

**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 2022

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 2022

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 2022 until the date this report was approved are:

Chairman:	The Rev. Guy Spencer Cole, Team Rector
Wardens:	Ken Roberts Helen Bricknell
Secretary:	Ceri Hibbert
Treasurer:	Rupert Fairclough

Elected PCC Trustees and representatives on the Deanery Synod:

Helen Bricknell and Lesley Marsh (co-opted in September), Kathy Bland, David Bland and Wendy Coombey ex-officio.

Elected PCC Trustees:

Geoff Bricknell, Richard Phillips, Bill Quelch, Phillippa Wright, Lesley Marsh, Graham Millard (Lay Vice-Chair), Ceri Hibbert, Rupert Fairclough (elected April 2022), Patrick Deeming-Kent (elected April 2022) and Hilary Roberts (elected April 2022)

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. The support of the retired clergy has been invaluable. Also all the members of the PCC, the Choir and the Bellringers 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, finance, tourism and communications, fund raising, fabric and holiday club.

2022 saw the establishment of the Joint Council of the Leominster Benefice. All parishes within the Team are represented, with the Priory being represented by Helen Bricknell and Phillippa Wright. The Joint Council has responsibility for the Team Accounts and for the employment of staff working at the Team Office. The Joint Council also agrees how the costs of running the Team are shared between the parishes. It meets twice a year.

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. The PCC formally readopted and endorsed the Safeguarding Policy of the Church of England in March 2022, and approved the current action plan. 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 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, the Team Clergy and the PCC Trustees 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.
- 2022 saw the return of Messy Church, and the establishment of Church round the fire.
- A toddler group, Little Lambs, was set up.
- The young persons group, GOATS, continues to thrive.
- Providing a venue for concerts, conferences, school activities and large special services.
- The PCC meets monthly and has Finance, Church Fabric and Safeguarding as standing agenda items with other groups reporting on a cycle.
- 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.

Mission statistics

- On a usual Sunday, church attendance was around 97, from a worshipping community of 250.
- Number of communicants on Easter Day and Easter Eve was 230, with a total attendance of 258.
- Total attendance during Advent was 567.
- Total attendance at services for civic organisations or schools was 830.
- Number of communicants on Christmas Eve and Christmas Day was 170.
- Total attendance on Christmas Eve and Christmas Day was 242.
- 29 baptisms took place.
- 3 marriages were held.
- 19 funerals were held in the Priory, and 15 conducted by the clergy at other locations, and 2 burial of ashes or committals.

Plans for future periods

- To work together to develop a strong, vibrant vision for the mission of the Priory.
- To continue to explore how our mission and ministry can be reimagined intergenerationally.
- To further advance the values of the Inclusive Church movement.
- 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.
- To maintain and improve the fabric of our wonderful Priory building, including improving accessibility.

Financial review

At the beginning of the year, we had forecasted a loss of £21,694. Income was budgeted to be at the same level as the previous year with expenditure increasing by £7,388. This was due mainly to an increase in the Team share – the amount of money we contribute to the Leominster Team costs – and a predicted increase in utilities costs.

Actual income was £23,049 above budget, 50% of this being in the form of grants for works being carried out to the church building, and the remainder due to higher than expected cash donations. The Parish Giving Scheme, together with donor Standing Orders, continue to be the most important sources of income, especially once Gift Aid is recovered and added on.

With no Covid restrictions this year, the church was able to return to normal operations, although certain aspects remain different and some members of the previous congregation have been slow to return. We continue to receive a good stream of income from our rental properties, which have both seen rental increases in line with the market, as advised by our estate agents. Income from fund-raising events has again been important this year and I would again thank all the people involved in volunteering for the church. Without them so much of what we do would not be possible.

The Holiday Club ran another highly popular and successful week during the summer, ending up with a small surplus of £500, which will be ploughed back into next year to make it even better than ever. Thanks again are due to the hard work of many individuals who keep this vital part of our community outreach going.

Expenses crept £2,336 over the budget, an excellent result in a rather unpredictable year. Some budget lines we well under prediction and other over, but the overall result was an overall loss for the year (excluding grants and fund expenditure) of £13,241, an improvement of £8,453 against budget. Utility costs had been predicted to be very high and would have been had it not been for a grant of over £6,000 from the Diocese and a refund of over paid Climate Charge Levy and VAT of over £3,000.

Some 'operational' changes have meant that expenditure was made in places not predicted during the budgeting process in the previous year. For example, a decision was made to print service booklets for the main Sunday services. In addition, a decision was made to employ a Treasurer on a part-time basis as we were not able to find a volunteer to carry out this essential work. Maintenance on our rented properties was significant this year, totalling £5,225 – much of this expenditure was one-off and won't need to be repeated in the near future. The remainder of the costs related to the Tower appeared this year and were partially covered by grants and paid for from our reserves.

Thanks are due to Val Gates who manages all the cash collections and banking, with a little help from some others, and Richard Phillips who continues to manage the recording and claiming of Gift Aid payments.

The new Joint Council has now been set up and is responsible for all the Team employees and expenditure. The PCC no longer has any responsibility for this.

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.

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 £1.5M.

The PCC voted to increase our Parish Offer by £5,000 to £80,537 as of 1st January 2023.

Analysis of income and expenditure
Selected period: 01 January 2022 to 31 December 2022

		General	Designated	Restricted	Endowment	Total	
						This year	Last year
Income and endowments from:							
Donations and legacies							
	011101 - Parish Giving Scheme	£46,344 -	-	-	-	£46,344	£56,735
	011104 - Gift Aid envelopes	-	-	-	-	-	£1,249
	021102 - Standing Orders	£6,300 -	-	-	-	£6,300	£2,922
	031110 - Collections at Services	£12,036 -	-	-	-	£12,036	£3,906
	041112 - Pillar	£3,602 -	-	-	-	£3,602	£2,446
	041115 - Contactless Giving	£1,570 -	-	-	-	£1,570 -	-
	051111 - Donations	£4,890 -	-	-	-	£4,890	£10,928
	061103 - Gift Aid recovered	£13,173 -	-	-	-	£13,173	£15,888
	071153 - Legacies received	-	-	-	-	-	£1,000
	091141 - Ext lighting income other funds generatd	-	-	-	-	-	-
	091192 - Charity collections	-	-	-	-	-	-
	131181 - Wedding, Funeral & Baptism collections	-	-	-	-	-	£1,454
Donations and legacies Totals		£87,914 -	-	-	-	£87,914	£96,529
Income from charitable activities							
	111113 - Funeral and Wedding fees	£6,759 -	-	-	-	£6,759	£3,106
	131190 - Fund Raising events	£6,955 -	-	-	-	£6,955	£12,440
	131194 - Holiday club	-	-	£5,088 -	-	£5,088 -	-
Income from charitable activities Totals		£13,714 -	-	£5,088 -	-	£18,802	£15,546
Other trading activities							
	121140 - Bookshop sales	£1,888 -	-	-	-	£1,888	£1,913
	121197 - Hire of Priory	£2,845 -	-	-	-	£2,845	£2,441
Other trading activities Totals		£4,733 -	-	-	-	£4,733	£4,354
Investments							
	101120 - Interest and Dividends	£1,115	£239	£1,601 -	-	£2,955	£888
	101191 - Rented Property	£14,880 -	-	-	-	£14,880	£12,800
	131197 - Investment Revaluation Gain	-	-	-	-	-	£3,634
Investments Totals		£15,995	£239	£1,601 -	-	£17,835	£17,321
Other income							
	081154 - Grants	£6,460 -	-	£5,000 -	-	£11,460	£74,175
	081184 - Project income	-	-	-	-	-	£24,816
	131122 - Insurance claims	-	-	-	-	-	-
	131152 - Sundry Receipts	£50 -	-	-	-	£50	£839
	131196 - Other income	£1,101 -	-	-	-	£1,101	£1,010
Other income Totals		£7,611 -	-	£5,000 -	-	£12,611	£100,841
Income and endowments Grand totals		£129,967	£239	£11,688 -	-	£141,895	£234,591
Expenditure on:							
Raising funds							
	171351 - Stewardship expenses	-	-	-	-	-	£154
	221354 - Stock for Shop	£909 -	-	-	-	£909 -	-
	271314 - Investment Revaluation Losses	-	-	£2,864 -	-	£2,864 -	-
Raising funds Totals		£909 -	-	£2,864 -	-	£3,773	£154
Expenditure on charitable activities							
	171380 - Parish Offer	£75,527 -	-	-	-	£75,527	£75,527
	182300 - Charity Colls paid	-	-	-	-	-	£313
	182301 - Charity PCC donation	£1,067 -	-	-	-	£1,067	£765
	201301 - Organists and Choir expenses	£10,090 -	-	-	-	£10,090	£9,720
	211203 - Mission	£443 -	-	-	-	£443 -	-
	211304 - Reference materials	-	-	-	-	-	-
	211305 - Team Monthly payment	£13,410 -	-	-	-	£13,410	£10,152
	211370 - Young Peoples Activities	-	-	-	-	-	£200
	211372 - Holiday club expenses	£105 -	-	£4,448 -	-	£4,553 -	-
	221302 - Organ tuning repairs	£635 -	-	-	-	£635	£1,099
	221303 - Church music	-	-	-	-	-	£110
	221307 - Cleaning repairs and maintenance	£2,356 -	-	-	-	£2,356	£3,363
	221308 - Furnishings fittings	-	-	-	-	-	-
	221312 - Church Insurances	£6,441 -	-	-	-	£6,441	£5,718
	221315 - Service expenses	£2,719 -	-	-	-	£2,719	£3,266
	221350 - Treasurer Secretary expenses	£1,485 -	-	-	-	£1,485	£119
	221352 - Printing	£1,616 -	-	-	-	£1,616 -	-
	221375 - Intergenerational Pioneers	£6,336 -	-	-	-	£6,336	£6,211
	223390 - Sundry Expenses membership fees	£2,437 -	-	-	-	£2,437	£1,647
	231306 - Utilities	£5,223 -	-	-	-	£5,223	£7,394
	241386 - Use of Forbury	£754 -	-	-	-	£754	£399
	261354 - Project costs general	£985 -	-	£19,534 -	-	£20,519	£1,875
	261358 - Project roof	-	-	£2,318 -	-	£2,318	£96,313
	271313 - Rented Property Expenses	£5,225 -	-	-	-	£5,225	£1,977
Expenditure on charitable activities Totals		£136,853 -	-	£26,300 -	-	£163,154	£226,166
Other expenditure							
	171353 - Fund Raising costs	£1,693 -	-	-	-	£1,693	£1,312
Other expenditure Totals		£1,693 -	-	-	-	£1,693	£1,312
Expenditure Grand totals		£139,456 -	-	£29,165 -	-	£168,620	£227,631

Balance Sheet (Separate funds)

	General	Designated	Restricted	Endowment	At 31/12/2022	At 31/12/2021
					£	£
Fixed assets						
Tangible Assets	-	-	-	£102,090	£102,090	£102,090
Investments	-	-	£25,675	£218	£25,893	£29,308
	-	-	£25,675	£102,308	£127,983	£131,398
Current assets						
Investments	£123,834	£1,442	£238,929	-	£364,205	£337,554
Cash At Bank And In Hand	£15,883	-£1,442	£16,482	£25,675	£56,598	£109,974
	£139,717	-	£255,411	£25,675	£420,802	£447,528
Liabilities						
	-	-	-	-	-	-
Net current assets less current liabilities	£139,717	-	£255,411	£25,675	£420,802	£447,528
Total assets less current liabilities	£139,717	-	£281,086	£127,983	£548,785	£578,926
Liabilities						
	-	-	-	-	-	-
Total net assets less liabilities	£139,717	-	£281,086	£127,983	£548,785	£578,926
Represented by						
Unrestricted						
Unrestricted - General Fund	£115,585	-	-	-	£115,585	£109,533
Unrestricted - General Fund	£23,964	-	-	-	£23,964	£23,654
Unrestricted - General Fund	-	-	-	-	-	£3,701
Designated						
Designated - Annual Maintenance Outside	-	-	-	-	-	£20,650
Restricted						
Restricted - Bateman Trust	-	-	£6,247	-	£6,247	£9,030
Restricted - Window Grills	-	-	-	-	-	£1,933
Restricted - Heating Replacement Project	-	-	£28,568	-	£28,568	£28,197
Restricted - Holiday Club	-	-	£1,080	-	£1,080	-
Restricted - Music Fund	-	-	£28,851	-	£28,851	£28,477
Restricted - W M Vickery Legacy	-	-	-	-	-	£0
Restricted - Projects	-	-	£22,474	-	£22,474	£30,618
Restricted - Fabric	-	-	£177,996	-	£177,996	£175,465
Restricted - Lighting	-	-	-	-	-	£0
Restricted - Young People	-	-	£16,037	-	£16,037	£16,271
Restricted - Agency collection	-	-	£0	-	£0	£0
Endowment						
Endowment - Bateman Trust Endowment	-	-	-	£25,893	£25,893	£29,308
Endowment - Property Fund	-	-	-	£102,090	£102,090	£102,090
Fund Totals	£139,549	-	£281,253	£127,983	£548,785	£578,926

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 £24,474 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. This sum has since been moved from Bank of Scotland to a CBF account where it is earning more interest. Plans are underway to decide how this donation will be used for the future of The Priory.

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 £115,585 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 2022**

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:

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

Signed

Date:

Mrs S E Gluyas FMAAT FCCA BSc (Hons)
99 Ridgemoor Road
Leominster
HR6 8UH