

## PAROCHIAL CHURCH COUNCIL - ST. CROSS WITH ST. FAITH, WINCHESTER

### Accounting Policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006, together with applicable accounting standards and the Charities SORP 2005.

The financial statements have been prepared under the historical cost convention, except for the valuation of investment assets, which are shown at market value.

### Funds

In the year-end Balance Sheet the PCC has no funds which are required to be identified as “Endowment” or “Restricted”, except for a donation of £5000 made to the Flower Fund in 2007, the unspent sum of which is shown as a note in the Balance Sheet. Unrestricted funds represent the 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.

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, nor those that are informal gatherings of Church members.

### Incoming Resources

#### *Voluntary income and capital sources*

Collections are recognised when received by or on behalf of the PCC.

Planned Giving receivable under Gift Aid is recognised only when received.

Income tax recoverable on Gift Aid donations is recognised quarterly when the appropriate claim is made on the Inland Revenue.

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

Funds raised by the Fete, Christmas Fayre and similar events are accounted for gross.

Sales of the Parish magazine and items from the church bookstall are accounted for gross.

#### *Other ordinary income*

Rental income from the letting of the Parish Hall 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.

#### *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<sup>st</sup> December of the relevant year.

### Resources used

#### *Grants*

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

#### *Activities directly relating to the work of the Church*

The diocesan parish share is accounted for when payable. Any parish share unpaid at 31<sup>st</sup> December is

provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

## **Assets**

### *Fixed Assets*

All capital items within the church of St. Cross, Winchester are the property of the Hospital of St. Cross and are covered by the Hospital's insurance. Items within the church, for which the PCC provided the funds, are deemed to have been purchased on behalf of the Hospital and presented to it by the Parish and hence are expensed on purchase.

Fixtures and fittings within the Parish Hall are the property of, and are insured by, the PCC. All expenditure incurred on the repair of the building is expensed on purchase.

### *Investments*

Investments are shown in the balance sheet at market value on 31st December of the relevant year.

### *Current assets*

Amounts owing to the PCC at 31<sup>st</sup> December in respect of fees, rents or other income are shown as debtors. There are no amounts that are deemed uncollectible.

Short-term deposits include cash held on deposit with the Central Board of Finance (Church of England) Funds.

### *Current Liabilities*

Amounts owed by the PCC at 31st December in respect of expenses which have been incurred and for which invoices have not been received, or have been received but not paid, are shown as accruals. All the amounts fall due within one year.