

**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 2018

Bankers:

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

Independent Examiner:

Mrs S J Pritchett
Sun Meadow
Main Road
Wellow
Yarmouth
PO41 0TD

Report of the Trustees 2018

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 nineteenth statutory annual report. This report covers the period 1 January 2018 to 31 December 2018.

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 two 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'. The second fund was the vision of the Sutherland family and was funded by donations made at Anthea Sutherland's funeral and a bequest from her will. Further deposits have been made to account over the intervening years. It was a stipulation of the bequest that the initial capital is not to be used other than to generate income. The income will be used solely for the maintenance of Shalfleet Church.

The deposit accounts only attract a low interest rate, so £10,000 of the original bequest was transferred to an Investment Fund run by the CCLA Investment Ltd in December 2009, with a further £1000 in November 2010. The value as at 31 December 2018 was £24,850 (2017 £24,462). The value of the fund can fall but it is hoped over a period it will at least rise above the annual inflation rate, thereby protecting the Trusts' investment. The fund has provided a return in excess of the RPI for all years until 2018, when the Fund only returned an increase of 1.84%, compared to the RPI which was around 4%. Given the challenging investment conditions in 2018 this is considered to be a good return, and significantly higher than the return that would have been achieved from a cash deposit.

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 raised:-

Individuals donations	£18,310
Transfer from Parochial Church Council	£20,000
Collection Boxes (not emptied in 2018)	£ 0
Events	£ 2,770
Gift Aid and VAT reclaims from 2017	£ 773
Estimated Gift Aid reclaims for 2018	£ 4,456
Deposit fund interest	£ 26
Cash received from grants in 2018	£ 6,225

Maintenance and Restoration

The cost of maintenance carried out in 2018 totalled £200. This was due to some repairs being carried out to some of the box pews and an electrician's visit following a power failure. The routine clearing of the gutters and valleys was scheduled for early in 2019.

Work on the renovation of the windows was started with the removal of the northeast chancel window, this was not a major expense so a full valuation has not been requested from the contractor. All costs for the window renovations will be accrued in 2019.

A statement on the Significance and Need relating to the Vicarial Church east window and the Chancel south-east window was carried out at a total cost of £1,250. The architect donated £50 from his fee to the windows appeal.

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 2017. In the Statement of Financial Activities and Balance Sheet all amounts shown under Restricted Funds relate solely to the Shalfleet Church Capital Maintenance Account.

Gifts, Charitable Donations and other voluntary receipts, including tax reclaims and expected reclaims thereon, reached £53,013 (2017: £1,787), the increase was due to the successful fund-raising campaign to support the repairs to four windows in the church. The total includes a sum of £20,000 received from the PCC to support ongoing maintenance. Income from activities generating funds (events, sales and fayres) was £2,770 (2017: £2,568).

The 2018 accounts include a sum of £6,225 received as grants to support the work on the window renovation. Additional grants have been pledged and the money will be requested against invoices for completed work as the project progresses.

Repair and maintenance costs to the church fabric in total were £200 (2017: £5,152), the main annual maintenance was scheduled for early in 2019, so it does not appear in the 2018 accounts. A total of £1,250 (2017: £1,648) was expended on reports and surveys to support grant applications, this figure includes the £50 donation made to the windows fund by the architect.

The Statement of Financial Activities shows a balance in the General funds of £55,436 and a balance in the Restricted Funds of £16,194, a total funds carried forward are thus £71,629.

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 in the Chancel and Vicarial churches and the north-east and south-east windows in the Chancel will continue into 2019. The final costs will depend on any additional work that is required once the windows are removed, but quotes for £70,000 (excluding VAT) have been received for the work. The combined approach of grant applications and an appeal to the community has raised sufficient funds to cover these costs, but fundraising will be continued in 2019 to cover 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. Water ingress was noted just before Christmas at the western end of the Chancel and investigations on the reason for this will be carried out in 2019.

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 2018

<u>STATEMENT OF FINANCIAL ACTIVITIES</u>	2018			2017
	General Funds	Restricted Funds	Total	Total
Incoming Resources				
General Income				
Planned Giving and Collection Box	£ 480	£ -	£ 480	£ 734
Donations	£ 38,310	£ -	£ 38,310	£ 850
Gift Aid and VAT received in current year	£ 773	£ -	£ 773	£ -
Gift Aid and VAT to be claimed	£ 4,456	£ -	£ 4,456	£ 203
Income from activities generating funds				
Events, Sales and Fayres	£ 2,770	£ -	£ 2,770	£ 2,568
Grants	£ 6,225	£ -	£ 6,225	£ -
Income from Investments				
Deposit Fund interest		£ 26	£ 26	£ 15
Increase in Capital Fund over the year (Not included in Total)	£ 448	£ -	£ 448	£ 2,710
Total Incoming Resources	£ 53,013	£ 26	£ 53,039	£ 4,370
Resources Expended				
General Expenses				
Routine Maintenance	£ 200	£ -	£ 200	£ 496
Capital repairs and reinstatements	£ -	£ -	£ -	£ 4,656
Reports and Surveys to support applications	£ 1,200	£ -	£ 1,200	£ 1,648
Expenditure on publicity, fund raising and admin				
Postage and Stationary	£ -	£ -	£ -	£ -
General Administration and Advertising	£ 40	£ -	£ 40	£ -
Total Resources expended	£ 1,440	£ -	£ 1,440	£ 6,800
(Deficit)/Surplus of Income over expenditure	£ 51,573	£ 26	£ 51,598	-£ 2,430
Total Funds brought forward	£ 3,863	£ 16,168	£ 20,031	£ 22,767
Total Funds carried forward	£ 55,436	£ 16,194	£ 71,629	£ 20,337

**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 2018

<u>BALANCE SHEET at 31 December 2018</u>		2018			2017
Current Assets	General Funds	Restricted Funds	Total	Total	
Receivables					
Inland Revenue (unpaid Gift Aid) and VAT	£ 4,456	£ -	£ 4,456	£	203
Lloyds TSB Bank plc	£ 50,928	£ -	£ 50,928	£	7,202
CBF Deposit Fund	£ 158	£ -	£ 158	£	157
Shalfleet Church Capital Maintenance Fund	£ -	£ 5,193	£ 5,193	£	5,168
The CBF Church of England Investment Fund (this is reported at initial purchase cost)	£ -	£ 11,000	£ 11,000	£	11,000
Total Current Assets	£ 55,541	£ 16,193	£ 71,734	£	23,730
Total liabilities on 31st December (unpaid work)	£ 105	£ -	£ 105	£	3,496
Total Assets less liabilities	£ 55,436	£ 16,193	£ 71,629	£	20,234
Summary					
General Funds	£ 55,436	£ -	£ 55,436	£	4,169
Restricted Funds	£ -	£ 16,193	£ 16,193	£	16,168
Total Funds:	£ 55,436	£ 16,193	£ 71,629	£	20,337

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 2018

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

Donations received for specific purposes are shown as Restricted Funds. Where the cost of specific work exceeds the appropriate portion of the Restricted Funds, the shortfall is met out of General Funds.

(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) Deposit Interest

Interest receivable from deposits is included in ‘Incoming Resources’ and includes estimated amounts not yet received but receivable at the balance sheet date. The Investment Fund is reported as the original purchase cost. Details of the current value are given in the Banking and Investments section of the Report to the Trustees 2018.

(e) 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.

(f) Value Added Tax

The Trust is not able to reclaim Value Added Tax incurred on the purchase of goods and services. However, VAT is able to be reclaimed on certain maintenance of the Fabric costs.

2. Repair Commitments

The trust has entered into contracts estimated to amount to £70,000 for the renovation of 4 windows in the church.

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**

I report on the accounts of the Trust for the year ended 31 December 2018 which are set out on pages 5 to 7.

Respective responsibilities of trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. 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 account, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the Act;and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Acthave 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.

Signed: *J. Pritchett*

Dated: 25th April 2019

