

**Parish of the Itchen Valley
Financial Statements**

Year ending 31 December 2014

FINANCIAL REVIEW

This report shows the financial performance of the Parish of the Itchen Valley for 2014. The format is a little different from previous years as a result of a new software package and it is not possible to provide full comparative figures. In summary, 2014 was a strong year financially for the Itchen Valley.

Whereas 2013 was a challenging year financially, with an operating deficit of £13,416, the unrestricted surplus in 2014 is £19,469. In addition, following the substantial completion of both the internal re-ordering of St Swithun's and the major repairs arising from the quinquennial inspection Martyr Worthy's designated fund was closed and the sum of £13,185 was transferred into the unrestricted general fund (the PCC has agreed that this money may only be spent with the explicit approval of the PCC). Accordingly the unrestricted reserves at 31.12.14 stand at £41,488, which is in excess of our target of three months expenditure.

Looking at the year as a whole, regular giving has increased and the 2014 total of £92,586 (donations and tax re-claim) is now approaching the £100,000 target set by the PCC some years ago, although this figure is somewhat inflated by one substantial one-off donation. Following a change in legislation, tax recovery on cash collections can be made under the Gift Aid Small Donations scheme eliminating the need to use an envelope for each donation thus simplifying the administration involved and improving the tax recovery.

The fund raising teams had a strong year generating £26,185 (after sums raised specifically for other charities in joint fund-raising events). We are grateful for their enthusiasm and hard work.

Expenses have been controlled.

Having said all this there can never be room for complacency and we need constantly to focus on regular giving as the bedrock of our finances.

Much work has been carried out by the Diocese of Winchester on a fairer system for the apportionment of Parish Share. Our allocation under the new system would be £66,000 compared with the £83,500 we paid in 2014. It has been agreed that the changes should be phased over a number of years. Our Parish Share for 2015 has now been finalised at £75,000.

Tony Gaster took over the responsibility as bookkeeper at the beginning of this year and has worked tirelessly to install a new accounting software package and sort out numerous accounting issues for us. We thank him. Thanks are also due to Zoe Cannons who retired as Gift Aid secretary in May and to John Beames who stood down as Independent Examiner after the 2014 APCM. He has been replaced by Scot Johnston.

Thanks are also due to Andrew Impey, Robin Greenwood and Richard Coleman who together with the Treasurer and Bookkeeper form the finance committee.

RESERVES POLICY

As required by Charities legislation, the PCC reviews regularly the financial risks associated with the operations of the Church. The main financial risk to income would be a change in the giving profile of parishioners and the main financial risk to costs would be a requirement for significant expenditure on the buildings.

It is PCC policy to maintain three months expenses in liquid funds (not designated for other purposes) at all times.

Approved by the Itchen Valley PCC on 11th March 2015 and signed on their behalf by Isobel Pinder

Isobel Pinder 11/3/15

Independent Examiner's Report to Itchen Valley Parochial Church Council

This report on the financial statements of the PCC for the year ending 31st December 2014 which are set out on pages 4 to 10 inclusive is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ('the Regulations') and S.43 of the Charities Act (the Act).

Respective responsibilities of the PCC and the Examiner

As members of the PCC you are responsible for the preparation the financial statements; you consider that the audit requirements of the Regulation and S.43 (2) of the act do not apply. It is my responsibility to issue this report on the financial statements in accordance with the terms of the Regulations.

Basis of this report


My examination was carried out in accordance with the General Directions given by the Charity Commission under S.43(7)(b) of the Act and is to be found in the Church Guidance 2006 edition. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the financial statements and seeking explanations from your trustees concerning such matters. The procedures do not provide all the evidence that would be required in an audit and I do not express an 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 41 of the Act; and
 - to prepare financial statements which accord with the accounting records and comply with the requirements of the Act and Regulations have not been met; or
- (2) to which in my opinion, attention should be drawn in order to enable proper understanding of the accounts to be reached.

Scot Johnston
11 March 2015



16/3/2015

Statement of Financial Activities

£	Notes	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds	Prior year total funds
Receipts							
Planned giving	(1.a)	75,146		70		75,216	
Collections and other giving	(1.b)	15,457		1,913		17,370	
Other voluntary receipts	(1.c)	1,790		21,135		22,925	
Gift Aid recovered		18,130		354		18,484	
Other receipts	(1.d)	4,763		6,933		11,696	
Activities for generating funds	(1.e)	33,092		2,320		35,412	
Investment Income	(1.f)	462	846	547	128	1,983	
Fees from weddings and funerals		13,200				13,200	
Total receipts		162,040	846	33,272	128	196,286	137102
Payments							
Missionary and Charitable Giving	(2.a)	14,518	13,185			27,703	
Parish Share		83,500				83,500	
Clergy and Staffing costs	(2.b)	5,999				5,999	
Church Running Expenses		36,919		100	128	37,147	
Church Repairs & Maintenance	(2.c)	1,386	6,618	6,973		14,977	
MW refurbishment		249	15,215	10,321		25,785	
Total payments		142,571	35,018	17,394	128	195,111	182,268
Net incoming / outgoing resources before transfer		19,469	(34,172)	15,878		1,175	(45166)
Transfers							
Gross transfers between funds – in		16,354		4,064		20,418	
Gross transfers between funds – out			(16,354)	(4,064)		(20,418)	
Net incoming / outgoing before other gains / losses		35,823	(50,526)	15,878		1,175	(45166)
Other gains / losses							
Realised gains / losses on investment assets				(17)		(17)	—
Unrealised gains / losses on revaluation			1,392	(1180)	268	480	6616
Net movement in funds		35,823	(49,134)	14,681	268	1,638	(39250)
Total funds brought forward		5,665	86,467	55,831	5,020	152,983	192233
Total funds carried forward		41,488	37,333	70,512	5,288	154,621	152,983
Represented by							
Unrestricted							
General fund		41,488				41,488	
Designated							
Itchen Abbas CCLA			28,372			28,372	
Itchen Abbas designated			8,961			8,961	
Restricted							
Avington Bellringers				252		252	
Avington Bells				122		122	
Avington Fabric				2,475		2,475	
Avington Fabric Cazenove				13,930		13,930	
Easton Bells				277		277	
Easton Fabric				20,725		20,725	
Easton friends of St Mary's				147		147	
IV Music				534		534	
Itchen Abbas Fabric				225		225	
Martyr Worthy Fabric				31,825		31,825	
Endowment							
Easton CCLA Ransome					2,898	2,898	
MW Graveyard Trust					2,390	2,390	
TOTAL PARISH FUNDS		41,488	37,333	70,512	5,288	154,621	152,983

Balance sheet

	Total funds	Prior year funds
Fixed assets		
Investments	46,617	50,217
Current assets		
Debtors	1,297	174
Cash at bank and in hand	110,022	110,788
	157,936	161,180
Liabilities		
Creditors: Amounts falling due in one year	(3,315)	8,197
	(3,315)	8,197
Net current assets less current liabilities	154,621	152,983
Total assets less current liabilities	154,621	152,983
Total net assets less liabilities	154,621	152,983
Represented by total Parish Funds as shown above	154,621	152,983

ACCOUNTING POLICIES

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.

Funds

Endowment funds are 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.

Restricted funds represent (a) income from trusts or endowments which 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.

Unrestricted funds are general funds which can be used for PCC ordinary purposes in accordance with its constitution.

Designated funds are unrestricted funds set aside for expenditure on a specific purpose agreed by the PCC. The designation has no legal status and may be changed.

Incoming resources

All income is generally recognised when it is received.

Resources expended

The diocesan parish share is accounted for when due. All other expenditure is generally recognised when it is incurred and is accounted for gross. In certain cases, where significant liabilities have been incurred but not paid for, these are accounted for on an accruals basis.

Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with s.92(a) of the Charities Act 1993. Movable church furnishings held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property, listed in the church's inventory, which can be inspected (at any reasonable time).

Investments, which are valued at market value at 31 December 2014, comprise long term investments shown under fixed assets and short term investments shown under current assets as short term deposits.

Investments sold are revalued immediately prior to disposal.

NOTES

1. Analysis of income and expenditure

1.a Planned giving

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
0101 - Gift Aid - Bank	61,110		50		61,160
0110 - Gift Aid - Envelopes	1,695		20		1,715
0201 - Other planned giving	12,340				12,340
Total	75,146		70		75,216

1.b Collections and other giving

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
0301 - Loose plate collections	1,388		394		1,783
0302 - GASDS Avington	970				970
0303 - GASDS Martyr Worthy	3,770				3,770
0304 - GASDS Itchen Abbas	2,481				2,481
0305 - GASDS Easton	4,423		118		4,541
0501 - One-off Gift Aid gifts	1,025		1,400		2,425
0555 - collection for winter fuel	1,400				1,400
Total	15,457		1,912		17,370

1.c Other voluntary receipts

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
0410 - church wall boxes	233				233
0411 - Easton Bellringers			39		39
0520 - Friends of St Mary's			96		96
0550 - Donations for specific purposes	270				270
0551 - Collections for Lango	137				137
0701 - Legacies	250		20,000		20,250
0801 - Recurring grants					
08A1 - Non-recurring one-off grants	900		1,000		1,900
Total	1,790		21,135		22,925

1.d Other receipts

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
0412 - collections for Street Pastors	20				20
0552 - collection for St James Benwell	773				773
0553 - collection for Friends/family	273				273
0610 - compensation	167				167
0901 - other funds generated	166		253		419
1105 - other income	1,571		6,679		8,250
1110 - courses	418				418
1270 - farewell gift to Micklefields	1,373				1,373
Total	4,763		6,933		11,696

1.e Activities for generating funds

Details of fund-raising events income before costs of fund-raising are shown below

Event	Sum raised	Amounts paid out	Net sum raised for Parish
Martyr Worthy Plant Sale	5500		5500
Easton Duck Race	1665		1665
Glynde Easton	6123		6123
Play	15,020	9,227	5793
Parish Walk	900		900
Avington China Sale	1,027		1027
Avington Flower Festival	2000		2000
Martyr Worthy Lecture	2443		2443
Other	733		733
Total	35,412	9,227	26,185

1.f Investment Income

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
1020 - Bank interest	187				187
1021 - investment income	274	845	547	128	1,795
Total	461	845	547	128	1,982

2.a Missionary and Charitable Giving

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
1801 - Giving to missionary societies					
1850 - Mission giving	3,690				3,690
1860 - donation to Friends of St Swithun's		13,185			13,185
1870 - Giving to Secular charities	9,227				9,227
1880 - winter fuel redistribution	1,601				1,601
Total	14,518	13,185			27,703

Details of Mission giving and giving to secular charities are as follows:

Mission giving	Amount
Lango	188
Friends of the family	274
Street Pastors	20
St James's, Benwell	2040
Night Shelter	1168
Total	3690
Giving to secular charities	
Multiple Sclerosis	3250
Winchester Cathedral Girls Choir	2000
Pelican	3100
HASAG	207
RBL	670
Total	9227

2.b Clergy and Staffing costs

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
2001 - Assistant ministry expenses	2,531				2,531
2050 - Parish administrator costs	3,149				3,149
2101 - rector's expenses	319				319
Total	5,999				5,999

2.c Church Repairs & Maintenance

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
2701 - Church major repairs	1,385	6,617	6,614		14,618
2722 - Avington improvements			359		359
Total	1,385	6,617	6,973		14,977
