

Financial Review

Total receipts on unrestricted funds were £92,599. Planned giving increased by 5% on the previous year, an encouraging result after a difficult year where for the large part congregations were unable to meet in person. Understandably collections at services were down significantly on 2019. Restricted donations received amounted to £4,545. Just over £17,000 was recovered as part of the Gift Aid scheme.

Just over £76,000 was spent from unrestricted funds to fund the budget. This included a transfer to the World Mission Partners Fund of £5,000 and a transfer to the Capital Asset Replacement & Contingency Fund of £6,000, set up to accommodate unexpected items (eg insurance claim) or items that may need replacing in the near future (eg piano, IT). The total spent represented an increase of 20% on the previous year. This was largely due to the quinquennial costs, a large proportion of which is expected to be met by one of the Mitford Trusts. As a result of COVID this year also saw the introduction of online services and this accounts for the increase in Salaries, wages and honoraria. Consequently, there was a reduction in Church running costs for the year.

As in previous years the children and youth work has been funded without requiring funding from the General Fund. As well as our usual charity partners the Charity Partner Support Fund was able to make donations to a number of other causes thanks to regular and special support throughout the year. These include donations to the Children's Society, Royal British Legion, New Hope for Children, The Hub, Anglican International Development, UNHCR, West End Refugee Service and Wansbeck Valley Food Bank.

The net result for the year (excluding increase in investment) was a shortage of receipts over payments of £9,653 (represented by a surplus of £18,964 on unrestricted funds and a shortage of £28,618 on restricted funds due to the quinquennial costs). Balances carried forward at 31 December on unrestricted funds totalled £23,392 for funding the activities and needs of the church and it is hoped that the restricted funds will return to a positive balance during the next year.

Reserves Policy

It is PCC policy to try to maintain a balance on unrestricted funds which equates to at least 6 months of unrestricted payments. This is equivalent to approximately £45,000 for 2021. The cash balance of £23,392 held across all funds at the year end equates to 104% of this target.

PCC Accounting Policy

The financial statements of the PCC have been prepared in accordance with the Church Accounting Regulations on the Receipts & Payments basis.

Funds

General funds represent the PCC's monetary assets that are not subject to any special restrictions regarding their use, and are available for application to the general purpose of the PCC. These monies can include funds designated for a particular purpose by the PCC, and which did not have

their use restricted by the donor. Restrictions within these funds are noted in the financial statements.

These accounts include monetary transactions, assets and liabilities for which the PCC can be held responsible. They do not include the accounts of other Church groups that owe an affiliation to another body, nor those that are informal gatherings of Church members, nor those in respect of assets for which the PCC has no control.

Subject to the above, receipts and payments include income as received and expenditure when irrevocably paid.

Statement of Assets & Liabilities

The following assets are recognised but not necessarily valued in the Statement of Assets and Liabilities:

- Moveable church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal
- Land and buildings held on behalf of the PCC
- Other fixtures, fittings and office equipment where the PCC is free to dispose of such assets without faculty and where the original cost exceeded £1,000
- Investments held beneficially by the PCC

The following assets are recognised and a monetary value given as part of the description in the Statement of Assets and Liabilities:

- Any other amounts owing to the PCC including Church hall lettings and insurance claims
- Legacies where formal notification of entitlement and amount has been received by 31 December by the PCC
- Closing bank balances as shown in the receipts and payments account

The following liabilities are recognised in the Statement of Assets and Liabilities:

- Any loans or overdrafts advanced to the PCC
- Any arrears of the Diocesan Parish Share
- Creditors for goods or services where the supply has been received and invoiced by 31 December