

**THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF ST MARY THE VIRGIN
LOUGHTON
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**BEEVER AND STRUTHERS
CHARTERED ACCOUNTANTS**

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY THE VIRGIN
LOUGHTON**

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**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY THE VIRGIN
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**PAROCHIAL CHURCH COUNCIL MEMBERS AND ADVISORS
FOR THE YEAR ENDING 31 DECEMBER 2020**

Incumbent and Chair of PCC	Revd Malcolm Macdonald
Curate	Revd Steve Opie
Hon Curate	Revd Hugh Taylor
Churchwardens	Paul Curry Julie Lee (appointed October 2020)
Assistant Churchwardens	Michael Smith Sylvia Williams (appointed October 2020)
Elected Members	Joanne Pover (resigned October 2020) Kate Matthews Richard Milne – Treasurer and Vice Chair David Dronsfield Samantha Clayfield Cherilee Ford Julie Huff Brenda Miller (appointed October 2020) Pauline Manning (appointed October 2020)
Co-opted Members	Amanda Hart – PCC Secretary
Representatives on the Deanery Synod	David Baker (resigned May 2020) Deborah Lake Carol Hartley Peter Blake Angie Blanche (resigned January 2021)
Contact Address	201 High Road Loughton Essex IG10 1BB
Independent Examiners	Beever and Struthers 15 Bunhill Row London EC1Y 8LP

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY THE VIRGIN
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REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2020

PCC Chairman's Report - 2020

Objectives

The objectives of the charity are promoting the mission of the church in the ecclesiastical parish.

Thank You St Mary's family

My heart is full of love and gratitude for our church family this past year. I have missed you all so much. It has been so hard not to see one another more often and in person. I really miss the buzz of our Sunday mornings and also weekdays. We are in different times now, and I mainly want to say thank you to you all for adapting, supporting, caring and helping out where possible. Well done for getting through this year. Well done for keeping going. We all experience this pandemic differently, but it has touched us all from the youngest to the oldest. So thank you to you all from my heart.

2020 Highlights & Reflections

As we started 2020, we had a clear vision. In my last report, I wrote, *"So much happens at St Mary's. Every day people are serving and there are opportunities to share Jesus. Café is buzzing, Little Lambs is full to the brim, people visiting Foodbank and Job Club, Life Groups coming and going. We are always setting up of something like a Hope Supper or clearing up from something like the Christmas Fayre. There is no way to capture a year in a short report."* No-one could have expected what was to happen in 2020. Everything changed!

Highlights from January to March 2020 included our vision evenings and ours plans to seek to plant a new 4pm congregation by May (which has been postponed). We also had a fantastic *Sharing Jesus* conference with John McGinley in February. Then we suddenly went into lockdown in mid-March and had to close church as we knew it. We went online and learned to adapt. We had to change and be creative in finding new ways to be a church in the midst of the Covid-19 pandemic. I think this was a very tough time for us all as a church. We held the scripture close to, "Be still and know that I am God." (Ps 46)

Let me begin with some encouragements and highlights, then move to reflect further on the challenges of 2020.

Highlights to give thanks for:

- **Communicating by Zoom** – we are so glad that we had technology so we could still meet virtually, talk and see one another in some way. This is something to be thankful for. We used zoom for coffee time after church, youth meetings, PCC, Standing Committee, prayer meetings, staff meetings and much more.
- **Church online** – we had to pivot to church online very quickly and with no real experience. We are so very grateful to all who logged on and took part. Thank you to everyone who has contributed and also to Martin Stanesby, who has edited the vast majority of our online output, including an amazing Carols with Candlelight. We are very grateful to Martin for week in, week out working on producing our Sunday content. We now have 188 YouTube subscribers (up 840% from February 2020) and have had over 18,000 hits on our YouTube content since that first Sunday in March over 112 videos. We have been online with services every Sunday since 22 March with Sunday, midweek services and other videos.
- **Revive Sundays** – We thought we might multiply an afternoon service in 2020, but in fact we created two new afternoon services and effectively planted online. We have always wanted to be as open as we can be during the pandemic. As a church, we want to be there for people in a safe way. Revive Sundays meant we adapted into four new congregations on Sundays. The highlight of this has been each week, having time to share and hear

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testimonies and people sharing freely what God has been doing in their lives.

- **Scattered church** – The church has been getting to know our neighbours more and joining What's App groups for streets, so there have been new opportunities to get to know people and share the gospel.
- **Pastoral calls** – we really wanted reach out to the whole church family and care for those most isolated or in need during the pandemic. In the first lockdown we recruited over 20 people to call the entire church each week. Since July 2020, we have had a smaller team concentrating on regularly calling those more vulnerable since. This is a ministry of listening to people, and much needed. Thank you to all who have been involved. This ministry still continues into 2021 and the clergy continue to try to call the entire church from time to time.
- **Food distribution** – Uppermost in our minds are those most deeply affect by the pandemic and damaging effects of lockdown. Throughout the whole pandemic since March, we have been involved in weekly distribution of food through Saved! Surplus food and Epping Forest Foodbank. Saved food has continued to be collected from supermarkets and given to those in need through Café Hope or collection. It was great to have the Hope Centre (Hope Hall) used during two lockdowns to enable Foodbank to continue and have good social distancing. The Hope Centre has been vital to help get food to those in need. We have also given lots of food to Norway House during the pandemic (accommodation of homeless families near Epping).
- **Church as a community prayer space** – As long as Café Hope has been open, the church has also been open for prayer to anyone in the community.
- **Café Hope takeaway** – Through different phases of the pandemic, Café Hope has adapted so well at every stage. We have tried to keep it open as much as possible, but twice have had to close completely. I especially want to pay tribute to Paola Rees and Peter Blake, who have kept Café Hope going during these months. It is so important as a place of support, love, prayer and belonging.
- **Loving our global neighbours** – As a result of a Tearfund appeal to help communities affected by Covid-19 in developing countries, Caroline Macdonald, Michelle Stanesby and the Kennelly family raised over £6,000 that went directly to Tearfund as they climbed thousands of steps going up and down the stairs. They got to the summit of Everest! A massive well done!
- **Ignite outreach** – The pandemic has presented real challenges delivering children's and youth ministry, but Michelle Stanesby and ignite team members led a fantastic Pumpkin Party as an alternative to Halloween. We welcomed 24 families with children, some of whom had never been to St Mary's before.
- **Releasing new callings** – Each year we seem to be sending new people to train for ordained ministry. In 2020, Debbie Lake was recommended for training for ordination.
- **Different Christmas** – During a normal Christmas period, we would hope to welcome between 1,500-2,000 people to our events and services throughout December. In 2020, we did manage to have some Christmas services, but were very restricted in what we could do. However, with the handwritten Christmas cards going to every home in the parish and our online services, we estimate we were able to reach well over 4,000 people at Christmas. The theme was 'There is always hope.' God is able to bring new opportunities for outreach.
- **Supportive leadership** – Throughout the pandemic, we consulted with both PCC and staff and created a group called the Coronavirus Support Review (CSR) which was a sounding board and place of accountability as decisions were made and plans changed with very little notice. I want to say thank you to the PCC and staff team, who were so supportive to me as Vicar throughout this difficult year. We have worked very well together.
- **Our amazing staff team** – This has been a tough year for our team, who have adapted many times to new rules, restrictions, circumstances and have completed multiple risk assessments and procedures to keep us as open and compliant as possible. Much of our staff team has been furloughed to varied extents during this year. It is tough when your ministry is swept away so quickly, to adapt and be creative so you can find a new way to

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serve, love and care for the church and community. Again, the team deserve our deepest gratitude and appreciation.

- **Call to repentance and prayer** – Just before the start of the pandemic, I had a picture of kneeling outside the church, facing the town, and lifting up hands in prayer. I believe that this time has led us to reflect again and then act on our need to repent and pray as a church and as a nation. This has been our core theme, as it was for the prophets in times of crisis. We must look to God alone for our salvation.
- **Preparing to renew** – Even as we begin to envision life after the peak of the crisis and although it will take time to recover, we know that as a church we cannot look backwards, but into something new. We need to be renewed in our discipleship, mission, passion and love. We need new wineskins for this next season. We need to learn to pray and depend on God as never before and to see Him at work.

Having considered with gratitude what we can give thanks for from 2020, it is also appropriate to reflect on the struggles and loss we have experienced. There is a right place for lament in this 2020 report:

- We sadly lost some of our church family during the pandemic. We honour their memory, grieve their loss and thank God for the time we had with them.
- We are also conscious that members of our church family also lost other members of their family, friends, colleagues and others to this pandemic. So many people are bereaved and are grieving. We weep with those who weep.
- We lost opportunities to meet, sing, lay hands on in prayer, receive Communion in both bread and wine, reach out in our normal ways, welcome people into Café Hope or other regular events such as Hope Supper and Lunch Clubs. We lost out on New Wine, Luminosity for our youth, Love Loughton and the Christmas Fayre.
- We missed being able to see one another in our homes for Life Groups and being able to enjoy the simplicity of singing at the top of our voices to worship the Lord together, hugging or even shaking hands and enjoying relaxed fellowship.
- We learned that when something gets planned, it usually has to be re-planned once or twice in the light of a new announcement that we are in Tier 3 or 4 or even in another lockdown! We have all needed to be able to adapt quickly to change.
- We have had to spend quite a lot of energy this year making the church Covid-secure and thinking through everything in new ways, consulting people and trying to do our best to ensure as safe an environment as possible. We have had to rethink almost everything. At times we have all felt powerless, frustrated, overwhelmed and a deep of loss and grief.
- In 2020, we also grieved over racial prejudice and resolved to learn to be more loving and inclusive of people from every ethnic background. We are all one body in Christ. We all have something to learn here and may St Mary's always be a church family that welcomes everyone as Jesus does.

It has been a deeply challenging year. We have done our best as a church family, and we are still going through it all as I write in January 2021. I saw three stages in this year:

1. **Response** – this was our initial crisis response to move everything online and adapt to closing down the church in March.
2. **Recover** – this was from May 2020, and has large elements that are still continuing now, as we are still in lockdown in January 2021. This phase was about us adapting and creating new opportunities such as Revive Sundays, to help us keep going and come together through the pandemic, and also to process our emotions, reflections and feelings.
3. **Renew** – this started in January 2021, and will continue now for some time, alongside recovery. This is where we set our sights on what is to come and how we will change, adapt and grow post-Covid crisis. My heart is that this will be built on repentance and prayer, as we come through this not with self-reliance, but God-reliance.

Before moving on, I want to say a very big well done to the whole church family. All of us have

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been deeply affected by events this year. Well done for your response of love, care and prayer. Thank you for continuing to support, join us online, give financially and help practically. Thank you so much to everyone. Well done!

Staffing & Leadership

The PCC, which has the responsibility, together with the Vicar, to promote the mission of the Church within the Parish, met eight times during the year. The Standing Committee met five times during the year as the executive of the PCC.

Ignite ministry is also led by a team of dedicated Advocates: Michael Smith (secondary ages), Sam Clayfield (pre-school ages) and Eleni Constantinou (primary ages). Many thanks to Carl Lee, who stepped down as an Advocate this year.

In terms of staffing it has been yet another year of change and blessing:

- Aaron Williams left his role of Administrator in the church office so he could focus on recovery and getting well. Much love to him and thank you.
- Mandy Chastell left the Café Hope Manager role she has held for many years. Mandy has been on the team in Café Hope for over 8 years now. She has been incredible and we will miss her so much from Café Hope. Thank you Mandy for your leadership and love of Café Hope over years.
- Paola Rees was appointed Interim Café Hope Manager, pending the new structure of Café Hope after the pandemic.
- Peter Blake and Phil Lowrie were both able to help in Café Hope on a casual basis, which was much appreciated.

There are also a few people to mention who are not technically on the staff team, but are really part of the team as far as I am concerned. They are doing phenomenal work on a daily basis. Heather Scholer took maternity leave from the Epping Forest Foodbank Manager and we look forward to her return in 2021 and Yvonne Merle and Delphine Kennedy have led Little Lambs nursery through the pandemic with such patience, care and love. Well done.

Public Benefit

The trustees confirm that they have complied with their duty under section 17 of the Charities Acts 2011 in respect of public benefit guidance published by the charity commission.

Policies for the recruitment, appointment, induction and training of new staff.

The following applies to appointments made by St Mary's PCC.

- Clergy appointments are made by the diocese and separate arrangements apply to these.
- The filling of other posts is decided by the PCC. Vacancies are advertised internally and, if appropriate, externally as well. A job description is used for each post and selection is made using application forms, references and an interview panel.
- The appointment decision rests with the panel. Appointments are normally subject to a trial period and DBS checks are undertaken as appropriate before appointment. Each employee has a formal statement of their principal terms and conditions of employment.
- Line managers conduct appraisals for all our staff each year.
- Induction is tailored to individual roles and needs. We have a budget for training and formal training is provided as necessary.

Financial Report for 2020

Even in 2020, God has been gracious to us in our church finances. I want to underline my thanks to the church family for continuing to give, even when the church is closed. As I am sure you will appreciate, even when closed, we have significant monthly expenses, and your generosity helps us keep going. It costs a lot to run St Mary's.

This year, we have had a number of factors that have drained our usual finances:

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- Loss of rental income
- Loss of ministry income, including Café Hope and Saved!
- Loss of Yellow Envelope income and resulting Gift Aid income.
- Loss of loose plate offering income
- A number of unexpected and expensive repairs to undertake on the building, which have cost quite a bit over the year.
- On the plus side, we were able to claim furlough for a number of staff as appropriate. Many thanks to Nicola Leach, who has processed these claims for us.

We are aware that we are always called to be generous and sacrificial in giving. We are glad to report that we have been able to meet our essential spending requirements and be generous. It is important to remember that as a church family we depend on the giving of God's people to sustain mission and ministry.

Giving to St Mary's was more than budgeted and expenses were less than predicted. We paid our Parish Share in full and during the year and were able to support St Michaels parish share with £10,000 which is included in our own parish share to the Diocese and allocated to them. We also supported a significant number of Mission Partners as well as helping people in need on a discretionary basis.

Once again, I would like to thank our finance team for 2020. Once again, they have all served voluntarily and with integrity and commitment. Many thanks to Richard Milne (Treasurer), Martin Huff (Finance Administrator) and Nicola Leach (Payroll & Furlough Administrator) for their outstanding quality of work in fulfilling their role of keeping St Mary's finances in good order. Thank you also to Zac Cook for overseeing Gift Aid and also a big thank you to Peter Blake and Zac Cook who oversaw Sunday offerings, while we met on Sundays.

Regular checks are made (by finance team, PCC and Standing Committee) on the spending against the budget and we are always seeking to take measures to reduce wastage.

The total income received in 2020 was £334,276, with expenditure being £389,917. These figures take into account a £65,233 depreciation value, an income generated by ignite of approximately £896, and a pending Gift Aid recovery of nearly £16,643. Our cash reserves on 31 December 2020 stood at £147,961.

We do encourage every member of St Mary's to give generously. We are grateful for the generosity of the church family and know we can be confident that God will provide.

Once again, thank you St Mary's for everything in this year we will never forget. You are amazing. Praise the Lord!

On behalf of the PCC of St. Mary the Virgin, Loughton

Revd Malcolm Macdonald (PCC Chair)

Malcolm Macdonald

17/3/2024

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY THE VIRGIN
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**STATEMENT OF THE PAROCHIAL CHURCH COUNCIL'S RESPONSIBILITIES
FOR PREPARATION OF THE FINANCIAL STATEMENTS**

The Parochial Church Council is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the church and of the incoming resources and application of resources of the church for that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the church will continue in operation.

The Council is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the church and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT EXAMINER'S REPORT TO THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF ST MARY THE VIRGIN LOUGHTON

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 9 to 23.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

15 Bunhill Row
London
EC1Y 8LP



Elizabeth Hatchman ACA
Beever and Struthers
Chartered Accountants

Date: 11 May 2021

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**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020					2019
	Note	Unrestricted funds £	Restricted Hope Centre £	Restricted Living Hope £	Restricted Church Hall £	Total £	Total £
Income and endowments from:							
Donations and legacies	2	267,333	-	-	-	267,333	269,651
Charitable activities	3	13,736	-	-	-	13,736	44,195
Investments	4	468	-	-	-	468	886
Other	5	44,739	-	8,000	-	52,739	42,056
Total income and endowments		326,276	-	8,000	-	334,276	356,788
Expenditure on:							
Raising funds	6	27,826	-	-	-	27,826	35,970
Charitable activities	6	296,184	25,398	-	34,869	356,451	380,083
Governance	7	5,640	-	-	-	5,640	5,464
Total expenditure		329,650	25,398	-	34,869	389,917	421,517
Net movement in funds		(3,374)	(25,398)	8,000	(34,869)	(55,641)	(64,729)
Reconciliation of funds:							
Total funds brought forward	16	220,659	990,894	-	1,318,450	2,530,003	2,594,732
Total funds carried forward	16	217,285	965,496	8,000	1,283,581	2,474,362	2,530,003

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

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**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	2,323,751	2,386,773
		<u>2,323,751</u>	<u>2,386,773</u>
Current assets			
Debtors	14	17,945	18,558
Cash at bank and in hand		147,961	138,269
		<u>165,906</u>	<u>156,827</u>
Creditors: amounts falling due within one year	15	(15,295)	(13,597)
Net current assets / (liabilities)		<u>150,611</u>	<u>143,230</u>
Total assets less current liabilities		<u>2,474,362</u>	<u>2,530,003</u>
Net assets / (liabilities)		<u>2,474,362</u>	<u>2,530,003</u>
Charity Funds			
Restricted funds	16	2,257,077	2,309,344
Unrestricted funds	16	217,285	220,659
Total charity funds / (deficit)	16	<u>2,474,362</u>	<u>2,530,003</u>

The financial statements were approved and authorised for issue by the Trustees on

Signed on behalf of the board of trustees:

Malcolm Macdonald

Name: Malcolm Macdonald

Role: PCC Chair

Date: 17/3/2021

Richard Milne

Name: Richard Milne

Role: PCC Treasurer

Date: 17/3/2021

The notes on pages 12 to 23 form part of these financial statements.

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**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Cash flow from operating activities	18	11,435	(8,166)
Interest paid		-	-
Net cash flow from operating activities		11,435	(8,166)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(2,211)	(32,720)
Interest received		468	886
Net cash flow from investing activities		(1,743)	(31,834)
Cash flow from financing activities			
		-	-
Net cash flow from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		9,692	(40,000)
Cash and cash equivalents at 1 January 2020		138,269	178,269
Cash and cash equivalents at 31 December 2020		147,961	138,269
Cash and cash equivalents consists of:			
Cash at bank and in hand		147,961	138,269
Short term deposits		-	-
Cash and cash equivalents at 31 December 2020		147,961	138,269

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention on an accruals basis. The financial statements have been prepared in accordance with the Charities Act 2011, Church Accounting Regulations 2006 together with the Financial Reporting Standard FRS 102 and the Charity Commission Statement of Recommended Practice: Charities SORP (FRS 102). The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 5 October 2018 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

Incoming resources

Giving and other voluntary income, rent, room hire and advertising income is recognised when it is receivable. Gift aid refunds were also shown on an accruals basis.

Funds raised through fetes and similar events are accounted for gross with associated expenses shown on the accounts.

Legacies

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Grants receivable

Revenue grants are credited to the income and expenditure account over the period to which they relate.

Outgoing resources (expenditure)

Expenditure is recognised when it is due (accruals basis) not when it is paid. Amounts are stated inclusive of VAT as the church is unable to recover this.

Tangible assets

- a) Consecrated and beneficed property is excluded from the accounts under Section 10 of the Charities Act 2011.
- b) No value needs to be placed on moveable church furnishings held by the Vicar and churchwardens on special trust for the PCC which requires a diocesan faculty for disposal.
- c) The Parish Centre building is held by the PCC as trustees for the Diocese of Chelmsford and the property is therefore not included as an asset of the PCC. Expenditure on repairs, renewals, maintenance and improvements for each building has been treated as revenue expenditure as incurred.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. PRINCIPAL ACCOUNTING POLICIES (*continued*)

- d) The new church hall has been constructed and has been capitalised as expenditure was incurred. The building will be depreciated at 2% per annum.
- e) Other equipment and assets used by the church has historically been charged to revenue expenditure as incurred rather than depreciated over its useful life. From 1 January 2006 expenditure above £5,000 on equipment and other assets will be capitalised and depreciated over its estimated useful life of five years.

Hope Centre

The Hope Centre has been constructed and has been capitalised as expenditure was incurred. The Hope Centre will be depreciated at 2% per annum and the equipment for the Hope Centre will be depreciated at 20% per annum.

Debtors

Amounts receivable (or paid in advance) at the end of the period are included in the accounts under debtors. These include invoiced service and prepaid expenditure.

Liabilities

Amounts payable at the end of the period are included in the accounts under amounts payable within or after one year as appropriate. This includes amounts due to suppliers and accrued expenditure (due but not invoiced).

Restricted and designated funds

Funds received for specific purposes are funds restricted for use for that purpose. The Parochial Church Council may designate part of the accumulated surplus for certain purposes. In either case those funds are shown separately in the accounts.

Parochial Church Council remuneration

During the year the church employed one full-time operations manager who was a member of the PCC. However remuneration was not received in respect of their capacity as PCC member or Representative, these costs are shown under staff costs in note 10. Otherwise no PCC members received any remuneration during the year.

Staff costs

The church employed a cleaner, a caretaker, an administrator and worship director, a part-time administrator, an operations manager, a cafe hope manager and two assistant managers, an overseer for the Living Hope Ministry and an administrator for Ignite Children's Ministry. The costs are shown in the accounts in note 11.

Clergy are paid by the Diocese and are not employees of the Parochial Church Council. Expenses incurred by the clergy on behalf of the church are reimbursed and shown in note 10 to the accounts.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY THE
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NOTES TO THE FINANCIAL STATEMENTS
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1. **PRINCIPAL ACCOUNTING POLICIES** (*continued*)

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Income is recognised when it is probable that it will be received at the best estimate available, e.g. Gift Aid recoverable based on donations received.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Tangible fixed assets. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Financial instruments

Financial instruments such as accounts payables, accounts receivables and cash are classified either as basic or complex. All financial instruments are initially measured at their fair values at the time the transactions occur. Subsequently all basic instruments are measured at amortised cost and all complex financial instruments are measured at a fair value through the comprehensive income.

Financial instruments held by the charity are classified as follows:

- Financial assets such as cash and receivables are classified as receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as payables are held at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS
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2 Income from donations and legacies

	2020 £	2019 £
Gifts (Gift Aid)		
Direct giving	177,541	187,183
Gift aid recovery	39,701	48,729
Hope Centre (restricted)	-	447
Gifts (Non Gift Aid)		
Direct giving	50,091	33,292
Direct giving – Hope Centre (restricted)	-	-
Direct giving – Living Hope (restricted)	-	-
Legacies	-	-
Food bank	-	-
	<u>267,333</u>	<u>269,651</u>

3 Income from charitable activities

	2020 £	2019 £
Rent and lettings	8,559	19,580
Away weekend	-	-
Other activities	-	795
Other functions	4,281	18,184
Other functions – Hope Centre (restricted)	-	-
Ignite	896	5,636
	<u>13,736</u>	<u>44,195</u>

4 Income from investments

	2020 £	2019 £
Bank interest and dividends	468	886
	<u>468</u>	<u>886</u>

5 Other income

	2020 £	2019 £
Church fees received	1,352	2,558
Coffee shop	14,856	39,498
Furlough grant income	27,981	-
Other	530	-
Hope Centre grant income (restricted)	-	-
Living Hope grant income (restricted)	8,000	-
Hope Centre counselling fund	20	-
	<u>52,739</u>	<u>42,056</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY THE VIRGIN LOUGHTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6 Analysis of resources expended

	Staff Costs	Other Direct Costs	Other Allocated Costs	Total 2020	Total 2019
	£	£	£	£	£
<u>Cost of generating funds</u>					
Coffee shop	22,284	5,024	-	27,308	35,970
Cost of functions	-	518	-	518	-
	22,284	5,542	-	27,826	35,970
<u>Charitable activities</u>					
Missionary & charitable work	-	13,000	-	13,000	13,960
Parish running cost	-	100,680	64,773	165,453	175,452
Church support cost	91,009	71,362	6,022	168,393	176,154
Youth work	8,992	613	-	9,605	14,517
	100,001	185,655	70,796	356,451	380,083
Total charitable activity before governance costs	122,284	191,197	70,796	384,277	416,053

7 Governance costs

	2020 £	2019 £
Trustee remuneration	-	-
Trustee expenses	15 3,000	3,111
Independent examiners remuneration (including expenses and benefits in kind)	14 2,640	2,353
	5,640	5,464

Trustees do not receive a remuneration as Trustees. They are reimbursed for incidental expenses.

8 Net income / (expenditure) for the year ending 31 December 2020

Net income / (expenditure) is stated after charging / (crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	65,233	64,790

9 Independent examiners remuneration

The independent examiners remuneration amounts to an independent examination fee of £2,200 (2019 - £1,961) excluding VAT.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10 Trustees' and key management personnel remuneration and expenses (continued)

The reimbursement of the expenses of trustees Malcolm Macdonald and Steve Opie was as follows:

	2020	2019
Number of Trustees	2	2
	<hr/> 2	<hr/> 2
	<hr/>	<hr/>
	2020 £	2019 £
Subsistence	3,000	3,111
	<hr/> 3,000	<hr/> 3,111
	<hr/>	<hr/>

11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year ending 31 December 2020 was as follows:

	2020 Number	2020 FTE	2019 Number	2019 FTE
Raising funds	2	2	2	2
Charitable activities	6	6	6	6
	<hr/> 8	<hr/> 8	<hr/> 8	<hr/> 8
	<hr/>	<hr/>	<hr/>	<hr/>

The total staff costs and employees benefit's was as follows:

	2020 £	2019 £
Wages and salaries	116,477	113,595
Social security	6,137	5,765
Pension	2,844	2,419
	<hr/> 125,458	<hr/> 121,779
	<hr/>	<hr/>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY THE
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**NOTES TO THE FINANCIAL STATEMENTS
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12 Staff costs and employee benefits

No employees received total employee benefits of more than £60,000.

13 Tangible fixed assets

	Church Hall £	Furniture and Equipment £	Church Organ £	Hope Centre £	Hope Centre Equipment £	Total £
Cost						
At 1 January 2020	1,743,381	85,267	22,115	1,062,936	20,694	2,934,393
Additions	-	2,211	-	-	-	2,211
At 31 December 2020	1,743,381	87,478	22,115	1,062,936	20,694	2,936,604
Depreciation:						
At 1 January 2020	416,568	73,067	7,371	42,336	8,278	547,620
Charge for the year	34,869	3,492	1,474	21,259	4,139	65,233
At 31 December 2020	451,437	76,559	8,845	63,595	12,417	612,853
Net book value:						
At 31 December 2020	1,291,944	10,919	13,270	999,341	8,277	2,323,751
At 31 December 2019	1,326,813	12,200	14,744	1,020,600	12,416	2,386,773

14 Debtors

	2020 £	2019 £
Gift aid recoverable – St Mary's	16,643	17,128
Gift aid recoverable – Hope Centre	-	-
Hope Centre pledges receivable	-	-
Prepayments	1,302	1,430
	17,945	18,558

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	15,295	13,597
Hope Centre suppliers (restricted)	-	-
	15,295	13,597

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16 Fund reconciliation

Unrestricted funds

	Balance at 31 December 2019 £	Income £	Expenditure £	Transfer £	Balance at 31 December 2020 £
Unrestricted	220,659	326,276	(329,650)	-	217,285
Total	220,659	326,276	(329,650)	-	217,285

Restricted funds

	Balance at 31 December 2019 £	Income £	Expenditure £	Transfer £	Balance at 31 December 2020 £
Hope Centre	990,894	-	(25,398)*	-	965,496
Living Hope	-	8,000	-	-	8,000
Church Building	1,318,450	-	(34,869)**	-	1,283,581
Total Restricted Funds	2,309,344	8,000	(60,267)	-	2,257,077

*Depreciation on the Hope Centre

**Depreciation on the church hall

Fund descriptions

a) Unrestricted funds

Funds to be used in the ordinary course of the business of the charity

b) Restricted funds

Funds received for specific purposes are funds restricted for use for that purpose. The church building fund represents the value of the building and its fixtures and fittings. The Hope Centre fund represents income and expenditure relating to the ongoing works to the Hope Centre. The Parochial Church Council may designate part of the accumulated surplus for certain purposes.

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**NOTES TO THE FINANCIAL STATEMENTS
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17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	24,189	2,299,562	2,323,751
Cash and current investments	147,961	-	147,961
Other current assets / liabilities	(7,132)	9,782	2,650
Total	165,018	2,309,344	2,474,362

18 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income / (expenditure) for year / period	(55,641)	(64,729)
Interest receivable	(468)	(886)
Depreciation and impairment of tangible fixed assets	65,233	64,790
(Increase) / decrease in debtors	613	11,345
Increase / (decrease) in creditors	1,698	(18,686)
Net cash flow from operating activities	11,435	(8,166)

19 Related party transactions

Related parties to be disclosed under Charity SORP 2019 are the relationships between: the Chairman Malcolm Macdonald and overseer of the Living Hope Ministry Caroline Jane Macdonald, the Administrator Martin Huff and PCC Member Julie Huff.

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**NOTES TO THE FINANCIAL STATEMENTS
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19 Related party transactions (continued)

Information about related party transactions and outstanding balances is outlined below:

	Income £	Expenditure £	Outstanding balances £	Commitments £
Michael Smith a trustee is a director of Epping Paving & Building Supplies Ltd				
At end date 2020	-	937	-	-
At end date 2019	-	1,314	-	-
Sharon Milne, spouse of Treasurer and Vice Chair Richard Milne, provided Counselling Services				
At end date 2020	-	195	-	-
At end date 2019	-	240	-	-

The following employees are also trustees or Representatives on the Deanery Synod. The trustees are satisfied that all salaries are either at or below market rate for similar roles in the area.

Name	Position	Gross pay £	Employer Pension £
Amanda Hart	Operations Manager and PCC Secretary	26,997	623
Peter Blake	Temporary Café Hope Assistant	1,787	-
Total		28,784	623

The following employees are related parties via family connections to either the trustees or key management personnel. The trustees are satisfied that all salaries are either at or below market rate for similar roles in the area.

Name	Relationship	Gross pay £	Employer Pension £
Caroline Jane Macdonald	Spouse of Chairman Malcolm Macdonald	10,875	140
Martin Huff	Spouse of PCC Member Julie Huff	22,297	-
Total		33,172	140

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**NOTES TO THE FINANCIAL STATEMENTS
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20 Capital and Major Repairs Commitments

	2020 £	2019 £
Contracted but not invoiced	-	-
Authorised but not contracted for	-	-
	<u>-</u>	<u>-</u>

21 Financial Instruments

The Charity's financial instruments may be analysed as follows:

Financial Assets

	2020 £	2019 £
Financial Assets Measured at Cost		
Cash and Cash Equivalents	147,961	138,269
Financial Assets Measured at Amortised Cost		
Other Debtors	17,945	18,557
Total Financial Assets	<u>165,906</u>	<u>156,826</u>

Financial Liabilities

Financial Liabilities Measured at Amortised Cost

Trade Creditors	-	-
Other Creditors	15,295	13,597
Total Financial Liabilities	<u>15,295</u>	<u>13,597</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY THE
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22. 2019 Statement of Financial Activities

	Unrestricted funds £	Restricted Hope Centre £	Restricted Church Hall £	Total £
Income and endowments from:				
Donations and legacies	269,204	447	-	269,651
Charitable activities	44,195	-	-	44,195
Investments	886	-	-	886
Other	42,056	-	-	42,056
Total income and endowments	356,341	447	-	356,788
Expenditure on:				
Raising funds	35,970	-	-	35,970
Charitable activities	322,434	22,781	34,868	380,083
Governance	5,464	-	-	5,464
Total expenditure	363,868	22,781	34,868	421,517
Net movement in funds	(7,527)	(22,334)	(34,868)	(64,729)
Reconciliation of funds:				
Total funds brought forward	228,186	1,013,228	1,353,318	2,594,732
Total funds carried forward	220,659	990,894	1,318,450	2,530,003