

St Mary the Virgin, Dallington.

End of Year Financial Statements

Year ending 2022

INTRODUCTION

- The financial statements of the Parochial Church Council (PCC) have been prepared in accordance with the Church Accounting Regulations 2006, using the receipts and payments basis. The regulations no longer contain specific requirements as to the information to be included in the Annual Report, but simply refer to the need to comply with the Charities Act 2011, any regulations made thereunder and the current Statement of Recommended Practice on Accounting and Reporting by Charities (FRS 102).
- The status of the PCC is established by Statute, namely sections 2 and 3 of the Parochial Church Council (Powers) Measure 1956. The existence and legal status of a PCC is part of the law of the land. PCC's have charitable status because of the functions they perform under section 2 of the 'Measure' and are therefore deemed to be charitable as a matter of law. During 2021 Dallington PCC formally registered St-Mary-the-Virgin, Dallington as a Registered Charity with the Charity Commission. Registration Number 1196065.
- The PCC has responsibility for Dallington Old School Rooms. Receipts and payments for this building are included in these accounts. The asset is recognized but not valued in the Statement of Assets and Liabilities.
- The Parish Share of £28,395 for 2021 for Dallington (St Mary the Virgin) formed 50% of the Benefice share total of £56,790. The PCC decided to continue making payments totalling £25,000 for the year because of the large financial losses predicted for the 2021 financial year. The actual amount paid to the Diocese was £25,545 which included an underpayment amount of £545 for 2021.
- The PCC originally held 6,393.64 shares with the CCLA, CBF Income Shares Fund. These were purchased for £100,000 in 2014. The remaining 5244.25 shares had a bid market value of £108,272.26 at 31 December 2022. The 'end of year' valuation for this fund is shown by transaction corrections to the accounting system by either an expenditure or income amount so that the value reflects that shown in the CCLA statement. (Actual value of the shares fund will depend upon the stock market movements.)
- The PCC has an investment of 128 shares in a CBF Account held and operated by the Peterborough Diocesan Board of Finance. These shares were purchased in 1962 for £90.89 and were valued at £2642.68 on 31 December 2022. This investment is

restricted for expenditure associated with the Chancel. The two designated funds for music and textile total £1750.82.

- The PCC's accounts have been challenged through 2022 by the following factors:
 - : recovery from COVID
 - : reduction in congregation numbers,
 - : reduction of the levels of donations through regular giving and plate collections
 - : very limited PCC resources for fundraising,
 - : high levels of inflation,
 - : unprecedented levels of increases for the costs of energy.

ATTACHMENTS AND NOTES

Attachments

Item	Description	Pages
A	Analysis of Receipts and Payments	2
B	Fund Balances by Year	1
C	CCLA Statement 128001094S	1
D	CCLA Statement 62805001S	1
E	Parish Share Payments – P10519	1

NOTES

The Accounting Software Application (Finance4) was changed from a ‘desktop’ to the ‘online’ version and the functionality of the new version is not the same. There are still elements requiring correction in respect to the generation of reports and the allocation of transactions to the correct codes. There are, therefore, inconsistencies in detail at the transaction levels when compared to the original accounting application. In particular, not all transactions that should have been processed as ‘Agency’ have been processed in this way. Additionally, Capital withdrawals and Interest Payments paid direct to the PCC’s current account have not been processed by the ‘transfers between funds and bank accounts’ process, which has resulted in incorrect valuation of the Funds. We have been advised by the Data Development’s Support Team that work will continue to improve the functionality of the online application.

- (a) The fees for weddings and funerals (PDBF, clergy, organist, verger, choir) are processed as ‘Agency’ receipts and payments to avoid inflating the PCC’s income.
- (b) The monetary values for the two CCLA investment accounts vary with the market prices of the shares held in the investment portfolios. Values for these investments are stated at 31 December on the CCLA statements for ‘bid’ market prices.
- (c) The amount of £872 in the Church Textile Fund is an historic record. There was no documentation on file in respect to how this ‘fund’ was established. The PCC received a legacy donation of £1000 in December 2020 the conditions for use of this ‘fund’ are that it should be used *“for the provision of music facilities in the Church such at the discretion of the Church organist and choir”*. In order to account for movements in these funds, that are currently accounted for in the General Fund, a balance of £1872.00 has been established in the HSBC Money Manager Account.
- (d) Funds have been setup on the Finance Accounting System for Bells, Church Music and Church Textile.

[The term ‘Fund’ as used by the Charity Commission SORP(2015) is explained and quoted as follows.

“If you misunderstand the term Fund as used in the Charity Commission SORP(2015) you will probably need to re-design your account at a later date. This can be a very time-consuming task. A fund is not a bank account, building society account or any other account where money is deposited. A fund is a pot of money that belongs to your organisation, for example the General Fund is a pot of money that can be used for your normal (General) spending. Other funds will include money that is donated for a specific purpose such as helping the homeless or youth workers. **It is possible that money belonging to am particular fund will be in several accounts (bank accounts etc.).”**]

Conclusion

Total receipts for the year were £31,133.87, but this included transfers from the investment account of £15,000. Total expenditure was £39,891.98 indicating a balance of minus £8758.11. However, these figures are 'accounting' figures rather than a true impression of the state of the PCC's annual operating costs. The HSBC current account opened the year with a balance of £8639.10 and closed with £12437.20. If these figures are included for the purpose of reflecting the PCC's realistic financial situation for the year **the derived figure is a 'loss of £34,983.61.**

The Old School Hall continued to operate at a loss: an amount of £4025.77 for 2022. Significant expenditure was the replacement of the CH Boiler and plumbing repairs. Considerations are being given to the sale/disposal of the Old School.

The largest cost of providing our Christian ministry is the contribution we pay to the Diocese for our Parish Share, which was £25,545.33 in 2022.

The budget for 2023 has been set using the income and expenditure for 2022 as the basis. There will be an estimated requirement for a further £25,000 to be transferred from the CBF investment account in order to operate without a current account deficit

We continue to bank with HSBC at present but the PCC may wish to consider a change in banking services now that HSBC are making charges on 'charity' accounts. There is no interest being paid on the HSBC community account and approximately £1.00 per month paid on the Business Money Manager Account. The CCLA CBF Investment Fund continues to perform well and provides an annual return of approximately 4%. The PCC is now totally dependent upon this fund to support its on-going operational losses.

Accounts approved by the PCC for presentation to the APCM Signed on their behalf:

J J E Jones, Treasurer: _____

Rev S Faulkner, Vicar: _____

Dated: _____

Independent Examiners Report to the Trustees of Dallington Parochial Church Council.

I report on the accounts for the church for the year ended 31 December 2022 which are set out on the previous pages and in the records for the account activities..

Respective responsibilities of the Trustees and Examiner.

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

It is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the General Directions given by the Charities Commission under section 145(5)(b) of the 2011 Act;
- To state whether particular matters have come to my attention.

Basis of the Independent examiner's report.

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

Independent Examiner's Statement.

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

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

1. Which gives me cause to believe that in any material respect the requirements
 - To keep accounting records in accordance with section 130 of the 2011 Act; and
 - To prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met: or
2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed: Date:

Mr J Banks. Chartered Accountant.