

Parish of Saint Andrew and Saint Mark Surbiton

2015 ACCOUNTS

Independent Examiner's Report to the P.C.C. of St Andrew's and St Mark's, Surbiton

This report on the accounts of the P.C.C. for the year ended 31st December 2015 which are set out on the following eight pages, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ('the Regulations') and section 145 of the Charities Act 2011 ('the Act').

Respective Responsibilities of the Trustees and Independent Examiner

As the members of the P.C.C. you are responsible for the preparation of the accounts and you consider that the audit requirement of section 144 of the Act does not apply. It is my responsibility to issue this report on those accounts in accordance with the terms of the Regulations.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission under section 145(5)(b) of the Act and to be found in the Church Guidance, 2006 edition. That examination includes a review of the accounting records kept by the P.C.C. and a comparison of the accounts with those records. It also includes considering 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 I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1 - which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the requirements of the Act, as also contained in the Church Accounting Regulations 2006 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. Timothy Brown, A.C.A. - Independent Examiner

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Surbiton, Surrey, KT5 8HQ

Dated: 2016 .

ST. ANDREW'S & ST. MARK'S PCC SURBITON
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2015 £	TOTAL 2014 £	Budget 2015 £	Budget 2016 £
INCOMING RESOURCES								
Voluntary income	2(a)	186,259	11,221	-	197,480	110,739	175,000	160,000
Activities for generating funds	2(b)	106,938	-	-	106,938	96,099	90,000	100,000
Income from investments	2(c)	15,326	6	-	15,332	15,083	12,000	10,000
Church activities	2(d)	6,670	1,130	-	7,800	5,464	14,000	8,000
Other incoming resources	2(e)	692	-	-	692	1,299	-	-
TOTAL INCOMING RESOURCES		315,885	12,357		328,242	228,684	291,000	278,000
RESOURCES EXPENDED								
Cost of generating voluntary income	3(a)	168	-	-	168	185	100	200
Shared utilities	3(b)	16,427	-	-	16,427	15,642	20,000	18,000
Cost of generating funds	3(c)	918	-	-	918	1,605	1,000	1,000
Church activities	3(d)	166,718	2,445	-	169,163	144,187	150,000	175,000
Governance costs	3(e)	325	-	-	325	338	325	325
Support costs	3(f)	21,147	-	-	21,147	21,630	20,000	24,000
Mission donations	3(g)	-	8,733	-	8,733	7,999	6,000	8,000
Major Works - St. Mark's Church	3(h)	33,388	-	-	33,388	136,407	-	-
Major Works - St. Andrew's	3(h)	-	-	-	-	-	-	-
Other resources used	3(h)	1,176	-	-	1,176	861	2,000	2,000
TOTAL RESOURCES EXPENDED		240,267	11,178	-	251,445	328,853	199,425	228,525
Net incoming / (outgoing) resources		75,618	1,179	-	76,797	(100,169)	91,575	49,475
RECOGNISED GAINS AND LOSSES								
Unrealised gains on investments		2,057	-	-	2,057	14,910	-	-
NET MOVEMENT IN FUNDS		77,675	1,179	-	78,854	(85,259)	91,575	49,475
Balance brought forward		1,970,774	3,642	-	1,974,416	2,059,675	1,974,416	2,053,270
Balance carried forward		2,048,449	4,821	-	2,053,270	1,974,416	2,065,991	2,102,745

**ST. ANDREW'S & ST. MARK'S PCC SURBITON
BALANCE SHEET AS AT 31 DECEMBER 2015**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2015 £	TOTAL 2014 £
FIXED ASSETS						
Land & buildings	4	1,549,410	-	-	1,549,410	1,549,410
Tangible assets	5	8,266	-	-	8,266	9,234
Long term investments	6(a)	359,773	-	-	359,773	358,035
		<u>1,917,449</u>	<u>-</u>	<u>-</u>	<u>1,917,449</u>	<u>1,916,679</u>
CURRENT ASSETS						
Short term investments	6(b)	99,971	844	-	100,815	120,187
Debtors & prepayments	7	20,919	2,170	-	23,089	18,472
Cash at bank & in hand	6(c)	103,584	7,736	-	111,320	115,720
		<u>224,474</u>	<u>10,750</u>	<u>-</u>	<u>235,224</u>	<u>254,379</u>
LIABILITIES						
Creditors	8	93,473	5,930	-	99,403	196,642
NET CURRENT ASSETS						
		131,001	4,820	-	135,821	57,737
TOTAL ASSETS LESS LIABILITIES						
		2,048,450	4,820	-	2,053,270	1,974,416
Fund Movements		-	-	-	-	-
		<u>2,048,450</u>	<u>4,820</u>	<u>-</u>	<u>2,053,270</u>	<u>1,974,416</u>
THE FUNDS OF THE CHARITY 10						
Unrestricted		2,048,450	-	-	2,048,450	1,970,773
Restricted		-	4,820	-	4,820	3,643
Endowment		-	-	-	-	-
TOTAL		<u>2,048,450</u>	<u>4,820</u>	<u>-</u>	<u>2,053,270</u>	<u>1,974,416</u>

The notes numbered 1 - 12 form a part of these accounts

Approved by the Parochial Church Council on 9 March 2016 and signed on its behalf by

Rev. Robert Stanier (Chairman)

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES

Basis of financial statements

The financial statements have been prepared under 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 affiliation to another body, nor those that are informal gatherings of church members.

Fund accounting

Endowment funds were funds of which the capital had to be retained, allowing only the income to be spent. During the year the PCC took advantage of section 289 of the Charities Act 2011 to resolve that it should be free to spend the capital of its small endowment funds.

Restricted funds derive from donations or bequests for a specific purpose. They may only be expended on the purpose for which they were given.

The use of other funds is *unrestricted*, but some are designated by the PCC for particular purposes.

Incoming resources

Planned giving, collections and similar 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 entitled to the use of the resources, their ultimate receipt is considered reasonably certain, and the amounts due are reliably quantifiable. Dividends and interest are accounted for when they fall due for payment. All items are accounted for gross. Rental income from the letting of Church premises is recognised when the rental is due.

Resources expended

Donations out of restricted funds intended to benefit other charities are accounted for when sums have been allocated to the charities in question.

The diocesan parish share is accounted for when due.

All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with section 10(2)(a) and (c) of the Charities Act 2011.

Other land and buildings are included in the accounts at cost and a policy of non-depreciation is currently adopted as they have a very long remaining useful life. An impairment review may be prudent, in the future.

Expenditure on tangible assets is written off as it is incurred where the cost of an asset is equal to or less than £1,000. Where the cost is greater the expenditure is capitalised and depreciated on a straight-line basis over the estimated useful life of the asset. Prior to 1 January 2013 all expenditure on movable church furnishings vested in the churchwardens was written off as it was incurred.

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. INCOMING RESOURCES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2015 £	TOTAL 2014 £
2(a) Voluntary income					
Planned giving	74,992	-	-	74,992	68,814
Tax recoverable	20,179	310	-	20,489	18,472
Open collections	10,495	-	-	10,495	9,690
Sundry donations	3,911	1,285	-	5,196	4,566
Grant: Marriage preparation course	-	-	-	-	-
Legacies (note 9)	76,682	-	-	76,682	-
Funds raised for other charities	-	9,063	-	9,063	8,742
Special trusts	-	563	-	563	455
	<u>186,259</u>	<u>11,221</u>	<u>-</u>	<u>197,479</u>	<u>110,739</u>
2(b) Activities for generating funds					
Christmas Fair	6,598	-	-	6,598	8,583
Hall lettings	87,928	-	-	87,928	75,781
Church lettings	11,863	-	-	11,863	11,533
Parish magazine advertising	549	-	-	549	202
	<u>106,938</u>	<u>-</u>	<u>-</u>	<u>106,938</u>	<u>96,099</u>
2(c) Income from investments					
Dividends and interest	15,326	6	-	15,332	15,083
	<u>15,326</u>	<u>6</u>	<u>-</u>	<u>15,332</u>	<u>15,083</u>
2(d) Income from church activities					
Fees for weddings, funerals & banns	6,001	1,130	-	7,131	4,329
Parish magazine (sales)	290	-	-	290	253
Bible reading fellowship notes	279	-	-	279	282
Coffee mornings	100	-	-	100	600
	<u>6,670</u>	<u>1,130</u>	<u>-</u>	<u>7,800</u>	<u>5,464</u>
2(e) Other incoming resources					
Tower Fund Donations	500	-	-	500	1,200
Insurance payment	-	-	-	-	-
Release of sequestration account	-	-	-	-	-
Other	192	-	-	192	99
	<u>692</u>	<u>-</u>	<u>-</u>	<u>692</u>	<u>1,299</u>
TOTAL INCOMING RESOURCES	<u>315,885</u>	<u>12,357</u>	<u>-</u>	<u>328,242</u>	<u>228,684</u>

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3. RESOURCES EXPENDED	Unrestricted	Restricted	Endowment	2015	2014
	£	£	£	£	£
3(a) Cost of generating voluntary income					
Stewardship costs	168	-	-	168	85
Fund-raising events - other charities	-	-	-	-	100
	<u>168</u>	<u>-</u>	<u>-</u>	<u>168</u>	<u>185</u>
3(b) Shared utilities - At both churches, utility supplies are shared between consecrated buildings and others. These costs cannot reliably be apportioned between the generation of funds and church activities.					
Gas	9,352	-	-	9,352	13,253
Electricity	5,917	-	-	5,917	1,292
Water	1,158	-	-	1,158	1,098
	<u>16,427</u>	<u>-</u>	<u>-</u>	<u>16,427</u>	<u>15,642</u>
3(c) Cost of generating funds					
Other hall running costs	918	-	-	918	1,605
3(d) Costs associated with church activities					
Diocesan quota	95,957	-	-	95,957	92,356
Clergy expenses	1,685	-	-	1,685	885
Clergy housing	6,382	-	-	6,382	2,821
Leaving gifts	73	-	-	73	55
Insurance	11,431	-	-	11,431	12,401
Church Cleaning	13,128	-	-	13,128	11,489
Church Maintenance	23,423	-	-	23,423	8,555
Other Church Running Costs	5,946	-	-	5,946	4,916
Church music	8,491	-	-	8,491	7,760
Children & Older people	172	765	-	937	1,790
Special trusts	30	1,680	-	1,710	1,160
	<u>166,718</u>	<u>2,445</u>	<u>-</u>	<u>169,163</u>	<u>144,187</u>
3(e) Governance costs					
Independent examiner's fee	325	-	-	325	338
Deanery synod	-	-	-	-	-
	<u>325</u>	<u>-</u>	<u>-</u>	<u>325</u>	<u>338</u>
3(t) Support costs					
Parish Administrator (see Note 12)	17,160	-	-	17,160	17,620
Running costs of office	3,563	-	-	3,563	2,928
Hospitality	424	-	-	424	1,082
	<u>21,147</u>	<u>-</u>	<u>-</u>	<u>21,147</u>	<u>21,630</u>
3(g) Mission donations					
Church Overseas	-	2,391	-	2,391	2,876
Relief & development agencies	-	1,538	-	1,538	1,270
Home missions	-	2,291	-	2,291	1,872
Secular charities	-	2,513	-	2,513	1,981
	<u>-</u>	<u>8,733</u>	<u>-</u>	<u>8,733</u>	<u>7,999</u>
3(h) Major Repair Works					
2014 - work to St Mark's Tower and roof	33,388	-	-	33,388	136,407
- Other resources used	1,176	-	-	1,176	861
TOTAL RESOURCES USED	<u>240,267</u>	<u>11,178</u>	<u>-</u>	<u>251,445</u>	<u>328,853</u>

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

4 Land & buildings

The PCC is the beneficial owner of interests in the following:

	<u>Carrying value</u> <u>31.12.14</u>	<u>Expenditure</u>	<u>Value at</u> <u>31.12.15</u>
	£	£	£
St. Andrew's Parish Rooms	508,406	-	508,406
St. Mark's Hall	1,037,802	-	1,037,802
Car Park Lease - St. Mark's Court	2,702	-	2,702
Land at Electric Parade	500	-	500
	<u>1,549,410</u>	<u>-</u>	<u>1,549,410</u>

Ownership of St. Andrew's Parish Rooms is yet to be transferred to the PCC, under a partial redundancy scheme. The rooms are valued at their cost of construction.

St. Mark's Hall is valued at the estimated final cost of its construction.

The 999 year lease of parking spaces was granted for a nominal consideration.

It is valued at a figure equal to the legal costs of its acquisition.

At Electric Parade the PCC owns the freehold interest in the land occupied by the Scouts Headquarters.

5 Tangible Assets

	<u>Brought forward</u>	<u>Cost in year</u>	<u>Depreciation</u>	<u>Value at</u> <u>31.12.2015</u>
	£	£	£	£
<u>Fixtures, fittings and equipment</u>				
Parish rooms, St. Andrew's <i>(Depreciated from 1.1.2013)</i>	8,082	-	808	7,274
St. Mark's Hall	1,102	-	110	992
Parish office	50	-	50	-
	<u>9,234</u>	<u>-</u>	<u>968</u>	<u>8,266</u>

Computer Equipment has been depreciated over 3 years. Other equipment is depreciated at 10% per annum.

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
6 Investments		
6(a) <u>Fixed Assets: Long term investments</u>		
Funds managed by CCLA Investment Management Ltd.		
Church of England Investment Fund	244,119	240,842
Global Equity Income Fund	115,654	116,861
2.5% Consolidated stock [par value: £405.26]	-	332
	<u>359,773</u>	<u>358,035</u>
The Consolidated stock was sold in 2015		
6(b) <u>Current assets: Short term investments</u>		
St. Mark's Altar Guild	405	403
St. Mark's Flower Fund	439	436
General Deposit a/c	99,971	119,348
	<u>100,815</u>	<u>120,187</u>
6(c) <u>Current assets: Cash at Bank and in hand</u>		
St Andrew Flower Fund Bank a/c	-	430
Natwest Bank Account	101,093	115,253
CAF Bank Account	10,182	
Cash	45	37
	<u>111,320</u>	<u>115,720</u>
St Andrews Flower fund account was closed in 2015		
7 <u>Debtors & prepayments</u>		
Debtors for goods and services	2,601	-
Inland Revenue - tax recoverable	20,489	18,472
Prepayments	-	-
	<u>23,090</u>	<u>18,472</u>
8 <u>Creditors & accruals</u>		
Creditors for goods and services	86,309	187,346
Church of England Bodies	5,014	2,997
Accrued Utilities	1,000	2,137
Owing to other charities	5,930	3,036
Refundable key deposits	1,150	1,126
Income in advance	-	-
	<u>99,403</u>	<u>196,642</u>

The final account for the works at St. Mark's has still not yet been settled. The year end creditor includes an estimate of the sum remaining to be paid and of the associated professional fees (£86,000).

Creditors are payable within one year, except for deposits refundable at the end of a long-term hire.

9 2015 Legacies

The estate of Rose King paid a total of £76,682 to the parish

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10 Fund details as at 31st December 2015

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
	£	£	£	£
General fund	2,047,669	-	-	2,047,669
Vicar's fund	780	-	-	780
Other Charities	-	-	-	-
Special trusts	-	1,922	-	1,922
Christmas Day Party	-	1,763	-	1,763
Other restricted funds	-	1,136	-	1,136
	<u>2,048,449</u>	<u>4,821</u>	<u>-</u>	<u>2,053,270</u>

Special Trusts comprise the parish Fellowship, St. Mark's Altar Guild and two Flower Funds.

The Christmas Day Party fund is used to provide lunch at Christmas for those otherwise on their own.

Other restricted funds have had a variety of purposes.

During 2015, the St Andrews flower fund bank account was closed, and the balance moved to the St Andrews roof fund.

11 Staff Costs

The PCC had one employee during the year (the parish administrator); who was paid a salary of £16,800. No pension contributions were paid. Employer's National Insurance cost was £1,199.

Expenses totalling £866.96 were made to clergy who are members of the PCC.

No other members of the PCC received any payment as remuneration or expenses.

The fee payable to the independent examiner is £325.

12 Notes on 2016 Budget

Income and expenditure in 2016 is expected to be in line with 2015 with the following exceptions:

Planned giving is slightly higher as we have had a steady growth over the last 18 months

Legacies are lower, expected to be approximately 30k compared with 76k

Music costs are expected to be higher as there is a plan to hire a new director of music

Our contribution to the diocese is higher at £99k, plus we are paying more for the rental of 1 the Mall