

PCC of St Mark's New Milverton

Notes to the Financial Statements for the year ended 31 December 2021



St Mark's Church

LEAMINGTON SPA

St Mark's Church
New Milverton
Leamington Spa

Report and Financial Statements
for the year ended 31 December 2021

ST MARK'S CHURCH NEW MILVERTON

**Registered as a charity: THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH
OF ST MARK'S, NEW MILVERTON**

Charity Registration No: 1128485

The principal office of the charity is:

St. Mark's Church, St Marks Road, Leamington Spa, Warwickshire, CV32 6DL

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FINANCIAL REVIEW - 2021

Unrestricted Funds

General

In 2021 the income of £149.6k covered expenditure of £153.5k, resulting in a deficit for the year of £3.8k (2020: Surplus £3.2k). Total planned giving was £118.5k (2020: £122.8k), thanks to our very generous congregation.

No legacies were received (2020: £7.0k)

Income from trading activities (which includes premises letting and concerts) stood at £21.9k (2020: £15.4k)

Expenditure on general funds amounted to £143.2k for 2021 (2020: £127.2). Our Diocesan parish share was as £68.0k (2020: £68.0k). Staff costs were £40.9k (2020 £39.3k). Premises and maintenance expenditure in 2021 was £9.1k compared with £9.0k in 2020.

During the year the church was committed to pay £10.2k (2020: £14.8k) in tithes. The total tithe paid represented 10% of total income received in the year (measured on a cash rather than accruals basis) adjusted by an excess amount paid to the Diocese.

Designated

We received £7.4k for the livestreaming equipment in the church, and have spent so far £5.7k.

A further £1.5k was spent on other funds

Restricted Funds

In restricted funds expenditure exceeded income by £2.5k. Most of this related to depreciation on equipment in the kitchen.

Balance Sheet

At 31 December 2021, total cash and short-term deposit balances stood at a £117.9k (2020: £118.0k). The church has total net assets of £285.0k (2020: £291.1k). A reduction mostly due to net payments from the general and restricted funds.

Reserves

During 2021 it cost around £11.7k per month to keep the church going, not allowing for any major repair work. The reserves in the unrestricted fund stand at £51.0k (2020: £53.9k), representing approximately 5 month's expenditure. The PCC believes that this is an acceptable level of reserves which will act as a buffer for any unforeseen events. It is also in line with good accounting practice.

Further information

A separate informal report detailing additional information on activities within the church is presented at the Annual Parochial Church Meeting.

INDEPENDENT EXAMINER'S REPORT

I report on the accounts of the church for the year ended 31 December 2021, which are set out on the following pages.

Respective responsibilities of trustees and examiner

The church's trustees are responsible for the preparation of the accounts. The church's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

Ian Salvin BSc(Econ), CGMA

Dated:

DETAILED ACCOUNTS

Statement of Financial Activities at 31 December 2021

	Note	2021			Total funds £	2020 Total funds £
		Unrestricted Funds £	Designated fund £	Restricted funds £		
Income from:						
Donations and legacies		118,545	7,407	385	126,337	132,174
Other trading activities		21,881	-	-	21,881	15,353
Other income		9,183	-	-	9,183	12,931
Total income	2	149,609	7,407	385	157,401	160,458
Expenditure on:						
Charitable activities	3	143,205	7,242	2,784	153,231	152,819
Missionary and charitable giving	5	10,246	-	76	10,322	14,763
Total expenditure		153,451	7,242	2,860	163,553	167,582
Net movement of funds:		(3,842)	165	(2,475)	(6,152)	(7,124)
Reconciliation of funds:						
Total funds brought forward		54,850	63,412	172,872	291,134	298,258
Total funds carried forward:		51,008	63,577	170,397	284,982	291,134

Balance sheet as at 31 December 2021

	Note	2021			Total funds	2020 Total funds
		Unrestricted funds	Designated fund	Restricted funds		
Fixed assets:						
Tangible assets	6	2,481	-	165,167	167,648	173,147
Current assets:						
Debtors	7	2,335	-	-	2,335	5,796
Investments	8	28,260	63,750	5,230	97,240	97,094
Cash at bank and in hand		20,667	-	-	20,667	20,113
Total current assets		51,262	63,750	5,230	120,242	123,003
Liabilities:						
Creditors falling due within one year	9	2,735	173	-	2,908	5,016
Net current assets		48,527	63,577	5,230	117,334	117,987
Total net assets		51,008	63,577	170,397	284,982	291,134
The funds of the charity:						
Unrestricted funds	10	51,008	63,577	-	114,585	118,262
Restricted funds		-	-	170,397	170,397	172,872
Total charity funds		51,008	63,577	170,397	284,982	291,134

The notes on the following pages form part of these financial statements.

Approved by the PCC and signed on its behalf:

Signed:

Joanna Parker - Vicar of St Mark's New Milverton

Dated:

NOTES

1. Accounting Policies

Basis of Preparation

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 SORP. In preparing the financial statements, the PCC of St Mark's follows best practice as set out in the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2015).

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the PCC of St Mark's and which have not been designated for other purposes.

Designated funds have been set aside by the trustees for particular purposes. The aim and use of each fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the PCC of St Mark's for particular purposes. The cost of raising and administering such funds are charged to the specific fund.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the PCC of St Mark's is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income from letting of the premises is included in the period in which the PCC is entitled to the receipt.

Gifts in kind donated for distribution are included at valuation and are recognised when received.

Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Interest is included when receivable by the charity.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Grants and donations are accounted for when paid, or when awarded if the award creates a binding or constructive obligation on the PCC.

Tangible fixed assets and depreciation

Consecrated and benefice property are not included in the accounts in accordance with the SORP, as it is not possible to obtain an appropriate valuation for the church building. All expenditure incurred during the year on such property, whether maintenance or improvement, is written off on purchase or acquisition.

No value is placed on the church hall complex as this is regarded as an integral part of the church.

Moveable church fittings held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal, are inalienable property, and are listed in the church's inventory which can be inspected during office hours. For such furnishing acquired prior to 1 January 2000 there is insufficient cost information available and therefore such assets are not valued in the financial statements.

Other fixtures, fittings and office equipment uses within the church premises are depreciated on a straight line basis over their useful life ranging from 3 to 10 years. Individual items of equipment with a

purchase price of £750 or less are written off in the year of expenditure. Assets donated to the PCC are not included with fixtures and fittings.

2. Income

	2021			Total funds £	2020 Total funds £
	Unrestricted funds £	Designated fund £	Restricted funds £		
Donations and legacies					
Planned giving:					
Tax efficient donations	90,561	5,944	100	96,605	93,622
Tax recoverable	21,448	1,463	25	22,936	23,497
Other planned giving	4,921	-	-	4,921	6,946
Total planned giving	116,930	7,407	125	124,462	124,065
Other donations					
Legacies	-	-	-	-	7,000
Events and miscellaneous	1,615	-	260	1,875	1,109
Total other donations	1,615	-	260	1,875	8,109
Total donations and legacies	118,545	7,407	385	126,337	132,174
Other trading activities					
Weddings and funeral fees	950	-	-	950	1,559
Premises letting	20,931	-	-	20,931	13,794
Total other trading activities	21,881	-	-	21,881	15,353
Furlough	9,086	-	-	9,086	-
Income from investments	97	-	-	97	97
Total other Income	9,183	-	-	9,183	12,931
Total income	149,609	7,407	385	157,401	160,458

3. Expenditure

	2021			Total funds £	2020 Total funds £
	Unrestricted funds £	Designated fund £	Restricted funds £		
Ministry					
Diocesan parish share	68,000	-	-	68,000	68,000
Clergy expenses	1,097	-	-	1,097	1,229
Outreach and mission	100	-	200	300	1,541
Teaching and pastoral	445	-	-	445	112
Worship and music	1,413	6,014	-	7,427	1,194
Youth work	768	-	-	768	1,059
Total ministry	71,823	6,014	200	78,037	73,135
Support costs					
Salaries and wages	40,936	-	-	40,936	39,271
Church running expenses	14,971	-	-	14,971	13,219
Church office	3,831	-	-	3,831	3,578
Premises maintenance and repairs	9,131	1,228	-	10,319	17,813
Equipment	-	-	-	-	84
Equipment depreciation	2,913	-	2,584	5,497	5,719
Total support costs	71,382	1,228	2,584	75,194	79,684
Total charitable activities	143,205	7,242	2,784	153,231	152,819

4. Staff costs and reimbursed expenses

During the year there were no employment or housing costs, other than those specified below. The employment costs for the vicar were paid by the Diocese. Since 1 September 2015 staff have had the option to join the Church of England Church Workers Pension Fund.

On average during 2021 the PCC employed 1 full time and 3 part time people, who each earned less than £60,000 per annum. No members of the PCC received a salary whilst a member of the PCC.

No lay PCC members were reimbursed for personal (travel/subsistence) expenses (2020 £0).

The PCC received a furlough grant of £9,086 (2020 £12,834)

	2021			2020
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Salaries and wages (including cleaner)	40,437	-	40,437	37,848
Employers pension contributions	499	-	499	713
Redundancy payment	-	-	-	710
Total staff costs	40,936	-	40,936	39,271

Average number of employees in the year	2021	2020
Pastoral	1	1
Administration	1	1

5. Missionary and charitable giving

During the year the church was committed to pay £10.2k (2020: £14.8k) in tithes. The total tithe paid represented 10% of total income received in the year (measured on a cash rather than accruals basis) adjusted by an excess amount paid to the Diocese.

	2021			2020
	Tithe £	Restricted £	Total funds £	Total funds £
Overseas				
Church Mission Society	250	-	250	1,500
CORD	750	-	750	1,125
Open doors	1,000	-	1,000	1,600
TEAR Fund	1,000	-	1,000	1,175
World Vision	500	-	500	-
Total overseas	3,500	-	3,500	5,400
Home				
A Rocha UK	125	-	125	100
Bible Society	-	-	-	500
Children's Society	1,000	76	1,076	-
Christians Against Poverty	4,000	-	4,000	4,200
Church Pastoral Aid Society	1,500	-	1,500	2,000
CPAS Falcon Camps	300	-	300	-
Crossteach	300	-	300	750
Helping Hands	500	-	500	500
Inclusive Church	200	-	200	-
Leamington Street Pastors	300	-	300	250
Nightlite (All Saints PCC)	200	-	200	-
Royal British Legion	50	-	50	21
Thrive Youth	800	-	800	750
Warwick District Foodbank	300	-	300	500
Warwick Young Carers	200	-	200	-
Owing at 1 January 2021	(3029)	-	(3029)	(3237)
Owing at 31 December 2021	-	-	-	3,029
Total home	6,746	76	6,822	9,363
Total donations	10,246	76	10,322	14,763

6. Tangible fixed assets

A flat in Brookhurst Court was donated to the PCC in 2012 and is shown at valuation when donated. As it is not being sold, it has not been revalued.

	Freehold Property*	Equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January and 31 December 2021	160,000	37,037	22,029	219,066
Depreciation				
At 1 January 2021	-	25,900	20,019	45,919
Charge for year	-	3,489	2,010	5,499
At 31 December 2021	-	29,389	22,029	51,418
Net book value				
At 1 January 2021	160,000	11,137	2,010	173,147
At 31 December 2021	160,000	7,648	-	167,648

7. Debtors

	2021			2020
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Income tax recoverable	1,334	-	1,334	4,155
Prepayments	653	-	653	594
Accrued income	-	-	-	104
Other debtors	348	-	348	943
Total debtors	2,335	-	2,335	5,796

8. Current asset investments

This consist of cash held in a no notice Scottish Widows charities account.

9. Creditors

	2021			2020
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Accruals	1,565	173	1,738	946
Tithes	-	-	-	3,029
PAYE & NI	1,170	-	1,170	1,041
Total creditors	2,735	173	2,908	5,016

10. Funds

	Balance 2020 £	Incoming resources £	Resources expended £	Balance 2021 £	Net in funds £
Restricted fabric funds					
Upper Room refurbishment	4,227	-	-	4,227	-
Organ	1,001	260	-	1,261	260
Total	5,228	260	-	5,488	260
Restricted special funds					
East window protection	2,782	125	-	2,907	125
Food Hampers	357	-	(200)	157	(200)
Dishwasher/Oven	4,429	-	(2,584)	1,845	(2,584)
Total	7,568	125	(2,784)	4,909	(2,659)
Mission Partnership		-	(76)	-	(76)
House fund	160,000	-	-	160,000	-
Total restricted funds	172,872	385	(2,860)	170,397	(2,475)
Unrestricted funds					
General fund	54,850	149,609	(153,451)	51,008	(3,842)
Unrestricted designated funds					
Designated livestreaming	-	7,407	(5,786)	1,621	1,621
Designated building fund	55,640	-	(1,228)	54,412	(1,228)
Designated music fund	7,772	-	(228)	7,544	(228)
Total	63,412	7,407	(7,242)	63,577	165
Total unrestricted funds	118,262	157,016	(160,693)	114,585	(3,677)
Total funds	291,134	157,401	(163,553)	284,982	(6,152)
	Fixed assets £	Net Current Assets £	Total £		
Represented by					
Restricted					
Fabric	-	5,488	5,488		
Special fund raising	5,167	(258)	4,909		
House	160,000	-	160,000		
Total Restricted	165,167	5,230	170,397		
Unrestricted					
Designated Livestreaming	-	1,621	1,621		
Designated Building Fund	-	54,412	54,412		
Designated Music Fund	-	7,544	7,544		
General fund	2,481	48,527	51,008		
Total Unrestricted	2,481	112,104	114,585		
Total funds	167,648	117,334	284,982		

Restricted fabric funds

These represent donations made for the improvement and major maintenance of the church building and hall complex and equipment and include:

Upper room fund

This was set up to finance the improvement of facilities for young people of the parish.

Organ fund

This represents donations made for improvement and major maintenance of the church organ.

Special fund-raising funds

These represent donations made for specific fund-raising efforts and include:

East window protection

This fund was set up in 2015 to hold a donation received from the Gilbert Scott Trust for this specific purpose.

Food hampers

This represents monies collected to provide hampers for needy local families as identified by Brookhurst and Milverton Schools

Dishwasher/Oven

This fund was set up in 2015 to hold donations received towards a new dishwasher and oven for the main church kitchen. The expenditure was capitalised in 2020 and is being written off over the following 7 years.

The Mission Partnership fund

This represents amounts specifically given for mission work.

The house fund

This represents the flat at 20 Brookhurst Court, donated to the PCC. The PCC agreed that this would be placed in a restricted house fund until 1 February 2022.

Unrestricted general fund

This is available for use by the PCC and not subject to external restrictions or internally determined designations.

Designated Livestreaming fund

The unspent balance of monies received from the congregation to purchase a system of livestreaming during lockdown and after.

Designated Building fund

The amount agreed by the PCC to be put aside to finance future building work.

Designated Music fund

The PCC had received a donation of a Steinway grand piano in the 1950s. It required over £10k to restore it and the PCC decided to sell it in 2018. The money is being held in a designated fund to be spent on music.

11. Capital commitments

There were no capital commitments at 31 December 2021 (2020: Nil)

12. Related party transactions

There were no other disclosable transactions in respect of PCC members, persons closely connected with them or other related parties.

13. Connected Charities

Church Society - Registered charity 249574

The Church Society holds a trust for the benefit of St Mark's. The last available accounts of the Church Society, dated 31 December 2020, show a holding on behalf of St Mark's as:

	2020	2019
Permanent Endowment Fund		
At 1 January	60,732	58,797
Gains (Losses)	7,324	1,935
At 31 December	<u>68,056</u>	<u>60,732</u>
Restricted Funds		
At 1 January	1,270	1,015
Incoming funds	1,939	949
Transfers	(396)	(694)
At 31 December	<u>2,813</u>	<u>1,270</u>

The endowment fund is specified as 'in furthering the religious and other charitable purposes of the Ecclesiastical parish of St Mark's Leamington Spa, so long as the doctrine and worship in the parish of St Mark's are evangelical in character'. This wording has been the subject of much debate with the Church Society; their current stance is that the funds will not be released unless St Mark's subscribes to the Church of England Evangelical Council's Basis of Faith (including Additional Declarations). This is incompatible with our inclusive stance. There is no reference to the restricted fund.

St Mark's Gilbert Scott Trust - Registered charity 1032347

The aim of the trust is to raise money for the restoration, maintenance and improvement of St Mark's church building. The trust has been dormant throughout the year ended 31 December 2021 having transferred its remaining balances to the St Mark's Restricted East Window Protection fund in 2015.