

St. Michael's, Breaston

Reaching up, reaching out, together



Annual Report for 2018 of The Parochial Church Council of the Ecclesiastical Parish of St. Michael, Breaston

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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 2018 APCM the PCC recommended that as the income of the church now exceeded £100,000 we 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 5.

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 2018, the staff team comprised:

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

The Standing Committee comprises the Rector, the Churchwardens, the PCC Treasurer and the PCC Secretary.

PCC Members

The PCC members who have served during the PCC year from 26th March 2018 to 25th March 2019 are:

Ex-officio members:

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

Elected members (until 2019 APCM)

Jonathan Lupton	(PCC Secretary)
Pat Baker	
Ginny Barber	

Elected members (until 2020 APCM)

Adam Collishaw	
Ben Gooding	
Paul Stuttle	(PCC Treasurer)

Elected members (until 2021 APCM)

Maureen Hayne	
Stephen Lacey	

Co-opted member

Claire Collishaw (Parish Safeguarding Link)	
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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 managed 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 following the introduction of GDPR in May 2018.
- **Employment Regulations.** Ensuring that all current regulations are complied with and contracts are honoured.
- **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. Bank statements are reconciled monthly and two signatures are required on all cheques and the approval of two individuals is required for all 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 safety checks are performed at the appropriate intervals.

Public benefit

The PCC has considered the guidance of the Charity Commission with regard to public benefit. In planning activities PCC consider the 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, church wardens, 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 notes relating to the legal duties and smooth running of the PCC.

Financial Year

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

The income of St Michael's in 2018 was £159,073 (*£162,968 previous year*) and expenditure totalled £151,039 (*£123,985*) of which the Common Fund was £52,552 (*£49,019*).

The net surplus for the year was £7,764 (*£38,983*) with cash reserves and investments of £204,716 (*£196,723*) 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 (*£40,000*).

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 council. It meets (usually monthly) between meetings of the PCC.

Parochial Church Council (PCC)

The PCC meets bi-monthly; there were seven meetings during the year, including the meeting to appoint officers immediately after the Annual Parochial Church Meeting (APCM). Amongst the many and varied topics covered were discussions the mission in October; the resources devoted to the invaluable youth, children's and community work done by Simon Bentley; various building repairs identified by the quinquennial survey; and, of course, the re-ordering of the church.

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, 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 8:45am in a traditional format, at 10:15am in a more contemporary format, and evensong at 6:30am (alternating with the sister parish within the benefice). There is also a communion service on Thursdays at 9:30am. Worship and teaching for children is specifically available at the 10:15am service. 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. We started with a student placement Youth Worker in September 2012. Since then, we have employed a Youth, Children's and Community Worker (Simon Bentley). Simon has continued to develop this area of the church's work during the year, to the stage where we now have over 100 babies, children and youth 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 hall).

The Standing Committee have been working on plans to upgrade the audio-visual facilities, replace the church heating, replace the pews with stackable chairs, with the consequent re-ordering of the nave that this will imply. These plans were publicised in 2017 and, as noted above, finally approved in Autumn 2018.

The work will be completed by the end of March 2019 and will provide a flexible open space for varied use for church services and other church and young people's activities. A further objective has been to provide a community space for the community and different organisations in Breaston.

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 2018 which are set out on pages 6 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:



Date:

18/3/19

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	£102,830	—	—	£102,830	£86,477
Activities for generating funds	£3,843	—	—	£3,843	£3,104
Investment income	£8,182	—	—	£8,182	£17,392
Incoming resources from charitable activities	£22,004	—	—	£22,004	£20,584
Other incoming resources	£22,214	—	—	£22,214	£35,411
Total income	£159,073	—	—	£159,073	£162,968
Resources used					
Cost of generating funds					
Cost of generating voluntary income	—	—	—	—	—
Charitable activities	£151,309	—	—	£151,309	£123,985
Governance costs	—	—	—	—	—
Total expenditure	£151,309	—	—	£151,309	£123,985
Net income / (expenditure) resources before transfer	£7,764	—	—	£7,764	£38,983
Transfers					
Gross transfers between funds - in	—	—	—	—	—
Gross transfers between funds - out	—	—	—	—	—
Other recognised gains / losses					
Gains / losses on investment assets	—	—	—	—	—
Gains on revaluation, fixed assets, charity's own use	—	—	—	—	—
Net movement in funds	£7,764	—	—	£7,764	£38,983
Total funds brought forward	£196,723	—	—	£196,723	£157,740
Total funds carried forward	£204,487	—	—	£204,487	£196,723
Represented by					
Unrestricted					
Designated	£10,000	—	—	£10,000	£10,000
General fund	£91,114	—	—	£91,114	£59,538
Designated					
Church improvement & main'ce fund	£76,490	—	—	£76,490	£80,329
Youth Children and Community Fund	£26,883	—	—	£26,883	£46,856
Restricted					
Agency collection	—	(£1,290)	—	(£1,290)	(£1,290)
Restricted	—	£1,290	—	£1,290	£1,290

Balance sheet

Class and code	Description	This year	Last year
Fixed assets			
	Computer Equipment	—	—
	Office Furniture	—	—
	Total Fixed assets	—	—
Current assets			
	Barclays current account	£16,223	£14,112
	Barclays deposit account	£50,400	£45,305
	CBF deposit account No 1	£37,201	£37,201
	CBF Deposit No 2 Church Improvement Fund	£10,429	£10,378
	CBF Deposit No 3 Legacy Fund	£2,826	£2,812
	CBF - Investment Fund CBF/612191003D	£87,637	£86,057
	Accounts Receivable	—	£858
	Total Current assets	£204,716	£196,723
Liabilities			
	Accounts Payable	£229	—
	Total Liabilities	£229	—
	Net Asset surplus(deficit)	£204,487	£196,723
Reserves			
	Excess / (deficit) to date	£7,764	—
	Starting balances	£196,723	£196,723
	Total Reserves	£204,487	£196,723
	Represented by funds		
	Unrestricted	£101,114	£69,538
	Designated	£103,373	£127,185
	Restricted	—	—
	Endowment	—	—
	Total	£204,487	£196,723

Statement of assets and liabilities

	General	Designated	Restricted	Endowment	This year	Last year
Current assets - Cash at bank and in hand						
Barclays current account	(£56,741)	£74,482	(£1,518)	—	£16,223	£14,111
Barclays deposit account	£40,375	£10,025	—	—	£50,400	£45,305
CBF deposit account No 1	£37,202	—	—	—	£37,202	£37,202
CBF Deposit No 2 Church Improvement Fund	£10,267	£162	—	—	£10,429	£10,378
CBF Deposit No 3 Legacy Fund	£2,805	£21	—	—	£2,826	£2,812
Totals	£33,908	£84,690	(£1,518)	—	£117,080	£109,808
Current assets - Debtors						
Accounts Receivable	—	—	—	—	—	£858
Totals	—	—	—	—	—	£858
Current assets - Investments						
CBF - Investment Fund CBF/612191003D	£74,454	£13,183	—	—	£87,637	£86,057
Totals	£74,454	£13,183	—	—	£87,637	£86,057
Liabilities - Creditors: Amounts falling due in one year						
Accounts Payable	£1,747	—	(£1,518)	—	£229	—
Totals	£1,747	—	(£1,518)	—	£229	—
Grand total	£106,615	£97,873	—	—	£204,487	£196,723

Analysis of income and expenditure

Incoming resources from generated funds - Voluntary income

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
Gift Aid - Bank	£47,716	£180	—	—	£47,896	£46,618
Gift Aid Collection	£6,987	£327	—	—	£7,314	£7,141
Other planned giving	£3,005	—	—	—	£3,005	£3,203
Loose plate collections	£6,967	£20	—	—	£6,987	£4,927
Regular gift days	—	—	—	—	—	—
Church Re-Ordering Project	—	£18,080	—	—	£18,080	£170
Flower Festival & Easter Journey	£120	—	—	—	£120	£20
Income						
Gift Aid	—	—	—	—	—	—
Gifts of quoted securities	—	—	—	—	—	—
Young Church	—	—	—	—	—	£14
Mission projects - income	£70	—	—	—	£70	£3,055
Casual Gift Aid	£1,314	—	—	—	£1,314	£1,357
Tax recoverable on Gift Aid	£16,594	—	—	—	£16,594	£18,292
Legacies	—	—	—	—	—	—
Recurring grants	—	—	—	—	—	—
Non-recurring one-off grants	—	—	—	—	—	—
Other funds generated	£1,450	—	—	—	£1,450	£1,680
Total	£84,223	£18,607	—	—	£102,830	£86,477

Incoming resources from generated funds - Activities for generating funds

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
Bookstall sales - fund raising	—	—	—	—	—	—
Church hall lettings - fund raising	—	—	—	—	—	—
Magazine income - advertising	£1,715	—	—	—	£1,715	£1,394
Parish magazine sales	£2,128	—	—	—	£2,128	£1,710
Rummage sales etc	—	—	—	—	—	—
Total	£3,843	—	—	—	£3,843	£3,104

Incoming resources from generated funds - Investment income

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
Dividends	—	—	—	—	—	£9,978
Bank and building society interest	£1,806	£57	—	—	£1,863	£158
Rent from lands or buildings	£6,319	—	—	—	£6,319	£7,256
Total	£8,125	£57	—	—	£8,182	£17,392

Incoming resources from charitable activities

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
Fees for weddings and funerals	£5,997	—	—	—	£5,997	£6,093
Bookstall sales to promote objectives	—	—	—	—	—	—
Church hall lettings - objectives	£16,007	—	—	—	£16,007	£14,491
Total	£22,004	—	—	—	£22,004	£20,584

Other incoming resources

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
Youth Worker	£2,106	£20,108	—	—	£22,214	£35,411
Insurance claims	—	—	—	—	—	—
Surplus - sales of fixed assets	—	—	—	—	—	—
Total	£2,106	£20,108	—	—	£22,214	£35,411

INCOME TOTAL	£120,300	£38,772	—	—	£159,073	£162,968
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Cost of generating funds - Cost of generating voluntary income

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
Costs of applying for grants	—	—	—	—	—	—
Other Restricted (eg Father Georges)	—	—	—	—	—	—
Costs of fetes other Fund Raising	—	—	—	—	—	—
Investment management costs	—	—	—	—	—	—
Total	—	—	—	—	—	—

Charitable activities

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
Costs of Flower Festival	£196	—	—	—	£196	(£337)
Giving to missionary societies	£4,480	—	—	—	£4,480	£4,369
Giving - relief and development agencies	£478	—	—	—	£478	£2,040
Hardship Fund	—	—	—	—	—	—
Home mission	£1,543	—	—	—	£1,543	£1,620
Gala Day & Easter Journey	—	—	—	—	—	£186
Secular charities	—	—	—	—	—	—
Youth Worker	—	£5,500	—	—	£5,500	£5,500
Mission projects - expenditure	£568	—	—	—	£568	£2,356
Ministry parish share	£52,552	—	—	—	£52,552	£49,019
Assistant staff costs	—	—	—	—	—	£128
Salary of parish administrator	£3,194	—	—	—	£3,194	£3,074
Working expenses of incumbent	£290	—	—	—	£290	£501
Funeral, wedding and other related costs	£3,494	—	—	—	£3,494	£4,009
Visiting speakers / locums	£50	—	—	—	£50	—
Council tax	—	—	—	—	—	—
Parsonage house expenses	—	—	—	—	—	—
Water rates - vicarage	£479	—	—	—	£479	£458
Parsonage - water	—	—	—	—	—	—
Vicar's telephone	—	—	—	—	—	—
Parish training and mission	—	—	—	—	—	—
Youth Worker and costs	—	£34,933	—	—	£34,933	£27,077
Young Church	—	£31	—	—	£31	£82
Church running - insurance	£2,286	—	—	—	£2,286	£2,561
Church office - telephone	£529	—	—	—	£529	£514
Organ / piano tuning	—	—	—	—	—	—
Church maintenance	£1,934	—	—	—	£1,934	£2,513
Cleaning	£2,469	—	—	—	£2,469	£2,311
Upkeep of services	£1,616	—	—	—	£1,616	£1,521
Upkeep of churchyard	£330	—	—	—	£330	£330
Administration	£1,718	—	—	—	£1,718	£1,916
Computer Hardware & Software	£687	—	—	—	£687	£289
Church running - electric	£2,732	—	—	—	£2,732	£2,218
Church running - gas	—	—	—	—	—	—
Church running - water	£56	—	—	—	£56	£53
Church running - oil	—	—	—	—	—	—
Church running - heating and lighting	—	—	—	—	—	—
Magazine expenses	£2,730	—	—	—	£2,730	£2,740
Bookstall costs	—	—	—	—	—	—
Hall running - oil	—	—	—	—	—	—
Hall running - electricity	£675	—	—	—	£675	£1,201
Hall running - gas	£1,058	—	—	—	£1,058	(£72)
Hall running - insurance	£663	—	—	—	£663	£1,056
Hall running - maintenance	£1,131	£800	—	—	£1,931	£1,899
Hall running - telephone	—	—	—	—	—	—
Hall running - water	£56	—	—	—	£56	£53
Hall running - heating and lighting	—	—	—	—	—	—

Church major repairs - structure	—	—	—	—	—	£1,864
Church major repairs - installation	—	—	—	—	—	£390
Church interior and exterior decorating	—	—	—	—	—	—
Hall + major repairs - structure	—	£650	—	—	£650	—
Hall + major repairs - installation	—	—	—	—	—	—
Hall + interior and exterior decorating	—	—	—	—	—	—
Library upkeep	£729	—	—	—	£729	—
Re-ordering Project - Church	—	£20,670	—	—	£20,670	£547
New building Hall	—	—	—	—	—	—
Total	£88,724	£62,584	—	—	£151,308	£123,985

Governance costs

	Unrestricted	Designated	Restricted	Endowment	Total This year	Last year
Governance costs examination/audit fee	—	—	—	—	—	—
Total	—	—	—	—	—	—

EXPENDITURE TOTAL	£88,724	£62,584	—	—	£151,308	£123,985
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GRAND TOTAL	£31,576	(£23,812)	—	—	£7,764	£38,983
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Notes to the financial statements for the year ended 31 December 2018

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 2018.

No value is placed on movable church furnishings held by the church wardens 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.

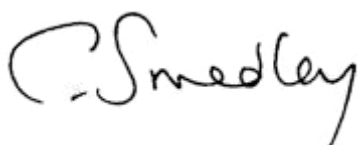
Restricted funds relate to donations and grants which are specified for a particular purpose. Income is included in incoming resources of restricted funds when received. The relevant expenditure is then matched as restricted expenditure.

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 11th March 2019 and signed on its behalf by Rev'd. Chris Smedley, Rector and PCC Chairman.



11 March 2019