



Holy Trinity Church, Main Road, Bolton-le-Sands. LA5 8DU

Reg. Charity No. 1144401

Financial Accounts for the Year Ending 31 December 2017

Treasurer:

Independent Examiner:

Andy Hampshire

Elizabeth Bateman

Approved by Bolton-le-Sands Parochial Church Council on 13 March
2018 and signed on its behalf by

.....(Chairperson of the PCC)

.....(Signature)

Independent Examiners Report to The PCC Of Holy Trinity Bolton-Le-Sands

This report on the accounts of the PCC for the year ended 31 December 2017, which are set out on the following pages, are in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ('the regulations') and s.43 of the charities act 1993 ('the act').

Respective responsibilities of the PCC and the examiner

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

Basis of this report

My examination was carried out in accordance with the general directions given by the charity commission under section 43(7)(b) of the act and to be found in the church guidance 2006 edition. That examination includes a review of 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 you as the 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:

- (1) Which gives me reasonable cause to believe that in any material respect the requirements:
 - To keep accounting records in the accordance section 41 of the act: and
 - To prepare financial statements, which accord with the accounting records and to comply with the requirement of the act and the regulations that have not been met: or
- (2) to which, in my opinion attention should be drawn in order to enable a proper understanding of the account to be reached.

Signed

Elizabeth Bateman
1 Greenwood Crescent
Bolton-le-Sands
Carnforth
LA5 8BE

Date

Parochial Church Council (PCC) of Holy Trinity, Bolton-Le-Sands

Notes to the financial statements

For the accounting year ending December 2017

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 2015).

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 main affiliation to another body, nor those that are informal gatherings of church members.

Fund accounting : *Endowment Funds* are funds, the capital of which must be retained either permanently or at the PCC's discretion; the income derived from the endowment is to be used either as restricted or unrestricted income funds depending upon the purpose for which the endowment was established in the first place.

Restricted Funds comprise (a) income from endowments which is to be expended only on the restricted purposes intended by the donor, and (b) revenue donations or grants for a specific PCC activity intended by the donor. Where these funds have unspent balances, interest on their pooled investment is apportioned to the individual funds on an average balance basis.

Unrestricted Funds are income funds which are to be spent on the PCC's general purposes.

Designated funds are general funds set aside by the PCC for use in the future. Project funds are designated for particular projects for administration purposes only. Funds designated as invested in fixed assets for the PCC's own use are abated in line with those assets' annual depreciation charges in the SOFA. Designated funds remain unrestricted and the PCC will move any surplus to other general funds.

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 readily quantifiable. Dividends are accounted for when declared receivable, interest as and when accrued by the payer. All incoming resources are accounted for gross.

Resources expended : 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 parish share expected to be paid over 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 s.10(2)(a) and (c) of the Charities Act 2011.

Investments are valued at market value at 31 December 2017.

Statement of Financial Activities

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Prior year total funds
Receipts					
Planned giving	29,799	195	—	29,994	31,598
Collections and other giving	9,278	307	—	9,585	8,079
Other voluntary receipts	713	225,038	—	225,752	117,700
Gift Aid recovered	12,108	73	—	12,181	8,443
Other receipts	63	30	—	93	1,057
Activities for generating funds	9,865	294	—	10,159	9,825
Investment Income	561	1,571	—	2,132	2,122
Receipts from church activities	7,357	—	—	7,357	12,960
Total income	69,746	227,509	—	297,255	191,786
Payments					
Cost of generating funds	915	271	—	1,186	973
Missionary and Charitable Giving	275	1,645	—	1,921	1,433
Parish Share	44,623	—	—	44,623	36,000
Clergy and Staffing costs	4,623	40	—	4,663	4,532
Church Running Expenses	20,760	7,886	—	28,646	27,827
Church Repairs & Maintenance	154	372,792	—	372,946	37,722
Total expenditure	71,351	382,636	—	453,988	108,488
Net income / (expenditure) resources before transfer	(1,605)	(155,127)	—	(156,732)	83,298
Transfers					
Gross transfers between funds - in	9,539	9,282	—	18,822	174
Gross transfers between funds - out	(9,282)	(9,539)	—	(18,822)	(174)
Other recognised gains / losses					
Gains / losses on investment assets	—	4,145	—	4,145	4,193
Net movement in funds	(1,348)	(151,238)	—	(152,587)	87,491
Total funds brought forward	39,953	198,834	49,147	287,935	200,443
Total funds carried forward	38,605	47,595	49,147	135,348	287,935
Represented by					
Unrestricted					
General fund	4,950	—	—	4,950	9,782
Designated					
Capital Reserve	20,700	—	—	20,700	20,700
Graveyard Designated Fund	3,484	—	—	3,484	—
Project Fund	9,282	—	—	9,282	9,282
Supper Club	187	—	—	187	187
Restricted					
Agency collection	—	337	—	337	337
CBF and Diocese investment (use of School)	—	369	—	369	443
Choir Fund	—	708	—	708	708
Confirmation : Bible Fund	—	63	—	63	4
Fabric Fund	—	22,616	—	22,616	40,919
Flower Fund	—	49	—	49	99
Graveyard Fund (Restricted)	—	3,811	—	3,811	6,578
Organ Fund	—	5,813	—	5,813	6,053
Raise The Roof Open The Door	—	7,592	—	7,592	141,186
Revaluation reserves	—	4,145	—	4,145	—
St Mark's Fabric	—	1,001	—	1,001	735
Under 18s	—	105	—	105	510
Vicar's Discretionary Fund	—	983	—	983	1,001
Wedding deposits	—	—	—	—	257
Endowment					
Legacy Funds for school	—	—	49,147	49,147	49,147

Balance sheet

Class and code	Description	This year	Last year
Fixed assets			
5501	Shares-2 The Nook	47,932	43,818
5502	Shares-J I Hall Legacy	359	328
5503	Deposit 2 The Nook	5,000	5,000
	Total Fixed assets	53,292	49,147
Current assets			
6501	Bank current account	13,534	26,039
6502	Nat West Graveyard Account	242	2,047
6503	Bank current account - 'Raise the Roof'	5	109,069
6505	Nat West Reserve Account	753	3,869
6510	CCLA (CBF) deposit account	67,618	97,763
6590	Cash account	104	342
	Total Current assets	82,257	239,132
Liabilities			
6650	Unpresented cheques	—	—
6699	Agency collections	202	344
Z06	Wedding deposits	—	—
	Total Liabilities	202	344
	Net Asset surplus(deficit)	135,348	287,935
Reserves			
	Excess / (deficit) to date	(156,732)	—
Z01	Starting balances	287,935	283,742
Z02	Gains/(losses) on investment assets	4,145	4,193
Z03	Gains and losses own use	—	—
	Total Reserves	135,348	287,935
Represented by funds			
	Unrestricted	4,950	9,782
	Designated	33,655	30,171
	Restricted	47,595	198,834
	Endowment	49,147	49,147
	Total	135,348	287,935

Analysis of income and expenditure

Income

Planned giving

	Unrestricted	Designated	Restricted	Endowment	Total	Total
					This year	Last year
0101 - Bank Standing order Tax Effic.	18,228	—	—	—	18,228	16,744
0105 - Planned giving-cheques Tax effic.	—	—	—	—	—	700
0110 - Envelopes Tax efficient	—	—	—	—	—	1,207
0120 - Charity Cheques	100	—	—	—	100	80
0201 - Envelopes-planned giving	9,816	—	—	—	9,816	10,202
0202 - Planned Giving Bank (S/O)	1,655	—	—	—	1,655	2,469
0220 - Graveyard: Planned giving	—	—	195	—	195	195
Total	29,799	—	195	—	29,994	31,598

Continued.

Collections and other giving

	Unrestricted	Designated	Restricted	Endowment	Total	Total
					This year	Last year
0301 - Loose plate collections	5,747	—	307	—	6,054	5,039
0302 - Plate Gift Aid (Pew envelopes)	1,781	—	—	—	1,781	1,223
0310 - Loose plate collection-Occ. offices	962	—	—	—	962	1,157
0315 - Gift Aid envelopes, occ. offices	786	—	—	—	786	658
Total	9,278	—	307	—	9,585	8,079

Other voluntary receipts

	Unrestricted	Designated	Restricted	Endowment	Total	Total
					This year	Last year
0410 - Giving through church boxes	—	—	22	—	22	136
0502 - Donations/Gifts	713	—	4,329	—	5,043	2,999
0510 - Gifts of quoted securities	—	—	—	—	—	0
0550 - Donations appeals etc.	—	—	—	—	—	260
0701 - Legacies	—	—	1,000	—	1,000	2,354
08A1 - Non-recurring one-off grants	—	—	219,686	—	219,686	111,949
Total	713	—	225,038	—	225,752	117,700

Gift Aid recovered

	Unrestricted	Designated	Restricted	Endowment	Total	Total
					This year	Last year
0601 - Tax recoverable on Gift Aid	12,108	—	73	—	12,181	8,443
Total	12,108	—	73	—	12,181	8,443

Other receipts

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>	
					<u>This year</u>	<u>Last year</u>
0503 - Donations: Graveyard	—	60	30	—	90	800
1330 - Refunds	3	—	—	—	3	—
1401 - Wedding deposits	—	—	—	—	—	257
Total	3	60	30	—	93	1,057

Activities for generating funds

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>	
					<u>This year</u>	<u>Last year</u>
0902 - Refreshments	1,206	—	—	—	1,206	1,039
0915 - Fund Raising-Fetes, Sales etc.	4,101	—	294	—	4,395	3,807
1220 - Funds: Printing	35	—	—	—	35	35
1250 - Magazine income - advertising	2,245	—	—	—	2,245	2,545
1260 - Parish magazine sales	2,277	—	—	—	2,277	2,398
Total	9,865	—	294	—	10,159	9,825

Investment Income

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>	
					<u>This year</u>	<u>Last year</u>
1001 - Dividends	—	—	1,571	—	1,571	1,293
1020 - Bank and building society interest	261	—	0	—	261	479
1030 - Rent from lands or buildings	300	—	—	—	300	350
Total	561	—	1,571	—	2,132	2,122

Receipts from church activities

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>	
					<u>This year</u>	<u>Last year</u>
1101 - Fees for weddings and funerals	3,933	3,424	—	—	7,357	12,960
Total	3,933	3,424	—	—	7,357	12,960

INCOME TOTAL	66,262	3,484	227,509	—	297,255	191,786
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Expenditure

Cost of generating funds

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
1710 - Costs of applying for grants	—	—	—	—	—	120
1730 - Costs of fetes & other events	535	—	230	—	765	635
1735 - Refreshments costs	379	—	41	—	421	217
Total	915	—	271	—	1,186	973

Missionary and Charitable Giving

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
1830 - Giving - relief and development agencies	275	—	—	—	275	—
1850 - Home mission	—	—	—	—	—	10
1880 - School Barchester	—	—	1,645	—	1,645	1,423
Total	275	—	1,645	—	1,921	1,433

Parish Share

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
1910 - Ministry parish share etc.	44,623	—	—	—	44,623	36,000
Total	44,623	—	—	—	44,623	36,000

Clergy and Staffing costs

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
2002 - Gifts & Discretionary giving	149	—	40	—	189	34
2060 - Organist	1,150	—	—	—	1,150	1,450
2101 - Working expenses of incumbent	442	—	—	—	442	316
2120 - Council tax	2,547	—	—	—	2,547	2,347
2150 - Vicar's telephone	267	—	—	—	267	321
2370 - Visiting speakers / locums	66	—	—	—	66	62
Total	4,623	—	40	—	4,663	4,532

Church Running Expenses

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
2170 - Education	42	—	1,536	—	1,578	337
2201 - Parish training and mission	1,020	—	—	—	1,020	341
2301 - Church running - insurance	3,029	—	—	—	3,029	3,720
2310 - Church office - phone/broadband	740	—	—	—	740	576
2320 - Organ / piano tuning	—	—	240	—	240	714
2330 - Church maintenance	416	—	864	—	1,281	1,631
2331 - Cleaning	93	—	—	—	93	38
2340 - Upkeep of services	2,037	—	50	—	2,087	3,414
2342 - Replacement of Furnishings	—	—	1,711	—	1,711	—

2345 - Under 18s	36	—	405	—	441	249
2350 - Upkeep of churchyard	—	—	2,913	—	2,913	6,281
2360 - Administration	944	—	65	—	1,010	871
2401 - Church running - electric	2,210	—	—	—	2,210	1,788
2410 - Church running - gas	3,228	—	—	—	3,228	2,027
2420 - Church running - water	254	—	—	—	254	242
2430 - Church running St Mark's	816	—	100	—	916	129
2440 - Church running - heat&light St Mark's	818	—	—	—	818	573
2501 - Magazine expenses	5,070	—	—	—	5,070	4,890
Total	20,760	—	7,886	—	28,646	27,827

Church Repairs & Maintenance

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>This year</u>	<u>Total Last year</u>
2343 - Replacement of Equipment	154	—	13,147	—	13,302	170
2701 - Church major repairs - structure	—	—	342,515	—	342,515	37,552
2710 - Church major repairs - installation	—	—	11,056	—	11,056	—
2720 - Church interior and exterior decorating	—	—	6,072	—	6,072	—
Total	154	—	372,792	—	372,946	37,722

EXPENDITURE TOTAL	71,351	—	382,636	—	453,988	108,488
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NET GRAND TOTAL	(5,089)	3,484	(155,127)	—	(156,732)	83,298
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Treasurer's Summary

2017 was the first full financial year that I have been Treasurer at Holy Trinity, and it has again been a privilege to serve what is a central part of village life, and the wider community.

I could not do the job without the help of a large number of willing volunteers. This year, however, particular thanks must go to Joyce Walling who has so diligently looked after the Planned Giving and Gift Aid Schemes. She is standing down at the AGM and I am sure that I represent the whole church in thanking her for the countless hours spent listing envelopes and calculating tax!

There are also a wide group of people who contribute to making the Treasurer's life a great deal easier than it would otherwise be – the Vicar, Church Wardens, Verger and all those who count the collections at both Holy Trinity and St Mark's. Thank you to those, and to anyone else I have missed.

Finally, thanks also to Elizabeth Bateman who has again completed the Independent Examination most professionally. (continued..)

2017 Accounts: Highlights summary

- **Parish Share paid in full for first time in six years, albeit after receipt of Diocesan grant and reduction in General Reserve**
- **‘Raise the Roof, Open the Door’ project finished within budget**
- **‘General’ income down by £1000 (1.5%),**
 - **Income from Giving stabilises at £39000, ‘Other’ income substantially down £4300 to £15075, offset by one-off backdated claim for ‘Gift Aid on Small Donations’ of £2800**
- **Expenditure up by £2000 (8%)**
- **Fabric Fund reduced by £18000 due to works on the church unrelated to ‘Raise the Roof’**
- **Fabric & Project Funds still have balances of over £32000 but the Quinquennial (5-yearly) inspection reviews of both Holy Trinity & St Mark’s may propose further costly repairs & maintenance**

Salient points in the accounts

Following the Diocese of Blackburn’s generous offer to offset part of the 2017 Parish Share payment with a grant of £18574 it was a PCC priority to meet the remaining Share of £50000, and it is pleasing to note that this was achieved – just. A total of £5377 came from fees paid to the Diocese from weddings and funerals held at Holy Trinity. This figure does not show in the accounts for technical reasons but the remainder of £44623 is shown (page 8) as expenditure from the General Fund.

Unfortunately, the surplus of General income over expenditure was not enough to meet all of this, so the General Reserve Fund had to be depleted by £4832, to £4950 (page 4). This was the maximum available from the Fund as it is PCC policy to keep the Fund at a minimum of £5000. (The £50 overshoot was quickly replaced at the beginning of 2018!).

A further priority in 2017 was to see the successful conclusion to the ‘Raise the Roof’ project. There is no doubt that the project was a resounding success, not least financially. When writing my 2016 report, just after the builders had moved in, I noted that additional Reserve Funds of up to £49000 could potentially have to be used if the ‘Raise the Roof Fund’ proved insufficient for any reason. For a combination of reasons – additional grants and donations together with only small reliance on the contingency fund for unplanned/unexpected works – these reserves were not needed.

Indeed, as can be seen in the accounts (page 4), a balance of £7592 was left in the RTROD Fund at the year-end. £5873.30 (+VAT which should be reclaimable) of this is earmarked to pay the builder’s retention of 2.5% of the contract price, at the end of 2018. There are other small items still to be paid for and if there is then a modest balance remaining I shall recommend to the PCC that it be applied to the Fabric Fund.

The total paid out of the RTROD Fund from the day that the contractors moved in amounted to £354696.59, so to ‘balance the books’ with a surplus of just 0.4% remaining is verging on the miraculous.

A full list of the various Funds held is given on page 4 above, but the three major ones, those which could have been affected by ‘Raise the Roof’ are:-

1. Designated Project Fund, £9282: this is money put aside several years ago when the roof problems first started to emerge, but before the seriousness of the situation brought about the realisation that outside help (HLF and other grants) would be needed. Now that the project is over it is for the PCC to decide how to re-designate the money.

2. Restricted Fabric Fund, £22616: the money in this fund can only be used for the fabric of the church buildings. During 2017 the Fund was depleted by £17303, for the cost various items not related to ‘Raise the Roof’ e.g. the new boiler and redecorations. At the time of writing we await the detailed conclusions from the Quinquennial (five yearly) review of the state of the fabric of both Holy Trinity and St Mark’s. There will undoubtedly be recommendation for

ongoing repairs and maintenance that will need to use a proportion of the cash in the Fabric Fund.

It is worthwhile reflecting at this point, that there is no 'magic money tree' and that the money in the Fabric Fund has come from many individual donations and legacies made specifically for fabric works over the years. Over the two years that I have been Treasurer the money has been spent faster than it has arrived and it will only be through the continued generosity of both our and future generations that Holy Trinity, and St Mark's will continue to provide a comfortable home for their congregations.

3. Designated Capital Reserve, £20700: this is money from legacies received by Holy Trinity, where no specific instructions have been given as to its use. It is current PCC policy that these monies be reserved for Fabric works and the issues pertaining to the Fabric Fund are relevant here too. Recommended best practice is that Restricted Funds are used before Designated funds, so it is likely that the Fabric Fund will deplete to zero (unless topped up by more donations and legacies) before the Capital Fund starts to be used.

One further fund that I need to mention because of a significant change in 2017 is the Designated Graveyard Fund, £3484 at the year-end. This was a new fund established in 2017 as it is PCC policy that any statutory fees received from burials, cremations and memorials are kept separate so that they can be seen to be used for expenditure specifically on the graveyards (grass cutting, tree maintenance, safety work etc.). In the previous year these monies had been placed to the Restricted Graveyard Fund but strictly speaking the funds could be used for a different purpose, so 'Designation' reflects the position more accurately.

The Fund that I have to keep my eye on the most is the General Reserve. This fluctuates on a daily basis as income and expenditure for the day-to-day running of the church passes through it. As noted above, it fell to its minimum prudent level at the end of the year – a base figure of £5000 is set by the PCC as this is equivalent to about 2 months normal expenditure (excluding Parish Share) and is sufficient that I do not have to delay paying bills when waiting for large credits to come in (e.g. the annual Gift Aid payment from HMRC was £7357 last year)

The 'Analysis of Income & Expenditure', pages 6-9 above, is the place to look if you want to see the year's summary. Just use the left-hand column of figures headed 'Unrestricted'. For some of the sub-headings it is difficult to compare with 2016 as that year's totals are amalgamated with the other types of funds, so hopefully the following will add to understanding.

Total income fell by £1000 to £66262. This reflects a continuing trend – five years ago the figure was just over £72000.

Within that figure there are a few significant variations that are worthy of comment:-

- a) Gift Aid tax recovered increased from £8443 to £12108: About £2800 of this was due to a 'one-off' back-dated claim for two years of 'Gift Aid on Small Donations'. The ongoing figure will hopefully be around £10500-£11000 per year.
- b) Fees for Weddings and Funerals; decreased from £7741 to £3933. 2016 was an exceptional year and the 2017 reflects the previous trends. 2018 is likely to be less as, at the time of writing, no weddings have been booked for 2018
- c) Church running – insurance: Reduced from £3720 to £3029: This is because the insurance premium for St Mark's is now separated out and included in 'Church running St Mark's' – up from £129 to £816.

Total expenditure (excluding Parish Share) rose from £24651 to £26728, (8.4%). This is a bigger % rise than recent years and would be of more concern if there were not a simple reason for about three-quarters of the increase. At the end of 2016 I switched the gas bill to quarterly direct debit and the delay in billing the final quarter for 2016 meant that only three payments went out in 2016, and five in 2017 – 2016 should have been £800 higher, and 2017 £800 lower!

There is little that can be done to cut down day-to-day expenditure and therefore the only way that the surplus of income over expenditure will continue to meet the Parish Share is if General income increases. The dilemma is, of course, that General income has declined gradually in recent years.

By far the largest part of income comes from 'Giving' – the first two headings on page 6 (Planned giving + Collections

and Other Giving). The total was £39000 and when Gift Aid is added these two elements account for over 70% of total income.

Of the remaining 30% about two thirds comes from the direct voluntary efforts of members of the church and the village community ('Activities for Generating Funds' – page 7) – coffee mornings/fetes/catering etc. (whilst the Messenger Magazine does bring in a good income this is more than offset by the cost of production).

So, as I am sure is no surprise to anyone, the future of our finances, and hence of Holy Trinity & St Mark's, is in our own hands.

Andy Hampshire
Hon Treasurer
March 2018