

**Financial Report and Accounts of the Parochial Church Council of St James the Great, Norton, Sheffield.
Year Ending 31 December 2019**



2019 Financial Report and Accounts for the Parochial Church Council of St James the Great, Norton, Sheffield

Independent Examiner's Report to the PCC of St James the Great, Norton, Sheffield

This report on the financial statements of the PCC for the year ended 31 December 2019 is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ('the regulations') and section 43 of the Charities Act 1993 ('the Act').

Respective responsibilities of the PCC and Examiner

As members of the PCC you are responsible for the preparation of the financial statements; you consider that the audit requirement of the Regulations and section 43 (2) of the act do apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

Basis of this Report

My examination was carried out in accordance with the General Directions given by the Charity Commission under 43 (7) (9b) of the Act and to be found in *PCC Accountability – the PCC Accountability - The Charities Act 2011* 5th Edition, 2015.

The examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items of disclosures in the financial statements and seeking explanation 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 41 of the Act; and
 - to prepare financial statements, which accord with accounting records and comply with the requirements of the Act and regulations;
- 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 be reached.

Signed

Date:

Paul Williams
337 Doncaster Road
Rotherham
S65 2UE

Introduction

The system for managing the church accounts has continued in a similar way to that initiated in 2018. The roles have been shared among willing members of the Finance Committee, PCC and volunteers. All personnel with a specific area of responsibility involving financial transactions have contributed to this report. They have given freely of their time and skills. The PCC expresses its gratitude to the following members for their work in managing and undertaking the following duties:

Hilary Ward and Helen Walker	PCC general accounts
Graham Cheetham	Fabric & Choir Funds
Chris Walker	Heritage Fund
Anne and Roy Phipps	Chantry Centre & Charities
Sharron Balloch, John Child, Annette Hale	Collections & banking
Annette Hale	Gift Aid HMRC tax recovery
Paul Williams	Independent Examiner

It takes many hours to maintain accounts throughout the financial year as well as producing a summative record for the Annual Parish Meeting. Being treasurer is a huge task for one person and in current times, a post almost impossible to fill.

PCC accounts and overview

The format for the accounts has been based on examples of ways of reporting accounts found in *PCC Accountability – the PCC Accountability - The Charities Act 2011* 5th Edition, 2015.

The summative statement for the balance sheet uses the same headings as in 2018, namely Unrestricted Funds (PCC Account), Restricted Funds (not limited to the Fabric Fund but includes all Charitable Restricted Funds), Designated Funds, Endowment Funds and Totals.

We have tried to present the whole picture of the church's expenditure and assets. The accounts for 2019 once more show that the church is asset rich, but not as rich in terms of funds available for general PCC work. Monthly giving is down and congregations have not yet noticeably increased. There is a need to consider reviewing giving that supports the ministry of the church; St James' is very fortunate in being asset rich in historical financial inheritances. The PCC and church members are grateful for the services each Priest in the S8 Mission Partnership has brought to St James' since September following the retirement of Revd. Geoffrey White. The Finance and Fabric Committees also wish to record their thanks to Chun Tsang, Director of Finance for the Sheffield Diocese, for his advice as the review and restructuring of the complex charities belonging to St James' the Great, Norton, continued into another year.

St James' PCC Monthly Accounts 2019

CODE	MONTHLY INCOME/EXPENDITURE	Totals
	INCOME/RECEIPTS	
	Voluntary Income/receipts	
1	Planned Giving via Bank - Gift Aided	14,465.00
2	Planned Giving via Envelope - Gift Aided	7,091.64
3	One-off Gift Aided collection contributions/donations	3,192.40
	Sub-total - Tax Efficient Planned Giving	24,749.04
4	Gift Aid recovered from HMRC	8,008.26
5	Planned Giving via Bank - Non-Gift Aided	1,035.00
6	Planned Giving via Envelope - Non-Gift Aided	1,824.63
	Sub-total - Other Planned Giving	10,867.89
	Un-planned giving	
7	Loose/open plate Collections at Services (including weddings, baptisms, etc.)	2,410.63
8	All other giving and voluntary receipts, including special appeals	1,959.01
9	Legacies received (for main PCC fund)	278.00
10	Grants (recurring and one off) for main PCC fund	0.00
	Sub-total - Un-planned giving	4,647.64
	Total - ALL Voluntary giving Income	40,264.57
	Activities for generating funds	
11	Income from fund raising activities (gross)	2,019.90
12	Dividends from investments/property income	0.00
13	Fees from weddings and funerals (gross)	7,483.00
14	Income from lettings of church	790.00
15	Collections/fund raising for third party charities	441.19
16	Income from magazine advertising	3,606.00
17	Any other (miscellaneous) income or receipts	3,925.70
	Sub-Total Activities for Generating Funds	18,265.79
	INCOME TOTALS	58,530.36

EXPENDITURE/PAYMENTS**Costs of generating income and of fund raising**

20	Fund raising expenses	0.00
21	Insight printing costs	4,320.00
22	Other income generating costs (e.g. printing collection and gift aid envelopes)	0.00
	Sub-Total - Costs of generating funds	4,320.00

Church Activities

23	Mission giving/donations to charities from PCC funds (excluding dedicated collections)	300.00
24	Collections/fund raising for third party charities passed on to such charities (net of any associated fund raising costs)	373.89
25	Diocesan Common Fund contributions	27,500.00
26	Salaries wages or honoraria (e.g. organist/choir)	4,883.00
27	Clergy and staff expenses	221.52
28	Fees for weddings and funerals passed on to Diocese	2,663.00
	Sub-Total - Cost of church activities	35,941.41

Church expenses/running costs

29	Mission & evangelism costs (including mission partnership expenses, refreshments, etc.)	2,051.09
30	Church service running costs (e.g. candles, wafers, communion wine)	656.58
31	Church running costs - Electricity	911.55
32	Church running costs - Gas	3,140.56
33	Church running costs - Water	369.24
34	Church running costs - Telephone/internet	468.12
35	Church running costs - Repairs	1,377.06
36	Church running costs - Insurance	4,126.17
37	Church running costs - Administration	3,927.26
38	Church running costs- General (including cleaning)	1,776.56
39	Rectory water rates	324.00
	Sub-Total - Church expenses/running costs	19,128.19

EXPENDITURE TOTAL **59,389.60**

BALANCE (INCOME-EXPENDITURE) **-859.24**

Liabilities **-534.31**

Assets **1,736.21**

Final (INCOME-EXPENDITURE) **342.66**

Closing Bank balance -Yorkshire **24,496.01**

Closing Bank balance - Kingdom **20,000.00**

PCC Account

The PCC general fund has managed a small surplus this year but has paid the Diocesan Common fund in full this year.

The decline in planned giving is having an impact on our accounts as we also claim gift aid on this. 2020 will continue to be a challenge for us to meet our overheads.

We are looking at ways to maximise our income with Church lettings and fundraising as we have worked hard and continued to do so to reduce our overheads.

Banks

A review of Yorkshire and Virgin bank accounts was made to maintain protection from the Finance Service Compensation Scheme (FSCS) of £85,000. A deposit of £20,000 has been made with the Kingdom Bank.

Balance Sheet	2019	2019	2019	2019	2019
	Unrestricted Funds (PCC Account)	Restricted Funds (Fabric Fund & Outreach)	Designated Funds (Chantrey Centre)	Endowment Funds (Charities)	Total
ASSETS					
Cash at Bank					
Yorkshire Bank (PCC Main)	24,496				24,496
Yorkshire Bank (Fabric Fund)		6,886			6,886
Kingdom deposit account	20,000				20,000
TSB (Fabric Fund)		0			0
Virgin Money (Fabric Fund)		26,286			26,286
Barclays (Chantrey Centre)			51,811		51,811
Cambridge Counties 1yr bond			20,667		20,667
Yorkshire Bank (Choir Fund)		785			785
Charities					
F&C Shares		243,840			243,840
J D Cook (Closed December 2019)		0			0
Greenhill School		13,587			13,587
Stevens Memorial CCLA Fund				232,925	232,925
S Wingfield CCLA		49,350			49,350
Norton Wingfield cash		31,405			31,405
Norton Needy		0			0
Special Appeals					
Virgin Money -Heritage (Legacy)		7,922			7,922
TOTAL ASSETS	44,496	380,061	72,478	232,925	729,960
Liabilities	1,201*	0	0	0	1,201
Assets less liabilities	45,697	380,061	72,478	232,925	731,161

*The positive liability is as a result of Gift Aid claimed within the year but not credited to the PCC Bank Account until January 2020, and also fees outstanding but not received until January 2020. These are shown as a positive liability in accordance with the green book "Diocese Book of PCC Accountability"

Summary of Income and expenditure for all PCC accounts

	2019 PCC Main	2019 Restricted	2019 Designated	2019 Endowments	2019 Total	2018 Total
Income						
Yorkshire Bank (PCC main)	58,530.36					
Kingdom Bank	0					
All Fabric income-(Virgin, TSB, JD Cook)		16,747				
Heritage at Virgin Bank		32.04				
S Wingfield CCLA		1,481.48				
Norton Wingfield Cash @ NatWest		0				
Choir at Yorkshire Bank		0				
Greenhill School CCLA		103.05				
G Stevens CCLA				0.00		
Chantrey Centre Rents and Bank interest			20,711.36			
Legacies	0.00	0.00	0.00	0.00		
Total Income	58,530.36	18,363.57	20,711.36	0.00	97,605.29	140,571.74
Expenditure						
PCC	59,389.60					
Fabric		27,086				
S Wingfield CCLA		0				
Norton Wingfield Cash @ NatWest		0				
Heritage		1,610.20				
Choir		50.00				
G Stevens				0.00		
Chantrey Centre			7,249.95			
Total Expenditure	59,389.60	28,746.20	7,249.95	0.00	95,385.75	109,194.28

Summary of Fabric & Works Receipts and Payments 2019

	Note	Total
RECEIPTS (INCOME)		
Fund raising (Farmers' Markets)		1,269
Dividends and bank interest		4,303
JD Cook charity – contribution to Narthex floor renovation		477
Organ Refurbishment – grant from Pilling Trust	1	6,500
Organ Refurbishment – proceeds from organ recital	1	431
Organ Refurbishment VAT refund (Listed Places of Worship Grant Scheme)	1	3,767
Receipts (Income) Total		16,747
PAYMENTS (EXPENDITURE)		
Farmers' Market expenses		130
Narthex floor re-clean and seal		1,116
Roof alarm system upgrade		732
New electrical installations and repairs		975
Upgrade of church sound equipment		535
Mechanical repairs to church tower clock		770
Architect's Fees		1,422
Organ Refurbishment	1	16,716
Clergy contact amendments to notice boards		120
Re-setting of path stones and north aisle coping stones		120
Stained glass window survey and report		269
Indemnity fee and related expenses (F&C share certificates)	2	2,476
Major Tree pruning work		1,320
Miscellaneous expenses - paint, hardware, stationery, etc		385
Payments (Expenditure) Total		27,086
Balance (Receipts less Payments)		-10,339
Total Closing Bank Balances (31 December 2019)	3	33,172
Total Closing Bank Balances (31 December 2018)	4	116,857
Value of F&C Investment Funds at 31 December 2019		243,840

Notes:

1. There is a more detailed breakdown of income and expenditure in relation to the organ refurbishment in a dedicated account spreadsheet for the organ appeal fund. For administrative convenience, the appeal fund has been managed as a sub-set of the Fabric Fund.

2. These expenses arose from the process of transferring the F&C shares from a private individual to the DBF who will hold them on behalf of the PCC. They include an indemnity insurance to cover any future claim in relation to missing share certificates.

3. The PCC agreed to transfer £73,345.78 from Fabric Fund bank accounts to the Geoffrey Stevens Memorial Trust to correct a mistaken allocation of funds previously received from the Abraham Elliot Trust This accounts for a considerable amount of the reduction in total bank balances from December 2018. The remainder is due to the excess of expenditure over income.

4. The Total Fabric & Works bank balances at 31 December 2018 shown in last year's accounts did not include £5.95 held in a TSB cheque account. The figure shown here now include this small additional amount.

This fund is 'Restricted' and can be used only on church fabric. This is a legal requirement as under charity legislation, funds collected or given for a specific purpose cannot be used for any other purpose, even within the same charity.

At the close of 2018, the bank balances of the various Fabric Fund accounts totalled £116,856. By the close of 2019, this had fallen to £33,172. This very large reduction requires some explanation.

The most significant factor in the reduction was that in November 2019, the PCC and Fabric & Works Committee decided to reimburse the Geoffrey Stevens Memorial Trust to correct a mistaken allocation of funds received some years ago from the Abraham Elliot Trust. Accordingly, £73,346 was used to purchase CCLA investment units on behalf of the Geoffrey Stevens Trust. These units should in the future yield dividends which will be available to support the Fabric Fund.

The second reason for the sizeable reduction in bank balance is the fact that during 2019 Fabric Fund expenditure exceeded income by over £10,000.

Of the £33,172 remaining in Fabric Fund bank accounts at the end of 2019, £25,000 was a legacy which has been ring fenced to pay for the restoration of the stained-glass windows, in agreement with the benefactor's family.

Therefore 2020 has begun with readily available funds of £8,172. This should be seen against a total expenditure during 2019 of £27,086. This means we will have to prioritise carefully and may have to put on hold some work in the 'nice to have but non-essential' category. However, the situation is not quite as bleak as may be apparent because there are capital assets which could be liquidated in order to fund particular projects. Most notable of these are shares held in the Foreign & Colonial Investment Trust with a capital value at 31 December 2019 of £243,840.

The Fabric and Works committee continued to complete areas identified by the Quinquennial report. Many of the larger tasks have been delayed since the PCC wished to appoint a new architect. In April 2019, the PCC welcomed Gerry Smith of Smith and Roper Architects.

During 2020, we may have to consider selling some of these units, if we are to proceed with proposed major projects, such as restoring the external stonework (identified as important in the last Quinquennial Report), extending and remodelling the ashes garden to create a garden of remembrance and building a dedicated external storage facility. However, before selling any investment units, it will be important to weigh the benefits of immediate improvements to the church against the loss of assets that might have proved invaluable in the future, should unexpected and urgent work become necessary. There are likely to be some difficult decisions ahead.

Norton Charities and Gifts Capital Values 31 December 2019

	2019	2018	Notes
Diocese as Custodian Trustees			
1 Stevens IR203E 3,363.5 shares in CCLA	232,925	134,136	Fabric
2 J D Cook IR203A 488 shares in CCLA	0	462	Fabric
Greenhill School IR203D CCLA for outreach	13,587	14,059	Outreach
PCC as Trustees			
S Wingfield 2915.14 shares in CCLA	49,350	41,864	Outreach
Norton Wingfield Charity (Cash)	31,405	28,471	Outreach
3 Invested Anonymous Gift			
F&C 32,000 25p shares as a gift 1979-94	243,840	202,560	Fabric
4 Norton Charity Account for Norton needy	0	423	
Total Charities	571,107	421,975	

Notes

- 1 Stevens accounts merged; Elliott fund added & reinvested
- 2 JD Cook Closed December 2019
- 3 Shares restored to PCC October 2019
- 4 Now managed by Norton Trusts

Report on Norton Church Charities

Progress has been made rationalising charities. J D Cook has been used and closed.

G Stevens – A Permanent Endowment

G Stevens fund has been rationalised, the Charity Commission recoupment order has been met, and the A Elliott legacy added. The fund has now been sold and reinvested in a diversified Church of England growth and income fund. St James' Church can only use INCOME generated by capital for upkeep of the fabric of the church. Any capital can only be taken from it with Charity Commission permission, but it would have to be recouped. The income generated will be paid into a dedicated G Stevens deposit account and can be used at the direction of the PCC, the Managers.

Greenhill School Charity

This is for education and outreach and has provided some income at the Chantrey Centre.

S. Wingfield

The two Wingfield cash accounts at the NatWest Bank have been merged. Dividends from the Wingfield CCLA share portfolio are paid into the NatWest.

Charity for the needy of Norton – Trustee: The Rector

This has been transferred to the Norton Trusts which are independent of St James'.

F&C Anonymous Gift

Since rediscovering the PCC owned 32,000 shares in F&C 26 months ago, but with no trace of a share certificate, a complex bureaucratic process commenced to replace the missing certificate. However, thanks to the full co-operation of Paul Williams, the PCC received a share certificate in October 2019 in the name of St James Norton PCC. Not only has this been time consuming, but it has also incurred considerable costs.

Chantrey Centre Annual Accounts Year Ending 31 December 2019

Income	2019	2018
Rents	19,278.00	20,957.02
Donations	0.00	0.00
Other	0.00	0.00
Cambridge & Counties	408.36	258.58
Donations from Greenhill School Charity	<u>1,025.00</u>	<u>3,590.00</u>
Total Income	20,711.36	24,805.60
Expenditure		
Electricity	999.54	971.95
Gas	1,770.81	1,797.49
Water	973.00	756.00
Dustbins	516.00	495.29
Insurance	303.32	300.03
Cleaning	155.05	314.77
Maintenance	<u>2,532.23</u>	<u>6,579.05</u>
Total Expenditure	7,249.95	11,214.58
Excess income/expenditure	13,461.41	17,181.02
Cash at Barclays	51,810.73	38,757.68
Cambridge & Counties Bsoc.	<u>20,666.94</u>	<u>20,258.58</u>
Carry forward	72,477.67	59,016.26

Chantrey Centre Report 2019

The Chantrey Centre continues to be financially viable as an independent cost centre. Regular bookings fill most slots and improvements in the year include lowering the hedge, replacing the cooker, and better shelving. The committee is aware of increasing utility costs this year. Rents continue to be monitored. We are most grateful to Helen for all she does to keep the building a welcoming and clean area. Several other regular supporters give of their time and expertise to assist in this. We thank them for all their efforts.

The Chantrey Centre is a place of outreach for St James' and as such is principally a community facility. It offers an opportunity for groups to meet, including a handball team, cyclists, 'tinies' football, dog training, sew and chat and the popular 55+ group as well as the pre-school, and all the church's uniformed youth organisations. A programme of some building refurbishment is planned for 2020.

NOTES TO THE FINANCIAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Financial Report and Accounts of the PCC have been prepared in accordance with the Church Accounting Regulations 2006 using Receipts and Payments basis.

Approved by the Parish Church Council on 17 February 2020

and signed on its behalf by _____

Area Dean