

**The Parish Church of St. Michael the Archangel
Shalfleet, Isle of Wight**

**Annual Report
and
Financial Statements
of the**

**Fabric Restoration Charitable Trust.
("The Trust")
Charity Registration Number: 1072825**

For the year ended 31 December 2019

Bankers:

Lloyds Bank plc
22 St Thomas's Square
Newport
Isle of Wight
PO30 1SQ

Independent Examiner:

Clare Gordon
19, Ensign Close
Cowes
PO31 7UZ

Report of the Trustees 2019

Rev Clive Todd, appointed 2018
 Mr N Oulton, appointed 2016 Chairman from November 2017
 Mr B H Mead, initial Trustee
 Miss C Sutherland, appointed 2006
 Mrs C Locke, appointed 2016
 Mr R Powell, Treasurer, appointed 2016
 Mrs Prue Osborne, Secretary, appointed 2013

The Trustees have pleasure in presenting this their twentieth statutory annual report. This report covers the period 1 January 2019 to 31 December 2019.

Formation and Registration as a Charity:

The Trust, commonly known as “Shalfleet Church Restoration Trust”, was formed by Deed on 23 November 1998 and as amended by resolutions dated 28/03/2001, 26/04/2004, 24/04/2006, 14/05/2012. The Trust was registered as a charity (Number: 1072825) with the Charity Commission for England and Wales on 7 December 1998.

Objects:

The objects of the Trust are to advance the Christian religion through the maintenance, repair, restoration, preservation, improvement, beautification and reconstruction of the fabric of **The Parish Church of St. Michael the Archangel, Shalfleet, Isle of Wight**, its monuments, fixtures, fittings, furniture, stained glass, ornaments and other chattels and its churchyard including the lands upon which they stand and which are owned by the church.

Banking and Investments:

The Trust banks with Lloyds Bank plc. It also maintains accounts with the CBF Church of England Deposit Fund; these are both secure cash deposits with a low interest rate. The first is called the ‘Shalfleet Church Fabric Fund’, the second the ‘Shalfleet Church Capital Maintenance Fund’ and the third the ‘Fabric Investment Fund’. The funds were the vision of the Sutherland family and was funded by donations made at Anthea Sutherland’s funeral and a bequest from her will. It was a stipulation of the bequest that the initial capital is not to be used other than to generate income and that the income will be used solely for the maintenance of Shalfleet Church. This was clarified in the Fabric Trust Financial policy ratified at the previous AGM. This stated that the Capital element of the fund would not be used without the unanimous approval of all the Trustees and that the Capital element is increased each year in accordance with the Retail Price Index. Surplus funds above the adjusted Capital element could be used to maintain the church and churchyard. The fund has provided a return in excess of the RPI for all years except 2018, when the Fund returned a net decrease of 0.20%.

All three funds were amalgamated into an Accumulation Fund in 2019 and details of the changes in the Capital and available cash components are summarised below:

Year End	End of year valuation	Capital additions in the year	End of Year Capital value (Inflated at RPI)	Cash surplus
2018	£24,850	-	£14,599	£10,251
2019	£58,506	£25,370	£40,378	£18,128
Increase in available cash:				£7,877

Registration with Inland Revenue:

The Trust has an Inland Revenue certificate stating that the Trust, being established for charitable purposes only, will be entitled to exemption from income tax under Section 505 Income and Corporation Taxes Act 1988.

Fund Raising:

During the accounting period the following funds were banked:-

Individuals donations	£..7,725
Planned Giving & Collection Boxes	£ 1,232
Events	£ 2,042
Gift Aid and VAT reclaimed	£ 5,722
Friends Group donations in 2019	£ 695
Cash received from grants in 2019	£ 7,500

Maintenance and Restoration

The cost of the annual maintenance carried out in 2019 totalled £3,507. The repairs to the windows totalled £17,228, a total spend of £20,735. The work on the windows was halted in the summer so that the planned weddings could be carried out without scaffolding over the altar. Unfortunately, inclement weather meant that it was not possible to commence any further work on the windows in 2019.

The increase in the annual maintenance was largely due to the Fabric Trust accepting responsibility for the grass cutting and maintenance of the hedges.

The outgoings for the windows covered the work on the North and South facing leaded lights adjacent to the main East window.

Insurance

The Trust is covered as joint insured with the Church and others under the Church Combined Policy and other policies issued by the Ecclesiastical Insurance Group.

Accounts:

Detailed accounts as required by the Charities Act 1993, section 42(3), prepared on the accruals accounting basis, are attached hereto at pages 5 to 7.

The following highlights show the totals of General Funds and Restricted Funds with comparisons to 2018.

The three CBF funds were restructured in 2019 to simplify the accounting by creating a single Accumulation Fund.

- A protected capital sum of £5,370 was transferred from the deposit accounts (which were then closed) to the Restricted Funds within the Accumulation Fund.
- The sum of £20,000 was transferred from the current account to the Restricted Funds within the Accumulation Fund.

The Restricted Fund is the total of all the capital investments into the fund plus the annual increases calculated by multiplying the annual Retail Prices Index (RPI) by the value of the Restricted Fund at the start of the year. The General Funds within the Accumulation Fund is the difference between the Annual Valuation and the RPI adjusted Restricted Funds at the end of the year.

Total income in 2019 was £66,422 (2018: £53,039). The 2018 figure included a grant of £20,000 from the PCC to support ongoing maintenance of the church. This sum was transferred to the Restricted Funds within the Accumulation Fund in 2019. We have also been promised grants of £50,000 from the Sutherland Trust and £10,000 from the Hampshire and the Islands Historic Churches Trust. These sums do not appear in the accounts and will be claimed on completion of the windows project.

The 2019 accounts include information on the Accumulation Fund growth under ‘Incoming Resources’. These data were not included in previous Annual Accounts, so an item showing the increase in both the Restricted Fund and the General Fund for the years 2010 to 2018 are included as a line item in addition to the annual increases in 2019.

Total costs in 2019 were £40,630, which included the £20,000 transfer to the Restricted Fund.

The balance sheet on 31 December 2019 showed that the General Funds stood at £57,043, the Restricted Fund stood at £40,378. The total funds carried forward are thus £97,421 (2018: £71,629). The increase is partially due to the change in the way that the value of the Accumulation Fund is presented.

Audit:

Under the provisions of the Charities Act 1993, Section 43 allows the appointment of an Independent Examiner.

Retirement and Election of Trustees:

The Trust Deed provides for the Trustees to be appointed each and every year at the Annual General Meeting of the Trust, which shall be held immediately before the Annual General Meeting of the Church.

Activities and Interests of the Trustees:

The Trustees give their time freely. None of the Trustees or their near relatives has received any pecuniary benefit from the Trust. Any out of pocket expenditure on behalf of the Trust has been refunded against written receipted evidence.

The Year Ahead:

The work on the renovation of the two east windows and the north east and south east windows in the Chancel did start in 2019, but after representations from those who had weddings booked during the summer asking if the scaffold could be removed, the work was stopped. Unfortunately, inclement weather in the autumn prevented the work starting again until 2020.

The combined approach of grant applications and an appeal to the community has raised sufficient funds to cover a large part of the costs, but fundraising will need to be continued in 2020 to cover any additional work that may be necessary. The Trustees would like to thank all those who have made a contribution either through donations or assistance in one way or another.

The annual maintenance programme will be continued, and the general fabric of the church will continue to be monitored, and all necessary work will be commissioned.

Signed by Mr N Oulton,
Trustee and Chairman of the Trustees

Trustee

**The Parish Church of St. Michael the Archangel, Shalfleet, Isle of Wight
Fabric Restoration Trust**

Charity Registration Number 1072825

Accounts for the year ended 31 December 2019

<u>STATEMENT OF FINANCIAL ACTIVITIES</u>	2019			2018
	General Funds	Restricted Funds	Total	Total
Incoming Resources				
General Income				
Planned Giving and Collection Box	£ 1,232	£ -	£ 1,232	£ 480
Donations	£ 7,725	£ -	£ 7,725	£ 38,310
Net Gift Aid and VAT received in current year	£ 1,266	£ -	£ 1,266	£ 773
GiftAid and VAT to be claimed	£ 3,803	£ -	£ 3,803	£ 4,456
Friends Group donations	£ 695	£ -	£ 695	£ -
Income from activities generating funds				
Events, Sales and Fayres	£ 2,042	£ -	£ 2,042	£ 2,770
Grants	£ 7,500	£ -	£ 7,500	£ 6,225
Income from Investments				
Investment growth for 2019	£ 7,877	£ 405	£ 8,283	£ 26
Investment growth 2010 to 2018	£ 10,251	£ 3,625	£ 13,875	
Change in available Funds over the year.				
Transfers to/from Accumulation Fund	£ -	£ 20,000	£ 20,000	
Total Incoming Resources	£ 42,391	£ 24,030	£ 66,422	£ 53,039
Resources Expended				
General Expenses				
Routine Maintenance	£ 3,403	£ -	£ 3,403	£ 200
Capital repairs and reinstatements	£ 17,228	£ -	£ 17,228	£ -
Reports and Surveys to support applications	£ -	£ -	£ -	£ 1,200
Transfers to/from Accumulation Fund	£ 20,000		£ 20,000	
Expenditure on publicity, fund raising and admin				
Postage and Stationery	£ -	£ -	£ -	£ -
General Administration and Advertising	£ -	£ -	£ -	£ 40
Total Resources expended	£ 40,630	£ -	£ 40,630	£ 1,440
(Deficit)/Surplus of Income over expenditure	£ 1,761	£ 24,030	£ 25,791	£ 51,598
Total Funds brought forward	£ 55,436	£ 16,194	£ 71,630	£ 20,031
Total Funds carried forward	£ 57,197	£ 40,224	£ 97,421	£ 71,630

**The Parish Church of St. Michael the Archangel, Shalfleet, Isle of Wight
Fabric Restoration Trust.**

Charity Registration Number 1072825

Accounts for the year ended 31 December 2019

<u>BALANCE SHEET at 31 December 2019</u>		2019			2018
Current Assets	General Funds	Restricted Funds	Total		Total
Receivables					
Inland Revenue (unpaid Gift Aid) and VAT	£ 3,803		£ 3,803		£ 4,456
Bank					
Lloyds TSB Bank plc	£ 35,112	£ -	£ 35,112		£ 50,928
CBF Deposit Fund		£ -	£ -		£ 158
Shalfleet Church Capital Maintenance Fund	£ -		£ -		£ 5,193
The CBF Church of England Investment Fund	£ 18,128	£ 40,378	£ 58,506		£ 11,000
Total Current Assets	£ 57,043	£ 40,378	£ 97,421		£ 71,734
Total liabilities on 31st December (unpaid work)		£ -	£ -		£ 105
Total Assets less liabilities	£ 57,043	£ 40,378	£ 97,421		£ 71,629
Summary					
General Funds	£ 57,043	£ -	£ 57,043		£ 55,436
Restricted Funds	£ -	£ 40,378	£ 40,378		£ 16,193
Total Funds:	£ 57,043	£ 40,378	£ 97,421		£ 71,629

Error: £ 0.57

These accounts were approved by the Trustees on

Mr N. Oulton,
Trustee and Chairman of the Trustees

and

Trustee

The Parish Church of St. Michael the Archangel, Shalfleet, Isle of Wight
Fabric Restoration Charitable Trust.
(“The Trust”)

Accounts for the year ended 31 December 2019

Notes to the Accounts:

1. Accounting Policies.

(a) Basis of Accounting

The accounts have been prepared on the accruals accounting basis; they comply with the requirements of the Charities Act 1993 section 42 (3). Except for the years 31 December 2003 and 2004, the accounts for all prior years were prepared on the receipts and payments basis.

(b) Trust Funds

Under the Trust Financial Procedure, legacies and certain donations are designated as Restricted Funds. The difference between the annual fund valuation and the inflation adjusted Restricted Capital Fund is available for maintenance work on the church and churchyard.

(c) Tax reclaimable

All tax reclaimable under the Inland Revenue Gift Aid Scheme, which relates to donations received in the accounting period, including reclaimable amounts not yet received at the balance sheet date, is included in Incoming Resources.

(d) Resources Expended

Where contracts for repair work have been entered into, all costs representing work carried out prior to the balance sheet date, as certified by the Trust’s professional advisers or accrued on the basis of reasonable estimates, are included in Resources Expended. The appropriate amounts for related professional fees are also included. Any adjustment arising from an over or under provision in a previous year is included in the current year. No provision has been made for any potential costs being incurred from the Quinquennial Survey.

(e) Value Added Tax

The Trust is not able to reclaim Value Added Tax incurred on the purchase of goods and services. However, VAT is reclaimed on renovation works.

2. Repair Commitments

The trust has entered into contracts estimated to amount to £70,000 for the renovation of 4 windows in the church. Problems encountered during the works to date are estimated to add an additional £20,000 to this figure.

3. Contingent Liabilities

Under the terms of the English Heritage grant, The Trust undertook a liability for the maintenance of the Church for ten years from the completion of the relevant works in 2003. Although this has now expired appropriate maintenance will be continued.

**Independent Examiner's Report to the Trustees of the Parish Church of
St. Michael the Archangel, Shalfleet, Isle of Wight
Fabric Restoration Charitable Trust**

**ST. MICHAEL THE ARCHANGEL, SHALFLEET, ISLE OF WIGHT FABRIC RESTORATION
CHARITABLE TRUST**

Independent Examiner's Report to the Trustees of Shalfleet Isle of Wight Fabric Restoration Fund

I report on the accounts for the year ended 31 December 2019.

Respective Responsibilities of the Trustees and Independent Examiner

The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners section 145 (5) (b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

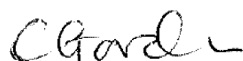
My examination was carried out in accordance with the General Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the management committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner's Statement

In connection with my examination, no matters have come to my attention

1. which give me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with s.130 of the 2011 Act; or
 - to prepare accounts which accord with those accounting recordshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



CLARE GORDON

09.09.2020