

Accounts
for the year ending 31 December 2013

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Parish of St James, Sutton, near Macclesfield, Cheshire
Annual Report for 2013

Background

The Parochial Church Council of the Parish of St James, Sutton, near Macclesfield Cheshire ("the PCC") has the responsibility of co-operating with the incumbent in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelical, social and ecumenical. It also has maintenance responsibilities for the Church of St James and the adjoining Church Hall.

The Duties of the PCC

The PCC is responsible for all parish finance, its management and control, including the appointment of a Treasurer and in particular

- Keeping 'proper accounting records', which must be sufficient to show and explain all the PCC's transactions.
- Ensuring that the finances of the PCC are under its control and only delegated if the PCC can ensure that its wishes will be followed.
- Preparing an annual account (financial statements) and report, which shall be presented to the Annual Parochial Church Meeting in accordance with the requirements of the Church Representation Rules.
- Arranging for a suitable independent examination or audit of the financial statements.

Membership

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules.

During the year the following served as members of the PCC:

Incumbent: The Rev'd Edward W L Davies (Chairman March – June 2013)

Associate Vicar / Interim Minister: The Rev'd Vivien Gisby (Chairman for two meetings in January 2013 during Incumbent's secondment and 28th November meeting during the Interregnum)

Reader: Mrs Jenny Kendal

Wardens: Mr John Evans
Miss Audrey Fernyhough

Lay Vice-Chairman Mrs Jane Sinclair-Smith (*from 21.04.13*) (Chairman for July, September and 6th November 2013 meetings during the Interregnum)

Secretary Mrs Gwen Newman

Treasurer Mr Timothy Kendal

Representatives on the Deanery Synod Miss Margaret Nield, Mrs Janet Parkinson & Mrs Jenny Kendal
(with Mr David Marriott – ex officio)

Elected members (not being office holders named above):

Gill Barber	Christine Bullock	Elizabeth Davis
David Marriott	Margaret Nield	Janet Parkinson
Hayley Roberts	Jane Sinclair-Smith (from 21.4.13)	Christine Smith
Judith Whomsley		

Committees

The PCC operates through a number of committees, which meet between full meetings of the PCC:

Standing Committee:

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the PCC.

Finance Committee:

Oversees the general financial dimension of the work of the Church by monitoring income and expenditure, budgeting, maintaining appropriate financial controls and co-ordinating the annual review of the Christian Stewardship of money through planned giving and otherwise.

Worship Committee:

Attends to matters relating to ministry to the local Church, such as aspects of worship, mid-week groups and the work with children and young people.

Mission and Unity Committee:

Attends to matters relating to ministry of the local Church to the community and the world, such as ecumenical links, evangelism and the support of mission and relief agencies. This Committee was suspended at the March 2013 meeting until there is a new incumbent in post.

Premises Committee:

Attends to matters relating to the stewardship of plant, such as the church buildings and fabric, and the Hall.

Church Hall

Attends to matters relating to the day to day running of the Hall, bookings, caretaking, minor repairs, decoration etc.

Churchyard

Attends to matters relating to the Churchyard, maintenance including grasscutting, health and safety (especially in relation to upright gravestones)

Child Protection

Attends to matters relating to the Church's Child Protection Policy, including DBS certification for all relevant persons

Magazine

Attends to the editing, production and distribution of the monthly Parish News.

Church attendance

Every six years, the parish is required to prepare a completely new Electoral Roll, which was done in 2013. This meant everyone had to re-apply to be included on the new one, even though they were already on the previous list. There are 199 (212 in 2012) parishioners on the Church Electoral Roll, 44 (58 in 2012) of whom are not resident within the parish. The average weekly attendance at our normal 3 Sunday services, counted during 6 weeks in October / November, was 112 (slightly down on 115 in 2012).

Review of the year

The major events of the year were undoubtedly:

1. The resignation with effect from 30th June 2013, after 13 years in post, of our Vicar, Rev'd Canon E W L ("Taffy") Davies, to take up an appointment as Warden of the Diocesan Retreat Centre at Foxhill.
2. The beginning of the process of joining a new combined benefice comprising this parish, together with the parishes of Bosley, Widboarclough and Winkle. The latter 3 parishes are already in a joint benefice with the parish of North Rode, their Vicar being Rev'd Verena Breed. These arrangements are the implementation of a Pastoral Review conducted at Deanery level during a lengthy period ending early in 2013. It is hoped and expected that Rev'd Breed will be in post, and living in a new Vicarage to be constructed in Sutton, by the end of 2014 at the latest.

The full PCC met 9 times during the year with an average attendance of 13. Committees met between meetings and reports of their deliberations were received by the full PCC and discussed where necessary. The number of meetings has increased due to discussions relating to the interregnum period, the establishment of the new joint benefice and other related matters. Since May 2013, following an invitation from the PCC, those Trustees (i.e. Patrons) who are not on the PCC have been present at the meetings in a non-voting capacity. The PCC also attended a meeting with the three other Benefice parishes' PCCs in December 2013 which was called by The Archdeacon of Macclesfield.

All matters having a financial element affecting the Church, including our grant-making policies in relation to charitable donations, are the subject of full discussion as occasion requires by the full PCC though recommendations are from time to time made by the Finance Committee.

It is our policy to invest our cash funds not required in the short term with the CCLA Church of England Deposit Fund. In general a sum representing between one and two months expenditure is held on Current Account with our bankers, National Westminster Bank plc.

The Friends of St James Church initiative had 55 members at the end of the year (53 members at the end of last year). All make donations by bank standing order, and most are gift-aided. We are delighted and relieved to have this continuing additional source of income, which we hope will be enhanced in future years.

Efforts to enhance our income and contain expenditure in other ways have continued, and the attached Accounts show some improvement in various areas as a result of this.

During the year we have continued to identify and manage appropriately the major risks which impact the work of the Church in the parish. An analysis of existing controls in place to deal with these risks is still being developed by identifying further actions required to mitigate these risks.

A programme of maintaining the fabric of the Church building has continued. Further reserves remain for ongoing maintenance and repair.

A Gift Day was held as usual during the year as part of the St James' Day weekend. On this occasion it was decided to use the Appeal to assist with the Church boiler replacement which had become necessary. The amount raised included not only the actual gifts received (and Gift Aid tax recovered on most of the gifts) but also the net proceeds from the afternoon fête that took place the same weekend.

Apart from this, our fund-raising activities have continued in much the same way as in previous years.

In spite of the continuing (and increased) shortfall of our normal income against our normal expenditure, the PCC resolved in November 2013 to continue making donations to charities, and this was done using the same formulae as in 2012.

The Reports from the numerous groups that contribute to the life of the Church are presented annually to the APCM and should be read in conjunction with this Report.

On behalf of the PCC March 2014

Gwen Newman - Hon. Secretary

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING
31 December 2013**

2012		2013			
£	INCOME	Codes	Unrestricted	Restricted	Total
16,357	Regular Giving by S/Order (incl Gift Aiding Friends)	1	15,899.00		
15,861	Envelope Scheme	2	14,544.90		
8,900	Tax recovered	3	9,041.07		
9,738	Collections at Services (cash)	43	8,073.83		
50,856			47,558.80		
6,401	DBF fees for Weddings Funerals etc	54	4,163.60		
-6,401	less paid to DBF	154	-4,163.60		
nil			nil		
	Unclassified receipts (none this year)	57			
378	Wallsafe & Pennies Jar (including sales of St James History)	4	412.96		
1,870	In Memoriam Donations	5	3,325.00		
5,054	Other Donations (see Note 5.K)	6	3,953.75		
58,158				55,250.51	
5,098	Magazine Subscriptions & Advertising (see Note 5 A)	40 41	6,121.03		
-5,392	less printing & other expenses	117	-5,531.00		
-294	Net surplus on Magazine (deficit if negative)			590.03	
1,925	Bellringers Fees etc (paid out to them Code 115 below) (Note 5 C)	38	1,050.00		
-1,925	less paid out to bellringers	115	-1,050.00		
nil				nil	
	Church Fees from services etc				
3,971	Weddings	8	2,126.00		
6,214	Funerals	9	4,323.00		
903	Monuments	10	848.00		
11,088				7,297.00	
3,235	Organist Verger & Sexton fees for weddings & funerals	48-50	1,873.00		
-2,810	less paid out to them	158-60	-1,079.00		
11,513	Balance retained (fees waived)			794.00	
	Special Efforts – see separate sheet (page 6)				
69,377	Total Non-Investment Income			63,931.54	
	Bank & Other Interest				
	Restricted Funds	19			
716	General Funds	20	435.09		
7,240	Investment Income & Rent	22	7,400.29		
7,956				7,835.38	
77,333	TOTAL INCOME			71,766.92	71,766.92

EXPENDITURE

The Ministry			
53,605	Parish Share (see Note 5.O)	101	55,243.80
3,466	Housing (Council Tax, Repairs Maintenance)	102	1,618.51
	Clergy & other Conferences	104	
4,914	Incumbent's Expenses (incl Associate Vicar in January) Garden, Motor, Office, Secretary	151-3 + 155	3,400.48
3,147	Fees to Clergy & Organists (Sundays)	156	3,536.00
	Organist Verger Sexton (Weddings & Funerals)	158-60	see above
	Bellringers – wedding fees paid out (Note 5 C)	115	see above
	Handbell Ringers – see Note 5 C	116	
	Parish Magazine expenses (see Note 5 A)	117	see above
	Deanery Synod & professional Fees	103	
65,132			63,798.79
The Church, Services & Mission			
4,005	Heat and Light incl Boiler Service	106	3,863.25
1,300	less Heat & Light charges for weddings & funerals	11	557.50
2,705			3,305.75
2,766	Insurance	107	3,375.72
238	Organ Tuning & Maintenance	108	237.60
	Cleaning materials & sundries	109	
273	Upkeep of Services	110	394.37
535	Minor Repairs & Renewals (incl clock service)	111	477.55
982	Miscellaneous (see Note 5.L)	112	1,021.96
7,498			8,812.95
Churchyard			
2,980	Contractor	120	2,550.00
	Materials	121	44.99
	Waste Disposal	122	
210	Machinery Maintenance	124	
310	Other Churchyard Expenditure (repairs to stone walls)	125	1,173.24
1,242	Headstone Repairs, Plaques & Monuments	123	983.66
-824	less cost of plaques & monuments recovered	52	-1,015.03
418			-31.37
3,918			3,736.86
Retirement Collection for Rev. Davies			
	Amounts received from individuals	45	1,632.00
	Paid for gifts, expenses, & to Rev Davies	143	1,632.00
Charitable Payments outside the Parish (excluding Special Efforts)			
900	Overseas Church	146	200.00
360	Home Missions	147	200.00
575	Secular Charities	148	600.00
1,835			1,000.00
	(Special Efforts now shown on separate sheet)		
78,382	Total Normal annual Expenditure		77,348.60
77,333	Total Income as above		71,766.92
78,382	less normal annual expenditure as above		77,348.60
-1,049	Net surplus (deficit) of normal income / expenditure to Funds & Activities		-5,581.68
Non-annual expenses			
1,480	Decoration (Parish Room & vicarage study)	134	
	Clock repairs	135	
145	Building Repair / Maintenance	136	1,368.00
	Heating & Lighting equipment repair / replacement / improvement	137	6,863.15
	Office Equipment purchases	138	
	See Note 5.J		
1,625			8,231.15
80,007	TOTAL EXPENDITURE		85,579.75
-2,674	Deficit including Non-annual Expenditure		-13,812.83

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING

31 December 2013

2012				2013	
£	INCOME	Codes			
3,784	Pre-School	28		4,441.00	
1,085	Yoga & Pilates (Monday)	29		1,050.00	
1,491	Whist (Tuesday & Saturday)	30		1,749.00	
90	Hobnob Club	31		283.00	
325	Parish Council	32		307.00	
519	Women's Institute	33		330.00	
3,301	Other Lettings	34		2,768.00	
					10,928.00
10,595	TOTAL INCOME				10,928.00
	EXPENDITURE				
1,951	Caretaker	127	1,976.00		
979	Insurance	128	1,321.12		
3,229	Heat and Light, & Water incl Boiler Service	129	3,506.81		
951	Waste disposal & sundries	130	1,173.03		
1,064	Minor Repairs & Renewals	131	445.16		
99	Outside Cleaners	132	440.00		
8,273					8,862.12
2,322	Surplus (deficit if negative), excluding non-annual expenditure				2,065.88
	Non-annual expenses				
4,564	Decoration	139			
4,345	less Gift Day donations & Gift Aid refund				
220	net cost				
23	Building Repair / Maintenance / Improvement	140	5,311.05		
	see Note 5.J.5				
243	Boiler & oil tank repair / replacement	141	73.00		5,384.05
8,516	TOTAL EXPENDITURE				14,246.17
2,079	Deficit to Summary of Funds and Activities				-3,318.17

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING

31 December 2013

2012			2013	
£		Codes		
4,174	Balance at start of year			4,604.34
1,476	INCOME	36	591.80	
1,046	Deduct EXPENDITURE	113	555.44	
430	NET INCOME			36.36
4,604	Balance at end of Year			4,640.70

RECEIPTS AND PAYMENTS FOR THE YEAR ENDING

31 December 2013

2012	RECEIPTS			
	Income from Special Efforts			
774	Christmas Fair	13	£1,030 in 2011	862.25
	Advent Hotpot Supper	14		
189	Lent Lunches	15		134.60
	Harvest Supper	16		
	Book Sale	17		
	Other Events	18		
391	Sunday Coffee (less cost of coffee purchased)	18m	***	180.41
	Ceilidh	18m		240.14
205	Men's Breakfasts ***	18m		308.00
	*** includes £19.57 transferred from Miscellaneous Expenditure to cover loss			
84	Christmas Card box in Church	18m		22.00
<hr/>				
1,642	Total raised by Special Efforts this year			<hr/> 1,747.40
	Special Efforts balances brought forward from last year			
	Sunday Coffee			93.74
	Total Receipts to Special Efforts Fund (including b/f from 2012)			<hr/> 1,841.14
	PAYMENTS			
	Payments out of Special Effort Money to Beneficiaries & for Expenses			
774	Christmas Fair	163		862.28
	Rossendale Trust			
	Advent Hotpot Supper	164		
189	Lent Lunches	165		134.60
	Christian Aid			
295	Harvest Supper	166		
	Christian Aid			
941	Book Sale (retained for Luncheon Club expenses)	167		
639	Other Events	168		748.14
	Namely:			
205	Church House Inn for Men's Breakfasts 2013			308.00
	Donation to Scouts for use of HQ for Ceilidh			100.00
	Lubwe Wells Appeal - Ceilidh			140.14
	Christian Aid - Quiz Night			
350	Donation to Scouts for use of HQ for Sunday Coffee			200.00
	Christmas Card box in Church			
	2009 - Lubwe (Zambia) Hospital Fund			
	2011 & 2012 - Francis House Children's Hospice			
84				
<hr/>				
639	Total given from Other Events		<hr/> 748.14	<hr/> 1,745.02
	Balance raised this year & brought forward, not yet paid out			<hr/> 96.12

FOR THE YEAR ENDING

Tuesday, December 31, 2013

2012 £		2013
55,064	Balance of one third of Legacy, resolved to be made available for Grants	45,663.56
	Deduct	
9,400	Grants of Capital to Charitable Organisations	7,250.00
45,664	Balance at end of Year	38,413.56

2012

3,000	<i>East Cheshire Hospice</i>	3 Patient Hoists
600	<i>Macclesfield & Wildboarclough Charity</i>	Hearing Loop for meeting room
1,000	<i>Rossendale Trust</i>	Sensory Room refurbishment
2,000	<i>East Cheshire Advocay</i>	Support for Woodlands residents moving
2,000	<i>Citizens Advice Bureau, Macclesfield</i>	Enquiry Console for Clients
800	<i>Langley Methodist Chapel</i>	Food Hygiene Certs for Lunch Club
9,400		

2013

Macclesfield Cradle Concern		5,000.00
Sutton Ex-Servicemen's Club	Kitchen	2,000.00
Sutton Parish Plan	Regrant from 2012	250.00
Langley Village Hall	Kitchen £1,000	To be paid early 2014
 Total		<u>7,250.00</u>

Parish of St. James, Sutton

OUTSIDE PAYMENTS FOR THE YEAR ENDING

31 December 2013

Calculation of Charitable Giving Amount

This is 10% of total income less Parish Share – see PCC Resolution 17 January 2007
For convenience, the figures for 12 months ending 31 October in the current year are used

This enables payment to be made to the selected Charities before Christmas.

Total Income		Entire Year	Period to 31/10/13
Church Account		71,766.92	65,350.28
Less Parish Share		55,243.80	46,036.50
		16,523.12	19,313.78
Less items to be excluded	Code		
Incumbent's Fees	54	4,163.60	3,643.60
Bellringers Fees	38	1,050.00	1,050.00
Magazine Receipts	40	6,121.03	4,776.28
Organist, Verger Sexton	48-50	1,873.00	1,671.00
Heat & Light charges	11	557.50	477.50
Plaque & Monument cost recovery	52	-1,015.03	-1,015.03
		12,750.10	10,603.35
		3,773.02	

Income for November & December 2012		
	Church Account, reduced as above	9,164.76
	2011 4,126	
		<u>9,164.76</u>

10% to be given away 916.48

Gifts made earlier in year (Special Efforts excluded)

Balance to be given (if positive) 916.48

Giving as resolved by PCC November 2012

	%	Calculated amount	Actual Amount
Secular			
East Cheshire Hospice	10	91.65	100.00
Just Drop In Centre	10	91.65	100.00
Rossendale	10	91.65	100.00
Home Missions			
Frances House (Children's Hospice)	10	91.65	100.00
Church Urban Fund	10	91.65	100.00
Church Housing Trust	10	91.65	100.00
Overseas			
Christian Aid	10	91.65	100.00
Lubwe	10	91.65	100.00
Church Missionary Society	10	91.65	100.00
		<u>824.83</u>	
Vicar's Discretion (exercised by Interim Minister)			
Multiple Sclerosis Society	10	91.65	100.00
Grand total given in year		916.48	1,000.00

Category

- 1 Balance of one-third of the Findlow legacy resolved in 2007 to be used for capital Grants to other charities (including churches) over a number of years, but not yet paid out (the PCC considers appeals periodically) – see Grants on Page 7
 - 2 Two-thirds of the Findlow legacy, resolved by the PCC in 2007 to be retained as a permanent endowment, the income (but not the capital) being used for grants from time to time to other charities (including churches), and for the general purposes of St James Church. Holding these funds as a permanent endowment means that the investments representing them are to be invested and retained. In the light of the shortfalls on the Church Account in 2009 to 2012 inclusive, the PCC decided to fund the shortfall from these reserves. In 2012, the refund of Parish Share received in April has covered the shortfall on current account and left a surplus which is shown by the transfer to Category 2 from Category 6
 - 3 Provision for repairs to the fabric of the Church to be carried out over the next 5 years, as required by the Quinquennial Review in 2008, including also a reserve for repairs to the Hall
 - 4 Film Prize Money, received December 2008, yet to be allocated for a particular purpose by the PCC. Now reduced to nil See Note 5.H.4.
 - 5 Gift Day appeal money, including Gift Aid thereon, received in July 2013, plus balance carried forward from 2012 (see Note 5.H)
 - 6 Unallocated reserves at the Balance Sheet date, being approximately 4 months working expenses

Working expenses taken as	£	100,000	p.a
Actual in these accounts	£	85,580	
- ** The amount transferred to Category 3 from Category 6 is calculated to give the required figure in Category 6

The above are all General (i.e. Unrestricted) Funds. For details of how Restricted Funds reserves are made up, see Balance Sheet

Parish of St. James, Sutton

SUMMARY OF FUNDS AND ACTIVITIES – YEAR ENDING

31 December 2013

Opening Balances

		£		
	Unrestricted Funds	Restricted Funds	Total	2012
From Accounts to 31 December 2012				
General Unrestricted Funds	247,414.02		247,414.02	233,815
Choir Fund		4,604.34	4,604.34	4,174
Youth Club		521.29	521.29	521
Special Efforts money not yet paid out		93.74	93.74	1,289
Total Funds at Start of Year	247,414.02	5,219.37	252,633.39	239,800
Add Reserves Account Receipts and Transfers	35,668.37			
Deduct Reserves Account Payments and Transfers	-15,481.15			
Net addition to Reserves	20,187.22		20,187.22	13,189
Reserves at End of Year (see Reserves Account)	267,601.24	5,219.37	272,820.61	252,989
Add surplus (deficit if negative) for the year from Church Account	-5,581.68		-5,581.68	-1,049
Add surplus (deficit if negative) for the year from Hall Account	-3,318.17		-3,318.17	1,459
Add surplus (deficit if negative) for the year from Choir Account		36.36	36.36	430
Add increase (decrease if negative) in Special Efforts money not paid out at year end		2.38	2.38	-1,195
	-8,899.85	38.74	-8,861.11	-355
Total Funds at End of Year	258,701.39	5,258.11	263,959.50	252,633
Held as follows:				
Reserves (see Note 5H and Reserves Account)				
1 Findlow 1	38,413.56			
2 Findlow 2	162,093.43			
3 Repairs	20,010.35			
4 Film Prize See Note 5.H.4				
5 Gift Day Appeals	4,850.72			
6 Unallocated (Working Capit	33,333.33			
Total of Unrestricted Reserves	258,701.39		258,701.39	247,414
Choir Fund		4,640.70	4,640.70	4,604
Youth Club Fund (dormant)		521.29	521.29	521
Other Restricted Reserves (Special Efforts money carried forward)		96.12	96.12	94
	258,701.39	5,258.11	263,959.50	252,633
Represented by				
Ledger Balance of Bank	12,976.35		12,976.35	4,447
Balance of the C B F Deposit Account	64,970.69	5,258.11	70,228.80	83,014
14511.85 CBF Church of England Investment Fund Income Shares <i>Estimated value as at 31 December 2013</i>	180,514.35		180,514.35	164,933
Balance of Petty Cash in Safe on Balance Sheet Date	240.00		240.00	240
	258,701.39	5,258.11	263,959.50	252,633

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

	Unrestricted Funds	Restricted Funds	Totals 2013
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Notes 1 to 4 are prescribed for Accounts prepared on an accruals basis, but do not provide information that is not included elsewhere in the published accounts and so are not printed

The following Notes provide additional information not required to be included in the Accounts

5 MISCELLANEOUS

A The Magazine. Magazine receipts and payments are no longer shown in separate places in these Accounts

For convenience, a further breakdown is provided here, so that the net cost of the Magazine to the Parish can be seen.

					2011
Subscriptions	40	3,302.28			2,926
Advertising	41	2,818.75			1,841
	Total Income	6,121.03			4,766
Expenses (printing)	117	5,531.00			5,300
Net Surplus		590.03			-534

Note: Many of the Friends of St James (see Note M below) are entitled to a free magazine. In view of the small amounts involved, no part of donations received from Friends is treated as magazine income

B The Choir. The breakdown of this year's Income and Expenditure is:

					2012
Income					
	<i>Weddings 4 (10 in 2012) @ £90</i>		360.00		900
	<i>Donation</i>		50.00		
	<i>Carol Singing</i>		181.80		577
Total Income			591.80		1,477
Expenditure					
Music, Folders etc					161
Training Courses, RSCM events & RSCM fee & donation incl. Travel	545.44				551
Social Events					96
Payments to Junior Choir for Weddings	10.00				75
Replacement Cassocks & Surplices					127
Miscellaneous					36
Total Expenditure			555.44		1,046
Net income for year			36.36		431

The value of choir robes and also music purchased this year and in the past by the Choir is not included in these accounts
The cost of Choir robes has traditionally been funded by the choir out of its reserves,

C Bellringers and Handbell Ringers

As has been the case for a few years now, part of the amount now paid for bellringing at weddings is paid to the PCC and is included in these Accounts separately

No part of fees paid to the Handbell Ringers belongs to the PCC

Any surplus is retained by the Bellringers and Handbell Ringers respectively (each is entirely separate from the other) for their own purposes or given to Charity

D Water Rates

E Gift Aid

This has been claimed to the end of September 2013, and the next claim, for the 3 months to the end of December, will be submitted early in 2014. In accordance with our Statement of Accounting Practices (see elsewhere in these accounts) this will be accounted for when received. In addition to the refund on specifically gift-aided donations, we have claimed and received a gift aid refund of £1,250 on non-gift-aided donations of £5,000 (the maximum allowed) of, mainly, the plate collections at services. This is under the Gift Aid Small Donations Scheme, which began in April 2013

F Organist's Fees

For many years John Campbell-Kelly, our organist, has waived any fees for Sunday Services, though they have been offered from time to time over the years. Until 2008, this generosity was not recorded in the Accounts, but in 2008 and subsequently, in accordance with advice from the Church Accounting authorities, this has been changed, by including as an expense the fees which would have been paid to him had he wished to take them, and including the same amount in the total for Donations Received. The figure included in each of these categories is £2,310 (£1,800 last year), being the fees for a total of 77 services @ £30. No account is taken of Choir Practices, or special services such as at Christmas and Easter, or occasional Sundays when there is no evening service.

G DBF Fees

These are fees, mainly for taking weddings and funerals, which previously used to belong to the Incumbent, though they were disclosed to the DBF (Diocesan Board of Finance) and deducted by them from the Incumbent's stipend (salary). These fees all now belong to the DBF and are remitted monthly

H Total Funds (i.e. Reserves)

The Total Funds at the End of the Year at the Balance Sheet date, after deducting the deficits or adding the surplus for the year on the Church and Hall Accounts, are shown on Page 9, and are made up of the amounts shown in the Reserves Account (pages 7 and 8)

The surplus on the Church Account has been transferred to Category 2 of our Reserves as shown in the Reserves Account, the amount being calculated to leave unallocated reserves of £33,333 at the end of the year. This figure is slightly more than 4 months expenditure at current rates, and the PCC regards this as an appropriate amount to have in current (i.e. unallocated) reserves.

Reserve Category The following notes duplicate (for convenience) some of the information in the Reserves Account on pages 7 and 8, and some additional notes are included here

1	Balance of one-third of the Findlow legacy resolved in 2007 to be used for capital Grants to other charities (including churches) over a number of years, but not yet paid out. As a result of the initiative by the PCC mentioned in the 2011 Accounts, grants have been made this year – see Grants on Page 5	38,413.56
2	Remainder of the Findlow legacy, originally resolved by the PCC to be retained as a permanent endowment, the income being used for grants from time to time to other charities (including churches) and for the general purposes of St James Church. In the light of the shortfalls on the Church Account in each of the 5 years up to and including 2012, the PCC decided to fund the shortfall from these reserves, and to retain them to cover future deficits. <i>This item originally consisted only of the entire holding of CBF Church of England Investment Fund Income Shares as shown on page 10, but the transfer of funds from this category of reserves means that is no longer the case</i> <i>Note: the amount originally invested was £185,000 which was slightly less (by £3,529) than two-thirds of the legacy. For convenience however, this difference is ignored, and the holding is treated as being the two-thirds of the legacy resolved to be retained.</i>	162,093.43
3	Provision for repairs to be carried out over the following 5 years, as required by the Quinquennial Review in 2008. A further Quinquennial Review is due to be carried out in the coming year	20,010.35

4	Film Prize Money, received December 2008, still retained by the PCC. No payments from these reserves have been made during the year, and in view of the lapse of time, the balance brought forward last year has been added to the Findlow 2 Reserves.	
5	Gift Day appeal money. The balance carried forward from 2012 is the result of the Gift Day appeal in that year for help with the cost of necessary roof repairs, which have not yet been done, though some expenditure has been incurred. These repairs are now expected to be done during 2014. The 2013 Gift Day appeal was for funds to replace the Church boiler, and the cost of doing this is shown here. Although the exact cost of the repairs to the roof is not yet known, it is likely to exceed the amount remaining in this category, and any excess will be funded from Reserves Category 2	4,850.72
6	Unallocated reserves (working capital) at the Balance Sheet date. This represents approximately 4 months' expenditure. See Category 2 above.	33,333.33
		258,701.39

J Non-recurring Expenditure

1	Churchyard .	All the expenditure on the Churchyard was maintenance and repair, so is not included here
2	Office Equipment	No equipment has been purchased during the year
3	Church Heating & Lighting	The Church boiler has been replaced - see 5.H.5 above
4	Building Repair / Maintenance	There are outstanding works, likely to be completed in 2014. See 5.H.5 above
5	Hall expenditure	In addition to the normal recurring expenditure, the kitchen was refurbished at a cost of £5,311.

K Donations The total of £3,953 comprises the Organist's gift of £2,310 (see Note 5.F above) and other gifts.
 Gift Aid has been or will be claimed on gifts of £50 or more where practicable. The figures do not include Gift Aid.

L Miscellaneous Expenses The miscellaneous expenses (see page 2) comprised the following:

	£		£
Entries in Book of Remembrance	-69.00	FFM fees Janet Bonsall	180.00
<i>(payments received but entries not yet done)</i>		Gift Aid & weekly envelopes	202.39
United Utilities Wastewater charge	107.25	CCLI Licence	241.56
Loss on Men's Breakfasts	19.57	Ministry & social expenses	245.35
Other minor expenses	59.88	Lectionaries & books	34.96
Total	£ 1,021.96		

As envisaged at the time of purchase, the photocopier-printer has been used by a number of charitable organisations, and the cost to the Church plus a markup has been recovered in all cases. These receipts, which totalled £628.71 (£2,347 in 2012), are not shown separately in these Accounts, but are set against office expenditure (code 153).

M Friends of St James Church

This group was founded in 2010. There are now 55 Friends (the same as 2012, 53 at the end of 2011), all of whom are committed to giving various amounts, either monthly, quarterly or annually, by bank standing order. The majority of Friends have gift-aided their gifts. No Friends have ceased making their gifts.

The total of these donations is currently £6,590 p.a. (£6,606 at the end of 2012). This does not include the Gift Aid tax that has been or will be recovered.

The amounts received from Friends are for the General Funds of the Church and are accordingly not shown separately in these Accounts. The gift-aided totals are included in the existing standing orders (Code 1), and the non-Gift Aided amounts are included with other general donations (Code 6)

N Special Efforts

The sums raised and the donations made from these are shown on page 4. In most cases, the full amount received, less expenses claimed (many people donate to these events by not claiming expenses) is paid over straight away to the nominated charity. The balance carried forward at the end of the year is Sunday Coffee money that has been retained to cover anticipated expenditure on coffee

The balances brought forward from 2012 have all been dealt with as proposed in the 2012 Accounts.

O Parish Share

The refund of Parish Share mentioned in the last Accounts was duly received and has been added to our Working Capital Reserves (Category 6). The Church Account shows the full year's Parish Share actually paid out, without reflecting the refund.

Parish of St. James, Sutton

Short Version of Accounts for year to

31 December 2013

Current Account

	Income	Expenditure	Surplus (deficit if negative)
Church Account (including Churchyard) normal annual income & expenditure	71,767	77,349	-5,582
Hall Account	10,928	14,246	-3,318
Choir Account	592	555	36
Totals on Current Account	<u>83,287</u>	<u>92,150</u>	<u>-8,863</u>

Capital Account

Reserves at end of 2012 brought forward	252,633
Additions	
Legacies	
Refund of part of 2012 Parish Share (Taffy @ Foxhill)	13,811
Gift Day	6,276
Change in value of Investments	15,581
Deduct Capital Grants etc made	-7,250
Deduct transfers from reserves to cover expenditure	-8,231
Reserves at end of 2013	<u>272,821</u>
Surplus / Deficit on Current Account as above	-8,863
Other adjustments (see main accounts)	2
Overall Balance at 31 December 2012	<u>263,959.50</u>

Allocated by the PCC as follows

	Reserves Category	2012
Findlow Legacy - part available for capital grants	1	45,664
Findlow Legacy - permanent endowment	2	139,962
Building repair & maintenance fund	3	20,010
Film, Prize Money - unallocated at present	4	1,639
Heating & Lighting improvements (Balance not spent)	5	6,806
Unallocated Reserve - approx. 4 months' working expenses	6	33,333
Choir Funds etc. (Restricted Funds)	--	5,219
		<u>252,633</u>
		<u>263,959.50</u>

Church Account – List of major items

	2013		2012	
	Income	Expenses	Income	Expenses
Collections, Planned Giving & Donations, Gift Aid	47,559		50,856	
Other donations etc	7,692		7,302	
Church Fees (Weddings & Funerals)	7,297		11,088	
Parish Share		55,244		53,605
Office & Vicarage (house and garden)		5,019		8,380
Church Heat, Light & Insurance		6,681		5,471
Churchyard Contractor		2,550		2,980

Parish of St. James, Sutton

STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 1997 as amended by the Church Accounting (Amendment) Regulations 2001 together with applicable accounting standards and the Charities SORP.

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

Funds

General funds represent the funds of the Parochial Church Council of the Parish ("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.

The accounts 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 or those that are informal gatherings of church members.

Incoming resources

Voluntary income and capital sources

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

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

Income tax recoverable on Gift Aid donations is recognized when the refund of tax is received.

Grants and legacies to the PCC are accounted for only when received.

Funds raised by the Special Efforts detailed in the Accounts and similar events are accounted for net of any expenses in running the events concerned.

Other income

Rental income from the letting of church premises (and in particular the Hall) is recognized when the rental is received.

Income from investments

Dividends and Interest entitlements are accounted for on a receipts basis. Restricted and Unrestricted funds are not held in separate bank accounts or investments, so income from these sources is apportioned proportionately on receipt.

Gains and losses on investments

Realized gains or losses are recognized when investments are sold,

Unrealized gains or losses are accounted for on revaluation of investments at 30 June and 31 December in each year.

Resources used

Grants

Grants and donations, including those for which an advance commitment has been made, are accounted for when paid over.

Activities directly relating to the work of the Church

The diocesan parish share is accounted for when paid. The whole of the Parish Share for the year has been paid, but if any part thereof was unpaid at 31 December it would be provided for in these accounts as an operational (though not a legal) liability and would be shown as a creditor in the Balance Sheet.

Other future liabilities such as (but not limited to)

- Council Tax on the Vicarage,
- Expenses to be paid to the Incumbent
- Incumbent's Fees to be paid over to the Chester Diocesan Board of Finance

are accounted for when paid, as the amounts involved are too small to justify inclusion in the Accounts as future liabilities

Fixed assets

Consecrated property and movable church furnishings

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

The Church Hall, and also the Glebe Fields, although not consecrated or beneficed, are regarded by the PCC as inalienable as if they were within these categories, and the PCC has accordingly resolved not to include either the Hall or the Glebe Fields as assets in the Financial Statements, as to do so would be misleading.

Movable church furnishings held by the Vicar and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are treated 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 2006 there is insufficient cost information available and therefore such assets are not valued in the inventory. If any items had been acquired since 1 January 2006 they would have been capitalized and depreciated in the accounts over their currently anticipated useful economic life on a straight-line basis. No such assets have in fact been acquired.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £1,000 or on the repair of movable church furnishings acquired before 1 January 2006 is written off.

Other fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired. No asset was acquired for more than £1,000 in the year covered by these Accounts

Investments

Investments are valued at market value at 31 December, though the figure shown for the December valuation is provisional and may have to be adjusted in future accounts

Current assets

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

Short-term deposits include cash held on deposit either with the CBF Church of England Funds (CCLA Investment Management Ltd) or at the bank.

The PCC is legally required to include this document as part of the Accounts

Parish of St James, Sutton
Treasurer's Annual Report for 2013

Although I am not required by law to provide a written Report, I first did so in 2009 and gave my reasons for doing so. I do not propose to repeat them here. I will be happy to discuss this Report with anyone who wishes to raise matters on the Accounts, and of course to answer any questions that may arise.

You may remember that over the last few years our finances have not been particularly healthy, in that our income has been less than our expenditure. We do however have substantial reserves, so these annual deficits have not meant that we have run out of money, but rather that we have been eating into our reserves. The amount of the deficit is, however, not as large as it has been in some recent years, and once again we can be grateful that the value of our investments has increased significantly. So overall, the accounts for this year show an increase in our total funds including the investments.

I do not propose to comment in detail on every figure in the Accounts, but the following will I hope be helpful:

Pages 1 to 2 (the Church Account)

1. I have made some small changes to the presentation of the figures on pages 1 and 2, and hope that this will make the figures easier to follow. I have moved the expenses which match items of income either exactly or very nearly exactly, i.e. those relating to expense codes
 - a. 154 (DBF Fees),
 - b. 117 (Magazine expenses) ,
 - c. 115 (Bellringers for Weddings), and
 - d. 158-160 Organists, Vergers & Sexton for weddings & funeralsfrom Expenditure on page 2, and shown them as deductions in the appropriate places on the page 1.
2. The 2012 figures shown in the lefthand column have also been adjusted for these changes, which means they do not correspond exactly with the 2012 Accounts. The 2012 figures at the bottom of page 2 are of course the same.
3. After deducting our normal annual expenditure from our total income, you will see there is a deficit of £5,581. This is the figure we need to watch – our income really ought to cover our normal annual expenditure. If it does not, we have to draw on reserves which we cannot do for ever – they will run out eventually. The deficit is larger than in 2012, when it was £1,049.
4. You will see that the totals we received from Standing Order giving, and also the weekly envelopes, are both reduced. There is a problem here perhaps. When people leave the district or die, it is to be expected that we will lose their contributions – but we have not had any significant number of new donors to maintain the number of people who give regularly for many years, and I know of at least two people who have given by standing order for many years who have this year either reduced or in one case stopped their giving for other reasons – this is very unfortunate.
5. “Other Donations” once again include a substantial donation from our organist in respect of waived fees – see Note 5.F for more on this.

6. Bank Interest. Interest rates remain very low and so the bank interest received is very modest, given the size of our deposit reserves.
7. Investment Income and rent. This is slightly increased from last year. Robert Snape continues to use the Glebe Fields for grazing and to pay a modest rent.
8. Church Fees for weddings and funerals have in total reduced by £3,791, which is one third of the 2012 figure. This is in spite of an increase in the fees paid to the PCC for these services (the level of fees is set nationally by the Church of England, and cannot be altered by us). The number of weddings and funerals has reduced markedly in the last 12 months as this table will show:

Numbers of Weddings		Numbers of Funerals etc	
2012	2013	2012	2013
14	7	Funerals 20	Funerals 9
		Interments of Ashes 9	Interments of Ashes 12

9. Insurance premiums for the Church and Hall have increased by 22% (Church) and 35% (Hall) which are of course substantial amounts. I am glad to say however that I have just received the premium demands for 2014, showing a very small increase for the Church, and, surprisingly, a small reduction for the Hall.
10. Churchyard contractor. The churchyard committee was able once again to negotiate a lower rate, which should be appreciated by us all.
11. The magazine. As a change from the last 2 years at least, there has been a small surplus on the magazine this year, and the Magazine Committee is to be congratulated. As mentioned above, these details are all on page 1, but there is more detail in Note 5.A.

Page 3 (the Hall Account)

It is good to see a surplus once again this year on ordinary expenditure – though the refurbishment of the kitchen did of course result in a shortfall overall. The members of the committee are to be congratulated and thanked for all they do. They will no doubt try to increase the ordinary surplus in 2014, by reviewing rates and maximizing the use of the hall, whilst at the same time keeping a very close watch on expenditure.

Page 5 (Grants)

Following another initiative by the PCC early in the year, a number of applications for Grants for charitable purposes were received and as a result a total of £8,250 has been distributed to various charities or set aside for payment when work has been done. Details are in the Accounts.

Page 6 (Outside Payments)

As in the past, 10% of our income (calculated, broadly, by taking the income shown in the accounts and deducting the parish share) has been given to outside charities, selected each year by the PCC and, as to part, by Rev Vivien Gisby as Interim Minister.

Pages 7 and 8 (Reserves)

The Reserves Account shows the effect of the increased value of our investments – the gain of £15,581 (2012: gain of £18,284) is of course a paper profit, and does us no immediate good – but it does mean that our reserves will last for that much longer than they would otherwise have done. But that could all change very quickly if market values go down in the future, as they have done many times in the past. The future value of the investments is of course outside our control, and we just have to live with this uncertainty.

The investments continue to be professionally managed, and I have every confidence in the management team at CCLA who provide the same service to many Dioceses (including Chester) as well as numerous other charities.

The PCC has set aside funds for reserves categories 1 to 5 on the same basis as last year, leaving unallocated reserves as before, namely £33,333. To do this there has been a transfer to Category 2 Reserves (Findlow 2). In recent years we have transferred funds from Findlow 2. That we are able to make a transfer to reserves this year is attributable not to an increase in our net income, but to the notional increase in the value of our investments and also to the refund of six months parish share following the end of Taffy's secondment to Foxhill. See below for more on the appropriate level of the Working Capital reserves.

Page 9 (Summary of Funds and Activities)

This is more commonly called the Balance Sheet, and provides a snapshot of our position on the accounting date, 31 December 2013. It is in substantially the same form as last year.

Pages 10 to 13 (Notes to the Accounts)

The Notes are I believe largely self explanatory, and I have once again excluded Notes 1 to 4, as they are not now required. I do however recommend that everyone looks at Note 5, and in particular Note 5.H relating to Reserves.

The figure for unallocated reserves of £33,333 is the same as in the 2012 Accounts (and also in 2010 & 2011), i.e. roughly one third of our annual expenditure – this is really not ideal – I would regard unallocated reserves of between 4 and 6 months' expenditure as a more appropriate level. This can, however, only be achieved this year by drawing further on our reserves, and the PCC has decided that the lower level of unallocated reserves should be retained for the time being.

The donations received from the Friends of St James continue to be a very valuable contribution to our finances. As previously, all money received from Friends is treated in exactly the same way as our other normal sources of income, (i.e. standing order giving, envelopes, and the collection plate). There are therefore no separate figures in the accounts for the money given to us by the Friends, but details are given in Note 5.M.

Page 15

Although I have provided this Short Version of the Accounts as in previous years, I would like to stress once again that I do not consider it to be anything like an adequate substitute for the Accounts themselves. Although it is accurate as far as it goes, there is a great deal missing, and it does not present a complete view of our finances. If there is anyone who finds venturing into the full Accounts to be somewhat daunting, but would like a guided tour, I would be happy to provide that on request.

This Report would not be complete without saying something about the financial effects of our joining the proposed joint benefice with Wildboarclough, Wincle and Bosley, and having Rev'd Verena Breed as our Vicar. The position is still uncertain at the time of writing, but I hope that what follows on this will nevertheless be helpful, and prove not to be too inaccurate..

1. The proposal is that our Parish Share should be reduced to around 60% of the present level, though it must be stressed that the exact figure has not yet been settled.
2. If this had happened on 1st January 2013, our Accounts for 2013 would show the following differences:
 - a. Our parish share would be £33,146 instead of £55,243, a reduction of £22,097
 - b. The net surplus of normal income would be increased by this £22,097 to £16,515 (as against the deficit actually shown of £5,581)
 - c. The deficit including non-annual expenditure of £13,812 carried to the Balance Sheet would become a surplus of £8,284 ($13812 + 8284 = 22096$). There are rounding differences in this paragraph)
 - d. Our reserves would not have been increased by the refund of parish share of £13,810.
 - e. Our total assets at the end of the year would be £272,246, instead of £263,959, an increase of £8,287 ($13,810 + 8,287 = 22,097$)
3. So it should not be imagined that a reduction of £22,097 in our parish share will automatically generate that much cash to fund other desirable things such as a parish administrator, a youth worker etc etc as mentioned in the proposals. What the reduction will mean is that we will, perhaps, be able to live within our means, i.e. keep our expenditure lower than our income. The fact is that for the last few years we have not lived within our means, and have perhaps thus shown that we are no longer a parish able to afford a full-time vicar.

There are two further points which I would like to add in concluding this report:

1. I have once again been greatly assisted during the course of the year by Jo Loftus, who has been going into church each week to count up the weekly collections, and take this money to the bank. I'm particularly grateful to Jo for doing this now that Jenny and I no longer live in the Parish, and it does reduce my workload considerably! Thank you.
2. I have also been greatly assisted by Gwen Newman in tidying up the layout of the Accounts, and production of the necessary printed copies. Thank you Gwen.

Tim Kendal

Hon Treasurer

January 2014