

**ST DAVID WITH ST MICHAEL &
ALL ANGELS PCC**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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31 DECEMBER 2015**

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ANNUAL REPORT

The Board of the PCC present their report together with the financial statements for the year ended 31 December 2015.

St David with St Michael & All Angels churches are part of the Diocese of Exeter within the Church of England.

PCC members

The PCC members who served during the year were:

Mrs Stephanie Aplin
Dr Keith Postlethwaite
Mrs Lizzie Hewitt
Ms. Hilary Francis
Ms Helen Drever

Mr. Roger Beer
Mrs Mary Kirkland (Secretary)
Mr Christopher Gill
Mr Simon Harrison
Ms Emma White

Ex Officio members were:

The Revd Canon Tom Honey (Incumbent and Chairman)	The Revd Christopher Durrant (Curate)
Mr Bill Pattinson (Reader)	Mr David Allin (Church Warden)
Mrs Avril Pattinson (Churchwarden)	Mr Adrian Hewitt (Treasurer)
Mr Richard Parker (Chapel Warden)	Mr George Hexter (Chapel Warden)
Mrs Sarah Black (Deanery Synod)	Mr Richard Barnes (Deanery Synod)
Ms Hilary Todd (Deanery Synod)	Mr. Chris Heaven (Deanery Synod)

Structure, Governance and Management

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

The Standing Committee consists of the Stipendiary Clergy, Churchwardens, Chapel wardens, Treasurer, Reader and Missioner. This is the only committee required by law and has the power to transact business of the PCC between its meetings, subject to any direction of the Council.

Objectives and Activities

The PCC supports the incumbent in promoting the ministry and mission of the church. The powers conferred on the Council include the power to acquire, manage and administer property for church purposes and the power to compile an annual budget of funds required for church work. The Council is also given power, jointly with the incumbent, to appoint and dismiss church staff members and to determine their salaries and conditions of service.

The Church of England's objectives are:

- ! To enhance the Church's mission;
- ! To sustain and advance the Church's work in education, lifelong learning and discipleship;

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- ! To enable the Church to select, train and resource the right people, both ordained and lay, to carry out public ministry and to encourage lay people in their vocation to the world; and
- ! To encourage the maintenance and development of the inherited fabric of Church buildings for worship and service to the community.

The PCC ensures that the church life within the parish helps to fulfil those objectives, both locally and more widely through the support of mission partners.

The PCC is aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and has regard to it in its administration of the Parish. The PCC believes that, by fulfilling its responsibility to work together with the Vicar and co-operate in all matters of concern and importance for the promotion of the whole mission of the Church, pastoral, evangelical and social, it provides a benefit to the public by:

- ! Providing resources and facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the church offers;
- ! Promoting Christian values and service by members of the church to the community to the benefit of individuals and society as a whole.

Financial Review

St David's total income from general Church operations, gift aid and investment income (dividends and interest) in the year was £115,651 (2014: £108,028) and St Michael & All Angels' total income was £39,148 (2014: £39,149). This includes the provision for gift aid claims submitted to, but not yet paid by, HM Revenue & Customs in both years.

In addition to these regular streams of income, St David's and St. Michaels & All Angels both received sums of exceptional and non operational income. Rent from the Wrefords Close property, which was £7,923 and a donation for the Fabric Fund of £25,000. St Michael & All Angels received grants and donations for the Repairs Fund totalling £42,715.

Risk management

The members of the PCC have given consideration to the risks to which the PCC may be exposed, and they consider that the systems that have been established are suitable for the minimisation of such risks, for safeguarding of the assets of the PCC, and for the prevention and detection of fraud.

Reserves Policy

The members of the PCC are satisfied that the level of reserves, as shown in the balance sheet, are adequate to cover known and anticipated costs in the short term.

Designated reserves have been set up to ring fence certain favoured projects of the churches, with funds allocated to these projects, and duly expended, at the discretion of the PCC members.

Investments

Both churches have a number of investments which are managed centrally by the Exeter Diocesan Board of Finance and the CCLA investment Management Ltd, which the PCC consider is secure and appropriate to the safeguarding of these investments.

St David's also have a holding of investments held by the St David's Institute.

All other investments are under the direct control and management of the PCC.

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RESPONSIBILITIES OF THE PCC

The PCC is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the PCC to prepare financial statements for each financial year. Under the law the PCC has elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the PCC and of its surplus or deficit for that period. In preparing those financial statements, the PCC is required to:

- ! Select suitable accounting policies and then apply them consistently;
- ! Make judgements and estimates that are reasonable and prudent;
- ! State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- ! Prepare financial statements on the going concern basis unless it is inappropriate to presume that the PCC will continue in operation.

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time in the financial position of the PCC and enable it to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the PCC and hence for taking steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of the PCC on

and signed on its behalf by:

T Honey

I report on the accounts of St David with St Michael & All Angels PCC for the year ended 31 December 2015, which are set out on pages 5 to 12.

Respective responsibilities of PCC and Examiner

The PCC is responsible for the preparation of the accounts. The PCC considers 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 Commission under section 145(5)(b) of the 2011 Act; and
- ! to state whether particular matters have come to my attention.

Basis of Independent Examiners' report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the PCC and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of 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, I do not express an audit opinion on the view given by the accounts.

Independent Examiner's statement

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

1. 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 to comply with the accounting requirements of the 2011 Act.have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mrs S L Watts FCCA DChA
Thomas Westcott
Chartered Accountants
26-28 Southernhay East
Exeter
EX1 1NS

Date:

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	<u>Notes</u>	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Incoming resources					
Voluntary Income	2	94,939	97,455	192,394	149,133
Investment Income	3	6,846	-	6,846	7,124
Income from Church Activities		21,516	-	21,516	14,255
Rent Received		7,923	-	7,923	2,749
Other Income		1,758	-	1,758	2,415
Total incoming resources		<u>132,982</u>	<u>97,455</u>	<u>230,437</u>	<u>175,676</u>
Resources expended					
Cost of Church Activities	4	131,469	56,397	187,866	164,018
Governance Costs		748	-	748	720
Total resources expended		<u>132,217</u>	<u>56,397</u>	<u>188,614</u>	<u>164,738</u>
Net incoming resources for the year		765	41,058	41,823	10,938
Other recognised gains and losses					
Unrealised gains /(loss) on investments		(789)	2,096	1,307	36,635
Realised gains / (loss) on investments		-	-	-	-
Net movement in funds		<u>(24)</u>	<u>43,154</u>	<u>43,130</u>	<u>47,573</u>
Funds brought forward		110,754	430,134	540,888	493,315
Transfers between reserves		8,000	(8,000)	-	-
Funds carried forward		<u>118,730</u>	<u>465,288</u>	<u>584,018</u>	<u>540,888</u>

The notes on pages 7 to 12 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets:	7				
44 Wrefords Close			212,500		210,000
Investments:	8				
St David			42,692		40,783
St Michael			123,830		134,143
PCC			40,564		41,353
			<u>419,586</u>		<u>426,279</u>
Current assets					
Cash at bank:					
St David		101,869		92,694	
St Michael		43,861		11,102	
Wrefords Close		16,432		8,509	
Debtors	9	<u>3,000</u>		<u>3,000</u>	
		165,162		115,305	
Creditors					
Amounts falling due within one year	10	<u>730</u>		<u>696</u>	
Net current assets					
			<u>164,432</u>		<u>114,609</u>
Net assets					
	11		<u>584,018</u>		<u>540,888</u>
Funds					
Unrestricted Funds	12		118,730		110,754
Restricted Funds:	13				
St David			89,778		77,999
St Michael			163,010		142,135
Wrefords Close			212,500		210,000
			<u>584,018</u>		<u>540,888</u>

The financial statements were approved by the PCC on

T Honey

and signed on their behalf by:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Principal accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

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

Incoming resources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under Gift Aid is recognised only when received.

Income is only deferred when the PCC has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in the future period.

Legacies are recognised as income when definite notification has been received of the amounts bequeathed and of the anticipated date of payment.

The recoverable income tax on Gift Aided donations is recognised on an accruals basis in these accounts. Provision has been made for claims from HM Revenue & Customs which are pending, up to 31 December 2015.

Bank interest receivable is recognised in the period over which it accrues.

Resources expended

All such expenditure is recognised in the Statement of Financial Activities on an accruals basis.

Costs of fund raising events comprise the direct and indirect costs of organising such events.

Expenditure on governance costs comprises all costs incurred in administering the organisational and compliance affairs of the PCC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Principal accounting policies (continued)**Fund accounting**

General Funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted Funds are those funds that must be spent on restricted purposes and details of the funds held and restrictions are provided, where material.

The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the financial statements of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

Tangible fixed assets and depreciation

Included in the accounts is the freehold property known as 44 Wrefords Close. No provision has been included for depreciation as the property is included at market value and will be revalued each financial year.

Consecrated Property and Moveable Church Furnishings

Consecrated and beneficed property is excluded from the financial statements by s.96(2)(a) of the Charities Act 1993.

Movable church furnishings held by the Vicar and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted as inalienable property unless consecrated. They are listed in the church's Inventory which can be inspected at any reasonable time. For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Items acquired since 1 January 2000 have been capitalised and depreciated in the accounts over their currently anticipated useful economic life on a straight-line basis. All expenditure incurred in the year on consecrated or benefice buildings, individual items under £2,000 or on the repair of movable church furnishings acquired before 1 January 2000 is written off.

Fixed asset investments

Fixed asset investments are included in the financial statements at market value. All changes in value, whether arising upon disposal or upon revaluation, are reported in the Statement of Financial Activities for the year in which the change occurs.

Value added tax (VAT)

The PCC is not registered for VAT. Accordingly all expenditure includes relevant VAT.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Incoming Resources

	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	£	£	£	£
Voluntary Income				
Planned Giving:				
Gift Aided donations	62,302	-	62,302	60,644
Tax recoverable	15,864	-	15,864	23,124
Other planned giving	-	-	-	3,969
Collections	9,700	-	9,700	14,909
Planned and Regular Giving	87,866	-	87,866	102,646
Non recurring donations and grants	7,073	97,455	104,528	46,487
Total Voluntary Income	94,939	97,455	192,394	149,133
Investment Income				
Bank Interest and Dividends	6,846	-	6,846	7,124
Total Investment Income	6,846	-	6,846	7,124

Costs of Church Activities

	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	£	£	£	£
Common Fund contribution	79,088	-	79,088	77,691
Clergy expenses	1,080	-	1,080	3,865
Church utilities	16,176	-	16,176	16,437
Church upkeep	1,585	-	1,585	1,876
Altar supplies and service sheets	3,153	-	3,153	2,891
Music and choir expenses	9,407	-	9,407	9,552
Administration and honoraria	1,154	-	1,154	1,170
Admin and publicity	1,256	-	1,256	1,405
Insurance	7,164	-	7,164	7,154
Repairs and cleaning	8,708	-	8,708	11,762
Fundraising and similar costs	925	-	925	524
Missions / Grants	1,535	-	1,535	1,593
Miscellaneous	238	-	238	296
Special Projects Expenditure	-	3,138	3,138	1,570
Pastoral Fund	-	-	-	1,140
Transformation Project	-	41,732	41,732	-
Roof Fund	-	8,167	8,167	-
Organ Project	-	3,360	3,360	25,092
	131,469	56,397	187,866	164,018

3. Trustees' emoluments and expenses

No emoluments were paid to any PCC member.

4. Employee information

The charity had no paid employee in the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Tangible fixed assets – 44 Wrefords Close

	Freehold Property £
Cost / Revaluation	
At 1 January 2015	210,000
Additions	-
Revaluation	2,500
At 31 December 2015	<u>212,500</u>
Depreciation	
At 1 January 2015	-
Charge for the year	-
At 31 December 2015	<u>-</u>
Net book value	
At 31 December 2015	<u>212,500</u>
At 31 December 2014	<u>210,000</u>

The freehold value has been estimated based on current sale price of similar prices in the area, by reference to sale agents marketing properties in the same street.

5. Fixed asset investments

	2015 £	2014 £
Exeter Diocesan Board of Finance	15,721	24,435
COIF Investments	42,692	40,783
Valpy-French Bequest	108,109	109,708
St David's Institute	40,564	41,353
	<u>207,086</u>	<u>216,279</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Investment portfolio

	2015	2014
	£	£
Market valuation		
At 1 January	216,279	196,344
Disposals and additions	(8,000)	3,300
Realised (loss) / gains	-	-
Unrealised (loss) / gain	(1,193)	16,635
At 31 December 2015	<u>207,086</u>	<u>216,279</u>

The original cost of the assets is not known as most have been acquired through bequests and legacies over a number of years.

6. Debtors

	2015	2014
	£	£
Gift Aid	3,000	3,000
	<u>3,000</u>	<u>3,000</u>

7. Creditors – amounts falling due within one year

	2015	2014
	£	£
Accruals – independent examination		696
	<u>730</u>	<u>696</u>

8. Analysis of net assets between funds

	Tangible fixed assets	Fixed assets investments	Net current assets	Total
	£	£	£	£
Unrestricted Funds	-	40,564	78,166	118,730
Restricted Funds	212,500	166,522	86,266	465,288
	<u>212,500</u>	<u>207,086</u>	<u>164,432</u>	<u>584,018</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

General and Designated Funds

	At 1 January 2015	Incoming Resources And Transfers	Outgoings and Transfers	At 31 December 2015
			£	£
General Fund	79,251	139,722	(133,006)	85,967
Special Projects	25,138	-	-	25,138
Pastoral Fund	1,261	-	-	1,261
Organ Fund	5,104	1,260	-	6,364
	<u>110,754</u>	<u>140,982</u>	<u>(133,006)</u>	<u>118,730</u>

Restricted Funds

	At 1 January 2015	Transfers	Incoming resources	Outgoings	At 31 December 2015
				£	£
St Michael's Funds					
Investments Fund	134,143	(8,000)	-	(2,313)	123,830
Church Funds	11,579	-	-	-	11,579
Organ Fund	(5,587)	-	-	(3,360)	(8,947)
Shared Interest	2,000	-	-	-	2,000
Repairs Fund	-	-	(42,715)	(8,167)	34,548
	<u>142,135</u>	<u>(8,000)</u>	<u>(42,715)</u>	<u>(13,840)</u>	<u>163,010</u>
St David's Funds					
Property Fund	210,000	-	(2,500)	-	212,500
Investments Fund	40,783	-	(1,909)	-	42,692
Special Projects	37,216	-	(54,740)	(44,870)	47,086
	<u>287,999</u>	<u>-</u>	<u>(59,149)</u>	<u>(44,870)</u>	<u>302,278</u>
TOTAL RESTRICTED FUNDS	<u>430,134</u>	<u>(8,000)</u>	<u>(101,864)</u>	<u>(58,710)</u>	<u>465,288</u>

ST DAVID**SUMMARY OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2015**

INCOME		2015		2014
	£	£	£	£
Gift Aided donations		49,860		46,989
Tax recoverable		12,664		16,615
Other planned giving		-		3,969
Collections		5,042		6,122
Donations		3,298		4,232
Grants		-		25,750
Coffees		901		645
Other fundraising		2,929		3,486
Book sales/hall letting/magazine		3,281		3,672
Dividends / interest		1,678		1,588
Fees		4,499		5,473
Other income		1,758		2,415
Collections for specific causes		2,027		1,284
Choir/music		260		120
Outreach		689		3,000
Repairs and restoration		24,610		6,210
Donations to Fabric Fund		25,732		-
Donations to Organ Fund		923		-
Donations to other projects		500		1,565
Donations to Bellringers		-		643
		<u>140,651</u>		<u>133,778</u>
EXPENSES				
Missions/grants/donations	1,144		1,343	
Youth Group	90		120	
Pastoral Fund	-		1,140	
Projects	210		108	
Outreach	1,200		1,342	
Specific causes	1,638		-	
Transformation project	41,732		-	
Diocesan quota	59,000		58,699	
Clergy expenses	1,080		3,865	
Church upkeep	1,585		1,876	
Heating and lighting	10,227		8,973	
Water	495		507	
Insurance	4,998		5,342	
Repairs and cleaning	4,224		5,308	
Support costs	1,154		1,170	
Altar supplies and service sheets	1,414		1,325	
Music and choir expenses	202		868	
Training	235		-	
Fundraising costs	845		524	
Governance costs	748		720	
		<u>132,221</u>		<u>93,230</u>
Surplus / (deficit)		8,430		40,548
Realised and unrealised gains and losses on investments		3,883		29,086
Net surplus or (deficit)		<u>12,313</u>		<u>69,634</u>

ST MICHAEL & ALL ANGELS**SUMMARY OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2015**

INCOME		2015		2014
	£	£	£	£
Gift Aided donations and collections		20,875		26,125
Tax recoverable		3,200		6,509
Grants		42,715		-
Fees		3,757		250
Book sales/hall letting/magazine		1,734		728
Sale of organ		1,260		-
Fundraising		3,154		-
Dividends / interest		5,168		5,537
		<u>81,863</u>		<u>39,149</u>
EXPENSES				
Organ Project	3,360		25,092	
Missions/grants/donations	391		250	
Diocesan quota	20,088		18,992	
Church utilities	5,454		6,957	
Insurance	2,166		1,812	
Repairs and cleaning	4,484		6,454	
Altar supplies and service sheets	1,739		1,566	
Music and choir expenses	9,205		8,684	
Sundries	-		296	
Admin and publicity	1,256		1,405	
Fundraising costs	80		-	
	<u>80</u>		<u>-</u>	
		48,223		71,508
Surplus / (deficit)		<u>(33,640)</u>		<u>(32,359)</u>
Realised and unrealised gains and losses on investments		(2,576)		7,549
Net surplus or (deficit)		<u><u>31,064</u></u>		<u><u>(24,810)</u></u>