

**Parochial Church Council of Newark St Mary Magdalene with St Leonard:
Annual report and financial statements 2020**

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
NEWARK ON TRENT ST MARY MAGDALENE WITH ST LEONARD**

Registered Charity number 1131972

ANNUAL REPORT and FINANCIAL STATEMENTS

for the financial year 1 January 2020 - 31 December 2020

**Parochial Church Council of Newark St Mary Magdalene with St Leonard:
Annual report and financial statements 2020**

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**Parochial Church Council of Newark St Mary Magdalene with St Leonard:
Annual report and financial statements 2020**

Bankers

Yorkshire Bank plc
10 High Street
Grantham NG31 6PU

NatWest plc
1 Market Place
Newark NG24 1DY

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent ME19 4JQ

CCLA Investment Management Ltd
The CBF Church of England Funds
Senator House
85 Queen Victoria Street
London EC4V 4ET

Independent Examiner

Michelle Allen FCA, CTA
Access Accounts Services Ltd
Office 11
Navigation Business Centre
Mill Gate
Newark NG24 4TS

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Administrative Information

The parish consists of two churches: Newark St Leonard and Newark St Mary Magdalene, situated in the Deanery of Newark and Southwell, the Archdeaconry of Newark, and the Diocese of Southwell and Nottingham.

The Parochial Church Council (PCC) is a registered charity (1131972) and its members are the charity's trustees. The members are listed on the next page.

The working name as registered with the Charity Commission has for historical reasons and convenience remained as Newark Team PCC. The PCC's name as an employer registered with HMRC is Newark Team Ministry PCC.

The address for correspondence is:

St Mary Magdalene Church
Church Walk
Newark NG24 1JS
email: office@stmnewark.org

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The following were PCC members (trustees) from 1 January 2020 through the date (13 May 2021) on which the PCC approved the 2020 report and financial statements. Note that the Annual Parochial Church Meeting for 2020 was exceptionally held on 21 October 2020 owing to the coronavirus pandemic.

Ex-officio

Priest in Charge of parish	Revd David Pickersgill (until 31 October 2020; chairman until that date)
Curate	Revd Christopher Lee (until 30 March 2020)
Parish churchwardens	*Jackie Turner *Roy Leary *Tony Roberts (chairman from 1 November 2020) *Andrew Fearn
Synods	Vaughan Wright (deanery synod) until 30 November 2020 Pat Mercer (deanery synod) until 30 November 2020 *Pam Hall (deanery synod) from 1 December 2020
Elected Members	Elaine Black (until 21 October 2020) *Marilyn Blakeman *Anne Coyne (from 21 October 2020) June Doubleday (until 7 October 2020) Steve Doubleday (until 8 October 2020) *Sue Dutton Pam Hall (until 30 November 2020) *Angela Hatter *James Howlett *Shekaniya Matsiko (from 21 October 2020) Rita McCall (until 21 October 2020) *Pat Mercer (from 21 October 2020) *Charles Olowofela (from 21 October 2020) *Cheryl Turner *Stephen Turner (until 9 July 2020 and from 21 October 2020) *Tony Yates

* in office at 31 December 2020

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Structure, governance and management

The parish of Newark on Trent with St Mary Magdalene with St Leonard evolved by means of four pastoral schemes made between 1980 and 2017. The Parochial Church Council (PCC) is a registered charity and is the body with legal responsibility for the church activities within the parish.

The two churches in the parish each have two churchwardens as required by statute. While all four wardens are legally wardens of the whole parish they exercise their functions primarily at the church from whose congregation they were appointed.

Parishioners give to the churches separately for mission and ministry and maintenance and this income therefore creates a set of restricted funds within the PCC's accounts (in that the PCC is generally constrained to apply it for uses specific to the church to which it is given).

Aim and purposes

The PCC is responsible for co-operating with the Clergy in promoting in the ecclesiastical parish the whole mission of the Church, spiritual, pastoral, evangelistic, social and ecumenical.

Objectives and activities

The two parish churches are set in different and distinct geographical and social environments. The building at Newark St Mary Magdalene is old and traditional and provides a venue for civic services. The building used by Newark St Leonard is part of the Bridge Community Centre which is owned by the local authority and run by a management committee on which the St Leonard congregation has substantial representation.

As well as Sunday worship services the churches seek to provide a number of activities that reach out in one way or another to the wider communities. Owing to the coronavirus pandemic these activities were severely restricted during much of 2020.

The PCC provides an office (currently in the vestry at St Mary Magdalene). The PCC employed a parish administrator (costs funded by the diocese) throughout 2020.

Churchwardens and clergy and others appointed by the PCC continue to monitor health and safety of premises and the safeguarding of children and vulnerable adults among the church congregations and where appropriate among visitors to church premises. During 2020 the efforts required to maintain safe premises were considerably more demanding as a consequence of the coronavirus pandemic.

During most of the period covered by this report two lay members of the PCC (in addition to the clergy) sat on the deanery synod (whose purpose is to provide PCCs with an important link between parishes and the wider structures of the church).

There is also some ecumenical involvement with Churches Together in Newark, though this has been greatly reduced during the pandemic.

Parochial Church Council of Newark St Mary Magdalene with St Leonard: Annual report and financial statements 2020

Achievements and performance

It is perhaps stating the obvious that owing to the coronavirus pandemic many of the achievements and much of the progress described in the last year's report have not been much developed during 2020. And in fact activity in both church buildings was significantly curtailed, and Sunday services for much of 2020 took place on-line.

As an employer the PCC took advantage of the Government's job retention (furlough) scheme. Sadly at the start of the second period of lockdown it was decided that the coffee bar would not be viable for the foreseeable future and so the coffee bar supervisor's position became redundant.

In line with government guidance, it proved possible at St Mary Magdalene after the first period of lockdown to keep the building open for limited periods during the week for private prayer. A team of very committed and dedicated stewards was recruited to facilitate this. It was also possible to restore two Sunday morning services at St Mary Magdalene and for part of the second half of 2020 a Sunday morning service at St Leonard.

At the end of March 2020 the parish curate left to become Vicar of Mansfield. And at the end of October 2020 the Priest in Charge of the parish left to pursue further study.

The future development of the parish and the appointment of new clergy are actively being discussed with the diocese in the context of the diocesan strategy.

Church buildings within the parish

The PCC is ultimately responsible for managing the fabric of its buildings (this includes a limited responsibility for the for the internal fabric of the Bridge Community Centre). Members of both churches are actively engaged in reviewing and implementing repairs and restorations.

The St Mary Magdalene building requires significant attention to deteriorating fabric, and a project was started during 2020 to address this. With the support of a professional consultant and the church architect a detailed funding application was made to the National Lottery Heritage Fund. Unfortunately progress was delayed by the Fund's response to the coronavirus pandemic, but by the end of 2020 it was hoped that the application process could resume early in 2021.

Parochial Church Council of Newark St Mary Magdalene with St Leonard: Annual report and financial statements 2020

Investment policy

The short-term investment policy of the PCC is to invest restricted and unrestricted reserves in the CBF Church of England Deposit Fund. Endowment funds are held in the name of the Southwell & Nottingham Diocesan Board of Finance as custodial trustee. Endowment funds are invested primarily (but not exclusively) in the CBF Fixed Interest Securities Fund. This fund aims to maximise the income whilst maintaining the value of the investment. The fund managers' investment policy meets the ethical standards of the Church of England.

Reserves policy

In respect of St Leonard there is no specific policy as unavoidable expenditure is low.

Given its age and size and listed status the PCC believes it prudent to try to maintain in respect of St Mary Magdalene a cash balance on reserves of £50,000 to cover contingencies.

In respect of the two residential properties owned by the PCC about £40,000 is nominally reserved in general funds to cover planned and emergency maintenance.

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

Consolidated Statement of Financial Activities for the year ended 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Income and Endowments from:									
Donations and legacies	2		194,703		194,703	-	186,224		186,224
Charitable activities	3		1,816		1,816		9,806		9,806
Other trading activities	4		18,155		18,155		37,725		37,725
Investments	5		13,616		13,616	-	16,777		16,777
Total incoming resources		-	228,290	-	228,290	-	250,532	-	250,532
Expenditure on:									
Raising funds	6		6,577		6,577		41,965		41,965
Charitable activities	7		253,077		253,077		236,974		236,974
Other	8		6,953		6,953	-	2,992		2,992
Total resources expended		-	266,607	-	266,607	-	281,931	-	281,931
Net incoming resources/(resources expended) before transfers		-	(38,317)	-	(38,317)	-	(31,399)	-	(31,399)
Transfers between funds					-				-
Net incoming resources/(resources expended)		-	(38,317)	-	(38,317)	-	(31,399)	-	(31,399)
Realised and unrealised gains / (losses) on investment assets			361	15,731	16,092		817	15,704	16,521
Net movement in funds		-	(37,956)	15,731	(22,225)	-	(30,582)	15,704	(14,878)
Fund balances 1 January 2020		-	466,476	397,472	863,948	-	497,058	381,768	878,826
Fund balances 31 December 2020		-	428,520	413,203	841,722	-	466,476	397,472	863,948

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

Consolidated Balance Sheet as at 31 December 2020

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019
		£	£	£	£	£	£	£	£
Fixed assets									
Tangible assets	11		213,887		213,887		214,547		214,547
Investments	12		12,662	413,202	425,864		12,297	397,471	409,768
		-	226,549	413,202	639,751	-	226,844	397,471	624,315
Current assets									
Debtors	13		49,860		49,860		13,095		13,095
Other current assets			3,654		3,654		4,752		4,752
Cash at bank and in hand			160,357		160,357		232,616		232,616
		-	213,871	-	213,871	-	250,463	-	250,463
Creditors: amounts falling due within one year									
	14		(11,394)		(11,394)		(10,831)		(10,831)
Net current assets									
		-	202,477	-	202,477	-	239,632	-	239,632
Total assets less current liabilities									
		-	429,027	413,202	842,229	-	466,476	397,471	863,947
Creditors: amounts falling due after more than one year									
			(507)		(507)				-
Net assets									
		-	428,520	413,202	841,723	-	466,476	397,471	863,947
Funds:									
Unrestricted funds									
General funds		-			-	-			-
Endowment funds				413,202	413,202			397,471	397,471
		-		413,202	413,202	-		397,471	397,471
Restricted income funds									
			428,520		428,520		466,476		466,476
Total funds									
		-	428,520	413,202	841,723	-	466,476	397,471	863,947

These financial statements were approved by the Parochial Church Council on

13 May 2021

and signed on its behalf by

Tony Roberts (Churchwarden and Chairman)

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

Notes forming part of the financial statements for the year ended 31 December 2020

1 Accounting policies

a Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Charities Statement of Recommended Practice (SORP) (FRS102) effective January 2015.

They have been prepared under the historical cost convention, except for the valuation of investment assets, which are included at market value.

Subject to any exceptions noted below, the financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the financial statements of church groups that owe their main affiliation to another body (e.g. Mothers Union), nor those that are informal gatherings of church members.

b Fund accounting

General funds are unrestricted funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms or bequest or (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object 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. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on an average balance basis.

Endowment funds are funds where the capital must be retained; only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established.

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

1 Accounting policies continued

c Incoming resources

All incoming resources are accounted for gross

Voluntary income and capital sources

Collections are recognised when received by or on behalf of the PCC.
Planned giving receivable, whether under Gift Aid scheme or not,
is recognised when it is received.

Tax recovered on Gift Aid donations is recognised in the same
accounting year as the donation is recognised.

Grants and legacies to the PCC are accounted for as soon as
the PCC is notified of its legal entitlement;
the amount due is quantifiable; and
its ultimate receipt by the PCC is reasonably certain.

Funds raised by fetes, garden parties and similar events are accounted
for gross.

Sales of books and magazines from a church bookstall are accounted
for gross.

Other income

Rental income is recognised when the rental is due.

Income from investments

Dividends are accounted for when due and payable, and interest
entitlements are accounted for as they accrue.

Tax recoverable on such income is recognised in the same
accounting year.

Gains and losses on investments

Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of
investments at 31 December.

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

1 Accounting policies continued

d Resources used

Grants

Grants and donations are accounted for when paid over or awarded, if that award creates a binding obligation to the PCC.

Activities directly relating to the work of the Church

The diocesan parish share is accounted for when due. Any parish share unpaid at 31 December is provided for in these financial statements as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.

e Tangible fixed assets

Consecrated property and moveable church furnishings

Consecrated and beneficed property of any kind is excluded from the financial statements by the Charities Act 2011 s.10 (2)(a)

Moveable church furnishings held by the rector and churchwardens on special trust for the PCC and which require a faculty for disposal are accounted for as inalienable property unless consecrated.

They are listed in the church inventory, which can be inspected at any reasonable time upon application to the churchwardens.

For inalienable property acquired before 1 January 2006 there is insufficient cost information readily available and therefore such assets are not valued in the financial statements.

Inalienable property acquired since 1 January 2006 is capitalised and depreciated in the financial statements over its current anticipated useful economic life (usually 25 years) on a straight-line basis.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £2,000 or on the repair of movable church fittings acquired before 1 January 2006 is written off.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight-line basis over four years.

Individual items with a purchase price of £2,000 or less are written off when the asset is acquired.

f Investments

Investments are stated at market value at the balance sheet date.

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

1 Accounting policies continued

g Current assets

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

Short term deposits include cash held on deposit either with the Central Board of Finance Church of England Funds or at the bank.

	2020	2019
	£	£
2 Income from donations and legacies		
Restricted:		
St Mary Magdalene	189,425	179,384
St Leonard	5,278	6,840
	<u>194,703</u>	<u>186,224</u>
3 Income from charitable activities		
Restricted:		
St Mary Magdalene	1,513	6,756
St Leonard	303	3,050
	<u>1,816</u>	<u>9,806</u>
4 Income from other trading activities		
Restricted:		
St Mary Magdalene	18,155	37,725
St Leonard	-	-
	<u>18,155</u>	<u>37,725</u>
5 Income from investments		
Restricted:		
St Mary Magdalene	10,802	13,725
St Leonard	2,814	3,052
	<u>13,616</u>	<u>16,777</u>

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

	2020	2019
	£	£
6 Expenditure on raising funds		
Restricted:		
St Mary Magdalene	6,543	41,882
St Leonard	34	83
	<u>6,577</u>	<u>41,965</u>
7 Charitable activities (expenditure)		
Restricted:		
St Mary Magdalene	241,973	225,128
St Leonard	11,104	11,846
	<u>253,077</u>	<u>236,974</u>
8 Other expenditure		
Restricted:		
St Mary Magdalene	5,718	464
St Leonard	1,235	2,528
	<u>6,953</u>	<u>2,992</u>

9 Trustees' remuneration

No trustee either received or waived any emoluments during the year or during the preceding year.

10 Employment costs

The PCC employed at St Mary Magdalene in 2020 a director of music, an assistant organist, a head verger, and until October 2020 a coffee bar administrator. The PCC also employed in 2020 a parish administrator. The total employment cost during 2020 (including national insurance and pension contributions) was £80,111 (2019 £81,236).

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

**Notes forming part of the financial statements for the year
ended 31 December 2020 (continued)**

11 Tangible fixed assets

	Freehold land and buildings	Office equipment	Total
	£	£	£
Cost			
At 1 January 2020	195,000	26,467	221,467
Additions	-	-	-
Disposals	-	-	-
At 31 December 2020	<u>195,000</u>	<u>26,467</u>	<u>221,467</u>
Depreciation			
At 1 January 2020	-	6,920	6,920
Charge for the year	-	660	660
At 31 December 2020	<u>-</u>	<u>7,580</u>	<u>7,580</u>
Net book value			
At 31 December 2020	<u>195,000</u>	<u>18,887</u>	<u>213,887</u>
At 31 December 2019	<u>195,000</u>	<u>19,547</u>	<u>214,547</u>

	2020	2019
	£	£
12 Fixed asset investments		
Market value 31 December	<u>425,864</u>	<u>409,768</u>

13 Debtors

Prepayments and accrued income	43,044	3,914
Tax recoverable and fees	6,816	9,181
	<u>49,860</u>	<u>13,095</u>

14 Creditors: amounts falling due within one year

Accruals and deferred income	2,267	2,442
Trade creditors	3,812	6,832
Other creditors including tax and NI	5,315	1,557
	<u>11,394</u>	<u>10,831</u>

**15 Creditors: amounts falling due after
more than one year**

Provision for liabilities and charges	<u>507</u>	<u>-</u>
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PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

**Notes forming part of the financial statements for the year
ended 31 December 2020 (continued)**

16 Fund movements

Fund name	Opening balance £	Income £	Expense £	Transfers £	Gains and (losses) £	Closing balance £
<u>Funds specific to St Mary Magdalene</u>						
Choir Exgratia	1,098	-	(1,098)			-
Diocesan Grant	411	27,568	(26,312)			1,667
Newark schools	356	-	(300)			56
World War 1 Project	171	-	(171)			-
General funds	43,988	90,379	(81,377)	(32,150)		20,839
Unrestricted Endowments	42,596				1,503	44,099
Property owned by PCC	195,000					195,000
Property rent and management	39,104	11,640	(2,787)			47,957
Christmas Tree Festival	27,110	461	-	(27,571)		-
Fabric	194,462	21,286	(61,727)	41,889	6,387	202,295
Major Repairs & Alterations	847	4	-		-	851
Christmas CD	364	694	(1,115)			(57)
Chimes and Belfry	12,641	-	(1,080)			11,561
Vergers and other lay staff	2,208	13,799	(23,263)	22,217	67	15,027
Organist	17,165	30,691	(34,363)		212	13,706
Music and Choir	46,828	13,831	(8,749)	(2,841)	410	49,479
St. George's Chapel	5,780	65	-		146	5,991
St. George's Chapel Flowers	758	5	-		6	769
Lay Education	14,993	226	-		252	15,471
Bishop White Library	8,205	-	-			8,205
External floodlighting	-	763	(589)			173
Organ	1,235	2,445	(6,323)	2,643		-
Assistant Clergy	1,103	35	-		39	1,176
Charity	436					436
Church of England Charity	6,462	157	-		327	6,946
Chancel Repairs	1,515				64	1,578
St Augustine's	58,266				2,056	60,322
Funeral and Wedding fees	3,885	603	-	(4,488)		-
Music for market	48	1,952	-			2,000
Hospitality	422	19	-			441
Magnus scholarship 18/19	1,108	-	(1,108)			-
Magnus scholarship 19/20	-	2,142	(2,443)	301		-
Magnus scholarship 20/21		1,133	(1,035)			98
Youth work	815	-	(245)			570
Roof Repairs	16,907	-	(148)			16,759
Sub total	746,287	219,896	(254,235)	0	11,468	723,415

PCC of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

**Notes forming part of the financial statements for the year
ended 31 December 2020 (continued)**

16 Fund movements (continued)

Fund name	Opening balance £	Income £	Expense £	Transfers £	Gains and (losses) £	Closing balance £
<u>Funds specific to St Leonard</u>						
Welfare (Mountney)	434	15				449
Newton	1,744	112				1,855
Adcock	3,412	235				3,647
Fabric Fund	19,386	2,801	(1,304)			20,883
Ferrier Trust	44,357				3,050	47,407
St Leonard Newbald	34,362				1,212	35,575
General funds	13,966	5,231	(11,069)		361	8,490
	<u>117,661</u>	<u>8,394</u>	<u>(12,373)</u>	<u>-</u>	<u>4,624</u>	<u>118,306</u>
Total	<u>863,948</u>	<u>228,290</u>	<u>(266,608)</u>	<u>0</u>	<u>16,092</u>	<u>841,721</u>

Parochial Church Council of Newark St Mary Magdalene with St Leonard: Annual Financial Statements 2020

Independent examiner's report to the Trustees of the Parochial Church Council

I report to the trustees on my examination of the accounts of the Parochial Church Council for the year ended 31 December 2020, which are set out on pages 9 to 18

Responsibilities and basis of the report

As the charity trustees of the Trust 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 Trustee's accounts carried out under section 145 of the 2011 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 2011 Act.

Independent examiner's statement

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 Trust 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.

Signed:

Name: Michelle Katie Allen FCA, CTA
Chartered Account and Tax Advisor

Address: Office 11, Navigation Business Centre
Mill Gate
Newark
Nottinghamshire NG24 4TS

Date: 6 May 2021