

St. Michael's, Breaston

Reaching up, reaching out, together



Annual Report for 2019 of The Parochial Church Council of the Ecclesiastical Parish of St. Michael, Breaston

ADMINISTRATIVE INFORMATION	2
Reference details	2
STRUCTURE, GOVERNMENT AND MANAGEMENT	3
Governing Constitution	3
Risk Management Assessment.....	3
Health and Safety	3
Public benefit	3
Appointment of Trustees	3
Financial Year	4
Standing Committee	4
Parochial Church Council (PCC)	4
OBJECTIVES AND ACTIVITIES	4
ACHIEVEMENTS AND PERFORMANCE	5
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. MICHAEL, BREASTON	5
Statement of Financial Activities	6
Balance sheet	7
Statement of assets and liabilities.....	7
Analysis of income and expenditure	8
Notes to the financial statements for the year ended 31 December 2019	9
APPROVAL	10

Administrative information

Reference details

St. Michael's, Breaston is a registered charity, number 1165581, rejoicing in the full name of *The Parochial Church Council of the Ecclesiastical Parish of St. Michael, Breaston*. The address of the church office is St. Michael's Church Office, Main Street, Breaston, Derby, DE72 3DX, telephone (01332) 872094. The date of registration as a charity is 16 February 2016.

Charity Trustees

The members of the PCC are classed as the trustees of the charity and their names are listed below (under *PCC Members*).

Bankers

Our current and deposit accounts are held by Barclays Bank plc, Leicester, LE87 2BB. Further deposit funds are also held with CCLA Investment Management Ltd., Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Examiner

At the 2019 APCM, the PCC recommended that as the income of the church now exceeded £100,000 we re-appoint Clayton & Brewill as Independent Examiners. This motion was approved. Clayton & Brewill have conducted an examination of these accounts and the underlying records and their report is found on page 3.

Clergy Licensed to the Parish

Rev'd Chris Smedley (Rector)
Rev'd Maria Przeslawski (Permission to Officiate)

Day-to-Day Management

Day-to-day management of the charity is delegated to the Rector in conjunction with the Staff Team.

At 31 December 2019, the staff team comprised:

Rev'd Chris Smedley (Rector)
Simon Bentley (Youth, Children's and Community Worker)
Jonah Huskisson (Discipleship Programme Intern)

The Standing Committee comprises the Rector, the Churchwarden, the PCC Treasurer and the PCC Secretary and two members of the Parochial Church Council.

PCC Members

The PCC members who have served during the PCC year from 25th March 2019 to 23rd March 2020 are:

Ex-officio members:

Rev'd Chris Smedley (Rector)
Jan Wilkinson (Churchwarden)
Colin Lowe (Deanery Synod)
Jeanne Wilson (Deanery Synod)
Stephe Bowley (Deanery Synod)

Elected members (until 2020 APCM)

Adam Collishaw
Ben Gooding
Paul Stuttle (PCC Treasurer)

Elected members (until 2021 APCM)

Maureen Hayne
Stephen Lacey

Elected members (until 2022 APCM)

Jonathan Lupton (PCC Secretary)
Anne Long
Matt Tovey

Co-opted member

Claire Collishaw (Parish Safeguarding Link)

Note that 2020 will be the year in which elections for Deanery Synod representatives are held.

Structure, Government and Management

Governing Constitution

Parochial Church Council (Powers) Measure 1956. The PCC is a body corporate.

Risk Management Assessment

In common with all other organisations, the PCC is potentially at risk from a number of sources. The Secretary and the Treasurer are responsible, on behalf of the PCC, for ensuring that these risks are reviewed so as not to expose the PCC to undue risk and that the PCC is in a position to correctly deal with any situation that may arise. Risks have been assessed and mitigated. Examples of areas that are kept under review include:

- **Financial Strategy.** Ensuring that we have sufficient reserves to meet expenditure and that income levels are maintained. Regular management accounts are supplied to budget holders and PCC.
- **Data and Copyright Protection.** Ensuring that we comply with all current regulations. There is a Data Protection policy in place to comply with GDPR.
- **Employment Regulations.** Ensuring that all current legislation and regulations are complied with and 'best practice' in employment matters is observed.
- **Insurance.** Insurance levels are reviewed annually.
- **Property.** Buildings are professionally surveyed every 5 years and a maintenance plan developed.
- **Safeguarding.** A policy is in force for the protection of children and vulnerable adults in the care of the PCC and its volunteers. A Parish Safeguarding Link is appointed by the PCC and is responsible for ensuring the policy is enforced.
- **Internal Financial Controls.** Expenditure and income are reported against budget and last year. Bank statements are reconciled monthly and two signatures are required on for all payments, the majority of which are electronic payments. Cash is banked regularly.

Health and Safety

The Health and Safety Coordinator is responsible for ensuring that all the Health and Safety policies are kept up to date and adhered to, and that regular safety checks are performed.

Public benefit

The PCC has considered the guidance of the Charity Commission with regard to public benefit. In planning activities, the PCC consider Charity Commission guidance and how it relates to our objectives.

Appointment of Trustees

Any person on the Electoral Roll of the parish may stand for election to the PCC. There are up to 9 'ordinary' elected members of the PCC, members who serve for a period of three years. Ex-officio members of the PCC are clergy licensed to the parish, churchwardens, lay readers and members of deanery, diocesan or general synods.

Churchwardens are elected annually at the Annual Meeting for the Election of Churchwardens; electors are members of the church Electoral Roll and those on the civil electoral roll for the parish of Breaston.

For other elected members, elections take place at the Annual Parochial Church Meeting (which immediately follows the Annual Meeting for the Election of Churchwardens); the electors are only those on the church Electoral Roll.

In both cases, all candidates must be proposed and seconded in writing by persons entitled to attend the respective meetings. There is no recruitment method for trustees, as all Roll members are eligible. Upon appointment, new trustees are provided with the Charity Commission Guidelines relating to their legal duties and the smooth running of the PCC.

Financial Year

The financial year runs from 1st January to 31st December.

The income of St Michael's in 2019 was £192,642 (*£159,073 previous year*) and expenditure totalled £236,536 (*£151,213*) of which the Common Fund was £57,767 (*£52,552*).

The net deficit for the year was £43,894 (*2018 Surplus £7,860*). This arrived at after:-

- the net cost of the church re-ordering project of £59,394 with £2,591 being incurred in 2018. Total income for the project in 2019 was £25,689 plus related Gift Aid of £6,527.
- the net increase in the value of investments of £19,660 (*£1,579*)

Cash reserves and investments were £160,689 (*£204,812*) which is well within our reserve policy.

Investment policy and objectives

It is our policy to invest surplus funds with CCLA Investment Management Ltd.

Reserves policy

It is PCC policy to maintain sufficient reserves of cash to enable payment of three months' unrestricted expenditure and a suitable sum to cover emergency situations. Currently, the sum considered to cover these potential outgoings is £45,000 (*£45,000*).

Standing Committee

The Standing Committee is a committee of at least five people required by ecclesiastical law, which states that the minister and churchwardens are ex officio plus at least two other PCC members elected by the PCC. By convention, the PCC Secretary and Treasurer are elected, but this can be changed at any time by the PCC. The Standing Committee has the power to transact the business of the PCC between its meetings, subject to any directions given by the PCC. It meets (usually monthly) between meetings of the PCC.

Parochial Church Council (PCC)

The PCC meets bi-monthly; there were seven normal meetings during the year, including the meeting to appoint officers immediately after the Annual Parochial Church Meeting (APCM). In addition, there was a joint meeting with the PCC of the other parish in the benefice. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. In so far as the Trustees are aware:

- there is no relevant information of which the charity's independent examiner is unaware, and
- the Trustees have taken all steps necessary to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

Objectives and Activities

The PCC has the responsibility for cooperating with the Rector, Chris Smedley, in promoting in the parish of St. Michael's, Breaston in the whole mission of the Church. This is achieved through:

- Reaching Up (or Loving God), in prayer and worship
- Reaching out (or Loving the Lost) by encouraging people outside the church to have a transforming encounter with Jesus
- Together (or Loving Each Other), by praying for and encouraging each other.

The church provides worship and teaching services on Sundays –

- at 8:45 am in a traditional format,
- at 10:30 am in a more contemporary format,
- at 5 pm as a contemporary family-focused service (from April to December 2019)
- evensong at 6:30 pm (alternating with the sister parish within the benefice).
- There is also a communion service on Thursdays at 9:30 am.
- Worship and teaching for children are specifically available at the 5 pm when this is running, and at the 10:30 am service otherwise.

The services are open to everyone regardless of personal background, gender or personal circumstances.

Achievements and performance

The Mission Action Plan developed in March 2012, and then further refined in October 2013, had two main thrusts: the development of youth work, and the re-ordering of the physical layout of the church.

The major achievement during 2019 was the successful completion of the second objective - a major reconfiguration of the church with:

- New electric thermostatically controlled heating
- Major upgrade to the audio-visual system
- Pews removed and replaced with lightweight stackable chairs
- Lowering of the plinth in the south aisle with new parquet flooring and the whole flooring sanded and re-polished
- All stonework repaired and re-dressed

This has enabled us to move 'Sunbeams' (the group for parents and toddlers) into the church along with the after-school Explorers' club. The church is easily re-configured to different layouts and is now available for more flexible use and styles of worship and community events too.

Simon Bentley has continued to develop the Community and Young People activities of the church's work during the year. We now have over 100 babies, children and young people on the registers (although not everyone attends every week), in

- Sunbeams (the toddler group),
- Youth home group,
- Youth Café,
- Young Church and
- Explorers (the after-school club based in the church).

Independent Examiner's Report to the Trustees of The Parochial Church Council of the Ecclesiastical Parish of St. Michael, Breaston

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st December 2019 which are set out on pages 7 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.


Independent examiner's statement

I have completed my examination. I confirm that no material 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 charity as required by section 130 of the Act; or
2. the accounts do not accord with those records

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 accounts to be reached.

Name: Yvonne Jackson BSc (Hons) FCA

Signed:  BSc FCA

Date: 13/3/20

Address: Clayton & Brewill Chartered Accountants, Cawley House, 149-155 Canal Street, Nottingham, NG1 7HR.

Statement of Financial Activities

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Prior year total funds
Incoming resources					
Incoming resources from generated funds					
Voluntary income	£122,223	—	—	£122,223	£102,830
Activities for generating funds	£3,861	—	—	£3,861	£3,843
Investment income	£25,513	—	—	£25,513	£8,182
Incoming resources from charitable activities	£21,858	—	—	£21,858	£22,004
Other incoming resources	£19,187	—	—	£19,187	£22,214
Total income	£192,642	—	—	£192,642	£159,073
Resources used					
Charitable activities	£235,936	—	—	£235,936	£151,213
Governance costs	£600	—	—	£600	—
Total expenditure	£236,536	—	—	£236,536	£151,213
Net income / (expenditure) resources before transfer	(£43,894)	—	—	(£43,894)	£7,860
Transfers					
Gross transfers between funds - in	£10,000	—	—	£10,000	—
Gross transfers between funds - out	(£10,000)	—	—	(£10,000)	—
Other recognised gains/losses					
Net movement in funds	(£43,894)	—	—	(£43,894)	£7,860
Total funds brought forward	£204,583	—	—	£204,583	£196,723
Total funds carried forward	£160,689	—	—	£160,689	£204,583
Represented by					
Unrestricted					
Designated	£20,000	—	—	£20,000	£10,000
General fund	£125,277	—	—	£125,277	£91,209
Designated					
Church improvement & maintenance fund	£8,110	—	—	£8,110	£76,490
Youth Children and Community Fund	£7,302	—	—	£7,302	£26,883

Balance sheet

Class and code	Description	This year	Last year
Fixed assets			
	Computer Equipment	—	—
	Office Furniture	—	—
	Total Fixed assets	—	—
Current assets			
	Barclays current account	£7,745	£16,318
	Barclays deposit account	£15,148	£50,400
	CCLA deposit account No 1	£27,202	£37,202
	CCLA Deposit No 2 Church Improvement Fund	£451	£10,429
	CCLA Deposit No 3 Legacy Fund	£2,847	£2,826
	CCLA - Investment Fund	£107,297	£87,637
	Accounts Receivable	—	—
	Total Current assets	£160,689	£204,812
Liabilities			
	Agency collections	—	—
	Accounts Payable	—	£229
	Total Liabilities	—	£229
	Net Asset surplus(deficit)	£160,689	£204,583
Reserves			
	Excess / (deficit) to date	(£43,894)	£131,298
	Starting balances	£204,583	£73,284
	Total Reserves	£160,689	£204,583
	Represented by funds		
	Unrestricted	£145,277	£101,209
	Designated	£15,412	£103,373
	Restricted	—	—
	Endowment	—	—
	Total	£160,689	£204,583

Statement of assets and liabilities

	General	Designated	Restricted	Endowment	This year	Last year
Current assets - Cash at bank and in hand						
Barclays current account -	£12,766	(£3,503)	(£1,518)	—	£7,745	£16,318
Barclays deposit account -	£5,123	£10,025	—	—	£15,148	£50,400
CCLA deposit account No 1 -	£27,202	—	—	—	£27,202	£37,202
CCLA Deposit No 2 Church Improvement Fund -	£10,270	(£9,820)	—	—	£451	£10,429
CCLA Deposit No 3 Legacy Fund -	£2,821	£26	—	—	£2,847	£2,826
Totals	£58,181	(£3,271)	(£1,518)	—	£53,392	£117,175
Current assets - Investments						
CCLA - Investment Fund	£94,114	£13,183	—	—	£107,297	£87,637
Totals	£94,114	£13,183	—	—	£107,297	£87,637
Liabilities - Creditors: Amounts falling due in one year						
Accounts Payable -	£1,518	—	(£1,518)	—	—	£229
Totals	£1,518	—	(£1,518)	—	—	£229
Grand total	£150,777	£9,912	—	—	£160,689	£204,583

Analysis of income and expenditure

					Total	
	Unrestricted	Designated	Restricted	Endowment	This year	Last year
INCOME AND ENDOWMENTS						
Incoming resources from generated funds - Voluntary income						
Gift Aid - Bank	£50,432	£720	—	—	£51,152	£47,896
Gift Aid Collection	£5,313	—	—	—	£5,313	£7,314
Other planned giving	£2,585	—	—	—	£2,585	£3,005
Loose plate collections	£8,210	—	—	—	£8,210	£6,987
Church Re-Ordering Project	—	£25,689	—	—	£25,689	£18,080
Flowers Income	—	—	—	—	—	£120
Young Church & Sunbeams	—	£2,688	—	—	£2,688	—
Mission projects - income	—	—	—	—	—	£70
Casual Gift Aid	£30	—	—	—	£30	£1,314
Tax recoverable on Gift Aid	£16,551	£6,527	—	—	£23,078	£16,594
Other funds generated	£2,928	£550	—	—	£3,478	£1,450
Total	£86,049	£36,174	—	—	£122,223	£102,830
Incoming resources from generated funds - Activities for generating funds						
Magazine income - advertising	£1,562	—	—	—	£1,562	£1,715
Parish magazine sales	£2,299	—	—	—	£2,299	£2,128
Total	£3,861	—	—	—	£3,861	£3,843
Incoming resources from generated funds - Investment income						
Increase in value of Investments	£19,660	—	—	—	£19,660	—
Bank and building society interest	£286	£24	—	—	£310	£1,863
Rent from lands or buildings	£5,542	—	—	—	£5,542	£6,319
Total	£25,489	£24	—	—	£25,513	£8,182
Incoming resources from charitable activities						
Fees for weddings and funerals	£4,898	—	—	—	£4,898	£5,997
Church hall lettings - objectives	£16,960	—	—	—	£16,960	£16,007
Total	£21,858	—	—	—	£21,858	£22,004
Other incoming resources						
Youth Worker	—	£19,187	—	—	£19,187	£22,214
Total	—	£19,187	—	—	£19,187	£22,214
INCOME TOTAL	£137,257	£55,385	—	—	£192,642	£159,073

EXPENDITURE

Charitable activities

Flowers for Church	£493	—	—	—	£493	£196
Giving to missionary societies	£4,370	—	—	—	£4,370	£4,480
Giving - relief and development agencies	£3,000	—	—	—	£3,000	£478
Home mission	£3,399	—	—	—	£3,399	£1,543
Youth Worker	—	£1,848	—	—	£1,848	£5,500
Mission projects - expenditure	—	—	—	—	—	£568
Diocese Common Fund	£57,767	—	—	—	£57,767	£52,552
Salary of parish administrator	£3,071	—	—	—	£3,071	£3,194
Working expenses of incumbent	£291	—	—	—	£291	£290
Funeral, wedding and other related costs	£3,210	—	—	—	£3,210	£3,494
Visiting speakers / locums	—	—	—	—	—	£50
Water rates - vicarage	£502	—	—	—	£502	£479
Youth Worker and costs	—	£38,388	—	—	£38,388	£34,933
Young Church	—	£1,501	—	—	£1,501	£31
Church running - insurance	£2,082	—	—	—	£2,082	£2,286
Church office - telephone	£526	—	—	—	£526	£529
Church maintenance	£3,654	—	—	—	£3,654	£1,934
Cleaning	£2,440	—	—	—	£2,440	£2,469
Upkeep of services	£2,434	—	—	—	£2,434	£1,616
Upkeep of churchyard	£66	—	—	—	£66	£330

Administration	£1,401	—	—	—	£1,401	£1,718
Computer Hardware & Software	£558	—	—	—	£558	£687
Church running - electric	£5,302	—	—	—	£5,302	£2,732
Church running - water	£64	—	—	—	£64	£56
Magazine expenses	£2,160	—	—	—	£2,160	£2,730
Hall running - electricity	£1,063	—	—	—	£1,063	£675
Hall running - gas	£1,072	—	—	—	£1,072	£963
Hall running - insurance	£1,113	—	—	—	£1,113	£663
Hall running - maintenance	£1,877	—	—	—	£1,877	£1,931
Hall running - water	£64	—	—	—	£64	£56
Hall + major repairs - structure	—	—	—	—	—	£650
Old Library upkeep	£610	—	—	—	£610	£729
Re-ordering Project - Church	—	£91,609	—	—	£91,609	£20,670
Total	£102,589	£133,346	—	—	£235,936	£151,213

Governance costs

Governance costs examination	£600	—	—	—	£600	—
Total	£600	—	—	—	£600	—
EXPENDITURE TOTAL	£103,189	£133,346	—	—	£236,536	£151,213
GRAND TOTAL	£34,067	(£77,961)	—	—	(£43,894)	£7,860

Notes to the financial statements for the year ended 31 December 2019

ACCOUNTING POLICIES

1. Basis of preparing the financial statements

The financial statements of the charity have been prepared under the Church Accounting Regulations 2006 in accordance with applicable accounting standards and the current Statement of Recommended Practice, Accounting and Reporting by Charities and applicable accounting standard FRS102.

The financial statements have been prepared under the historical cost convention except for investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law.

2. Consecrated land and buildings and movable church furnishings:

Consecrated and beneficed property is excluded from the financial statements by section 96(2) (a) of the Charities Act 1993.

3. Tangible Fixed Assets for use in the charity

These are capitalised if they can be used for more than one year and cost at least £1,000. There were no such assets at 31st December 2019.

No value is placed on movable church furnishings held by the churchwardens on special trust for the Parochial Church Council and which require a faculty for disposal since the Parochial Church councillorship consider this to be an inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

4. VAT

The charity is not registered for VAT and all irrecoverable VAT is charged against the expenditure heading for which it was incurred.

5. Taxation

The charity is exempt from tax on its charitable activities.

6. Fund accounting

The Parochial Church Council has both unrestricted and restricted funds.

Unrestricted funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application to the general purposes of the PCC.

Restricted funds relate to donations and grants which are specified for a particular purpose. Income is included in incoming resources of restricted funds when received. The relevant expenditure is then matched as restricted expenditure.

Designated Funds are general funds set aside by the PCC for use in the future. Designated funds remain unrestricted and the PCC will if appropriate move any surpluses not ear-marked for current purposes to other General Funds. As at 31st December 2016 there 2 such funds designated:

- Buildings and Maintenance fund – for the repair and improvement of the church and church hall
- Youth, Children and Community fund – to support the work Youth, Children and Community activities and employees in Breaston.

Approval

Approved by the Parochial Church Council for the Parish of St. Michael, Breaston on 23rd March 2020 and signed on its behalf by Rev'd Chris Smedley, Rector and PCC Chairman.

A handwritten signature in black ink, appearing to read 'C. Smedley', written in a cursive style.

9 March 2020