

**THE PARISH CHURCH OF ST MICHAEL
ST ALBANS**

**ANNUAL REPORT
and
FINANCIAL STATEMENTS
of the
PAROCHIAL CHURCH COUNCIL**

for the year ended 31 December 2018

Incumbent:

The Rev'd Kenneth Padley
St Michael's Vicarage
St Michael's Street
St Albans, Herts
AL3 4SL

Banker:

Lloyds Bank plc
36 Chequer St
St Albans, Herts
AL1 3YQ

Independent Examiner:

Brendan Chambers AFA

INDEX	
	Page
PCC Treasurer's report and Budget for 2018	1-2
Independent Examiner's report	3
Financial Statements for the year 2018	
Balance Sheet	4
Consolidated Statement of Financial Activities	5
Detailed Statement of Financial Activities	
Detailed Statement for General and Restricted Funds	6-7
Notes to the Financial Statements	8-13
Annual Report & general information	14

**REPORT OF THE PCC TREASURER
TO THE ANNUAL PAROCHIAL CHURCH MEETING 29th APRIL 2019**

1. I now present the accounts for the year ended 31 December 2018 of St Michael's Church with St Mary's, Childwick Green, for consideration and approval. These accounts have been given an independent review by Brendan Chambers and his report is annexed on page 3 of the accounts. The PCC express their thanks to his for undertaking this work.
2. These accounts have been drawn up in the form required to comply with Guidelines prepared by the Central Board of Finance of the Church of England and which are based on the general requirements for accounting by charities published by the Charities Commission in 1993.
3. Key points to note from the accounts now presented are:
 - Page 4 The Balance Sheet shows the PCC's assets at the end of 2018 and the fund balances that those assets represent. Consolidated assets, including St Mary's, Childwick, have increased by £11,135 to £531,210 in the past year.
 - Page 5 In the Restricted funds, expenditure exceeded income in the year by £752. A surplus of £21,195 arose on St Michael's General fund activities.
 - Pages 6/7 Detailed Statement of Financial Activities - These pages detail the resources received and expenditure incurred, in relation to the General and Restricted funds. Charitable donations totalling £3,153 were made during the year.
 - Pages 8/12 The Notes to the Financial Statements provide supplementary and explanatory data on certain items in the accounts. Special attention is drawn to the following:
 - (a) Accounting policies - This is a statement of the policies currently being followed by the PCC regarding its finances.
 - (b) Note 6 details the investments held and it should be noted that these are evaluated at market value. The market value of investments decreased by £9,308 in 2018. The cumulative reduction arising over original cost is held in the Investment Fund Reserve as explained in note 7.
 - (c) Restricted (designated) funds are detailed in note 8 - these represent monies, which are held by the PCC and can be expended, but only for the purposes permitted by the original donors/providers of those funds.
 - (d) Note 9 details the allocation made for Outreach purposes outside the parish of St Michael's, both in the UK and overseas, and analyses how it has been expended.
 - (e) Note 10 regarding the Endowment fund assets are items, which have been left to the church by past benefactors with the intent that the church should invest the gift and spend the income produced on purposes designated by the donor. The PCC holds these assets in trust in perpetuity and has a responsibility to try to ensure their preservation of value in real terms.
 - (f) Note 11 sets out an analysis of the exceptional items in 2018.
5. In accordance with customary practice, I set out overleaf for the information of church members a copy of the Budget for St Michael's General Fund for the year 2019 which was approved by the Stewardship Committee and confirmed by the PCC at its November 2018 meeting.

Gillian Huckerby - PCC Treasurer

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL

GENERAL FUND BUDGET FOR 2019

INCOME

	Budget 2019		Actual 2018	
	£	£	£	£
Planned giving (inc tax recovery)	79,000		87,680	
Collections in church (Appeals)	6,500		6,536	
Donations & legacies, Hall Receipts	6,000		12,973	
Fundraising	2,500		2,116	
PCC fees	5,900		11,191	
Grants	1,900		2,368	
St Mary's Share Contribution	7,000		7,171	
Interest/Dividends on deposits & investments	12,150		14,303	
TOTAL INCOME		120,950		144,338

EXPENDITURE

The Ministry	3,700		5,340	
Worship	10,000		13,053	
Upkeep of land and buildings	8,000		8,400	
Education	250		274	
Parish magazine and publicity	250		3,331	
Parish administration	10,350		10,380	
Audit and Accountancy	260		215	
Pastoral Support	1,700		325	
TOTAL		34,510		41,318

Diocesan Quota (Parish Share)	85,568		83,704	
Charitable donations			3,153	
Traidcraft Reduction		85,568	574	87,431
TOTAL EXPENSES		120,078		128,749
Surplus before transfers		872		15,589
Fund Transfers				14,000
TOTAL Surplus		872		1,589

INDEPENDENT EXAMINER'S REPORT

Independent Examiner's Report to the PCC of the Parish Church of St Michael's, St Albans.

This report on the accounts of the PCC for the year ended 31 December 2018, which are set out on pages 4 to 13, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ('the Regulations') and 145 of the Charities Act 2011 ('the Act').

Respective responsibilities of the PCC and the examiner

As members of the PCC you are responsible for the preparation of the accounts; you consider that an audit is not required under section 144 of the Act and an independent examination is needed. It is my responsibility to issue this report on those accounts 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 Commissioners under section 145(5)(b) of the Act and to be found in the Church guidance, SORP 2005 edition, issued by the Finance Division of the Archbishops' Council. 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 accounts and seeking explanations from you as 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 accordance with section 130 of the Act; and
 - to prepare accounts which accord with the accounting records and comply with the requirements of the Act and the Regulations 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.



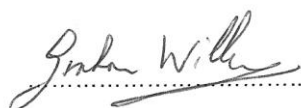
Brendan Chambers AFA

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL
BALANCE SHEET AS AT 31 DECEMBER 2018

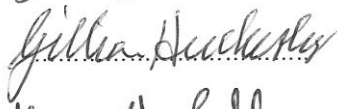
		2018	2017
	Notes		£
TANGIBLE FIXED ASSETS			
INVESTMENTS			
At market value	1, 6, 7	350,536	359,843
CURRENT ASSETS			
Cash and bank balances	2	169,209	149,390
Debtors	3	12,305	12,445
Stock - Traidcraft	4	1,199	2,130
Less: CURRENT LIABILITIES	5	(2,039)	(3,733)
NET CURRENT ASSETS		180,674	160,232
		531,210	520,075
REPRESENTED BY:			
GENERAL FUND			
Brought forward 1 January		(73,791)	(56,401)
Add: Surplus/(deficit) for year		7,195	(17,390)
- carried forward		(66,596)	(73,791)
RESTRICTED (Designated) FUNDS			
Brought forward 1 January		449,190	429,076
Add/ (Less) Surplus/(deficit) for year		13,248	20,114
- carried forward	8	462,438	449,190
INVESTMENT FUND RESERVE			
Brought forward 1 January		144,676	121,001
Add/(Less): Revaluation adjustment for year re unrealised profit/ (loss)		(9,308)	23,675
- carried forward	7	135,368	144,676
		531,210	520,075

The notes on pages 8 to 12 form part of these Accounts.

Signed on behalf of St Michael's PCC on **13th March 2019**



GRAHAM WILLEY – Churchwarden



G HUCKERBY – PCC Treasurer



REV'D K PADLEY - Vicar

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
St Michael with St Mary
FOR THE YEAR ENDED 31 DECEMBER 2018

	General Fund	Restricted Funds	2018 Total	2017 Total
	£	£		£
OUR INCOME CAME FROM:				
Planned giving	87,680	4,402	92,082	77,305
Collections in church (Appeals)	6,536	22,666	29,202	41,423
Donations	12,973	1,091	14,064	9,376
Fundraising	2,116	14,052	16,168	3,112
Legacies		5,576	5,576	
Total voluntary income	109,305	47,787	157,092	131,216
PCC fees	11,191	1,867	13,058	6,516
Grants	2,368	0	2,368	1,975
Rents and letting income		72,590	72,590	64,374
Interest on deposits and investments	14,303	1,022	15,325	14,734
Traidcraft surplus			0	315
St Mary's Share contribution	7,171		7,171	7,489
Total incoming resources:	144,338	123,266	267,604	226,619
WE SPENT OUR MONEY ON:				
The Ministry	5,340	13,851	19,191	3,268
Worship	13,053	21,512	34,565	28,958
Upkeep of buildings	8,400	42,639	51,039	40,682
Education	274	121	395	214
St Mary's Parish Share Contribution		7,171	7,171	7,489
Publicity/Magazine/Traidcraft	3,905	4,583	8,488	6,451
Administration	10,595	16,711	27,306	26,042
Diocesan Common Fund	83,704		83,704	82,369
Pastoral support	325	1,878	2,203	3,350
Charitable donations	3,153	424	3,577	3,298
Exceptional items (see note 11)		9,522	9,522	16,852
Total resources expended:	128,749	118,412	247,161	223,895
Net incoming(outgoing) resources before Transfers	15,589	4,854	20,443	2724
Transfer to General Fund: Goldhawk capital revaluation	5,606			
Transfers from Designated Fund: Goldhawk Capital revaluation		(5606)		
- to School House Flat	(4,000)	4,000		
- to Redecoration Fund	(5,000)	5,000		
- to St Mary's Refurbishment	(5,000)	5,000		
Net movement in funds during year -				
Increase/(reduction) in balances c/fwd				2,724
- see Balance sheet – Page 4	7,195	13,248		

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	General Fund	Restricted Funds	General Fund	Restricted Funds
	£	£	£	£
OUR INCOME CAME FROM:				
Planned giving (including tax recovered)	87,680	4,402	71,348	5,957
Collections in church (Appeals)	6,536	22,666	25,818	15,605
Other Income / Donations/Transfers	12,973	1,091	1,988	7,388
Legacies		5,576		
Fundraising	2,116	14,052	3,112	
Total voluntary income	109,305	47,787	102,266	28,950
PCC fees	11,191	1,867	5,268	1,248
Grants	2,368	0	1,975	
Rents and letting income		72,590		64,374
Interest on deposits and investments	14,303	1,022	13,731	1,003
Fund transfers – St Mary's Share contribution	7,171		7,489	
Other - Traidcraft			315	
Total other income	35,033	75,479	28,778	66,625
Total incoming resources:	144,338	123,266	131,044	95,575
WE SPENT MONEY ON:				
The Ministry + Curate Housing	5,340	13,851	3,268	
Worship:				
Heating, lighting and cleaning	2,667	17,997	2,453	15,908
Organist and choir	9,007	3,491	6,581	2,741
Candles, wine, etc	1,379	24	1,039	236
TOTAL	13,053	21,512	10,073	18,885
Upkeep of Land and Buildings:				
Insurance and legal fees	3,509	9,450	3,431	2,584
Maintenance	3,935	1,217	2,962	1,080
Churchyard	956	3,895	1,338	4,982
Parish Centre and other premises		28,077		24,305
TOTAL	8,400	42,639	7,731	32,951
Education	274	121	180	34
Administration other	215		1,464	3,458
St Mary's Share Contribution		7,171		7,489
Publicity, Magazine, Traidcraft	3,905	4,583	2,839	3,612
Parish Administration: Salary and NIC	6,903	15,305	6,638	14,563
Telephone and Post	327	518	454	286
Printing, stationery and sundries	3,149	888	3,092	1,009
TOTAL	10,380	16,711	10,184	15,858
Expenditure sub-total c/fwd	41,567	106,588	35,739	82,287

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018 – continued

	2018		2017	
	General Fund	Restricted Funds	General Fund	Restricted Funds
	£	£	£	£
Expenditure sub-total b/fwd	41,567	106,588	35,739	82,287
Diocesan Common Fund (Quota)	83,704		82,369	
Inter Bank Transfers				
Pastoral Support		1,878		1,505
Lunch Club				1,520
Archdeacon's Discretionary Fund	250		250	
Deanery Synod etc.	75		75	
Church Schools				
Charitable Donations:				
UK	2,370	424	1,648	398
Overseas	783		1,252	
Exceptional items (see note 11)		9,522	6,642	10,210
Total resources expended:	128,749	118,412	127,975	95,920
Net incoming(outgoing) resources before Transfers	15,589	4,854	3,069	(345)
Transfer to General Fund: Goldhawk Capital Fund revaluation	5,606		(20,459)	
Transfer from Designated Funds: Goldhawk Capital Fund revaluation		(5,606)		19,941
re Lighting Repair Fund				(1,105)
re Redecoration Fund	(5,000)	5,000		1,105
re St Mary's Refurbishment	(5,000)	5,000		555
re St Mary's Frontal				(37)
re School House Flat Fund	(4,000)	4,000		
Net movement in funds during year:	(8,394)	8,394	(17,390)	20,114
Increase/(reduction) in balances c/fwd see Balance sheet – Page 4	7,195	13,248	(17,390)	20,114

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements:

These financial statements are prepared on an accruals basis under the historical cost convention and include all of the Church's operations.

1.2 Tangible fixed assets and depreciation:

Equipment and furniture is written off against current income in the year of acquisition.

1.3 Endowment fund assets held in trust:

Assets which are held in trust for the PCC, but over which they have no control or right of disposal, are excluded from the body of these financial statements, even though the PCC has a right to receive the income generated from them. Details of such assets and the income derived from them are shown in note 10.

1.4 Stocks:

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.5 Investments:

Investments are stated at market value.

1.6 Reserves:

At year end, all surpluses or deficits flow through one of four reserve funds – General Funds (St Michael's and St Mary's), the Restricted Fund or the Investment Fund reserve, as recorded on page 4. The general funds reserves have no limitations on their use, the restricted funds and their purposes are detailed on page 10, and the investment fund reserve records unrealised capital gains.

2. CASH AND BANK BALANCES comprise:

	2018	2017
		£
Deposit with Central Board of Finance	154,077	143,648
Bank current accounts - Lloyds	5,124	3,095
Bank Business Account - CAF	6,682	
Bank deposit accounts	3,215	2,464
Parish Office cash and float	111	183
TOTAL	169,209	149,390

3. DEBTORS

St Michael's	12,305	12,445
-		
TOTAL	12,305	12,445

4. STOCK comprises:

Books, Traidcraft supplies etc for resale	1,199	2,130
---	--------------	-------

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

5. CURRENT LIABILITIES comprise:

	2018	2017
		£
St Michael's – creditors and provisions	2,039	3,733
TOTAL	2,039	3,733

6. INVESTMENTS

	Market value	Movements in 2018			Market value
	b/f 1/1/18	Additions @ cost	Disposals realized	Unrealised Gain/(Loss) on re-valuation 31.12.18	c/f 31.12.18
	£	£	£	£	£
M&G Charifund Units	21,798			(2,901)	18,897
COIF Income Units	28,971			(801)	28,170
CBF Investment Units	192,507			(2,873)	189,644
CBF Property Units	46,459			1322	47,781
Hargreaves Lansdown Growth & Income Fund	70,108			(4,055)	66,053
TOTAL	359,843			(9,308)	350,535

7. INVESTMENT FUND RESERVE

Unrealized capital gains are held in the Investment Fund Reserve Account and represent the cumulative excess of market value over original cost of investments still held.

	2018	2017
		£
Excess of m/v over cost b/fwd at 31.12.17	144,676	121,001
(Less)/Add Revaluation adjustments in 2018	(9,308)	23,675
Balance c/fwd at 31.12.18	135,368	144,676

Note: An unrealised reduction of £9,308; (2017 = £23,675 gain) arose on the revaluation of investments to market value at the year end, but is not included in this statement.

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

8. RESTRICTED (Designated) FUNDS comprise:

		Movements in 2018				Balance Dec 31
		Balance 1 January	Increases (a)	Decreases (b)	Transfers	
		£	£	£	£	£
Parish Centre Capital Fund	c	10,274	22,243	20,138		12,379
Organ Fund		8,833	897			9,730
Tower/West End (Grimthorpe) Fund		2,902	449			3,351
Churchyard Maintenance (Forrester) Fund		12,617	553	4,145		9,025
St Michael's Society of Change Ringers		3,152	688	366		3,474
School House Flat Fund		19,520	8,167	15,275	4,000	16,412
Goldhawk (Capital) Fund		359,073			-5,606	353,467
Goldhawk Church Woodwork Fund		4,585		1,157		3,428
Outreach Fund		592				592
Lunch Club		947		205		742
Choral Scholarship Fund		1,650	1,827	1,505		1,972
Choristers Fund		1,055	198	511		742
Vicar's Discretionary Fund		3,929	-1,594	340		1,995
Flower Fund		711		555		156
St Michael's Tiny Tots		1,066	488	328		1,226
Parish Magazine		(1309)	2,989	699		981
Education Fund		2,399		466		1,933
Memorial Hall		2,812	38,587	34,834		6,565
Redecoration Fund		3,991	17,387	3,718	5,000	22,660
St Mary's Fund		9,585	10,228	12,746		7,067
St Mary's Friends		383	37			420
St Mary's Frontal fund		(2)	2			0
St.Mary's Refurbishment	d	425	20,120	21,424	5,000	4121
Consolidated total		449,190	123,266	118,412	8394	462,438
Movements for the year			13,248			

NOTES

- (a) Increases £123,266 - this represents income credited to Restricted Funds in 2018. The analysis of this income is given in the Restricted column on page 5
- (b) Decreases £118,412 - this represents expenditure out of Restricted Funds in 2018. The analysis of the expenditure is given in the Restricted column on page 5.
- (c) Parish Centre capital fund expenditure includes attributable salary and overhead costs.

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

9. OUTREACH MONEY was spent as follows:

	Gifts from Restricted Funds:	Designated Gifts from General Fund:
	£	£
UK:		
Open Door		359
Centre 33		359
Keech Cottage Children's Hospice		349
Royal British legion		830
The Children's Society		336
Toilet Twinning	370	
E Chant – Animal Service	54	
Step		137
UK Total	424	2,370
Overseas:		
Children of Peace		247
Bishop's Appeal 2018 - St Mary's and St Michael's		536
Sub-Total		783
	424	3,153
Total gifts made in year	3,577	

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

10. ENDOWMENT FUND ASSETS - held in trust for the PCC

These assets have been left to St Michael's PCC by our benefactors in trust for the income only to be used for specifically designated purposes by the church. The PCC can change the investment but is not authorised to spend the capital comprising those funds.

- (i) **Capital** - The market value of such Endowment funds at the balance sheet date was as follows:

	Total	CBF Invt Fund (UK equity stocks)	CBF deposit Accrued Interest
	£	£	£
St Michael's:			
(1) Chancel Fund	999	999	
(2) Dashwood bequest	4,833	4,833	
(3) Forrester bequest	16,389	16,389	
(4) Grimthorpe bequest	13,306	13,306	
	35,527	35,527	
St Mary's:			
(5) Joel bequest	49,891	49,891	1,706
(6) Repair fund	612	612	
Total - at 31.12.18	86,030	86,030	1,706
(2017 comparatives)	87,333	87,333	3,717

- (ii) **Income** – Dividends from equity investments received from the above investments for St Michaels and St Mary's are included in the Statements of Financial Activities on pages 5 & 6.

- (iii) **St Mary's** – The interest on the investment in the CBF Deposit Account is held by the Diocesan Office and does not form part of capital.

- (iv) **Joshua Lomax** – For a sermon, the value at 31st December 2018 was £215.41

	£
Balance on the account at 1.1.2018	3,717
Accrued Interest 2018	1,706
Withdrawn 2018	
Balance on the account at 31.12.2018	5,423

11. EXCEPTIONAL ITEMS IN 2018

	General Fund	St Michael's Restricted Funds	2017 Total
Memorial Hall		9,522	10,210
Church Lighting Replacement			6,642

ST MICHAEL'S PAROCHIAL CHURCH COUNCIL

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

The exceptional item for 2018 as listed in note 11, refers to the Memorial Hall. The work undertaken at a cost of £9,522, was to upgrade the heating system by replacing the unreliable boiler and providing piped hot water from the boiler to the kitchen and toilets.

Work continues at St Mary's Church, which is accounted for in the St Mary's Refurbishment Fund. The underpinning part of the work at St Mary's was completed in December 2018. Further work is anticipated during 2019 to rebuild the boiler house and incorporate a toilet within the building.

Transfers of £14,000 have been made from the surplus in the General Fund to support work programmed in the School House Flat, the Refurbishment at St Mary's and the Redecoration of St Michael's.

THE PARISH CHURCH OF ST MICHAEL, ST ALBANS
ANNUAL REPORT FOR 2018 - GENERAL INFORMATION

BACKGROUND

St Michael's PCC has the responsibility of co-operating with the Incumbent, in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. Our strategy for growth in numbers, spiritually, and service of the community is our Mission Action Plan (2019-23), which guides PCC decisions and priorities.

MEMBERSHIP & BUSINESS OF THE PCC

Members of the PCC are either ex officio or co-opted, or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. Particulars of the persons who served as members of the PCC during the year 2018 and the principal business conducted are given in the first section of the detailed Annual Report which is annexed hereto.

COMMITTEES

The PCC operates through a number of principal committees, which meet between full meetings of the PCC, and are shown below:

Standing Committee

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Mission and Community Committee

Oversees, encourages and supports current activities and fosters new initiatives in social events and fund-raising and ecumenical relations. It also oversees communications (including the parish magazine and website), charities linked to the parish, as well as welcoming new members to the church.

Pastoral and Worship Committee

Oversees, encourages and supports current activities and fosters new initiatives in pastoral care and visiting, study courses, Christian education as well as worship and music and children and youth, and safeguarding.

Stewardship Committee

Oversees the management of the Fabric and Finance of the parish by regularly monitoring the budget, expenditure and accounts. It also monitors the maintenance of St Michael's church, churchyard, parish centre, parish office, memorial hall and school house flat.

St Mary's Committee

Oversees the worship, fabric, and finance of the daughter church of St Mary Childwick Green (AL3 6JJ)

Sub-committees

There are also certain sub-committees and responsibility holders who assist the foregoing main committees with particular aspects of the work for which they are responsible and to whom they account.

CHURCH ELECTORAL ROLL

Latest details of these are given in the Electoral Roll report, which will be presented by the Electoral Roll Officer at the 2019 APCM. The number on the Electoral Roll at the 2018 APCM date totalled 194.

Footnote

The general information set out above is supplementary to the attached Financial Statements for 2018. The detailed Annual Report covering various aspects of parish life and business during the year 2018 is annexed.