

Parish of Saint Andrew and Saint Mark Surbiton

Accounts for the year ended 31 December 2020

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 2020 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 exceeded £250,000 in the prior year and I confirm that I am qualified to undertake the examination by been 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

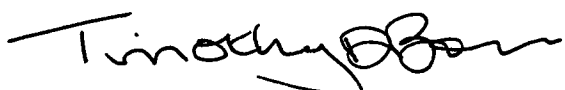
My examination was carried out in accordance with the General Directions given by the Charity Commission and to be found in the Church Guidance, 2006 edition. That examination includes a review of the accounting records kept by the P.C.C. and a comparison of the accounts with those records. It also includes 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

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Surbiton, Surrey, KT5 8HQ

Dated :14th April 2021

ST. ANDREW'S & ST. MARK'S PCC SURBITON
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | TOTAL 2020 £ | TOTAL 2019 £ | Budget 2021 £ |
|-------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|---------------------|
| INCOMING RESOURCES | | | | | | | |
| Voluntary income | 2(a) | 130,621 | 10,797 | - | 141,418 | 111,827 | 125,000 |
| Activities for generating funds | 2(b) | 50,518 | - | - | 50,518 | 115,164 | 73,040 |
| Income from investments | 2(c) | 15,748 | - | - | 15,748 | 15,919 | 10,000 |
| Church activities | 2(d) | 1,946 | - | - | 1,946 | 5,071 | 4,650 |
| Other incoming resources | 2(e) | 34,466 | - | - | 34,466 | 24,991 | - |
| TOTAL INCOMING RESOURCES | | 233,300 | 10,797 | | 244,097 | 272,972 | 212,690 |
| RESOURCES EXPENDED | | | | | | | |
| Cost of generating voluntary income | 3(a) | 3,341 | - | - | 3,341 | 5,737 | 250 |
| Shared utilities | 3(b) | 17,487 | - | - | 17,487 | 21,058 | 21,500 |
| Cost of generating funds | 3(c) | 572 | - | - | 572 | 636 | 5,000 |
| Church activities | 3(d) | 167,195 | - | - | 167,195 | 177,704 | 173,250 |
| Governance costs | 3(e) | 465 | - | - | 465 | 576 | 400 |
| Support costs | 3(f) | 25,391 | - | - | 25,391 | 26,062 | 28,000 |
| Mission donations | 3(g) | - | 11,110 | - | 11,110 | 8,628 | - |
| Major Works - St. Mark's Church | 3(h) | - | - | - | - | - | 26,500 |
| Major Works - St. Andrew's | 3(h) | - | - | - | - | 231,660 | |
| Other resources used | 3(h) | - | - | - | - | - | |
| TOTAL RESOURCES EXPENDED | | 214,451 | 11,110 | - | 225,561 | 472,060 | 254,900 |
| Net incoming/(outgoing) resources | | 18,849 | (313) | - | 18,536 | (199,088) | (42,210) |
| RECOGNISED GAINS AND LOSSES | | | | | | | |
| Unrealised gains on investments | | 55,314 | - | - | 55,314 | 85,645 | - |
| NET MOVEMENT IN FUNDS | | 74,163 | (313) | - | 73,851 | (113,444) | (42,210) |
| Balance brought forward | | 2,135,401 | 6,180 | - | 2,141,581 | 2,255,025 | 2,215,432 |
| Balance carried forward | | 2,209,564 | 5,867 | - | 2,215,432 | 2,141,581 | 2,173,222 |

ST. ANDREW'S & ST. MARK'S PCC SURBITON
BALANCE SHEET AS AT 31 DECEMBER 2020

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | TOTAL 2020 £ | TOTAL 2019 £ |
|--------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| FIXED ASSETS | | | | | | |
| Land & buildings | 4 | 1,549,410 | - | - | 1,549,410 | 1,549,410 |
| Tangible assets | 5 | 18,722 | - | - | 18,722 | 14,720 |
| Long term investments | 6(a) | 565,858 | - | - | 565,858 | 510,543 |
| | | <u>2,133,990</u> | <u>-</u> | <u>-</u> | <u>2,133,990</u> | <u>2,074,673</u> |
| CURRENT ASSETS | | | | | | |
| Short term investments | 6(b) | 358 | 864 | - | 1,222 | 27,667 |
| Debtors & prepayments | 7 | 16,719 | - | - | 16,719 | 22,321 |
| Cash at bank & in hand | 6(c) | 63,319 | 5,769 | - | 69,088 | 27,112 |
| | | <u>80,396</u> | <u>6,633</u> | <u>-</u> | <u>87,029</u> | <u>77,100</u> |
| LIABILITIES | | | | | | |
| Creditors | 8 | 5,586 | - | - | 5,586 | 10,192 |
| NET CURRENT ASSETS | | 74,810 | 6,633 | - | 81,443 | 66,908 |
| | | | - | - | | |
| TOTAL ASSETS LESS LIABILITIES | | <u>2,208,799</u> | <u>6,633</u> | <u>-</u> | <u>2,215,432</u> | <u>2,141,581</u> |
| THE FUNDS OF THE CHARITY | | | | | | |
| Unrestricted | 10 | 2,208,799 | - | - | 2,208,799 | 2,134,948 |
| Restricted | | - | 6,633 | - | 6,633 | 6,633 |
| Endowment | | - | - | - | - | - |
| TOTAL | | <u>2,208,799</u> | <u>6,633</u> | <u>-</u> | <u>2,215,432</u> | <u>2,141,581</u> |

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

Approved by the Parochial Church Council on the 14th of April 2021 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 2020

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 unless otherwise specified.

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 declining balance 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 2020

2. INCOMING RESOURCES

| | Unrestricted Funds | Restricted Funds | Endowment Funds | TOTAL 2020 | TOTAL 2019 |
|---|-----------------------|----------------------|--------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ | £ |
| 2(a) Voluntary income | | | | | |
| Planned giving | 67,096 | - | - | 67,096 | 64,837 |
| Tax recoverable | 18,087 | 76 | - | 18,164 | 19,931 |
| Open collections | 3,048 | - | - | 3,048 | 10,683 |
| Sundry donations | 19,127 | 710 | - | 19,837 | 5,969 |
| Legacies (note 9) | 23,262 | - | - | 23,262 | - |
| Funds raised for other charities | - | 10,010 | - | 10,010 | 10,407 |
| Special trusts | - | - | - | - | - |
| | <u>130,621</u> | <u>10,797</u> | <u>-</u> | <u>141,418</u> | <u>111,827</u> |
| 2(b) Activities for generating funds | | | | | |
| Christmas Fair Activities | 6,554 | - | - | 6,554 | 10,847 |
| Hall lettings | 38,564 | - | - | 38,564 | 88,901 |
| Church lettings | 5,401 | - | - | 5,401 | 15,416 |
| | <u>50,518</u> | <u>-</u> | <u>-</u> | <u>50,518</u> | <u>115,164</u> |
| 2(c) Income from investments | | | | | |
| Dividends and interest | 15,748 | - | - | 15,748 | 15,919 |
| 2(d) Income from church activities | | | | | |
| Fees for weddings, funerals & banns | 1,182 | - | - | 1,182 | 2,951 |
| Bible reading fellowship notes | 269 | - | - | 269 | 253 |
| Parish magazine | 176 | - | - | 176 | 777 |
| Coffee mornings | 320 | - | - | 320 | 1,090 |
| | <u>1,946</u> | <u>-</u> | <u>-</u> | <u>1,946</u> | <u>5,071</u> |
| 2(e) Other incoming resources | | | | | |
| Insurance payment | 1,000 | - | - | 1,000 | 24,236 |
| LPOW DCMS Grant re 2019 St Andrews Tower work | 33,157 | - | - | 33,157 | - |
| Other | 309 | - | - | 309 | 755 |
| | <u>34,466</u> | <u>-</u> | <u>-</u> | <u>34,466</u> | <u>24,991</u> |
| TOTAL INCOMING RESOURCES | <u><u>233,300</u></u> | <u><u>10,797</u></u> | <u><u>-</u></u> | <u><u>244,097</u></u> | <u><u>272,972</u></u> |

ST. ANDREW'S & ST. MARK'S PCC SURBITON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

| 3. RESOURCES EXPENDED | Unrestricted £ | Restricted £ | Endowment £ | TOTAL 2020 £ | TOTAL 2019 £ |
|---|-------------------|-----------------|----------------|--------------------|--------------------|
| 3(a) Cost of generating voluntary income | | | | | |
| Stewardship costs | - | - | - | - | 491 |
| Parish magazine costs | 70 | - | - | 70 | 70 |
| Christmas Fair costs | 3,271 | - | - | 3,271 | 4,946 |
| Fund-raising events - other charities | - | - | - | - | 230 |
| | <u>3,341</u> | <u>-</u> | <u>-</u> | <u>3,341</u> | <u>5,737</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 | 9,009 | - | - | 9,009 | 11,823 |
| Electricity | 7,504 | - | - | 7,504 | 7,326 |
| Water | 974 | - | - | 974 | 1,909 |
| | <u>17,487</u> | <u>-</u> | <u>-</u> | <u>17,487</u> | <u>21,058</u> |
| 3(c) Cost of generating funds | | | | | |
| Other hall running costs | 572 | - | - | 572 | 636 |
| 3(d) Costs associated with church activities | | | | | |
| Diocesan quota | 111,500 | - | - | 111,500 | 109,000 |
| Clergy expenses | 1,861 | - | - | 1,861 | 1,353 |
| Clergy housing | 5,284 | - | - | 5,284 | 5,715 |
| Insurance | 12,286 | - | - | 12,286 | 12,345 |
| Church Cleaning | 8,420 | - | - | 8,420 | 12,789 |
| Church Maintenance | 6,879 | - | - | 6,879 | 11,553 |
| Other Church Running Costs | 9,139 | - | - | 9,139 | 7,022 |
| Church music | 8,424 | - | - | 8,424 | 12,671 |
| Children & Older people | 3,400 | - | - | 3,400 | 5,255 |
| | <u>167,195</u> | <u>-</u> | <u>-</u> | <u>167,195</u> | <u>177,704</u> |
| 3(e) Governance costs | | | | | |
| Independent examiner's fee | 465 | - | - | 465 | 340 |
| Deanery synod | - | - | - | - | 236 |
| | <u>465</u> | <u>-</u> | <u>-</u> | <u>465</u> | <u>576</u> |
| 3(f) Support costs | | | | | |
| Parish Administrator (see Note 12) | 20,492 | - | - | 20,492 | 21,491 |
| Running costs of office | 4,899 | - | - | 4,899 | 4,571 |
| | <u>25,391</u> | <u>-</u> | <u>-</u> | <u>25,391</u> | <u>26,062</u> |
| 3(g) Mission donations | | | | | |
| Church Overseas | - | 1,614 | - | 1,614 | 1,765 |
| Relief & development agencies | - | 2,758 | - | 2,758 | 2,077 |
| Home missions | - | 3,602 | - | 3,602 | 2,702 |
| Secular charities | - | 3,136 | - | 3,136 | 2,084 |
| | <u>-</u> | <u>11,110</u> | <u>-</u> | <u>11,110</u> | <u>8,628</u> |
| 3(h) Major Repair Works | | | | | |
| Work to St Andrew's Roof | - | - | - | - | 231,660 |
| TOTAL RESOURCES USED | <u>214,451</u> | <u>11,110</u> | <u>-</u> | <u>225,561</u> | <u>472,060</u> |

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4 Land & buildings

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

| | <u>Value at</u> <u>31.12.19</u> | <u>Expenditure</u> | <u>Value at</u> <u>31.12.20</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> |

St Andrew's Parish rooms were originally constructed under diocesan ownership to clarify planning permissions and have been held in the accounts since their construction. This was originally on the basis that the rooms would be transferred to the parish under a partial redundancy scheme. To date, this has not happened and the PCC is now taking active measures to ascertain if the halls are on consecrated ground and if the diocese needs to grant a partial redundancy. It is recognised that there is a potential conflict of treatment between that specified in the Charities Act 2011 and Generally Accepted Account Principles in this circumstance. In order best to serve understanding of the accounts, the PCC has agreed to leave the cost of construction on the balance sheet to reflect the assets which are generating income for the parish and for equality of treatment with St Mark's Halls (where the uncertainty does not exist).

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>31.12.20</u> |
|--|------------------------|---------------------|---------------------|------------------------------------|
| | £ | £ | £ | £ |
| <u>Fixtures, fittings and equipment</u> | | | | |
| Parish rooms, St. Andrew's <i>(Depreciated from 1.1.2013)</i> | 5,069 | - | 507 | 4,562 |
| St. Mark's Hall | 651 | - | 65 | 586 |
| Church IT Equipment | 9,000 | 7,574 | 3,000 | 13,574 |
| | <u>14,720</u> | <u>7,574</u> | <u>3,572</u> | <u>18,722</u> |

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 2020

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| 6 Investments | | |
| 6(a) <u>Fixed Assets: Long term investments</u> | | |
| Funds managed by CCLA Investment Management Ltd. | | |
| Church of England Investment Fund | 368,790 | 344,969 |
| Global Equity Income Fund | 197,068 | 165,574 |
| | 565,858 | 510,543 |
| 6(b) <u>Current assets: Short term investments</u> | | |
| St. Mark's Altar Guild | 415 | 413 |
| St. Mark's Flower Fund | 449 | 448 |
| General Deposit a/c | 358 | 26,806 |
| | 1,222 | 27,667 |
| 6(c) <u>Current assets: Cash at Bank and in hand</u> | | |
| Natwest Bank Account | 6,973 | 2,459 |
| CAF Bank Account | 61,855 | 22,586 |
| Cash | 260 | 2,067 |
| | 69,088 | 27,112 |
| 7 Debtors & prepayments | | |
| Debtors for goods and services | 1,194 | 2,405 |
| Inland Revenue - tax recoverable | 15,525 | 19,916 |
| Prepayments | - | - |
| | 16,719 | 22,321 |
| 8 Creditors & accruals | | |
| Creditors for goods and services | - | 48 |
| Church of England Bodies | - | 3,300 |
| Accrued Utilities | 4,436 | 2,358 |
| Owing to other charities | - | 3,337 |
| Refundable key deposits | 1,150 | 1,150 |
| Income in advance | - | - |
| | 5,586 | 10,193 |

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

9 2020 Legacies

The estate of Kathleen Henshall paid a total of £17,695 and the estate of Joann Healey paid a total of £1,000 to the parish. The estate of Thelma Richardson made a final payment of £4,467 to the parish from a legacy in 2017. A further £100 was given at a cremation taken in Golder's Green

ST. ANDREW'S & ST. MARK'S PCC SURBITON
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10 Fund details as at 31st December 2020

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Endowment</u> | <u>Total</u> |
|------------------------|---------------------|-------------------|------------------|------------------|
| | £ | £ | £ | £ |
| General fund | 2,208,799 | - | - | 2,208,799 |
| Vicar's fund | - | 455 | - | 455 |
| Christmas Day Party | - | 5,175 | - | 5,175 |
| Other restricted funds | - | 1,003 | - | 1,003 |
| | <u>2,208,799</u> | <u>6,633</u> | <u>-</u> | <u>2,215,433</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 £18,856. Pension contributions were £1,017. Employer's National Insurance cost was £3,108

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

12 Notes on 2021 Budget

The 2021 budget was prepared before the effects of the coronavirus pandemic were clear for 2021

Income and expenditure in 2021 were expected to be broadly in line with 2020 with the following exceptions:

- Overall costs are rising in line with inflation
- We expect to see an increase of 25% in cleaning costs in 2021 over those in prior years
- We have reduced our parish fund contribution to the Diocese by 15% from 2021
- We expect to see rental income increase from under half normal levels to normal by the end of the year, showing a 36% decline overall from prior years
- We have assumed an increase in planned giving of £10k over the prior year arising from a giving campaign in 2021