720
	<u>67,699</u>	<u>52,749</u>

4 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	<u>175</u>	<u>165</u>

5 Other income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Other income	<u>90</u>	<u>87</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

	St Margaret's church and church hall 2022 £	St Margaret's church and church hall 2021 £
Staff costs	35,770	26,964
Depreciation and impairment	10,174	5,300
Food bank	3,462	4,019
Parish quota	16,460	16,445
Church building	61,405	111,617
Community cafe, shop and soft play area	31,447	15,101
Mission and support	6,428	4,975
Church management and administration	10,236	6,710
	<u>175,382</u>	<u>191,131</u>
Share of governance costs (see note 7)	3,659	4,859
	<u>179,041</u>	<u>195,990</u>
Analysis by fund		
Unrestricted funds - general	140,905	188,481
Unrestricted funds - designated	-	1,020
Restricted funds	38,136	6,489
	<u>179,041</u>	<u>195,990</u>

7 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Independent Examiners fees	-	3,659	3,659	-	4,859
	<u>-</u>	<u>3,659</u>	<u>3,659</u>	<u>-</u>	<u>4,859</u>
Analysed between Charitable activities	-	3,659	3,659	-	4,859
	<u>-</u>	<u>3,659</u>	<u>3,659</u>	<u>-</u>	<u>4,859</u>

The independent examiners fees for the examination of the accounts were £990 (including vat), other payroll and accountancy services are provided.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Members Of The PCC

None of the members of the PCC (or any persons connected with them) received any remuneration or expenses as a PCC member during the year.

Clergy stipends were paid by the Church Commissioners within Church of England stipendiary guidelines.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	2	2
	<u>2</u>	<u>2</u>
Employment costs	2022	2021
	£	£
Wages and salaries	35,179	26,512
Other pension costs	591	452
	<u>35,770</u>	<u>26,964</u>

There were no employees whose annual remuneration was more than £60,000.

10 Net gains/(losses) on Investments

	Endowment funds	Endowment funds
	2022	2021
	£	£
Revaluation of investments	(1,021)	1,934
	<u>(1,021)</u>	<u>1,934</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

Fixtures, fittings & equipment
£

Cost

At 1 January 2022

51,572

Additions

4,171

At 31 December 2022

55,743

Depreciation and impairment

At 1 January 2022

5,300

Depreciation charged in the year

10,174

At 31 December 2022

15,474

Carrying amount

At 31 December 2022

40,269

At 31 December 2021

46,272

12 Fixed asset investments

Unlisted
investments
£

Cost or valuation

At 1 January 2022 & 31 December 2022

15,996

Impairment

At 1 January 2022

-

Impairment losses

1,021

At 31 December 2022

1,021

Carrying amount

At 31 December 2022

14,975

At 31 December 2021

15,996

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	448	1,124
Other debtors	1,325	-
Prepayments and accrued income	367	895
	<u>2,140</u>	<u>2,019</u>

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	52	52
Trade creditors	1,433	16,169
Accruals and deferred income	3,763	3,210
	<u>5,248</u>	<u>19,431</u>

15 Endowment funds

Endowment funds represent assets which must be held permanently by the PCC. Income arising on the endowment funds can be used in accordance with the objects of the PCC and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 January 2021	Revaluation gains	Balance at 1 January 2022	Revaluation gains	Balance at 31 December 2022
	£	£	£	£	£
Permanent endowments					
Benefice Augmentation Fund	14,062	1,934	15,996	(1,021)	14,975
	<u>14,062</u>	<u>1,934</u>	<u>15,996</u>	<u>(1,021)</u>	<u>14,975</u>

The capital of this fund is not available to the PCC but the income from it may be used by the PCC for its general purposes.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021	Movement in funds			Transfers 1 January 2022	Balance at 1 January 2022	Movement in funds			Transfers	Balance at 31 December 2022
		Incoming Resources	Resources Expended	£			Incoming Resources	Resources Expended	£		
SDF - Church Building Works	-	2,471	(2,471)	-	-	-	14,238	(14,238)	-	-	-
Food Bank	13,151	4,229	(4,018)	-	-	13,362	-	-	-	(13,362)	-
Pantry	-	-	-	-	-	-	33,916	(23,898)	-	13,362	23,380
Roof repair donation	-	-	-	-	-	-	10,000	-	-	-	10,000
PCC - Soft Play Area	-	15,000	-	-	(3,000)	12,000	-	-	-	(3,000)	9,000
	13,151	21,700	(6,489)	-	(3,000)	25,362	58,154	(38,136)	-	(3,000)	42,380

The Strategic Development Fund is providing funding for the redevelopment of St Margaret's church building interior.

Portsmouth City Council contributed £15,000 towards the provision of a soft play area within the St Margaret's church. The transfer to unrestricted fund matches the depreciation charged.

A pantry was established during the year. Grants of £3,000 and £6,987 were received from Portsmouth City Council and of £1,125 from Tesco.

A donation of £10,000 was received for roof repairs.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Incoming resources	Resources expended	Balance at 1 January 2022	Transfers	Balance at 31 December 2022
	£	£	£	£	£
Fixed Asset Fund	-	-	-	31,269	31,269
AV Ministry	13,314	(1,020)	12,294	(12,294)	-
	<u>13,314</u>	<u>(1,020)</u>	<u>12,294</u>	<u>18,975</u>	<u>31,269</u>

A fixed asset fund has been designated equivalent to the value of unrestricted fixed assets.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Analysis of net assets between funds	Unrestricted Funds		Designated Funds		Restricted Funds		Endowment Funds		Designated Funds		Restricted Funds		Endowment Funds		Total	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£	2021	£
Fund balances at 31 December 2022 are represented by:																
Tangible assets	-		31,269		9,000		-		34,272		12,000		-		46,272	
Investments	-		-		-		14,975		-		-		15,996		15,996	
Current assets/(liabilities)	39,246		-		33,380		-		15,670		13,362		-		41,326	
	39,246		31,269		42,380		14,975		49,942		25,362		15,996		103,594	

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

Accounts

**PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

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PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The members of St Margaret's Parochial Church Council (PCC) submit their Annual Report and the financial statements for the year ended 31st December 2021. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing regulations, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

LOCATION

St Margaret's Church address is Highland Road, Southsea, Hants PO4 9DD. Its bank accounts are held with Lloyds Bank plc, and Jones Avens Limited, Chartered Accountants, independently examines its accounts.

BACKGROUND

St Margaret's PCC has responsibility for promoting within the ecclesiastical parish the mission of the Church: pastoral, evangelistic, social and ecumenical.

It is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

St Margaret's parish falls within the Diocese of Portsmouth. The parish now makes an annual contribution, ("the parish share"), which is used to pay clergy stipends, to fund diocesan ministries that support the parish and for diocesan and general synod costs. The diocese appoints the parish clergy.

St Margaret's PCC is a charity - registration number 189666.

PUBLIC BENEFIT

The PCC has complied with the duty in the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission.

MEMBERSHIP OF THE CHURCH

The Electoral Roll for 2021 stood at 36 members, as reported by Sue Lynes, Electoral Roll Officer.

OPERATION OF THE PAROCHIAL CHURCH COUNCIL

The PCC was elected at the APCM on 30th May 2021 with 22 members in attendance. As the electoral roll number at the meeting stood at 36 people there were spaces for six members to be elected to the PCC. All current members had indicated that they were content to be reappointed and were duly elected. A Deanery Synod representative for the parish was also appointed.

The PCC met five times during the year.

Standing & Finance Committee: This committee exists by law with power to transact the business of the PCC between meetings. It also considers financial needs, (including preparation of annual PCC budget), plans PCC meeting agendas, and makes recommendations for PCC consideration as it sees fit. Its membership comprised the Lay Pioneer Minister, the Priest in Charge, the Church Wardens, the Treasurer and the Secretary.

The Standing and Finance Committee met five times during the year.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

REVIEW OF THE YEAR 2021

Ministry

Worship

Sunday services got off to a slow start at the beginning of 2021 as we were coming out of restrictions. Looking back to January 2021 we had low numbers attending our 4pm service. Then we had a turning point on the 5th of September where we held a service to reflect and celebrate the end of all restrictions. We saw 155 people! From this point onwards we have seen our Sunday services grow.

We launched a brand-new morning service in October 2021 aimed at families, and the unreached, this has been a huge success and we have seen this service grow in numbers from October – December.

Prayer

Prayer continued to underpin everything at St Mags. 24/7 prayer was held in church to pray for the new morning service. We are starting to develop a rhythm of prayer throughout the week; half an hour of prayer over zoom on a Tuesday evening and Thursday morning prayer from 7am- 8am.

Discipleship

Small Groups

Over the past year we continued speaking on the value of being part of a Life-group. This is a place where you can build friendships and share your faith-journey with fellow sisters and brothers in Christ. It also encourages a place where you can share and be open with each other and hold one another in prayer - additionally a place of fun and we encourage our small group leaders to organize socials. In 2021 we have seen our life groups grow.

Youth Group

Youth group started on Wednesday 9th June 2021 from 6.30pm - 8pm. We started with youth-Alpha which all the young people really engaged with. We have a small team of volunteer youth leaders that serve our young people on a Wednesday evening. Numbers have been consistent over the past year each Wednesday and we are seeing between 12-15 young people.

Bible Course

The Bible Society's 8-week Bible Course was run throughout January and February meeting online during the lockdown. The course proved very popular and, along with the Prayer Course, now forms part of the offer for those completing an Alpha Course before they join life groups, as well as for the wider church community.

Occasional Offices

During 2021 St Margaret's Church held eight baptisms and one wedding. Three funerals were taken by Fran Carabott.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Mission

Alpha Courses

St Margaret's joined with other Portsmouth churches throughout October and November this year as part of the 'Invite a Nation' national Alpha outreach, sharing an especially powerful Away Day hosted by the Harbour church at St. Georges.

Café and Shop

The Community Shop reopened on April 15th, following the Covid-19 restrictions in place at the time. The opening hours of 10-2 on Thursdays and Fridays saw a great response from the public and on average 110 visitors a week. The Café opened on May 27th, with the same opening times, providing reasonably priced refreshments, cakes and a selection of hot food. We have a thriving volunteer base of over 50 members, drawn from the church members, local community, and other local Christians. We have also been able to support other local charities, schools and individuals with donations from our shop and café, including Baby Basics, Portsmouth Libraries, LifeHouse, St Jude's Church Southsea, Homeless Day Services, Landport Larder, Cumberland Infant School, Moving On Project Portsmouth, local refugees and in support of the Ukrainian situation.

Food Bank

Following on from last year's growth from just 5 shelves to a FoodBank provision, the FoodBank has collected and processed donations of items of food from the community, and in-turn, those in need could take as needed. The ministry has significantly grown because of the pandemic. Feeding on average 100 individuals a week. Donations have fluctuated throughout the year but the communities generosity is astounding. We have had support from many local businesses, charities and individuals. We have worked in collaboration with YouTrust to give advice to our clients with regards to benefits and SwitchedOn Portsmouth have visited to advise clients about energy supplies. As well as providing pastoral support to many clients on a regular basis. Several foodbank clients have become volunteers in the Foodbank, Café and Shop.

In December we ran Hampers of Hope for the second year, providing over 180 bundles of Christmas goodies for households across Portsmouth, including all the food for Christmas day.

Children's Soft Play

The Children's Soft Play opened in July, funded in part by a very generous grant from the Central Southsea and Milton wards, through the Community Infrastructure Levy. The Soft Play is open after Sunday services and for two sessions each day on Thursday and Friday afternoons. It has proved very popular with young families, some of whom now attend on Sundays, with between 40-50 children using it each week.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Finance Report

2021 provided several highlights in terms of equipping the church and buildings for ministry all of which have been within the financial resources provided. Total income for the year was £173,960; this is mainly made up of "Donations and Legacies" (£120,959), "Charitable Activities" (£37,053), and "Other Trading Activities" (£15,696). This included support from the Diocesan Strategic Development Fund for the building as well as grants from Portsmouth City Council for the installation of the soft play area. Some of this income was restricted for the purpose for which it was given e.g. soft play area and Foodbank with a further figure set aside (designated) by the PCC for the completion of the audio upgrade.

Interest received from investments was low due to financial conditions.

The number of members subscribed to the Parish Giving Scheme (PGS) rose to 20 (from 13) by 31 Dec 21 and continues to provide a tax efficient means of voluntary giving with £35,742 donated, of which £7,009 was Gift Aid Recovery. Those wishing to give regularly to the work of St Margaret's are encouraged to use this method as it is also administratively easier. Please ask the treasurer for advice if required.

For financial purposes, a number of fixed assets have been added to the inventory during the year and whilst they have value should any need for disposal arise, this will depreciate in subsequent years. This includes the soft play area and the installed audio equipment.

Whilst no reserve has yet been set aside, it is deemed that income from voluntary giving and cash at hand is currently sufficient to cover costs, including staff, for an appropriate period should there be any change to circumstances that results in restricting the ability to operate.

The greatest risk to the ongoing operation of the church's ministry is the need to repair the roof which, whilst currently assessed as LOW, the impact would be HIGH as the main church building would need to close should any failure occur. This would likely arise from falling plaster. The repair of the roof is the main priority outside of mission for 2022 and steps are underway to undertake the appropriate external works. Should the risk be realised, some activities, including Sunday worship, could be relocated to the adjacent hall. The biggest impact would be on the shop, café, soft play and foodbank (the Pantry model as introduced in 2022) which would also impact income for the duration of any rectification.

Day to day financial operations are conducted by the bookkeeper, Sue Lynes, with oversight and guidance from the Operations Manager and the Treasurer. Significant expenditure requires approval from duly authorised persons.

Staff

The Staff team of Fran Carabott, Licensed Pioneer Minister, Stephen Dawson, Operations Manager and Sue Lynes, Administrator continued to serve the church as the systems and processes for running the parish continued to be implemented. Amy Grindlay joined the staff team as Café, Shop and Foodbank Manager in March 2021. The staff team was supplemented by Sam Rowan, who joined in September for an Internship Placement, as part of the discernment process for ordination.

Church Hall

The Church Hall has been used very fully throughout 2021 for church and other groups, as well as providing a valuable stream of rental income. Regular users have included Slimming World, Portsmouth Scouts, Five Elements Tai Chi, and Personal Fitness training, as well as several ad hoc bookings.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Safeguarding

The safeguarding role, including all DBS processing and safeguarding training, now sits under the aegis of St. Margaret's. Hildah Mapeta retains the role of Parish Safeguarding Officer with Sue Lynes as Safeguarding Administrator. The PCC lead for safeguarding is Laura Preston.

St Margaret's Church Building

The final stage of the building project was completed in 2021 including commissioning the Air Source Heat Pumps, which enable us to heat the church using green energy and offset running costs via the Renewable Heat Incentive. The new doors and entranceway were fitted, with a ramp to enable disabled access. The café and community shop were fitted out, with the children's soft play installed in the first half of 2021. A new AV system was installed in the second half of the year, which includes the facility to stream live services. All have helped to make the church accessible and welcoming, with numbers growing steadily over the course of the year.

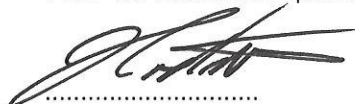
PCC Membership

Members of PCC of St Margaret's Church in 2021

The elections took place on Sunday 30th May at the APCM

Fran Carabott	Chair	Licensed Pioneer Minister
Laura Preston	Vice Chair	Churchwarden
Howard Jones		Churchwarden
Neil Smart		Priest in Charge
Paul Nelson		Treasurer / Elected Member
Hildah Mapeta		Deanery Synod Rep
Jill Chalmers		Elected Member
Stephen Dawson		Elected Member
Rosie Fry		Elected Member
Ray Smith		Elected Member
Paul Thwaites		Elected Member
Steve Hayward		Co-opted member

The PCC members report was approved by the Board of Members Of The PCC.



.....
Fran Carabott

Dated: 17-5-2022

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

INDEPENDENT EXAMINER'S REPORT

TO THE MEMBERS OF THE PCC OF PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

I report to the members of the PCC on my examination of the financial statements of Parochial Church Council of St Margaret's Southsea (the PCC) for the year ended 31 December 2021.

Responsibilities and basis of report

As the members of the PCC of the PCC you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Timothy Millett FCA

53 Kent Road
Southsea
Portsmouth
Hampshire
PO5 3HU

Dated: 17/5/2022.....

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds general	Unrestricted funds designated	Restricted funds	Endowment funds	Total	Unrestricted funds general	Unrestricted funds designated	Restricted funds	Endowment funds	Total
		2021	2021	2021	2021	2021	2020	2020	2020	2020	2020
		£	£	£	£	£	£	£	£	£	£
Income and endowments from:											
Donations and legacies	2	88,665	13,314	18,980	-	120,959	30,433	-	31,572	-	62,005
Charitable activities	3	34,333	-	2,720	-	37,053	19,701	-	69,726	-	89,427
Other trading activities	4	15,696	-	-	-	15,696	5,185	-	-	-	5,185
Investments	5	165	-	-	-	165	161	-	-	-	161
Other income	6	87	-	-	-	87	54,641	-	-	-	54,641
Total income		138,946	13,314	21,700	-	173,960	110,121	-	101,298	-	211,419
Expenditure on:											
Raising funds	7	3,954	-	-	-	3,954	5,493	-	-	-	5,493
Charitable activities											
St Margaret's church and church hall	8	184,527	1,020	6,489	-	192,036	34,359	4,245	88,147	-	126,751
Total charitable expenditure		184,527	1,020	6,489	-	192,036	34,359	4,245	88,147	-	126,751
Total expenditure		188,481	1,020	6,489	-	195,990	39,852	4,245	88,147	-	132,244
Net gains/(losses) on investments	12	-	-	-	1,934	1,934	-	-	-	(1,391)	(1,391)
Net (outgoing)/incoming resources before transfers		(49,535)	12,294	15,211	1,934	(20,096)	70,269	(4,245)	13,151	(1,391)	77,784

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds		Unrestricted funds designated		Restricted funds		Endowment funds		Total Unrestricted funds		Unrestricted funds designated		Restricted funds		Endowment funds		Total		
		2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	2020	£	2020	£	
Net (outgoing)/incoming resources before transfers		(49,535)		12,294		15,211		1,934		(20,096)		70,269		(4,245)		13,151		(1,391)		77,784
Gross transfers between funds		3,000		-		(3,000)		-		-		-		-		-		-		-
Net movement in funds		(46,535)		12,294		12,211		1,934		(20,096)		70,269		(4,245)		13,151		(1,391)		77,784
Fund balances at 1 January 2021		96,477		-		13,151		14,062		123,690		26,208		4,245		-		15,453		45,906
Fund balances at 31 December 2021		49,942		12,294		25,362		15,996		103,594		96,477		-		13,151		14,062		123,690

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		46,272		-
Investments	14		15,996		14,062
			<u>62,268</u>		<u>14,062</u>
Current assets					
Debtors	16	2,019		15,906	
Cash at bank and in hand		58,738		94,946	
		<u>60,757</u>		<u>110,852</u>	
Creditors: amounts falling due within one year	17	(19,431)		(1,224)	
Net current assets			41,326		109,628
Total assets less current liabilities			<u>103,594</u>		<u>123,690</u>
Capital funds					
Endowment funds	18		15,996		14,062
Income funds					
Restricted funds	19		25,362		13,151
<u>Unrestricted funds - general</u>					
Designated funds	20	12,294		-	
General unrestricted funds		49,942		96,477	
		<u>62,236</u>		<u>96,477</u>	
			<u>103,594</u>		<u>123,690</u>

The financial statements were approved by the Members Of The PCC on

.....
 Fran Carabott
 Trustee

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Parochial Church Council of St Margaret's Southsea is a registered charity in England and Wales. The Trustees are the members of the PCC named in the Annual Report. The church of St Margaret's address is Highland road, Southsea, Hants, PO4 9DD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the PCC's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The PCC is a Public Benefit Entity as defined by FRS 102.

The PCC has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members of the PCC have a reasonable expectation that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus the members of the PCC continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the members of the PCC in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the members of the PCC for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the PCC.

1.4 Income

Income is recognised when the PCC is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the PCC has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the PCC has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Costs are charged directly to the most appropriate activity or category of expenditure.

Parish share and other costs directly relating to the work and activities of the Church are accounted for when they are incurred or become due and payable.

1.6 Tangible fixed assets

Consecrated and beneficed property is excluded from the accounts by S10(2)(a & c) of the Charities Act 2011. Moveable church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal are capitalised at cost and written off over their useful economic life other than where insufficient cost information is available. In this case the item is not capitalised, but is included in the Church's inventory. All expenditure incurred during the year on consecrated or benefice buildings, whether for maintenance or improvement, is written off as expenditure and separately disclosed.

Other Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% reducing balance
--------------------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Individual items of equipment with a purchase value of under £1,000 are written off when acquired.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the PCC reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the PCC is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2	Donations and legacies	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
	Donations and gifts	68,815	13,314	1,480	83,609	30,433	31,572	62,005
	Grants received	19,850	-	17,500	37,350	-	-	-
		<u>88,665</u>	<u>13,314</u>	<u>18,980</u>	<u>120,959</u>	<u>30,433</u>	<u>31,572</u>	<u>62,005</u>
	Donations and gifts							
	Parish giving, donations and appeals	68,815	13,314	1,480	83,609	30,433	31,572	62,005
		<u>68,815</u>	<u>13,314</u>	<u>1,480</u>	<u>83,609</u>	<u>30,433</u>	<u>31,572</u>	<u>62,005</u>
	Grants receivable for core activities							
	Coronavirus job retention scheme grant	1,300	-	-	1,300	-	-	-
	PCC - Soft play area grant	-	-	15,000	15,000	-	-	-
	PCC - Food bank grant	-	-	2,500	2,500	-	-	-
	Portsmouth Diocesan Board of Finance Contribution	18,550	-	-	18,550	-	-	-
		<u>19,850</u>	<u>-</u>	<u>17,500</u>	<u>37,350</u>	<u>-</u>	<u>-</u>	<u>-</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Charitable activities

	2021 £	2020 £
Sales within charitable activities	915	199
Grants	2,470	77,770
Ancillary trading income	30,273	11,458
Charitable rental income	1,250	-
Other income	2,145	-
	<u>37,053</u>	<u>89,427</u>
Analysis by fund		
Unrestricted funds - general	34,333	19,701
Restricted funds	2,720	69,726
	<u>37,053</u>	<u>89,427</u>

4 Other trading activities

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Shop and cafe income	<u>15,696</u>	<u>5,185</u>

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	<u>165</u>	<u>161</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Other income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Other income	87	3,853
Transfer from PCC St Jude	-	50,788
	<u>87</u>	<u>54,641</u>

7 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Trading costs		
Shop and cafe	3,954	5,493
	<u>3,954</u>	<u>5,493</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

	St Margaret's church and church hall 2021 £	St Margaret's church and church hall 2020 £
Staff costs	26,964	-
Depreciation and impairment	5,300	-
Food bank	4,019	7,156
Parish quota	16,445	1,895
Church building	111,617	104,927
Community cafe and soft play area	11,148	-
Mission and support	4,975	2,905
Church management and administration	6,709	6,542
	<u>187,177</u>	<u>123,425</u>
Share of governance costs (see note 9)	4,859	3,326
	<u>192,036</u>	<u>126,751</u>
Analysis by fund		
Unrestricted funds - general	184,527	34,359
Unrestricted funds - designated	1,020	4,245
Restricted funds	6,489	88,147
	<u>192,036</u>	<u>126,751</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Independent Examiners fees	-	4,859	4,859	-	3,024	3,024
Legal and professional	-	-	-	-	302	302
	<u>-</u>	<u>4,859</u>	<u>4,859</u>	<u>-</u>	<u>3,326</u>	<u>3,326</u>
Analysed between						
Charitable activities	-	4,859	4,859	-	3,326	3,326
	<u>-</u>	<u>4,859</u>	<u>4,859</u>	<u>-</u>	<u>3,326</u>	<u>3,326</u>

The independent examiners fees for the examination of the accounts were £900 (including vat), other payroll and accountancy services are provided.

10 Members Of The PCC

None of the members of the PCC (or any persons connected with them) received any remuneration or expenses as a PCC member during the year.

Clergy stipends were paid by the Church Commissioners within Church of England stipendiary guidelines.

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	2	-
	<u>2</u>	<u>-</u>
Employment costs	2021 £	2020 £
Wages and salaries	26,512	-
Other pension costs	452	-
	<u>26,964</u>	<u>-</u>

There were no employees whose annual remuneration was more than £60,000.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Net gains/(losses) on investments

	Endowment funds	Endowment funds
	2021	2020
	£	£
Revaluation of investments	1,934	(1,391)

13 Tangible fixed assets

	Fixtures, fittings & equipment
	£
Cost	
Additions	51,572
At 31 December 2021	51,572
Depreciation and impairment	
Depreciation charged in the year	5,300
At 31 December 2021	5,300
Carrying amount	
At 31 December 2021	46,272

14 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 January 2021	14,062
Valuation changes	1,934
At 31 December 2021	15,996
Carrying amount	
At 31 December 2021	15,996
At 31 December 2020	14,062

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15	Financial instruments	2021	2020
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	15,996	14,062
		<u> </u>	<u> </u>
16	Debtors	2021	2020
		£	£
	Amounts falling due within one year:		
	Trade debtors	1,124	14,966
	Other debtors	-	940
	Prepayments and accrued income	895	-
		<u> </u>	<u> </u>
		2,019	15,906
		<u> </u>	<u> </u>
17	Creditors: amounts falling due within one year	2021	2020
		£	£
	Other taxation and social security	52	-
	Trade creditors	16,169	-
	Accruals and deferred income	3,210	1,224
		<u> </u>	<u> </u>
		19,431	1,224
		<u> </u>	<u> </u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Endowment funds

Endowment funds represent assets which must be held permanently by the PCC. Income arising on the endowment funds can be used in accordance with the objects of the PCC and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 January 2020	Movement in funds				Movement in funds				Balance at 31 December 2021
		Incoming Resources	Resources expended	Transfers	Revaluation gains	Balance at 1 January 2021	Incoming Resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£	£	£
Permanent endowments										
Benefice										
Augmentation										
Fund	15,453	-	-	-	(1,391)	14,062	-	-	-	15,996
	15,453	-	-	-	(1,391)	14,062	-	-	-	15,996

The capital of this fund is not available to the PCC but the income from it may be used by the PCC for its general purposes.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Incoming Resources	Resources Expended	Balance at 1 January 2021	Incoming Resources	Resources Expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£
SDF - Church Building Works	60,726	(60,726)	-	2,471	(2,471)	-	-
Food Bank	20,307	(7,156)	13,151	4,229	(4,018)	-	13,362
All Churches - Air Source Heat Pumps	9,000	(9,000)	-	-	-	-	-
Other - Church Building Works	11,265	(11,265)	-	-	-	-	-
PCC - Soft Play Area	-	-	-	15,000	-	(3,000)	12,000
	<u>101,298</u>	<u>(88,147)</u>	<u>13,151</u>	<u>21,700</u>	<u>(6,489)</u>	<u>(3,000)</u>	<u>25,362</u>

The Strategic Development Fund is providing funding for the redevelopment of St Margaret's church building interior.

A team of volunteers operates a food bank.

Portsmouth City Council contributed £15,000 towards the provision of a soft play area within the St Margaret's church. The transfer to unrestricted fund matches the depreciation charged.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£
YOU Trust	4,245	(4,245)	-	-	-	-
AV Ministry	-	-	-	13,314	(1,020)	12,294
	<u>4,245</u>	<u>(4,245)</u>	<u>-</u>	<u>13,314</u>	<u>(1,020)</u>	<u>12,294</u>

An Audio Visual Ministry fund has been designated in the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

Accounts

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

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PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The members of St Margaret's Parochial Church Council (PCC) submit their Annual Report and the financial statements for the year ended 31st December 2020. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing regulations, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2016).

LOCATION

St Margaret's Church address is Highland Road, Southsea, Hants PO4 9DD. Its bank accounts are held with Lloyds Bank plc, and Jones Avens Limited, Chartered Accountants, independently examines its accounts.

BACKGROUND

St Margaret's PCC has responsibility for promoting within the ecclesiastical parish the mission of the Church: pastoral, evangelistic, social and ecumenical.

It is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

St Margaret's parish falls within the Diocese of Portsmouth. The parish now makes an annual contribution, ("the parish share"), which is used to pay clergy stipends, to fund diocesan ministries that support the parish and for diocesan and general synod costs. The diocese appoints the parish clergy.

St Margaret's PCC is a charity - registration number 189666.

PUBLIC BENEFIT

The PCC has complied with the duty in the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission. St Margaret's registered with the Charity Commission on 27 May 2020.

MEMBERSHIP OF THE CHURCH

The Electoral Roll for 2020 stood at 33 members, as reported by Sue Lynes, Electoral Roll Officer.

OPERATION OF THE PAROCHIAL CHURCH COUNCIL

The PCC was elected on October 11th 2020 at the APCM which was held in the Church Hall and was both physical, with 11 people attending, and with others joining online. Before this a residual PCC of the Priest in Charge and one other member was in place working with the Senior Leadership Team of St Margaret's. As the electoral roll number at the meeting stood at 34 people there were spaces for six members to be elected to the PCC. Those nominated were duly elected and a Deanery Synod representative for the parish was also appointed.

The new PCC met once during the year as it began its role of governance for the parish.

Standing & Finance Committee: This committee exists by law with power to transact the business of the PCC between meetings. It also considers financial needs, (including preparation of annual PCC budget), plans PCC meeting agendas, and makes recommendations for PCC consideration as it sees fit. Its membership comprised the Lay Pioneer Minister, the Priest in Charge, the Church Wardens, the Treasurer and the Secretary. The S&F met once in November 2020, following the APCM.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

REVIEW OF THE YEAR 2020

Ministry

Worship

The year started with services in the Church building although only temporary heating facilities were in place. A regular and growing congregation met at 4pm on Sundays and this was the hub of the church community. All worship in the building was suspended in March for the first Lockdown. Services were then moved to Facebook which was broadcast from homes or the church hall.

Prayer

Prayer continued to underpin all that we do at St. Margaret's despite the challenges of lockdown. 24/7 prayer was held in church in February, small groups have continued to pray together online, and opportunities were given for prayer walking in socially distanced pairs and Zoom prayer sessions during lockdown.

Discipleship

Small Groups:

Over the past year we have been speaking of the value of being part of a mid-week small group. This is a place where you can build friendships and share your faith-journey with fellow sisters and brothers in Christ. We have also seen the value of linking the Sunday teaching into the small groups enabling an opportunity to go deeper and study God's word. It also encourages a place where you can share and be open with each other and hold one another in prayer - additionally a place of fun and we encourage our small group leaders to organise socials.

Howard Jones is the small group coordinator, and pre-Covid, hosted the small group leaders, this was a time where the leaders could be supported through prayer and encouragement. We currently have 8 mid-week small groups

Bible Course:

The Bible Society's 8-week Bible Course was run throughout February and March, starting with face-to-face meeting and continuing online during the lockdown. The course proved very popular and, along with the Prayer Course, now forms part of the offer for those completing an Alpha Course before they join a small group, as well as for the wider church community.

Prayer Course:

The 8-week Prayer Course developed by 24-7 Prayer was run online through July and August. As with the Bible Course, the course was well attended and well received and will be run, alternating with the Bible Course.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Mission

Alpha Course:

We ran our first online Alpha Course from Sep – Dec with 12 course members and found the materials and format excellent. A number of course members carried on to the Bible Course online.

Café and Shop:

The shop and café closed in March 2020 due to the restrictions imposed by the Coronavirus pandemic. Whilst we were sorry to have to close, it did provide the opportunity to fit out new kitchen and shop facilities, both of which will reopen in 2021.

Food Bank:

This ministry has grown over the past year from just 5 shelves in the community shop. The vision being that people from the community would donate items of food, and in-turn, those in need could take as needed. When our country went into lock-down at the end of March 2020, we opened 3 mornings a week; Monday, Wednesday and Friday from 0800-11am. This ministry has significantly grown because of the pandemic. From feeding 10 people per week, to having fed over 8000 people from March to February 2021. The vision and values have not changed, and we are now Portsmouth's only non-referral foodbank! The foodbank is now managed by Amy, and we are blessed with a wonderful team of 20 plus volunteers.

Finance Report

The key event for 2020 was the transition of full financial responsibility of the accounts from St Jude's to the PCC of St Margaret's. This was effective from 1 January 2020, although some administrative actions were not finalised immediately.

2020 also saw the commencement of St Margaret's making their "parish share" contribution to the diocese.

Income by voluntary giving increased through the year with the Parish Giving Scheme (PGS) being the preferred method. By the end of the year there were thirteen members using PGS.

Restrictions on public gatherings imposed as a result of COVID 19 had a significant impact on income from room/hall bookings. This is income that would have been used to continue to develop the building and enable mission priorities.

The provision of a Foodbank at St Margaret's from the outset of the pandemic has drawn a substantial response from supporters who have enabled this to be a financially stable operation and with sufficient funds to operate for some time even if income were to dip.

Day to day management of the accounts are undertaken within the office by Sue Lynes with appropriate approvals for expenditure provided by duly authorised persons, particularly in relation to works to progress the building.

The independent examiner's report included herein indicates that St Margaret's operated on a sound financial basis during 2020 with income exceeding expenditure by almost £80,000. This income was directed towards the financial priorities of the PCC which were progressing the completion of the building work and enabling mission activity within both the main building and the hall. All financial decisions have been made within the resources available.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Finance Report (continued)

All major expenditure in relation to the fabric of the building was planned and maintained within the limits of the Strategic Development Fund. This has been a successful project in re-enabling the delivery of the mission activities of the church from the main building. Thanks are expressed to Stephen Dawson for managing this in such an effective manner. Ongoing building development work is the responsibility of the PCC to prioritise and direct the staff team accordingly.

The PCC maintains a working balance of unrestricted funds to continue to operate for a period of no less than three months should income cease. In extremis, the church holds investments that are available as a reserve should circumstances dictate. Where any such situation occurs, and after which the church resumes its operation, it would be the intention to replenish these investments for income purposes.

Whilst the impact of a cessation of income is HIGH, the likelihood is considered to be LOW resulting in an overall risk assessment of LOW. This is monitored on at least a weekly basis by Sue Lynes and at least a monthly basis by the treasurer.

Staff

The Staff team of Fran Carabott, Licensed Pioneer Minister, Stephen Dawson, Operations Manager and Sue Lynes, Administrator continued to serve the church as the systems and processes for running the parish were implemented. There were regular staff meetings and leadership team meetings as the church office was equipped to serve the church. In September 2020 Fran Carabott started his training for ordination at St Mellitus College, London with Neil Smart as his supervisor.

Church Hall

Sadly lockdown meant that the Church Hall was unavailable for group use or worship for much of 2020.

Occasional Offices

During 2020 St Margaret's Church held no baptisms or weddings. One funeral was taken by Fran Carabott.

Safeguarding

Members of the St Margaret's Safeguarding team met with the Diocesan Safeguarding Advisor in November 2020. During the year systems were put in place to allow the Safeguarding role to move from St Jude's to St Margaret's. Hildah Mapeta was appointed Parish Safeguarding Officer whilst Sue Lynes took on the role of Safeguarding Administrator.

St Margaret's Church Building

Building work over the reporting period essentially followed 3 phases, aimed at making the building:

1. Watertight and structurally safe
2. Useable
3. Welcoming and habitable

Work completed or commissioned in 2020 included:

1. Underfloor heating using renewable energy
- New toilets including full disabled

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

PCC MEMBERS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

PCC Membership

Members of PCC of St Margaret's Church in 2020

The elections took place on Sunday 18th October at the APCM

Fran Carabott	Chair	Licensed Pioneer Minister
Laura Preston	Vice Chair	Churchwarden
Howard Jones		Churchwarden
Neil Smart		Priest in Charge
Paul Nelson		Treasurer / Elected Member
Hildah Mapeta		Deanery Synod Rep
Jill Chalmers		Elected Member
Stephen Dawson		Elected Member
Rosie Fry		Elected Member
Ray Smith		Elected Member
Paul Thwaites		Elected Member
Steve Hayward	Co-opted member (12th November 2020)	

Fran Carabott (Appointed 1 January 2020)

The PCC members report was approved by the Board of Members Of The PCC.

.....
Fran Carabott

Dated:

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

INDEPENDENT EXAMINER'S REPORT

TO THE MEMBERS OF THE PCC OF PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

I report to the members of the PCC on my examination of the financial statements of Parochial Church Council of St Margaret's Southsea (the PCC) for the year ended 31 December 2020.

Responsibilities and basis of report

As the members of the PCC of the PCC you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Timothy Millett ACA

53 Kent Road
Southsea
Portsmouth
Hampshire
PO5 3HU

Dated:

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
Notes											
<u>Income and endowments from:</u>											
Donations and legacies	2	30,433	-	31,572	-	62,005	2,603	-	-	-	2,603
Charitable activities	3	19,701	-	69,726	-	89,427	11,591	5,445	-	-	17,036
Other trading activities	4	5,185	-	-	-	5,185	5,907	-	-	-	5,907
Investments	5	161	-	-	-	161	166	-	66	-	232
Other income	6	54,641	-	-	-	54,641	3,881	-	-	-	3,881
Total income		110,121	-	101,298	-	211,419	24,148	5,445	66	-	29,659
<u>Expenditure on:</u>											
Raising funds	7	5,493	-	-	-	5,493	-	-	-	-	-
<u>Charitable activities</u>											
St Margaret's church and church hall	8	34,359	4,245	88,147	-	126,751	97,014	-	48,850	-	145,864
Total charitable expenditure		34,359	4,245	88,147	-	126,751	97,014	-	48,850	-	145,864
Total resources expended		39,852	4,245	88,147	-	132,244	97,014	-	48,850	-	145,864
Net gains/(losses) on investments	12	-	-	-	(1,391)	(1,391)	-	-	-	2,282	2,282
Net movement in funds		70,269	(4,245)	13,151	(1,391)	77,784	(71,666)	4,245	(48,784)	2,282	(113,923)

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Gross transfers between funds	-	-	-	-	-	1,200	(1,200)	-	-	-
Net movement in funds	70,269	(4,245)	13,151	(1,391)	77,784	(71,666)	4,245	(48,784)	2,282	(113,923)
Fund balances at 1 January 2020	26,208	4,245	-	15,453	45,906	97,874	-	48,784	13,171	159,829
Fund balances at 31 December 2020	<u>96,477</u>	<u>-</u>	<u>13,151</u>	<u>14,062</u>	<u>123,690</u>	<u>26,208</u>	<u>4,245</u>	<u>-</u>	<u>15,453</u>	<u>45,906</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	13		14,062		15,453
Current assets					
Debtors	15	15,906		-	
Cash at bank and in hand		94,946		30,453	
		<u>110,852</u>		<u>30,453</u>	
Creditors: amounts falling due within one year	16	<u>(1,224)</u>		<u>-</u>	
Net current assets			109,628		30,453
Total assets less current liabilities			<u>123,690</u>		<u>45,906</u>
Capital funds					
Endowment funds	17		14,062		15,453
Income funds					
Restricted funds	18		13,151		-
<u>Unrestricted funds - general</u>					
Designated funds	19	-		4,245	
General unrestricted funds		96,477		26,208	
		<u>96,477</u>		<u>30,453</u>	
			<u>123,690</u>		<u>45,906</u>

The financial statements were approved by the Members Of The PCC on

.....
 Fran Carabott
Trustee

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Parochial Church Council of St Margaret's Southsea is a registered charity in England and Wales. The Trustees are the members of the PCC named in the Annual Report. The church of St Margaret's address is Highland road, Southsea, Hants, PO4 9DD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the PCC's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The PCC is a Public Benefit Entity as defined by FRS 102.

The PCC has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2020 are the first financial statements of Parochial Church Council of St Margaret's Southsea prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2019. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the members of the PCC have a reasonable expectation that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus the members of the PCC continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the members of the PCC in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the members of the PCC for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the PCC.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Income

Income is recognised when the PCC is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the PCC has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the PCC has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Costs are charges directly to the most appropriate activity or category of expenditure.

Parish share and other costs directly relating to the work and activities of the Church are accounted for when they are incurred or become due and payable.

Individual items of equipment with a purchase value of under £1,000 are written off when acquired.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

2 Donations and legacies

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £
Donations and gifts	30,433	31,572	62,005	2,603

3 Charitable activities

	Diocese of Portsmouth Grant 2020 £	Room Hire 2020 £	Total 2020 £	Room Hire 2019 £
Sales within charitable activities	199	11,458	11,657	17,036
Grants	77,770	-	77,770	-
	77,969	11,458	89,427	17,036
Analysis by fund				
Unrestricted funds - general	8,243	11,458	19,701	11,591
Unrestricted funds - designated	-	-	-	5,445
Restricted funds	69,726	-	69,726	-
	77,969	11,458	89,427	17,036

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Other trading activities

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Shop and cafe income	5,185	5,907

5 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Interest receivable	161	166	66	232

6 Other income

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Other income	3,853	3,881
Transfer from PCC St Jude	50,788	-
	54,641	3,881

7 Raising funds

	Unrestricted funds general 2020 £	Total 2019 £
Trading costs		
Shop and cafe	5,493	-
	5,493	-

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities

	St Margaret's church and church hall 2020 £	St Margaret's church and church hall 2019 £
Food bank	7,156	-
Parish quota	1,895	-
Church building	104,927	145,862
Mission and support	2,905	-
Church management and administration	6,542	2
	<u>123,425</u>	<u>145,864</u>
Share of governance costs (see note 9)	3,326	-
	<u>126,751</u>	<u>145,864</u>
Analysis by fund		
Unrestricted funds - general	34,359	97,014
Unrestricted funds - designated	4,245	-
Restricted funds	88,147	48,850
	<u>126,751</u>	<u>145,864</u>

9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Independent Examiners fees	-	3,024	3,024	-	-	-
Legal and professional	-	302	302	-	-	-
	<u>-</u>	<u>3,326</u>	<u>3,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
Analysed between						
Charitable activities	-	3,326	3,326	-	-	-
	<u>-</u>	<u>3,326</u>	<u>3,326</u>	<u>-</u>	<u>-</u>	<u>-</u>

10 Members Of The PCC

None of the members of the PCC (or any persons connected with them) received any remuneration during the year.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

12 Net gains/(losses) on investments

	Endowment funds 2020 £	Endowment funds 2019 £
Revaluation of investments	(1,391)	2,282

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	15,453
Valuation changes	(1,392)
At 31 December 2020	14,061
Carrying amount	
At 31 December 2020	14,061
At 31 December 2019	15,453

14 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	14,062	15,453

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	14,966	-
Other debtors	940	-
	15,906	-

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	1,224	-

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Endowment funds

Endowment funds represent assets which must be held permanently by the PCC. Income arising on the endowment funds can be used in accordance with the objects of the PCC and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds					Movement in funds					
	Balance at 1 January 2019	Incoming Resources	Resources expended	Transfers	Revaluation gains	Balance at 1 January 2020	Incoming Resources	Resources expended	Transfers	Revaluation gains	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Benefice											
Augmentation											
Fund	13,171	-	-	-	2,282	15,453	-	-	-	(1,391)	14,062
	<u>13,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,282</u>	<u>15,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,391)</u>	<u>14,062</u>
	<u>13,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,282</u>	<u>15,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,391)</u>	<u>14,062</u>

The capital of this fund is not available to the PCC but the income from it may be used by the PCC for it's general purposes.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2019	Incoming Resources	Resources Expended	Balance at 1 January 2020	Incoming Resources	Resources Expended	Balance at 31 December 2020
	£	£	£	£	£	£	£
SDF - Church Building Works	-	-	-	-	60,726	(60,726)	-
Food Bank	-	-	-	-	20,307	(7,156)	13,151
Allchurches - Air Source Heat Pumps	-	-	-	-	9,000	(9,000)	-
Other - Church Building Works	-	-	-	-	11,265	(11,265)	-
Fabric Fund	48,784	66	(48,850)	-	-	-	-
	<u>48,784</u>	<u>66</u>	<u>(48,850)</u>	<u>-</u>	<u>101,298</u>	<u>(88,147)</u>	<u>13,151</u>

The fabric fund was restricted by the terms of the legacy through which it was set up. It's monies could be applied towards the cost of renewing and renovating the structure of the church and its surrounds, the external and internal appearance of the church, the fittings and appliances (lighting, heating, organ, sound system etc) which enable the church building to be used for worship and the other purposes for which it was intended. The fund was expended during the previous year.

The Strategic Development Fund is providing funding for the redevelopment of St Margaret's church building interior.

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Movement in funds				
Incoming resources	Resources expended	Balance at 1 January 2020	Resources expended	Balance at 31 December 2020
£	£	£	£	£
5,445	(1,200)	4,245	(4,245)	-
<u>5,445</u>	<u>(1,200)</u>	<u>4,245</u>	<u>(4,245)</u>	<u>-</u>

This balance represented room hire received in advance from YOU Trust.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Analysis of net assets between funds

	Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Designated Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:										
Investments	-	-	-	14,062	14,062	-	-	-	15,453	15,453
Current assets/(liabilities)	96,477	-	13,151	-	109,628	26,208	4,245	-	-	30,453
	<u>96,477</u>	<u>-</u>	<u>13,151</u>	<u>14,062</u>	<u>123,690</u>	<u>26,208</u>	<u>4,245</u>	<u>-</u>	<u>15,453</u>	<u>45,906</u>

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).