

Parish of Saint Andrew and Saint Mark Surbiton

Accounts for the year ended 31 December 2019

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 31 December 2019 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 and that an independent examination is needed. The PCC's gross income exceeds £250,000 and I confirm that I am qualified to undertake the examination by being a qualified member of the ICAEW.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act.
- to follow the procedures laid down in the general directions given by the Charities Commission under section 145(5)b of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission 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 which gives me cause to believe that, in any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached, except that I draw attention to the disclosure in note 4 to the accounts in connection with the accounting treatment of St Andrew's Parish Rooms with which I concur.



Mr. Timothy Brown, A.C.A. - Independent Examiner

50 The Ridings
Surbiton, Surrey, KT5 8HQ

Dated : 10th June 2020

ST. ANDREW'S & ST. MARK'S PCC SURBITON
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2019 £	TOTAL 2018 £	Budget 2020 £
INCOMING RESOURCES							
Voluntary income	2(a)	102,095	9,732	-	111,827	118,178	119,000
Activities for generating funds	2(b)	115,164	-	-	115,164	118,427	116,000
Income from investments	2(c)	15,919	-	-	15,919	15,589	10,000
Church activities	2(d)	5,071	-	-	5,071	5,703	4,000
Other incoming resources	2(e)	24,991	-	-	24,991	7,001	-
TOTAL INCOMING RESOURCES		263,240	9,732		272,972	264,897	249,000
RESOURCES EXPENDED							
Cost of generating voluntary income	3(a)	5,507	230	-	5,737	38	
Shared utilities	3(b)	21,058	-	-	21,058	17,335	21,000
Cost of generating funds	3(c)	636	-	-	636	6,361	
Church activities	3(d)	177,371	333	-	177,704	179,577	195,000
Governance costs	3(e)	576	-	-	576	340	
Support costs	3(f)	26,062	-	-	26,062	20,590	26,000
Mission donations	3(g)	-	8,628	-	8,628	10,351	-
Major Works - St. Mark's Church	3(h)	-	-	-	-	-	-
Major Works - St. Andrew's	3(h)	231,660	-	-	231,660	-	
Other resources used	3(h)	-	-	-	-	450	7,000
TOTAL RESOURCES EXPENDED		462,869	9,191		472,060	235,042	249,000
Net incoming/(outgoing) resources		(199,629)	541	-	(199,088)	29,855	-
RECOGNISED GAINS AND LOSSES							
Unrealised gains on investments		85,645	-	-	85,645	(7,344)	-
NET MOVEMENT IN FUNDS		(113,984)	541		(113,444)	22,512	
Balance brought forward		2,249,385	5,638	-	2,255,023	2,232,511	2,141,579
Balance carried forward		2,135,401	6,180		2,141,579	2,255,023	2,141,579

**ST. ANDREW'S & ST. MARK'S PCC SURBITON
BALANCE SHEET AS AT 31 DECEMBER 2019**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2019 £	TOTAL 2018 £
FIXED ASSETS						
Land & buildings	4	1,549,410	-	-	1,549,410	1,549,410
Tangible assets	5	14,720	-	-	14,720	6,026
Long term investments	6(a)	510,543	-	-	510,543	424,897
		<u>2,074,673</u>	<u>-</u>	<u>-</u>	<u>2,074,673</u>	<u>1,980,332</u>
CURRENT ASSETS						
Short term investments	6(b)	26,806	861	-	27,667	102,079
Debtors & prepayments	7	22,321	-	-	22,321	17,717
Cash at bank & in hand	6(c)	18,542	8,570	-	27,112	164,274
		<u>67,669</u>	<u>9,431</u>	<u>-</u>	<u>77,100</u>	<u>284,069</u>
LIABILITIES						
Creditors	8	6,856	3,337	-	10,193	9,379
NET CURRENT ASSETS						
		60,813	6,094	-	66,907	274,690
TOTAL ASSETS LESS LIABILITIES						
		<u>2,135,486</u>	<u>6,094</u>	<u>-</u>	<u>2,141,580</u>	<u>2,255,023</u>
THE FUNDS OF THE CHARITY 10						
Unrestricted		2,135,486	-	-	2,135,486	2,248,929
Restricted		-	6,094	-	6,094	6,094
Endowment		-	-	-	-	-
TOTAL		<u>2,135,486</u>	<u>6,094</u>	<u>-</u>	<u>2,141,580</u>	<u>2,255,023</u>

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

Approved by the Parochial Church Council on the 10th of June 2020 and signed on its behalf by



Revd. Robert Stanier (Chairman)

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019

2. INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2019	TOTAL 2018
	£	£	£	£	£
2(a) Voluntary income					
Planned giving	64,837	-	-	64,837	64,072
Tax recoverable	20,262	(331)	-	19,931	18,695
Open collections	10,683	-	-	10,683	13,576
Sundry donations	6,313	(344)	-	5,969	5,009
Legacies (note 9)	-	-	-	-	5,000
Funds raised for other charities	-	10,407	-	10,407	11,435
Special trusts	-	-	-	-	391
	<u>102,095</u>	<u>9,732</u>	<u>-</u>	<u>111,827</u>	<u>118,178</u>
2(b) Activities for generating funds					
Christmas Fair Activities	10,847	-	-	10,847	5,664
Hall lettings	88,901	-	-	88,901	96,571
Church lettings	15,416	-	-	15,416	16,176
	<u>115,164</u>	<u>-</u>	<u>-</u>	<u>115,164</u>	<u>118,754</u>
2(c) Income from investments					
Dividends and interest	15,919	-	-	15,919	15,589
2(d) Income from church activities					
Fees for weddings, funerals & banns	2,951	-	-	2,951	5,006
Bible reading fellowship notes	253	-	-	253	259
Parish magazine	777	-	-	777	342
Coffee mornings	1,090	-	-	1,090	110
	<u>5,071</u>	<u>-</u>	<u>-</u>	<u>5,071</u>	<u>5,375</u>
2(e) Other incoming resources					
Insurance payment	24,236	-	-	24,236	4,560
Other	755	-	-	755	2,441
	<u>24,991</u>	<u>-</u>	<u>-</u>	<u>24,991</u>	<u>7,001</u>
TOTAL INCOMING RESOURCES	<u><u>263,240</u></u>	<u><u>9,732</u></u>	<u><u>-</u></u>	<u><u>272,972</u></u>	<u><u>264,897</u></u>

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. RESOURCES EXPENDED	Unrestricted	Restricted	Endowment	TOTAL 2019	TOTAL 2018
	£	£	£	£	£
3(a) Cost of generating voluntary income					
Stewardship costs	491	-	-	491	38
Parish magazine costs	70	-	-	70	-
Christmas Fair costs	4,946	-	-	4,946	-
Fund-raising events - other charities	-	230	-	230	-
	<u>5,507</u>	<u>230</u>	<u>-</u>	<u>5,737</u>	<u>38</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	11,823	-	-	11,823	11,090
Electricity	7,326	-	-	7,326	4,808
Water	1,909	-	-	1,909	1,438
	<u>21,058</u>	<u>-</u>	<u>-</u>	<u>21,058</u>	<u>17,335</u>
3(c) Cost of generating funds					
Other hall running costs	636	-	-	636	6,361
3(d) Costs associated with church activities					
Diocesan quota	109,000	-	-	109,000	107,000
Clergy expenses	1,353	-	-	1,353	92
Clergy housing	5,715	-	-	5,715	3,356
Leaving gifts	-	-	-	-	230
Insurance	12,345	-	-	12,345	12,554
Church Cleaning	12,789	-	-	12,789	9,368
Church Maintenance	11,553	-	-	11,553	18,302
Other Church Running Costs	6,482	-	-	6,482	13,039
Church music	12,671	-	-	12,671	11,261
Children & Older people	4,922	333	-	5,255	4,767
Hospitality	539	-	-	539	792
Special trusts	-	-	-	-	60
	<u>177,371</u>	<u>333</u>	<u>-</u>	<u>177,704</u>	<u>180,369</u>
3(e) Governance costs					
Independent examiner's fee	340	-	-	340	340
Deanery synod	236	-	-	236	-
	<u>576</u>	<u>-</u>	<u>-</u>	<u>576</u>	<u>340</u>
3(f) Support costs					
Parish Administrator (see Note 12)	21,491	-	-	21,491	18,714
Running costs of office	4,571	-	-	4,571	1,084
	<u>26,062</u>	<u>-</u>	<u>-</u>	<u>26,062</u>	<u>19,798</u>
3(g) Mission donations					
Church Overseas	-	1,765	-	1,765	1,544
Relief & development agencies	-	2,077	-	2,077	3,235
Home missions	-	2,702	-	2,702	2,937
Secular charities	-	2,084	-	2,084	2,634
	<u>-</u>	<u>8,628</u>	<u>-</u>	<u>8,628</u>	<u>10,351</u>
3(h) Major Repair Works					
Work to St Andrew's Roof	231,660	-	-	231,660	-
TOTAL RESOURCES USED	<u><u>462,869</u></u>	<u><u>9,191</u></u>	<u><u>-</u></u>	<u><u>472,060</u></u>	<u><u>235,042</u></u>

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4 Land & buildings

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

	<u>Value at</u> <u>31.12.18</u>	<u>Expenditure</u>	<u>Value at</u> <u>31.12.19</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
	1,549,410	-	1,549,410

It was originally the intention that the ownership of St. Andrew's Parish Rooms was to be transferred to the PCC, under a partial redundancy scheme. However, in the event, due to a change of view at the Diocese and concerns surrounding the framing of the original planning permission, this is now unlikely to occur. The PCC has taken the view to leave the cost of construction on the balance sheet for now, which is a departure from the generally accepted accounting principles.

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>31.12.19</u>
	£	£	£	£
<u>Fixtures, fittings and equipment</u>				
Parish rooms, St. Andrew's <i>(Depreciated from 1.1.2013)</i>	5,302	330	563	5,069
St. Mark's Hall	723	-	72	651
Church Equipment	-	9,000	-	9,000
	6,026	9,330	636	14,720

Computer Equipment is depreciated over 3 years. Other equipment is depreciated at 10% reducing balance

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
6 <u>Investments</u>	£	£
6(a) <u>Fixed Assets: Long term investments</u>		
Funds managed by CCLA Investment Management Ltd.		
Church of England Investment Fund	344,969	290,563
Global Equity Income Fund	165,574	134,334
	510,543	424,897
6(b) <u>Current assets: Short term investments</u>		
St. Mark's Altar Guild	413	410
St. Mark's Flower Fund	448	444
General Deposit a/c	26,806	101,224
	27,667	102,079
6(c) <u>Current assets: Cash at Bank and in hand</u>		
Natwest Bank Account	2,459	56,050
CAF Bank Account	22,586	106,468
Cash	2,067	1,755
	27,112	164,274
7 <u>Debtors & prepayments</u>		
Debtors for goods and services	2,405	-
Inland Revenue - tax recoverable	19,916	17,717
Prepayments	-	-
	22,321	17,717
8 <u>Creditors & accruals</u>		
Creditors for goods and services	48	48
Church of England Bodies	3,300	3,300
Accrued Utilities	2,358	1,390
Owing to other charities	3,337	3,491
Refundable key deposits	1,150	1,150
Income in advance	-	-
	10,193	9,379

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

9 2019 Legacies

There were no significant legacies left to the parish during 2019

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10 Fund details as at 31st December 2019

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
	£	£	£	£
General fund	2,134,947	-	-	2,134,947
Vicar's fund	-	455	-	455
Christmas Day Party	-	5,175	-	5,175
Other restricted funds	-	1,003	-	1,003
	<u>2,134,947</u>	<u>6,633</u>	<u>-</u>	<u>2,141,581</u>

Other restricted funds comprise the parish Fellowship, St. Mark's Altar Guild and Flower Funds. The Christmas Day Party fund is used to provide lunch at Christmas for those otherwise on their own.

11 Staff Costs

The PCC had two employees during the year (the parish administrator and a cleaner); who were paid total salaries of £19,462. Pension contributions were £990. Employer's National Insurance cost was £3,056

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

12 Notes on 2020 Budget

The budget was prepared before the effects of the coronavirus pandemic were foreseen

Income and expenditure in 2020 were expected to be broadly in line with 2019 with the following exceptions:

- Overall costs are rising in line with inflation
- We were planning a focus on voluntary giving to match our increasing expenditure plans - we are budgetting a 10% increase

In the light of the pandemic, we are now expecting a reduction of around 50% in our letting income in 2020 and will be considering our options for cost savings. At present our reserves are sufficient to see us through the current year.