

## Notes on the 2021 Financial Statement

1 In November 2021, our electricity supplier erroneously took £10124.50 from the church's general account via a direct debit because of a systems error. This was quickly refunded but is shown 'below the line' on the expenses side of the account as it appears in our bank statement but is clearly not true expenditure. The refund of this sum is shown as part of the utility refund on the receipts side (£11368.84). The balance is the refund of the large credit built up in the gas and electricity accounts during Covid, as we were paying by fixed direct debit but were using much less energy.

2 The PCC levies statutory fees for such things as wedding and funeral services and a proportion of the fee is passed on to the diocese. There are also voluntary fees charged by the PCC where for example the services of the vergers or the organist have been requested or the bells are required to be rung. The fees collected for these services are passed on to the provider. The advice from the Diocese is that only that part of the fees retained by the PCC should be shown as a receipt in the financial statement as to include the gross figure would be to overstate income. In 2021 the total extent of fees collected by the PCC was £4814 but only £2855 of this was retained. To enable resolution with the general account bank statement, the sum passed on to others (£1959) is shown as a below the line figure on both sides of the statement.

3: At the end of 2020, 2 cheques written during the year had not been presented. The value of these cheques totalled £54.40. At the end of 2021. One cheque to the value of £65.40 written during 2021 had not been presented by the close of December. These sums are shown as below the line payments to enable resolution with the general account bank statements. £65.40 is also shown as a financial liability going forward into 2022 in the statement of assets and liabilities which appears later in the financial statement.

4 During 2021, the PCC agreed to close the Flower Fund and to transfer all balances to the general account. The Flower Fund is now closed.

5: In addition to its own reserve accounts (the Deposit Fund and the Development fund), the PCC also has access to two investment funds held on its behalf by the Crediton Church Corporation, which are released on application for relevant purposes to the PCC. Use of the Exminster Chancel Repair Fund is restricted to works that will benefit the maintenance and improvement of the chancel area of St Martins. The Residue Fund is essentially unrestricted and the estimated value of this fund at the close of 2021 was approximately £1692. At the time of preparing the financial statement, the Crediton Church Corporation was not able to provide a final valuation on this account for 31<sup>st</sup> December 2021.

6: The financial statement identifies two trusts that the Diocese of Exeter manages on behalf of the PCC, the Mrs D M Barrow Legacy and the R Lewis Legacy. These relate to bequests that have been made over the years on the basis that the bequest should be invested and the income from the investment used for specific purposes. In the case of both trusts, the money is restricted to uses that are for the benefit of the churchyard. The valuations on these trusts at 31<sup>st</sup> December 2021 have been provided by the Exeter Diocesan Board of Finance.

7: At the close of 2021, the PCC accounts had total net assets of £83829.56 (est), Only £30869.33 (est) of this sum was in truly unrestricted accounts ie where resources can be used for general church purposes.

