

**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

## CONTENTS

---

	Page
PCC Members report	1 - 5
Independent examiner's report	6
Statement of financial activities	7 - 8
Balance sheet	9
Notes to the financial statements	10 - 25

---

# **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.

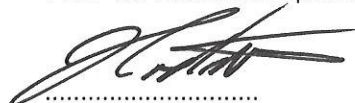
### PCC Membership

#### **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
		£	£	£	£	£	£	£	£	£	£
<b>Income and endowments from:</b>											
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
<b>Total income</b>		<b>138,946</b>	<b>13,314</b>	<b>21,700</b>	<b>-</b>	<b>173,960</b>	<b>110,121</b>	<b>-</b>	<b>101,298</b>	<b>-</b>	<b>211,419</b>
<b>Expenditure on:</b>											
Raising funds	7	3,954	-	-	-	3,954	5,493	-	-	-	5,493
<b>Charitable activities</b>											
St Margaret's church and church hall	8	184,527	1,020	6,489	-	192,036	34,359	4,245	88,147	-	126,751
<b>Total charitable expenditure</b>		<b>184,527</b>	<b>1,020</b>	<b>6,489</b>	<b>-</b>	<b>192,036</b>	<b>34,359</b>	<b>4,245</b>	<b>88,147</b>	<b>-</b>	<b>126,751</b>
<b>Total expenditure</b>		<b>188,481</b>	<b>1,020</b>	<b>6,489</b>	<b>-</b>	<b>195,990</b>	<b>39,852</b>	<b>4,245</b>	<b>88,147</b>	<b>-</b>	<b>132,244</b>
Net gains/(losses) on investments	12	-	-	-	1,934	1,934	-	-	-	(1,391)	(1,391)
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(49,535)</b>	<b>12,294</b>	<b>15,211</b>	<b>1,934</b>	<b>(20,096)</b>	<b>70,269</b>	<b>(4,245)</b>	<b>13,151</b>	<b>(1,391)</b>	<b>77,784</b>

# 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 £	£
<b>Fixed assets</b>					
Tangible assets	13		46,272		-
Investments	14		15,996		14,062
			<u>62,268</u>		<u>14,062</u>
<b>Current assets</b>					
Debtors	16	2,019		15,906	
Cash at bank and in hand		58,738		94,946	
		<u>60,757</u>		<u>110,852</u>	
<b>Creditors: amounts falling due within one year</b>	17	(19,431)		(1,224)	
Net current assets			41,326		109,628
<b>Total assets less current liabilities</b>			<u>103,594</u>		<u>123,690</u>
<b>Capital funds</b>					
Endowment funds	18		15,996		14,062
<b>Income funds</b>					
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>
<b>Donations and gifts</b>	68,815	13,314	1,480	83,609	30,433	31,572	62,005
Parish giving, donations and appeals	<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>
<b>Grants receivable for core activities</b>	1,300	-	-	1,300	-	-	-
Coronavirus job retention scheme grant	-	-	15,000	15,000	-	-	-
PCC - Soft play area grant	-	-	2,500	2,500	-	-	-
PCC - Food bank grant	18,550	-	-	18,550	-	-	-
Portsmouth Diocesan Board of Finance Contribution	<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>
<b>Analysis by fund</b>		
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>
<b>Employment costs</b>	<b>2021 £</b>	<b>2020 £</b>
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
	£
<b>Cost</b>	
Additions	51,572
At 31 December 2021	51,572
<b>Depreciation and impairment</b>	
Depreciation charged in the year	5,300
At 31 December 2021	5,300
<b>Carrying amount</b>	
At 31 December 2021	46,272

### 14 Fixed asset investments

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

<b>15</b>	<b>Financial instruments</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>		
	Instruments measured at fair value through profit or loss	15,996	14,062
		<u>          </u>	<u>          </u>
<b>16</b>	<b>Debtors</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	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>
<b>17</b>	<b>Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	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	Revaluation gains
	£	£	£	£	£	£	£	£	£	£
<b>Permanent endowments</b>										
Benefice										
Augmentation										
Fund	15,453	-	-	-	(1,391)	14,062	-	-	-	1,934
										15,996
	15,453	-	-	-	(1,391)	14,062	-	-	-	1,934
										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.

# PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S SOUTHSEA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 21 Analysis of net assets between funds

	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:										
Tangible assets	34,272	-	12,000	-	46,272	-	-	-	-	-
Investments	-	-	-	15,996	15,996	-	-	-	14,062	14,062
Current assets/(liabilities)	15,670	12,294	13,362	-	41,326	96,477	-	13,151	-	109,628
	<u>49,942</u>	<u>12,294</u>	<u>25,362</u>	<u>15,996</u>	<u>103,594</u>	<u>96,477</u>	<u>-</u>	<u>13,151</u>	<u>14,062</u>	<u>123,690</u>



# **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).