



# St. Michael's, Breaston

## *Growing as followers of Jesus*



## Annual Report for 2022 of The Parochial Church Council of the Ecclesiastical Parish of St. Michael, Breaston

### Contents

Administrative information .....	3
• Reference details .....	3
Charity Trustees .....	3
Bankers.....	3
Examiner .....	3
Clergy Licensed to the Parish.....	3
Day-to-Day Management .....	3
PCC Members .....	3
Structure, Government and Management.....	4
• Governing Constitution .....	4
• Risk Management Assessment.....	4
• Health and Safety .....	4
• Public benefit.....	4

## Annual Report for 2022

• Appointment of Trustees .....	4
• Financial Year .....	6
Investment policy and objectives .....	6
Reserves policy .....	6
• Standing Committee .....	6
• Parochial Church Council (PCC) .....	6
Objectives and Activities .....	6
Achievements and performance .....	7
Independent Examiner's Report to the Trustees of The Parochial Church Council of the Ecclesiastical Parish of St. Michael, Breaston .....	8
Statement of Financial Activities .....	9
Balance sheet .....	10
Statement of assets and liabilities .....	10
Analysis of income and expenditure .....	11
INCOME AND ENDOWMENTS .....	11
EXPENDITURE .....	12
• Notes to the financial statements for the year ended 31 <sup>st</sup> December 2022 .....	13
ACCOUNTING POLICIES .....	13
Approval .....	13

## Administrative information

### • Reference details

St. Michael's Church, 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 Lloyds Bank plc, 8 Tamworth Rd, Long Eaton, Nottingham NG10 1JJ and Barclays Bank plc, Leicester, LE87 2BB. The account with Barclays was closed in January 2023. Further deposit and investment funds are also held with CCLA Investment Management Ltd., Senator House, 85 Queen Victoria Street, London, EC4V 4ET

### Examiner

At the 2022 APCM, the PCC recommended that 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 4.

### 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 2021, the staff team comprised:

Rev'd Chris Smedley	(Rector)
Steve Lacey	(Youth and Community Worker)
Jodie Kirk	(Young Church & Sunbeams Coordinator and CYM Trainee)

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

### PCC Members

The PCC members who formed the PCC after the APCM in March 2022 are:

#### **Ex-officio members:**

Rev'd Chris Smedley	(Rector)
Mark Huskisson	(Churchwarden)
Stephen Bowley	(Churchwarden)
Phil Lees	(Deanery Synod)
Colin Lowe	(Deanery Synod)
Jeanne Wilson	(Deanery Synod)

#### **Elected members (until 2023 APCM)**

Adam Collishaw  
Ben Gooding  
Sarah Warburton

#### **Elected members (until 2024 APCM)**

Paul Stuttle	(PCC Treasurer)
Steve Lacey	

#### **Elected members (until 2025 APCM)**

Hannah Knighton (PCC Secretary)  
Anne Long  
Rachel Lacey



## Structure, Government and Management

- **Governing Constitution**

Parochial Church Council (Powers) Measure 1956 are applicable. The PCC is a body corporate and a registered charity.

- **Risk Management Assessment**

In common with all other organisations, the PCC is potentially at risk from a number of sources. The PCC are responsible 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, where possible, 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 the 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.** The Church building is 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 Officer 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 for all payments, the majority of which are online 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.

Throughout the Coronavirus pandemic the Health and Safety Coordinator and PCC closely followed Government and Diocesan advice on the closures and subsequent re-openings of the church and hall and ensure risk assessments were prepared, approved and implemented.

- **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.

#### Annual Report for 2022

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.

## Annual Report for 2022

### • Financial Year

The financial year runs from 1<sup>st</sup> January to 31<sup>st</sup> December.

The income of St Michael's in 2022 was £136,534 (*£161,618 previous year*) and expenditure totaled £142,407 (£125,750) of which the Common Fund was £65,705 (*£63,059*).

The net deficit for the year was £5,872 (*2021 Surplus £35,867*). This was arrived at after the net decrease in the value of investments of £14,722 (*Increase £23,268*)

Cash reserves and investments were £200,382 (*£206,124*) 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 £60,000 (*£50,000*).

### • 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 normally meets bi-monthly; there were six normal meetings during the year, including the meeting to appoint officers immediately after the Annual Parochial Church Meeting (APCM).

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. Our vision is "To grow as disciples of Jesus".

Our mission is the way that we work out the vision, by:

- Loving God, ourselves and others
- Experiencing the reality of God in everyday life
- Serving, support, sharing

The church provides worship and teaching services on Sundays in normal times –

- at 8:45 am in a traditional format,
- at 10:30 am in a more contemporary format,
- Evensong at 6:30 pm (alternating with the sister parish within the benefice).
- There is also a communion service on Wednesday at 10:30 am.
- Worship and teaching for children are available at the 10:30 am service.

Community and young people-

- Youth groups

## Annual Report for 2022

- Explorers
- Youth Café
- Sunbeams for parents and toddlers
- 'Renew' Wellbeing Café

The services are open to everyone regardless of personal background, gender or personal circumstances. During the pandemic, the PCC was (and continues to be) committed to providing services and means of worship and prayer in church or remotely to comply with whatever government regulations and diocesan guidelines are in force at each stage of the ongoing pandemic. Many of the changes (for example live-streamed services) have become an ongoing feature of our patterns of worship.

## **Achievements and performance**

2022 was affected by the gradual end of restrictions from the Covid pandemic. The PCC has worked tirelessly with many very talented volunteers to continue to provide worship either, live in church, or live streamed or pre-recorded online throughout a regular changing situation.

The global recession and ongoing tragic war in Ukraine has impacted our CCLA investment but due to their management of the funds the fall in value was less than feared by 31<sup>st</sup> December 2022.

A 'Renew' Wellbeing Café for the community where 'it's okay not to be okay' continues to provide social and other activities for a wide range of people.

Our Youth and Children's workers have started an 'Explorers' and Youth Café weekly activities.

## **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 31<sup>st</sup> December 2022 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: Y. JAMESON RSC FCA

Signed: 

Date: 30/5/23

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





# St. Michael's, Breaston

## *Growing as followers of Jesus*

### Statement of Financial Activities

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Prior year total funds
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	113,328	—	—	113,328	105,462
Activities for generating funds	5,280	—	—	5,280	4,587
Investment income	(7,844)	—	—	(7,844)	29,691
Incoming resources from charitable activities	21,132	—	—	21,132	15,760
Other incoming resources	4,638	—	—	4,638	6,118
<b>Total income</b>	<b>136,534</b>	<b>—</b>	<b>—</b>	<b>136,534</b>	<b>161,618</b>
<b>Resources used</b>					
Cost of generating funds					
Cost of generating voluntary income	—	—	—	—	1,005
Charitable activities	141,708	—	—	141,708	124,116
Governance costs	699	—	—	699	630
<b>Total expenditure</b>	<b>142,407</b>	<b>—</b>	<b>—</b>	<b>142,407</b>	<b>125,751</b>
<b>Net income / (expenditure) resources before transfer</b>	<b>(5,873)</b>	<b>—</b>	<b>—</b>	<b>(5,873)</b>	<b>35,867</b>
<b>Transfers</b>					
Gross transfers between funds - in	—	—	—	—	12,564
Gross transfers between funds - out	—	—	—	—	(12,564)
<b>Other recognised gains / losses</b>					
<b>Net movement in funds</b>	<b>(5,873)</b>	<b>—</b>	<b>—</b>	<b>(5,873)</b>	<b>35,867</b>
<b>Total funds brought forward</b>	<b>206,124</b>	<b>—</b>	<b>—</b>	<b>206,124</b>	<b>170,257</b>
<b>Total funds carried forward</b>	<b>200,251</b>	<b>—</b>	<b>—</b>	<b>200,251</b>	<b>206,124</b>
<b>Represented by</b>					
<b>Unrestricted</b>					
Designated	20,000	—	—	20,000	20,000
General fund	172,846	—	—	172,846	178,719
<b>Designated</b>					
Church improvement & maintenance fund	7,405	—	—	7,405	7,405
<b>Restricted</b>					
Agency collection	—	—	—	—	—

## Annual Report for 2022

### Balance sheet

Class and code	Description	This year	Last year
<b>Fixed assets</b>			
	Computer Equipment	—	—
	Office Furniture	—	—
	<b>Total Fixed assets</b>	<b>—</b>	<b>—</b>
<b>Current assets</b>			
	Barclays current account	9,464	5,730
	Barclays deposit account - closed Jan 20	—	101
	Lloyds Bank Current Account	10,089	743
	CBF deposit account No 1	34,008	38,008
	1723609 Nominal Treasury Stock	—	—
	CBF - Investment Fund CBF/612191003D	146,821	161,542
	Accounts Receivable	—	—
	<b>Total Current assets</b>	<b>200,381</b>	<b>206,124</b>
<b>Liabilities</b>			
	Agency collections	130	—
	Accounts Payable	—	—
	<b>Total Liabilities</b>	<b>130</b>	<b>—</b>
	<b>Net Asset surplus(deficit)</b>	<b>200,251</b>	<b>206,124</b>
<b>Reserves</b>			
	Excess / (deficit) to date	(5,873)	35,867
	Starting balances	206,124	170,257
	<b>Total Reserves</b>	<b>200,251</b>	<b>206,124</b>
	<b>Represented by funds</b>		
	Unrestricted	192,846	198,719
	Designated	7,405	7,405
	Restricted	—	—
	Endowment	—	—
	<b>Total</b>	<b>200,251</b>	<b>206,124</b>

### Statement of assets and liabilities

	General	Designated	Restricted	Endowment	This year	Last year
<b>Current assets - Cash at bank and in hand</b>						
Barclays current account	9,464			—	9,464	5,730
Barclays deposit account	—			—	—	101
Lloyds Bank Current Account -	10,089			—	10,089	743
CBF deposit account No 1 -	26,603	7,405	—	—	34,008	38,008
<b>Totals</b>	<b>46,156</b>	<b>7,405</b>	<b>—</b>	<b>—</b>	<b>53,561</b>	<b>44,582</b>
<b>Current assets - Investments</b>						
CBF - Investment Fund CBF/612191003D -	146,821	—	—	—	146,821	161,542
<b>Totals</b>	<b>146,821</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>146,821</b>	<b>161,542</b>
<b>Liabilities - Agency accounts</b>						
Agency collections -	130	—	—	—	130	—
<b>Totals</b>	<b>130</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>130</b>	<b>—</b>
<b>Liabilities - Creditors: Amounts falling due in one year</b>						
Accounts Payable -	—	—	—	—	—	—

## Annual Report for 2022

Totals					—	—
Grand total	192,847	7,405	—	—	200,251	206,124

## Analysis of income and expenditure

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year

### INCOME AND ENDOWMENTS

#### Incoming resources from generated funds - Voluntary income

Gift Aid - Bank	81,372	—	—	—	81,372	76,087
Gift Aid Collection	971	—	—	—	971	2,007
Other planned giving	2,501	—	—	—	2,501	1,826
Loose plate collections	5,809	—	—	—	5,809	3,140
Church Re-Ordering Project	—	—	—	—	—	100
Flower Festival & Easter Journey Income	50	—	—	—	50	—
Gift Aid	15	—	—	—	15	—
Young Church & Sunbeams	1,260	—	—	—	1,260	1,854
Casual Gift Aid	—	—	—	—	—	59
Tax recoverable on Gift Aid	20,887	—	—	—	20,887	19,435
Non-recurring one-off grants	—	—	—	—	—	2
Other funds generated	463	—	—	—	463	952
Total	113,328	—	—	—	113,328	105,462

#### Incoming resources from generated funds - Activities for generating funds

Magazine income - advertising	3,040	—	—	—	3,040	2,313
Parish magazine sales	2,240	—	—	—	2,240	2,274
Total	5,280	—	—	—	5,280	4,587

#### Incoming resources from generated funds - Investment income

Dividends	(14,721)	—	—	—	(14,721)	23,268
Bank and building society interest	227	—	—	—	227	43
Rent from lands or buildings	6,650	—	—	—	6,650	6,380
Total	(7,844)	—	—	—	(7,844)	29,691

#### Incoming resources from charitable activities

Renew Wellbeing donations	123	—	—	—	123	—
Fees for weddings and funerals	4,331	—	—	—	4,331	2,273
Church hall lettings - objectives	16,678	—	—	—	16,678	13,487
Total	21,132	—	—	—	21,132	15,760

#### Other incoming resources

Youth Worker	4,638	—	—	—	4,638	6,118
Total	4,638	—	—	—	4,638	6,118
<b>INCOME TOTAL</b>	<b>136,534</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>136,534</b>	<b>161,618</b>

# Annual Report for 2022

## EXPENDITURE

### Cost of generating funds - Cost of generating voluntary income

Other Restricted	—	—	—	—	—	1,005
Total	—	—	—	—	—	1,005

### Charitable activities

Giving to missionary societies	5,915	—	—	—	5,915	4,445
Giving - relief and development agencies	—	—	—	—	—	24
Home mission	5,548	—	—	—	5,548	3,473
Mission projects - expenditure	554	—	—	—	554	100
Renew Wellbeing	854	—	—	—	854	790
Ministry Common Fund	65,705	—	—	—	65,705	63,059
Salary of parish administrator	4,495	—	—	—	4,495	2,595
Working expenses of incumbent	414	—	—	—	414	103
Funeral, wedding and other related costs	2,039	—	—	—	2,039	964
Rectory - water	546	—	—	—	546	497
Youth Worker and costs	15,093	—	—	—	15,093	12,653
Young Church & Sunbeams	6,803	—	—	—	6,803	6,395
Church running - insurance	2,166	—	—	—	2,166	2,100
Church maintenance	5,139	—	—	—	5,139	3,171
Cleaning	3,399	—	—	—	3,399	2,578
Upkeep of services	2,047	—	—	—	2,047	1,770
Upkeep of churchyard	—	—	—	—	—	20
Administration	1,171	—	—	—	1,171	1,700
Computer Hardware & Software	1,569	—	—	—	1,569	1,496
Church running - electric	5,411	—	—	—	5,411	5,447
Church running - water	95	—	—	—	95	32
Magazine expenses	2,881	—	—	—	2,881	2,740
Hall Management	788	—	—	—	788	60
Hall running - electricity	703	—	—	—	703	963
Hall running - gas	604	—	—	—	604	731
Hall running - insurance	1,160	—	—	—	1,160	1,113
Hall running - maintenance	6,485	—	—	—	6,485	2,511
Hall running - water	123	—	—	—	123	107
Hall + major repairs - structure	—	—	—	—	—	750
Library upkeep	—	—	—	—	—	650
Re-ordering Project - Church	—	—	—	—	—	1,080
Total	141,707	—	—	—	141,707	124,116

### Governance costs

Governance costs examination/audit fee	699	—	—	—	699	630
Total	699	—	—	—	699	630
<b>EXPENDITURE TOTAL</b>	<b>142,406</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>142,406</b>	<b>125,751</b>
<b>GRAND TOTAL</b>	<b>(5,872)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(5,872)</b>	<b>35,867</b>

- **Notes to the financial statements for the year ended 31<sup>st</sup> December 2022**

## **ACCOUNTING POLICIES**

### **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.

### **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.

### **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 2022.

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.

### **VAT**

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

### **Taxation**

The charity is exempt from tax on its charitable activities.

### **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 2022 there was one such fund designated:

- Buildings and Maintenance fund – for the repair and improvement of the church and church hall

## **Approval**

Approved by the Parochial Church Council for the Ecclesiastical Parish of St. Michael, Breaston on xxxxxx 2023 and signed on its behalf by Rev'd Chris Smedley, Rector and PCC Chairman.

  
Xx/xxxx/2023 14/03/2023



