

**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***

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The members of St Margaret's Parochial Church Council (PCC) submit their Annual Report and the financial statements for the year ended 31<sup>st</sup> 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**

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### **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**

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### **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*

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#### 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**

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### 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**

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### 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 <sup>th</sup> 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**

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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 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Notes											
<b>Income and endowments from:</b>											
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
<b>Total income</b>		<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>
<b>Net income/(expenditure)</b>		<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>
<b>Net movement in funds</b>		<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>
<b>Reconciliation of funds:</b>											
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***

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<b>Fund balances at 31 December 2023</b>	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	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		29,120		40,269
Investments	13		15,031		14,975
			<u>44,151</u>		<u>55,244</u>
<b>Current assets</b>					
Debtors	14	3,557		2,140	
Cash at bank and in hand		131,934		75,734	
		<u>135,491</u>		<u>77,874</u>	
<b>Creditors: amounts falling due within one year</b>	15	5,772		5,248	
		<u></u>		<u></u>	
Net current assets			129,719		72,626
<b>Total assets less current liabilities</b>			<u>173,870</u>		<u>127,870</u>
<b>The funds of the PCC</b>					
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

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#### 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

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#### 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

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### 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>
<b>Grants receivable for core activities</b>						
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 £
<b>St Margaret's church and church hall</b>						
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 £
<b>Direct costs</b>		
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
<b>Share of support and governance costs (see note 7)</b>		
Governance	4,594	3,659
	222,048	179,041
<b>Analysis by fund</b>		
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
<b>Employment costs</b>	<b>2023 £</b>	<b>2022 £</b>
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 £
<b>Cost</b>	
At 1 January 2023	55,743
At 31 December 2023	55,743
<b>Depreciation and impairment</b>	
At 1 January 2023	15,474
Depreciation charged in the year	11,149
At 31 December 2023	26,623
<b>Carrying amount</b>	
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 £
<b>Cost or valuation</b>	
At 1 January 2023	14,975
Valuation changes	56
At 31 December 2023	15,031
<b>Carrying amount</b>	
At 31 December 2023	15,031
At 31 December 2022	14,975

### 14 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
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 £
<b>Permanent endowments</b>			
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
	£	£	£
<b>Permanent endowments</b>			
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 £
<b>Fund balances at 31 December 2023 are represented by:</b>					
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 £
<b>Fund balances at 31 December 2022 are represented by:</b>					
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).