

ST PETER'S CHURCH HERSHAM

**Parochial Church Council's Report and Unaudited Accounts
for the year ended 31 December 2021**



St Peter's Church, Hersham

"Attracting, Engaging and Involving"

Legal and Administrative Information	3
Structure and Governance of the Parochial Church Council	4
Statement of Responsibilities of the Members	12
Independent Examiner's Report	13
Statement of Financial Activities	14
Balance Sheet	16
Notes to the Financial Statements	17

St Peter's Church, Hersham

Incumbent and Chairman of Parochial Church Council	Revd. Jackie Richardson **
Associate Priest	Revd. Sue Gray # (Until February 2022)
Curate	Katrina Jenkins (from 4th July 2021) #
Licensed Lay Minister	Deborah Lock
Parochial Church Council Members	Jane Anderson Lorelie Staines Margaret Hicks Paul Hughes Katherine Ind Tony Skrzypecki * Pat Shore Julie Whing Clare Warne Malcolm Reid* (Treasurer) David Mealar Karen Richards * Jackie Murphy (from 23 rd May 2021)
Children and Families Coordinator	Rachel Gaster-Woods
Churchwardens	Andrew Strong ** Vice Chairman of the PCC Lynne Watson **
Representatives on the Deanery Synod	Lulu Button # Lynne Watson* # (Safeguarding Officer)
Pastoral Assistants	Sara Langley Sarah Tourell (Parish Secretary) Lorelie Staines
PCC Secretary	Karen Richards
Web Site	www.stpetershersham.com
Principal address	The Parish Office 1 Burwood Road, Hersham Surrey, KT12 4AA theoffice@stpetershersham.com
Bank	Lloyds Banking Group plc, 83 High Street, Walton-on-Thames, Surrey KT12 1DU
Independent Examiner	Warner Wilde Limited, Chartered Certified Accountants and Registered Auditors 4 Marigold Drive, Bisley, Surrey, GU24 9SF
Architect:	To be appointed
Charity registration number	1131361

* Members of the Standing Committee # Ex-officio members of the PCC

St Peter's Church, Hersham

The Parochial Church Council of St Peter's Hersham (the "PCC") presents its report and accounts for the year ended 31 December 2021

Structure, governance, and management

The PCC, which is in the Diocese of Guildford, is part of the Church of England and was established by the Parochial Church Council's (Powers) Measure 1956, as amended, and the Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969, as amended). It is a charity registered with the Charity Commission, regulated by the Charities Act 2011 which requires the PCC to report to its congregation and the public at large. PCC members are Trustees of the Charity.

Members of the PCC are appointed in accordance with the Church Representation Rules and normally are elected for a three-year term by nomination of two parishioners. New PCC members are briefed on their responsibilities by the Incumbent as PCC Chairman. In line with Diocesan requirements and where appropriate, PCC members receive training on safeguarding and data protection, sign a Role Description letter and are subject to DBS checks.

The PCC meets regularly during the year to manage the ordinary business of the Parish, such as the appointment of officers, expenditure and budgeting, the balance and type of our social events, risk management, safeguarding, data protection, equipment needs, property matters, and issues raised by the Teams. Day-to-day operational management of the Parish is undertaken by the Incumbent and Church Wardens working closely together. The Parish has an executive committee, the Standing Committee, which sets the PCC agenda and transacts business between PCC meetings. The Standing Committee is also able to agree items of expenditure, within certain parameters, between PCC meetings and, in some cases, makes recommendations to the PCC on items.

The Safeguarding Officer ensures that the PCC has a Safeguarding Policy and supporting procedures, that they are implemented, and that the Church takes seriously its responsibility for the care and nurture of children and vulnerable adults. The Officer is a member of the PCC.

The Health and Safety Officer seeks to prevent accidents and injuries to those involved with the work of St Peter's and those visiting the Church's premises. The role is also to implement health and safety policies in accordance with the latest guidance working with the Standing Committee and PCC.

Objectives and activities

The PCC adopted the mission statement on behalf of the Parish:

Attracting, Engaging, and Involving

The PCC has the responsibility of co-operating with the Incumbent, the Associate Priest, Curate, and the Licensed Lay Ministers with the objective of promoting in the Parish the whole mission of the Church – pastoral, evangelistic, social, and ecumenical. It ensures payment of the Parish's contribution to the Parish ministry and Diocesan costs via the Parish Share, and has the responsibility for all the Parish's assets, including its land and buildings: the Church, the Church Hall, St Peter's Lodge and Vauxmead and the restricted funds it holds.

Each year the PCC has taken time away from its regular duties to strengthen its relationships and to think strategically but this was not possible until December 2021. However, to assist with the organisation of the many activities carried out by St Peter's Church, the PCC reorganized its working Teams in 2020, with each headed by a member of the PCC and they are responsible for executing the tasks that the PCC has determined. They operate under terms of reference which were also being updated in 2020 and approved in 2021 by the PCC. Each PCC member signed the Role Description letter describing their responsibilities/role within the team framework. From 4th July 2021, the Parish has welcomed Katrina Jenkins as Curate to undergo her training and assist with our mission objectives. From October 2021, Sue Gray, our Associate priest is concentrating on her role as a Spiritual Director.

The Teams which had been reformed in 2020 with three main Vision Groups of "Care", "Grow" and "Share", report to the PCC on a six-monthly basis, the schedule of which is set at the start of every calendar year. With these Strategic Groups, the Teams and responsibilities are as follows:

St Peter's Church, Hersham

Care

- Worship & Deanery

Grow

- Youth Services

Share

- Publicity

Support

- Fabric & Health & Safety
- Vauxmead Committee
- Strategic & Property

- Pastoral Care & Welcome

- Christian Discipleship

- Foodbank

- Mission Support & Hersham Churches Together

- Treasury & Stewardship

- Administration & Parish Hall

- Safeguarding Committee

The Teams are supported by the sub-teams that run the day-to-day or one-off activities including the following:

- Welcome & Integration
- Bell Ringers
- Craft Group
- MAP Coordinating Group
- Music Group
- Mission Support team

- St Peter's Fellowship (Affiliated group)
- Hospitality & Event support
- Youth and children's groups: Bright Stars (Sunday club) and Morning Stars (Monday toddler group), TAG
- Deanery

The PCC has given due regard to guidance issued by the Charity Commissioners in deciding what activities the Church should undertake and has complied with the Charity Commission guidance on public benefit, and with Section 4 of the Charities Act 2011. The report of the Proceedings of the Parochial Church Council during 2021 can be viewed on the Church's web site and minutes are put on the church entrance notice board.

2021 has been an intensely difficult year for St Peter's Church with the lockdowns imposed again on 4th January and not being lifted until end of March. The church team led by the Vicar, The Reverend Jackie Richardson, was quick to learn to video and record services and release them on to the internet for the congregation and Hersham public at large to view them. In due course, the church was allowed to open for individual visit for prayer and reflection. Services could recommence from April 2021 offering the congregation to socially distance or not as their preference. The popular Music to Calm your Soul was also recorded and released onto the internet until it ceased in March 2021. Grants had been obtained from the Charity of Phillip Charles to pay for a broadband line to be installed into the church to allow for future live video to be broadcast for services, choral concerts, and other activities. Equipment upgrades are planned for 2022 to the Audio-Visual Equipment, provided a grant can be obtained to part fund it.

In the light of the need for social distancing measures, several PCC meetings were held in 2021 through Zoom. Using software such as Zoom and the new ChurchSuite Admin System, the vicar and her team have been finding creative ways of staying in touch with parishioners and vitally, those who are isolated and vulnerable, to give them spiritual and practical support. The church opened for full services in April 2021, but COVID-19 continues to impact taking holy sacrament, with no sharing of the common cup.

The total voluntary activities of the PCC, the various Teams and their members and many other volunteers are considerable and without them the PCC could never ensure the efficient operation of the church and its activities.

Achievements and performance

In 2021 the PCC:-

- Continued to pay close attention to the financial health of the Parish Church. 2021 has been challenging in view of the loss of income from the hire of the Parish Hall for community use which had to shut between January 4th and April 10th;
- A grant was obtained from Elmbridge Council for the Business Interruption to the Hall income from COVID-19 of £10,240;
- With the removal of the COVID-19 restrictions in mid 2021 there was a surge in the number of weddings and funerals and remembrance services which brought activity into the church;
- As service permitted numbers were freed up in mid 2021, congregation numbers increased so that collection receipts increased;
- Significant legacy bequests were received for the use of the Church which greatly assisted in maintaining solvency in 2021 and thereafter into 2022. These bequests will be used to support Outreach activities in 2022 such as Youth work, pastoral care, etc.;
- Received in April 2020, £49,827 as restricted funds from the closure and transfer of Charles Sparks Trust. The responsibilities imposed by this Trust are in assisting Aged and Youth people and a part time Children's worker has been appointed in August 2021 to promote the youth assistance in the parish;
- In October 2021, St Peter's entered the ECO church programme which has 5 streams to meet and the first objective was to clear the overgrown graveyard. Much support was given by local community members. This will develop further in 2022 with funds provided in the budget to support this project;
- In April, a stewardship Giving campaign was undertaken to replenish the church reserves and the congregation responded generously to increase their donations by 11%;
- Leased a house for the Curate for her three years with the church, and a volunteer team redecorated the interior;
- Continued to ensure that Health & Safety is given due care and attention and that the property of the Parish is maintained, though with COVID-19 it had been difficult to find contractors for works. During 2021 there were works to repair the Hall roof and attend to plumbing faults;
- In August severe rains led to the flooding of the Boiler Room and irreparable damage to the Boiler. Our insurers covered the cost of a replacement, which was recommissioned in November;
- Support from Volunteers continues to be exceptional, the Buddy programme for people who were house bound, projects undertaking work on Vauxmead, repainting the Hall entrance, installing internet connection to the parish child worker office, repainting the South wall in the church, etc.;
- Continued to keep the children and young people of the Parish at the heart of its mission;
- Ensured its record keeping complies with Data Protection legislation in the foodbank operations and with our church management IT system;
- Supported the foodbank in its invaluable work in the community in the current economic difficulties imposed by COVID-19.

The PCC is pleased to report that, in 2021, other than the problems resulting from COVID-19, no other major adverse risk events arose. Despite the severe impacts arising from COVID-19 virus, and the significant financial consequences, the Annual Parochial Annual Meeting was held on 23th May at which one new PCC member was appointed and one re-elected.

Financial results of activities

In 2021, our Congregational giving increased by 12% as follows:

	2021	2020	2019
Voluntary income*	£88,378	£76,407	£87,066
% (Dec)/Inc	12%	(12)%	

*Excluding restricted sundry donations, fund raising, legacies and gifts-in-kind, but including the attributable tax benefit.

In 2021, our total unrestricted Income (excluding Vauxmead and the Foodbank) of £255,918 increased significantly by £137,264 compared with 2020 due to the net effect of the following:

- Increased Hall rental income of £6,600 due to reduced COVID-19 closure. Hire rates continued to be held at 2018 level to assist hirers to return but are increased from 1st January 2022;
- A increase in giving of over £6,000 in donations and giving for the Vicar's birthday in August of £2,620 also resulted in increased Gift Aid being claimed.
- The Legacies bequeathed to the church for its use totalled £69,515, with an additional sum for £2,000 for the Vicar's restricted use;
- Income also includes the net Insurance claim after the excess totalling £20,652 from the insurance claim submitted for the boiler.

In 2021, our unrestricted Charitable activities expenditure (excluding Vauxmead and the Foodbank) of £211,019 increased overall by £56,299 i.e., an increase of 36% compared with 2020. The more significant movements year-on-year, were as follows:

- Cost of replacing the Boiler at £21,652 and associated costs of inspection and temporary heating;
- Increase in telephone costs due to the need to hold Zoom meetings, plus equipment for the Curate and Children's worker in Administration costs.
- Increased costs from weddings and funerals of nearly £7,400 but this is offset by increased income of £17,000 with an increase in services as follows:

<u>No of services</u>	<u>2021</u>	<u>2020</u>
Weddings	7	2
Funeral services	45	23

- No major church expenditure for structural work was undertaken in 2021 but volunteers carried out the internal redecoration of the Hall entrance, there were hall roof repairs, new sign and plumbing issues attended to;
- Administration costs in purchase of gel, dispensers, and masks to meet COVID-19 regulations and additional telephone costs;

The unrestricted activities of the PCC recorded a net income of £36,879, against a deficit in 2020 of £40,725. There were surpluses on the restricted funds activities of Vauxmead of £20,103 (2020 : £21,889) and £24,943 (2020 : £64,084) for the Foodbank. The resulting overall total net income of £118,500 included the loss in valuation of £3,937 on the Endowment funds held as investment assets, and a gain of £45,000 on the revaluation of the Lodge but before a gain of £14,000 on the value of the parish hall.

The Treasury Team reports to the PCC for overall stewardship of the financial resources. The team's normal activities range from giving financial guidance, to assisting the PCC in the assessment of its budgets, the disposition of assets and fund raising, through to the day-to-day accounting for income and expenditure., insurance, payroll administration and gift aid claims. This includes the preparation of annual budgets and quarterly accounts for review by the PCC. This budget recognized that the PCC's financial position remained reasonably strong and the legacies have improved matters. There remains the possibility of unforeseen costs on property and the overall effects of the COVID-19 Omicron variant in 2022 which cannot yet be estimated.

The PCC recognizes that it will need to continue to manage the finances closely. On this basis, as the PCC believes that it has sufficient financial resources to meet its currently anticipated needs, these financial statements have been prepared on a going concern basis.

Policy on reserves

The PCC retains a range of unrestricted and restricted funds which are described in Notes to the Financial Statements. The Reserve Fund is the PCC's general reserve and is held to cover its day-to-day activities.

The Property Development and Improvement Fund is established to provide for the expected costs of evaluating intended improvements to Church buildings and other PCC property. No significant expenditure was made in 2021.

The Property Repair Fund is an amount set aside to cover quinquennial Church repair or other property costs such as to St Peter's Lodge, a residential investment property, or to the vicarage. The PCC expects that this reserve will be used within the next four years to cover roofing, refurbishment, and other costs although it will be replaced as the PCC sees fit, dependent on future building plans. No changes are recommended for 2021 and the next quinquennial inspection is due in 2023.

The Revaluation Reserves in the past relate to revaluation surpluses arising on the Church Hall building and St Peter's Lodge. This year the Property indices and general market conditions have increased the Lodge valuation by £45,000, and the PCC has accepted this new valuation. It is the current intention of the PCC to retain these properties for its own use as investment properties and to generate rental income, both of which are important to the PCC's activities. Therefore, this fund will remain for the foreseeable future dependent on any future decisions about the disposition of properties by the Strategic & Property team.

In 2021, the PCC has benefitted from the surplus arising from the management of the Vauxmead site by £20,103 (2020 : £21,889; 2019: £17,904).

The PCC's approach to the management of its reserves is conservative but consistent with the requirement to fund its activities to meet its vision. The policy on reserves is reviewed each year at the time of approving the financial statements.

Management of risk

The PCC continues to identify and manage the risks which arise from its day-to-day activities. The PCC views those risks under the headings of governance, operational, financial, and external regulatory. In the Guildford diocese several churches have had significant difficulties in meeting their financial commitments and the Diocese had had to give significant support to them and sell assets to raise funds. In 2021 a new Risk Register was created, and areas are discussed and reviewed at PCC meetings. The giving by St Peter's congregation has maintained the church's unrestricted funds which will meet its future commitments until December 2022. Part of our cash funds have been reinvested with Nationwide Building Society to spread financial risk.

Areas of risks from the Risk Register are brought to the attention of the PCC for review as a part of the standing agenda over the year and any changes required are minuted and actioned. The major areas on the regular agenda for consideration are the following:

- Annual budget and quarterly reporting
- Authority levels
- Bank mandate
- Financial reserves policy
- Health & safety
- Insurance policies
- Key-holders
- Public relations policy
- Safeguarding of children and vulnerable adults

Investment policy

The policy of the PCC has been to invest surplus funds in low-risk interest-bearing investments which provide flexibility without penalty, and which meet ethical criteria consistent with the PCC's vision. The PCC has never invested surplus funds in higher risk investments such as equities or longer-term corporate bonds. In 2020, the Treasury Team continued to use 12-month fixed term deposits and with approval from the PCC, with recognised institutions of suitable standing. However, in 2021 these deposits have not been rolled over due to the extremely low interest rates that were on offer. Surplus funds are being held on deposit with Lloyds pending a recovery in interest rates, but in 2021 a new account was opened with Nationwide BS- Commercial branch to spread risk and seek improved returns.

The Treasury Team also regularly reviews the level of funds in its current account to ensure that money is readily available to meet our day-to-day needs. In November 2019 the PCC agreed that funds up to a maximum of £7,000 that were held in excess of expected needs, would be invested with Boom CU, a financial cooperative which makes loans and operates within our local community, helping people in financial difficulty avoid high interest lenders and loan sharks. Boom CU are a not-for-profit organisation covered by the Financial Services Compensation Scheme and in December 2021 there were 70 people (2020 : 47) in the KT12 postal area making use of Boom CU.

Foodbank

St Peter's gives the Walton and Hersham foodbank legal, accounting, and administration services to back-up its role as a lead organization in the Walton & Hersham parishes where demand for its services grew significantly during 2020 and into 2021. The PCC has remained pleased to be part of this work together with the valued input of the Walton on Thames Charity through their Foodbank Manager, Mrs Nina Malyon.

During 2021, 4054 people were helped (adults 2148, children 1906) and 1514 (2020 : 1591, 2019 : 1249) parcels issued, whilst in 2020, 4,390 people were helped (2397 Adults, 1993 children), a decrease of 8% compared to an increase of 46% in 2020. All these people have been referred to the foodbank via its referral partners.

Most referrals were from Rentstart, a local charity which supports those who are homeless or under threat of homelessness with the second highest number of referrals coming via Citizens Advice Bureau in Walton. Unfortunately, there remains a high level of people who are using the foodbank more than once mainly due to the 5 weeks wait for Universal Credit, as well as many people who never thought they would need the services of a foodbank.

In 2021 34,000 kilograms of donated food has been received (2020 : 41,000 kilograms) and distributed, and this includes bulk donations from Tesco, Sainsburys, Waitrose, Morrisons and St Mary's Oatlands as well as private donations and the local street collections which have given many local communities the opportunity to come together and support a local cause. The physical hard work by volunteers in receiving, sorting, moving, and packing all this food should not be underestimated. The local and business communities have also responded in unimagined generosity in cash donations which in 2021 totaled £62,195 against £91,527 in 2020, which includes local council grants of £14,500 (2020 £13256). The Foodbank Committee started a strategic review with the input from the Trussell Trust to seek to be more pro-active in the Relief of Food Poverty and not just provision of emergency food parcels. Consequently, it has been agreed in principle that the Foodbank operations will be transferred to Walton on Thames Charity (no. 1185959), who have greater resources and experience in moving towards extended operations in the future beyond just emergency food parcel matters and be of greater assistance in the Walton and Hersham Communities.

Vauxmead

The PCC is the managing trustee of the Vauxmead field and in this role, it continues to maintain and invest in upgrading the site subject to the needs of its users and available funds. The PCC sees the primary purpose for the site to be to retain it as an open space in the middle of Hersham and to use it for sports, games and community events.

The field experienced reduced usage in 2021 due to the COVID-19 restrictions in place during the year, making it more difficult for users to plan for events and gatherings. Notwithstanding this, good use was made of the field, particularly by the Walton & Hersham United Football Club which uses the field for their younger players – boys and girls under the age of 10. The buildings on the site continue to be used by their respective tenants with the Burwood Preschool, a not-for-profit registered charity, renting the St Peter's Institute hall; the Guides renting the land for their building and the Foodbank using the garage for food storage and distribution. The use of the site by these groups serves the purposes of supporting the local community; making the Vauxmead field and buildings more than self-sufficient from a financial perspective and enabling the PCC to enhance its local community links by providing important outreach opportunities.

Mission support donations

The ongoing policy of the PCC is to donate each year an amount equal to a proportion (currently, a minimum of 12.5%) of its budgeted voluntary income from regular giving (incl Gift Aid), for the work of Christian mission outside the parish, both abroad and in the UK. It had previously been decided by the PCC that notwithstanding any reduced level of giving, the amounts set aside for mission support should not be reduced below their previous levels. This year the PCC has donated at an effective rate of 14% (2020 14%, 2019: 12.6%) of voluntary regular income and related Gift Aid. Support this year was to our home mission, the Hersham Youth Trust, and three overseas missions, through prayer and donations, together with Elmbridge CAN for Afghan and Syrian refugees.

The Future

During 2022, the PCC will be applying the funds from the legacy bequests in 2021 towards work of the new Team Structure with the objective of improving how we address the core values of St Peter's, namely, to be **Attracting, Engaging, and Involving**, concentrating on numerical and Spiritual growth, and reaching out to our community. A budget proposing this was put to the PCC meeting on 17th November and approved. Overall, it is a budget with a £71,000 deficit, but £17,000 of this will be met from the restricted funds from the Charles Sparks restricted fund. It will permit the church to resume its objectives of **Attracting** new members, **Engaging** with the spiritual beliefs of the congregation and **Involving** with all in the local community and schools.

A personal note from the Vicar

On behalf of the PCC, I thank everyone involved in the different groups and teams that make up the St Peter's family. The ministry team and wardens appreciate the part that each of you play in the ministry and mission of our church.

As I write this note, the public health lock down measures during the COVID-19 pandemic, in which all worship and public services have been problematic, have certainly diminished and I trust they continue to diminish. The effects of vaccination and booster programmes have proved beneficial and allowed us to re-introduce communion in St Peter's. During the pandemic we have had to find new ways of 'being a church' in our community and we had continued worshipping together online and found new ways of staying in contact with the congregation and community. This has given us a real opportunity to explore how we minister in the future as we continue to strive to show God's love and live out God's vision in our parish. We have started to explore with the assistance of the Diocese Mission Enabler to formulate a Parish Needs Plan of 3 main drives for 2022/23

Signed on behalf of the Parochial Church Council.



Revd. Jackie Richardson
Chair of PCC

22nd May 2022

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year.

In preparing financial statements giving and true and fair view, the Trustees should follow best practice and:

1. Select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent;
2. State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
3. State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Charity, and which enable them to ascertain the financial position of the Charity, and which enable them to ensure that the financial statements comply with applicable regulations.

The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

INDEPENDENT EXAMINER'S REPORT

TO THE PCC MEMBERS OF ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

I report to the PCC members on my examination of the financial statements of St Peter's Hersham Parochial Church Council (the Parochial Church Council) for the year ended 31 December 2021.

Responsibilities and basis of report

As the PCC members of the Parochial Church Council you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Parochial Church Council's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Parochial Church Council's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered certified Accountants, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 Parochial Church Council as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.



F J Wilde FCCA MBA DChA

Warner Wilde
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 23 May 2022

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>						
Donations and legacies	3	157,893	127,410	-	285,303	295,834
Charitable activities	4	24,449	-	-	24,449	9,493
Investments	5	38,328	32,835	-	71,163	67,262
Other income	6	34,248	-	-	34,248	735
Total income		254,918	160,245	-	415,163	373,324
<u>Expenditure on:</u>						
Raising funds	7	8,020	-	-	8,020	4,659
Charitable activities	8	211,018	119,687	-	330,705	273,590
Total resources expended		219,038	119,687	-	338,725	278,249
Net gains/(losses) on investments	13	45,000	-	(3,937)	41,063	2,004
Net incoming/(outgoing) resources before transfers		80,880	40,558	(3,937)	117,501	97,079
Gross transfers between funds		20,102	(20,102)	-	-	-
Net incoming/(outgoing) resources		100,982	20,456	(3,937)	117,501	97,079
<u>Other recognised gains and losses</u>						
Revaluation of tangible fixed assets		14,000	-	-	14,000	(10,000)
Net movement in funds		114,982	20,456	(3,937)	131,501	87,079
Fund balances at 1 January 2021		1,186,753	381,625	59,683	1,628,061	1,540,982
Fund balances at 31 December 2021		1,301,735	402,081	55,746	1,759,562	1,628,061

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

All income and expenditure derive from continuing activities.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and legacies	3	76,407	219,427	-	295,834
Charitable activities	4	9,493	-	-	9,493
Investments	5	32,289	34,973	-	67,262
Other income	6	465	270	-	735
Total income		118,654	254,670	-	373,324
<u>Expenditure on:</u>					
Raising funds	7	4,659	-	-	4,659
Charitable activities	8	154,720	118,870	-	273,590
Total resources expended		159,379	118,870	-	278,249
Net gains/(losses) on investments	13	-	-	2,004	2,004
Net incoming/(outgoing) resources before transfers		(40,725)	135,800	2,004	97,079
Gross transfers between funds		22,629	(22,629)	-	-
Net incoming/(outgoing) resources		(18,096)	113,171	2,004	97,079
<u>Other recognised gains and losses</u>					
Revaluation of tangible fixed assets		(10,000)	-	-	(10,000)
Net movement in funds		(28,096)	113,171	2,004	87,079
Fund balances at 1 January 2020		1,214,849	268,454	57,679	1,540,982
Fund balances at 31 December 2020		1,186,753	381,625	59,683	1,628,061

AS AT 31 DECEMBER 2021

- 16 -

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

St Peter's Hersham Parochial Church Council is a charity registered with the Charity Commission and a part of the Church of England established by the Parochial Church Council's (Powers) Measure 1956 as amended by the Church Representation Rules.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Parochial Church Council's governing document, the Charities Act 2011 and "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) (effective 1 January 2019)". The Parochial Church Council is a Public Benefit Entity as defined by FRS 102.

The Parochial Church Council has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Parochial Church Council. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the PCC members have a reasonable expectation that the Parochial Church Council has adequate resources to continue in operational existence for the foreseeable future. Thus the PCC members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the PCC members in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Parochial Church Council.

1.4 Income

Income is recognised when the Parochial Church Council is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Parochial Church Council has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Parochial Church Council has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

A liability is recognised when either a legal or constructive obligation is identified.

Mission Support

Donations are accounted for when paid or awarded, if that award created a binding obligation on the PCC.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	straight line basis over 50 years (buildings only)
Plant and equipment	straight line basis over 4 years
Fixtures and fittings	straight line basis over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/expenditure for the year.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the Parochial Church Council reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks of stationery are stated at the lower of cost and estimated selling. The stocks of food held by the foodbank are valued at nil cost. All food has been donated by stores, churches or public and none of it will be retailed. The Trussell Trust Franchise requires weight of food donated and issued to be recorded and stock held at 31 December 2021 was approximately 13,000 kilograms. Value of stock issued was approximately 34,000 kilograms and is valued at the Trussell trust indicator of £1.75 per kilogram.

The foodbank was transferred to Walton-on-Thames charity no. 1185959 on 9 May 2022.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.12 Financial instruments

The Parochial Church Council has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Parochial Church Council's balance sheet when the Parochial Church Council becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Parochial Church Council's contractual obligations expire or are discharged or cancelled.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Associated Organisations

Associated organisations are St Peter's Fellowship, Walton & Hersham foodbank (The 'foodbank'). Surpluses/deficits arising from these activities are applied for the key purpose of each.

Their accounts are included as a part of these PCC accounts. St Peter's Fellowship is an organization of members of the congregation which undertakes its own fund raising and incurs costs, including charitable donations, pursuing activities in line with the broader purpose of St Peter's Church.

The foodbank is supported non financially, by St Peter's PCC, the Walton Charity and St Mary's and St John's and also by local charitable giving by individuals, other local churches and local businesses.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

In the application of the Parochial Church Council's accounting policies, the PCC members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	88,378	65,500	153,878	76,407	147,238	223,645
Legacies receivable (3)	69,515	2,000	71,515	-	-	-
Donated goods and services	-	59,910	59,910	-	72,189	72,189
	<u>157,893</u>	<u>127,410</u>	<u>285,303</u>	<u>76,407</u>	<u>219,427</u>	<u>295,834</u>

The foodbank cash donations in 2021 were £63,487 (2020: £95,742). Other amounts were collections and dispersed in the year. The donated goods relates to the value of food donated to the foodbank.

4 Charitable activities

	PCC fees and St Peter's Fellowship 2021 £	PCC fees and St Peter's Fellowship 2020 £
Weddings and Funeral Fees received	24,449	7,126
Fellowship and GEMS	-	2,367
	<u>24,449</u>	<u>9,493</u>

Charitable trading income

GEMS ceased in 2021 and was replaced by Sunday Club and toddlers Group.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Rental income	38,214	31,265	69,479	31,582	33,015	64,597
Interest receivable	114	1,570	1,684	707	1,958	2,665
	<u>38,328</u>	<u>32,835</u>	<u>71,163</u>	<u>32,289</u>	<u>34,973</u>	<u>67,262</u>

Restricted rental income £31,265 relates to Vauxmead, being field usage, guide hut and pre school rental income. Unrestricted rental income of £38,214 represents Hall Income (£20,814) and Lodge Income of £17,400.

6 Other income

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
Other income	13,754	465	270	735
Insurance claim	20,494	-	-	-
	<u>34,248</u>	<u>465</u>	<u>270</u>	<u>735</u>

Other income includes a Covid Business Interruption Grant of £10,240 from Elmbridge Council and £2,620 donated for the Vicar's birthday celebration.

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Fundraising and publicity</u>		
Advertising	19	50
	<u>8,001</u>	<u>4,609</u>
<u>Investment management</u>	<u>8,020</u>	<u>4,659</u>

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Raising funds

(Continued)

Investment management costs relate to the maintenance, agents fees and Insurance of St Peter's Lodge, a residential property owned by the PCC and rented out.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

	Ministry	Worship & Prayer	Church & Upkeep Hall Vicarage	& Lodge	Walton & Hersham Foodbank	Vauxmead	Total 2021	Total 2020
	2021	2021	2021	2021	2021	2021		
	£	£	£	£	£	£	£	£
Staff costs	5,050	-	-	549	-	-	5,599	542
Depreciation and impairment	-	-	-	(5,230)	-	1,713	(3,517)	7,313
Parish Pledge	74,249	-	-	-	-	-	74,249	78,911
Clergy expenses including training	25,680	-	-	-	-	-	25,680	1,855
Upkeep of services	-	6,835	-	-	-	-	6,835	6,054
Pastoral care	2,893	-	-	-	-	-	2,893	249
Occasional offices	11,555	-	-	-	-	-	11,555	4,772
Christian development - courses and groups	653	-	-	-	-	-	653	2,531
Food donated and purchased	-	-	-	-	73,960	-	73,960	73,467
Storage [Foodbank]	-	-	-	-	4,734	-	4,734	6,366
Professional fees [office expenses]	-	-	-	-	-	503	503	1,020
Subscriptions	-	-	-	361	-	-	361	767
Utilities	-	-	5,971	2,194	-	-	8,165	6,613
Repairs and maintenance [including boiler replacement]	-	-	21,614	6,867	-	6,483	34,964	2,715
Insurance	-	-	8,438	1,393	-	-	9,831	6,295
Other expenses	-	-	58	-	9,398	-	9,456	15,198
	120,080	6,835	36,081	6,134	88,092	8,699	265,921	214,668
Grant funding of activities (see note 9)	14,013	-	-	-	-	-	14,013	12,469
Share of support costs (see note 10)	36,502	-	-	-	10,362	2,463	49,327	45,163
Share of governance costs (see note 10)	1,444	-	-	-	-	-	1,444	1,290
	172,039	6,835	36,081	6,134	98,454	11,162	330,705	273,590

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

(Continued)

Analysis by fund

Unrestricted funds	163,539	6,835	35,606	5,038	-	-	211,018	154,720
Restricted funds	8,500	-	475	1,096	98,454	11,162	119,687	118,870
	<u>172,039</u>	<u>6,835</u>	<u>36,081</u>	<u>6,134</u>	<u>98,454</u>	<u>11,162</u>	<u>330,705</u>	<u>273,590</u>

The use of restricted funds for the church and hall relate to the endowment income from the Christian and Blake endowments as explained in note 21.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

(Continued)

For the year ended 31 December 2020

	Ministry	Worship & Prayer	Church & Vicarage	Upkeep Hall & Lodge	Walton & Hersham Foodbank	Vauxmead	Total 2020
	£	£	£	£	£	£	£
Staff costs	-	-	-	542	-	-	542
Depreciation and impairment	-	-	369	5,230	-	1,714	7,313
Parish Pledge	78,911	-	-	-	-	-	78,911
Clergy expenses including training	1,855	-	-	-	-	-	1,855
Upkeep of services	-	6,054	-	-	-	-	6,054
Pastoral care	249	-	-	-	-	-	249
Occasional offices	4,772	-	-	-	-	-	4,772
Christian development - courses and groups	2,531	-	-	-	-	-	2,531
Food donated and purchased	-	-	-	-	73,467	-	73,467
Storage [Foodbank]	-	-	-	-	6,366	-	6,366
Professional fees [office expenses]	-	-	-	-	-	1,020	1,020
Subscriptions	-	-	-	767	-	-	767
Utilities	-	-	4,570	2,043	-	-	6,613
Repairs and maintenance [including boiler replacement]	-	-	(4,777)	1,396	-	6,096	2,715
Insurance	-	-	5,259	1,036	-	-	6,295
Other expenses	-	-	75	185	14,912	26	15,198
	88,318	6,054	5,496	11,199	94,745	8,856	214,668
Grant funding of activities (see note 9)	12,469	-	-	-	-	-	12,469
Share of support costs (see note 10)	33,521	-	-	-	9,102	2,540	45,163
Share of governance costs (see note 10)	1,290	-	-	-	-	-	1,290
	135,598	6,054	5,496	11,199	103,847	11,396	273,590

Analysis by fund

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8	Charitable activities							(Continued)
	Unrestricted funds	133,929	6,054	4,130	10,607	-	-	154,720
	Restricted funds	1,669	-	1,366	592	103,847	11,396	118,870
		<u>135,598</u>	<u>6,054</u>	<u>5,496</u>	<u>11,199</u>	<u>103,847</u>	<u>11,396</u>	<u>273,590</u>

The use of restricted funds for the church and hall relate to the endowment income from the Christian and Blake endowments as explained in note 21.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Grants payable

	Ministry 2021 £	Ministry 2020 £
Grants to home and overseas missions		
Other	14,013	12,469
	<u>14,013</u>	<u>12,469</u>

10 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	29,313	-	29,313	27,334	-	27,334
IT software and small consumables	7,036	-	7,036	6,229	-	6,229
Office expenses and administration	12,899	-	12,899	11,641	-	11,641
Bank and finance charges	73	-	73	(57)	-	(57)
Other support expenses	5	-	5	15	-	15
Independent Examination	-	1,278	1,278	-	1,290	1,290
PCC expenses	-	166	166	-	-	-
	<u>49,326</u>	<u>1,444</u>	<u>50,770</u>	<u>45,162</u>	<u>1,290</u>	<u>46,452</u>
Analysed between Charitable activities	<u>49,327</u>	<u>1,444</u>	<u>50,771</u>	<u>45,163</u>	<u>1,290</u>	<u>46,453</u>

11 PCC Members

The clergy and 5 members of the PCC (2020: 6) received payments during the year, these being the reimbursement of approved expenses and the payment of fees related to Verger duties, in accordance with the PCC approved schedule of rates. The aggregate amount of all payments to members of the clergy and PCC during the period of office in the year was £8,960 (2020: £3,431).

12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration & maintenance	2	1
	<u>2</u>	<u>1</u>

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Employees

(Continued)

Employment costs	2021 £	2020 £
Wages and salaries	32,951	26,068
Other pension costs	1,961	1,808
	<u>34,912</u>	<u>27,876</u>

The average monthly number of employees during the year was 4 (2020: 3) part time employees, which equates to 1.5 full time staff (rounded to 2 in the note to the accounts).

During the year the PCC employed a part-time parish secretary, an administrator for the Vauxmead property and a church hall cleaner. The associated costs are included within administration salary expenses, Vauxmead expenses and upkeep of church property expenses. During 2021 the church recruited a Children and Families Coordinator in September and these costs are supported by the Charles Sparks Trust Fund received in 2020.

There were no employees whose annual remuneration was more than £60,000.

13 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Endowment funds general 2021 £	Total 2021 £	Endowment funds general 2020 £
Revaluation of investments	<u>45,000</u>	<u>(3,937)</u>	<u>41,063</u>	<u>2,004</u>

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2021	535,000	50,470	11,179	596,649
Revaluation	14,000	-	-	14,000
At 31 December 2021	549,000	50,470	11,179	610,649
Depreciation and impairment				
At 1 January 2021	5,230	47,005	10,621	62,856
Depreciation charged in the year	-	1,155	558	1,713
Elimination of Depreciation on Revaluation	(5,230)	-	-	(5,230)
At 31 December 2021	-	48,160	11,179	59,339
Carrying amount				
At 31 December 2021	549,000	2,310	-	551,310
At 31 December 2020	529,770	3,465	558	533,793

The freehold land and buildings comprise the Church Hall and Vauxmead. the Church Hall has been valued by the PCC at 31 December 2021 on a replacement cost basis at £537,000 (2020: £523,000), and the land at Vauxmead is at an estimated open market value of £12,000 (2020: £12,000).

15 Investment property

	2021 £
Fair value	
At 1 January 2021	786,500
Net gains or losses through fair value adjustments	45,000
At 31 December 2021	831,500

Investment property comprises land and buildings at Vauxmead (£221,500) and St Peter's Lodge (£610,000). The fair value of the investment property has been arrived at on the basis of a valuation carried out by the PCC. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Investment property	(Continued)	
	2021	2020
	£	£
Estimated value of land:		
Freehold	305,000	299,500
Long leasehold	-	-
Short leasehold	-	-
	<u> </u>	<u> </u>
16 Fixed asset investments		
		Listed investments
		£
Cost or valuation		
At 1 January 2021		59,682
Valuation changes		(3,937)
		<u> </u>
At 31 December 2021		55,745
		<u> </u>
Carrying amount		
At 31 December 2021		55,745
		<u> </u>
At 31 December 2020		59,682
		<u> </u>
17 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	55,745	59,682
	<u> </u>	<u> </u>
18 Stocks	2021	2020
	£	£
Office Stationery	250	250
	<u> </u>	<u> </u>

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	32,137	9,161
Prepayments and accrued income	3,998	5,175
	<u>36,135</u>	<u>14,336</u>

Other debtors include the boiler insurance claim plus Gift Aid due from HMRC, both received in 2022.

20 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	<u>7,792</u>	<u>13,044</u>

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Endowment funds

Endowment funds represent assets which must be held permanently by the Parochial Church Council. Income arising on the endowment funds can be used in accordance with the objects of the Parochial Church Council and is applied as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds					Movement in funds					
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
E S Blake Legacy	17,431	592	(592)	-	605	18,036	475	(475)	-	(1,190)	16,846
G J Christian Legacy	40,248	1,366	(1,366)	-	1,399	41,647	1,096	(1,096)	-	(2,747)	38,900
	<u>57,679</u>	<u>1,958</u>	<u>(1,958)</u>	<u>-</u>	<u>2,004</u>	<u>59,683</u>	<u>1,571</u>	<u>(1,571)</u>	<u>-</u>	<u>(3,937)</u>	<u>55,746</u>

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Endowment funds

(Continued)

The earliest available valuation of these funds was 31 December 2005, when the Blake investments were valued at £17,684 and the Christian investments at £40,834.

Endowment funds represent money given to the Church with the specific instruction that only the income received is available to the PCC. These funds are held on behalf of the PCC by the Guildford Diocesan Board of Finance. The income from these trusts has been used for the purposes as set out below.

E S Blake Legacy

This was a legacy from Mr. E S Blake. Quoting from a letter dated 24 January 1958 from the Guildford Diocesan Board of Finance, it is held by the "...Guildford Diocesan Board of Finance upon trust for the endowment or augmentation of the income of the benefice of the Parish of Hersham...and the Assistant Clergy if any of that Parish...."

G J Christian Legacy

This was a legacy from Mr. G J Christian. Quoting from the will of Mr. G J Christian, it is held by the "...Guildford Diocesan Board of Finance upon trust.... to pay the net income thereof to the Parochial Church Council of the Parish of Hersham...for the maintenance and upkeep and adornment (including insurance against fire and other risks) of the Fabric of the Parish Church."

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Mothering sunday	662	-	-	-	662	-	-	-	662
WH Spencer Legacy	740	-	-	(740)	-	-	-	-	-
E S Blake Legacy	-	592	(592)	-	-	474	(474)	-	-
G J Christian Legacy	-	1,366	(1,366)	-	-	1,096	(1,096)	-	-
The Foodbank	27,094	167,931	(103,847)	-	91,178	123,397	(98,454)	-	116,121

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Restricted funds

(Continued)

Vauxmead	-	33,285	(11,396)	(21,889)	-	31,265	(11,163)	(20,102)	-
Other and Special Donations	7,958	1,669	(1,669)	-	7,958	2,013	(2,013)	-	7,958
Revaluation Reserve (Vauxmead)	232,000	-	-	-	232,000	-	-	-	232,000
Charles Sparkes Trust	-	49,827	-	-	49,827	-	(6,487)	-	43,340
M Blacker Legacy	-	-	-	-	-	2,000	-	-	2,000
	<u>268,454</u>	<u>254,670</u>	<u>(118,870)</u>	<u>(22,629)</u>	<u>381,625</u>	<u>160,245</u>	<u>(119,687)</u>	<u>(20,102)</u>	<u>402,081</u>

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Restricted funds

(Continued)

The Charles Sparks Trust donation is a fund for assisting aged and young people and its planned use is the appointment of a part time youth worker for the Hersham Community and Schools.

Restricted funds represent funds that have been restricted by the donors for a particular purpose and they cannot be used by the PCC for any other purpose except by agreement with the donor or as determined by the Courts or the Charity Commission. They can include collections in church and fund raising events for a particular purpose.

Mothering Sunday

- This was a legacy from Mr. R Berridge in the 1950s for the purchase of Mothering Sunday flowers.

E S Blake and G J Christian Legacies

- These are the accumulated interest receipts from the E S Blake and G J Christian Endowment Funds. The purpose is explained under the Endowment Fund description.

Walton and Hersham foodbank

- These are the accumulated donations (in cash or food collections) in respect of the foodbank, less the related accumulated expenses. Food distributions made from charitable giving by the foodbank are valued on the basis of an estimate of their average retail value using guidance provided by the Trussell Trust.

Vauxmead

- The PCC is the managing trustee for the Vauxmead site which is opposite the church on the Burwood Road. The Trust was established to use the site for outdoor sports and equivalent activities and for the use and benefit of the PCC. The financial surplus or deficit arising from the site is for the benefit of the PCC's own funds. The PCC is continuing consultation with the Charity Commission in order to update and clarify the powers of the PCC as managing trustee.

Other and special donations

- These funds represent amounts that were allocated from prior years income for specific church betterment projects and other restricted purposes which have now expired or been spent in part. Use of these funds will be reviewed in 2022 for use in projects for the betterment of the church, once agreed at PCC meetings. There was a specific Legacy from Mrs Blacker in 2021 of £2,000 for the Vicar to use at her discretion.

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:								
Tangible assets	551,310	-	-	551,310	533,793	-	-	533,793
Investment properties	599,500	232,000	-	831,500	554,500	232,000	-	786,500
Investments	-	-	55,745	55,745	-	-	59,682	59,682
Current assets/(liabilities)	150,925	170,081	1	321,007	98,461	149,625	-	248,086
	<u>1,301,735</u>	<u>402,081</u>	<u>55,746</u>	<u>1,759,562</u>	<u>1,186,754</u>	<u>381,625</u>	<u>59,682</u>	<u>1,628,061</u>

ST PETER'S HERSHAM PAROCHIAL CHURCH COUNCIL

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

24 Related party transactions

There are no disclosable related party transactions during the year (2020 - none).