**ANNUAL PAROCHIAL CHURCH MEETING 2020**

**TREASURER REPORT**

by

**Colin Aiken**

**Review of the Year End Financial Statements (Accounts)**

The Financial Statements have been reviewed and approved by the PCC on 15 March 2021. Our independent examiner Mr L.J. Powell, B.Sc., F.C.A. subsequently approved them on nn April 2021. The Financial Review report is on pages 5 to 9. There are three financial statements, and these are reproduced here:

* **Statement of Financial Activities**
* **Statement of Financial Position**
* **Statement of Cash Flows**

These should be read in conjunction with the notes to the financial statements on pages 16 to 29.

|  |
| --- |
| **STATEMENT OF FINANCIAL ACTIVITIES** |

 **31 DECEMBER 2020**

|  |  |  |
| --- | --- | --- |
|  |  **2020**  | 2019  |
|  | Unrestricted funds | Restricted funds | **Total funds** | Total funds |
| **Note** | **£** | **£** | **£** | £ |

**Income and endowments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Donations and legacies | **4** | 175,233 | 60,291 | 235,524 | 242,954 |
| Charitable activities | **5** | 21,702 | -- | 21,702 | 40,645 |
| Other trading activities | **6** | 5,933 | -- | 5,933 | 13,934 |
| Investment income | **7** | 1,515 | 1,267 | 2,782 | 3,175 |
|  | ───────── | ───────── | ───────── | ───────── |
| **Total income** | 204,383 | 61,558 | 265,941 | 300,708 |
|  | ═════════ | ═════════ | ═════════ | ═════════ |

**Expenditure**

Expenditure on raising funds:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Costs of other trading activities | **8** | (369) | -- | (369) | (6,065) |
| Expenditure on charitable activities | **9,10** | (209,686) | (17,428) | (227,114) | (322,844) |
|  | ───────── | ───────── | ───────── | ───────── |
| **Total expenditure** | (210,055) | (17,428) | (227,483) | (328,909) |
|  | ═════════ | ═════════ | ═════════ | ═════════ |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | ───────── | ───────── | ───────── | ───────── |
| **Net income** | (5,672) | 44,130 | 38,458 | (28,201) |
|  | ═════════ | ═════════ | ═════════ | ═════════ |

**Other recognised gains and losses**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Fair value movement on investments | **18** | -- | 1,284 | 1,284 | 2,932 |
|  |  | ───────── | ───────── | ───────── | ───────── |
| **Net movement in funds** |  | (5,672) | 45,414 | 39,742 | (25,269) |

**Reconciliation of funds**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Total funds brought forward | 90,342 | 168,851 | 259,193 | 284,462 |
|  | ───────── | ───────── | ───────── | ───────── |
| **Total funds carried forward** | 84,670 | 214,265 | 298,935 | 259,193 |
|  | ═════════ | ═════════ | ═════════ | ═════════ |

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

All income and expenditure derive from continuing activities.

|  |
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| **STATEMENT OF FINANCIAL POSITION** |

 **31 DECEMBER 2020**

|  |  |  |
| --- | --- | --- |
|  |  **2020**  | 2019  |
|  | **£** | **£** | £ | £ |

**Fixed assets**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Tangible fixed assets | **17** |  | 8,744 |  | 10,312 |
| Investments | **18** |  | 19,874 |  | 18,590 |
|  |  | ──────── |  | ──────── |
|  |  | 28,618 |  | 28,902 |

**Current assets**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Stocks | 500 |  | 500 |  |
| Debtors | **19** | 8,861 |  | 13,584 |  |
| Cash at bank and in hand\* | 294,520 |  | 238,223 |  |
|  | ───────── |  | ───────── |  |
|  | 303,881 |  | 252,307 |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Current liabilities**Creditors: amounts falling due within one year | **20** | 33,564 |  | 22,016 |  |
|  | ───────── |  | ───────── |  |
| **Net current assets** |  | 270,317 |  | 230,291 |
|  |  | ───────── |  | ───────── |
| **Total assets less current liabilities** |  | 298,935 |  | 259,193 |
|  |  | ═════════ |  | ═════════ |

**Funds of the charity**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Restricted funds |  | 214,265 |  | 168,851 |
| Unrestricted funds |  | 84,670 |  | 90,342 |
|  |  |  |  |  |
| **Total unrestricted funds** | 84,670 |  | 90,342 |  |
|  |  |  | ───────── |  | ───────── |
| **Total charity funds** | **21** |  | 298,935 |  | 259,193 |
|  |  |  | ═════════ |  | ═════════ |

Note: Cash at bank and in hand\* has been adjusted down by £1 to account for rounding differences when removing the pence amount from these figures.

|  |
| --- |
| **STATEMENT OF CASH FLOWS** |

 **YEAR ENDED 31 DECEMBER 2020**

|  |  |  |
| --- | --- | --- |
|  | **2020** | 2019 |
|  | **£** | £ |

**Cash flows from operating activities**

|  |  |  |
| --- | --- | --- |
| Net income | 38,458 | (28,201) |

|  |  |  |
| --- | --- | --- |
| *Adjustments for:* |  |  |
| Depreciation of tangible fixed assets [note 13] | 1,568 | 1,568 |
| Dividends, interest and rents from investments [note 7] | (558) | (691)  |
| Other interest receivable and similar income [note 7] | (2,224) | (2,484) |

|  |  |  |
| --- | --- | --- |
| *Changes in:* |  |  |
| Trade and other debtors [Incr – Decr +] | 4,723 | (4,052) |
| Trade and other creditors [Incr + Decr -] | 11,548 | (5,149) |
|  | ───────── | ──────── |
| Cash generated from operations | 53,515 | (39,009) |

|  |  |  |
| --- | --- | --- |
| Interest received | 2,224 | 2,483 |
|  | ───────── | ──────── |
| Net cash from operating activities | 55,739 | (36,526) |
|  | ═════════ | ════════ |

**Cash flows from investing activities**

|  |  |  |
| --- | --- | --- |
| Dividends, interest and rents from investments | 558 | 691 |
| Purchase of tangible assets | 0 | 0 |
|  | ───────── | ──────── |
| Net cash used in investing activities | 558 | 691 |
|  | ═════════ | ════════ |

|  |  |  |
| --- | --- | --- |
| **Net increase in cash and cash equivalents** | 56,297 | (35,835) |
| **Cash and cash equivalents at beginning of year** | 238,223 | 274,058 |
|  | ───────── | ───────── |
| **Cash and cash equivalents at end of year** | 294,520 | 238,223 |
|  | ═════════ | ═════════ |

These financial statements were approved by the board of trustees and authorised for issue on 15 March 2021, and are signed on behalf of the board by



Revd Andrew Micklefield (Vicar)

Chairman of Trustees

**The General Fund**

This is an ‘Unrestricted’ fund (explained later in this document) and is used for the day-to-day running of the parish. The fund has an annual budget that is approved by the PCC. At each month end the budget is updated with the year to date actual amounts and distributed to all members of the PCC. A summary of the year end position is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **General Fund Summary** |  |  |  |
|   | **Actual** | **Budget** | **Variance** |
| Income | 202,930  | 223,200  | -20,270  |
| Expenses | 205,979  | 222,972  | 16,993  |
| Excess of expenditure over income  | -3,049  | 228  | -3,277  |

The main reasons for income being budget were due to reductions in:

* Planned giving and loose plate collections; £10.5k
* Parochial Fees and Hiring Fees; £20.8k

We were grateful to receive a grant of £10k from EHDC for rate relief due to the Covid 19 pandemic.

Generally, due to the church buildings being closed and much less activity across the whole of the parish, costs were lower too across most categories. The two main budget overspends were due to repairs and maintenance and unexpected expenses.

The breakdown of income and expenses is shown on the following pages:

* Income Analysis
* Expense Analysis
* Support Costs

**Income Analysis**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Actual 2020** |  | **Budget 2020** |  | **Variance** |  | **Variance 2019** |
|  |  |  |  |  |  |  |  |
| Planned Giving | 121,539  |  | 125,000  |  | -3,461  |  | 3,901  |
|  |  |  |  |  |  |  |  |
| Loose Plate Collections | 3,933  |  | 11,000  |  | -7,067  |  | -108  |
|  |  |  |  |  |  |  |  |
| Sundry and one-off gifts | 8,400  |  | 6,000  |  | 2,400  |  | -2,838  |
|  |  |  |  |  |  |  |  |
| GA Tax Recoverable | 30,046  |  | 30,000  |  | 46  |  | 928  |
|  |  |  |  |  |  |  |  |
| Legacies | 0  |  | 0  |  | 0  |  | 556  |
|  |  |  |  |  |  |  |  |
| Grants | 10,000  |  | 0  |  | 10,000  |  | 0 |
|  |  |  |  |  |  |  |  |
| Other Funds | 171  |  | 250  |  | -79  |  | -400  |
|  |  |  |  |  |  |  |  |
| Events | 3,296  |  | 5,000  |  | -1,704  |  | -217  |
|  |  |  |  |  |  |  |  |
| Magazine | 2,637  |  | 2,750  |  | -113  |  | 502  |
|  |  |  |  |  |  |  |  |
| Interest Received | 1,206  |  | 700  |  | 506  |  | 232  |
|  |  |  |  |  |  |  |  |
| Parochial Fees | 8,040  |  | 12,500  |  | -4,460  |  | 1,617  |
|  |  |  |  |  |  |  |  |
| Hall/Church Hire | 13,662  |  | 30,000  |  | -16,338  |  | 10,028  |
|  |  |  |  |  |  |  |  |
|  | 202,930  |  | 223,200  |  | -20,270  |  | 14,201  |
|  |  |  |  |  |  |  |  |

**Expense Analysis**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Actual 2020** |  | **Budget 2020** |  | **Variance** |  | **Variance 2019** |
|  |  |  |  |  |  |  |  |
| Cost of Generating Funds | 154  |  | 1,150  |  | 996  |  | 1,128  |
|  |  |  |  |  |  |  |  |
| Common Mission Fund | 119,885  |  | 119,885  |  | 0  |  | 0  |
|  |  |  |  |  |  |  |  |
| Support Costs | 32,765  |  | 38,792  |  | 6,027  |  | -1,864  |
|  |  |  |  |  |  |  |  |
| Misc and Other Costs | 7,159  |  | 3,700  |  | -3,459  |  | -3,443  |
|  |  |  |  |  |  |  |  |
| Music and Choirs | 6,982  |  | 8,750  |  | 1,768  |  | -1,029  |
|  |  |  |  |  |  |  |  |
| Upkeep of Services | 1,958  |  | 2,500  |  | 542  |  | 612  |
|  |  |  |  |  |  |  |  |
| Magazine Expenses | 478  |  | 2,280  |  | 1,802  |  | 670  |
|  |  |  |  |  |  |  |  |
| St Lawrence Church | 12,594  |  | 16,950  |  | 4,356  |  | -1,766  |
|  |  |  |  |  |  |  |  |
| All Saints Church | 5,959  |  | 6,500  |  | 541  |  | -639  |
|  |  |  |  |  |  |  |  |
| St Peter's Church | 3,229  |  | 3,450  |  | 221  |  | -526  |
|  |  |  |  |  |  |  |  |
| Holy Rood Church | 8,415  |  | 9,125  |  | 710  |  | -1,908  |
|  |  |  |  |  |  |  |  |
| Parish Centre (StL Hall) | 4,479  |  | 6,340  |  | 1,861  |  | -3,228  |
|  |  |  |  |  |  |  |  |
| All Saints Hall | 1,922  |  | 3,550  |  | 1,628  |  | 114  |
|  |  |  |  |  |  |  |  |
|  | 205,979  |  | 222,972  |  | 16,993  |  | -11,879  |
|  |  |  |  |  |  |  |  |

**Support Costs**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2020** |  | **2019** |  | **2019 - 2020** |
|  |  |  |  |  | **Movement** |
|  |  |  |  |  |  |
| Salary Parish Administrators and Bookkeeper | 20,955  |  | 22,123  |  | 1,168  |
|  |  |  |  |  |  |
| Administrators Expenses | 1,018  |  |  -  |  | -1,018  |
|  |  |  |  |  |  |
| Clergy Expenses | 3,316  |  | 5,123  |  | 1,807  |
|  |  |  |  |  |  |
| Telephone | 709  |  | 802  |  | 93  |
|  |  |  |  |  |  |
| Postage & Stationery | 784  |  | 1,209  |  | 425  |
|  |  |  |  |  |  |
| Photocopying | 3,982  |  | 5,634  |  | 1,652  |
|  |  |  |  |  |  |
| Printing | 184  |  | 741  |  | 557  |
|  |  |  |  |  |  |
| Prof Charges (payroll admin) |  -  |  | 420  |  | 420  |
|  |  |  |  |  |  |
| Governance | 500  |  | 495  |  | -5  |
|  |  |  |  |  |  |
| Depreciation | 1,317  |  | 1,317  |  | 0  |
|  |  |  |  |  |  |
|  | 32,765  |  | 37,864  |  | 5,099  |
|  |  |  |  |  |  |

**POTR Funds**

The funds of the parish are held in several bank accounts. For the day to day running of the parish we use our current account with the CAF (Charities Aid Foundation) Bank. We also hold our Stewardship Account there.

Funds held with the Newbury Building Society and the CCLA (Churches, Charities and Local Authorities) Bank are available for withdrawal without notice.

Funds held with WDBF (Winchester Diocese Board of Finance), Aldermore Bank and Cambridge & Counties Bank are longer term deposits. The WDBF funds are lent to other parishes in need of financial support at a more preferential rate than what is commercially available.

Full listing of all funds held:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | **2019** |
|  |  |  |  |
| CAF POTR current account | 41,709 |  | 15,498 |
| CAF POTR stewardship account | 2,311 |  | 1,073 |
|  |  |  |  |
| CCLA: The CBF CoE Deposit Fund | 79,349 |  | 51,618 |
| Newbury Building Society | 23,341 |  | 23,210 |
| WDBF Loan Account | 61,812 |  | 61,812 |
| Shawbrook Bank |  |  | 85,000 |
| Aldermore Bank | 35,998 |  |  |
| Cambridge & Counties Bank | 50,000 |  |  |
|  |  |  |  |
| Petty cash | 0 |  | 12 |
|  |  |  |  |
| **Total bank and cash** | **294,520** |  | **238,223** |
|  |  |  |  |
| Investments (Choir Endowment Fund) | 19,874 |  | 18,590 |
|  |  |  |  |
| **Total** | **314,394** |  | **256,813** |
|  |  |  |  |

**Accounting Practice**

Being a registered charity, the POTR follows the Charity Commission SORP (Statement of Recommended Practice) guidelines that have been adopted by the Church of England. Due to our gross income being more than £250k p.a. our accounts are prepared using the ‘Accruals’ concept (income generated must be matched with expenses incurred, within a financial period, regardless of when the money is paid or received).

Within the accounts all monies are held in one of four different types of funds as follows:

|  |  |
| --- | --- |
| **Fund Type** | **Description** |
| Unrestricted | Monies received and used for the day-to-day activities of the parish |
| Unrestricted Designated | Monies received that the PCC has allocated for a particular purpose |
| Restricted | Monies received where the donor or PCC has specified them to be used for a specific purpose |
| Endowment | Monies received for longer term retention. The capital may be permanent or expendable and its use either unrestricted or restricted. |

The funds of the POTR are held as follows:

|  |  |
| --- | --- |
| **Fund Type** | **Amount** |
| Unrestricted | £46,133 |
| Unrestricted Designated | £38,537 |
| Restricted | £194,391 |
| Endowment | £19,874 |

A full breakdown of all funds and their types follows.

**Fund Movement Summary**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2020** |  |  |  | **2020** |
|  | **BBF** | **CR Incoming** | **DR Outgoing** | **Inv Gain** | **BCF** |
| ***Unrestricted*** |  |  |  |  |  |
| General Fund | 49,181  | 202,930  | 205,978  |  | 46,133  |
| ***Designated*** |  |  |  |  |  |
| All Saints Fabric | 2,019  | 17  |  -  |  | 2,036  |
| Church Youth Choir | 1,541  | 207  |  -  |  | 1,748  |
| HR Bells | 2,423  | 20  |  -  |  | 2,443  |
| Parish Mission Action Plan | 35,177  | 1,209  | 4,076  |  | 32,310  |
| ***Restricted*** |  |  |  |  |  |
| All Saints Maint & Costs | 40,071  | 298  | 3,118  |  | 37,251  |
| Alton Deanery | 229  | 227  | 213  |  | 243  |
| All Saints Bells Fund | 7,771  | 62  |  -  |  | 7,833  |
| Butterfly & Singer Epoulbas |  -  | 2,634  |  -  |  | 2,634  |
| Covenant | 4,045  | 1,960  | 3,913  |  | 2,092  |
| All Saints Fabric Fund | 6,314  | 10,129  | 284  |  | 16,159  |
| St Lawrence Fabric Fund | 37,676  | 29,501  | 1,048  |  | 66,129  |
| Holy Rood Fabric Fund | 566  | 1,815  | 473  |  | 1,908  |
| Holy Rood Living Space Project | 4,592  | 866  | 1,441  |  | 4,017  |
| Church Street Investment Property | 2,267  |  -  | 251  |  | 2,016  |
| Minister Discretionary Fund |  -  | 1,007  | 90  |  | 917  |
| Mission Fund |  -  | 6,053  | 6,053  |  |  -  |
| Organ Fund | 3,851  | 1,052  |  -  |  | 4,903  |
| POTR All Churches Fabric Fund | 35,670  | 5,055  |  -  |  | 40,725  |
| St Peter's Fabric Fund | 4,731  | 882  | 216  |  | 5,397  |
| Youth Work Fund | 2,479  | 17  | 329  |  | 2,167  |
| ***Endowment*** |  |  |  |  |  |
| Choir | 18,590  |  |  | 1,284  | 19,874  |
|  | **259,193**  | **265,941**  | **227,483**  | **1,284**  | **298,935**  |
|  |  |  |  |  |  |