

# BARCOMBE PAROCHIAL CHURCH COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31st December 2010

### 1 ACCOUNTING POLICIES

#### 1(a) Accounting Convention

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the SORP 2005.

The financial statements have been prepared under the historical cost convention except for the valuation of 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 main affiliation to another body, nor those that are informal gatherings of church members.

#### 1(b) Funds

Funds held by the PCC are :-

*Unrestricted funds* - general funds that can be used for PCC ordinary purposes.

*Designated funds* - monies set aside by the PCC out of unrestricted funds for specific future purposes or projects.

*Restricted funds* - (a) income from trusts or endowments that may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on an average balance basis.

*Endowment funds* - funds the capital of which must be maintained; only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established. The PCC may have the power to convert certain endowment funds into expendable income; such funds are known as expendable endowments.

#### 1(c) Incoming Resources

All incoming resources are accounted for gross.

*Voluntary income* - Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies to the PCC are accounted for when the PCC is legally entitled to the amounts due.

*Investment income* - Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue.

*All other income* - All other income is recognised when it is receivable.

*Gains and losses on investments* - Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments on 31st December

#### 1(d) Resources Expended

Resources expended are accounted for on an accruals basis and are accounted for gross.

*Grants* - Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC.

*Church activities* - The diocesan parish contribution is accounted for when paid. Any parish contribution unpaid at 31st December is provided for in these accounts as an operational (though not legal) liability and is shown as a creditor in the balance sheet. Expenditure on church activities includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

*Governance costs* - These include those costs associated with meeting the constitutional and statutory requirements of the PCC and include the independent examination fees.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned based on an estimated usage.

**BARCOMBE PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the Year ended 31st December 2010**

1(e) **Fixed Assets**

*Tangible fixed assets.*

Consecrated and beneficed property of any kind is excluded from the accounts by s.96(2)(a) of the Charities Act 1993. Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted 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 2000, there is insufficient cost information available and therefore such assets are not valued in the financial statements. Individual items acquired since 1st January 2000 have been capitalised in the financial statements and depreciated over their useful economic life.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items costing under £5000 or on the repair of movable church furnishings acquired before 1st January 2000 is written off.

*Investments :*

Investments are valued at market value at 31st December.

1(f) **Changes in Accounting Policies and Previous Accounts**

There has been no change in accounting policies since last year and no changes to the previous accounts.

**2 INCOMING RESOURCES**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	<b>TOTAL</b> 2010 £	<b>FUNDS</b> 2009 £
2(a) Voluntary income					
Planned giving	43,368	0	0	43,368	41,102
Collections (open plate)	5,415	0	0	5,415	6,808
Donations	8,510	700	0	9,210	11,724
Tax refunds	9,177	125	0	9,302	11,417
Grants	250	0	0	250	569
Legacies	3,000	0	0	3,000	0
	69,720	825	0	70,545	71,620
2(b) Activities for generating funds					
Fund-raising	1,494	0	0	1,494	1,620
	1,494	0	0	1,494	1,620
2(c) Income from investments					
Dividends and interest	1,496	284	367	2,147	3,313
	1,496	284	367	2,147	3,313
2(d) Church activities					
Church hall lettings	7,205	0	0	7,205	4,248
Parish magazine	3,624	0	0	3,624	4,125
Parochial Fees	5,047	0	0	5,047	3,325
	15,876	0	0	15,876	11,698
2(e) Other incoming resources					
Sale of assets	29	0	0	29	0
<b>TOTAL INCOMING RESOURCES</b>	88,615	1,109	367	90,091	88,251

**BARCOMBE PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the Year ended 31st December 2010**

**3 RESOURCES EXPENDED**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	<b>TOTAL</b> 2010 £	<b>FUNDS</b> 2009 £
3(a) Costs of generating voluntary income					
Stewardship costs	193	0	0	193	126
	<u>193</u>	<u>0</u>	<u>0</u>	<u>193</u>	<u>126</u>
3(b) Fund-raising trading costs					
Fund-raising expenses	43	0	0	43	169
	<u>43</u>	<u>0</u>	<u>0</u>	<u>43</u>	<u>169</u>
3(c) Church activities					
Missionary and charitable giving :					
Church overseas :					
- missionary societies	2,440	0	0	2,440	3,100
- relief and development agencies	1,691	0	0	1,691	2,400
Home missions and other Church Societies	3,345	0	0	3,345	1,518
Secular charities	0	0	0	0	0
Ministry costs :					
Diocesan Parish Contribution	52,500	0	0	52,500	49,980
Other ministry costs	6,195	0	0	6,195	8,771
Church running expenses	4,064	0	0	4,064	4,018
Church maintenance (routine)	2,578	0	0	2,578	2,043
Church - Major repairs & fabric costs	36,505	9,709	0	46,214	17,059
Church - Professional fees	0	0	0	0	6,135
Upkeep of churchyards	238	0	367	605	4,626
Upkeep of services	2,832	0	0	2,832	1,369
Youth work, training and mission	1,270	844	0	2,114	4,252
Parish magazine	2,214	0	0	2,214	2,177
	<u>115,872</u>	<u>10,553</u>	<u>367</u>	<u>126,792</u>	<u>107,448</u>
3(d) Governance costs					
Independent examination fee	474	0	0	474	541
Provision of statutory accounts	221	0	0	221	368
	<u>695</u>	<u>0</u>	<u>0</u>	<u>695</u>	<u>909</u>
<b>TOTAL RESOURCES EXPENDED</b>	<u><u>116,803</u></u>	<u><u>10,553</u></u>	<u><u>367</u></u>	<u><u>127,723</u></u>	<u><u>108,652</u></u>

**4 STAFF COSTS**

4(a) Wages and salaries

During the year the PCC did not employ any staff.

4(b) Payments to PCC members

During the year there were no disclosable transactions in respect of PCC members, nor persons closely connected to them, nor other related parties.

**BARCOMBE PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the Year ended 31st December 2010**

**5 INVESTMENT ASSETS**

	£
Market value 1st January 2009	35,505
Net surplus on revaluation	1,439
	36,944

At 31st December 2009, the market values of individual holdings were as follows :-

		£
CBF Investment Fund	1,796 units	19,675
CBF Fixed Interest Securities Fund	10,990 units	17,114
3.5% War Stock (undated)	£200 nominal	155
		36,944

**6 DEBTORS**

	2010	2009
	£	£
Prepayments and accrued income	20	44
Tax recoverable	5,015	11,417
	5,035	11,461

**7 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Creditors for goods and services	1,227	9,055
Accruals of utility and other costs	450	575
Deferred income	645	1,550
	2,322	11,180

**8 UNRESTRICTED FUNDS**

	Balance at		Movements in			Balance at
	1st.		Resources			31st
	January	Incoming	Outgoing	Transfers	Gains	December
	2010	£	£	£	£	2010
	£	£	£	£	£	£
General Fund	92,722	88,615	92,146	(6,000)	1,116	84,307
Designated Fabric Fund (i)	9,340	0	0	6,000	0	15,340
Designated New Building Fund (ii)	24,657	0	24,657	0	0	0
	126,719	88,615	116,803	0	1,116	99,647

- (i) The fund has been designated by the PCC to finance the cost of maintenance to the fabric of the church.
- (ii) Money has been designated by the PCC towards the cost of the internal re-ordering to St. Mary's church.

**BARCOMBE PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the Year ended 31st December 2010**

**9 RESTRICTED FUNDS**

	Balance at	Movements in				Balance at
	1st. January 2010 £	Incoming £	Outgoing £	Transfers £	Gains £	31st December 2010 £
B. Witcher Legacy (ii)	9,709		9,709			0
Rector's Fund	7	204				211
Fabric Fund	1,635	59				1,694
Mission Hall Fund	1,597	58				1,655
Youth Work Fund	3,334	740	844			3,230
Training Fund	1,321	48				1,369
	<u>17,603</u>	<u>1,109</u>	<u>10,553</u>	<u>0</u>	<u>0</u>	<u>8,159</u>

- (i) Restricted income from special collections is recorded in this fund and grants are made in accordance with the purposes for which the money is collected.
- (ii) This fund represents the unspent portion of a legacy that is to be used specifically for the building and fabric of St. Mary's church.
- (iii) An appeal was launched in 2005 to provide funds for the building of a major extension and the internal re-ordering of St. Mary's church. This fund is now closed.

**10 ENDOWMENT FUNDS**

	Balance at	Movements in				Balance at
	1st. January 2009 £	Incoming £	Outgoing £	Transfers £	Gains £	31st December 2009 £
Churchyard Trusts (5 in total)	6,536	367	367	0	323	6,859
	<u>6,536</u>	<u>367</u>	<u>367</u>	<u>0</u>	<u>323</u>	<u>6,859</u>

There are 5 permanent endowments that provide income towards the upkeep of graves and the churchyard.

**11 ANALYSIS OF NET ASSETS BY FUND**

	Unrestricted £	Restricted £	Endowment £	<b>TOTAL</b> £
Fixed assets	30,085	0	6,859	36,944
Current assets	71,884	8,159	0	80,043
Current liabilities	(2,322)	0	0	(2,322)
Fund Balances	<u>99,647</u>	<u>8,159</u>	<u>6,859</u>	<u>114,665</u>