

ST CATHERINE'S CHURCH, LITTLETON

ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31ST DECEMBER 2021

Administrative information

St. Catherine's Church is situated in Church Lane, Littleton. It is part of the Diocese of Winchester within the Church of England. The correspondence address is The Rectory, Church Lane, Littleton.

The Parochial Church Council (PCC) is a charity exempted from registration with the Charity Commission. PCC members who have served from 1st January - 31st December 2021 are:

Incumbent:

The Reverend Jax Machin

Facilitator

Mr Simon Kingston

Member of Diocesan Synod

Mr Michael Coleman

Representatives on the Deanery Synod:

Mr Simon Kingston

Two Vacancies

Elected members:

Mrs Carol Coleman

Mr Bryan Harris

Mr John Morrell

Mrs Sheila North

Mrs Helen Retter

Mr Clive Thompsett.

Secretary

(until September 2021)

Safeguarding Officer

Treasurer and Assistant Facilitator

Structure, governance, and management

The method of appointment of PCC members is 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.

Objectives and Activities

St Catherine's PCC has the responsibility of co-operating with the incumbent, the Reverend JJ Machin, in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has maintenance responsibilities for the Church Room, Church Lane, Littleton.

Achievements and Performance

The church continues to have the ability to run a wide variety of activities through the year, but, due to Covid 19, these have not functioned for the main part of the year. A summary can be found in the PCC's Annual Review of Activities. In 2021, outreach to the three care homes was limited by Covid-19, but our toddlers' group and Friday lunch club reopened in the autumn.

There were only two fundraising events, open gardens and an autumn bazaar, raising £2478. Both were much enjoyed by the community as well as our congregation.

The PCC continued its policy of supporting the work of a range of mission partners with whom we seek to build long term relationships as well as providing much needed funding. The Mission Group has

continued to provide guidance to the PCC on where we direct these donations. In addition, the Benefice has continued to support Karis Kids, a local Christian charity working with families in Uganda

Church Services and Attendance

On 31st December 2021 there were 142 members on the Electoral Roll.

The monthly schedule of Sunday services planned for 2021 was as follows, but severely restricted due to Covid-19

1 st Sunday	4.00 pm	Café Church
2 nd Sunday	10.00 am	Family Communion
3 rd Sunday	6.00 pm	Peace and Wholeness Service. Suspended during Covid-19, but to start again March 2022
4 th Sunday	10.00 am	Morning Worship

Wednesday Holy Communion - 9.30 am on 4th Wednesday each month is proving popular.

Financial Review.

Total receipts on ordinary unrestricted funds were £75,897 and are detailed in the Financial Statements. £71,970 was spent to provide the Christian ministry from St Catherine's Church, including the contribution to the Diocesan Common Mission Fund, which largely provides the stipends and housing for the clergy. However, the PCC recognised the difficulties that covid is causing to some of our partners and voted to donate £6166 to help them. This is a once-off donation. Consequently, the accounts show a loss of £2,238 on normal activities

Two legacies totalling £66,472 were received during the year, for which we are most grateful. These have been treated as exceptional items in the 2021 accounts, but see below (reserves policy) for ongoing treatment

The church's investments continue to be well managed by CCLA and the PCC invested an additional £42,000 with them during the year. As at 31st December 2021 they now manage investments totalling £124,000 and also hold £64,000 on an interest-earning deposit account. An unrealised gain in investment values of £7,165 is included in the accounts.

Reserves policy

The PCC policy has been not to have designated funds for specified purposes. Instead, the PCC had one all-embracing General reserve. This reserve carried into 2021 was £117,042.

At their meetings on 26th January and 28th September 2021, the PCC made decisions on how the legacies should be used for the benefit of the community and the church. They voted to transfer a total of £102,700 to designated funds; £69,200 for an Anna Chaplaincy, £13,500 to facilitate an ECO church (heating, lighting, insulation, and window repair) and £10,000 each for Churchyard and Church room

As at 31st December 2021, reserves total £192,982 and are held as follows

	£
Unrestricted	85741
Designated	
Anna Chaplaincy	69200
ECO Church	13500
Church room	10000
Churchyard	10000
Restricted	
Church room	3480
Churchyard	893
Flowers	168
	£192,982

Funds are currently invested with the Central Board of Finance (CBF) Deposit Fund, CBF Investment Fund, and CBF Fixed Interest Fund. Cash current accounts are also held at the National Westminster Bank and Barclays Bank.

**Signed on behalf of the PCC by Mr Clive Thompsett (Treasurer)
& Reverend Jax Machin (Incumbent and Rector of Downs Benefice)**

PAROCHIAL CHURCH COUNCIL OF ST CATHERINE'S, LITTLETON.

Statement of Financial activities for the year ended 31st December 2021

	Note	2021			2020		
		Unrestricted	Restricted	TOTAL	Unrestricted	Restricted	TOTAL
		Funds	Funds	£	Funds	Funds	£
INCOMING RESOURCES							
Voluntary Income							
Plate Collection, incl envelopes		1,832		1,832	1,568		1,568
Planned giving		44,536		44,536	43,216		43,216
Donations / Grants		4,309		4,309	8,061	1,000	9,061
Donation from Lunch Club (PCC now responsible)		951		951			
Donations for use of Churchroom		125		125	462		462
St Catherines Friends		4,548		4,548	4,152		4,152
Gift Aid tax rebate Claimed		11,880		11,880	12,277		12,277
		68,181		68,181	69,737	1,000	70,737
Other Ordinary Income							
Fees		2,587		2,587	1,841		1,841
Net Income from Events and Activities							
Magazine		666		666	555		555
Fund raising events	2	2,478		2,478	-28		-28
Friday Lunch Club		-267		-267	0		0
		2,878		2,878	527		527
Income from Investments							
Interest & dividends		2,252		2,252	1,707		1,707
TOTAL INCOMING RESOURCES		75,897	0	75,897	73,812	1,000	74,812
RESOURCES USED							
Grants							
Giving to UK Based Charities	3	2,990		2,990	2,640		2,640
Giving to Overseas Based Charities	3	4,800		4,800	4,150		4,150
Directly Relating to Work of Church							
Diocesan Common Mission Fund	4	47,981		47,981	51,383		51,383
Ministry : Clergy Expenses		1,456		1,456	1,375		1,375
Running Costs of Church	5	3,342	12	3,354	3,706		3,706
Repairs & Maintenance	6	1,383		1,383	2,298		2,298
Church Room		1,967		1,967	1,784	2,860	4,644
Upkeep of Graveyard	7	1,278	216	1,494	2,070	432	2,502
Church Administration							
Parish Administrator	8	7,021		7,021	6,788		6,788
Impact of reduced benefice fee-earning activities		316		316	1,261		1,261
Once-off payment to help the Benefice	9	4,166		4,166			
Office, stationery, copier		1,436		1,436	1,020		1,020
		12,939		12,939	9,070		9,070
TOTAL RESOURCES USED		78,136	228	78,364	78,476	3,291	81,767
NET RECURRING INCOMING (OUTGOING) RESOURCES		-2,238	-228	-2,466	-4,663	-2,291	-6,954
EXCEPTIONAL ITEMS							
Legacies	10	66,472		66,472	57,619		57,619
Special projects. Main Road steps & fence				0	-4,617		-4,617
Unrealised gains on investments	11	7,165		7,165	3,870		3,870
NET MOVEMENT IN FUNDS		71,399	-228	71,171	52,209	-2,291	54,534
BALANCES BROUGHT FORWARD							
at 1st January 2021		117,042	4,769	121,811	64,833	7,060	71,893
BALANCES CARRIED FORWARD		188,441	4,541	192,982	117,042	4,769	121,811
at 31st December 2020							
General reserve		85,741					
Designated reserves		102,700					
		188,441					

C Thompsett. FCMA
Treasurer. 4th Feb 2022

St Catherine's Church
Statement of assets and liabilities

Account	Note	2021			2020
		General £	Designated	Restricted £	Total £
Fixed assets - Investments					
CBF Investment Fund		81,679	15,533		51,864
CBF Fixed Interest Fund		0	27,163		21,165
Total	11	81,679	42,695	124,374	73,029
Current assets - Cash at bank and in hand					
NatWest Account		384		384	536
Barclays Account		4,710		4,710	6,924
CCLA (CBF) deposit account		0	60,005	4,541	43,503
Total		5,094	60,005	4,541	50,963
Current assets - Debtors					
Debtors		552		552	421
Debtors - over 1 year		5,000		5,000	5,000
Total	13	5,552		5,552	5,421
Liabilities - Creditors: Amounts falling due in one year					
Creditors		-374		-374	-456
Kevin Lay Foundation		-6,210		-6,210	-6,194
Monthly Lunch Club		0		0	951
Total	14	-6,584		-6,584	-7,601
Net total assets		85,741	102,700	4,541	121,811

Account	Note	2021			2020
		General £	Designated	Restricted £	Total £
Represented by					
Unrestricted - General Reserve		85,741			117,042
Designated and / or Restricted					
Anna Chaplain			69,200		69,200
ECO Church			13,500		13,500
Church Room			10,000	3,480	3,480
Churchyard			10,000	893	1,109
Flowers				168	180
Total Reserves	13	85,741	102,700	4,541	121,811

NOTE 12. In addition to the above assets, the PCC owns the church room, reconstructed in 2015 at a cost of £160,000, free of debt. Each year a notional £12,000 depreciation is applied. At the 31st December 2021, the churchroom is nominally valued at £84,000.

This is not a cash flow transaction and is excluded from the balance sheet above so that the reserves are shown to be identical to those in the Statement of Financial Activities (SOFA)

PAROCHIAL CHURCH COUNCIL OF ST CATHERINE, LITTLETON
NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31st December 2021

any changes to the policies below compared to last year are denoted in **BLOCK CAPITALS** and ~~strikethrough~~

NOTE 1. ACCOUNTING POLICIES

a. General

- The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and SORP 2006.
- The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and the revaluation of fixed assets. 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 which are informal gatherings of church members.

b. Funds

Funds held by the PCC are:

- *Restricted funds* - 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.
- *Designated funds* – these have been earmarked by the PCC for a specific use. However, the PCC, by resolution, can return those funds to the general reserve should they no longer be needed.
- *Unrestricted funds* - general funds which can be used for PCC ordinary purposes.

c. Incoming resources

All incoming resources are accounted for gross

Voluntary Income

- Collections and donations are recognized when received
- Planned giving receivable is recognized only when received.
- Income tax recoverable on Gift Aid donations is recognized when the related income is recognized.
- Grants and legacies are recognized when the PCC is legally entitled to the amount due.

Income from investments

Dividends and interest entitlements are accounted for when receivable.

All other income

All other income is recognized when it is receivable.

Gains and losses on investments

- Realised gains and losses are recognized when the investments are sold.
- Unrealised gains and losses are accounted for on revaluation on 31st December.

d. Resources used

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

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The Diocesan Common Mission fund (CMF) is accounted for when due. All other expenditure is generally recognized when it is incurred and is accounted for gross.

e. Fixed Assets.

- Consecrated and beneficial property is excluded from the accounts by s.96(2)(c) of the Charities Act 1993. Costs associated with the maintenance and improvement of such assets are written off in the year they are incurred
- No value is placed on movable church furnishings held by the churchwardens on trust for the PCC.
- All other capital expenditure is either written off as incurred if below £1000, or capitalised if over £1,000

f. Investments

- Investments are valued at market value on 31st December.

g. Current Assets

- Amounts owing to the PCC at 31st December are shown as debtors.
- Short-term deposits include cash held on deposit with the CBF Church of England Funds and at the bank.

NOTE 2. FUND-RAISING ACTIVITIES

No events were able to take place in 2020. £28 was spent on flyers before Lockdown. We had budgeted for £4,750, so a severe loss of income.

In 2019 we raised £4,518

Just two events were organised in 2021.

	£
Open gardens	1521
Autumn Bazaar	957
	2478

NOTE 3. GRANTS

Grants have been made to the following charities. The PCC seeks to build ongoing relationships with the organisations to whom we donate.

	2021 £	2020 £		2021 £	2020 £
UK Based			Overseas Based		
Basics Bank	650	400	Open Doors Int'l	600	600
Winchester Beacon	850	500	Tearfund	600	600
Trinity Centre	950	750	Guyana Mission	500	500
City Chaplaincy	330	300	CMS	650	500
Messy Church	150	150	MAF	650	500
Winchester Hospice	Nil	400	OMF	650	500
H&I Historic Churches	25	25	Karis Kids	650	450
British Legion	35	30	Brickworks	500	500
ARocha ECO Church	Nil	85			
	£2930	£2640		£4800	£4150

Recognising the difficulty experienced by charities in 2021, the PCC increased donations to UK charities by £400 and overseas by £600. This is a once-off increase.

NOTE 4. DIOCESAN COMMON MISSION FUND (CMF)

Our 2021 assessment for the Common Mission Fund was lower in 2021 at £46,981. This was paid in full, and the PCC decided to pay an additional £1,000 to help the Diocese. Littleton is assessed as being among the wealthiest parishes in the Diocese and, consequently, contributes generously to help less fortunate parishes in conurbations.

For several of the notes which follow I have also shown 2019 figures, being the last normal year, pre covid.

NOTE 5. RUNNING COSTS OF THE CHURCH

The routine costs of running the church and providing regular services are:

	2021 (£)	2020 (£)	2019 (£)
Upkeep of services	244	276	322
Children's church	80	51	272
Organist's fees	408	898	1951
Subscriptions	251	216	185
Heat & light	457	446	547
Insurance (1)	1056	791	1161
Cleaning (2)	466	679	450
Sundries	381	350	354
	£3342	£3707	£5242

(1) In 2020, a new contract was negotiated which allowed monthly payments (with no interest penalty). Only 9 instalments were paid (an annual equivalent of £1055)

(2) In 2020 the church has been cleaned by external cleaners more frequently to comply with coronavirus regulations. Voluntary cleaning restarted in September 2021

NOTE 6. REPAIRS & MAINTENANCE (incl Church room)

As is usual, a variety of repairs / replacements to our property have been necessary this year. The 2021 total of £1987 comprises £1383 for the church and £604 for the church room.

	2021 (£)	2020 (£)	2019 (£)
Boiler Service	80	80	66
New Fire Extinguishers & Lights	225	116	102
Fire Risk assessment	180	164	160
Electrical testing & replacements	160	196	58
Nappy Bin Contract	105	101	97
Covid precautions		54	
Repair damp in vestry wall		1638	
Quinquennial Electricity testing		420	
Sundries	12	42	76
Organ repair & service	638		450
Minor repairs	69		189
Sound System	122		380
New Tablecloths & Carpet clean			302
Door staining	45		
Repair broken window (hall)	168		
Spray church roof	124		
Pigeon scarer	59		
	£1987	£2811	£1880

A Quinquennial inspection was conducted during 2020. No significant issues were identified, but any costs of rectification are included above or will be completed in 2022.

NOTE 7. CHURCHYARD

	2021 (£)	2020 £)	2019 £)
Grass cutting	1194	1455	1472
Maintenance of trees	216	540	182
Replacement of trees		272	
Strimmer costs	21	187	45
Mole prevention	75		
Churchyard clear-up (catering)	9		87
Land registry		48	
TOTAL	1494	2502	1786

There were 5 less cuts in 2021 due to a drier summer and some staffing issues.

NOTE 8. BENEFICE OFFICE

	2021 (£)	2020 £)	2019 £)
Administrator Costs	29,875	29,399	28,542
Contribution from fees	-7438	-4494	-9,355
Total Benefice Administration	22,437	24,905	19,187
Littleton share	32.71%	32.32%	30.78%
Littleton charge	7337	8049	5,906

The lower contribution from fees in 2020 was caused by a significant decrease in weddings and funerals across the benefice in the last ten months of the year. 2021 saw an improvement, but still well below normal.

Staff costs. During the year the PCC has had no employees. We pay a share of the cost of the benefice administrator, who is employed by Crawley PCC, through the Benefice Office Costs detailed above.

NOTE 9. ONCE-OFF SPECIAL PAYMENT.

2020 and 2021 have been unusual years due to the impact of coronavirus. Over the years Littleton has increased the percentage of its income derived from planned giving and the resultant tax rebates. This has been supplemented by the introduction of the Friends of St Catherine's Church. Consequently, when coronavirus hit us in 2020, 82% of our income was guaranteed. Crawley have a similar position.

Chilbolton, Sparsholt and Wherwell, however, derive between 40 to 48% of their income from village events which, of course, were cancelled for at least 18 months. Consequently, their finances have been seriously impacted.

The PCC decided to offer to pay their share of the benefice costs of Ministry, the office and the administrator for the last four months of the year; this would have cost us circa £6,100. In the event just Sparsholt and Wherwell accepted our offer and a once-off cost of £4,166 was paid to the benefice on their behalf. All three parishes were appreciative of the offer and recorded their thanks to the PCC.

NOTE 10. EXCEPTIONAL ITEMS

In 2021 the church received two further legacies: one for £45,450 and one for £21,022. These gifts were for the general fund and given without restriction. We are most grateful for the generosity of both donors.

As recorded in last year's accounts, the PCC has set up two designated funds; Anna chaplaincy and ECO church, and some of the legacy money has been added to Anna chaplaincy. It is the intent of the PCC to recruit a chaplain early in 2022. In addition, £10,000 has been designated for use with both the church room and the churchyard, recognising the anticipated needs in coming years.

Further details on reserves can be found in Note 15.

NOTE 11. UNIT TRUSTS

Dividends, as and when received, have been reinvested. The following investments are held as at 31st December 2021

	Number	Price: 31st Dec	Mkt Value 31st Dec	Book Value 31st Dec
Central Board of Finance Investment Fund	4156.69	£23.39	£97,211	£88,459
Central Board of Finance Fixed Interest Fund	17,193	£1.580	27,162	£28,749
			£124,373	£117,208

All unit trusts have been valued at market price of £124,373 in the balance sheet, with an appropriate adjustment for the increase in their value of £7,165 in the Statement of Financial Activities.

NOTE 12. FIXED ASSETS

The church room was extended and refurbished in 2015 and has been capitalised on 1st September 2015 at a value of £160,000. It is being depreciated at a rate of 7.5% a year.

St Catherine's Church Room	Gross Book Value £	Depreciation £	Net Book Value £
1 st January 2021	160,000	64,000	96,000
2021 depreciation		12,000	
31 st December 2021	160,000	76,000	84,000

NOTE 13. DEBTORS

	2021 (£)	2020 (£)
General Debtors	552	421
Debtors (over one year)	5,000	5,000
	£5,421	£5,421

In March 2016 £5,000 was donated to Littleton PCC provided that this money was lent to the Downs Benefice for working capital purposes. The loan is repayable to Littleton PCC if the Downs Benefice is wound up or Littleton PCC is in severe financial difficulty.

NOTE 14. LIABILITIES

Included within the creditors of the PCC are sums held on behalf of other organisations.

	2021 (£)	2020 (£)
General Creditors	374	456
Kevin Lay Foundation	6210	6194
Monthly Lunch Club	0	951
	£6,584.	£7601

The Kevin Lay foundation money is held on behalf of the Trustees of that fund. The cash balance attracts interest and is available on call, as and when the trustees require it.

The PCC took full responsibility for staffing and accounting for the Friday Lunch Club in 2020. It has functioned smoothly in 2021. Consequently, the cash balance transferred from the Lunch Club to the PCC has now been included in the 2021 SOFA as a donation from the Lunch Club.

NOTE 15. UNRESTRICTED, RESTRICTED and DESIGNATED FUNDS

The following movements have taken place in 2021

		UNREST- RICTED	RESTRICTED			DESIGNATED	TOTAL
			Church room	Church yard	Flowers	Various (see below)	
		£	£	£	£	£	£
2021							
01-Jan	Opening balance	117042	3480	1109	180	0	121811
26-Jan	Reserve created	-55500				55500	
03-Feb	Lifting Crown on trees			-216			
28-Sep	Reserve created	-47200				47200	
24-Nov	Oasis for Advent ring				-12		
31-Dec	2021 surplus	71399					
	Closing balance	85741	3480	893	168	102700	192982

	Reserves as at 31 Dec 2021	Reserves as at 31 Dec 2020
	£	£
Unrestricted	85,741	117,042
Designated		
Anna Chaplaincy	69,200	0
ECO Church	13,500	0
Church room	10,000	0
Churchyard	10,000	0
Restricted		
Church room	3,480	3,480
Churchyard	893	1,109
Flowers	168	180
	192,982	121,811

Unrestricted Funds

These funds are managed by the PCC and are spent on church related matters as they direct.

Restricted Funds

These funds have been donated for specific purposes and can only be spent on the named projects

Designated Funds

These funds have been earmarked for the purpose designated but, in the event of the funds no longer being needed, the PCC can re-designate them as unrestricted funds.

C Thompsett. 4th February 2022

Independent Examiner's Report to the members/trustees of St Catherine's Church, Littleton, Parochial Church Council.

I report on the accounts for the year ended 31st December 2021 which are set out on the preceding pages.

Respective responsibilities of the Trustees and Independent Examiner

The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the 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 trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner's Statement

In connection with my examination, no matters have come to my attention

1. which give me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with s.130 of the 2011 Act; or
- to prepare accounts which accord with these accounting records have 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.



Graham Ward 7, Dale Close, Littleton, WINCHESTER, SO22 6RA.

5th February 2022.

13.