

PRESTON WITH SUTTON POYNTZ PAROCHIAL CHURCH COUNCIL

Independent Auditor's Report To the PCC of Preston with Sutton Poyntz

I have audited the financial statements of Preston with Sutton Poyntz Parochial Church Council (the PCC) for the year ended 31 December 2018 which comprise the Balance Sheet, Statement of Financial Activities and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and investments and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF MEMBERS OF THE PCC AND AUDITOR

As the members of the PCC you are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

I have been appointed as auditor under section 43(2) of the Charities Act 1993. My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you in my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993, as also contained in the Church Accounting Regulations 1997. I also report to you if, in my opinion, the Treasurer's Report is not consistent with the financial statements, if the PCC has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the Treasurer's Report and consider the implications for my report if I become aware of any apparent misstatements within it.

BASIS OF OPINION

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the members of the PCC in the preparation of the financial statements, and of whether the accounting policies are appropriate to the PCC's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion the financial statements give a true and fair view of the state of the PCC's affairs at 31 December 2018 and of the incoming resources and the application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

R B Wilson FFA/MIPA, FAIA, FFTA, ACEA, FinstCM, B Acc (Hons)
Financial and International Accountant

"Strathmore"
53 Bowleaze Coveaway
Preston
WEYMOUTH
Dorset DT3 6PL

11 February 2019

St. Andrew's Church, Preston

ANNUAL FINANCIAL REPORT AND ACCOUNTS OF THE PAROCHIAL CHURCH COUNCIL

For the year ended 31 December 2018

Incumbent:

The Cannon Timothy West
The Rectory
Sutton Road
Preston

Bankers:

The HSBC Bank
18 St Mary Street
Weymouth
Dorset
DT4 8PH

Auditor:

Mr R B Wilson AFA/MIPA, FAIA, FFTA, ACEA, FInstCM, B Acc (Hons)
"Strathmore"
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Treasurer's Report

1. Overall Situation

The net worth of the PCC increased by over £140,000 to £884,710 last year following the receipt of legacies totalling £230,000. There was a loss of over £11,000 on General account and a withdrawal of over £60,000 from our restricted funds to cover fabric/churchyard expenditure and other Church running expenses.

2. Income

Including legacies our general income was down by over £5,000 where covenanting reduced by £2,700, fundraising by £1,500 and Church Room lettings by £1,000. Although fees for weddings and funerals were also down by £1,000 this was countered by an increase in service collections and gift aid tax refunds.

3. Expenditure

Overall expenditure increased by nearly £24,000 to £160,500 during the year. We continue to maintain and carry out improvements to the fabric of the Church and the Churchyard where costs of £51,000 were covered by our funds on deposit with CCLA. On general account overall costs increased by £2,500 to £98,000 largely due to an increase in our Parish Share by £1,500 to nearly £63,000 and additional administrations costs.

4. Investments

The value of our investments decreased by £1,500 to £95,300 including endowment funds of £51,200 and general funds of £44,100, owing to a downturn in market conditions. Dividend and interest income however, increased by over £1,000 to £5,200.

5. Commitments

Over the coming year there will be significant ongoing costs of refurbishing the Church as result of our own plans and works necessary under the latest quinquennial report.

6. Conclusion

Owing to a negative swing of £8,000 in our income and expenditure figures, excluding legacies, the deficit on general account was over £30,000. This is of course too high and our financial model is only sustainable if we continue to receive sizeable and regular legacies. We clearly need to consider other ways to increase income and also to reduce outgoings.

My thanks to Canon Tim West, Jeff Wells (Gift Aid Tax Refunds), Sheila Wilby (Church Room Lettings), members of the PCC and Shirley in the office and Geoff Light for their continued support.

Jean Fairbrother
Hon Treasurer

Notes to the Financial Statements

1. Accounting Policies

The Financial Statements have been prepared in accordance with the Church Accounting Regulations 1997 together with applicable accounting standards and the Charities SORP.

Any references to the PCC shall be deemed to include the DCC where appropriate.

The Financial Statements have been prepared under the historical cost convention except for:-

- a) Investment assets, which are shown at market value
- b) Land and buildings at Mission Hall Lane, which have been valued by the PCC under the "prudence" convention.
- c) All figures in the Accounts have been rounded to the nearest pound. This has led to some totals appearing to be arithmetically incorrect.

2. Funds

General Funds represent 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.

The purpose of restricted and endowment funds is noted in the accounts.

The accounts include transactions, assets and liabilities for which the PCC can be held responsible.

The accounts do not include accounts of church groups that owe an affiliation to any other body (eg. Mothers Union) nor those that are informal gatherings of church members.

3. Incoming Resources

Voluntary Income and Capital Receipts

Collections are recognised when made.

Amounts received under covenant are recognised only when honoured by the covenantor.

Income Tax recoverable on covenanted or Gift Aid donations is recognised when claimable.

Grants and legacies made to the PCC are accounted for as soon as the PCC is notified of its entitlement and the likely amount due.

Funds raised by sales, fund raising and other events are accounted for gross.

Other ordinary income

Rental income from letting of church premises is accounted for when due.

Parochial fees due to the PCC for weddings, funerals etc are accounted for on an event basis.

Investment Income

Dividends and interest are accounted for when due, together with the relevant amount of Income Tax.

Investment gains and losses

Realised gains and losses are recognised when investments are sold.

Unrealised gains and losses are accounted for on revaluation of investments at 31 December.

4. Application of resources:

Grants

Grants and donations are accounted for when paid.

Costs directly related to the work of the church

The Diocesan quota or Parish share is accounted for in the year concerned.

5. Fixed Assets:

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by Sect. 96 (2) (c) of the Charities Act. 1993

No value is placed on the movable church furnishings held by the Church Wardens on special trust for the PCC and which require a faculty for disposal since the PCC considers 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.

Other land and buildings

Other land and buildings held on behalf of the PCC for its own purpose is valued at historical cost, except for the land and buildings at Mission Hall Lane which have been valued under the "prudence" convention by the PCC.

No depreciation is charged against such properties as the PCC's policy is to keep them in good repair and all expenditure on maintenance or improvements is written off as incurred.

Other fixtures, fittings and office equipment

Capital office equipment items (eg. Computers) purchased and used for the church purposes are depreciated on a straight line basis over 4 year.

Church rooms equipment items are depreciated on a straight line basis over 10 years which is charged to general and special purpose funds as appropriate to the funding of the original purchase.

Individual items of equipment with a purchase price of £500 or less are written off in the year in which the asset was acquired.

6. Investments

Investments are valued at market value at 31 December.

7. Current Assets

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less any provision for amounts that may prove to be uncollectible.

Short term deposits include cash held on deposit with the Central Board of Finance.

Cash at Bank includes current account and deposit account balances.

ST ANDREW'S PARISH CHURCH COUNCIL ACCOUNTS

BALANCE SHEET AT 31 DECEMBER 2018

	<u>Note</u>	<u>General Funds</u> £	<u>Restricted Funds</u> £	<u>Endowment Funds</u> £	<u>2018</u> £	<u>2017</u> £
Fixed Assets	4	297,392	70,789	0	368,181	368,181
Investments		44,102	0	51,153	95,255	96,705
Current Assets						
Debtors (Gift Aid)	6	2,083	190	0	2,273	2,637
Short term deposits		38,948	335,773	0	374,721	245,901
Cash at bank		46,161	0	0	46,161	31,879
Cash in Hand		110	10	0	120	120
Total Assets		428,795	406,762	51,153	886,710	745,423
Current Liabilities						
Loans						
Sundry Creditors	7	2,000	0	0	2,000	2,000
NET CURRENT ASSETS		£426,795	£406,762	£51,153	£884,710	£743,423
		=====	=====	=====	=====	=====
ACCUMULATED FUNDS	5					
Unrestricted		426,795	0	0	426,795	438,175
Restricted		0	406,762	0	406,762	253,316
Endowment		0	0	51,153	51,153	51,932
TOTAL ACCUMULATED FUNDS		£426,795	£406,762	£51,153	£884,710	£743,423
		=====	=====	=====	=====	=====

Approved by the Parochial Church Council onMarch 2019 and signed on its behalf by:

The Canon Timothy West (Chair) Member

The notes on pages 3 and 4 and from 7 to 12 form part of these accounts.

ST ANDREW'S PARISH CHURCH COUNCIL ACCOUNTS

Statement of Financial Activities for the year ended 31 December 2018

	<u>Note</u>	<u>General Funds</u> £	<u>Restricted Funds</u> £	<u>Endowment Funds</u> £	<u>TOTAL 2018</u> £	<u>FUNDS 2017</u> £
INCOMING RESOURCES						
Incoming resources from donors	2(a)	46,828	6,092	0	52,920	50,057
Other voluntary incoming resources	2(b)	20,190	213,162	0	233,352	9,622
Gross income from events and activities	2(c)	18,534	4,181	0	22,715	24,966
Other ordinary income	2(d)	0	0	0	0	0
Income from investments	2(e)	1,795	1,656	1,722	5,173	3,958
		-----	-----	-----	-----	-----
Total Incoming Resources		£87,347	£225,091	£1,722	£314,160	£88,603
		-----	-----	-----	-----	-----
RESOURCES USED						
Grants	3(a)	2,600	0	0	2,600	2,600
Support Costs	3(b)	489	10,854	0	11,343	10,150
Directly relating to the work of the church	3(c)	81,828	60,791	1,722	144,341	112,679
Fund-raising and publicity	3(d)	314	0	0	314	73
Church management and administration	3(e)	12,823	0	0	12,823	10,823
		-----	-----	-----	-----	-----
Total Resources Used		£98,054	£71,645	£1,722	£171,421	£136,325
		-----	-----	-----	-----	-----
Net Incoming/(Outgoing) Resources		(10,708)	153,446	0	142,738	(47,722)
Gains/(Losses) on Investments						
- realised		0	0	0	0	0
- unrealised		(672)	0	(779)	(1,450)	8,007
		-----	-----	-----	-----	-----
Net Movement in Funds		(11,380)	153,446	(779)	141,286	(39,715)
Balances Brought Forward 01 January 2018		438,175	253,316	51,932	743,423	783,139
		-----	-----	-----	-----	-----
Balances Carried Forward 31 December 2018		£426,795	£406,762	£51,153	£884,711	£743,423
		=====	=====	=====	=====	=====

ST ANDREW'S PARISH CHURCH COUNCIL ACCOUNTS

Notes to the Financial Statements for the Year Ended 31 December 2018

	<u>General Funds</u> £	<u>Restricted Funds</u> £	<u>Endowment Funds</u> £	<u>TOTAL 2018</u> £	<u>FUNDS 2017</u> £
2 INCOMING RESOURCES					
2(a) Incoming resources from Donors					
Planned Giving: Covenants	28,424	600	0	29,024	31,692
: Income Tax recovered	9,388	770	0	10,158	9,713
: Uncovenanted	791	0	0	791	703
Collections at all Services	4,623	0	0	4,623	4,085
Gift Days	0	0	0	0	0
Sundry donations	3,602	4,722	0	8,324	3,864
<u>Totals</u>	<u>£46,828</u>	<u>£6,092</u>	<u>£0</u>	<u>£52,920</u>	<u>£50,057</u>
2(b) Other Voluntary Income					
Donations Community Angels	0	3,603	0	3,603	5,165
Donations, appeals, etc.	0	559	0	559	315
Legacies	20,000	209,000	0	229,000	2,500
Fetes & Fund Raising events	190	0	0	190	1,642
<u>Totals</u>	<u>£20,190</u>	<u>£213,162</u>	<u>£0</u>	<u>£233,352</u>	<u>£9,622</u>
2(c) Income from events and activities					
Magazine and bookstall	0	0	0	0	0
Rent from lettings	10,892	0	0	10,892	11,877
Fees	7,642	4,181	0	11,823	13,089
<u>Totals</u>	<u>£18,534</u>	<u>£4,181</u>	<u>£0</u>	<u>£22,715</u>	<u>£24,966</u>
Other extraordinary income					
2(d) Insurance claims	0	0	0	0	0
<u>Totals</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>
Income from investments					
2(e) Dividends and interest	1,795	1,656	1,722	5,173	3,958
<u>Totals</u>	<u>£1,795</u>	<u>£1,656</u>	<u>£1,722</u>	<u>£5,173</u>	<u>£3,958</u>
<u>TOTAL INCOMING RESOURCES</u>	<u>£87,347</u>	<u>£225,091</u>	<u>£1,722</u>	<u>£314,160</u>	<u>£88,603</u>

ST ANDREW'S PARISH CHURCH COUNCIL ACCOUNTS

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

	<u>General</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Endowment</u> <u>Funds</u> £	<u>TOTAL</u> <u>2018</u> £	<u>FUNDS</u> <u>2017</u> £
3 RESOURCES USED					
Grants					
3(a) Missionary and charitable giving:					
Church overseas:					
- Missionary societies	200	0	0	200	200
- Relief and development agencies	0	0	0	0	0
Home missions:					
- Church societies	1,550	0	0	1,550	1,550
- Secular	850	0	0	850	850
	-----	---	---	-----	-----
<u>Totals</u>	£2,600	£0	£0	£2,600	£2,600
	-----	---	---	-----	-----
Support Costs					
3(b) Sunday School & Church Schools	489	0	0	489	793
Church Youth Groups	0	0	0	0	0
Community Angels	0	10,854	0	10854	9,357
	-----	-----	---	-----	-----
<u>Totals</u>	£489	£10,854	£0	£11343	£10,150
	-----	-----	---	-----	-----
Directly related to the work of the Church					
3(c) Ministry: Parish Share	62,832	0	0	62,832	61,258
Clergy expenses	4,814	0	0	4,814	4,988
Church – running expenses	3,954	39,423	1,722	45,099	33,429
Maintenance	0	849	0	849	719
Magazine and bookstall	0	0	0	0	0
Upkeep of churchyard	0	19,500	0	19,500	150
Church Rooms running costs	4,093	1,019	0	5,112	5,585
Professional Fees	6,134	0	0	6,134	6,550
	-----	-----	-----	-----	-----
<u>Totals</u>	£81,827	£60,791	£1,722	£144,340	£112,679
	-----	-----	-----	-----	-----
Fund-raising and Publicity					
3(d) Costs of fund raising activities	314	0	0	314	73
	-----	---	---	-----	---
<u>Totals</u>	£314	£0	£0	£314	£73
	-----	---	---	-----	---
Church Management and Administration					
3(e) Staff costs	8,568	0	0	8,568	8,157
Printing and Stationery etc	4,255	0	0	4,255	2,666
Bank Charges	0	0	0	0	0
	-----	---	---	-----	-----
<u>Totals</u>	£12,823	£0	£0	£12,823	£10823
	-----	---	---	-----	-----
<u>TOTAL RESOURCES USED</u>	£98,053	£71,645	£1,722	£171420	£36,325
	=====	=====	=====	=====	=====

ST ANDREW'S PARISH CHURCH COUNCIL ACCOUNTS

Notes to the Financial Statements for the Year Ended 31 December 2018

		<u>2018</u>	<u>2017</u>
		£	£
4 FIXED ASSETS FOR USE BY THE PCC			
GROSS BOOK VALUE	At 01 January 2018	398,413	398,413
	<u>Add</u> Additions	0	0
	<u>Less</u> Sales	0	0
		-----	-----
	At 31 December 2018	398,413	398,413
		-----	-----
DEPRECIATION	At 01 January 2018	30,232	30,232
	Charges for year	0	0
		-----	-----
	At 31 December 2018	30,232	30,232
		-----	-----
<u>NET BOOK VALUE</u>	At 31 December 2018	£368,181	£368,181
		=====	=====

5 ANALYSIS OF NET ASSETS BY FUND

	<u>General</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2018</u>	<u>2017</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	£	£
	£	£	£		
Fixed Assets	297,392	70,789	0	368,181	368,181
Investments	44,102	0	51,153	95,255	96,705
Current Assets	69,122	0	0	69,122	280,537
Current Liabilities	(2,000)	0	0	(2,000)	(1,000)
	-----	-----	-----	-----	-----
<u>Fund Balances</u>	£408,616	£70,789	£51,153	£530,558	£743,423
	=====	=====	=====	=====	=====

6 DEBTORS

	<u>General</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2018</u>	<u>2017</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	£	£
	£	£	£		
Income Tax recoverable	2,083	190	0	2,273	2,637
Prepayments and accrued interest	0	0	0	0	0
Other debtors	0	0	0	0	0
Inter Parish Accounts	0	0	0	0	0
	-----	-----	---	-----	-----
<u>Totals</u>	£2,083	£190	£0	£2,273	£2,637
	=====	=====	==	=====	=====

7 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>General</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2018</u>	<u>2017</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	£	£
Accruals and deferred income	0	0	0	0	0
Creditors for goods and services	2,000	0	0	2,000	2,000
	-----	--	---	-----	-----
<u>Totals</u>	£2,000	£0	£0	£2,000	£2,000
	=====	==	==	=====	=====

ST ANDREW'S PARISH CHURCH COUNCIL ACCOUNTS

Notes to the Financial Statements for the Year Ended 31 December 2018

8 FUND DETAILS	01 Jan 2017	Income	Expenditure	31 Dec 2018
Restricted Funds	£	£	£	£
J Annakin – Fabric	67,250	292	20,106	47,437
Church Rooms – Capital Building	70,789	0	0	70,789
Boiler Fund	200	0	0	200
Bell Fees	1,091	1,296	1,200	1,187
Church Bell and Tower Fund	4,341	81	403	4,019
Churchyard Fund	181	60,678	19,500	41,359
Choir Fees	6	0	0	6
Organ Fees	322	1,895	2,192	25
Vergers Fees	779	990	855	914
Community Angels Fund	112,148	5,530	10,854	106,824
J Annakin	4,343	149,730	11,935	142,137
Church Rooms Youth	3,016	0	0	3,016
Lamppost Special Purpose Fund	0	4,600	4,600	0
Candle Holder	100	0	0	100
	-----	-----	-----	-----
<u>Totals</u>	£264,566	£225,092	£71,645	£418,013
	=====	=====	=====	=====

9 DESIGNATED FUNDS AT 31 DECEMBER 2018

	2018 £	2017 £
General Fund	8,074	8,197
Fabric	30,133	30,592
Churchyard/Pearce	1,906	1,935
Churchyard/Style	3,989	4,049
	-----	-----
<u>Totals</u>	£44,102	£44,773
	=====	=====

10 ENDOWMENT FUNDS AT 31 DECEMBER 2018

Fund	Restriction	2018 £	2017 £
Pope legacies	Churchyard maintenance	2,907	2,951
Mayne Fabric Fund	Church fabric	19,443	19,739
C V Fidler Trust	Church Clock or Fabric	6,913	7,018
Nora Green Christmas Tree Trust	Church beatification or Fabric	13,832	14,043
Crossways Trust	none	8,058	8,181
		-----	-----
<u>Totals</u>		£51,153	£51,932
		=====	=====

ST ANDREW'S PARISH CHURCH COUNCIL ACCOUNTS

Notes to the Financial Statements for the year ended 31 December 2018

11 Church Rooms Memorandum Income and Expenditure Account – Year to 31 December 2018

	<u>2018</u> £	<u>2017</u> £
Income		
Rent from lettings	10,892	11,877
	-----	-----
Total Income	£10,892	£11,877
	=====	=====
Expenditure	£	£
Insurance	1019	991
Licenses	35	20
Utilities	1,644	2,226
Cleaning	2,120	2,140
Administration and Maintenance	294	1,261
	-----	-----
<u>Total Resources Used</u>	5,112	6,638
Depreciation of Equipment	0	0
	-----	-----
<u>Total Running Costs</u>	5,112	6,638
	-----	-----
<u>Excess of Income over Expenditure</u>	£5,779	£5,238
	=====	=====

12 Community Angels Memorandum Income and Expenditure Account – Year to 31 December 2018

	<u>2018</u> £	<u>2017</u> £
Income		
Covenants	600	600
Interest	557	327
Donations	3,603	5,165
Gift Aid Tax Relief	770	802
	-----	-----
Total	£5,530	£6,894
	=====	=====
Expenditure		
Salary	5,639	5,003
Hire of Meeting Room	1200	1,200
Expenses	2,297	1,481
Insurance/Phone	1,237	1,272
Catering/Cooker	480	401
	-----	-----
Total	10,854	9,357
	-----	-----
<u>Excess of Income over Expenditure</u>	(5,324)	(2,463)
	-----	-----
Balance at 01 January 2018	112,148	114,611
	-----	-----
Balance at 31 December 2018	£106,824	£112,148
	=====	=====

St Andrew's Mission Giving

<u>Name of Charity</u>	<u>Type</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Sudan Link	Overseas	200	200	200
St Andrews School	Home	200	200	200
All Saints School		200	200	200
The Lantern Trust		250	250	250
The Children's Society		250	250	250
Julia's House		300	300	300
St Andrews Mothers Union		200	200	200
The Friends of the Hamlet		250	250	250
Weymouth Street Pastors		300	300	300
Samaritans	Other	250	250	250
Dorset Historic Churches Trust		200	200	200
L Edwards Bell Rest Fund		200	200	200
Royal British Legion		200	200	200
		-----	-----	-----
<u>Total</u>		£3,000	£3,000	£3,000
		=====	=====	=====