

**THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF THE PRIORY CHURCH OF
ST PETER AND
ST PAUL LEOMINSTER**



Annual Trustee Report and Financial Statements for 2021

Registered Charity No. 1131837

**The Parochial Church Council of the Ecclesiastical Parish of the Priory
Church of St Peter and St Paul Leominster (PCC)
Annual Trustee Report and Financial Statements for the year ended 31st
December 2021**

Administrative Information

The Priory Church of St Peter and St Paul is situated in Church Street Leominster. It is part of the Diocese of Hereford within the Church of England. The Parochial Church Council (PCC) correspondence address is Priory PCC, The Forbury Chapel, Church Street, Leominster, HR6 8NQ. The Priory web site is www.leominsterpriory.org.uk

The PCC is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure 1956, Church Representation Rules 2020 and is a Charity registered with the Charity Commission, registered no. 1131837.

PCC Trustees who have served from the 1 January 2021 until the date this report was approved are:

Chairman:	The Rev. Guy Spencer Cole, Team Rector (from 11 th October 2021)
Wardens:	Graham Millard (Lay co-Chairman of PCC) Helen Bricknell
Secretary:	Ceri Hibbert
Treasurer:	Glenys Millard

Elected PCC Trustees and representatives on the Deanery Synod:

Wendy Coombey, Helen Bricknell and Susannah Peppiatt, Kathy Bland and David Bland ex-officio.

Elected PCC Trustees:

Geoff Bricknell, Robert Walker, Richard Phillips, Richard Scott, Bill Quelch, Susannah Peppiate, Phillippa Wright (elected June 2021), Lesley Marsh (elected June 2021) and Ceri Hibbert (elected June 2021)

Bankers, legal and other advisers to the PCC.

Bank of Scotland, 38 St Andrew Square, Edinburgh

Lloyds Bank, 9 Corn Square Leominster

CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London

Independent Examiner: Sarah Gluyas, 99 Ridgemoor Road, Leominster, HR6 8UH

Architect: Tim Radcliffe Associates, Cambrian House, Nantmawr, Oswestry

Insurer: Ecclesiastical Insurance Office Plc, Beaufort House, Brunswick Road, Gloucester

Volunteers

We would like to thank all the volunteers who work so hard to make the Priory a lively and vibrant community, especially in the last 2 years when it has been so difficult to do all the normal everyday things that we enjoy. Also all the members of the PCC and the Ministry Team for their valuable contribution to our ministry and for keeping the Priory running.

Structure, governance and management

The appointment of PCC Trustees is set out in the Church Representation Rules. At the Priory all church members are encouraged to register on the electoral role and to stand for election to the PCC. The membership of the PCC consists of the Team Rector, churchwardens, and members of the congregation who are on the electoral roll of the Priory plus ex-officio.

The full PCC met ten times during the year with an average level of attendance of 85%. Given its wide responsibilities the PCC is responsible for a number of groups, each dealing with a particular aspect of parish life. These groups include standing committee, ministry team, finance, tourism and communications, fund raising, fabric and holiday club.

The major risks to which the PCC is exposed are identified by the PCC Trustees; this includes the monitoring of systems and procedures that have been established to manage those identified risks.

Safeguarding

Safeguarding is about ensuring the safety of children, young people and vulnerable adults. To this end, we have in place an Action Plan, and are currently working on a set of role descriptions for all those who volunteer and work within the Priory, and are working towards fully implementing Safer Recruitment. The PCC formally readopted and endorsed the Safeguarding Policy of the Church of England in March 2021, and Safeguarding is a standing item on the PCC agenda. We are working to ensure full compliance with the requirements. There are Safeguarding posters up in the Church, detailing the policy and giving contact details. If you yourself have been affected by a safeguarding issue or have concerns about someone within the Priory, please get in touch.

Aim and purposes

The PCC Trustees have the responsibility to consult with the Team Rector on all matters of general concern and importance in the parish, most specifically the whole mission of the church, pastoral, ecumenical as well as deciding on how the funds of the PCC are to be spent.

Objectives and Activities

The PCC is committed to enabling as many people as possible to worship at the Priory and to become part of our parish community. The PCC maintains an overview of worship throughout the parish, working with the Rector and Ministry Team to enable our services to involve the many groups that live within our parish. Our services and worship put faith into practice through prayer and scripture, music and sacrament.

When planning our activities for the year, the Team Rector, PCC Trustees and the Ministry Team consider the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In particular we try to encourage and enable ordinary people of all denominations to live out their faith as part of our parish community through:

- Worship and prayer, learning about the Gospel; developing their knowledge of the bible.
- Provision of pastoral care for people living in the parish.
- Missionary and outreach work, including working with the young and disadvantaged.
- Providing a venue for concerts, conferences, school activities and large special services.

2021 was still a difficult year, with limited ability to meet with friends and family or be with elderly parents who needed us. The business of the Priory continues through all of this.

- In the absence of a Rector, the PCC has continued to meet, to maintain "business as usual" for the Priory during interregnum. We welcomed our new Rector, Father Guy Cole who joined us on 11th October 2021.
- The PCC meets monthly and has Finance, Church Fabric and Safeguarding as standing agenda items with other groups reporting on a cycle. Meetings continued to be held over Zoom, which inevitably brought particular challenges but we were able to meet face to face from June maintaining social distance.
- Priorities this year have been maintaining the safety of the congregation when it has been possible to hold gathered services whilst including those not able to join in with services in person, developing new ways of providing pastoral support, and supporting the recruitment process for the new Rector. We have provided recorded services online for those who were shielding and unable to attend church when it was open and for all when it was closed. So our thanks go to all those who helped in preparing and recording those services and putting them online including Hilary Norris for the music and choir, Susannah Peppiatt and Sarah Chedzoy for bringing it all together and David Bland for putting it online.
- The PCC has vacancies and would welcome new members who would like to contribute to keeping the Priory a vibrant, developing Church, central to Leominster life.

Plans for future periods

- To continue to explore how our mission and ministry can be reimagined intergenerationally for our context as we face the challenges presented by staff retirement.
- To further advance the values of the Inclusive Church movement by making building access improvements
- To control costs, improve efficiencies and encourage generous growth in financial stewardship.
- In partnership with our Director of Music explore how we can continue to develop the musical ministry of the Priory.
- If we are going to continue providing a safe venue for services and other activities it is vital that we maintain and improve the fabric of our wonderful Priory building.

Financial review

We have again had a very good fiscal year with an excess of income over expenses of £7,041 this is due to very generous donations from members of our congregation. Our unrestricted income is £136K from £158K last year. The Parish Giving Scheme has continued to have a very positive effect on our cashflow because the Gift Aid is paid each month. Things may have been very different if this scheme were not in force during the last 2 years. Fundraising events contributed £12,439 and I would like to thank all those who have been working to achieve this in these very difficult times. The Book Stall raised £1,913. Holiday Club did not take place last year due to Covid. Both freehold residential properties were let to private tenants through a letting agent during 2021.

Expenses in the year have been kept under control. Some repairs were done to the rented houses however, this was budgeted for. The Tower Roof project was finished on time and within budget. We received a grant for 80% of the cost from the Cultural Recovery Fund and this was claimed each month. We then asked for £13k from the Bateman Memorial Trust income to make up the difference between the quote and the grant. This was received in January 2021. The fundraising covered the Architects fees. The VAT was reclaimed separately and amounts to almost £20,806.

Total unrestricted expenses were £131K. The Parish Share was £75,527 and the PCC elected to pay the Parish Share in 3 installments. We intend that payment in advance helps Diocesan Cash Flow and increases the real value of our offer. Our total reserves including Fixed Assets are £578,925. This includes the nominal value of the 2 rented properties, the Bateman Memorial Trust Endowment, restricted funds of £289,989 and a designated fund of £20,649.

The Parish Giving Scheme was adopted by the Priory in 2018 and has worked very well. This scheme collects from regular givers, by direct debit, at the beginning of the month and passes this on to us on around the 10th of the month. They claim the Gift Aid Refund for us on this money and that is then remitted to us before the 20th of the month. This has had a very positive effect on our cashflow and has reduced the amount of work our Gift Aid Administrator (Richard Phillips) has to do.

During 2021 the PCC agreed to take on responsibility for the Leominster Team Ministry and its bank accounts. This was because there was no legal body to hold the accounts due to changes in Church and Charity Commission Law. The Team Administrator succumbed to Covid and was on sick leave for the whole of 2021. The PCC treasurer took over responsibility for producing the accounts for the Team for 2020 and 2021. The Diocese Financial Director has said that these accounts need to be included in the PCC accounts. They are therefore appended to the PCC accounts in this report. The Joint Council will be set up during this year and at that point the PCC will relinquish responsibility for the Team bank accounts and employees.

HEREFORD DIOCESE FINANCIAL UPDATE

The majority of the funding for the Diocese comes from contributions from parishes. Our financial contribution helps to spread the gospel throughout the Diocese in many ways.

As you will no doubt be aware the Hereford Diocese has been operating a Parish Offer scheme and has subsequently recorded deficits in its accounts. The Diocese is currently looking at a deficit in its accounts of approximately £1M.

In June last year the PCC agreed that the Parish Offer should remain at £75,527 because of the uncertainty of our financial position with Covid. It was agreed to review this in 2022 when we would have the financial results for the year. The PCC accounts show an excess of £7k for the year but this includes £3.4K in revaluation gains. They will review the payment for this year at the next PCC meeting.

PCC of Leominster Analysis of income and expenditure Selected period: 01 January 2021 to 31 December 2021

	Unrestrict ed	Designat ed	Restrict ed	Endowme nt	Total This year	Last year
Income and endowments						
<i>Donations and legacies</i>						
011101 - Gift Aid Stewardship	56,584		150	—	56,734	53,293
011104 - Gift Aid envelopes	1,249		—	—	1,249	1,147
021102 - Regular Planned Income	2,922		0	—	2,922	2,916
031110 - Weekly Cash collections	3,906		—	—	3,906	3,053
041112 - Wall boxes	2,445		—	—	2,445	1,409
051111 - Donations	10,818		110	—	10,928	62,947
061103 - Income Tax recovered on Gift Aid	15,888		—	—	15,888	14,943
071153 - Legacy received	1,000		—	—	1,000	1,000
091141 - Ext lighting income other funds generatd	—		—	—	—	—
091192 - Charity collections	—		—	—	—	—
131181 - Wedding, Funeral & Baptism collections	1,454		—	—	1,454	86
131194 - Holiday club	—		—	—	—	—
<i>Donations and legacies Totals</i>	96,268		259	—	96,528	140,797

Income from charitable activities

111113 - Funeral and Wedding fees	3,106	—	—	3,106	2,216
121140 - Book stall sales	1,913	—	—	1,913	549

Income from charitable activities Totals

5,019	—	—	5,019	2,765
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Other trading activities

121197 - Use of Priory	2,440	—	—	2,440	385
131190 - Fund Raising events	11,764	675	—	12,439	6,901

Other trading activities Totals

14,204	675	—	14,880	7,286
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Investments

101120 - Interest and Dividends	17	859	—	888	1,893
101191 - Rented Property	12,799	—	—	12,799	12,566
131197 - Investment Revaluation Gain	—	—	3,633	3,633	2,257

Investments Totals

12,817	859	3,633	17,321	16,717
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Other income

081154 - Non recurring one off grants	8,000	66,175	—	74,175	16,063
081184 - Project income	—	24,816	—	24,816	8,958
131122 - Insurance claims	—	—	—	—	—
131152 - Sundry Receipts	839	—	—	839	—
131196 - Other income	1,010	—	—	1,010	—

Other income Totals

9,849	90,991	—	100,840	25,021
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**Income and endowments
Grand totals**

138,159	92,786	3,633	234,590	192,587
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PCC of Leominster
**Analysis of income and expenditure
Selected period: 01 January 2021 to 31 December 2021**

	Unrestrict ed	Designat ed	Restrict ed	Endowme nt	Total This year	Last year
Expenditure						
Raising funds						
171351 - Stewardship expenses	153		—	—	153	—
271314 - Investment Revaluation Losses	—		—	—	—	—
Raising funds Totals	153		—	—	153	—
Expenditure on charitable activities						
182300 - Charity Colls paid	312		—	—	312	—
182301 - Charity PCC donation	764		—	—	764	—
191380 - Parish Share	75,527		—	—	75,527	75,527
201301 - Organists and Choir expenses	9,720		—	—	9,720	8,650
211304 - Reference materials	—		—	—	—	—
211305 - Team Monthly payment	10,152		—	—	10,152	9,937
211370 - Young Peoples Activities	200		—	—	200	15
211372 - Holiday club expenses	—		—	—	—	59
221302 - Organ tuning repairs	1,098		—	—	1,098	1,079
221303 - Church music	110		—	—	110	123

221307 - Cleaning repairs and maintenance	3,285	77	—	3,363	7,045
221308 - Furnishings fittings	—	—	—	—	—
221312 - Church Insurances	5,717	—	—	5,717	5,963
221315 - Service expenses	3,265	—	—	3,265	1,422
221350 - Treasurer Secretary expenses	118	—	—	118	95
221352 - Printing materials	—	—	—	—	—
221375 - Intergenerational Pioneers	6,210	—	—	6,210	6,082
223390 - Sundry Expenses membership fees	1,646	—	—	1,646	1,145
231306 - Utilities	7,393	—	—	7,393	6,771
241386 - Use of Forbury	398	—	—	398	58
261354 - Project costs general	1,875	—	—	1,875	—
261358 - Project roof	—	96,313	—	96,313	28,523
271313 - Rented Property Expenses	1,976	—	—	1,976	2,380

Expenditure on charitable activities Totals	129,774	96,391	—	226,165	154,880
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Other expenditure

171353 - Fund Raising costs	1,311	—	—	1,311	515
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Other expenditure Totals	1,311	—	—	1,311	515
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Expenditure Grand totals	131,240	96,391	—	227,631	155,395
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There may be minor discrepancies in the totals if the pence are not being shown

PCC of Leominster

**Balance Sheet detailed
As at 31st December 2021**

		As at 31/12/20 21	As at 31/12/20 20
Fixed assets			
1403: Priory Property		102,090.00	102,090.00
1410: Bateman Memorial Fund Endowment		29,308.21	23,416.74
Total Fixed assets		131,398.21	125,506.74
Current assets			
650015: Bank of Scotland		109,533.31	102,564.75
651502: CBF Legacy unrestricted		23,653.59	22,641.80
651503: CBF PCC		3,701.12	3,699.20
651504: CBF Projects		30,617.63	26,570.00
651505: CBF Fabric		8,602.24	8,597.76
651506: CBF Young People		15,830.29	11,813.96
651508: CBF External lighting		0.01	480.01

651509: Sundry Debtors	—	—
651510: CBF Annual Maintenance Outside	20,649.68	20,638.93
651520: Lloyds Bank Holiday Club	440.41	440.41
651523: Lloyds 6 month account due out on 21/11/	—	—
651524: Lloyds 32 day Account	166,862.43	166,807.36
651526: CCLA Investment Gilbert Walter Bequest	—	—
651527: CCLA Investment Mary Sandiland Trust	—	—
651529: CBF Music Fund	28,476.72	27,636.64
651530: CBF Window Grills	1,932.99	1,931.99
651531: CBF Heating Replacement Project	28,197.04	28,182.36
651532: CBF W M Vickery Legacy	0.10	0.10
651533: Bateman Memorial Fund Income Account	9,030.18	24,454.61

Total Current assets

447,527.74 446,459.88

Liabilities

1600: Unpaid bill year end	—	—
1601: Unpaid donations year end	—	—
6699: Agency collections	—	—

Total Liabilities

— —

Net Asset surplus (deficit)

578,925.95 571,966.62

**at
Reserves**

Excess / (deficit) to date	6,959.33	301,392.49
Z01: Starting balances	571,966.62	270,574.13
Total Reserves	578,925.95	571,966.62

As at

As

Represented by Funds

Unrestricted	136,888.08	128,925.62
Designated	20,649.68	20,638.93
Restricted	289,989.98	296,895.33
Endowment	131,398.21	125,506.74
Total	578,925.95	571,966.62

**Leominster Team Ministry Accounts
Combined Accounts for Expenses and Assigned Fees
For the Year 2021**

Income & Expenses

Income	2021	2020
Team Fees	23,081.71	25000.00
Assigned Fees (IN)	43,823.00	46787.00
Invoicing for Service Requisites and Printing	6,457.40	2754.77
Banns	88.00	2453.90
Stock Adjustment	0.00	590.74
Tea and Coffee mornings	0.00	233.00

Interest	8.30	75.50
	73,458.4	77894.9
Total Income	1	1
Expenses		
Assigned Fees (OUT)	40,588.00	46233.01
Team Salaries	19,208.56	17588.31
Team Expenses	6,150.79	6740.56
Printing & photocopying	5,785.52	3720.83
Rent & Cleaner	4,671.00	4656.00
Utilities	342.16	867.28
Stamps	370.10	824.81
Computer	512.45	394.00
Shredder	56.99	0.00
Stock Adjustment	26.86	0.00
Fixed Asset Depreciation	457.60	0.00
Bank Charges	116.00	0.00
	78,286.0	77024.8
Total Expenses	3	0
Excess/ Income over Expenditure	-4,827.62	870.11

**Leominster Team Ministry Accounts
Combined Accounts for Expenses and Assigned Fees
For the Year 2021**

Balance Sheet as at 31st December 2021

	2021	2020
Fixed Assets		
Printer	6,864.00	
Depreciation	457.60	
	6406.40	0

CAF Bank Current A/c	2752.22	3750.13
Nat West Current A/c	613.30	6302.55
Nat West Reserve A/c	50.00	50.00
CBF Church of England Deposit Fund - Expenses	8199.71	8195.26
CBF Church of England Deposit Fund - Assigned Fees	0.00	9655.05
Petty Cash	39.93	20.00
Debtors	2336.52	585.00
Stock	563.88	590.74
Total Current Assets	20961.96	29148.73
Creditors	420.00	3507.15
Prepaid Wedding Fees	1050.00	1785.00
Prepaid Funeral	463.00	0.00
Total Creditors	1933.00	5292.15
Total Net Current Assets	19028.96	23856.58
Represented by:-		
Funds B/fwd	23856.58	22986.47
Surplus/(Deficit) in year	-4827.62	870.11
	<u>19028.96</u>	<u>23856.58</u>

NOTES TO THE FINANCIAL STATEMENTS

Trustee's receiving remuneration during the year were David Bland and Kathy Bland who are paid as Intergenerational Pioneers. Small expense claims are reimbursed but are not of a material value.

The CBF Projects restricted fund of £30,618 has been built up from various sources for specific purposes as listed. The other investment funds are restricted to the title of the fund.

Investment Policy - It is PCC policy to invest our fund balances with the CBF Church of England Deposit Fund. However, we received a donation of £175,000 in 2018 and the PCC agreed that this should go into a Lloyds account which pays a slightly higher interest rate. The Fabric account and Lloyds 32 day account make up the £175,000 donation.

Reserves Policy - It is PCC policy to maintain a balance on unrestricted funds (if possible) which equates to approximately 6 months unrestricted payments, to cover day to day running requirements and emergency situations that may arise from time to time. The balance of £136,888 of unrestricted funds at the year-end meets this target.

Accounting Policy - The financial statements of the PCC have been prepared in accordance with the Church Accounting regulations 2006 and SORP 2015 using the receipts and payments basis.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members

Fixed assets - The freehold land and buildings comprising the Verger's House and 10 The Meadows in Leominster is included at a deemed cost being its cost on purchase. The PCC Trustees consider the freehold land and property to be worth considerably more than the net book value stated in the accounts. Equipment used within the church premises is depreciated on a straight line basis over 4 years. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired

Investments are valued at market value.

Restricted funds represent a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund.

Designated funds are unrestricted funds which are set aside at the discretion of the PCC Trustees for specific purposes.

Endowment Funds are funds, the capital of which must be maintained. Only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established. Last year we incorporated the Bateman Memorial Trust into our accounts. And this has now been separated into an Endowment amount in Fixed Assets and an Income amount in Current Assets.

Unrestricted funds are general funds which can be used for PCC ordinary purposes.

INDEPENDENT EXAMINER'S REPORT

**To the Parochial Church Council of the Priory Church of St Peter and St Paul
Leominster**

On the accounts for the year ended 31 December 2021

Respective responsibilities of trustees and the examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the Charities Act
- To follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- To state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in, any material respect, the following requirements have not been met:
 - to keep accounting records in accordance with section 130 of the Charities Act;
 - to prepare accounts which accord with the accounting records and comply with the requirements of the Charities Act;
 - to account for statutory fees correctly.
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed



Date: 12th February 2022

Mrs S E Gluyas FMAAT FCCA BSc (Hons)
99 Ridgemoor Road
Leominster

HR6 8UH