

## **Portsdown Parish Centre (Building Development) Project Report for the year ending 31 December 2008**

### **Introduction**

This is a report of the former Parish Centre Fund hereafter referred to as the Church Building Development Fund. The project was suspended in 2007 and the Reverend Andy Wilson, in his capacity as the new incumbent, is exploring the needs and objectives prior to re-launching the building development programme.

### **Background**

During the illness of the former Vicar the Portsdown Parish Centre Project was suspended and this remained the situation during 2008. During the new incumbent's first full year of office he advised the PCC that he intended to get to know the Church and determine the appropriate way ahead before recommencing the project. This was fully supported by the Parochial Church Council (PCC) as a very pragmatic approach, with the additional advantage of allowing the focus of immediate fundraising to finance essential roof repairs.

### **State of Account**

The former Parish Centre funds remained safeguarded and are restricted to Church building development under the control of the honorary church treasurer. Some donations to funds continued throughout the year, which, together with interest received from investments provided a modest income. The re-registration of the Portsdown Trust, a sum of £25 while the Trust is dormant, is the only ongoing liability. Occasionally, but not annually, a fund administration charge may be levied by the administrators' for investment account management.

This financial report is made on an accrual basis, for the Church financial year ending 31 December 2008. The report retains the full format recommended in the Church and Charity Commission accounting regulations. This allows ease of comparison with former years and will avoid any significant format change when restarting any new programme.

### **Mission and Objectives**

The Portsdown Parish Centre mission statement was "On top of the Hill and the Heart of the Community". This and the former Parish Centre objectives will need to be reviewed to reflect any impact of the passage of time, the current financial climate and available resources. Equally the new incumbent and PCC will wish to ensure that any improvements reflect the current needs of Christ Church and the community it serves. While the detail of improvements may change, the purpose of the funds cannot, as some of the remaining funds came from the sale of the former Curate's house and are formally restricted for "Church development". Additionally much of the remaining balance was raised under the Parish Centre Project thus the funds must remain restricted for the purpose of building development and improvement to the Church and Church Hall.

There can be no question that modernisation is overdue, the Church lacks access to the required standards and the basic facilities of integrated toilets. Kitchen facilities are required to facilitate the hygienic means to serve refreshments. Equally the use of the building is restricted by dated provision of heating, lighting and energy management. For good communications audio and visual support arrangements require updating to twenty-first century standards.

### **Fund Raising**

The fund raising group has ceased promotional activity but some ongoing contributions and donations have been credited to the building development account and are reflected in this report.

### **Structure, Governance and Management**

The PCC have assumed all management finance and governance responsibilities; effectively through the honorary treasurer. The principles applied are exactly the same as those employed to administer Christ Church accounts.

### **Risk Management & Health and Safety**

Risk Management is a statutory requirement. The risk management policy and health and safety obligations, where applicable, are managed in the same way as provided to the Church.

### **Former Project Committees and Groups**

The former project committees and sub groups are listed below, all are currently in abeyance.

Project Leadership Team (PLT):	A group formed in 2005 to manage the Portsdown Parish Centre Project.
Fund Raising Group:	Parish Centre fundraising.
Communications Group:	Had responsibility for all Church communications & Parish Centre publicity. Leaderless in 2006 and stood down in January 2008.
Design & Build Group:	Responsible to the PLT for proposals relating to the building development plans.

### **Project Sponsor and Patrons**

All the Parish Project patrons, sponsors and correspondents have been advised that the project has been placed on hold.

### **Treasurer's Report**

The principal account activity has been the receipt of donations; all these have been managed by Christ Church honorary treasurer and are included in this report. The only cost has been the Companies House renewal registration fee for the Portsdown Trust Company. This is a registered trust company established by the project team which may have been required to receive funds. This has been retained, as a dormant company, since the set up fee was significant and it may be required for receipt of future building development funds.

There has been some interaction with Christ Church accounts during the year primarily the Church Account remained as a conduit for donations to the building development fund; such income can be traced in both accounts. Another interaction is a temporary internal loan to Christ Church from the building development fund. This is entirely due to the absence of any gift aid income to Christ Church Portsdown's general account due to technical difficulties suffered by the Gift Aid Secretary. To meet the roof repair bills and normal running costs the Church utilised its own reserves and all available in-year revenue. Without the expected gift aid income the Church was unable to meet its year end commitments and a January 2009 insurance

premium. To avoid the costs of arranging an external commercial loan the PCC approved an internal loan in November 2008 by allowing the Church to borrow £10k from the building fund, as an interest free loan until the receipt of the delayed 2008 Gift Aid refund. There is in excess of £10k accrued 2008 gift aid revenue due to Christ Church and the risk is relatively low as the Gift Aid Secretary is believed to have started work on the overdue claims.

### **Reserves & Investment Policy**

Christ Church reserves have been allocated to the building development fund, approximately £50k is held in restricted funds. These Building Development Funds are both a fixed interest securities fund and a linked CBF deposit account. This was formerly '159 The Dale Fund' and are the proceeds from the sale of the former Curate's house some years ago which the Charity Commission have approved to use for Church development.

Other than cash held in a bank account (primarily to avoid banking charges being levied and keep a working account available) all fund balances are held within the CBF Church of England deposit scheme. Collectively Church of England funds are invested through CCLA Investment Management Ltd. CCLA accords to the principles and ethical considerations of the Church of England Ethical Investment Advisory Group.

Full details of the policy can be found on the Church of England website.  
<http://www.cofe.anglican.org/info/ethical/policystatements/policyethicalinvestmentstatement.pdf>

The building development funds Annual Report approved by the Christ Church Parochial Church Council on 10 March 2009 and signed on its behalf by the Chairman.

Signed: \_\_\_\_\_

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Print: \_\_\_\_\_

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The notes on pages 6 and 11 form part of this account.

**Statement of Financial Activities for Christ Church building development funds on an Accrual Basis for the year ending 31 December 2008**

	Totals			
	Restricted	Reserve s	2008	2007
	£	£	£	£
<b>Incoming Resources (note 3 &amp; 15)</b>				
Voluntary income	153		153	1715
Gift Aid Income from 2007 (note 7)	257		257	
Gift Aid Income accrual 2008 (note 7)	18		18	
Activities generating funds				210
Income from Investments	2841		2841	2567
Income Standing Orders	65		65	
Other incoming resources				
<b>Total Incoming Resources</b>	<b>3334</b>		<b>3334</b>	<b>4492</b>
<b>Resources Expended (note 4)</b>				
Cost of generating voluntary income				
Trading Costs				
Building development support activities				(6)
Governance Costs	(25)		(25)	
<b>Total Resources Expended</b>	<b>(25)</b>		<b>(25)</b>	<b>(6)</b>
<b>Net incoming gains before other recognised gains</b>	<b>3309</b>		<b>3309</b>	<b>4486</b>
<b>Gains (Losses) on Investment Assets</b>				
Management Charges/Liability (CBF Funds)	(1)		(1)	(40)
On revaluation (fixed building fund)	317		317	(144)
<b>MOVEMENT IN FUNDS (Note 13)</b>				
Adjustment accrual & Gift Aid estimates (note 7)	25		25	(207)
<b>NET MOVEMENT IN FUNDS</b>	<b>3650</b>		<b>3650</b>	<b>4095</b>
Balances brought forward 1 January	50724		50724	46629
Balances brought forward 31 December	54374		54374	50724

**Balance Sheet 31 December 2008**

	Restrict ed £	Reserv es £	Totals	
			2008 £	2007 £
<b>Fixed Assets</b>				
Tangible/Fixed Assets (note 5)				
Investments (note 6)				
Building Fund CBF deposit account	32999		32999	40159
Fixed Building Fund account	10415		10415	10098
<b>Total Fixed Assets</b>	<b>43414</b>		<b>43414</b>	<b>50257</b>
<b>Current Assets</b>				
Stock (note 8)				
Debtors - Church Account (note 13)	10000		10000	
Cash at bank and in hand	961		961	507
<b>Total Current Assets</b>	<b>10961</b>		<b>10961</b>	<b>507</b>
<b>Liabilities</b>				
Creditors: amounts falling due in one year	(1)		(1)	(40)
<b>Total Assets less current Liabilities</b>				
Creditors: amounts falling after one year				
<b>Total Net Assets</b>	<b>54374</b>		<b>54374</b>	<b>50724</b>
<b>Building Development Funds</b>				
Held in Term Deposits	43414		43414	50217
Bank Account	961		961	507
Loan asset	10000		10000	
<b>Total Building Development Funds</b>	<b>54375</b>		<b>54375</b>	<b>50724</b>

Approved by the Parochial Church Council on 11 March 2009 and signed on its behalf by:

Signed \_\_\_\_\_

Print \_\_\_\_\_ Chairman of the PCC

Signed \_\_\_\_\_

Print \_\_\_\_\_ Honorary Treasurer

## Notes to the Financial Statement

### 1. Accounting Policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the SORP 2005. The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law.

### 2. Funds

#### Restricted funds

a) represent income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest. All of the funds in this annex are restricted and attributed to building development and improvement at Christ Church Portsdown.

b) donations or grants received for a specific object or invited by the PCC for a specific purpose. These funds may only be expended on the specific purpose for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. Christ Church has allocated the Building Fund as restricted funds in support of building development.

"159 The Dale" funds formerly called 'The Building Fund'. Two funds, a deposit fund and fixed interest fund that are the proceeds from the sale of the former Curate's house some years ago. The Charity Commission has approved the use of this fund for improvement work at Christ Church Portsdown.

**Unrestricted funds** are general funds which can be used for ordinary purposes. No unrestricted funds are held by the PCC in the building development account. Any unused surplus raised in a restricted fund appeal will be put to the general purposes of the PCC.

### 3. Incoming resources:

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when claimed. Grants and Legacies are accounted for when the PCC is legally entitled to the amounts due. Dividends are accounted for when receivable, interest is accrued. All other income is recognised when it is receivable. All incoming resources are accounted for.

### 4. Resources expended:

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. All other expenditure is generally recognised when it is accounted for.

### 5. Fixed assets:

This fund does not own any fixed assets.

### 6. Investments:

All investments are shown at quoted market value or cash holding for 31 December.

### 7. Gift Aid

The Gift Aid Secretary was unable to process gift aided income for technical reasons and gift aid figures were not made available for 2007 or 2008 requiring difficult accrual estimates over two years activity. Additional errors were incurred in 2007 for the Bible Marathon as not all gift aid donors were recorded accurately and some donors declaring gift aid were non tax payers.

## Christ Church Portsdown Building Development Fund - Financial Statement 2008 Annex 1

The Honorary Treasurer has calculated the accrual figures for 2008 based on the donor sums at 28.2%. It is unlikely significant errors will have occurred in the 2008 estimation since almost all the gift aid donors are already on the Church gift aid register. Due to this small number of gift aided donations received in 2008 the accrual sum has been added to the account as the risk of non processing and receipt of these sums is a relatively small risk to the Church.

### 8. **Stock**

The building development fund does not own any stock or stationery; any requirements are met by the Church.

### 9. **Fund Administration Fees**

The Diocesan Board of Finance as Custodian Trustees levy finance administration fees on the profit of invested funds (CBF deposit accounts) from time to time. Charges are 2% of the income up to £2000 and 1% for those funds when the income exceeds £2001. Fees are usually collected when withdrawals are made, otherwise intermittently and not annually, so at most times we carry a liability to the Diocesan Board of Finance. The cost of disinvesting the Fixed Building Fund will be subject to its value at the time of disinvestment, any broker costs are deducted from the value of the fund prior to receipt and thus are not estimated in advance but would be reported in year as 'gains or losses on investments'.

### 10. **Declaration of payments**

The following Church members have received funds from the PCC during the financial year 2008 and until account closure.

- Ron Tweed

This company re-registration fee was a remuneration against an authorised payment and no other member of the PCC or Church membership has received any unrecorded expenses or remuneration.

### 11. **Fund Raising 2008**

There was no fund raising activity in 2008.

### 12. **Finance Management**

Christ Church Honorary Treasurer has maintained these responsibilities.

### 13. **Transfers to and from the Church account**

These transfers are donations and payments for building development received via the Church account and the £10000.00 interest free loan from the building fund to the Church general account authorised by the PCC in November 2008.

### 14. **Appendices**

The appendix section is provided for information with this financial statement but it does not form part of the official Statement of Financial Activities.

Christ Church Portsdown Building Development Fund - Financial Statement 2008 Annex 1

15. Incoming Resources (note 3)

	Totals			
	Restricted	Reserve s	2008	2007
	£	£	£	£
<b>Voluntary income from donors</b>				
Planned giving	65		65	173
Donations	153		153	
Gift Aid receipt 2007 (Received 2008)	257		257	
Gift Aid accrual 2008	18		18	1542
<b>Total Voluntary income</b>	<b>493</b>		<b>493</b>	<b>1715</b>
<b>Activities generating funds</b>				
Table Top Sale / Horse Race Event				180
Parish Centre Cards				30
<b>Total Activities generating funds</b>	<b>Nil</b>		<b>Nil</b>	<b>210</b>
<b>Income from Investments</b>				
Interest Building Fund Fixed Account	569		569	569
Interest Building Fund CBF Account	2272		2272	1998
<b>Total Income from Investments</b>	<b>2841</b>		<b>2841</b>	<b>2567</b>
<b>Income from Church activities</b>				
<b>Total Income from operating activities</b>	<b>Nil</b>		<b>Nil</b>	
<b>Adjustments</b>	<b>Nil</b>		<b>Nil</b>	
<b>Total Income</b>	<b>3334</b>		<b>3334</b>	<b>4492</b>

16. Resources Expended (note 4)

	Totals			
	Restricted	Reserves	2008	2007
	£	£	£	£
<b>Cost of generating voluntary income</b>				
Fund Raising events				
<b>Total Cost of generating voluntary income</b>	<b>Nil</b>		<b>Nil</b>	<b>Nil</b>
<b>Fund raising trading costs</b>				
Fund raising trading expenses				
<b>Total Fund raising trading costs</b>	<b>Nil</b>		<b>Nil</b>	<b>Nil</b>
<b>Building development support</b>				
Architect				
Other professional Fees				
Administration				
Fund Administration Charges				
Postage				6
Expenses				
<b>Total building development costs</b>	<b>Nil</b>		<b>Nil</b>	<b>6</b>
<b>Governance Costs</b>				
Re-registration fee Portsdown Trust company	25		25	
<b>Total Governance Costs</b>	<b>25</b>		<b>25</b>	<b>6</b>
<b>Total Resources Expended</b>	<b>25</b>		<b>25</b>	<b>6</b>

Christ Church Portsdown Building Development Fund - Financial Statement 2008 Annex 1

17. Assets

	Restricted £	Reserves £	Totals	
			2008 £	2007 £
<b>Tangible Assets</b>				
Fixed Assets				
<b>Depreciation</b>				
31 Dec				
<b>Tangible Assets at 31 December</b>	Nil		Nil	Nil
<b>Investment Assets (notes 2 &amp; 6)</b>				
Building Fund Fixed Account	10415		10415	10098
Building Fund CBF Account	32999		32999	40159
Revaluation Gain/(Losses) (Fixed Fund only)				
<b>Total Investment Assets at 31 December</b>	43414		43414	50257
<b>Current Assets</b>				
<b>Debtors</b>				
Building Funds in Church Account	Nil		Nil	Nil
Loan to Church Account	10000		10000	
<b>Short term Deposits (note 2)</b>				
Building Fund Fixed Account	10415		10415	10098
CBF Building Fund Account	32999		32999	40159
<b>Cash at Bank and In hand</b>				
Bank account	961		961	507
Cash	Nil		Nil	Nil
<b>Total Assets at 31 December</b>	54375		54375	50764
<b>Liabilities</b>				
Creditors - Falling due within a year				
Unpresented Cheques				
Management Cost on Funds	(1)		(1)	(40)
<b>Total Assets At 31 December</b>	54374		54374	50724

18. Funds:

	Restricted £	Reserves £	Totals	
			2008 £	2007 £
<b>Analysis of building development assets</b>				
<b>Fixed Assets</b>				
Fixed Assets	10415		10415	
<b>Reserve Accounts</b>				
Reserve Accounts	32999		32999	50257
<b>Current Assets</b>				
Current Assets	961		961	507
<b>Debtors (internal)</b>				
Debtors (internal)	10000		10000	
<b>Liabilities</b>				
Liabilities	(1)		(1)	(40)
<b>Totals</b>	54374		54374	50724

**Appendices:** These notes are for information and are not a formal part of the Account

**Building Development Fixed Interest & Deposit Funds (Restricted)**

Note: The former 159 The Dale funds are transferred to the building development fund as Building Fund reserves.

**Appendix 1 - Building Development Fixed Fund (note 2)**

	2008		Totals		
	Share Holding	Receipts £	Expenditure £	2008 £	2007 £
<b>Fund value 1 Jan</b>	6462			10098	10242
Gains (losses) on valuation				317	(144)
2008 Expenditure					
(Share Holding 31 Dec remains 6462 shares)					
<b>Fund Share value 31 Dec (6462 @ 1.6118 Dec 08)</b>				<b>10415</b>	<b>10098</b>

**Appendix 2 - Building Development Fund CBF Deposit Account (note 2)**

	2008			Totals	
	Unrestricted £	Restricted £	Transfers £	2008 £	2007 £
<b>Balance on 31 Dec</b>					
<b>Asset</b>					
Investment holding		2272		2272	1998
Interest in from fixed Building Fund		569		569	569
Income (transfer of income to savings account)					2400
DBF Management Fees					
<b>Expenditure</b>					
Expenditure Loan to Church general			(10000)	(10000)	
<b>Brought Forward 1 Jan</b>		40159		40159	3519
<b>Balance on 31 Dec</b>					2
					4015
Liability for management fees			(1)	(1)	9
					(40)
<b>Totals</b>		<b>43000</b>	<b>(10000)</b>	<b>32999</b>	<b>40119</b>

**Calculated Administration Fees Liability (note 9)**

2008 @ 2% of first £2000 dividend + 1% any remaining interest at 1% = ~£1. Total liability to 31 Dec 08 = £1