

St Mary's Wythall, Accounts 2017

Wythall Parochial Church Council

Financial Statements for the year ended 31 December 2017

Statement of Accounting Policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2011 together with applicable accounting standards and the Charities FRSE SORP.

The financial statements have been prepared under the historical cost convention except for the valuation of certain investment assets, which are shown at market value.

Funds

The general funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for the application of the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted. Restricted funds are only available for use for the purpose for which the funds have been raised. During 2015, the PCC decided that the Building Fund be renamed the Reserve fund and balances therein are available as reserves. The remaining balance on the Restoration fund was also transferred into the Reserve fund. The Restoration fund is restricted and the balances therein are reported within these financial statements.

Incoming resources

Voluntary income and capital sources

Collections are recognised when received by or on behalf of the PCC. Planned giving receivable under Gift Aid is also recognised only when received. Income tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount is quantifiable and the ultimate receipt by the PCC is reasonably certain.

Income from investments

Dividends are accounted for when due and payable. Interest entitlements are accounted for when they accrue.

Gains and losses on investments

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

Resources used

Activities directly relating to the work of the church

The diocesan parish share ("quota") is accounted for when paid. Any parish share unpaid at 31 December is provided in these accounts as a constructive (though not legal) liability and is shown as a creditor in the balance sheet.

Fixed assets

Property

Freehold land is not depreciated. Freehold property is depreciated over an estimated useful life of 50 years. The new church building is depreciated over 50 years to nil residual value.

Other fixtures, fittings and office equipment

Equipment used by the church for services and office equipment is capitalised and depreciated to its residual value (usually nil) over its estimated useful life from the date of commissioning. Estimated useful lives range from 3 years (for computers and software), 8 years for furniture and 15 years for the sound / vision equipment in the new Church.

Investments

Investments are valued at market value at 31 December.

Current assets / liabilities

Current assets, including estimated income tax recoverable, are shown as debtors less provision for amounts that may prove uncollectible.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and recorded at transaction price.

Short-term deposits include cash held on deposit with the CBF Church of England Funds.

Mortgage debt

Mortgage debt is initially recorded at proceeds less transaction costs. Interest is charged based on contractual interest arrangements. At the period end, the mortgage is shown at its settlement value.

Net incoming/(outgoing) resources - general fund

| | 2017 | 2016 |
|---|----------------|----------------|
| | £ | £ |
| Income given under gift aid | 74,730 | 77,422 |
| Income tax recovered / recoverable (Note 2) | 22,029 | 20,497 |
| Non-gift aid giving | 4,577 | 3,881 |
| Collections | 4,100 | 5,384 |
| Donations | 564 | 1,804 |
| Deposit interest | 17 | 28 |
| Income from investments | 815 | 682 |
| Fees to PCC and Diocese | 5,102 | 6,253 |
| Children's society | 577 | 550 |
| Sundry Income (Note 4) | 12,896 | 17,938 |
| Total incoming resources | 125,408 | 134,438 |
| Maintenance of the ministry (clergy expenses) | 2,669 | 3,842 |
| Upkeep of services (hall rental, church repairs) | 5,030 | 9,493 |
| Sunday school and youth | 2,490 | 2,081 |
| General Parish expenses (church office) | 4,228 | 2,786 |
| Parish quota to Diocese | 48,288 | 47,794 |
| Diocese share of wedding & funeral fees | 3,620 | 4,918 |
| Missionary and charitable (Note 5) | 16,601 | 15,973 |
| Children's society | 577 | 550 |
| Salaries of church staff (administrator, childrens and youth workers) | 32,062 | 34,433 |
| Depreciation (Note 6) | 813 | 456 |
| Growth | 753 | 2,456 |
| Sundry expenses (Note 4) | 13,197 | 9,034 |
| Total outgoing resources | 130,327 | 133,816 |
| Net incoming / (outgoing) resources before transfers | (4,919) | 622 |
| Transfers between funds | 0 | 0 |
| Net incoming / (outgoing) resources (Note 3) | (4,919) | 622 |
| Gains on investments | 1,897 | 2,165 |
| Net movement in funds | (3,022) | 2,787 |

Balance sheet at 31 December 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-----------------------|-------------------------|
| Fixed assets | | | |
| Tangible fixed assets (including 5 The Willows and 247 Alcester Road) | 6 | 943,183 | 954,207 |
| Investments | 7 | <u>100,260</u> | <u>93,923</u> |
| Current assets | | | |
| Debtors - principally amounts due from Inland Revenue | 2 | 21,054 | 21,530 |
| CBF deposits | | 26,324 | 54,773 |
| Cash at bank and in hand | | <u>9,961</u> | <u>8,034</u> |
| | | 57,339 | 84,338 |
| Current liabilities | | | |
| Liabilities: Amounts falling due within one year | 8 | <u>(1,673)</u> | <u>(6,181)</u> |
| Net current assets | | 55,666 | 78,156 |
| Liabilities: Amounts falling due after one year | 9 | <u>(108,424)</u> | <u>(115,121)</u> |
| Net assets | | <u>990,685</u> | <u>1,011,165</u> |
| Funds | | | |
| General | | 77,593 | 80,615 |
| Designated | | <u>913,092</u> | <u>930,550</u> |
| Total | | <u>990,685</u> | <u>1,011,165</u> |

Analysis of assets and liabilities by fund at 31 December 2017

| | General | Reserve | Total |
|-------------------------------|---------------|----------------|----------------|
| | £ | £ | £ |
| Represented by: | | | |
| Fixed assets | 16,161 | 927,023 | 943,183 |
| Debtors | 20,554 | 500 | 21,054 |
| Liabilities due within 1 year | (1,673) | - | (1,673) |
| Bank account | 12,954 | (2,993) | 9,961 |
| CBF Deposits | 6,032 | 20,293 | 26,324 |
| CBF Investment Fund | 23,566 | 28,174 | 51,740 |
| CBF Fixed Interest | - | 48,520 | 48,520 |
| Mortgage | - | (108,424) | (108,424) |
| | 77,593 | 913,092 | 990,685 |

The total market of value of all bank balances, deposits and investments at 31 December 2017 was £136,544 (2016 £156,731).

Analysis of funds movements for the year ended 31 December 2017

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| General Fund | | |
| Brought forward | 80,615 | 77,828 |
| Net incoming / (Outgoing) resources | (4,919) | 622 |
| Gains / (Losses) on investments | 1,897 | 2,165 |
| Carried forward | 77,593 | 80,615 |
| | | |
| Reserve Fund (previously Building Fund) | | |
| Brought forward | 930,550 | 941,984 |
| Dividends/Interest | 2,848 | 2,888 |
| Income from Diocesan Board of Finance | 7,500 | 7,500 |
| Income from church facilities hiring | 1,365 | 2,628 |
| Donations | 0 | 0 |
| Other income | 0 | 0 |
| Mortgage Interest | (3,303) | (3,852) |
| Other expenses | (1,775) | (632) |
| Repairs / maintenance | (978) | (915) |
| Depreciation | (24,791) | (24,002) |
| Net (outgoing)/incoming resources before transfers | (19,134) | (16,384) |
| Transfers from restoration fund / general fund | 0 | 0 |
| Net (outgoing)/incoming resources | (19,134) | (16,384) |
| Gains on investments | 1,675 | 4,951 |
| Carried forward | 913,092 | 930,550 |
| | | |
| TOTAL | | |
| Brought forward - 1 January | 1,011,165 | 1,019,812 |
| | | |
| Carried forward - 31 December | 990,685 | 1,011,165 |

Notes to the accounts

1. The accounting policies adopted in these accounts are shown in the statement of Accounting Policies.
2. Income tax of £20,554 is yet to be recovered on income received under gift aid (2016 £20,620) and is included within debtors.
3. The general fund deficit for 2017 is £3,022. The general fund surplus for 2016 was £2,787. The reserve fund balances include £950 which is held in the restoration fund.
4. Sundry Income and Expenses may be analysed as follows:

| | 2017 | 2017 | 2016 | 2016 |
|------------------------------|---------------|-----------------|---------------|-----------------|
| | Income | Expenses | Income | Expenses |
| | £ | £ | £ | £ |
| Coffee | 383 | 745 | 444 | 746 |
| Soul Survivor | 2,497 | 3,070 | 1,753 | 2,011 |
| Socials / Outreach | 220 | 378 | 374 | 716 |
| Alpha | - | 198 | - | - |
| Course books | 10 | 47 | - | 220 |
| Dickens Heath - youth club | - | - | 1,750 | - |
| Youth related income | 470 | - | 2,710 | - |
| Café | - | - | 202 | 133 |
| Sundry | 33 | 413 | 99 | 483 |
| Wedding fair | - | 60 | 263 | 88 |
| Discretionary income | 520 | - | - | 475 |
| JAM | 1,684 | 1,836 | 1,201 | 1,116 |
| Church weekend or away days | 235 | 2,893 | 1,697 | - |
| Elderly | 1,384 | 942 | 1,899 | 723 |
| Gifts | 1,123 | 679 | - | 53 |
| Marquee | - | - | - | 542 |
| Create Space | 649 | 674 | - | - |
| Cleaning | - | 594 | - | - |
| Specific charity collections | 1,637 | - | 3,930 | - |
| Noah's Ark | 2,053 | 1,049 | 1,615 | 1,728 |
| | 12,896 | 13,578 | 17,938 | 9,034 |

5. The PCC has a target to give 10% of income to charity. Charitable giving also includes Malawi and other appeals.

6. Fixed assets for use by the PCC

| | Church | 5, The Willows | Curate's | Total | |
|---|------------------|-----------------------|-----------------|----------------|------------------|
| | equipment | | House | | |
| | £ | £ | £ | £ | |
| Cost brought forward at 1/1/2017 | 470,666 | 31,246 | 253,765 | 292,351 | 1,048,028 |
| Additions | 11,966 | 2,614 | 0 | 0 | 14,580 |
| Cost carried forward at 31/12/2017 | 482,631 | 33,860 | 253,765 | 292,351 | 1,062,608 |
| Depreciation brought forward at 1/1/2017 | 46,685 | 16,887 | 25,498 | 4,750 | 93,820 |
| Charge for the year | 18,358 | 813 | 3,433 | 3,000 | 25,604 |
| Depreciation carried forward at 31/12/2017 | 65,043 | 17,700 | 28,931 | 7,750 | 119,424 |
| Net book value at 31/12/2017 | 417,588 | 16,161 | 224,833 | 284,601 | 943,183 |
| Net book value at 31/12/2016 | 423,981 | 14,359 | 228,267 | 287,601 | 954,207 |

Notes to the accounts, continued

No fixed assets are carried at a valuation.

The new building has been accounted for within the building fund with the exception of the stained glass window, which cost £15,000 where funds were raised from the congregation within the general fund. The Curate's House is within the Reserve Fund.

7. Investment fixed assets

| Movements during the year | 2017 £ | 2016 £ |
|--|----------------|---------------|
| Net book value brought forward - 1 January | 93,923 | 83,993 |
| Additions | 2,764 | 2,814 |
| Disposals | - | - |
| Net gain on revaluation | 3,573 | 7,116 |
| Net book value carried forward at 31 December | 100,260 | 93,923 |

Holdings at 31/12/2017 included £48,520 (market value) in the Church of England fixed interest fund and £51,740 (market value) in the Church of England Investment fund.

8. Liabilities due within one year comprise:

| | 2017 £ | 2016 £ |
|-----------------|--------------|--------------|
| Trade creditors | 1,673 | 6,181 |
| Deferred income | - | - |
| Total | 1,673 | 6,181 |

9. Liabilities due after one year comprises:

| | 2017 £ | 2016 £ |
|---------------------------------------|----------------|----------------|
| Mortgage secured on the Curates House | 108,424 | 115,121 |

Interest is charged on the debt at 2.90%. The term of the mortgage is 25 years. There is no minimum payment within 12 months although the PCC expects to pay about £9,500 which will reduce the outstanding liability by about £6,000.

Statement of Financial Activities

| | General Fund | Reserve Fund | 2017 Total | 2016 Total |
|---|----------------|-----------------|------------------|------------------|
| Income given under gift aid | 74,730 | - | 74,730 | 77,422 |
| Income tax recovered (Note 2) | 22,029 | - | 22,029 | 20,497 |
| Non-gift aid giving | 4,577 | - | 4,577 | 3,881 |
| Collections | 4,100 | - | 4,100 | 5,384 |
| Donations (Note 3) | 564 | - | 564 | 1,804 |
| Interest | 17 | 2,848 | 2,865 | 2,916 |
| Income from investments | 815 | - | 815 | 682 |
| PCC Property | 0 | 1,365 | 1,365 | 2,628 |
| Diocesan contribution | - | 7,500 | 7,500 | 7,500 |
| Fees to PCC and Diocese | 5,102 | - | 5,102 | 6,253 |
| Children's society | 577 | - | 577 | 550 |
| Sundry Income (Note 4) | 12,896 | - | 12,896 | 17,938 |
| Total incoming resources | 125,408 | 11,713 | 137,121 | 147,455 |
| Maintenance of the ministry (clergy expenses) | 2,669 | - | 2,669 | 3,842 |
| Upkeep of services (hall rental) | 5,030 | - | 5,030 | 9,493 |
| PCC property | - | 978 | 978 | 915 |
| Sunday school and youth | 2,490 | - | 2,490 | 2,081 |
| General Parish expenses (church office and repairs) | 4,228 | 1,775 | 6,003 | 3,418 |
| Quota | 48,288 | - | 48,288 | 47,794 |
| Diocese share of wedding and funeral fees | 3,620 | - | 3,620 | 4,918 |
| Missionary and charitable (Note 5) | 16,601 | - | 16,601 | 15,973 |
| Children's society | 577 | - | 577 | 550 |
| Salaries of church staff (administrator, children/ youth workers) | 32,062 | - | 32,062 | 34,433 |
| Depreciation (Note 6) | 813 | 24,791 | 25,604 | 24,458 |
| Growth | 753 | - | 753 | 2,456 |
| Mortgage interest | - | 3,303 | 3,303 | 3,852 |
| Sundry expenses (Note 4) | 13,197 | - | 13,197 | 9,034 |
| Total resources expended | 130,327 | 30,847 | 161,174 | 163,217 |
| Net (outgoing) / incoming resources before transfers | (4,919) | (19,134) | (24,053) | (15,762) |
| Transfers between funds | - | - | - | - |
| Net outgoing resources | (4,919) | (19,134) | (24,053) | (15,762) |
| Gains on investments (Note 7) | 1,897 | 1,675 | 3,573 | 7,116 |
| Fund brought forward | 80,615 | 930,550 | 1,011,165 | 1,019,812 |
| Fund carried forward | 77,593 | 913,092 | 990,685 | 1,011,165 |