

**THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF ST MARY THE VIRGIN
LOUGHTON
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 2021

Incumbent and Chair of PCC	Revd Malcolm Macdonald
Curate	Revd Steve Opie (resigned August 2021)
Hon Curate	Revd Hugh Taylor
Churchwardens	Paul Curry Sylvia Williams (appointed May 2021, resigned as Assistant Churchwarden May 2021)
Assistant Churchwardens	Michael Smith Julie Lee (appointed May 2021, resigned as Churchwarden May 2021)
Elected Members	Kate Matthews (resigned May 2021) Richard Milne – Treasurer and Vice Chair David Dronsfield Samantha Clayfield Cherilee Ford Julie Huff Brenda Miller Pauline Manning Natasha Poraj (appointed May 2021) Jonathan Brown (appointed May 2021)
Co-opted Members	Amanda Hart – PCC Secretary
Representatives on the Deanery Synod	Deborah Lake Carol Hartley Peter Blake Angie Blanche (resigned January 2021) Sylvia Lambden (appointed May 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 2021

PCC Chairman's Report - 2021

Objectives

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

Well done St Mary's family

We made it through 2021! Honestly, well done to the whole church family for persevering through what was at times a difficult year of ups and downs. I believe we have come through stronger in faith, hope and love. There is no doubt that the past two years have changed us in a good way. I believe we are more united, more hungry for God and because we know we are also at our weakest in some ways, we know how much we need God to move. When the darkness is darkest, the light of Jesus shines brightest!

2021 Reflections

This was a year that looked towards renewal and emerging from the pandemic, but we also needed perseverance as we felt things were not over yet and there was a sense of fatigue, grief and loss that was still clear. So it was a year of mixed emotions. At the beginning of the year, we were still in lockdown. This gradually eased leading up to much more freedom in July. However, new variants continued to impact life and navigating changes and restrictions has become part of people's lives over two years now.

It has also been clear that there has been an impact from Covid. Our Sunday's attendance has been 30% down from 2019. Our regular giving has declined, mainly due to the numbers who have passed away or moved away. Our volunteer teams have been down by up to a third and our staff capacity also reduced due to illness.

However, there have also been some real encouragements in 2021. We have seen new people join St Mary's. God has provided financially in various ways, not least a wonderful response to our Renew Gift Days. We have sensed a new freedom in Sunday services in worship and sharing. New people have stepped in to serve. There is a fresh sense of vision and anticipation for 2022.

Highlights to give thanks for:

- **Renew** – At the beginning of 2021, we focussed on Isaiah 40:3, "In the wilderness, prepare the way for the Lord." We encouraged people in spiritual renewal and also to connect with one another and rest. People have felt tired from 2020 and needed fresh hope in 2021.
- **Kingdom Come** – We have also called the church to prayer again in 2021. We now have a new prayer meeting every fortnight on a mid-week evening. Sometimes we have met on Zoom and mostly in person. This has been better attended than previous prayer gatherings and very encouraging.
- **Renew Gift Days** – In the summer we asked the church to give into 7 areas to help our recovery. We aimed at £40,000 and received approximately £45,000. This was such a sign of generosity and God's goodness. The seven areas were revitalising Café Hope, online mission, investing in ignite, resourcing prayer, remembering our story, improving the experience of church and also upgrading the buildings. The delivery of these areas was limited due to unexpectedly reduced staff capacity, but we are committed to delivering as soon as possible in every area as promised and have been grateful for the generosity in giving.

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- **Helping people reflect and remember** – This has been a year of reflection and remembering. We held a special service in July on Freedom Day, helping people process and reflect on the past 18 months of pandemic. We also held a memorial service for HRH The Duke of Edinburgh and other memorial services for those who have died during these times. Some of these had been delayed due to the pandemic.
- **Church online** – in the first months of the year we relied again on online church for Sundays. We are very grateful to Martin Stanesby and Matt Ayers for their help with this. We made the decision in the Spring to move to teaching only content. This is because of our capacity in terms of volunteers and equipment needed. Plus, we know that there are a wide variety of worship resources available online and we don't really need to keep broadcasting entire services. We now have 215 YouTube subscribers (up 840% from February 2020) and have had around 13,000 hits on our YouTube content in 2021.
- **Revive Sundays** – We continued using this model of church at 9am, 11am and 5pm from March until August in 2021. This has been a helpful model of church, which allowed for us to meet the Covid requirements and also to be able to worship together. It was only in July that we were also able to reintroduce sung worship back into our services, which has been wonderful. We have also continued to seek to make space for the Holy Spirit and listen to one another. We even had a few open-air services, which were fantastic. In terms of Sundays, I also want pay tribute to the amazing worship team we have. This team also reduced due to the pandemic. They have done so well in rebuilding through 2021.
- **Food distribution** – We have continued this year to have a real ministry through Saved surplus food, Epping Forest Foodbank and also regular food deliveries to Norway House in Epping, which is accommodation for homeless families.
- **Café Hope recovery** – Café Hope has adapted so well at every stage of the pandemic and has been vital to many people in terms of connecting. We have tried to keep it open as much as possible, but twice have sadly had to close completely due to legal restrictions. I especially want to pay tribute to Paola Rees, Phyllis Pritchard and Peter Blake, who have kept Café Hope going during these times. It is so important as a place of support, love, prayer and belonging. In July, we said goodbye to Paola in her role as Acting Café Manager and recruited Brooke Smith as Café Hope Coordinator and Jeff Potter as Café Hope Missioner. Both are part time and have been an amazing team to take Café Hope into its post-pandemic recovery phase. We really wanted to step up our offering to get back to where we had been in terms of our missional and community impact. Café Hope is now back to its normal opening hours and also regained a 5-star rating from the Food Standards Agency. We are excited to see what is next in 2022.
- **New Mission Partners & Global Missions Coordinator** – PCC approved Evangelical Alliance and International Justice Mission as two new mission partners in 2021. They will both receive financial support from St Mary's. Having said goodbye to Carolyn Bluck who moved to Dorset who was a fantastic advocate for missions in St Mary's, we were delighted to appoint Susan Brown to the role of Global Missions Coordinator (voluntary). Susan has a real heart for mission and also revival.
- **New website & ChurchSuite** – We were pleased to launch a new website this year, which is easier to use, simpler, less cluttered and focussed mainly on people outside church, rather than church members. We also launched ChurchSuite, which helps manage our database and rota management systems in a GDPR compliant way. This remains a work in progress, but has been helpful in our administration.
- **Pastoral calls** – We continued in the early part of 2021 with regular pastoral calls to those most affected by lockdown. We sought to identify people who would be most isolated and call them. This eased gradually and stopped following the easing of restrictions in July. Thank you to everyone who has helped with this important ministry throughout the pandemic.

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- **Ignite children & youth** – The pandemic has presented real challenges delivering children's and youth ministry, but Michelle Stanesby, the ignite Advocates and ignite team members have done an amazing job at re-engaging our children and youth in 2021 as we emerged from lockdown. We reorganised so we could deliver ignite on Sundays again on a weekly basis. We started by offering ignite fortnightly and building the team back again, which had reduced. During 2021, we renewed weekly ignite ministry using four, rather than six, groups on Sundays. Also, the mid-week youth ministry was combined from two groups into one group called Fusion. We also ran the Raising Faith Course for parents, and will do so again in 2022.
 - **Releasing new callings** – Each year we seem to be sending new people to train for ordained ministry. In 2021, Debbie Lake started on placement at St Mary's as an ordinand.
 - **New Wine** – We hosted United Breaks Out online this year and it was good to find ways to do this in a way that brought new people to experience New Wine.
 - **Life Groups and Connect events** – 2021 was another challenging year for Life Groups. Many have met as best they can either on zoom or in person. It has not been easy. I want to thank all the Life Group Leaders who have been very faithful in connecting people, pastoral care and loving people through the past few years. Life Groups are the heart-beat of St Mary's. We arranged a series of small-scale events in the summer to help people reconnect, build back friendships and have fun together. These were all small, but very good.
 - **Quieter Christmas** – Due to continued anxiety of the new Omicron covid variant, and also our staff capacity reductions, our Christmas plans were reduced, but in a way that meant we could still celebrate and engage in mission. Highlights included our first ever YouTube Christmas production that covered the whole of Christmas, 'The Best Christmas', which was viewed over 350 times. We also changed the larger Christmas Fayer into a smaller Christmas Café, which was well received. We still held all the events we did in previous years, but with a smaller feel. Our main services were ticketed online, which was helpful in terms of expectations. But, due to Covid, around 40% of those bookings did not come. We still felt every service was well attended and the gospel was shared and received.
 - **New mission opportunities** – Living Hope has adapted so much during the pandemic. One such adaption has been the new Cook Project. Working with the Cook shop on the High Road, Living Hope volunteers have been visiting and delivering over 20 meals a week to vulnerable people. Other opportunities have included working with ASDA and Epping Forest Foodbank to make up over 100 food parcels at Christmas for those in need. These are only two of a number of such new opportunities that have happened in 2021. Other Living Hope ministry has been adapted including a Coffee Morning in Café Hope, which seeks to minister to the elderly. This was adapted from the lunch club which met pre-pandemic.
- Our amazing staff team** – This has been another 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. A number of the team have also faced ill health this year. Sometimes this has meant extended time off work and ministry. As a team we love one another and when one part suffers, we all suffer. I want to pay tribute to our wonderful staff team, who all do everything they can to serve others. It is a genuine privilege to lead and serve alongside them.

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.

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

- Paola Rees left the interim Café Hope Manager role she has held during the height of the pandemic. Paola showed great patience and grace in her flexibility as she led Café through various incarnations during the pandemic.
- Brooke Smith (Café Hope Coordinator) and Jeff Potter (Café Hope Missioner) were appointed at the same time to lead Café Hope. We have been thrilled by their impact and new leadership. Peter Blake and Phil Lowrie were both able to help in Café Hope on a casual basis, which was much appreciated.
- Paola Rees, later in 2021, was appointed Living Hope Assistant. This role is funded by the Charles French Trust and is for one year, to help with Living Hope ministry.
- Steve Opie was appointed Curate-in-charge of St Mary's Leyton in August 2021. This meant Steve moving on from St Mary's after only two years as Curate, most of which had been during the pandemic. We miss Steve and are very grateful to him for all the amazing work he did from 2019-2021 as our Curate.

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 has stepped down from her leadership of Epping Forest Foodbank. I want to thank Heather for the huge amount she did over the years as founder and leader of the Foodbank.
- Yvonne Merle and Delphine Kennedy have led Little Lambs nursery through the pandemic with such patience, care and love. Well done.
- Ken Bartells and Diana Dodds play the organ each Sunday at the 8:45am, which is very much appreciated.

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 2021

Again in 2021, God has been good to us in our church finances. I want to underline my thanks to the church family for continuing to give. 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.

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

- Some reduction of regular Standing Order income.
- Decrease of Gift Aid, due to reduced Standing Orders.
- Loss of rental income
- Loss of ministry income, including Café Hope and Saved!
- Loss of Yellow Envelope income and resulting Gift Aid income.

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- Loss of loose plate offering income
- Increased costs of utilities, as everyone has experienced.
- 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 were also blessed by the Renew Gift Day and a legacy from the estate of Elna Green.

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.

Income received to St Mary's was more than budgeted mainly due to the Renew Gift Days and furlough income. 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 2021. Once again, they have all served with integrity and commitment and most are volunteers. 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.

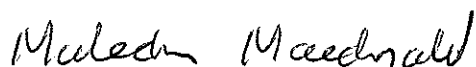
Regular checks are made (by finance team, PCC and Standing Committee) on the spending against the budget and we are always seeking to take measures to reduce wastage.

The total income received in 2021 was £359,488, with expenditure being £401,552. These figures take into account a £65,232 depreciation value, and income generated by ignite of approximately £567, and a pending Gift Aid recovery of nearly £2,419. Our cash reserves on 31 December 2021 stood at £175,508.

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)

**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 2021 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

Adam Thom FCA
Beever and Struthers
Chartered Accountants

Date: 23/3/22

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARY THE VIRGIN
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**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021					2020
	Note	Unrestricted funds £	Restricted Hope Centre £	Restricted Living Hope £	Restricted Church Hall £	Total £	Total £
Income and endowments from:							
Donations and legacies	2	300,654	-	-	-	300,654	267,333
Charitable activities	3	18,552	-	-	-	18,552	13,736
Investments	4	64	-	-	-	64	468
Other	5	40,218	-	-	-	40,218	52,739
Total income and endowments		359,488	-	-	-	359,488	334,276
Expenditure on:							
Raising funds	6	27,769	-	-	-	27,769	27,826
Charitable activities	6	306,462	25,398	1,495	34,868	368,223	356,451
Governance	7	5,560	-	-	-	5,560	5,640
Total expenditure		339,791	25,398	1,495	34,868	401,552	389,917
Net movement in funds		19,697	(25,398)	(1,495)	(34,868)	(42,064)	(55,641)
Reconciliation of funds:							
Total funds brought forward	16	217,285	965,496	8,000	1,283,581	2,474,362	2,530,003
Total funds carried forward	16	236,982	940,098	6,505	1,248,713	2,432,298	2,474,362

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 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	2,258,519	2,323,751
		<u>2,258,519</u>	<u>2,323,751</u>
Current assets			
Debtors	14	7,304	17,945
Cash at bank and in hand		175,508	147,961
		<u>182,812</u>	<u>165,906</u>
Creditors: amounts falling due within one year	15	(9,033)	(15,295)
Net current assets / (liabilities)		<u>173,779</u>	<u>150,611</u>
Total assets less current liabilities		<u>2,432,298</u>	<u>2,474,362</u>
Net assets / (liabilities)		<u>2,432,298</u>	<u>2,474,362</u>
Charity Funds			
Restricted funds	16	2,195,316	2,257,077
Unrestricted funds	16	236,982	217,285
Total charity funds / (deficit)	16	<u>2,432,298</u>	<u>2,474,362</u>

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

Signed on behalf of the board of trustees:

Malcolm Macdonald

[Signature]

Name: Malcolm Macdonald

Name: Richard Milne

Role: PCC Chair

Role: PCC Treasurer

Date: 16/3/2022

Date: 16/3/2022

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 2021**

	Note	2021 £	2020 £
Cash flow from operating activities	18	27,483	11,435
Interest paid		-	-
Net cash flow from operating activities		27,483	11,435
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(2,211)
Interest received		64	468
Net cash flow from investing activities		64	(1,743)
Cash flow from financing activities			
		-	-
Net cash flow from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		27,547	9,692
Cash and cash equivalents at 1 January 2021		147,961	138,269
Cash and cash equivalents at 31 December 2021		175,508	147,961
Cash and cash equivalents consists of:			
Cash at bank and in hand		175,508	147,961
Short term deposits		-	-
Cash and cash equivalents at 31 December 2021		175,508	147,961

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021**

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, an Operations Manager, a Café Hope Co-ordinator, a Café Hope Missioner, a Living Hope Co-ordinator, a Living Hope Assistant 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
VIRGIN LOUGHTON

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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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2 Income from donations and legacies

	2021 £	2020 £
Gifts (Gift Aid)		
Direct giving	157,606	177,541
Gift aid recovery	46,236	39,701
Gifts (Non Gift Aid)		
Direct giving	88,765	50,091
Legacies	8,047	-
	<u>300,654</u>	<u>267,333</u>

3 Income from charitable activities

	2021 £	2020 £
Rent and lettings	12,652	8,559
Away weekend	150	-
Other activities	210	-
Other functions	4,973	4,281
Ignite	567	896
	<u>18,552</u>	<u>13,736</u>

4 Income from investments

	2021 £	2020 £
Bank interest and dividends	64	468
	<u>64</u>	<u>468</u>

5 Other income

	2021 £	2020 £
Church fees received	2,746	1,352
Coffee shop	16,220	14,856
Furlough grant income	20,502	27,981
Other	-	530
Living Hope grant income (restricted)	-	8,000
Hope Centre counselling fund	-	20
Grant received	750	-
	<u>40,218</u>	<u>52,739</u>

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6 Analysis of resources expended

	Staff Costs	Other Direct Costs	Other Allocated Costs	Total 2021	Total 2020
	£	£	£	£	£
<u>Cost of generating funds</u>					
Coffee shop	14,525	13,244	-	27,769	27,308
Cost of functions	-	-	-	-	518
	14,525	13,244	-	27,769	27,826
<u>Charitable activities</u>					
Missionary & charitable work	-	16,024	-	16,024	13,000
Parish running cost	-	101,069	62,795	163,864	165,453
Church support cost	96,720	79,717	653	177,090	168,393
Youth work	9,231	2,014	-	11,245	9,605
	105,951	198,824	63,448	368,223	356,451
Total charitable activity before governance costs	120,476	212,068	63,448	395,992	384,277

7 Governance costs

		2021 £	2020 £
Trustee remuneration		-	-
Trustee expenses	10	2,800	3,000
Independent examiners remuneration (including expenses and benefits in kind)	9	2,760	2,640
		5,560	5,640

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

8 Net income / (expenditure) for the year ending 31 December 2021

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

	2021 £	2020 £
Depreciation of tangible fixed assets	65,232	65,233

9 Independent examiners remuneration

The independent examiners remuneration amounts to an independent examination fee of £2,300 (2020 - £2,200) excluding VAT.

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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:

	2021	2020
Number of Trustees	2	2
	<hr/> 2	<hr/> 2
	<hr/>	<hr/>
	2021 £	2020 £
Subsistence	2,800	3,000
	<hr/> 2,800	<hr/> 3,000
	<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 2021 was as follows:

	2021 Number	2021 FTE	2020 Number	2020 FTE
Raising funds	2	2	2	2
Charitable activities	5	5	6	6
	<hr/> 7	<hr/> 7	<hr/> 8	<hr/> 8
	<hr/>	<hr/>	<hr/>	<hr/>

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

	2021 £	2020 £
Wages and salaries	110,671	113,303
Social security	6,718	6,137
Pension	3,087	2,844
	<hr/> 120,476	<hr/> 122,284
	<hr/>	<hr/>

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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 2021	1,743,381	87,478	22,115	1,062,936	20,694	2,936,604
Additions	-	-	-	-	-	-
At 31 December 2021	1,743,381	87,478	22,115	1,062,936	20,694	2,936,604
Depreciation:						
At 1 January 2021	451,437	76,559	8,845	63,595	12,417	612,853
Charge for the year	34,868	3,492	1,474	21,259	4,139	65,232
At 31 December 2021	486,305	80,051	10,319	84,854	16,556	678,085
Net book value:						
At 31 December 2021	1,257,076	7,427	11,796	978,082	4,138	2,258,519
At 31 December 2020	1,291,944	10,919	13,270	999,341	8,277	2,323,751

14 Debtors

	2021 £	2020 £
Gift aid recoverable – St Mary's	2,419	16,643
Prepayments	4,885	1,302
	7,304	17,945

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	9,033	15,295
	9,033	15,295

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16 Fund reconciliation

Unrestricted funds

	Balance at 31 December 2020 £	Income £	Expenditure £	Transfer £	Balance at 31 December 2021 £
Unrestricted	217,285	359,488	(339,791)	-	236,982
Total	217,285	359,488	(339,791)	-	236,982

Restricted funds

	Balance at 31 December 2020 £	Income £	Expenditure £	Transfer £	Balance at 31 December 2021 £
Hope Centre	965,496	-	(25,398)*	-	940,098
Living Hope	8,000	-	(1,495)	-	6,505
Church Building	1,283,581	-	(34,868)**	-	1,248,713
Total Restricted Funds	2,257,077	-	(61,761)	-	2,195,316

*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 restricted fund was established to represent the income and expenditure relating to works to the Hope Centre which have now been completed, Hope Centre depreciation is charged through this fund. The Living Hope fund represents grant received for the specific purpose of meeting the costs of the Living Hope Project. The Parochial Church Council may designate part of the accumulated surplus for certain purposes.

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17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	19,223	2,239,296	2,258,519
Cash and current investments	175,508	-	175,508
Other current assets / liabilities	42,251	(43,980)	(1,729)
Total	236,982	2,195,316	2,432,298

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

	2021 £	2020 £
Net income / (expenditure) for year / period	(42,064)	(55,641)
Interest receivable	(64)	(468)
Depreciation and impairment of tangible fixed assets	65,232	65,233
(Increase) / decrease in debtors	10,641	613
Increase / (decrease) in creditors	(6,262)	1,698
Net cash flow from operating activities	27,483	11,435

19 Related party transactions

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

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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 2021	-	534	-	-
At end date 2020	-	937	-	-
Sharon Milne, spouse of Treasurer and Vice Chair Richard Milne, provided Counselling Services				
At end date 2021	-	480	-	-
At end date 2020	-	195	-	-

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	27,673	643
Total		27,673	643

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	11,148	147
Martin Huff	Spouse of PCC Member Julie Huff	23,114	-
Total		34,262	147

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20 Capital and Major Repairs Commitments

	2021	2020
	£	£
Contracted but not invoiced	-	-
Authorised but not contracted for	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

21 Financial Instruments

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

Financial Assets

	2021	2020
	£	£
Financial Assets Measured at Cost		
Cash and Cash Equivalents	175,508	147,961
Financial Assets Measured at Amortised Cost		
Other Debtors	7,304	17,945
Total Financial Assets	<u>182,812</u>	<u>165,906</u>

Financial Liabilities

Financial Liabilities Measured at Amortised Cost

Trade Creditors	-	-
Other Creditors	9,033	15,295
Total Financial Liabilities	<u>9,033</u>	<u>15,295</u>

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22. 2020 Statement of Financial Activities

	Unrestricted funds £	Restricted Hope Centre £	Restricted Living Hope	Restricted Church Hall £	Total £
Income and endowments from:					
Donations and legacies	267,333	-	-	-	267,333
Charitable activities	13,736	-	-	-	13,736
Investments	468	-	-	-	468
Other	44,739	-	8,000	-	52,739
Total income and endowments	326,276	-	8,000	-	334,276
Expenditure on:					
Raising funds	27,826	-	-	-	27,826
Charitable activities	296,184	25,398	-	34,869	356,451
Governance	5,640	-	-	-	5,640
Total expenditure	329,650	25,398	-	34,869	389,917
Net movement in funds	(3,374)	(25,398)	8,000	(34,869)	(55,641)
Reconciliation of funds:					
Total funds brought forward	220,659	990,894	-	1,318,450	2,530,003
Total funds carried forward	217,285	965,496	8,000	1,283,581	2,474,362