

# **Independent examiner's report to the members/trustees of St Mary Magdalene Church, Yarm, PCC.**

I report on the accounts for the year ended 31 December 2020, which are set out on pages 1 and 2.

## **Respective responsibilities of the Trustees and the Independent Examiner**

The charity'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

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

## **Basis of Independent Examiner's Statement**

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 the management committee 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 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 s.130 of the 2011 Act; or
  - to prepare accounts which accord with these accounting records 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 Philip Atkinson

30 Nursery Gardens, Yarm

March 2021

# Parochial Church Council of St Mary Magdalene, Yarm

## Statement of Financial Activities

For the year ending 31 December 2020

	Note	General Fund		Restoration	TOTAL	TOTAL
		Unrestricted Funds £	Restricted Funds £	Restricted Funds £	2020 £	2019 £
<b>INCOMING RESOURCES</b>						
Voluntary Income	2(a)	68,921.37	2,912.97		71,834.34	82,011.02
Activities for generating funds	2(b)	3,850.63			3,850.63	8,005.05
Income from Investments	2(c)	57.49		135.02	192.51	338.71
Income from Church activities	2(d)	3,676.09			3,676.09	6,795.54
Other income	2(e)				0.00	0.00
<b>TOTAL INCOMING RESOURCES</b>		<b>76,505.58</b>	<b>2,912.97</b>	<b>135.02</b>	<b>79,553.57</b>	<b>97,150.32</b>
<b>RESOURCES EXPENDED</b>						
Church Activities	3(a)					
Ministry		64,012.09			64,012.09	64,205.82
Church		8,517.08			8,517.08	9,820.21
Upkeep of services		5,572.89			5,572.89	5,802.91
Other ordinary expenditure		2,617.73	2,912.97		5,530.70	13,441.71
Extraordinary expenditure		840.23			840.23	2,453.66
Restoration				3,567.00	3,567.00	216.09
Fund Raising Costs	3(b)	1,335.16			1,335.16	2,298.41
<b>TOTAL RESOURCES EXPENDED</b>		<b>82,895.18</b>	<b>2,912.97</b>	<b>3,567.00</b>	<b>89,375.15</b>	<b>98,238.81</b>
<b>NET INCOMING RESOURCES &amp; MOVEMENT OF FUNDS</b>		<b>-6,389.60</b>	<b>0.00</b>	<b>-3,431.98</b>	<b>-9,821.58</b>	<b>-1,088.49</b>
BALANCES B/FWD 1 JANUARY		26,555.97	0.00	32,956.23	59,512.20	60,600.69
BALANCES C/FWD 31 DECEMBER		20,166.37	0.00	29,524.25	49,690.62	59,512.20

# Parochial Church Council of St Mary Magdalene, Yarm

## Balance Sheet at 31 December 2020

	Notes	General Fund		Restoration	TOTAL	TOTAL
		Unrestricted Funds	Restricted Funds	Restricted Funds	2020 £	2019 £
FIXED ASSETS		NIL	NIL	NIL	NIL	NIL
CURRENT ASSETS						
Debtors	6	£246.48			£246.48	£616.35
Short term deposits		£4,470.09		£28,059.53	£32,529.62	£45,455.33
Fixed term deposits					£0.00	£0.00
Cash at Bank		£16,838.05	£296.21	£1,464.72	£18,598.98	£16,886.90
		<u>£21,554.62</u>	<u>£296.21</u>	<u>£29,524.25</u>	<u>£51,375.08</u>	<u>£62,958.58</u>
LIABILITIES						
Creditors - amounts falling due in one year	7	£1,388.25	£296.21		£1,684.46	£3,446.38
NET CURRENT ASSETS less LIABILITIES		<u>£20,166.37</u>	<u>£0.00</u>	<u>£29,524.25</u>	<u>£49,690.62</u>	<u>£59,512.20</u>
PARISH FUNDS						
Unrestricted		£20,166.37			£20,166.37	£26,555.97
Restricted			£0.00	£29,524.25	£29,524.25	£32,956.23
Totals		£20,166.37		£29,524.25	£49,690.62	£59,512.20

Approved by the Parochial Church Council on 8 March 2020 and signed on its behalf by

J C Rhodes (PCC Chairman)

# Notes to the Financial Statements

## For the Year ended 31 December 2020

### 1. ACCOUNTING POLICIES

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

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

*Endowment funds* are funds, the capital of which must be retained either permanently or at the PCC's discretion; the income derived from the endowment is to be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established in the first place. There are currently no such funds under the control of the PCC.

*Restricted funds* comprise (a) income from endowments which is to be expended only on the restricted purposes intended by the donor, and (b) revenue donations or grants for a specific PCC activity intended by the donor. Where these funds have unspent balances, interest on their pooled investment is apportioned to the individual funds on an average balance basis. The Restoration Fund is a restricted fund, and donations to Mission or other Charity are also treated as restricted, when they result from a specific donation or collection.

*Unrestricted funds* are income funds which are to be spent on the PCC's general purposes.

#### Incoming resources

Planned giving, collections and similar donations are recognised when received. Tax refunds are recognised when received and are reclaimed for the accounting year and not the tax year. Tax refunds due for the period January to December 2020 are identified in the notes to the accounts, but are not included in the figures. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Dividends are accounted for when receivable, interest is accrued. All other income is recognized when it is receivable. All incoming resources are accounted for gross.

#### Resources expended

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 freewill offer is accounted for when due. Amounts received specifically for mission or charity are dealt with as restricted funds. All other expenditure is generally recognized when it is incurred and is accounted for gross.

#### Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with s.10(2)(a) and (c) 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 inalienable property, listed in the church's inventory, which can be inspected (at any reasonable time). For anything acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the financial statements. Subsequently no individual item has cost more than £2,000 and all such expenditure has been written off when incurred.

Individual items of equipment are written off when the asset is acquired.

*Investments* are valued at market value at 31 December.

# 2020 GENERAL FUND

2. INCOMING RESOURCES	Unrestricted Funds	Restricted Funds	TOTAL FUNDS 2020	TOTAL FUNDS 2019
<b>2(a) Voluntary Income</b>				
<b>Planned Giving</b>				
Gift Aided - Direct Payments inc PGS	39244.00		39244.00	37456.00
- Green Envelopes	6036.90		6036.90	6177.50
Not Gift Aided - Direct Payments	1840.00		1840.00	2540.00
- Green Envelopes	1968.00		1968.00	3844.80
		49088.90		
<b>Other</b>				
Gift Aided - Yellow Envelopes (one off)	1392.65		1392.65	5150.24
Tax Reclaim on Gift Aid (2019) and PGS (2020)	15580.07		15580.07	13482.13
Cash Collections	1838.75		1838.75	3841.56
Special Collections & Donations (inc COVID)	791.00	2912.97	3703.97	6215.04
Donation from fees	230.00		230.00	290.00
Legacy			0.00	1500.00
		19832.47		
<b>2(b) Activities for generating funds</b>				
Coffee Donations	352.08		352.08	1355.48
Raffle (2019 - Functions)	922.60		922.60	82.00
Magazine Income	1662.00		1662.00	1467.40
Income from Flowers - weddings and memorium	60.00		60.00	553.00
Votive candles	20.00		20.00	256.37
Miscellaneous Income	77.50		77.50	74.85
Craft Guild - activities	491.45		491.45	141.73
Craft Guild - for Hall Hire	150.00		150.00	160.00
Beetle Drive (2019 - Summer Fete)	115.00		115.00	1372.53
Christmas Fayre	0.00		0.00	2541.69
		3850.63		
<b>2(c) Income from Investments</b>				
Interest on Deposit Account	53.56		53.56	124.34
Interest on Darlington Building Society	3.21		3.21	3.20
Interest on Gift Aid Account	0.72		0.72	1.02
		57.49		
<b>2(d) Income from Church activities</b>				
Fees	3027.00		3027.00	5699.00
Kirklevington & Worsall contribution to Rector expenses	459.62		459.62	810.26
- Rectory Water Rate	103.28		103.28	200.12
- Redemptorist	86.19		86.19	86.16
		3676.09		
<b>TOTAL INCOMING RESOURCES</b>	<u>76505.58</u>	<u>2912.97</u>	<u>79418.55</u>	<u>95426.42</u>
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3. RESOURCES EXPENDED	Unrestricted Funds	Restricted Funds	TOTAL FUNDS 2020	TOTAL FUNDS 2019
<b>3(a) Church Activities</b>				
<b>Ministry - Rector</b>				
Parish Freewill Offer for Diocesan Ministry	61800.00		61800.00	60000.00
Expenses (inc vacancy costs 86.17)	1669.79		1669.79	3241.43
Water Rate	479.30		479.30	800.48
<b>-Mission</b>				
Gold costs (2019 - expenses - curate)	63.00		63.00	163.91
		64012.09		
<b>Church</b>				
Gas	2037.85		2037.85	2394.45
Electricity	958.25		958.25	1219.35
Insurance	3164.09		3164.09	3079.11
Water Rate	97.35		97.35	106.50
Cleaning	1064.00		1064.00	1747.20
Organ & Piano Tuning & Maintenance	0.00		0.00	444.00
Boiler Maintenance	235.00		235.00	150.00
Electrical & lightening Protection Testing	237.98		237.98	77.50
Roof works	520.00		520.00	279.00
Minor Maintenance	202.56		202.56	323.10
		8517.08		
<b>Upkeep of Services</b>				
Candles	223.81		223.81	533.70
Wine & Bread	77.85		77.85	221.65
Miscellaneous	366.47		366.47	362.96
Pew Sheets (Redemptorist)	344.76		344.76	344.64
Organist	3000.00		3000.00	3000.00
Organist Tuition	1560.00		1560.00	1290.00
Churchyard Upkeep	0.00		0.00	49.96
		5572.89		
<b>Other Expenditure</b>				
Young people ( Messy Church trial)	51.00		51.00	136.01
Hire of Hall	333.35		333.35	800.04
Baptism & Marriage Books	40.56		40.56	77.90
Deanery Precept	120.00		120.00	120.00
Performing Licence & RSCM membership	107.00		107.00	383.73
Printing	374.63		374.63	607.40
Gift Aid Envelopes	104.50		104.50	240.98
Miscellaneous	186.69		186.69	302.76
Charities (see Note 9)	1300.00	2912.97	4212.97	10772.89
		2617.73		
<b>Extraordinary Expenditure</b>				
COVID Supplies (2019 - Entrance Carpet)	557.18		557.18	1091.00
Easter booklet & letters (2019 - Microphone)	41.25		41.25	628.80
Present for Archbishop (2019 - Guillotine & stapler)	50.00		50.00	63.06
Floor repairs	0.00		0.00	333.30
Rector retirement (2019 - Architect Fee)	191.80		191.80	337.50
		840.23		
<b>3(b) Fund Raising Costs</b>				
Functions	70.00		70.00	0.00
Magazine Printing	1175.69		1175.69	1356.19
Cost of flowers	67.00		67.00	532.98
Cost of coffee & biscuits	22.47		22.47	369.24
			0.00	40.00
		1335.16		
<b>TOTAL RESOURCES EXPENDED</b>	<b>82895.18</b>	<b>2912.97</b>	<b>85808.15</b>	<b>98022.72</b>

# 2020 RESTORATION FUND

2.	<b>INCOMING RESOURCES</b>	Restricted Funds	TOTAL FUNDS 2020	TOTAL FUNDS 2019
2(a)	<b>Voluntary Income</b>			
	Donations			
	Grant from Lottery Heritage Fund			
	VAT Refund - LPW Grant Scheme			1513.75
	Other Grants - Diocese for Reordering			
	Tax Rebate			
	Legacy			
		0.00	0.00	
2(b)	<b>Activities for generating funds</b>			
	Craft Guild Sales			
	Miscellaneous events			
		0.00	0.00	
2(c)	<b>Income from investments</b>			
	Interest on deposit account - CBF	17.52		30.78
	Interest on Virgin Money	117.50		179.37
		135.02	135.02	
2(e)	<b>Other Income</b>			
		0.00	0.00	
	<b>TOTAL</b>	<u>135.02</u> =====	<u>135.02</u> =====	<u>1723.90</u> =====
<b>3.</b>	<b>RESOURCES EXPENDED</b>			
3(a)	<b>Church Activities</b>			
	<b>Restoration</b>			
	Fee - Architect	827.00		
	Internal Reordering			
	- decoration			
	- lighting			
	- floor repairs	2740.00		216.09
		3567.00	3567.00	
	<b>Other Expenditure</b>			
		0.00	0.00	
3(b)	<b>Fund Raising Costs</b>			
		0.00	0.00	
	<b>TOTAL RESOURCES EXPENDED</b>	<u>3567.00</u> =====	<u>3567.00</u> =====	<u>216.09</u> =====

4.	(a) <b>STAFF COSTS</b>		2020	2019
	Invoiced payments for Organist for normal services		3,000.00	3,000.00

During the year the PCC contracted in an organist, who is self employed, and as such does not attract social security costs.

(b) **PAYMENTS TO PCC MEMBERS**

A small immaterial portion of the expenses paid to the incumbent may have related to his services as chairman of the PCC. No expenses were paid to any other PCC member, persons closely connected to them or related parties.

5. **FIXED ASSETS**

The PCC has no assets as defined in the Accounting Policies above (1)

6.	<b>DEBTORS</b>	Unrestricted Fund	Restricted Fund	TOTAL 2020	TOTAL 2019
	Other Debtors	246.48		246.48	616.35

In addition there is outstanding Tax recoverable, related to the period January to December 2020, which will be recovered during 2021. The estimated amount is £12,745.94, and will be accounted for in 2021 accounts. This includes reclaim for tax on small donations, which will provide an estimated £1,355.92 of income.

7. **CREDITORS**

Accruals for utility and other costs	1,388.25	296.21	1,684.46	3,446.38
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8. **GENERAL NOTES**

8.1 Net movement of general funds in the year was -£6,389.60

8.2 Balances brought forward include historical legacies as follows:

General Account: legacies from 2009	£18,000.00
legacy in 2012	£5,000.00
legacy in 2013	£500.00
legacies in 2019	£1,500.00
Restoration Account: legacy in 2011	£116,326.33

8.3 Assigned Fees. A sum of £3,432.00 (£4,675.00 in 2019) has been paid to the Diocese, being the Statutory Fees charged for the services of clergy to officiate at weddings, funerals and the like.

8.4 Purchase of items for sale (eg. Cards, tea towels, pens etc) are written off in the year of payment.

8.5 Value of normal stock is less than £500.00. Stock is not controlled or accounted for.



9. Charity Donations - 2020

The following donations were made to Charity:

	Overseas Missions & Christian Relief Agencies	Home Missions & Church Societies	Secular Charities	TOTALS
<b>Church Sponsored Activities</b>				
All from Restricted Income except items 9.6 and 9.7.				
9.1. Neo Angels - lent activities			600.00	
9.2. Little Sprouts - lent & Christmas Card			469.61	
9.3. False Bay, South Africa	835.00			
9.4. Childrens Society - Christingle service		305.00		
9.5. NE Helplink - Harvest			500.00	
9.6. Homestart PLAY scheme (Q1 only)			1,250.00	
9.7. York Historic Churches		50.00		
<b>TOTAL</b>	<b>835.00</b>	<b>355.00</b>	<b>2,819.61</b>	<b>4,009.61</b>
<b>Restricted Donations at Funerals</b>				
9.8. Dogs Trust			176.76	
9.9. Cancer Research			26.60	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>203.36</b>	<b>203.36</b>
<b>TOTALS</b>	<b>835.00</b>	<b>355.00</b>	<b>3,022.97</b>	<b>4,212.97</b>
Additionally the following donations were made outside of the accounts, but resulting from efforts from members of the congregation:				
9.10 Christian Aid	500.00			500.00
<b>GRAND TOTAL</b>				<b>4,712.97</b>