

ST MICHAEL'S CHURCH PEN SELWOOD

**ANNUAL REPORT AND ACCOUNTS
OF THE PAROCHIAL CHURCH COUNCIL**

FOR THE YEAR END 31ST DECEMBER 2016.

St Michael's Church Pen Selwood
Annual Report of the Parochial Church Council for the year ended 31st December 2016.

Administrative information

St Michael's Church, Pen Selwood is situated in the centre of the village of Pen Selwood, near Wincanton in Somerset. It is part of the diocese of Bath & Wells. The correspondence address is St Michael's Parochial Church Council, The Parish Office, 38 High Street Wincanton BA9 9JF.

The Parochial Church Council (the PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC has sought and obtained from the Charities Commission dispensation from registering with the Commission as the income of the PCC will in future years remain below the relevant income threshold.

PCC members who served from 1st January, 2016 until the date this report (except where otherwise noted) was approved are:-

Incumbent The Revd Nigel Feaver

Warden Mr Jeremy Cox

Elected and co-opted members

Mr Charles Buckler

Mrs Heather Doe

Mrs Joanna Ebner (from 9th November 2016)

Mrs Maureen Ellis (from 9th November 2016)

Mrs Sarah Fitzgerald

Miss Olive Moldram (until her death in July 2016)

Mr Neil Polley

Mr Roger Price (from 15th February 2017)

Mrs Alison Purseglove

Mr Clive Simpson-Gee

From the last Annual Meeting until 15th February 2017, Mr Jeremy Cox undertook the duties of the Treasurer. With effect from 15th February, Mr Roger Price has been Treasurer. Until a Secretary is appointed, Mr Jeremy Cox undertakes these duties.

The NatWest at 5 South Street, Wincanton, Somerset BA9 9DJ provides banking services to the PCC. The limited examiner of the PCC's 2016 accounts is Mr Bruce Bower, Coombe Head, Coombe Street, Pen Selwood, Wincanton BA9 8NF.

The day to day management of the PCC is undertaken by the church warden.

Structure, Governance and Management

Appointment of members of the PCC is governed by and set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC; currently the PCC would welcome new and additional members.

Objectives and activities

The primary objective of the PCC is the promotion of the Gospel of our Lord Jesus Christ according to the doctrine and practices of the Church of England. The PCC co-operates with the incumbent in promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

Achievements and Performance

Church attendance

The Electoral Roll last showed 24 parishioners, 4 of whom reside outside the parish. The average weekly attendance, counted during February, was 12, but this number increased at festivals up to 65.

Financial review

Ordinary matters

The ordinary income of the PCC as against its ordinary expenditure¹ shows a deficit of £800 (2015, less than £100) before interest.

About 60% of all the PCC's ordinary income comes from regular giving. The PCC is very grateful to those who support the church in this way, both those who worship in the church and those both resident in the parish or elsewhere who do not. Without the sustained support from all these people the financial position of the PCC would be much less secure.

The PCC continues to be very appreciative of all the support it receives from the local community to its fund raising. The Village continues to contribute very strongly through the annual contribution from the Fete (about 15% of ordinary income). Other notable fund raising events were a coffee morning, the gardens open at Pen Mill and the Jumble Sale. The PCC is fully aware of and grateful for the effort that so many have given to make all these events a success.

1 Defined as the combination of the General and Fabric funds excluding one off legacies, major repairs and other exceptional items.

The free reserves of the PCC² (just under £30,000) are adequate at the present time as they comprise rather more than one year's ordinary expenditure. The PCC will continue to review the appropriateness of the level of its free reserves.

Fabric

These funds are a designated fund of £21,000 at 31st December 2016 (2015, same). No significant repairs to the fabric have been undertaken in 2016. The designated Fund appears to be adequate for any necessary repairs on the basis of the work identified in the last Quinquennial Report on the fabric of the church and churchyard and are proportionate in the light of work required by that report.

Melville Family Funds

These Funds amounting to a designated fund of £66,000 at 31st December 2016 (2015, £86,000) have been set aside so that the income and capital can be used to support the mission of the church. During the year, over £20,000 has been spent from the Funds supporting local charities (see notes 3b and 7a). £39,000 of the fund of £66,000 has been committed to those charities, leaving about £27,000 uncommitted.

In 2016, the PCC continued its support of the Wincanton Live-at-Home Scheme at the rate of £1,000 a quarter and increased its contribution as a Friend of the Balsam Centre to £10,000 for the year. The PCC also supported the Growing Space at the rate of £1,250 per quarter. The PCC repeated its gift of £550 towards the costs of the CATBUS for use of the bus by Pen residents.

The PCC was also pleased to contribute a bursary towards the costs of Jennifer Buckler during her time in training as an ordinand; the contribution is £2,100 spread over 2 years

The PCC continues to be conscious of its considerable responsibility over these funds and has considered very carefully what should be done with them. It will continue to engage with local charities where the size of the support that the PCC can make, is significant to the activities of those charities.

Investment

2 The free reserves are all the reserves except whose use has been restricted by the donor and those that have been designated.

The PCC does not have sufficient funds to make equity investment worthwhile; funds excess to immediate needs are placed on deposit. These funds only earn about 0.5% per annum reflecting poor interest rates generally. Accordingly as the Melville Family Funds were not likely to be spent in the short term, in 2011 the PCC bought inflation-linked bonds from National Savings and Investments; NS&I withdrew the sale of these certificates so they matured in August 2011. Most of the funds are deposited with the CBF or on current account with the NatWest under the Diocesan Cash Management Scheme which yields comparable rates of interest net to the CBF.

Approved by the Parochial Church Council on 12th April 2017 and signed on its behalf by

Mr Jeremy Cox (PCC Chairman)

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL'S PEN SELWOOD
YEAR ENDED 31 DECEMBER 2016
Statement of Financial Activities for the year ended 31st December 2016

	Note	Melville				Total Funds	Melville				
		General Fund	Family Funds	Fabric Fund	Charities Fund		General Fund	Family Funds	Fabric Fund	Charities Fund	Total Funds
		Unrestricted	Designated	Designated	Restricted		Unrestricted	Designated	Designated	Restricted	2015
		£	£	£	£	£	£	£	£	£	£
Income and endowments from											
Donations and legacies	2a	17,344			510	17,854	18,259			941	19,200
Other fund raising activities	2b	1,968				1,968	2,169				2,169
Investment income	2c	417	357	101		875	494	602	108		1,204
Other (Church activities)	2d	1,261				1,261	783				783
Total Incoming Resources		20,990	357	101	510	21,958	21,705	602	108	941	23,356
Expenditure on											
Raising funds	3a	30				30	101				101
Church activities	3b	21,351	20,600	0	510	42,461	21,135	23,150	0	941	45,226
Total resources expended		21,381	20,600	0	510	42,491	21,236	23,150	0	941	45,327
Net income/ expenditure		-391	-20,243	101	0	-20,533	469	-22,548	108	0	-21,971
Transfers between funds		0	0	0	0	0	0	0	0	0	0
Net Movement in funds		-391	-20,243	101	0	-20,533	469	-22,548	108	0	-21,971
Reconciliation of funds											
Total funds brought forward at 1st January		30,016	86,133	20,951	0	137,100	29,547	108,681	20,843	0	159,071
Total funds carried forward at 31st December		29,625	65,890	21,052	0	116,567	30,016	86,133	20,951	0	137,100

Notes on pages 8 to 12 form part of these accounts.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL'S PEN SELWOOD

YEAR ENDED 31 DECEMBER 2016

Balance Sheet at 31st December 2016

	Note	Melville				Total Funds	Melville				
		General Fund	Family Funds	Fabric Fund	Charities Fund		General Fund	Family Funds	Fabric Fund	Charities Fund	Total Funds
		Unrestricted	Designated	Designated	Restricted		Unrestricted	Designated	Designated	Restricted	2015
Fixed Assets	1	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	
Current assets											
Debtors	5	2,121				2,198				2,198	
Short term deposits		14,629	65,890	21,052	101,571	3,825	86,133	20,951		110,909	
Cash at bank and in hand		14,947			14,947	25,934				25,934	
Total current assets		31,697	65,890	21,052	0	118,639	31,957	86,133	20,951	0	139,041
Liabilities											
Creditors: amounts falling due within one year	6	2,072				1,941				1,941	
Total current assets less current liabilities		29,625	65,890	21,052	0	116,567	30,016	86,133	20,951	0	137,100
Total net assets		29,625	65,890	21,052	0	116,567	30,016	86,133	20,951	0	137,100
Parish funds	7										
Unrestricted		29,625				30,016				30,016	
Designated			65,890	21,052			86,133	20,951		107,084	
		29,625	65,890	21,052	0	30,016	86,133	20,951	0	137,100	
Restricted					0				0	0	
Total funds		29,625	65,890	21,052	0	116,567	30,016	86,133	20,951	0	137,100

Approved by the Parochial Church Council 12th April 2017 and signed on its behalf by

Jeremy Cox (PCC Chairman)

Notes on pages 8 to 12 form part of these accounts.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL'S PEN SELWOOD
YEAR ENDED 31 DECEMBER 2016
Notes to the financial statements

1 ACCOUNTING POLICIES

Scope

The financial statements have been prepared on the accruals basis under the historical cost convention, with the exception of consecrated and benefice property which is not included in the accounts in accordance with s.96(2)(a) of the Charities Act 1993. Further the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015), applicable accounting standards and with the Church Accounting Regulations 2007 as appropriate.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at fair value.

The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. Thus they do not include those that are of informal gatherings of church members or of others which raise funds for the church.

Funds

Unrestricted funds are general funds which can be used for PCC ordinary purposes.

Designated funds represent specific income or assets set aside by the PCC for a specific object at their discretion. Where there is no separate deposit or investment associated with a designated fund, interest is apportioned to the fund generally on an average balance basis.

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 must be carried forward as a balance of that fund. Where there is no separate deposit or investment associated with a restricted fund, interest is apportioned to the fund generally on an average balance basis.

Income and endowments

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 are accounted for when the PCC is legally entitled to the amounts due. Dividends are accounted for when receivable; interest is accrued.

All other income is recognised when it is receivable. All incoming resources are accounted for gross.

Expenditure

Expenditure is generally recognised when it is incurred and is accounted for gross. Further grants and donations are accounted for when paid or when awarded, if that award created a binding or constructive obligation on the PCC. Amounts received specifically for mission (together with any associated tax recoverable) are dealt with as restricted funds.

Costs are charged against the fund to which they relate. Common costs such as bookkeeping and governance could be charged in proportion to the bookkeeping activity associated with each fund, but as the overwhelming bookkeeping is in the general fund, in practice all are charged against that fund.

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL'S PEN SELWOOD

YEAR ENDED 31 DECEMBER 2016

Notes to the financial statements

2 INCOME AND ENDOWMENTS

	Melville					Melville				
	General	Family	Fabric	Charities	Total	General	Family	Fabric	Charities	Total
	Fund Unrestricted	Funds Designated	Fund Designated	Fund Restricted	Funds	Fund Unrestricted	Funds Designated	Fund Designated	Fund Restricted	Funds 2015
2a Donations and legacies	£	£	£	£	£	£	£	£	£	£
Planned giving										
Gift aided	9,250				9,250	9,310				9,310
Tax recoverable	2,312				2,312	2,328				2,328
Collections	1,335				1,335	1,063				1,063
Grants					0					0
Donations, appeals, etc	1,447			510	1,957	3,058			941	3,999
Fund raising by others	3,000				3,000	2,500				2,500
Legacies	0				0	0				0
Total	17,344	0	0	510	17,854	18,259	0	0	941	19,200
2b Other fund raising activities										
Fund raising	1,968				1,968	2,169				2,169
2c Investment income										
Interest	417	357	101	0	875	494	602	108	0	1,204
2d Other (church activities)										
Fees	1,261				1,261	783				783
Total Income and Endowments	20,990	357	101	510	21,958	21,705	602	108	941	23,356

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL'S PEN SELWOOD
YEAR ENDED 31 DECEMBER 2016
Notes to the financial
statements

3 EXPENDITURE

	Melville					Melville				
	General	Family	Fabric	Charities	Total	General	Family	Fabric	Charities	Total
	Fund	Funds	Fund	Fund	Funds	Fund	Funds	Fund	Fund	Funds
	Unrestricted	Designated	Designated	Restricted		Unrestricted	Designated	Designated	Restricted	2015
	£	£	£	£	£	£	£	£	£	£
3a Raising funds										
Costs	30			0	30	101			0	101
3b Church activities										
Missionary and charitable giving										
Balsam Centre		10,000			10,000		3,600			3,600
Growing Space		5,000			5,000		15,000			15,000
Wincanton Live at Home Scheme		4,000			4,000		4,000			4,000
Bursary to Ordinand (Jennifer Buckler)		1,050			1,050					
CATBUS		550			550		550			550
Ecumenical Water	475				475					
Salvation Army	475				475					
Friends of Guys Marsh	475				475					
Royal British Legion				250	250				275	275
Children's Society				140	140				389	389
Wincanton Community Hospital				120	120				143	143
Gillingham foodbank						375				375
Triumph over Phobia						375				375
Christian Aid Refugee Crisis Appeal						375				375
RABI									134	134
Subtotal	1,425	20,600	0	510	22,535	1,125	23,150	0	941	25,216
Ministry					0					0
Diocesan parish share	9,288				9,288	8,772				8,772
Other ministry costs	434				434	193				193
Church running and maintenance	3,522				3,522	3,492				3,492
Churtyard running and maintenance	1,350				1,350	3,324				3,324
Support costs	5,332				5,332	3,779				3,779
Limited examination	0				0	450				450
Total	21,351	20,600	0	510	42,461	21,135	23,150	0	941	45,226
Total expenditure	21,381	20,600	0	510	42,491	21,236	23,150	0	941	45,327

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL'S PEN SELWOOD
YEAR ENDED 31 DECEMBER 2016
Notes to the financial statements

4 PAYMENTS TO PCC MEMBERS

A bursary of £1,050 was paid to Jennifer Buckler, daughter of Charles Buckler, as a contribution towards the costs of her training.

A small immaterial portion of expenses paid to the PCC of St Peter and St Paul, Wincanton may have been paid to the incumbent in relation to his services as chairman of the PCC.

No other payments or expenses were paid to any other PCC member, persons closely related to them or to related parties. Nor did the PCC have any part time employees which consumed a significant part of their time.

	General	Melville	Fabric	Charities	Total	General	Melville	Fabric	Charities	Total
	Fund	Family	Fund	Fund	Funds	Fund	Family	Fund	Fund	Funds
	Unrestricted	Designated	Designated	Restricted		Unrestricted	Designated	Designated	Restricted	2015
	£	£	£	£	£	£	£	£	£	£
5 DEBTORS										
Tax recoverable and grants	2,121				2,121	2,198				2,198
Prepayments	0				0	0				0
Total	2,121	0	0	0	2,121	2,198	0	0	0	2,198

6 LIABILITIES

Creditors: amounts falling due within one year

Governance	0				0	450				450
Other	2,072				2,072	1,491				1,491
Total	2,072	0	0	0	2,072	1,941	0	0	0	1,941

PAROCHIAL CHURCH COUNCIL OF ST MICHAEL'S PEN SELWOOD

YEAR ENDED 31 DECEMBER 2016

Notes to the financial statements

7 FUNDS & COMMITMENTS

a The Melville Family Funds comprise the balance of legacy from Jill Melville and in earlier years from Paul Melville. This balance has been earmarked for the Mission of the Church in accordance with Jill's wishes. At 31st December 2016, the PCC had decided to support certain local charities by making periodic and other payments subject to certain conditions as follows:-

	Paid in 2016	to be paid in 2017	to be paid thereafter	<i>Paid in 2015</i>	<i>to be paid in 2016</i>	<i>to be paid thereafter</i>
	£	£	£	£	£	£
Wincanton Live at Home Scheme	4,000	4,000	12,000	4,000	4,000	16,000
Growing Space	5,000	2,500		15,000	5,000	2,500
Friends of the Balsam Centre	10,000	10,000	10,000	3,600	10,000	20,000
Total	<u>19,000</u>	<u>16,500</u>	<u>22,000</u>	<u>22,600</u>	<u>19,000</u>	<u>38,500</u>

The amount of £20,000 to be paid to the Balsam Centre in 2017 and thereafter is conditional, inter alia, on matching funding being raised by the Balsam Centre.

Future payments have not been provided for in these accounts.

b The Fabric Fund consists of unspent amounts whose use is designated for the repair and maintenance of the fabric of the Church.

c General income includes about £900 which can only be used for the upkeep of the churchyard; this amount is less than the amount expended in the year. This restricted income includes about £150 from a trust established by the will of Clara Butt in 1928.

INDEPENDENT EXAMINER'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF ST MICHAEL'S PEN SELWOOD ON THE ACCOUNTS FOR THE YEAR ENDED 2016 SET OUT ON PAGES 6 TO 12 ABOVE

Respective responsibilities of the PCC and the examiner

The PCC is responsible for the preparation of the accounts. The PCC considers that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

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 Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of this report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the PCC concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

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:
 - a. to keep accounting records in accordance with section 130 of the Charities Act; and
 - b. to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave 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.

Signed ...Bruce Bower

Date: 12th April 2017

Bruce Bower, Retired Accountant

Coombe Head, Coombe Street, Pen Selwood, Wincanton BA9 8NF.