



Church of the Holy Cross, Felsted

**Annual Report
and
Financial Statements
of the
Parochial Church Council**

for the year ended 31st December 2021

Incumbent

Rev'd Colin J Taylor

Bank

CAF Bank Ltd
25 Kings Hill Avenue, Kings Hill,
West Malling, Kent.
ME19 4JQ

Independent Examiner

C. Anthony Robertson
10 Perry Road, Flitch Green, Dunmow, CM6 3GL

Felsted Parochial Church Council is a registered charity No. 1132322



Annual Summary Report for 2021

Background

Felsted PCC has the responsibility of co-operating with the incumbent in promoting the whole mission of the Church, pastoral, evangelistic, social and ecumenical, within the ecclesiastical parish.

Structure, Governance and Management

The method of appointment of PCC members is set out in the Church Representation Rules. At the Holy Cross, the membership of the PCC consists of the incumbent (vicar), the churchwardens and members elected by those members of the congregation who are on the electoral role of the church. All members of the congregation are encouraged to register on the electoral role and stand for election to the PCC.

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish, including on how the funds of the PCC are to be spent.

The full PCC met nine times during the year with an average level of attendance of 88.5%.

Membership

Members of the PCC are either ex officio, or elected by the Annual Parochial Church Meeting in accordance with the Church Representation Rules. The following served as members of the PCC during the year (dates of election in brackets):

Incumbent: Rev'd Colin J Taylor

Wardens: Mr G Kelly [2020]
Dr M Sweeting [2020]

Representatives of the Deanery Synod:

Mr M Campbell [2020]
Mr B Peart [2020]

Elected Members:

Mr R Bazlinton	[2018]	
Dr J Mackin	[2018]	Child Protection Officer
Dr G Anderson-Taylor	[2019]	Vice Chairman
Mrs A Little	[2019]	
Mr M Crouch	[2020]	
Miss R Quilter	[2020]	
Mrs J Smylie	[2020]	
Mr J Tredwell	[2020]	Treasurer
Miss V Wallace	[2020]	Secretary

Committees

Standing Committee:

This is the only committee required by law. It has the power to transact the business of the PCC between meetings, subject to any directions given by the Church Council.

Membership: Incumbent
Churchwardens
Vice Chairman
Treasurer

In attendance: Vicar's PA

Overall Annual Review

2021 was a year filled with unusual challenges as we adjusted to moving from predominantly online to mostly in person at Easter amidst the uncertainty and limitations brought on by the global pandemic. It is fair to say that every aspect of ministry was reviewed and refreshed in the transition. The changeover has gone remarkably well though that is not to say that some aspects of change were not painful too.

This past year has been unusual and challenging, but it is also been a year where we have profoundly experienced God's faithfulness to us as a community. There are clear signs of disciples growing and new members have joined our church family.

As we look ahead, we look with hope, for we know the same faithful God who was with us in the past goes with us into the future.

Rev'd Colin Taylor

FINANCIAL REVIEW

Receipts and Expenditure

Total receipts to the General fund were £111,225, of which £68,365 was from regular planned giving, £13,433 from one-off donations and the cash plate, £5,000 from a legacy and a further £17,713 from Gift Aid. Charitable activities added £3,381 and Trading Activities generated £2,791 of gross income. As regards the other funds, Designated income totalled £5,678, including a £3,500 donation to the newly created Growing Ministry fund, whilst Restricted income totalled £4,405, of which £3,180 was from voluntary donations and £762 from Gift Aid.

£98,561 of unrestricted funds were spent providing the Christian ministry of the Church, including the £69,042 contribution to the Diocesan Parish Share that largely provides for the clergy stipends, housing and pensions. The amount that has to be found is shared between churches according to a formula heavily based on the headcount of the congregation.

During year, the PCC decided to cease paying the honorarium paid to the organist. After taking legal advice, compensation for loss of honorarium totalling £5,550 was paid.

The net result for the year on General funds was a surplus of income over expenditure of £12,664.

Covid-19 Pandemic

The church building was closed for the first three months of the year due to a resurgence of the Covid-19 infection rates and so services were again provided on-line. I am pleased to say that giving levels remained robust throughout, as regular monthly standing orders were supplemented by a number of one-off donations, which enabled us pay our Parish Share in full by the year end and also report a healthy surplus for the year.

The PCC carried forward unspent charitable giving totalling £1,058 and also set aside £1,000 as a provision for the cost of future decoration of the vicarage and other maintenance not covered by the Diocese and £5,000 for improvements to the church sound system.

Overall, this reduced the net outcome for the year to a surplus of £5,606, which increased the General reserve to £35,361.

The balances on the various Designated and Restricted Funds are retained for the specific purposes outlined in the Financial Statements.

Looking Forward

Whilst the generosity of many of its members is appreciated and looks set to continue, the budget for 2022 projects a material loss for the year as a consequence of one major donor moving away from the village and a doubling of energy costs. We are fortunate to have a healthy General reserve, which will cover this deficit, but we will be asking members, especially those who have joined the congregation in the last couple of years, to consider their level of regular giving to the church. However, with a growing and vibrant congregation, we approach this year's financial challenge with confidence.

Jon Tredwell
Treasurer

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31st December 2021

		General Fund	Designated Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2021	TOTAL FUNDS 2020
	Notes	£	£	£	£	£	£
INCOME AND ENDOWMENTS from:							
Donations, Legacies and Grants	2a	104,511	4,037	3,942		112,490	117,138
Charitable Activities	2b	3,381	240	240		3,861	2,563
Trading Activities	2c	2,791	76			2,867	22,670
Income from Investments	2d	542	1,325	223		2,090	2,711
Other Income	2e						
Total Income		111,225	5,678	4,405		121,308	145,082
EXPENDITURE on:							
Cost of Raising Funds	3a	(74)				(74)	0
Charitable Activities	3b	(96,311)	(1,026)	(562)		(97,899)	(101,144)
Trading Activities	3c	(2,176)		(103)		(2,279)	(24,004)
Other Expenditure	3d			(424)		(424)	(1,455)
Total Expenditure		(98,561)	(1,026)	(1,089)		(100,676)	(126,603)
Net Income / (Expenditure) resources before transfers		12,664	4,652	3,316		20,632	18,479
TRANSFERS							
Gross transfers between funds – in	6		7,058			7,058	3,197
Gross transfers between funds – out		(7,058)				(7,058)	(3,197)
OTHER RECOGNISED GAINS / (LOSSES)							
Increase / (Reduction) in Value of investments	7				3,645	3,645	1,761
Net movement in funds		5,606	11,710	3,316	3,645	24,277	20,240
RECONCILIATION OF FUNDS							
Total funds brought forward		29,755	176,464	43,246	23,539	273,004	252,764
Total funds carried forward		35,361	188,174	46,562	27,184	297,281	273,004

BALANCE SHEETAs at 31st December 2021

	Notes	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
FIXED ASSETS							
Investments	7				27,109	27,109	23,464
Total Fixed Assets					27,109	27,109	23,464
CURRENT ASSETS							
Debtors and Prepayments	8a	4,911	26	176		5,113	4,342
Cash at bank and in hand	8b	30,450	188,148	46,386	75	265,059	245,198
Total Current Assets		35,361	188,174	46,562	75	270,172	249,540
Total Net Assets		35,361	188,174	46,562	27,184	297,281	273,004

Represented by:

Unrestricted Funds	9	35,361				35,361	29,755
Designated Funds	9		188,174			188,174	176,464
Restricted Funds	9			46,562		46,562	43,246
Endowment Funds	9, 10				27,184	27,184	23,539
Total Funds		35,361	188,174	46,562	27,184	297,281	273,004

Approved by the Parochial Church Council at the 7th March 2022 meeting and signed on its behalf by


Rev'd C J Taylor [Chairman]



Mr J H Tredwell [Treasurer]

The notes on pages 7 to 15 form part of these accounts

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the current Statement of Recommended Reporting for Charities (SORP 2005). The financial statements have been prepared under the historical cost convention, except for valuation of investment assets, which are shown at market value.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of informal gatherings of church members.

FUNDS

General Funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application for the general purposes of the PCC.

Designated Funds are general funds set aside by the PCC for use in the future. Designated Funds remain unrestricted and the PCC may move any surplus to any other general fund.

Restricted Funds comprise income from trusts or endowments, which is to be expensed only on the restricted purposes intended by the donor, and revenue donations, or grants, for a specific PCC activity intended by the donor. Any balance remaining at the end of the year is carried forward as a balance on that fund.

Endowment Funds are funds, the capital of which must be retained either permanently, or at the PCC's discretion. The income derived from the endowment is to be used either as restricted or unrestricted funds, depending on the purpose for which the endowment was established in the first place.

The purpose of all designated, restricted and endowment funds is noted in the Financial Statements.

INCOMING RESOURCES

Voluntary Income

Planned giving, collections and similar donations are recognised when received by, or on behalf, of the PCC. Planned giving is also only recognised when received. Income tax recoverable on gift aid donations is recognised when the incoming resources to which they relate is received. Grants and legacies to the PCC are accounted for when the PCC is entitled to use the resources, their ultimate receipt is considered reasonably certain and the amounts due are reasonably quantifiable. Funds raised by the sale of books, a fete and similar events are accounted for gross.

Other ordinary income

Parochial fees due to the PCC for weddings, funerals etc. are accounted for on an event-by-event basis.

Income from investments

Dividends and interest are accounted for when receivable.

Gains and losses on investments

Realised gains and losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31st December.

APPLICATION OF RESOURCES

Grants

Grants and donations are accounted for when paid over.

Charitable Activities

The Diocesan Parish Share is accounted for when payable.

All other expenditure is generally recognised when it is incurred and is accounted for gross.

FIXED ASSETS

Consecrated and beneficial property is excluded from the accounts by Sections 10 (2) (a) and (c) of the Charities Act 2011. This includes the Smylie Hall built in 2016, which is annexed to the church.

Insurance cover is provided on a reinstatement value basis.

No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or benefice buildings and moveable church furnishings whether maintenance or improvement is written off as expenditure in the SOFA and separately disclosed.

Individual items fixtures, fittings and equipment with a purchase price of £1,200 or less are written off when the asset is acquired. There are no assets values in excess of £1,200 at present.

Investments

Investments are valued at market value 31st December.

Current Assets / Liabilities

Amounts owing to the PCC at 31st December are shown as debtors. Amounts owed by the PCC at 31st December are shown as creditors.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES
For the year ending 31st December 2021

2. INCOME and ENDOWMENTS

	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
2a. Donations, Legacies and Grants						
Planned Giving	68,365	420	3,180		71,965	76,225
Income Tax Recoverable	17,713	107	762		18,582	18,798
Plate Collections at Services	1,923				1,923	1,332
Sundry Donations and Appeals	11,510	3,510			15,020	8,691
Legacies	5,000				5,000	12,092
Total	104,511	4,037	3,942		112,490	117,138
2b. Charitable Activities						
Fund Raising: Coffee Mornings	36				36	3
Fees for Weddings and Funerals	3,345	240	240		3,825	2,560
Total	3,381	240	240		3,861	2,563
2c. Trading Activities						
Smylie Hall Hire Fees	1,658				1,658	1,601
Away Weekend	647				647	20,464
2021 Events	486	76			562	569
Merchandise					0	36
Total	2,791	76			2,867	22,670
2d. Income from Investments						
Dividends	413				413	399
Bank and other interest	129	1,325	223		1,677	2,312
Total	542	1,325	223		2,090	2,711
Total Income and Endowments	111,225	5,678	4,405		121,308	145,082

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES
For the year ending 31st December 2021

3. Expenditure

	Note	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
3a. Cost of Raising Funds							
Stewardship Costs		74				74	0
Total		74				74	0
3b Charitable Activities							
Mission and Charitable Giving	4	9,286				9,286	9,400
Family Purse		69,042				69,042	69,945
Clergy Expenses		840				840	593
Mission / Outreach		769	416			1,185	886
Service Expenses	5	7,255		500		7,755	4,638
Utility Expenses		2,033				2,033	2,469
Insurance		2,710				2,710	2,685
Administration Costs		643				643	558
Equipment		1,659				1,659	1,269
Church Repairs and Maintenance		2,074		62		2,136	8,611
Vicarage Repairs and Maintenance			610			610	90
Total		96,311	1,026	562		97,899	101,144
3c. Trading Activities							
Smylie Hall		1,209		103		1,312	1,437
Away Weekend		657				657	21,447
2021 Events		310				310	1,120
Total		2,176		103		2,279	24,004
3d. Other Expenditure							
Smylie Hall – Repairs / Additions				424		424	1,455
Total Other Expenditure				424		424	1,455
Total Expenditure		98,561	1,026	1,089		100,676	126,603

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES
For the year ending 31st December 2021

4. Mission Giving

Three types of grant are made to mission and charities:

- Sums collected from specific events and services, including funerals and memorial services;
- Contributions based on 10% of the previous year's 'General Giving to Holy Cross' (see below);
- One-off anonymous donations from members of the congregation;

In 2020, the 10% of 'General Giving' came from the following areas of the General Fund:

	£
Planned giving	72,515
Tax thereon	<u>17,845</u>
Sub-total	90,360
Plate Collection	1,332
Other Donations	4,091
PCC Fees	2,380
Investment Income	<u>421</u>
Total	98,584

The distribution of 10% (£9,858) of General Giving and the £486 proceeds of a fund raising event were, as follows:

		2021	2020
		£	£
Overseas Mission:	Crosslinks 'Project Timothy' (Serbia)	3,500	3,000
	Crosslinks 'Resourcing Mission'	500	0
	Open Doors	2,000	1,400
	Dan & Adrie van Aswegen (Zambia)	2,000	2,400
Home Mission:	Iain Lingwood Theological Training	0	2,000
	SASRA	500	300
	CPAS (our patron)	300	300
Secular Charities	Natasha Allergy Research	486	0
	Sub-Total	9,286	9,400
	Giving Reserve (still to be allocated)	1,058	2,197
	Total	10,344	11,597

Movements in the Mission Giving Reserve are, as follows:

	2021	2020
	£	£
Balance brought forward being Unallocated Giving from 2020	2,368	171
Unallocated Giving from 2021	<u>1,058</u>	<u>2,197</u>
Balance carried forward being Net Unallocated Giving	3,426	2,368

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES
For the year ending 31st December 2021

5. Service Expenses

Within the Service Expenses figure for the year is a £5,550 compensation payment for loss of honorarium, which following legal advice costing £780, was paid to the organist upon termination of the arrangement. In 2020, £3,276 was paid to the organist as an honorarium for the period January to September.

Payments to PCC members

A small immaterial portion of expenses paid to the incumbent may have related to his services as chairman of the PCC. No other payments or expenses were paid to any other PCC members, persons closely connected to them, or other related parties.

6. Analysis of Transfers between Funds

	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2021 £
<u>Year End Transfers Between Funds</u>					
Charitable Giving Fund	(1,058)	1,058			0
Vicarage Fund	(1,000)	1,000			0
Fabric Fund	(5,000)	5,000			0
Total	(7,058)	7,058			0

7. Investments

All investments are held on our behalf by the Diocesan Board of Finance in CBF Investment Funds.

	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	TOTAL £
Market value 1 st January 2021				23,464	23,464
Net gains on revaluation				3,645	3,645
Market Value 31st December 2021				27,109	27,109

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES
For the year ending 31st December 2021

8. Current Assets

	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2021 £	TOTAL 2020 £
8a) Debtors less than one year						
Tax recoverable	3,371	26	176		3,573	4,342
Prepayment	1,540				1,540	0
Total	4,911	26	176		5,113	4,342
8b) Cash at bank and in hand						
CAF Bank	12,150	13,329	5,386	75	30,940	36,882
On Demand						
Shawbrook Bank	18,300	18,000	41,000		77,300	76,849
60 Day Notice						
Kingdom Bank		30,131			30,131	30,033
90 Day Notice						
United Trust Bank						
200 Day Notice		26,688			26,688	26,434
United Trust Bank						
12 Month Fixed Term to 8 th December 2022		25,000			25,000	0
Cambridge & Counties Bank		75,000			75,000	75,000
12 Month Fixed Term to 14 th December 2022						
Total	30,450	188,148	46,386	75	265,059	245,198

All bank deposits are covered by the Financial Services Compensation Scheme for deposits of up to £85,000.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES
For the year ending 31st December 2021

9. Statement of funds

	Bal b/fwd 1 Jan 2021	Income	Expenditure	Gains / (Losses) and Transfers	Bal c/fwd 31 Dec 2021
	£	£	£	£	£
Unrestricted					
General Fund	29,755	111,225	(98,561)	(7,058)	35,361
Total	29,755	111,225	(98,561)	(7,058)	35,361
Designated					
Church Fabric Fund	11,904	58		5,000	16,962
Esme McGee Fund	151,979	1,220			153,199
Growing Ministry		3,512			3,512
Mission Giving	2,368			1,058	3,426
Verger Fund	1,545	246			1,791
Vicarage Fund	1,684	6	(610)	1,000	2,080
Youth Fund	6,984	636	(416)		7,204
Total	176,464	5,678	(1,026)	7,058	188,174
Restricted					
Bell Fund	7,359	500	(62)		7,797
Care Fund (previously Hardship)	4,500	248			4,748
Choir Fund	524		(500)		24
Clock Fund	732				732
Church Fabric Fund	17,039	1,324			18,363
Hall Fabric Fund	13,052	1,945	(527)		14,470
Organ Fund	40	388			428
Total	43,246	4,405	(1,089)		46,562
Endowment					
General Bequest	1,659			238	1,897
Hutley Bequest	2,520			361	2,881
Baker Bequest	1,680			240	1,920
Alan & Barbara Payne Bequest -	8,372			1,197	9,569
Tithe Chancel (Tithe Act 1936) -	9,233			1,609	10,842
Trow Bequest - Cash	75				75
Total	23,539			3,645	27,184
Total Funds	273,004	121,308	(100,676)	3,645	297,281

Definitions

Fabric Funds	Donations are allocated either to specific projects, if so stipulated (Restricted), or the upkeep of church fabric in general, if the PCC so decides (Designated). Routine maintenance, e.g. boiler servicing, is financed by the General Fund.
Esme McGee Fund	Established in 2016 following receipt of a large bequest from a former parishioner. Although there were no restrictions to the bequest, the PCC decided that the funds should be classified as 'Designated' to ensure that their use can be carefully monitored.
Growing Ministry	Established in 2021 for the purpose of growing Gospel leadership capacity within the parish.
Mission Giving Fund	Established in 2016 as part of the church's revised approach to mission and charity giving, whereby monies specifically designated for this purpose are held pending grants being paid.
Verger Fund	Established in 2016 with verger fees from weddings and funerals, this fund is used at the discretion of the vicar and churchwardens to support individuals and families attending specific church events, e.g. Away Weekend, where cases of hardship might otherwise prevent this.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES
For the year ending 31st December 2021

9. Statement of funds continued

Definitions continued

Vicarage Fund	Established in 2018 to cover the decoration and minor maintenance costs of the Vicarage not covered by the Diocese.
Youth Fund	This fund was initiated in 2004 to help finance youth work.
Bell Fund	Donations are used for the maintenance of the bells, the training of bell ringers and other associated expenditure.
Care Fund	Established in 2020 to support members of the Holy Cross Christian community who are struggling with financial hardship.
Choir Fund	Donations are used to defray associated expenditure such as the replacement of vestments and purchase of music. Copyright is charged to the General Fund.
Clock Fund	Established in 2014 for the repair and maintenance of the tower clock.
Organ Fund	Established in 2016 for the repair and major maintenance of the church organ. Annual maintenance is financed by the General Fund.

10. Endowment, Investments and Bequests

		Cost	2021 Market Value	2020 Market Value
		£	£	£
General Fund	(81 CBFIF shares)	100	1,897	1,659
Hutley Bequest	(123 CBFIF shares)	152	2,881	2,520
Baker Bequest	(82 CBFIF shares)	102	1,920	1,680
Payne Bequest	(408.63 CBFIF shares)	5,000	9,569	8,372
Total CBFIF shares		5,354	16,267	14,231
Tithe Chancel Trust	(462.98 CBFIF shares)	82	10,842	9,233
Total Investments		5,436	27,109	23,464
Trow Bequest (cash)		75	75	75
Total Endowments, Investments and Bequests			27,184	23,539

The Tithe Chancel trust was set up under the Tithe Act 1936, whereby obligations to repair the Chancel were bought out via the deposit of a capital sum with the Diocese as custodian trustee, the income from which was to be used to keep the Chancel in good and substantive repair. The capital value of the trust is a permanent endowment and is invested in CBFIF shares.

The Payne bequest, in memory of Alan & Barbara Payne, was made in 2000 for the upkeep of the church linen, with any surplus going to the General Fund.

The remaining bequests have been in existence for more than 40 years. The original intention of these bequests is not known, although records show that the annual income has gone to the General Fund.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES
For the year ending 31st December 2021

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS / TRUSTEES OF FELSTED PAROCHIAL CHURCH COUNCIL

I report on the accounts for the year ending 31st December 2021, which are set out on pages 5 to 15.

Respective responsibilities of Trustees and Independent Examiner

The charity's trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the 2011 Act) and an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners section 145 (5) (b) of the 2011 Act; and
- 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 Commissioners. An examination includes the 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 management committee concerning such matters. The procedures undertaken do not provide all the evidence that would be required by a full audit and consequently I do not express an audit opinion on the accounts.

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 requirements
 - to keep accounting records in accordance with s130 of the 2011 Act; or
 - to prepare accounts which accord with these accounting records to enable proper understanding of the account;have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



C. Anthony Robertson
10 Perry Road, Flitch Green, Dunmow, Essex. CM6 3GL

Date: 9th March 2022