

REGISTERED CHARITY NO. 1131834

KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

REGISTERED CHARITY NO. 1131834
KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2019

Team Rector: Reverend Richard Snow

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Independent Examiner: I Clark
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KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their report and the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published in October 2019.

Aims and Strategies

The Parochial Church Council (PCC) has the responsibility of co-operating with the ministry team in promoting in the Ecclesiastical Parish of Kirkby Lonsdale (also known as the Rainbow Parish) the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is also specifically responsible for the maintenance of the 8 churches in the Parish.

The church is guided by the 'God for All' aim that "by 2020 every person in Cumbria of all ages and backgrounds will have an opportunity to discover more of God and God's purpose for their lives, so that they will discover more of Jesus and the Good News and become followers of Jesus within a Christian community."

The PCCs strategies can be considered under 3 headings:-

- Mission – We are working with the other churches in Kirkby Lonsdale, particularly the Kirkby Lonsdale Methodist Church (KLMC), in many areas of mission. We have been running a Family Project with a full time Family Project Leader with the aim of "helping children and their families in our communities, and particularly those with whom the local church currently has little or no contact, discover more of God and God's purpose for their lives". We also work on many other projects including lunches for older residents, pastoral visiting, and a series of activities in church and the community during Holy Week.
- Ministry – We are working with the KLMC on joint clergy appointments. One of our Team Vicars is currently working half time with the Methodist Church and half time with the Anglican Church.
- Buildings – In Kirkby Lonsdale we are working with KLMC and St Joseph's RC Church on 'The Big Vision', *that the Churches, the surroundings and the Rectory buildings are creatively and sustainably utilised for the benefit of the local community, visitors and the Ministry and Mission of the church.* In the other districts, each church community is working to support their local church building in different ways.

The PCC is committed to enabling as many people as possible to worship at our churches, to encouraging discipleship and active engagement across the community. The PCC maintains an overview of worship throughout the parish and makes suggestions on how our services can involve the many groups that live within our parish. Our services and worship put faith into practice through prayer and scripture, music and sacrament.

KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Aims and Strategies (continued)

When planning our activities for the year, the ministry team and the PCC have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. We share the Diocesan vision 'to see our churches growing disciples of all ages' for the good of our parish and the wider community and we seek to encourage the five marks of discipleship:

Maturity in faith – by providing opportunities and training that will help people to deepen their faith in Jesus, and by encouraging people to consider all types of Christian service.

Expectant Prayer and lively Worship – by encouraging corporate and individual prayer; through having a variety of styles of worship and by making the most of the special occasions that occur through the year.

Community service and engagement – by maintaining and developing our buildings; by making them available for a variety of uses; by working in partnership with other organisations that strengthen community life; by developing our links with schools and youth organisations; by encouraging generosity of time and talents, and by supporting the ministry and mission of the Diocese of Carlisle.

Evangelism – by telling the story of God in our parish; by giving people confidence to live and share their faith and by creating opportunities for people beyond the church to explore and understand the Christian faith.

Quality of relationships – by being welcoming; by developing our pastoral care; by working closely with our ecumenical partners wherever possible; by holding, and participating in, events that build church and community life.

Volunteers

Each church has a loyal group of volunteers who assist the ministry team in providing regular acts of worship, including weddings, funerals and baptisms. Volunteers also play a major part in the maintenance of churchyards and general housekeeping within the church buildings.

KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Risks and Uncertainties

The PCC faces the following risks and uncertainties:

<i>Risk</i>	<i>Level</i>	<i>Mitigation</i>
Declining congregations and supporters – Reduced income	Medium	The PCC and the churches continuously monitor the financial viability of each church. Each church has a responsibility to maintain its own building and to contribute to the costs of the clergy through the Parish Offer. If there were concerns about financial viability these would be raised with the Archdeacon and discussed with the local community to find a way forward.
Declining congregations and supporters – Lack of volunteers	Medium	Each church is responsible for finding volunteers to fill these roles. The specific minimum roles to be filled are those responsible to the PCC for looking after health and safety, buildings and grounds, assets and building security (normally the Churchwarden). The other necessary role is the Treasurer. Failure of a community to find individuals to fulfil these roles would be referred to the Archdeacon.
Repairs needed to church buildings	Medium	Every 5 years each church has a Quinquennial Report which assesses the church buildings and details work that will need to be done. Each church District Church Council (DCC), along with the local community is responsible for contributing to the costs of providing clergy (the Parish Offer) and looking after their church building. If the building cannot be maintained to a safe standard then it will be closed either temporarily or permanently.

Financial Review

In 2019 total income was £300,738 compared with £723,177 in 2018.

The most significant difference in income between 2019 and 2018 was the value of legacies, which in 2018 amounted to £493,400, compared with £35,000 in 2019. The 2018 figure related almost entirely to an exceptionally generous bequest from a member of St Bartholomew's church, Barbon.

In 2018, the Friends of St Mary's transferred its entire reserves of £8,598 into a restricted fund in St Mary's accounts. This largely accounts for the apparent reduction in 'All other recurring giving' from £39,144 in 2018 to £30,188 in 2019.

Fundraising income increased from £13,315 in 2018 to £17,095 in 2019, reflecting the hard work of many people within our churches and their local communities.

A full year's investment income from the Barbon legacy noted above resulted in Dividends and Interest rising from £23,375 in 2018 to £44,074 in 2019.

In 2019 total expenditure was £260,567 compared with £251,382 in 2018. There were no significant variations in costs between 2019 and 2018.

There were net gains on investments of £82,607 in 2019, compared with losses of £18,666 in 2018. These gains and losses are calculated based on the market value of our investments at the beginning and end of the financial year. These are book entries, which have no impact on cash flow.

KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Financial Review (continued)

At the end of December 2018, financial markets were at their lowest for over 2 years, which explains the losses in that year. During 2019, markets recovered resulting in the large gains recorded in these accounts. Markets can change quickly, and already in 2020 all the gains made in 2019 have disappeared due to the sudden fall in values in late February 2020 and early March 2020. It is prudent to assume that markets will continue to be volatile for some time to come.

There was a net transfer of £14,507 from unrestricted funds to restricted funds, representing the PCC's £15,000 contribution to the Family Project, less a £493 restricted fund now available for general use. For the year ending 31 December 2020, the PCC has approved the transfer of a further £15,000 from unrestricted funds to the Family Project, which will be added to the donations and grants pledged and to be received from the Methodist and Church of England authorities.

Overall, there was a net surplus of £122,778 in 2019 (£453,129 in 2018). As stated earlier, the investment gains of £82,607 included in the net surplus for 2019 have been reversed in February and March 2020 due to significant reductions in financial market values. The balance of the net surplus, amounting to £40,171, is largely represented by net cash inflows. However, it should be noted that included in that figure were legacies totalling £35,000, without which, the net surplus would have been a modest £5,171 for the 8 churches in the Rainbow Parish. This demonstrates the need to maintain adequate financial reserves to meet the future costs of maintaining our church buildings.

With the addition of the net surplus for the year, total funds as at 31 December 2019 amounted to £1,431,638 (£1,308,860 in 2018). The allocation of the funds between unrestricted, restricted and endowment is shown in note 6 to the Financial Statements. The purposes of the reserves are explained under 'Reserves Policy' below.

The PCC has a wide spread of investments (in order to reduce risk) in equities, fixed interest and property, almost all of which are held in CBF Church of England Funds. At the 31 December 2019, these investments were valued at £1,042,154 (£974,547 in 2018). Liquid current assets amounted to £357,472 (£288,901 in 2018) comprising cash held in bank current and deposit accounts.

Reserves Policy

The PCC regularly reviews its future liabilities to understand whether it is retaining a suitable level of reserves. At 31 December 2019 total reserves were £1,431,638. Of this amount:

- £344,545 is a permanent endowment and therefore not available to meet any of the PCC's liabilities. Income from the endowment is available to meet unrestricted expenditure.
- £ 117,544 represents restricted reserves, which comprise several different funds set up to provide for items of expenditure specified by the donors, as set out in note 6.
- £ 969,549 represents unrestricted reserves.

KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves Policy (continued)

It is PCC policy to try to maintain a balance on unrestricted funds which equates to at least 6 months unrestricted payments. This is equivalent to approximately £100,000, and is held to smooth out fluctuations in cash flow and to meet emergencies. This leaves £869,549 to cover future maintenance and renovation costs relating to our 8 churches.

St Mary's Kirkby Lonsdale is Grade 1 listed and all the other churches are Grade 2 listed. Looking at the Architect's Quinquennial Report for each of the eight churches, there are significant future maintenance requirements. Remedial work has been carried out during 2019 at All Saint's, Lupton and St Peter's, Mansergh. There are major problems with the roof of St Mary's Kirkby Lonsdale, which are likely to have a significant effect on the PCC's financial position over the next 5 years. It is anticipated that funding from grant bodies will cover some of this cost. More immediately, during 2020 a new lighting system will be installed in St Mary's at a cost of around £30,000. This is needed to address deficiencies in the existing lighting system, including energy efficiency. Other churches will need extensive roof work and stonework repair and repointing over the next 5 to 20 years.

The PCC feels that the funds held to cover church building work, are sufficient to cover the liabilities identified in the Architect's Quinquennial Reports at the time they are needed.

At the time of this report, the COVID 19 epidemic is causing huge disruptions to our way of life. In common with most public buildings, all churches are closed, and this will have a significant impact on our income, whilst most of our costs will continue as normal. An estimate of the likely financial outcome of all this, based on the churches being closed for the next 12 months, shows that the PCC has more than enough cash reserves to cover the resulting deficit.

Structure, Governance and Management

The PCC is registered with the Charity Commission.

The PCC is governed by the Parochial Church Council Powers Measure (1956) as amended, and the Church Representation Rules, which set out the method of appointment of PCC members. The PCC membership consists of the incumbent (our rector), ordained clergy in the team, churchwardens, readers, parish representatives on the Deanery Synod, members elected by the individual church councils within the parish and co-opted members.

The PCC is responsible for the 8 churches in the Rainbow Parish. This includes ensuring compliance with church and state rules and regulations and overseeing the finance of the Parish. It sets policy on finance, health & safety and safeguarding. As many of the responsibilities as possible are delegated to the Churchwardens and the District Church Councils (DCCs) who manage the individual churches.

Trustees Training

The Trustees bring knowledge and experience from many areas, and little general training is considered necessary. There are some specific areas where training is important and accordingly we are in the process of providing all the trustees with training on Safeguarding. In other areas, particular trustees keep themselves up to date, for example with church financial practice, health and safety and GDPR.

**KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

Trustees

Team Rector:	Reverend R Snow	
Team Vicar	Reverend W Thornton	
Team Vicar	Reverend A Pettifor	
Deacon	Reverend S O'Loughlin	
Licensed Readers:	Mrs L Dew	Mr A Cox
Churchwardens:	Mrs G Lewis Mrs A Foulerton Mr A Mason Mr C Howarth Mr S Evans	Mrs M Lambert Mrs M Venys Mrs W Hadwin Mrs S Sanderson
Representatives on the Deanery Synod:	Mrs O Clarke Mr C Howarth	Mrs A Foulerton Mrs J Fry
Elected Members:	Mr A Oakden Mrs M Blanchard Mrs A Dehany	Mrs L Neal Mrs G Sykes
Co-opted Member:	Mr M Hibbs, Vice Chairman	

Secretary

Mrs V Hazlett

Treasurer

Mr R N Cass

**KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

Trustees responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

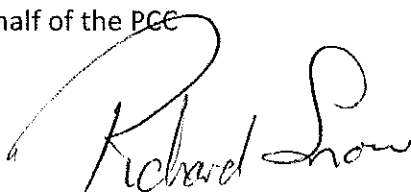
The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the PCC



Rev Richard Snow
Rector

Date: 9th April 2020

**KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

Independent Examiner's Report to the PCC of Kirkby Lonsdale

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2019 which are set out on pages 9 to 17.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies. I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



I Clark FCCA

**MHA Moore and Smalley
Chartered Accountants
Kendal House
Murley Moss Business Village
Kendal
LA9 7RL**

Dated: 3 May 2020

KIRKBY LONSDALE
PAROCHIAL CHURCH COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED
31 DECEMBER 2019

		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS	
					2019 £	2018 £
INCOME						
	Note					
Tax efficient planned giving		62,127	3,960	-	66,087	70,625
Other Planned Giving		550	-	-	550	500
Other collections at services		13,339	8,262	-	21,601	17,078
All other recurring giving / donations		19,646	10,542	-	30,188	39,144
All other non-recurring giving / donations		7,624	8,040	-	15,664	9,196
All tax recoverable through gift aid		19,240	2,349	-	21,589	20,452
Legacies received		34,000	1,000	-	35,000	493,400
Grants received		2,214	21,725	-	23,939	1,350
Statutory Fees (weddings, funerals, etc.)		13,328	-	-	13,328	9,470
Magazines, bookstall and sundry sales		11,620	-	-	11,620	9,506
Fundraising events		15,565	1,530	-	17,095	13,315
Dividends and Interest		44,074	-	-	44,074	23,375
Other income		3	-	-	3	15,766
TOTAL		243,330	57,408	-	300,738	723,177
EXPENDITURE						
Fundraising Costs		1,157	848	-	2,005	588
Donations to charities		2,541	8,262	-	10,803	9,928
Ministry : Diocesan Parish Share		92,713	-	-	92,713	90,882
Salaries / honoraria	2	13,780	31,714	-	45,494	44,344
Expenses (of clergy, pastoral staff, etc.)		5,152	5,283	-	10,435	8,819
Mission and Evangelism		704	-	-	704	693
Major Repairs to churches		1,299	16,220	-	17,519	21,696
Church running expenses		41,092	15,114	-	56,206	48,763
Church utility costs		13,968	-	-	13,968	15,823
Magazine Printing Expenses		9,850	-	-	9,850	8,915
Bookkeeping fee		-	-	-	-	180
Independent examination fee		870	-	-	870	751
TOTAL		183,126	77,441	-	260,567	251,382
NET GAINS/(LOSSES) ON INVESTMENTS		55,235	-	27,372	82,607	(18,666)
NET INCOME/(EXPENDITURE)		115,439	(20,033)	27,372	122,778	453,129
TRANSFERS BETWEEN FUNDS		(14,507)	14,507	-	-	-
NET MOVEMENT IN FUNDS		100,932	(5,526)	27,372	122,778	453,129
RECONCILIATION OF FUNDS:						
Total funds brought forward		868,617	123,070	317,173	1,308,860	855,731
Total funds carried forward	5 & 6	969,549	117,544	344,545	1,431,638	1,308,860

**KIRKBY LONSDALE
PAROCHIAL CHURCH COUNCIL**

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investments	4	<u>1,042,154</u>	<u>974,547</u>
		1,042,154	974,547
CURRENT ASSETS			
Debtors	7	40,398	53,603
Cash at Bank and in Hand		<u>357,472</u>	<u>288,901</u>
		397,870	342,504
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(8,386)</u>	<u>(8,191)</u>
NET CURRENT ASSETS		<u>389,484</u>	<u>334,313</u>
NET ASSETS		<u><u>1,431,638</u></u>	<u><u>1,308,860</u></u>
FUNDS			
Unrestricted			
General reserves		969,549	868,617
Designated reserves		-	-
		<u>969,549</u>	<u>868,617</u>
Restricted		117,544	123,070
Endowment		<u>344,545</u>	<u>317,173</u>
	5 & 6	<u><u>1,431,638</u></u>	<u><u>1,308,860</u></u>

Approved by the Parochial Church Council



Rev Richard Snow
Rector

Date: 9th April 2020

The notes on pages 13 to 17 form part of these accounts

KIRKBY LONSDALE
PAROCHIAL CHURCH COUNCIL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
31 DECEMBER 2019

	2019 £	2018 £
Reconciliation of net income/(expenditure) to net cash flow from operating activities:		
Net income for the year	122,778	453,129
Deduct interest income shown in investing activities	(44,074)	(23,375)
Deduct gains/add back losses on investments	(82,607)	18,666
(Increase)/ decrease in debtors	13,205	(11,536)
Increase/ (decrease) in creditors	195	(212)
Net cash flow from operating activities	<u>9,497</u>	<u>436,672</u>
Cash Flows from Investing Activities:		
Payments to acquire investments	-	(488,018)
Receipts from sales of investments	15,000	10,000
Interest received	44,074	23,375
Cash provided by (used in) Investing Activities	<u>59,074</u>	<u>(454,643)</u>
Cash Flows from Financing Activities:		
Repayment of borrowing	-	-
Cash used in Financing Activities	-	-
Increase (decrease) in cash in the year	68,571	(17,971)
Cash at the beginning of the year	288,901	306,872
Total Cash at the end of the year	<u>357,472</u>	<u>288,901</u>
Relating to:		
Cash at bank and in hand	357,472	288,901
Bank overdrafts included in creditors payable within one year	-	-

**KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019.

Kirkby Lonsdale Parochial Church Council meets the definition of a public entity under FRS 102.

The financial statements have been prepared under the historical cost convention as modified by the adoption of market value for investments.

The financial statements are a consolidation of the individual financial statements for the 8 churches within the Ecclesiastical Parish and the central income and expenditure for the Parochial Church Council (PCC).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

(b) Income

Planned Giving

Planned giving receivable under Gift Aid is recognised only when received. Income tax recoverable on Gift Aid donations is recognised when the donation receipt is recognised.

Income from investments

Dividends and interest entitlements are accounted for when received.

Income from legacies

Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and the settlement date.

Income from endowments

Endowment funds have to be retained as capital funds, but the income is credited to the unrestricted reserves related to the relevant church.

(c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Diocesan Parish Share

The PCC's contribution to the Diocesan Parish Share comprises the total offers made by the 8 member churches in the Ecclesiastical Parish. The Parish Share is accounted for when paid. Any amount offered but unpaid at 31st December is shown as a note to the accounts, unless the PCC has authorised payment to be made after the year end and therefore to be shown as a creditor in the Balance sheet.

(d) Investments

Investments are valued at market value on 31 December.

(e) Debtors

Amounts owing to the PCC at 31st December in respect of fees, rents or other income are shown as debtors less any provision for amounts that may prove uncollectable.

(f) Cash at bank and in hand

Short-term deposits include cash held on deposit with the CBF Church of England Deposit Fund, the COIF Charities Deposit Fund and at the bank. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (continued)

(g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(h) Investment gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the market value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(i) Going concern

At the time of this report, the COVID 19 epidemic is causing huge disruptions to our way of life. In common with most public buildings, all churches are closed, and this will have a significant impact on our income, whilst most of our costs will continue as normal. An estimate of the likely financial outcome of all this, based on the churches being closed for the next 12 months, shows that the PCC has more than enough cash reserves to cover the resulting deficit.

The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

KIRKBY LONSDALE
PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

FOR THE YEAR ENDED
31 DECEMBER 2019

	2019 £	2018 £
2 STAFF EXPENSES		
Wages and salaries	45,494	44,344

During the year there were 7 employees, 6 of whom work part time (2018, 7,6).

There were no employees receiving more than £60,000 in the year (2018 Nil).

During the year no trustees received remuneration (2018 - Nil)

3 TRUSTEE EXPENSES

During the year, 5 Trustees (2018: 4) were reimbursed for expenses which totalled £5,280 (2018: £5,973). These expenses were for church service necessities, travel, postage and office supplies.

4 INVESTMENTS

	2019 £	2018 £
CBF Investment Fund	1,019,336	946,587
COIF Investment Fund	22,818	27,960
	<u>1,042,154</u>	<u>974,547</u>
Value as at 31 December		
Movements in the year:		
Market value 1 January	974,547	515,195
Purchases less (Disposals)	(15,000)	478,018
Income reinvested	-	-
Net (loss)/gain during year	<u>82,607</u>	<u>(18,666)</u>
Market value 31 December	<u>1,042,154</u>	<u>974,547</u>

5 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Fund £	Restricted Fund £	Endowment Fund £	Total £
Investments	697,609	-	344,545	1,042,154
Current Assets	280,326	117,544	-	397,870
Current Liabilities	(8,386)	-	-	(8,386)
Fund Balance	<u>969,549</u>	<u>117,544</u>	<u>344,545</u>	<u>1,431,638</u>

KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 ANALYSIS OF FUNDS

	Balance 1.1.19	Income	Expenditure	Transfers	Gains and Losses	Balance 31.12.19
	£	£	£	£	£	£
Total Unrestricted funds	868,617	243,330	(183,126)	(14,507)	55,235	969,549
Restricted funds						
(a) Church buildings and churchyards	55,903	24,054	(29,803)	-	-	50,154
(b) Music in Kirkby Lonsdale church	6,845	-	(2,175)	-	-	4,670
(c) Donations received for charities	-	5,863	(5,863)	-	-	-
(d) Family Project	47,513	19,781	(35,512)	15,000	-	46,782
(e) Friends of St Mary's	11,559	6,542	(4,088)	-	-	14,013
Small funds £2,000 or less	1,250	1,168	-	(493)	-	1,925
Total Restricted funds	123,070	57,408	(77,441)	14,507	-	117,544
Permanent Endowment Fund						
(f) Hutton Roof church	317,173	-	-	-	27,372	344,545
Total Funds	1,308,860	300,738	(260,567)	-	82,607	1,431,638

Notes

- (a) The restricted funds for church buildings and churchyards relate to donations and bequests for maintenance and renovation work on specified churches.
- (b) Music in Kirkby Lonsdale is a fund established from a gift of £20,000 from Mary Wishart-Hodgson in memory of her late husband, James Wishart-Hodgson, who was organist and choirmaster at St Mary's Church, Kirkby Lonsdale. The fund is to be used for the maintenance of the organ and music in St Mary's church.
- (c) Donations received for charities relate to collections at weddings, funerals and special services.
- (d) The Family Project is a joint initiative with the Methodist Church to help the children and families in our communities discover more of God and God's purpose for their lives. The PCC transfers annually £15,000 from unrestricted funds to the family project. Other sources of income are the Methodist Church, the Carlisle Diocese and donations from individuals. All project expenditure, including a full time project leader, is charged to this fund.
- (e) The Friends of St Mary's Fund is held on behalf of the Friends of St Mary's, an independent fund raising organisation. Income from fundraising is credited to the fund, and expenditure on the church, agreed between the church and the 'Friends', is charged to the fund.
- (f) The permanent endowment fund for Hutton Roof church was established with a legacy from the late Mary Staveley in 2008, amounting to £251,357. Income from the invested endowment is unrestricted.

KIRKBY LONSDALE
PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

FOR THE YEAR ENDED
31 DECEMBER 2019

7	DEBTORS		
		2019	2018
		£	£
	Income Tax recoverable	31,585	28,354
	Other Debtors	<u>8,813</u>	<u>25,249</u>
		<u>40,398</u>	<u>53,603</u>

8	LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2019	2018
		£	£
	Creditors and Accruals	<u>8,386</u>	<u>8,191</u>
		<u>8,386</u>	<u>8,191</u>

9 **CONNECTED CHARITY**

The PCC manages the residual funds of the Alexander Pearson Memorial Trust. This trust was established for the upkeep of the Brow, Kirkby Lonsdale, a public footpath over Town Council land adjacent to the glebe land in the PCC's ownership.

The value of the fund at 31 December 2019 was £2,351.

10 **COMPOSITION OF TEAM MINISTRY**

The member churches throughout the year to 31 December 2019 were Barbon, Casterton, Hutton Roof, Lupton, Kirkby Lonsdale, Mansergh, Middleton and Preston Patrick.

11 **CONTROL**

There is no single controlling party of this charity in the current or previous year.

12 **TAX**

As a Charity, Kirkby Lonsdale Parochial Church Council is exempt from tax on income and gains falling within sections 472-474 of the Corporation tax Act 2010, sections 478-489 of the Corporation Tax Act 2010, or section 256 of the of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.