

31st October 2014

Martin Bishop
Financial Secretary

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Dear Treasurer,

Encl (Paper version):**I - Parish Share Statement of account to 31st October**

Items for potential or immediate action, are indicated by side lines

Parish Share 2014

I enclose the statement of account for Parish Share which includes cheques and BACS payments received from you up to **Friday 31st October 2014** and also an entry showing your PCC's contribution towards the parish share for the fourth quarter of the year.

As in previous years, there will be a period of time after the 31st December for parishes to make cheque payments in respect of the 2014 Parish Share before any shortfall is determined. The cut-off date for this will be **Friday 9th January 2015**. However it would be greatly appreciated if you could do what you can to ensure that any outstanding payment for 2014, or earlier, is sent to the Diocesan Office in time for the end of December.

Harvest Appeal 2014

Any cheques for the donations made for this appeal through the parish should be made out to "St Albans Diocesan Board of Finance" and sent to Abbey Gate House, Abbey Mill Lane, St Albans AL3 4HD, (*not the Diocesan Office*).

PCC Charity Registration

Parishes with gross income less than £100,000 continue to be "excepted" from registration. Only those parishes with income over £100,000 are required to register. If your income is untypically over this threshold, perhaps due to a one-off grant or legacy, you can write to the Charity Commission to apply for a dispensation not to register if you so wish.

The Church of England guide to PCC registration

(<http://www.parishresources.org.uk/wp-content/uploads/Online-Registration-2014.pdf>) takes you through the process of registering your PCC with the Charity Commission. You will need to do this online as the Commission no longer receive paper applications. The Charity Commission website is: www.charitycommission.gov.uk

Before using this guidance, please check the Registration page of the Parish Resources website for any latest news or guidance on the process for registering PCCs. This can be found at: www.parishresources.org.uk/registration.htm

ACAT (Association of Church Accountants and Treasurers)

[All PCC Treasurers are automatically members of this Association. For login details for the ACAT website please contact either Tony Boon or myself]

The Autumn Newsletter is now available on the ACAT Website. ACAT have made some changes to the site which they hope will make it easier to use. You can now view the newsletter by visiting www.acat.uk.com and clicking on the purple button on the left hand side of the screen marked NEWSLETTER. (Note you will need to be logged on to the Members' Area to view these documents)

The new Charities SORPs

This is advance notice of two new Charities' Statements of Recommended Practice (SORP) which will take effect for accounting periods which **start** on or after 1st January 2015. More information on this will be circulated at a later date.

This will only apply to parishes preparing financial statements on the accruals basis; for parishes using the receipts and payments basis there is no change. For the affected parishes, this means that the **2014** Accounts can be prepared under the existing SORP ("SORP 2005"); however in a little over a year's time, some of the 2014 figures may need to be restated as comparatives when the 2015 results are reported under the new format.

When preparing accounts on the accruals basis, the Church must decide whether to use either the Financial Reporting Standard for Smaller Entities (FRSSE) or the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Due to the differences between these standards, a SORP has been developed to provide application guidance for *each* standard.

It is likely that most churches will choose the FRSSE standards (for smaller entities) as the reporting requirements are less onerous. However it is due to be reviewed by 2016, which will require a change in the FRSSE SORP, so Churches adopting this, less onerous, SORP may face changing some of their accounting policies twice in succession.

A charity qualifies to use the FRSSE standard where any two of the following three criteria are met in both the current and preceding financial years:

- Gross income not exceeding £6.5m.
- Total assets not exceeding £3.26m (Accounts value).
- Employs no more than 50 staff (averaged actual staffing for year, not full-time equivalents)

In practical terms, for most churches reporting on the accruals basis, there is no significant difference in the look of the Accounts between SORP 2005 and the new SORP (FRSSE). However, one major change is that whereas SORP 2005 requires only charity total comparative figures (i.e. those of last year, but on the same basis as this year's figures) to be shown in the SoFA, FRS102 and the FRSSE both require comparative figures to be shown for each item presented in the SoFA.