

ST MARY'S CHURCH HADLOW

Annual Report and Financial Statements of the Parochial Church Council

For the
Year Ended 31 December 2021

Incumbent: The Reverend Paul White (January to October; vacancy since 1 November)

Churchwardens: Michael Payne, John Speed

Independent Examiner: David Stephens B.A., F.C.C.A.

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ADMINISTRATIVE INFORMATION

St Mary's Church is situated in Church Street, Hadlow, Kent. It is part of the deanery of Paddock Wood and the diocese of Rochester. The ecclesiastical parish includes the villages of Hadlow and Golden Green. The correspondence address is The Vicarage, Maidstone Road, Hadlow, Kent TN11 0DJ.

The Parochial Church Council (PCC) is a corporate body established by the Church of England, and was registered as a charity in December 2016 under the title "The Parochial Church Council of the Ecclesiastical Parish of St.Mary, Hadlow (St.Mary's, Hadlow)", Charity Number 1170577. The Trustees are the PCC members. The PCC operates under the Parochial Church Council Powers Measure.

Members of the PCC are either ex-officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. PCC members for 2021 are listed below.

PCC members normally serve for three years; the terms of elected members are shown below in brackets, and afterwards members may stand for re-election. Churchwardens are elected each year and may serve a maximum six consecutive terms of office. Two PCC members stood down at the APCM on 25 April 2021, and two new members were elected. Two members resigned in August and two were co-opted to replace them.

Incumbent and Chairman The Reverend Paul White (up to 31 October)

Churchwardens John Speed (2020 – 2021)
 Michael Payne (2019 – 2021)

Elected Deanery Synod Representatives

Val Newell (2020 – 2023; resigned August 2021)
Barry Wheeler (2021 – 2024)
Mike Harvey (Co-opted 2021 – 2022)

PCC Members

Cathy Brill (2021 – 2024)
Nicola Canham (2018 – 2021; Co-opted 2021 – 2022)
Melissa Crawshay-Williams (2020 – 2023)
Kirsty Finch (2020 – 2023)
Mike Harvey (2021 – 2024)
Jenny Hopkins (2020 – 2023)
Richard Hopkinson (2020 – 2023)
Lee Kirk (2020 – 2023)
Janice Massy (2020 – 2023)
Martin Massy (2020 – 2023)
Steve Newell (2020 – 2023; resigned August 2021)
Kelly Parsons (Co-opted 2021 – 2022)
Katerina Plucknett-Nixon (2020 – 2023)
Lisa Porritt (2019 – 2022)

Honorary Treasurer Martin Massy (2019 to date)
PCC Secretary Martin Massy (2018 to date)

PCC STRUCTURE; MANAGEMENT AND GOVERNANCE

The PCC comprises the “officials” of the parish (Incumbent, Curate, Churchwardens, Treasurer, Secretary), two elected representatives to the Deanery Synod plus 12 members elected to represent the interests of church members. The incumbent chairs the PCC; during the vacancy (interregnum) this role is taken by one of the Churchwardens.

The PCC normally operates through regular, bi-monthly meetings of the full PCC, supported by committees that meet regularly throughout the year and report to full PCC meetings. The committees always have at least one PCC member, but also depend largely on the help of other members of the congregation. PCC members are strongly encouraged to join one of the committees. Reports by the Convenors of these committees, giving fuller details of their activities during the year, can be found in the separate APCM booklet. Following the departure of the Rev'd Paul White as vicar at the end of October, the full PCC has been meeting monthly.

Standing Committee

The standing committee comprises the Incumbent, Churchwardens and at least two nominated representatives of the PCC. The Secretary and Treasurer are normally nominated as well as two other elected PCC members. “The standing committee may transact the PCC’s business between meetings of the PCC; but may not discharge a duty of the PCC, and may not exercise a power of the PCC which requires the passing of a resolution by the PCC.” The standing committee meets in between meetings of the full PCC.

Education Committee

Initiates and organises educational activities and experiences aimed at enabling all members of the congregation (a) to live as Christians within a Christian community, and (b) to articulate and defend their faith confidently. Particular importance is given to young people.

Fabric Committee

Supports the churchwardens in the discharge of their legal responsibilities relating to the maintenance and insurance of church fabric and in respect of any necessary faculty applications. Monitors the condition of the church and churchyard and arranges repairs and works as necessary; liaises with the civil parish council on the maintenance of the closed churchyard as required and similarly with the relevant diocesan committees.

Finance Committee

Supports the Treasurer in the preparation of the annual budget, monitors financial progress throughout the year, including gift aided giving, and advises the PCC on finance policy and the best use of the parish’s financial resources.

Outreach and Fundraising Committee

This committee oversees the fund-raising events and activities held during the year. It initiates and organises outreach activities to foster a closer relationship between the church and the parish as a whole, to express the church’s sense of social responsibility in the community and to take the lead in promoting the evangelistic mission of the church.

World Mission Committee

The World Mission Committee ceased to be active during early 2021, lacking a convenor, and its role has been taken on by the PCC. The WMC had provided a forum for liaison with organisations supported by the parish, for example the Delhi Brotherhood and the Kibakwe link, and promoted fund raising for them. It had also raised awareness in the congregation of issues relating to the Anglican Communion and the worldwide church and made recommendations to the PCC on charities to be supported, such as through special collections. It is hoped that in time it will be re-established alongside other Mission work now being undertaken including the Hadlow Food Bank.

OBJECTIVES AND ACTIVITIES

The objectives of the PCC are set out in The Parochial Church Council (Powers) Measure 1956, which defines the functions and powers of a PCC. Under the amended Measure, the principal function of the PCC is “promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical.”

St Mary's PCC therefore shares with the Incumbent the responsibility for:

- (a) the promotion of the whole mission of the church – pastoral, evangelistic, social and ecumenical - within the ecclesiastical parish of Hadlow,
- (b) the efficient administration of the parish and its funds. The PCC is responsible for funding the maintenance and repair of the parish church.

The PCC has considered the Charity Commission guidance on public benefit and believes the guidelines have been met as the activities of the church are open to the public at large and are for public benefit.

ACHIEVEMENTS AND PERFORMANCE

Church Attendance 2021

The Electoral Roll was revised in 2021, recording 135 church members, the same as 2020. We would like to record our thanks to David Lear for once again acting as Electoral Roll Officer.

Owing to the coronavirus pandemic, the numbers of those attending in person were lower than previous years, although around 10 people continued to follow services via Zoom (see Review of the Year below).

Review of the Year

GOVERNANCE: The Rev'd Paul White, who was vicar here since 2013, left at the end of October to take up the position of Team Rector in Rye.

The church is governed by the Parochial Church Council (PCC). The full PCC met six times during the year, but only once in person (November), with the previous five meetings held online (via Zoom) in accordance with Charity Commission guidance for the maintenance of good governance. The Standing Committee met four times, all online. The 2021 Annual Parochial Church Meeting took place in church (with additional participation online) after the Sunday service on 25 April. There were no meetings in August.

Reports from the PCC committees – Education, Fabric, Finance, Outreach and Fund-Raising, and Mission – are included in the separate APCM booklet.

SAFEGUARDING: The safeguarding of children and vulnerable adults is a high priority at St Mary's. We are working to promote a safe culture for all members of the congregation. The PCC have adopted a safeguarding policy in line with the House of Bishops 'Promoting a Safer Church', complying with its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to House of Bishops' guidance on safeguarding children and vulnerable adults). Volunteers complete the national Basic Safeguarding Awareness course and the Safeguarding Foundation course as appropriate. We have recently signed up to the Parish Safeguarding Dashboard Scheme, which provides a profile and checklist of areas for compliance and development. Our Parish Safeguarding Officer is Cathy Brill; she is also an elected member of the PCC.

Safeguarding is a standing item on the PCC agenda; no issues were reported during the year.

WORSHIP: The church has been open for public worship all year (Sundays and Wednesday mornings), following the rules and guidelines imposed to help control the Covid-19 pandemic, such as hand sanitising, recording attendance, social distancing, wearing masks.

The Lent Course followed "The Nail", by Stephen Cottrell, and was run online. Technology allowed break-out groups that allowed us to discuss responses to the questions in small groups.

Thanks are due to Michael Pound and Francis Griffiths, who share the direction of the choir – Michael is also the organist, whilst Francis is a whizz on the piano – and to the choir members themselves.

We were pleased to have two weddings in July.

We said goodbye to Rev'd Paul as vicar on 31 October when he left to take up the post of Team Rector in Rye, in the diocese of Chichester. A goodly number of members from St. Mary's travelled to Rye for his installation in November. We thank him for his service to St. Mary's and wish him and his family well – we will miss his humour and thought-provoking sermons.

COMMUNITY: Restrictions to deal with the pandemic meant we could not carry out many of our usual activities until late in the year. However, St.Mary's continued to run the food bank to support local families – it has been open every Thursday -- and we are very grateful to the many people who continue to donate food and money. We would particularly like to thank the Tonbridge Rotary Club for another very generous donation to the food bank, of £300. Social media enable us to promote the food bank via the Hadlow Community Facebook page, which draws in donors as well as reaching out to those who need it. The Hospital Car Service provides a valuable service to the community and has also operated throughout the pandemic.

We welcomed the relaunch of the weekly Coffee Pots and Tiny Tots (CPTT) in October, and monthly Saturday Coffee in November; Messy Church is back too.

Following training and support from Julia Burton-Jones, Anna Chaplaincy lead for Rochester Diocese, Jenny Hopkins was commissioned by Bishop James as an Anna Chaplain in June in Rochester Cathedral. Anna Chaplaincy supports older people emotionally and spiritually. Jenny leads Holiday at Home and now Friday Seniors, which meets fortnightly.

We were again able to help our friends at the Delhi Brotherhood Society in Delhi, India, which St. Mary's has supported for over 30 years. The DBS has had to cope with the effects of the pandemic, helping to feed many people who lost their jobs as a result of the pandemic. Thanks to faithful supporters, the Lent Appeal, and a modicum of Gift Aid, we were able to send £1,597.

Owing to the pandemic we were again unable to visit our link parish in Kibakwe, Tanzania, although we are able to maintain contact (see Kibakwe link report in the APCM booklet).

STEWARDSHIP: Liz Mullins, who is the Generous Giving Adviser at Rochester diocese, led a Stewardship service in November, which aimed to encourage church members to review their giving in the spirit of generous giving to thank a generous God from whom all things come. As a result, several people took out new Standing Orders, others increased theirs, and yet others made one-off donations, for which we are very grateful. We also encourage members to join the Parish Giving Scheme, which reduces our administrative burden and also improves our cashflow. (See also the Financial Review on p.8)

THANKS: We thank all members of the Ministry team. We are blessed by the continuing support and kindness of Rev'd Christopher Miles, who is always ready to help by presiding and preaching or carrying out practical maintenance tasks. He has taken more services as a result of the vacancy.

We are fortunate in our churchwardens, John and Michael, who are now leading the parish admirably in the absence of a vicar – we thank them for all that they are doing. We also thank all those who help keep the show on the road and are also grateful for and lucky to have the support of many volunteers who help with all the activities, although we could always use more!

St.Mary's is a vibrant, active and welcoming church serving members from round about as well as the local parish. Every PCC meeting begins and ends in prayer and our faith underpins all we do.

Martin Massy (PCC Secretary)

Financial Review

This financial review concerns the unrestricted funds; the Statement of Financial Activities on p.12 and the Notes to the accounts provide information about restricted funds, whose use is restricted to the purposes of the fund (see Notes 2.2 and 11). Unrestricted funds include designated funds, which represent monies set aside by the PCC for specific purposes such as church repairs.

Although the 2021 financial results for St Mary's continued to be affected by the pandemic the overall result was a surplus of £10,175 (cf £4,304 surplus in 2020). However, the surplus must be seen in the light of the reduction in St Mary's contribution to the Diocese of Rochester, which is meant to cover the cost of ministry (clergy stipends, pensions, etc.), provision of diocesan services and mission in the diocese. The £41,100 paid during 2021 is more than £20,000 short of the amount requested (the indicative offer) and is just sufficient for the cost of ministry.

Total unrestricted income in 2021 was £76,552, just over 1 % higher than 2020, and expenditure was 7 % lower at £66,377. The slight increase in income overall (nearly £1,000) masks higher regular giving and Gift Aid (together +£2,579), sundry donations (+£5,740), and fund-raising events (+£774). Income in 2020 was inflated by the receipt of £5,548 insurance claim and £1,098 VAT refund for repair of a chancel window in early 2020.

Total voluntary giving increased by £7,719 compared with 2020, and we are very grateful to the many loyal church members who continue to support the church. Gift Aid is a valuable source of income, providing 15 % of the 2021 total. As well as claiming Gift Aid on standing orders, sponsorship forms, etc. we make use of the Gift Aid small donations scheme.

The stewardship campaign was moderately successful, although some commitments have yet to be met. Several people set up new standing orders, some to replace the envelope scheme, and a few have signed up to the Parish Giving Scheme (PGS). The PGS is a direct debit scheme – with the same DD guarantee as banks – and claims Gift Aid on our behalf every month, which reduces the amount of time spent on administration and improves cashflow. We have discontinued the personal free will offering envelopes to save the expense of about £100, and the yellow envelopes that are available enable Gift Aid to be claimed on those offerings.

We had hoped to introduce a 'Friends of' scheme, but this was felt to be inappropriate during the pandemic when people were unable to meet freely and had other concerns!

Fund-raising events resumed in the latter half of the year with the Scarecrow Trail in September, Opera Evening in October and Christmas Fair in December, which together raised £2,098.

Unrestricted expenditure, fell to £66,377 (cf £71,291 in 2020) mainly as a result of lower maintenance costs (£3,108 net reduction from the window repair in 2020 and higher general costs in 2021) and lower parish offer (£2,100). Note that for comparison purposes the 2020 figures now include income and costs for the Church Repair Fund, which has been re-classified as a designated fund (see below).

The surplus has increased the balance of unrestricted funds at the end of 2021 to £40,442, which is above the recommended minimum (see Reserves Policy below) (see breakdown of funds in the Balance Sheet on p.13 and Note 11 on p. 19). The balances take account of the re-classification of the Church Repair Fund (CRF) as "designated", the PCC having agreed in November that it had previously been incorrectly classified as restricted. The CRF was originally funded by sums saved annually by the PCC for potential repairs, which qualifies it as designated, although those savings were discontinued some years ago. The PCC also agreed to return £15,000 from the Church Improvement Fund (CIF) to the CRF, to reverse a transfer from the CRF to the CIF in 2016.

Reserves Policy

The PCC updated the reserves policy, which was previously “for a level of reserves ideally to be held where unrestricted funds not committed or invested in tangible fixed assets (i.e. ‘free reserves’) should equate to a sum between three and six months of normal annual expenditure”. The revised policy is risk-based, estimating the impact of potential risks and uncertainties on both income and expenditure. The agreed level of reserves for 2022 is £32,500.

The PCC aims to review the reserves policy annually and to take steps aimed at increasing the free reserves as necessary to the level indicated by the review.

Risk Management

There are a number of risks to which the PCC is exposed at any time in respect of (a) safeguarding (b) health and safety (c) buildings and other issues. The PCC continues to assess risk through regular review and takes appropriate steps to deal with or lessen any risks that come to light.

In respect of safeguarding, the PCC complies with its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 to have due regard to House of Bishops’ guidance on safeguarding children and vulnerable adults. A volunteer acts as Safeguarding Officer and monitors the level of safeguarding training needed and undertaken and acts as point of contact for any safeguarding issues.

Risk assessments are carried out for new activities and as required, e.g., for church reopening during the pandemic. Recommendations made to mitigate risks identified by each risk assessment are then implemented.

PCC Financial Responsibilities

Individual members of the PCC are charitable trustees and have a duty to comply with charity law. St Mary’s is registered with the Charity Commission (Number 1170577); the charity is known as ‘The Parochial Church Council of the Ecclesiastical Parish of St Mary, Hadlow’ or ‘St.Mary’s, Hadlow’ for short.

Each year, at the first meeting after the APCM, each member of the PCC signs a document to record their understanding of their responsibilities.

Charity law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and its financial activities for that period.

In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The PCC adopted this Report and Accounts on 21 March 2022.

Signed on behalf of the PCC

.....

Andrew Axon, Area Dean

INDEPENDENT EXAMINER'S REPORT TO THE PCC OF ST MARY'S CHURCH HADLOW FOR THE YEAR ENDED 31 DECEMBER 2021

This Report on the financial statements of The Parochial Church Council of the Ecclesiastical Parish of St.Mary, Hadlow (PCC of St.Mary's, Hadlow, charity number 1170577) for the year ended 31 December 2021, as set out on the following pages, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and S145 of the Charities Act 2011 ("the Act").

Respective Responsibilities of Trustees and Examiner

As the members of the PCC you are responsible for the preparation of the financial statements; you consider that the audit requirement of the Regulations and S145 of the Act does not apply. It is my responsibility to issue this Report on those financial statements in accordance with the terms of the Regulations.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission under S145 of the Act, and to be found in the Church guidance, 2006 edition. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the financial statements 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 I confirm that no material matters have come to my attention:

- i. which give me cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the Act; and
 - to prepare financial statements that accord with the accounting records and comply with the requirements of the Act and the Regulations,have not been met;

or

- ii. to which, in my opinion, attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

..... Dated: 2022

David Stephens BA, FCCA,
Chartered Certified Accountant
13 Newlands Road
Tunbridge Wells
Kent TN4 9AS

STATEMENT OF FINANCIAL ACTIVITIES, 1 JAN 2021 TO 31 DEC 2021

01-Jan-20 - 31-Dec-20		01-Jan-21 – 31-Dec-21			
All Funds	Notes	Activity	Unrestricted Funds	Restricted Funds	Total Funds
£		Incoming Resources	£	£	£
62,562	2.1	Voluntary Giving	70,281	-	70,281
13,328	2.2	Special Donations/Collections	678	6,067	6,745
2,364	2.3	Income from Church Activities	2,265	-	2,265
1,324	2.4	Net Income from Fund Raising Events	2,098	-	2,098
694	2.5	Income from Investments	225	1,020	1,245
1,435	2.6	Other Ordinary Income	128	-	128
40	2.7	Fees for Choir/Organist/Bells	740	-	740
-		Interregnum Income	137	-	137
81,747		Total Incoming resources	76,552	7,087	83,639
		Resources Expended			
3,318	3.1	Away Giving and Special Collections	-	4,374	4,374
105	3.2	Training Education and Support	76	-	76
54,987	3.3	Church Activities	51,482	-	51,482
8,504	3.4	Management and Admin	8,966	-	8,966
7,612	3.5	Church Repair and Maintenance	4,504	-	4,504
40	2.7	Fees paid to Choir/Organ/Bells	740	-	740
-		Interregnum Expenses	609	-	609
74,566		Total Resources Used	66,377	4,374	70,751
7,181	10/11	NET RESOURCES BEFORE TRANSFERS	10,175	2,713	12,888
-	10/11	Transfers between Funds	15,000	(15,000)	-
7,181		NET MOVEMENT IN FUNDS	25,175	(12,287)	12,888
39,549	10/11	Fund Balances B/Fwd 01 Jan 2021	15,267	31,463	46,730
46,730	12	FUND BALANCES C/FWD 31 DEC 2021	40,442	19,176	59,618

BALANCE SHEET AT 31 DECEMBER 2021

31-Dec-20			31-Dec-21	31-Dec-21	31-Dec-21
£	Note	ASSETS AND LIABILITIES	£	£	£
		Investments			
7,130	9	CBF Investment Fund			8,150
		CURRENT ASSETS			
		Debtors			
14,604	4	Debtors		16,904	
		Diocesan Church Repair Fund			
9,853	6	Church Repair Fund Savings Acc	13,077		
		Cash At Bank and In Hand			
759		General Current Account	2,490		
7,857		FWO Current Account	11,933		
1,053	8	Young People's Work Current A/C	1,593		
7,071	7	Capital Reserve Account	7,072		
-		Rochester Diocese Deposit A/C	-		
110		Petty Cash in Hand	110		
26,703		Total Cash at Bank and In Hand		36,275	
41,307		Total Current Assets		53,179	
		CURRENT LIABILITIES			
		Creditors Due Within One Year			
(1,707)	5	Sundry creditors		(1,711)	
39,600		NET CURRENT ASSETS/LIABILITIES			51,468
46,730		TOTAL ASSETS LESS CURRENT			59,618
		REPRESENTED BY FUNDS			
		10 Unrestricted Funds			
13,254		General Church Fund		22,672	
1,747		Young People's Work		2,280	
266		Church Repair Fund		15,490	
15,267		Total Unrestricted Funds			40,442
		11 Restricted Funds			
2,002		Away Giving (Restricted)		2,002	
235		Choir Fund		341	
7,130		Chancel Emergency Fund		8,150	
17,276		Church Improvements		2,276	
822		Beacon		822	
1,900		Kibakwe		1,900	
-		Young People's Work		-	
487		Delhi Brotherhood		1,325	
-		Anna Chaplaincy		500	
1,611		Food Bank		1,860	
31,463		Total Restricted Funds		19,176	
46,730		TOTAL FUNDS			59,618
		(See notes on following pages)			

The PCC approved these accounts on 21 March 2022.

Signed on behalf of the PCC

.....
Andrew Axon, Area Dean

.....
Martin Massy, Hon. Treasurer

Notes to the Accounts and the Accounting Policies for the year ended 31 December 2021

1. Accounting Policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Charities Act 2011.

The financial statements have been prepared under the historical cost convention, except for investment assets, which are shown at market value. All figures are stated in pounds sterling (£).

1.1 Funds

Unrestricted Funds represent the funds of the PCC that are not subject to any restrictions regarding their use. The General Fund is applied for the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

The purpose of restricted funds is as defined by the fund. All donations made to a fund must be used for the purposes of the fund.

The accounts include all transactions, assets and liabilities for which the PCC is liable in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

The Church Repair Fund (CRF) has been re-classified as a designated fund, previously restricted. The CRF had been incorrectly classified as a restricted fund; it was funded by regular annual contributions set aside by the PCC to meet the costs of Quinquennial repairs and therefore qualifies as a designated fund. Contributions were paid into an account held on our behalf by the Diocesan Board of Finance. £15,000 was transferred back to the CRF in 2021 from the Church Improvement Fund, reversing the transfer in the opposite direction that had been made in 2016.

1.2 Incoming Resources

Incoming resources are accounted for depending on their category as follows:

Voluntary Income and Capital Resources

Collections are recognised when received by the PCC.

Gift Aid receivable under planned giving arrangements is recognised when the income to which it relates is received.

Grants and legacies are accounted for as soon as the PCC is notified of its legal entitlement and the amount due.

Sales of books, magazines or any other items are accounted for gross.

Other Ordinary Income

Income from the letting of the Upper Room is recognised when the rental is due.

Income from Investments

Dividends and interest are accounted for when receivable.

Gains and Losses on Investments

Realised gains and losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

1.3 Resources Expended

Grants

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

Activities relating to the Work of the Church

The Parish Offer paid to the diocese of Rochester is accounted for when payable. Any share unpaid at 31 December is provided for as an operational (though not a legal) liability and as a creditor in the balance sheet.

1.4 Fixed Assets

Consecrated Land and Buildings and Moveable Church Furnishings

Consecrated and beneficed property is excluded from the Accounts by s.96(2)(a) of the Charities Act 1993. No value is placed on moveable Church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal as this is regarded by the PCC to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable Church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

1.5 Other Fixtures, Fittings and Equipment

Items with a purchase price of £2,000 or less are written off when the asset is acquired. Other equipment is depreciated on a straight-line basis over four years.

1.6 Investments

Investments are valued at market value at 31 December.

1.7 Current Assets

Amounts owing to the PCC at 31 December are shown as debtors, less reasonable provision for amounts that may be uncollectable. Short-term deposits include cash held with Diocesan Board of Finance, Church of England Funds or at the Bank.

2. Incoming Resources

2.1 Voluntary Income

Total unrestricted voluntary income is shown in the Table below, with comparative figures for 2020.

Unrestricted Voluntary Income	2020 (£)	2021 (£)
Cash Collections	2,146	1,644
Planned Giving	45,579	49,138
Gift Aid Recovered	12,321	11,341
Sundry Donations	1,807	7,547
YPW Fund Donations	540	540
Church Wall Boxes	169	71
TOTALS	62,562	70,281

2.2 Special Collections, Donations and Away Giving

Special collections and donations raised £4,254 for the Food Bank and for Away Giving to various charities and overseas projects by St Mary's, as shown below.

Special Collections/Donations	2020 (£)	2021 (£)
Children's Society	-	1,122
Delhi Brotherhood Society	1,141	1,440
Kibakwe Link	1,065	-
Food Bank	1,589	1,692
TOTALS	3,795	4,254

In addition, the collection on Remembrance Sunday was given in aid of the Royal British Legion (£207). We also received a £500 donation to kickstart the Anna Chaplaincy Fund (see Note 11 on p.19). The PCC was again unable to provide funds from general income in 2021 for grants to charities.

2.3 Income from Church activities

Total income from church activities was £2,265 in 2021, a slight drop compared with 2020. It includes income from events that are part of the Church's usual activities, but whose primary purpose is community outreach rather than fund-raising, such as Saturday Coffee. Gross receipts from the sale of, or contributions received towards, refreshments, and from Outreach events was £226 (cf £181 in 2020). Income from fees for weddings and funerals was £1,889 (£2,140 in 2020).

2.4 Fund-Raising Activities

Income from fund-raising activities is presented net of costs. As already noted, fund-raising events restarted in September, and raised £2,098.

2.5 Income from Investments

Income from investments includes the unrealised gain in the value of investments held in the Chancel Emergency Fund at 31 December 2021 (£1,020) and bank interest and dividends on deposits (£225).

2.6 Other Ordinary Income

Other sources of income comprised hire of the Upper Room (£128), down from £337 in 2020.

2.7 Fees for Choir, Organist, Bells and Verger

This category reflects fees that the church receives on behalf of, and then pays on to, those providing music, bells, etc at weddings, funerals and other special services.

2.8 Interregnum income

While St. Mary's is without a vicar, fees normally due to the Diocesan Board of Finance (DBF) for weddings and funerals are instead retained by the PCC and used to help offset additional costs incurred during the interregnum as described in section 3.3 below. Interregnum income in 2021 was £137.

3. Resources Expended

3.1 Away Giving

This category consists of grants made from money raised by special collections or events (restricted) and donations from general (unrestricted) funds. See also Note 2.2, Special Collections, Donations and Away Giving. Balances are given in Note 11 on p.19.

Away Giving	2020 (£)	2021 (£)
Children's Society	-	1,122
Delhi Brotherhood Society	2,694	1,597
Kibakwe Link	-	-
Food Bank	-	1,448
TOTALS	2,694	4,167

3.2 Training, Education and Support

£76 (£105 in 2020) was spent on educational resources.

3.3 Church Activities and Interregnum Expenses

The largest component of expenditure on church activities is the contribution to the diocese, the parish offer, at £41,100. Utilities (gas, electricity, water, wastewater) and insurance for the church cost £6,144, and vicarage expenses for water and council tax amounted to £3,200. General church and other expenses amounted to £888.

During the vacancy, the PCC is additionally responsible for vicarage maintenance, energy supply and telephone, and fees for visiting clergy. These interregnum expenses are met partly by fees from funerals and weddings that are normally paid to the DBF (see 2.8 Interregnum Income). If, as expected, the interregnum income is less than the additional expenses the difference is met from the General Fund. Interregnum expenses in 2021 amounted to £609.

3.4 Management and administration

Administration costs amounted to £8,966 as set out in the Table below. The Secretarial Honorarium is the salary paid to the Parish Administrator; the increase reflects increased hours, not an increase in the hourly rate. The Independent Examiner fee increased by the rate of inflation, running at 4.9%. The envelope scheme has been discontinued.

The Parish Administrator is the only employee. No pension schemes were involved (see Note 13 on p.19).

Management and administration	2020 (£)	2021 (£)
Printing, Stationery, Copier	3,779	4,194
Post/Phone/Fax	642	657
Secretarial Honorarium	3,260	3,350
Professional & Legal Fees	730	765
Gift Aid Envelopes	93	-
TOTALS	8,504	8,966

3.5 Church Repair and Maintenance

General repairs and maintenance are paid from General Funds. Church maintenance during 2021 includes maintenance of the organ, fire protection inspection, asbestos survey, repairs and cleaning of the Church roofs, gullies and gutters, etc. Total £4,504 compares with £7,612 for 2020, noting that the 2020 figure includes the cost of the chancel window repair (£5,784).

3.6 Trustees

No Trustee received remuneration as trustee. Trustees are reimbursed for expenses incurred on behalf of the PCC. Janice Massy, the wife of Martin Massy, who is a PCC member and Treasurer, received £3,350 for her role as Parish Administrator. Mrs.Massy was also elected to the PCC in October 2020; the Charity Commission has confirmed that because she was employed before becoming a trustee then the payment is not a benefit arising from the trusteeship. The PCC is aware of the conflict of interest, and neither Mr.Massy nor Mrs.Massy participates in her salary review. Mrs.Massy's hours worked, which are the basis for her remuneration, are approved in writing by the vicar, the Rev'd Paul White up to October, or, in the absence of an incumbent, by both churchwardens.

4. Debtors and Prepayments

Tax recoverable is Gift Aid. Donations are those received in 2021 but banked in 2022. Prepaid gas relates to credit with our gas supplier, EDF, and Prepaid insurance relates to a three-year warranty extension for the stairlift, which was installed at the end of 2019 – the warranty runs to the end of 2024.

	31-Dec-20 (£)	31-Dec-21 (£)
Tax recoverable	13,434	13,785
Donations	570	565
Prepaid Gas	-	1,954
Prepaid Insurance	600	600
TOTALS	14,604	16,904

5. Creditors

Creditors for general church expenses include £168 interregnum expenses, £765 for professional fee for the Independent Examiner and an estimated £400 for electrical works in December not yet invoiced. Statutory fees cover fees payable to the Diocesan Board of Finance for weddings and funerals.

	31-Dec-20 (£)	31-Dec-21 (£)
General Church Expenses	1,074	1,682
Statutory Fees	633	29
TOTALS	1,707	1,711

6. Church Repair Savings Account

This is a savings account with the Diocese, which is maintained to assist meeting the cost of repairs arising from a Quinquennial inspection. A transfer of £3,000 to the general account made at the beginning of 2020 to help with cash flow was transferred back at the end of 2021. Dividends and interest of £225 in this account were received in 2021 (£230 in 2020).

7. Capital Reserve Account

This is a savings account at NatWest bank for funds nominally intended to be used for major capital building projects. The balance on 31 December 2021 was £7,072.

8. Young People's Work (YPW) and Beacon Funds

The YPW fund is "designated"; the Beacon fund is "restricted", being designed to track expenditure from a Bishop's Fund for Mission grant received some years ago. The Beacon Fund was previously known as the Lighthouse 2 Project Fund. Regular specific monthly donations continue to be made to support work with Young People.

9. Trust Funds

The CBF Investment Fund – Income Shares

The only investment fund now remaining is the Chancel Emergency Fund (see note 11 below). The gain in value is shown in the Table below.

Fund Name	No. of shares	Value at 31 Dec 2020 (£)	Value at 31 Dec 2021 (£)	Gain/(Loss) (£)
Chancel Fund	348	7,130	8,150	1,020

The Chancel investment is a permanent endowment restricted fund which came about from section 31 of the Tithe Act 1936. The income from this trust is intended "to provide for insurance on the structure, to cover the cost of reinstatement if destroyed and to pay for repairs to the Chancel". Under certain conditions the PCC may spend the endowment as well as the income from it, but only for the purpose for which it was initially intended. The fund is included in the accounts at the current market value.

10. Summary of Unrestricted and Designated Funds

The Young People's and Church Repair funds are designated funds, which are unrestricted funds that the trustees have set aside for a particular purpose. Such funds can be undesignated or re-designated.

	General Church Fund (£)	Young People's Work (£)	Church Repair Fund (£)	Total (£)
Balance at 1 Jan 2021	13,254	1,747	266	15,267
Movements in Funds	9,418	533	224	10,175
Transfers	-	-	15,000	15,000
Balance at 31 Dec 2021	22,672	2,280	15,490	40,442

11. Summary of Restricted Funds

£1,329 outgoing resources for away-giving relates to £207 raised for the Royal British Legion and £1,122 for The Children's Society.

	Away Giving (Restricted) (£)	Beacon (£)	Choir Fund (£)	Church Improvement Fund (£)	Chancel Emergency Fund (£)	Delhi Brotherhood (£)	Kibakwe (£)	Food Bank (£)	Anna Chaplaincy (£)	Total (£)
Balance at 1 Jan 2021	2,002	822	235	17,276	7,130	487	1,900	1,611	-	31,463
Incoming Resources	1,329	-	106	-	-	2,435	-	1,697	500	6,067
Outgoing Resources	(1,329)	-	-	-	-	(1,597)	-	(1,448)	-	(4,374)
Increase/(Decrease) in value, investments	-	-	-	-	1,020	-	-	-	-	1,020
Transfer from/(to) Unrestricted Reserves	-	-	-	(15,000)	-	-	-	-	-	(15,000)
Transfers	-	-	-	-	-	-	-	-	-	-
Balance at 31 Dec 2021	2,002	822	341	2,276	8,150	1,325	1,900	1,860	500	19,176

12. Summary of Assets by Fund

Asset	Unrestricted and Designated Funds		Restricted Funds (£)	Total Funds (£)
Investments			-	8,150
Current Assets			42,153	11,026
Current Liabilities			(1,711)	(1,711)
Totals			40,442	19,176

13. Pension Act 2008

During the year 2018, the PCC complied with its responsibilities under the provisions of the Pension Act 2008 to inform its part-time employees (i.e. the Parish Administrator and the Choir Director at the time) of their right to ask to join a workplace pension scheme which, under the abovementioned statute, the PCC would be obliged (a) to facilitate if those employees so requested, and under certain circumstances (b) to contribute to the pension scheme on their behalf (this is now a legal obligation applying to all UK employers, even where the employer has only one employee). The basis under which the PCC is obliged to make this offer was explained to the PCC's employees in a detailed letter in September 2018. The Government's Pension Regulator was informed, as required under the Act, to confirm the PCC's compliance with the requirements of the Act.

The Parish Administrator has not opted to pursue this opportunity, and the above position remained unchanged in 2021. A statutory re-declaration of compliance with the Act, due every three years, was lodged with the Pensions Regulator in August 2020.

14. PCC as a 'going concern'

The basis of the PCC being a "going concern" is not in doubt. St Mary's is a thriving and innovative church supported by a larger than average electoral roll for the size of its community.

The church building is in a sound condition, and a 'Friends' organisation is planned to assist with capital projects.

15. Income and Expenditure Accounts

These are shown on the following pages for Unrestricted and Restricted Funds.

UNRESTRICTED FUNDS – INCOME

	2020		2021	
	£	£	£	£
INCOME FROM :				
VOLUNTARY GIVING				
Cash Collections	2,146		1,644	
Planned Giving	45,579		49,138	
Tax Reclaim	12,321		11,341	
Sundry Donations	1,807		7,547	
YPW Donations	540		540	
Wall Boxes	169		71	
Choir Fund Donations	-		-	
Tower Fund Collections	-	62,562	-	70,281
SPECIAL COLLECTIONS		7,635		678
CHURCH ACTIVITIES				
Outreach	181		226	
Funerals	833		1,579	
Weddings	1,307		310	
Other Fees	43	2,364	150	2,265
FUND RAISING		1,324		2,098
INVESTMENTS				
Bank Interest	235	235	225	225
OTHER INCOME				
Upper Room - Letting	337		128	
Sundries	1,098	1,435	-	128
CHOIR/ORGANIST/BELLS/VERGER		40		740
INTERREGNUM INCOME		-		137
TOTAL INCOME		75,595		76,552
TOTAL EXPENDITURE (from SOFA)		71,291		66,377
SURPLUS/(DEFICIT)		4,304		10,175
TRANSFERS TO/FROM:				
Restricted Funds		-		15,000
TOTAL SURPLUS/(DEFICIT)		4,304		25,175

UNRESTRICTED FUNDS – EXPENDITURE

	2020		2021	
	£	£	£	£
EXPENDITURE ON :				
AWAY GIVING				
Various Charities		150		-
TRAINING AND EDUCATION				
Sunday Clubs and Young People	-		76	
Adult	-		-	
Books and Resources	105	105	-	76
CHURCH ACTIVITIES				
Visiting Clergy	-		-	
Diocesan Offer	43,200		41,100	
YPW and Beacon	-		-	
Clergy Expenses	221		150	
Vicarage Expenses	3,468		3,200	
Sacristy	229		370	
Insurance	3,253		3,315	
Gas/Electric/Water	2,455		2,829	
Upper Room Expenses	-		44	
Choir Director/Organists	392		-	
Outreach & Social Events	-		60	
General Church Expenses	1,662	54,880	414	51,482
ADMINISTRATION				
Printing, Stationery, Copier	3,779		4,194	
Professional & Legal Fees	730		765	
Gift Aid Envelopes	93		-	
Post/Phone/Fax	642		657	
Secretarial Honorarium	3,260	8,504	3,350	8,966
MAINTENANCE				
Church General	6,804		3,732	
Organ/Piano	808	7,612	772	4,504
CHOIR/ORGANIST/BELLS/VERGER		40		740
INTERREGNUM EXPENSES		-		609
TOTAL EXPENDITURE		71,291		66,377

RESTRICTED FUNDS – INCOME & EXPENDITURE

	2020		2021	
	£	£	£	£
INCOME FROM :				
SPECIAL DONATIONS/COLLECTIONS				
Delhi Brotherhood	1,141		1,440	
Christian Aid	-		-	
Children's Society	-		1,122	
Kibakwe Link	1,065		-	
Food Bank	1,589		1,692	
Choir	-		106	
Anna Chaplaincy	-		500	
Church Improvements	1,000		-	
Others	898	5,693	1,207	6,067
FUND RAISING		-		-
INVESTMENT INCOME				
Chancel Fund	-	459	-	1,020
TOTAL INCOME		6,152		7,087
EXPENDITURE				
AWAY GIVING SPECIAL COLLECTIONS				
Christian Aid	-		-	
Children's Society	-		1,122	
Delhi Brotherhood	2,694		1,597	
Kibakwe Link	-		-	
Food Bank	-		1,448	
Other Special Collections	474	3,168	207	4,374
CHURCH ACTIVITIES				
Choir Books/Activities	-		-	
Church Improvements	-		-	
Other Activities	107	107	-	-
TOTAL EXPENDITURE		3,275		4,374
SURPLUS/(DEFICIT)		2,877		2,713
TRANSFERS TO/FROM:				
Church Repair Fund		-		(15,000)
TOTAL SURPLUS/(DEFICIT)		2,877		(12,287)

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