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INDEPENDENT EXAMINER'S REPORT TO THE PCC OF ST MATTHEW'S SURBITON

I report on the accounts of the church for the year ended 31 December 2019 which are set out on pages 2 to 11.

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

Since the gross income for the year exceeds the amount provided in section 145(3) of the Act, I confirm that I am qualified to act as Independent Examiner under the provisions of that section of the Act and that my qualification is as shown below.

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 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.

Mr George Mitchell
51 Langdon Park
Teddington
TW11 9PR

Dated:

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total Fu 2019 £
INCOME				
Voluntary income	2(a)	150,036	299,827	449,863
Activities for generating funds	2(b)	3,132	4,502	7,633
Income from investments	2(c)	19,741	-	19,741
Income from church activities	2(d)	2,178	-	2,178
TOTAL INCOME		<u>£ 175,087</u>	<u>£ 304,329</u>	<u>£ 479,416</u>
EXPENDITURE				
Church Activities	3	140,832	492,197	633,028
TOTAL EXPENDITURE		<u>£ 140,832</u>	<u>£ 492,197</u>	<u>£ 633,028</u>
NET INCOME (EXPENDITURE) BEFORE INVESTMENT GAINS		34,255	(187,868)	(153,612)
NET GAINS ON PROPERTY/INVESTMENTS	4,7,8	262,286	-	262,286
Transfers between Funds	5	(107,559)	107,559	-
NET MOVEMENT IN FUNDS		188,982	(80,308)	108,674
RECONCILIATION OF FUNDS				
TOTAL FUNDS BROUGHT FORWARD		740,737	94,173	834,910
TOTAL FUNDS CARRIED FORWARD		<u>£ 929,719</u>	<u>£ 13,864</u>	<u>£ 943,583</u>

The 2018 numbers have been restated to remove instances of income and expenditure netting. For further details on the impact see note 14.

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unds

2018

£

238,973

7,593

22,898

9,888

£ 279,352

236,235

£ 236,235

43,117

(15,011)

-

28,106

806,804

£ 834,910

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

BALANCE SHEET AT 31 DECEMBER 2019

	<u>Note</u>	<u>2019</u> £	£	<u>2018</u> £	£
FIXED ASSETS	7				
Tangible assets		650,000		400,000	
Investments		<u>-</u>		<u>36,809</u>	
			650,000		436,809
CURRENT ASSETS	8				
Investments		-		79,700	
Debtors & prepayments		19,760		23,556	
Short term deposit		294,567		223,083	
Cash at bank and in hand		<u>19,877</u>		<u>87,781</u>	
		334,205		414,120	
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>40,622</u>		<u>16,020</u>	
NET CURRENT ASSETS			293,583		398,100
TOTAL NET ASSETS	10		<u>£ 943,583</u>		<u>£ 834,910</u>
PARISH FUNDS	11				
Unrestricted			929,719		740,737
Restricted			13,864		94,173
TOTAL PARISH FUNDS			<u>£ 943,583</u>		<u>£ 834,910</u>

Approved by the Parochial Church Council on 17th March 2020 and signed on its behalf by:

H. Hancock (Chair)

T Lucas (Treasurer)

The notes on pages 4 to 11 form part of these accounts.

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Basis of preparation

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' "true and fair view" provisions, together with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS102).

The financial statements have been prepared under the historical cost convention other than investments and property. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

Funds

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund.

Unrestricted funds are general funds which can be used for PCC ordinary purposes.

Income

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due and the amount can be ascertained with reasonable certainty. Interest is accrued and all other income is recognised when it is receivable. All incoming resources are accounted for gross. The value of any voluntary help received is not included in the accounts but is described in the PCCs' annual report.

Expenditure and liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation and settlement is probable and quantifiable. Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when paid or committed by the PCC to be paid in respect of the relevant accounting period. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed Assets

Consecrated and benefice property is excluded from the accounts in accordance with s10(2)(a) of the Charities Act 2011.

Movable church furnishings held by the Rector 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. Inalienable property acquired since 1st January 2001 has been capitalised and depreciated in the accounts over its anticipated useful economic life on a straight line basis.

All expenditure incurred during the year on consecrated or beneficed buildings and any expenditure on movable church furnishings (as defined above) costing less than £1,000 is written off.

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Other land and buildings

Other land and buildings held by the PCC are valued at estimated market value.

No depreciation is charged against such properties but any expenditure on maintenance is written off when incurred.

Other fixtures, fittings and office equipment.

Equipment used within the church, or church office, not falling into the categories mentioned above, and costing more than £1,000 is depreciated on a straight line basis over its anticipated useful economic life.

Investments

Investments are valued at market value.

Current Assets

Amounts owing to the PCC are shown as debtors. A provision is made if any amounts are uncollectable.

Short term deposits include cash held on deposit either in the CBF Church of England fund or at the bank.

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2. INCOME

	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	2019 £	2018 £
2(a) Voluntary income				
Tax efficient planned giving	96,659	1,490	98,149	97,963
Other planned giving	853	-	853	105
Collections	11,927	703	12,630	11,502
Other giving and voluntary receipts	6,418	33,572	39,990	16,668
Tax recoverable	26,323	7,683	34,007	29,652
Legacies	1,000	-	1,000	-
Grants (inc VAT recoverable)	6,856	256,379	263,234	83,083
	<u>150,036</u>	<u>299,827</u>	<u>449,863</u>	<u>238,973</u>
2(b) Activities for generating funds				
Fundraising events	142	4,502	4,643	7,213
Church lettings	2,990	-	2,990	380
	<u>3,132</u>	<u>4,502</u>	<u>7,633</u>	<u>7,593</u>
2(c) Income from investments				
Dividends and interest	3,971	-	3,971	5,360
Ellerton Road rent	15,770	-	15,770	17,538
	<u>19,741</u>	<u>-</u>	<u>19,741</u>	<u>22,898</u>
2(d) Income from church activities				
Wedding and funeral fees	1,383	-	1,383	1,083
Church events	795	-	795	8,805
	<u>2,178</u>	<u>-</u>	<u>2,178</u>	<u>9,888</u>
TOTAL	<u>£ 175,087</u>	<u>£ 304,329</u>	<u>£ 479,416</u>	<u>£ 279,352</u>

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3. EXPENDITURE

	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	2019 £	2018 £
Church Activities				
Mission & Charitable Giving	14,002	4,165	18,167	15,838
Major works and repairs	7,931	455,741	463,672	12,302
Diocesan parish share	47,800	-	47,800	97,500
Music	30,749	630	31,379	10,377
Professional fees	1,374	24,523	25,896	44,183
Church maintenance	2,420	1,265	3,685	8,984
Church insurance	10,286	1,779	12,065	10,008
Gas, electricity and water	7,783	-	7,783	6,076
Administration	6,599	637	7,236	5,945
Other	3,029	3,359	6,388	17,973
Ellerton road costs	5,704	-	5,704	3,599
Mission & ministry	3,155	98	3,253	3,450
TOTAL	<u>£ 140,832</u>	<u>£ 492,197</u>	<u>£ 633,028</u>	<u>£ 236,235</u>

4. NET GAINS ON PROPERTY/INVESTMENTS (UNRESTRICTED)

Revaluation of 172 Ellerton Road (see note 7)	250,000	-
Realised Profit on Sale of BP Shares (see note 7)	3,787	-
Realised Profit on Sale of Fund Holdings (see note 8)	8,499	-
Unrealised Losses on Fund Holdings/BP Shares	-	15,011
TOTAL	<u>£ 262,286</u>	<u>-£ 15,011</u>

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5 ANALYSIS OF TRANSFERS BETWEEN FUNDS

	General Fund	Sitzler Fund	Spend a Penny Fund	Tower & Spire Fund	Total
Fund Transfers	<u>-£ 27,000</u>	<u>-£ 80,559</u>	<u>-£ 27,342</u>	<u>£ 134,901</u>	<u>£ -</u>

As anticipated, the money raised for the Tower and Spire renovation project has been insufficient to cover the costs of the work. Consequently, the PCC authorised the use of all of the Sitzler reserves and some of the General Fund reserves to cover the deficit. The Spend a Penny funds were raised to fund the part of the project that involved renewing the church toilets. As the Tower & Spire fund picked up this cost, the Spend a Penny reserves have been transferred accordingly.

In addition, £1,500 was transferred from the Young Peoples Fund to the Youth Fund. This was to correct a misallocation in the 2018 accounts.

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

6 STAFF COSTS

	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	2019 £	2018 £
Salaries	5,232	-	5,232	4,063
Employers National Insurance	-	-	-	-
Pension Costs	-	-	-	-
	<u>£ 5,232</u>	<u>£ -</u>	<u>£ 5,232</u>	<u>£ 4,063</u>

The average number of staff employed during the year was 1 (2018: 1).

Payments to PCC members and associates

Simon Hancock is paid for the services rendered as Director of Music. He is the husband of the PCC Chair. He was paid £3,000 in 2019 (£3,000 in 2018).

7 FIXED ASSETS

		Freehold Land & Buildings
Tangible (unrestricted)		
VALUATION	At 1 January 2019	400,000
	Revaluation	-
		250,000
	At 31 December 2019	<u>£ 650,000</u>

The freehold land and buildings comprises the house and land at 172 Ellerton Road.

Investments (unrestricted)

VALUATION	At 1 January 2019	36,809
	Disposals	(40,596)
	Gains	3,787
	At 31 December 2019	<u>£ -</u>

During the year, the BP Shares were sold for £40,596, generating a profit of £3,787.

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

8 CURRENT ASSETS

8a Investments (Unrestricted)

VALUATION	At 1 January 2019	79,700
	Disposals	(88,199)
	Gains on Disposal	8,499
	At 31 December 2019	<u>£ -</u>

All holdings in investment funds were sold during the year, generating a profit of £8,499.

8b Debtors (Unrestricted)

	<u>2019</u>	<u>2018</u>
Tax recoverable	7,472	8,245
Prepayments and accrued interest	3,671	12,334
Other debtors	8,617	2,977
	<u>£ 19,760</u>	<u>£ 23,556</u>

The debtor split between funds is as follows

	<u>2019</u>	<u>2018</u>
Unrestricted	11,533	8,743
Restricted	8,227	14,813
	<u>£ 19,760</u>	<u>£ 23,556</u>

9 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2019</u>	<u>2018</u>
Deposits in advance	600	-
Accruals	670	7
Other creditors	39,352	16,013
	<u>£ 40,622</u>	<u>£ 16,020</u>

The creditor split between funds is as follows

	<u>2019</u>	<u>2018</u>
Unrestricted	9,447	15,947
Restricted	31,175	73
	<u>£ 40,622</u>	<u>£ 16,020</u>

10 ANALYSIS OF NET ASSETS BY FUND

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Fixed assets	650,000	-	650,000
Current assets	289,166	45,039	334,205
Current liabilities	(9,447)	(31,175)	(40,622)
Fund balance	<u>£ 929,719</u>	<u>£ 13,864</u>	<u>£ 943,583</u>

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

11 FUND DETAILS

	Balance b/fwd at <u>1 Jan 2019</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Investment Gains/ Revaluation</u>	Transfer to/from <u>Funds</u> £
Unrestricted Funds:					
General	255,293	173,904	140,832	4,604	(27,000)
Sitzler	71,694	1,184	-	7,681	(80,559)
Legacy	13,750	-	-		-
Property	400,000			250,000	
Total	<u>£ 740,737</u>	<u>£ 175,087</u>	<u>£ 140,832</u>	<u>£ 262,286</u>	<u>-£ 107,559</u>
Restricted Funds:					
Tower & Spire	80,459	269,616	483,009		134,901
Spend a Penny	-	29,842	2,500		(27,342)
Choir	600	30	630		-
Organ	-	2,545	-		-
Heat & Light	3,000	-	3,000		-
Special Offerings	-	1,696	1,695		-
Young Peoples	2,263	-	763		(1,500)
Youth Mission	-	-	-		1,500
Development	7,851	-	-		-
Fuel	-	600	600		-
Total	<u>£ 94,173</u>	<u>£ 304,329</u>	<u>£ 492,197</u>	<u>£ -</u>	<u>£ 107,559</u>
Funds Total	<u>£ 834,910</u>	<u>£ 479,416</u>	<u>£ 633,028</u>	<u>£ 262,286</u>	<u>£ -</u>

Fund Particulars

Sitzler & legacy - monies given by way of legacies. These were erroneously classified as restricted in 2018.

Property - the fund holding 172 Ellerton Road. This was erroneously classified as restricted in 2018.

Tower & Spire & Spend a Penny - monies for the Tower & Spire project, including the new toilets

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Special Offerings - monies collected for mission and charities

Youth Mission - monies donated to support mision amongst the youth of the parish - approved by the PCC on 1

Development - monies collected for internal church redevelopments

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Balance
c/fwd at
31 Dec 2019
£

265,969

-

13,750

650,000

£ 929,719

1,968

-

-

2,545

-

1

-

1,500

7,851

-

£ 13,864

£ 943,583

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

12 CHARITABLE DONATIONS	2019	2018
KCAH	2,235	1,627
African Vision Malawi	2,200	642
Church Mission Society	2,134	2,057
Church Urban Fund	2,134	1,371
Joel Trust	1,737	1,696
Church Pastoral Aid Society	1,423	2,056
Oxygen	1,423	1,431
Street Pastors Kingston	1,422	1,371
Fircroft Trust	1,422	1,371
Christmas Lunch on Jesus	500	-
Toilet Twinning	300	-
Embrace the Middle East	251	-
Bishop's Appeal	250	-
Kingston Community Refugee Sponsorship	100	878
Tearfund	38	-
Madurai Church	-	250
Kingston Foodbank	-	561
Salvation Army	-	100
Archbishop's Fund	-	202
To be allocated	823	-
2018 Mission Creditor misstated	- 225	225
	<u>£ 18,167</u>	<u>£ 15,838</u>

The Church supports these and other causes through both restricted and unrestricted giving.

13 CAPITAL COMMITMENTS

The PCC is committed to paying around £90k more for the Tower & Spire project.

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PAROCHIAL CHURCH COUNCIL OF ST MATTHEW'S SURBITON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

14 2018 SOFA ADJUSTMENTS

Total Income per 2018 Accounts 242,364

Grossing up Adjustments

Rental Income	3,599	
Tower & Spire Income (inc VAT reclaims)	23,459	
Awayday Income	7,649	
General Fund VAT reclaims	<u>2,279</u>	
		36,988

Per 2019 Comparatives £ 279,352

Total Expenditure per 2018 Accounts 170,296

Grossing up Adjustments

Rental Income	3,599	
Tower & Spire Income (inc VAT reclaims)	52,412	
Awayday Income	7,649	
General Fund VAT reclaims	<u>2,279</u>	
		65,939

Per 2019 Comparatives £ 236,235

Transfers between Funds per 2018 Accounts - 28,952

Reallocation Adjustment 28,952

Per 2019 Comparatives £ -