

**REGISTERED CHARITY NO. 1131834**

**KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL**

**TRUSTEES REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2020**

**REGISTERED CHARITY NO. 1131834**

**KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL**

**TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Team Rector:** Reverend Richard Snow

**Office Address:** Kirkby Lonsdale PCC  
Parish Office  
Lunesdale Hall  
Bective Road  
Kirkby Lonsdale  
LA6 2BG

**Independent Examiner:** I Clark  
MHA Moore and Smalley  
Kendal House  
Murley Moss Business Village  
Kendal  
LA9 7RL

**Architect:** Erica Wright  
The Wright Design Partnership  
15 Main Street  
Kirkby Lonsdale  
LA6 2AQ

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## KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL

### TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and the financial statements of the charity for the year ended 31 December 2020. 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 legislation relating to church governance, the Charities Act 2011 and the 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; FRS102) issued 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' vision to "release the whole people of God for the whole mission of God for the transformation of Cumbria in the name of Jesus".

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 2020**

**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.

**Risks and Uncertainties**

The PCC faces the following risks and uncertainties:

| <b><i>Risk</i></b>  | <b><i>Level</i></b> | <b><i>Mitigation</i></b>   |
|---|---------------------|--|
| 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. |

## KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL

### TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

#### Risks and Uncertainties (continued)

|   |        |   |
|---|--------|---|
| Repairs needed to church buildings  | Medium | Every 5 years each church has an independent 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. |
| Risk to the viability of Middleton church due to structural movement of the chancel arch. | High   | The PCC and DCC are working through the various options for the future of the church. The continued viability will be largely dependent on practical support from the local community in raising funds and applying for grants, with consideration being given to expanding the role of the building for community use. The PCC has currently closed the church.  |

#### Financial Review

The 2019 Annual Report was written in the early days of the COVID 19 epidemic, when in common with most public buildings, all churches were closed. It was suggested that this was likely to have a significant impact on our income in 2020, whilst most of our costs would continue as normal. The 2020 Statement of Financial Activities bears this out. Income from collections at church services (including weddings and funerals), visitors and fundraising was much reduced. However, the receipt of a legacy amounting to £125,066, together with other legacies totalling £12,000, transformed the financial result for the current year.

In 2020 total income was £326,368 compared with £300,738 in 2019.

In 2020 total expenditure was £234,591 compared with £260,567 in 2019. There were exceptional repair costs in Lupton and Mansergh churches in 2019 which were the main reason for the reduction in costs in 2020.

World financial markets had a turbulent year in 2020, and the PCC's investments reflected the rapid changes in value that took place. At the beginning of 2020 our investments were carrying significant gains accrued during 2019. The onset of the pandemic triggered major falls in financial markets, but by the end of 2020 these losses had been recouped, and many of our investments finished 2020 at higher values than at the beginning of the year.

There were net gains on investments of £44,287 in 2020, compared with net gains of £82,607 in 2019. These gains are calculated based on the change in market value of our investments at the end of the financial year compared with the beginning. These are 'unrealised' gains, which have no cash flow effect.

There was a transfer of £15,000 from unrestricted funds to restricted funds, representing the PCC's contribution to the Family Project. For the year ending 31 December 2021, 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.

**KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL**  
**TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

**Financial Review (continued)**

Overall, there was a net surplus of £136,064 in 2020 (£122,778 in 2019).

With the addition of the net surplus for the year, total funds as at 31 December 2020 amounted to £1,567,702 (£1,431,638 in 2019). 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 2020, these investments were valued at £1,096,441 (£1,042,154 in 2018). Liquid current assets amounted to £448,124 (£357,472 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 2020 total reserves were £1,567,702. Of this amount:

- £338,681 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.
- £ 114,091 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.
- £ 1,114,930 represents unrestricted reserves.

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 £120,000, and is held to smooth out fluctuations in cash flow and to meet emergencies. This leaves £994,930 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. There are major problems with the roof of St Mary's Kirkby Lonsdale, and recently the tower has had to be closed due to structural defects in the floors. As noted in the 2019 annual report, a new lighting system was to be installed in St Mary's in 2020 at a cost of around £30,000. This has not been possible with the disruption caused by the pandemic, but is still required at some stage. In addition to all the structural issues at St Mary's, there is an intention to embark on a major redevelopment of the church as part of the 'Big Vision' for all the church buildings and surroundings in Kirkby Lonsdale. This will require a substantial contribution from the PCC's reserves, in addition to grant funding, and work has commenced on the planning stage for this major project. Other churches will need extensive roof work and stonework repair and repointing over the next 5 to 20 years.

**Plans for Future Periods**

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.

During 2020 our normal regular income was significantly reduced due to our churches being closed for much of the time, and general restrictions on people's movements in response to the COVID 19 pandemic. At the time of this report, most activities are still subject to lockdown, but there is hope that some things will gradually return to normal in the coming months. Until that happens, income in our churches will continue to be under pressure. In 2020 a deficit on normal activities was transformed by a major inflow of funds from legacies, but we cannot expect this to happen every year. Even with a complete absence of legacies in 2021 the PCC has more than enough cash reserves to cover any deficit that might arise.

## **KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL**

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **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 provide all 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.

#### **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<br>Mrs A Foulerton<br>Mr A Mason<br>Mr C Howarth<br>Mr S Evans | Mrs M Lambert<br>Mrs M Venys<br>Mrs W Hadwin<br>Mrs S Sanderson |
| Representatives on the Deanery Synod: | Mrs O Clarke<br>Mr C Howarth   | Mrs A Foulerton<br>Mrs J Fry                                    |
| Elected Members:                      | Mr A Oakden<br>Mrs M Blanchard<br>Mrs A Dehany<br>Mrs P Hall               | Mrs L Neal<br>Mrs G Sykes<br>Mrs S Thornber<br>Mr N Hall        |
| 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 2020**

**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).

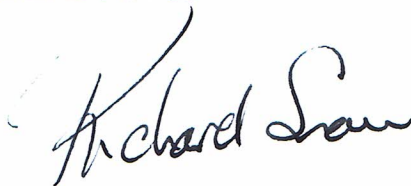
The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing 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 legislation relating to church governance. 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: 8<sup>th</sup> April 2021

## **KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL**

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **Independent Examiner's Report to the Trustees of Kirkby Lonsdale Parochial Church Council**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 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.



Ian Clark FCCA

Date: 20/04/2021

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

**KIRKBY LONSDALE  
PAROCHIAL CHURCH COUNCIL**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED  
31 DECEMBER 2020**

|  |             | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | TOTAL FUNDS      |                  |
|--|-------------|----------------------------|--------------------------|-------------------------|------------------|------------------|
|  |             |                            |                          |                         | 2020<br>£        | 2019<br>£        |
| <b>INCOME</b>                              | <b>Note</b> |                            |                          |                         |                  |                  |
| Tax efficient planned giving               |             | 55,692                     | 4,130                    | -                       | 59,822           | 63,262           |
| Other Planned Giving                       |             | 1,500                      | -                        | -                       | 1,500            | 550              |
| Collections at services                    |             | 5,331                      | 363                      | -                       | 5,694            | 22,503           |
| All other giving and voluntary income      |             | 17,425                     | 3,254                    | -                       | 20,679           | 47,775           |
| Gift aid tax recoverable                   |             | 15,958                     | 1,058                    | -                       | 17,016           | 21,589           |
| Legacies received                          |             | 132,066                    | 5,000                    | -                       | 137,066          | 35,000           |
| Grants received                            |             | 2,920                      | 25,007                   | -                       | 27,927           | 23,939           |
| Statutory Fees (weddings, funerals, etc.)  |             | 5,868                      | -                        | -                       | 5,868            | 13,328           |
| Magazines, bookstall and sundry sales      |             | 10,230                     | -                        | -                       | 10,230           | 11,620           |
| Fundraising events                         |             | 819                        | -                        | -                       | 819              | 17,095           |
| Dividends and Interest                     |             | 39,694                     | -                        | -                       | 39,694           | 44,074           |
| Other income                               |             | 53                         | -                        | -                       | 53               | 3                |
| <b>TOTAL</b>                               |             | <b>287,556</b>             | <b>38,812</b>            | <b>-</b>                | <b>326,368</b>   | <b>300,738</b>   |
| <b>EXPENDITURE</b>                         |             |                            |                          |                         |                  |                  |
| Fundraising Costs                          |             | 307                        | -                        | -                       | 307              | 2,005            |
| Donations to charities                     |             | 5,411                      | 363                      | -                       | 5,774            | 10,803           |
| Diocesan Parish Share contribution         |             | 96,388                     | -                        | -                       | 96,388           | 92,713           |
| Salaries / honoraria                       | 2           | 12,362                     | 32,813                   | -                       | 45,175           | 45,494           |
| Expenses (of clergy, pastoral staff, etc.) |             | 4,464                      | 2,385                    | -                       | 6,849            | 10,435           |
| Mission and Evangelism                     |             | 149                        | -                        | -                       | 149              | 704              |
| Church running expenses                    |             | 31,985                     | 18,287                   | -                       | 50,272           | 57,076           |
| Church utility costs                       |             | 13,699                     | -                        | -                       | 13,699           | 13,968           |
| Magazine Printing Expenses                 |             | 10,661                     | -                        | -                       | 10,661           | 9,850            |
| Major Repairs to churches                  |             | -                          | 3,417                    | -                       | 3,417            | 17,519           |
| New building work                          |             | 1,900                      | -                        | -                       | 1,900            | -                |
| <b>TOTAL</b>                               |             | <b>177,326</b>             | <b>57,265</b>            | <b>-</b>                | <b>234,591</b>   | <b>260,567</b>   |
| <b>NET GAINS/(LOSSES) ON INVESTMENTS</b>   |             | <b>50,151</b>              | <b>-</b>                 | <b>( 5,864)</b>         | <b>44,287</b>    | <b>82,607</b>    |
| <b>NET INCOME/(EXPENDITURE)</b>            |             | <b>160,381</b>             | <b>( 18,453)</b>         | <b>( 5,864)</b>         | <b>136,064</b>   | <b>122,778</b>   |
| <b>TRANSFERS BETWEEN FUNDS</b>             |             | <b>( 15,000)</b>           | <b>15,000</b>            | <b>-</b>                | <b>-</b>         | <b>-</b>         |
| <b>NET MOVEMENT IN FUNDS</b>               |             | <b>145,381</b>             | <b>( 3,453)</b>          | <b>( 5,864)</b>         | <b>136,064</b>   | <b>122,778</b>   |
| <b>RECONCILIATION OF FUNDS:</b>            |             |                            |                          |                         |                  |                  |
| Total funds brought forward                |             | 969,549                    | 117,544                  | 344,545                 | 1,431,638        | 1,308,860        |
| Total funds carried forward                | 5 & 6       | <b>1,114,930</b>           | <b>114,091</b>           | <b>338,681</b>          | <b>1,567,702</b> | <b>1,431,638</b> |

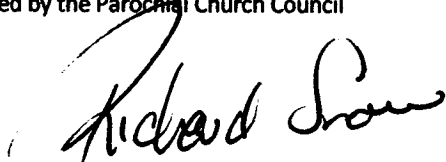
**KIRKBY LONSDALE  
PAROCHIAL CHURCH COUNCIL**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2020**

|   | <b>Note</b> | <b>2020<br/>£</b>       | <b>2019<br/>£</b>       |
|---|-------------|-------------------------|-------------------------|
| <b>FIXED ASSETS</b>   |             |                         |                         |
| Investments   | 4           | <u>1,096,441</u>        | <u>1,042,154</u>        |
|   |             | 1,096,441               | 1,042,154               |
| <b>CURRENT ASSETS</b>                                       |             |                         |                         |
| Debtors   | 7           | 36,458                  | 40,398                  |
| Cash at Bank and in Hand                                    |             | <u>448,124</u>          | <u>357,472</u>          |
|   |             | 484,582                 | 397,870                 |
| <b>LIABILITIES: AMOUNTS FALLING<br/>DUE WITHIN ONE YEAR</b> | 8           | <u>( 13,321)</u>        | <u>( 8,386)</u>         |
| <b>NET CURRENT ASSETS</b>                                   |             | <u>471,261</u>          | <u>389,484</u>          |
| <b>NET ASSETS</b>   |             | <u><b>1,567,702</b></u> | <u><b>1,431,638</b></u> |
| <b>FUNDS</b>  |             |                         |                         |
| Unrestricted  |             | 1,114,930               | 969,549                 |
| Restricted  |             | 114,091                 | 117,544                 |
| Endowment   |             | <u>338,681</u>          | <u>344,545</u>          |
|   | 5 & 6       | <u><b>1,567,702</b></u> | <u><b>1,431,638</b></u> |

Approved by the Parochial Church Council



Rev Richard Snow  
Rector

Date: 8<sup>th</sup> April 2021

The notes on pages 11 to 17 form part of these accounts

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED  
31 DECEMBER 2020

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| <b>Reconciliation of net income/(expenditure) to net cash flow from operating activities:</b> |                |                |
| Net income for the year   | 136,064        | 122,778        |
| Deduct interest income shown in investing activities  | ( 39,694)      | ( 44,074)      |
| Deduct gains/add back losses on investments   | ( 44,287)      | ( 82,607)      |
| (Increase)/ decrease in debtors   | 3,940          | 13,205         |
| Increase/ (decrease) in creditors   | 4,935          | 195            |
| <b>Net cash flow from operating activities</b>  | <b>60,958</b>  | <b>9,497</b>   |
| <b>Cash Flows from Investing Activities:</b>  |                |                |
| Payments to acquire investments   | ( 10,000)      |                |
| Receipts from sales of investments  |                | 15,000         |
| Interest received   | 39,694         | 44,074         |
| <b>Cash provided by (used in) Investing Activities</b>  | <b>29,694</b>  | <b>59,074</b>  |
| <b>Cash Flows from Financing Activities:</b>  |                |                |
| Repayment of borrowing  | -              | -              |
| <b>Cash used in Financing Activities</b>  | <b>-</b>       | <b>-</b>       |
| Increase (decrease) in cash in the year   | 90,652         | 68,571         |
| Cash at the beginning of the year   | 357,472        | 288,901        |
| <b>Total Cash at the end of the year</b>  | <b>448,124</b> | <b>357,472</b> |
| <b>Relating to:</b>   |                |                |
| Cash at bank and in hand  | 448,124        | 357,472        |
| 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 2020

### 1. ACCOUNTING POLICIES

#### (a) Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the second edition of the Charities: Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

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.

**KIRKBY LONSDALE PAROCHIAL CHURCH COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES (continued)**

**(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.

**(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.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

FOR THE YEAR ENDED  
31 DECEMBER 2020

|                         | 2020<br>£ | 2019<br>£ |
|-------------------------|-----------|-----------|
| <b>2 STAFF EXPENSES</b> |           |           |
| Wages and salaries      | 45,175    | 45,494    |

During the year there were 5 employees, 4 of whom work part time (2019: 7,6).

There were no employees receiving more than £60,000 in the year (2019: Nil).

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

**3 TRUSTEE EXPENSES**

During the year, 6 Trustees (2019: 5) were reimbursed for expenses which totalled £7,502 (2019: £5,280). These expenses were for church service necessities, travel, postage and office supplies.

**4 INVESTMENTS**

|                             | 2020<br>£ | 2019<br>£ |
|-----------------------------|-----------|-----------|
| CBF Investment Fund         | 1,061,860 | 1,019,336 |
| COIF Investment Fund        | 34,581    | 22,818    |
| Value as at 31 December     | 1,096,441 | 1,042,154 |
| Movements in the year:      |           |           |
| Market value 1 January      | 1,042,154 | 974,547   |
| Purchases less (Disposals)  | 10,000    | ( 15,000) |
| Income reinvested           | -         | -         |
| Net (loss)/gain during year | 44,287    | 82,607    |
| Market value 31 December    | 1,096,441 | 1,042,154 |

**5 ANALYSIS OF NET ASSETS BY FUND**

|                     | Unrestricted<br>Fund<br>£ | Restricted<br>Fund<br>£ | Endowment<br>Fund<br>£ | Total<br>£ |
|---------------------|---------------------------|-------------------------|------------------------|------------|
| Investments         | 757,760                   | -                       | 338,681                | 1,096,441  |
| Current Assets      | 370,491                   | 114,091                 | -                      | 484,582    |
| Current Liabilities | ( 13,321)                 | -                       | -                      | ( 13,321)  |
| Fund Balance        | 1,114,930                 | 114,091                 | 338,681                | 1,567,702  |

|                     | Unrestricted<br>Fund<br>£ | Restricted<br>Fund<br>£ | Endowment<br>Fund<br>£ | 2019<br>Total<br>£ |
|---------------------|---------------------------|-------------------------|------------------------|--------------------|
| Investments         | 697,609                   | -                       | 344,545                | 1,042,154          |
| Current Assets      | 280,326                   | 117,544                 | -                      | 397,870            |
| Current Liabilities | ( 8,386)                  | -                       | -                      | ( 8,386)           |
| Fund Balance        | 969,549                   | 117,544                 | 344,545                | 1,431,638          |

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

## 6 ANALYSIS OF FUNDS

|                                      | Balance<br>1.1.20 | Income         | Expenditure      | Transfers       | Gains<br>and<br>Losses | Balance<br>31.12.20 |
|--------------------------------------|-------------------|----------------|------------------|-----------------|------------------------|---------------------|
|                                      | £                 | £              | £                | £               | £                      | £                   |
| <b>Total Unrestricted funds</b>      | <b>969,549</b>    | <b>287,556</b> | <b>(177,326)</b> | <b>(15,000)</b> | <b>50,151</b>          | <b>1,114,930</b>    |
| <b>Restricted funds</b>              |                   |                |                  |                 |                        |                     |
| (a) Church buildings and churchyards | 50,154            | 12,494         | (18,836)         | -               | -                      | 43,812              |
| (b) Music in Kirkby Lonsdale church  | 4,670             | -              | (1,722)          | -               | -                      | 2,948               |
| (c) Donations received for charities | -                 | 363            | (363)            | -               | -                      | -                   |
| (d) Family Project                   | 46,782            | 24,178         | (33,583)         | 15,000          | -                      | 52,377              |
| (e) Friends of St Mary's             | 14,013            | 1,684          | (1,499)          | -               | -                      | 14,198              |
| Small funds £2,000 or less           | 1,925             | 93             | (1,262)          | -               | -                      | 756                 |
| <b>Total Restricted funds</b>        | <b>117,544</b>    | <b>38,812</b>  | <b>(57,265)</b>  | <b>15,000</b>   | <b>-</b>               | <b>114,091</b>      |
| <b>Permanent Endowment Fund</b>      |                   |                |                  |                 |                        |                     |
| (f) Hutton Roof church               | 344,545           | -              | -                | -               | (5,864)                | 338,681             |
| <b>Total Funds</b>                   | <b>1,431,638</b>  | <b>326,368</b> | <b>(234,591)</b> | <b>-</b>        | <b>44,287</b>          | <b>1,567,702</b>    |

## Notes on restricted funds

- (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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

## 6 ANALYSIS OF FUNDS PRIOR YEAR

|                                      | Balance<br>1.1.19 | Income         | Expenditure      | Transfers       | Gains<br>and<br>Losses | Balance<br>31.12.19 |
|--------------------------------------|-------------------|----------------|------------------|-----------------|------------------------|---------------------|
|                                      | £                 | £              | £                | £               | £                      | £                   |
| <b>Total Unrestricted funds</b>      | <b>868,617</b>    | <b>243,330</b> | <b>(183,126)</b> | <b>(14,507)</b> | <b>55,235</b>          | <b>969,549</b>      |
| <b>Restricted funds</b>              |                   |                |                  |                 |                        |                     |
| (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               |
| <b>Total Restricted funds</b>        | <b>123,070</b>    | <b>57,408</b>  | <b>(77,441)</b>  | <b>14,507</b>   | <b>-</b>               | <b>117,544</b>      |
| <b>Permanent Endowment Fund</b>      |                   |                |                  |                 |                        |                     |
| (f) Hutton Roof church               | 317,173           | -              | -                | -               | 27,372                 | 344,545             |
| <b>Total Funds</b>                   | <b>1,308,860</b>  | <b>300,738</b> | <b>(260,567)</b> | <b>-</b>        | <b>82,607</b>          | <b>1,431,638</b>    |

## 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.
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- (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 2020**

**7 DEBTORS**

|                        | <b>2020</b>   | <b>2019</b>   |
|------------------------|---------------|---------------|
|                        | <b>£</b>      | <b>£</b>      |
| Income Tax recoverable | 23,747        | 31,585        |
| Other Debtors          | 12,711        | 8,813         |
|                        | <u>36,458</u> | <u>40,398</u> |

**8 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                        | <b>2020</b>   | <b>2019</b>  |
|------------------------|---------------|--------------|
|                        | <b>£</b>      | <b>£</b>     |
| Creditors and Accruals | 13,321        | 8,386        |
|                        | <u>13,321</u> | <u>8,386</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 2020 was £2,352.

**10 COMPOSITION OF TEAM MINISTRY**

The member churches throughout the year to 31 December 2020 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.