

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

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 2016.

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	Mr. Roger Beer
Dr Keith Postlethwaite (Secretary)	Mrs Mary Kirkland
Mrs Lizzie Hewitt	Ms Emma White
Ms. Hilary Francis	Mr Simon Harrison
Mrs Sam Wellbelove	

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 Chris Heaven (Chapel Warden)
Mrs Sarah Black (Deanery Synod)	Mr Richard Barnes (Deanery Synod)
Ms Hilary Todd (Deanery Synod)	Ms Charlotte Townsend (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 and PCC Treasurer. 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;

**ANNUAL REPORT**

- ! 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, evangelistic 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 £146,401 (2015: £115,651) and St Michael & All Angels' total income was £52,671 (2015: £39,148).

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. St David's received rent from the Wrefords Close property, which was £3,042. St Michael & All Angels received grants and donations for the Repairs Fund totalling £39,850. St David's received grants for the transformation totalling £205,000.

**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.

The St David's Institute investments are controlled by independent trustees, for application for PCC needs.

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

**ANNUAL REPORT**

**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 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:

Mrs A Pattinson

Mr D Allin

I report on the accounts of St David with St Michael & All Angels PCC for the year ended 31 December 2016, 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 2016

	<u>Notes</u>	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Incoming resources</b>					
Voluntary Income	2	183,629	204,671	388,300	192,394
Investment Income	3	6,786	-	6,786	6,846
Income from Church Activities		39,263	-	39,263	21,516
Rent Received		3,042	-	3,042	7,923
Other Income		8,253	-	8,253	1,758
<b>Total incoming resources</b>		<u>240,973</u>	<u>204,671</u>	<u>445,644</u>	<u>230,437</u>
<b>Resources expended</b>					
Cost of Church Activities	4	117,532	423,771	541,303	187,866
Governance Costs		762	-	762	748
<b>Total resources expended</b>		<u>118,294</u>	<u>423,771</u>	<u>542,065</u>	<u>188,614</u>
<b>Net incoming resources for the year</b>		122,679	(219,100)	(96,421)	41,823
<b>Other recognised gains and losses</b>					
Unrealised gains /(loss) on investments		3,344	15,893	19,237	1,307
Realised gains / (loss) on investments		-	7,500	7,500	-
<b>Net movement in funds</b>		<u>126,023</u>	<u>(195,707)</u>	<u>(69,684)</u>	<u>43,130</u>
Funds brought forward		118,730	465,288	584,018	540,888
Transfers between reserves		-	-	-	-
<b>Funds carried forward</b>		<u>244,753</u>	<u>269,581</u>	<u>514,334</u>	<u>584,018</u>

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

## BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets:	7				
44 Wrefords Close			-		212,500
Investments:	8				
St David			47,973		42,692
St Michael			134,442		123,830
PCC			43,908		40,564
			<u>226,323</u>		<u>419,586</u>
<b>Current assets</b>					
Cash at bank:					
St David		253,169		101,869	
St Michael		13,135		43,861	
Wrefords Close		19,474		16,432	
Debtors	9	<u>3,000</u>		<u>3,000</u>	
		<u>288,778</u>		<u>165,162</u>	
<b>Creditors</b>					
Amounts falling due within one year	10	<u>15,750</u>		<u>730</u>	
<b>Net current assets</b>					
			<u>273,028</u>		<u>164,432</u>
<b>Net assets</b>					
	11		<u>499,351</u>		<u>584,018</u>
<b>Funds</b>					
Unrestricted Funds	12		220,823		118,730
Restricted Funds:	13				
St David			149,119		89,778
St Michael			129,409		163,010
Wrefords Close			-		212,500
			<u>499,351</u>		<u>584,018</u>

The financial statements were approved by the PCC on

and signed on their behalf by:

Mrs A Pattinson

Mr D Allin

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

**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.

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 2016

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**

44 Wrefords Close was sold within this financial year and will therefore no longer be revalued.

**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 2016

## 2. Incoming Resources

	Unrestricted Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£
<b>Voluntary Income</b>				
Planned Giving:				
Gift Aided donations	57,538	-	57,538	62,302
Tax recoverable	13,104	-	13,104	15,864
Other planned giving	4,129	-	4,129	-
Collections	8,625	-	8,625	9,700
Planned and Regular Giving	83,396	-	83,396	87,866
Non recurring donations and grants	100,233	204,671	304,904	104,528
<b>Total Voluntary Income</b>	<b>183,629</b>	<b>204,671</b>	<b>388,300</b>	<b>192,394</b>
<b>Investment Income</b>				
Bank Interest and Dividends	6,786	-	6,786	6,846
<b>Total Investment Income</b>	<b>6,786</b>	<b>-</b>	<b>6,786</b>	<b>6,846</b>

## Costs of Church Activities

	Unrestricted Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£
Common Fund contribution	80,983	-	80,983	79,088
Clergy expenses	3,083	-	3,083	1,080
Church utilities	16,543	-	16,543	16,176
Church upkeep	3,173	-	3,173	1,585
Altar supplies and service sheets	2,650	-	2,650	3,153
Music and choir expenses	6,599	-	6,599	9,407
Administration and honoraria	960	-	960	1,154
Admin and publicity	1,530	-	1,530	1,256
Insurance	9,570	-	9,570	7,164
Repairs and cleaning	1,808	-	1,808	8,708
Fundraising and similar costs	254	-	254	925
Missions / Grants	3,991	-	3,991	1,535
Miscellaneous	354	-	354	238
Special Projects Expenditure	-	3,587	3,587	3,138
Transformation Project	-	323,430	323,430	41,732
LPOW RRF	-	93,010	93,010	8,167
YH-12-01996 (Organ)	-	3,744	3,744	3,360
Theft of Collection	1,017	-	1,017	-
	<b>132,515</b>	<b>423,771</b>	<b>556,286</b>	<b>187,866</b>

## 3. Trustees' emoluments and expenses

No emoluments were paid to any PCC member.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

**4. Employee information**

The charity had no paid employee in the year

**Tangible fixed assets – 44 Wrefords Close**

	<b>Freehold Property £</b>
<b>Cost / Revaluation</b>	
At 1 January 2016	212,500
Additions	-
Disposal	212,500
At 31 December 2016	<u>-</u>
<b>Depreciation</b>	
At 1 January 2016	-
Charge for the year	-
At 31 December 2016	<u>-</u>
<b>Net book value</b>	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>212,500</u>

The property sold for £220,000 and had an original cost of £160,000, realising a total profit of £60,000.

**5. Fixed asset investments**

	<b>2016 £</b>	<b>2015 £</b>
Exeter Diocesan Board of Finance	16,617	15,721
COIF Investments	47,973	42,692
Valpy-French Bequest	117,825	108,109
St David's Institute	43,908	40,564
	<u>226,323</u>	<u>207,086</u>

**Investment portfolio**

	<b>2016 £</b>	<b>2015 £</b>
<b>Market valuation</b>		
At 1 January 2016	207,086	216,279
Disposals and additions	-	(8,000)
Realised (loss) / gains	-	-
Unrealised (loss) / gain	19,237	(1,193)
At 31 December 2016	<u>226,323</u>	<u>207,086</u>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

## 6. Debtors

	2016 £	2015 £
Gift Aid	3,000	3,000
	<u>3,000</u>	<u>3,000</u>

## 7. Creditors – amounts falling due within one year

	2016 £	2015 £
Accruals – independent examination Common Fund	767	730
	14,983	-
	<u>15,750</u>	<u>730</u>

## 8. Analysis of net assets between funds

	Tangible fixed assets £	Fixed assets investments £	Net current assets £	Total £
Unrestricted Funds	-	43,908	200,845	244,753
Restricted Funds	-	182,415	87,166	269,581
	<u>-</u>	<u>226,323</u>	<u>288,011</u>	<u>514,334</u>

## 9. General and Designated Funds

	At 1 January 2016	Incoming Resources And Transfers	Outgoings and Transfers £	At 31 December 2016 £
General Fund	85,967	244,317	(133,277)	197,007
Special Projects	25,138	-	-	25,138
Pastoral Fund	1,261	-	-	1,261
Organ Fund	6,364	-	-	6,364
	<u>118,730</u>	<u>244,317</u>	<u>(133,277)</u>	<u>229,770</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

## Restricted Funds

	At 1 January 2016	Incoming resources	Outgoings  £	At 31 December 2016 £
<b>St Michael's Funds</b>				
Investments Fund	123,830	10,612	-	134,442
Church Funds	11,579	-	-	11,579
Organ Fund	(8,947)	8,947	-	-
Shared Interest	2,000	-	-	2,000
Repairs Fund	34,548	39,850	(93,010)	(18,612)
	<hr/> 163,010	<hr/> 59,409	<hr/> (93,010)	<hr/> 129,409
<b>St David's Funds</b>				
Property Fund	212,500	7,500	(220,000)	-
Investments Fund	42,692	5,281	-	47,973
Special Projects	47,086	164,821	(110,761)	101,146
	<hr/> 302,278	<hr/> 177,602	<hr/> (330,761)	<hr/> 149,119
<b>TOTAL RESTRICTED FUNDS</b>	<hr/> <hr/> 465,288	<hr/> <hr/> 237,011	<hr/> <hr/> (423,771)	<hr/> <hr/> 278,528

**ST DAVID****SUMMARY OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>INCOME</b>		<b>2016</b>		<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Gift Aided donations		44,307		49,860
Tax recoverable		13,104		12,664
Other planned giving		4,129		-
Collections		6,497		5,042
Donations		2,367		3,298
Grants		205,000		-
Coffees		975		901
Other fundraising		315		2,929
Book sales/hall letting/magazine		2,060		3,281
Dividends / interest		1,720		1,678
Fees		5,154		4,499
Other income		6,952		1,758
Collections for specific causes		2,998		2,027
Choir/music		-		260
Outreach		698		689
Repairs and restoration		54,764		24,610
Donations to Fabric Fund		-		25,732
Donations to Organ Fund		30		923
Donations to other projects		100		500
Donations to Bellingers		231		-
		<u>351,401</u>		<u>140,651</u>
<b>EXPENSES</b>				
Missions/grants/donations	3,741		1,144	
Youth Group	-		90	
Sundries	49		-	
Projects	3,744		210	
Outreach	600		1,200	
Specific causes	2,987		1,638	
Transformation project	323,430		41,732	
Diocesan quota	60,000		59,000	
Clergy expenses	3,083		1,080	
Church upkeep	3,173		1,585	
Heating and lighting	7,143		10,227	
Water	505		495	
Insurance	6,862		4,998	
Repairs and cleaning	790		4,224	
Salaries and support costs	960		1,154	
Altar supplies and service sheets	846		1,414	
Music and choir expenses	1,430		202	
Training	-		235	
Fundraising costs	31		845	
Governance costs	763		748	
	<u>763</u>		<u>748</u>	
Surplus / (deficit)		<u>420,137</u>		<u>132,221</u>
		(68,736)		8,430
Realised and unrealised gains and losses on investments		15,010		3,883
Net surplus or (deficit)		<u>(53,726)</u>		<u>12,313</u>

**ST MICHAEL & ALL ANGELS**

**SUMMARY OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>INCOME</b>	<b>£</b>	<b>2016</b>	<b>£</b>	<b>2015</b>	<b>£</b>
Bequests		25,000		-	
Gift Aided donations and collections		15,525		20,875	
Tax recoverable		-		3,200	
Grants		38,530		42,715	
Fees		2,812		3,757	
Book sales/hall letting/magazine		2,388		1,734	
Sale of organ		-		1,260	
Fundraising		560		3,154	
Dividends / interest		5,066		5,168	
VAT Refund		1,320		-	
		<u>91,201</u>		<u>81,863</u>	
<b>EXPENSES</b>					
Project	93,010		-		
Organ Project	-		3,360		
Fees to Diocese	250		391		
Diocesan quota	20,983		20,088		
Church utilities	8,895		5,454		
Insurance	2,708		2,166		
Repairs and cleaning	1,018		4,484		
Altar supplies and service sheets	1,804		1,739		
Music and choir expenses	5,169		9,205		
Sundries	71		-		
Admin and publicity	1,530		1,256		
Fundraising costs	223		80		
Flowers	232		-		
Unaccounted for Collections	1,017		-		
			<u>136,910</u>		<u>48,223</u>
Surplus / (deficit)			<u>(45,709)</u>		<u>33,640</u>
Realised and unrealised gains and losses on investments			11,727		(2,576)
Net surplus or (deficit)			<u>(33,982)</u>		<u>31,064</u>