

**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 2020

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 2020

Mr N Oulton, appointed 2016 Chairman from November 2017
Mr H Blacksell, appointed 2020
Mr B H Mead, initial Trustee
Miss C Sutherland, appointed 2006
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 2020 to 31 December 2020.

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 an Investment Fund run by the CCLA Investment Ltd. The value of this fund at 31 December 2020 was £64,491. Part of the fund was received through a legacy that stipulated that the Capital value of the fund should be maintained, with income available to support the maintenance of the church and surroundings. The way that this fund is used by the Trust is clarified in the Financial Policy of the Trust that was ratified in 2018. 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 are available for use in the maintenance of 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%. The return above RPI in 2020 was 10%. The change in the funds is summarised below.

| Year | End of year valuation | Capital additions during the | End of Year Capital value (Inflated at RPI) | Available cash surplus |
|------------------------------------|-----------------------|------------------------------|---|------------------------|
| 2019 | £58,506 | £25,370 | £40,378 | £18,128 |
| 2020 | £64,491 | - | £40,983 | £23,508 |
| Increase in available cash: | | | | £5,380 |

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 received:-

| | |
|-------------------------------------|---------|
| Friends Group donations | £ 885 |
| General Donations | £ 1,113 |
| Planned Giving and Collection Boxes | £ 603 |
| Events | £ 0 |
| Gift Aid and VAT received in 2020 | £ 5,639 |
| Cash received from grants in 2020 | £30,000 |

The Gift Aid and VAT received shown in the table above differs from the figure in the Annual Accounts as the Trust has moved to the Receipts and Payments method of accounting, so the VAT and Gift Aid received is reduced by the allowance made in 2019 when we were still using the accruals method of accounting.

Maintenance and Restoration

The cost of maintenance carried out in 2020 totalled £47,463. This was made up by £1,272 for routine maintenance and £46,191 for the windows project. The annual maintenance was lower due to the increase in the amount of grass cutting and other work being carried out by the working parties organised through the Friends of Shalfleet Church.

Work on the main East window is now complete apart from the installation of a protective grill over the three main panels. Work on the east window in the south aisle has been requested and will start in the next couple of months. The quotations received to date suggest that the cost of this will be in the region of £23,700. The work will be funded through the outstanding monies due from the grants that we have been promised. These total £30,000.

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. We are currently discussing the cost of insuring our lawnmowers with the Village Hall Committee.

Accounts:

Detailed accounts as required by the Charities Act 1993, section 42(3), have been prepared on the receipts and payments basis. These are attached hereto at pages 5 to 7.

Audit:

Under the provisions of the Charities Act 1993, Section 43 allows the appointment of an Independent Examiner. This role was carried out by Clare Gordon for the 2020 accounts.

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 on the same day as 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.

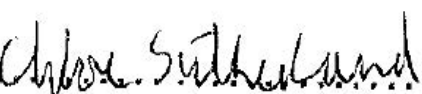
The Year Ahead:

The work on the renovation of the main east window, and the south aisle east window will be

completed in 2021. 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. The Friends of Shalfleet Church was initiated in 2018 and both the voluntary donations by the members and the time given during the working parties has had a significant impact on the costs of routine maintenance in the churchyard. The Trustees would like to thank all 'Friends' who offered their time or financial support to the Fabric Trust during 2020.

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


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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 2020

| <u>STATEMENT OF FINANCIAL ACTIVITIES</u> | 2020 | | | 2019 |
|---|------------------|---------------------|-----------------|-----------------|
| | General Funds | Restricted Funds | Total | Total |
| Incoming Resources | | | | |
| General Income | | | | |
| Planned Giving and Collection Box | £ 603 | £ - | £ 603 | £ 1,232 |
| Donations | £ 1,113 | £ - | £ 1,113 | £ 7,725 |
| Net Gift Aid and VAT received in current year | £ 1,836 | £ - | £ 1,836 | £ 1,266 |
| Friends Group donations | £ 885 | £ - | £ 885 | £ 695 |
| Income from activities generating funds | | | | |
| Events, Sales and Fayres | £ - | £ - | £ - | £ 2,042 |
| Grants | £ 30,000 | £ - | £ 30,000 | £ 7,500 |
| Income from Investments | | | | |
| Investment growth for current year | £ 5,380 | £ 606 | £ 5,986 | £ 8,283 |
| Investment Growth for previous years | £ - | £ - | £ - | £ 13,875 |
| Change in available Funds over the year. | | | | |
| Transfers to/from Accumulation Fund | £ - | £ - | £ - | £ 20,000 |
| Total Incoming Resources | £ 39,816 | £ 606 | £ 40,422 | £ 62,618 |
| Resources Expended | | | | |
| Building Maintenance Expenses | | | | |
| Routine Maintenance | £ 1,272 | £ - | £ 1,272 | £ 3,403 |
| Capital repairs and reinstatements | £ 46,191 | £ - | £ 46,191 | £ 17,228 |
| Reports and Surveys to support applications | £ - | £ - | £ - | £ - |
| Transfers to/from Accumulation Fund | | | £ - | £ 20,000 |
| General Costs | | | | |
| Administration | £ - | £ - | £ - | £ - |
| General Operational Costs | £ 755 | £ - | £ 755 | £ - |
| Total Resources expended | £ 48,218 | £ - | £ 48,218 | £ 40,630 |
| (Deficit)/Surplus of income over expenditure | -£ 8,402 | £ 606 | -£ 7,796 | £ 21,987 |
| Total Funds brought forward | £ 57,043 | £ 40,378 | £ 97,421 | £ 71,630 |
| Total Funds carried forward | £ 48,641 | £ 40,983 | £ 89,625 | £ 97,421 |

**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 2020

| <u>BALANCE SHEET at 31 December 2020</u> | | 2020 | | | 2019 |
|---|-----------------|------------------|-----------------|-----------------|------|
| Current Assets | General Funds | Restricted Funds | Total | Total | |
| Receivables | | | | | |
| Inland Revenue (unpaid Gift Aid) and VAT | | | | £ 3,803 | |
| Bank | | | | | |
| Lloyds TSB Bank plc | £ 25,133 | £ - | £ 25,133 | £ 35,112 | |
| The CBF Church of England Investment Fund | £ 23,508 | £ 40,983 | £ 64,491 | £ 58,506 | |
| Total Current Assets | £ 48,641 | £ 40,983 | £ 89,625 | £ 97,421 | |
| Total liabilities on 31st December (unpaid work) | £ - | £ - | £ - | | |
| Total Assets less liabilities | £ 48,641 | £ 40,983 | £ 89,625 | £ 97,421 | |
| Summary | | | | | |
| General Funds | £ 48,641 | £ - | £ 48,641 | £ 57,043 | |
| Restricted Funds | £ - | £ 40,983 | £ 40,983 | £ 40,378 | |
| Total Funds: | £ 48,641 | £ 40,983 | £ 89,625 | £ 97,421 | |

These accounts were approved by the Trustees on 23/4/21

Mr N. Oulton,
Trustee and Chairman of the Trustees

N. Oulton

and

Trustee Chloe Sutherland

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 2020

Notes to the Accounts:

1. Accounting Policies.

(a) Basis of Accounting

The accounts have been prepared on the receipts and payments basis. Income, including donations, grants, VAT refunds and Gift Aid, is reported when it is received into the bank account and costs are reported when invoices are settled.

(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 reclaimed under the Inland Revenue Gift Aid Scheme or through recovery of VAT for approved works is included under Incoming Resources when the money is received into the Trust's bank account.

(d) Investment Fund

The annual increase (or decrease) in value of the shares in the CCLA fund is reported in both General and Restricted Funds. The value of the Restricted Fund is increased annually by applying the average annual Retail Price Index to the value of the Capital element. If the increase in the fund is greater than the RPI, then the difference is reported under General Funds. Withdrawals are only made from the General on an 'as needed' basis. All additions to and withdrawals from the investment fund are reported under 'Change in available Funds over the year'.

(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 able to be reclaimed on certain maintenance of the Fabric costs.

2. Repair Commitments

The trust has entered into contracts estimated to amount to £28,000 for the renovation of the east window in the southern aisle. These works should be completed in 2021.

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 2020 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.

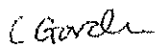
Basis of independent examiner's report

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.


CLARE GORDON
14.03.2021