

**HORNCHURCH PAROCHIAL CHURCH COUNCIL**

**TRUSTEES' REPORT AND ACCOUNTS**

**For the year ended 31 December 2020**

## **Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council**

**For the year ended 31 December 2020**

### **Trustees' Report to the Members of the Ecclesiastical Parish of Hornchurch St Andrew**

The Trustees present their annual report and financial statements for the year ended 31 December 2020.

### **Reference and Administrative Information**

The Parochial Church Council of the Ecclesiastical Parish of Hornchurch St Andrew ("PCC") was registered on 11 March 2010. The PCC is a body corporate governed by The Parochial Church Councils (Powers) Measure (1956) as amended and church representation rules. The Parish of Hornchurch comprises the four churches of St Andrew, St George, St Matthew and Messy Church, which forms part of the Diocese of Chelmsford within the Church of England.

### **Registered Charity number**

1134813

### **Principal address**

222 High Street  
Hornchurch  
Essex  
RM12 6QP

### **Governance**

The Trustees who served during the year and at the date of this report were:

Rev'd K Wylie (Chair from 28 May 2020)	Miss A Jarrett
Mrs S Cox (Vice-Chair; Chair to 28 May 2020)	Mrs J John
Rev'd B Baker (Co-opted)	Mrs L Lithgow (to October 2020)
Mr C Bishop (to October 2020)	Mr A Losq
Mrs M Bishop (to October 2020)	Mr N McCarren (from October 2020)
Mr R Bolton (to October 2020)	Mrs M Powell (from October 2020)
Mrs P Bromhall	Mr D Reynolds
Mrs J Brooks	Rev'd S Ryan (to June 2020)
Mr D Cast	Mr J Shearmur
Mrs P Clark (Secretary)	Mrs C Sherratt
Mr R Dines	Mr J Speller
Mrs K Dunstan	Mrs A Tansley
Mr M Harder	Mrs C Withers
Mrs J Harder (from October 2020)	

Members of the PCC are either ex officio or elected by the Annual Parochial meeting in accordance with the Church Representation Rules or are co-opted. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC. Mr C Cox was appointed Treasurer by the PCC; to avoid any potential conflicts of interest, as he is married to a Parish Warden, he is neither a member of the PCC nor a bank signatory. Newly elected Trustees are provided with a copy of the Church of England pamphlet "Trusteeship – an introduction to members".

The Standing Committee, comprising the Incumbent, the Wardens and the PCC Secretary, can be called upon to take decisions on matters requiring immediate attention. Such decisions are later ratified by the PCC.

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**Management**

Members of the management team at the date of this report were:

Incumbent	Rev'd K Wylie	
Associate Minister	(vacant)	
Curate	(vacant)	
Retired Ministers	Rev'd B Baker	
	Rev'd S Groombridge	
Ordinands	Mrs B Bensusan	
	Mrs D Butcher	
Readers	Mrs C Sherratt	
	Mrs P Bromhall	
Authorised Local Preachers	Mr M Cornish	
	Miss A Jarrett	
Messy Church Leader	Mrs C Withers	
Choirmaster	Mr W Brooks	
Organist	Mr A Losq	
Parish Wardens	Mrs S Cox	
	Mr M Harder	
PCC Secretary	Mrs P Clark	
Treasurer	Mr C Cox	
Assistant Treasurers	Mr R Sherratt	Mr G DeGiorgio
Deanery Synod Representatives	Mrs J Brooks	Mr A Losq
	Mr D Cast	
Safeguarding representatives (Young people)	Mrs M Powell	Mrs E Morris
(Vulnerable adults)	Mrs L Girkin	

**Bankers and Professional Advisers**

**Bankers**

Barclays Bank PLC	CCLA Investment Management Ltd
Leicester	Senator House
LE87 2BB	85 Queen Victoria Street
	London EC4V 4ET

**Independent Examiner**

Steven Lescott F.C.C.A.  
Lescott  
Chartered Certified Accountants  
10 Station Court  
Station Approach  
Wickford, Essex SS11 7AT

## **Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council**

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### **Statement of Trustees' Responsibilities**

The law applicable to charities in England and Wales, the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice ("SORP") applicable to charities preparing their accounts in accordance with Charity SORP (FRS102) small charities, 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 those financial statements, the Trustees are required to –

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with applicable law. They 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.

### **Aim and Purpose**

The PCC has the responsibility of co-operating with the incumbent, the Reverend Ken Wylie, in promoting in the Ecclesiastical Parish the whole mission of the Church - pastoral, evangelical, social and ecumenical. It also has maintenance responsibilities for the churches and allied premises within the PCC area.

### **Objectives and Activities**

The PCC is committed to enabling as many people as possible to worship at our churches and to become part of our Parish community. The PCC maintains an overview of worship throughout the Parish and makes suggestions on how our services can involve the many groups that live within our parish. Our services and worship put faith into practice through prayer and scripture, music and sacrament.

### **Public Benefit**

When planning our activities for the year, we have considered the Charity Commission's guidance on public benefit and, in particular, the supplementary guidance on charities for the advancement of religion. In particular, we try to enable ordinary people to live out their faith as part of our parish community through:

- Worship and prayer; learning about the gospel; and developing their knowledge and trust in Jesus
- Provision of pastoral care for people living in the parish
- Missionary and outreach work

The annual report describes the activities undertaken by the PCC during the year to further, in the opinion of the Trustees, its charitable purposes for public benefit.

The Trustees are of the opinion that they have complied with the duty in section 17 of the Charities Act 2011.

### **Electoral Roll**

In December 2020, there were 314 Parishioners on the Church Electoral Roll, of whom 174 were resident and 140 were not resident within the Parish Boundary. The total represents an increase of 3 on the figure quoted in the Annual Report for 2019.

## Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council

For the year ended 31 December 2020

### Review of the Year

The context for this review, is perhaps best started with a reminder of what was written in April 2020, at the end of last year's report:

***"The future: 2020 and the impact of the coronavirus pandemic***

*This report was approved just a few weeks after the Prime Minister declared a "moment of national emergency" on 23 March 2020, since when our country (together with much of the world) has been in near full "lockdown" against the spread of coronavirus. The public has been asked to stay at home except for essential, and short, expeditions to buy food or take exercise; especially vulnerable people are asked to stay at home. These and other measures are designed to stop the spread of the virus so that medical staff and hospitals are not overwhelmed by the numbers of people being treated. All social events, including weddings are now banned, with only funerals allowed (but not in churches). We have just experienced the first Easter without church services in Britain since 1213! We are learning a new vocabulary of "social distancing" and "self-isolating".*

*All places of worship are closed, along with many other places where people congregate, including schools and shops deemed non-essential. It is not clear how long these measures will be in place but it seems likely that they will last for months rather than weeks, with their impact lasting even longer. ..."*

The year was dominated by the arrival of the Covid-19 global pandemic and the Government's response to the situation which changed through the remainder of the year, starting with a "lockdown" of the population in March for some three months and ending with a second lockdown in December 2020 (which is only being relaxed at the date of this report after the successful rollout of the vaccination programme that commenced in December 2020). During the year we learned a new language: in addition to lockdown, terms such as "social-distancing", "self-isolation", "rule of six", and many others, came into everyday parlance. Churches, non-essential retail, hospitality and tourist businesses and schools were effectively closed for much of the year and during the times that these were able to open, did so under strict regulation.

Although the services for January and February followed the established pattern of a variety of worship formats, the arrival of the pandemic forced the consideration of a completely different way of taking services into people's homes. Our new Vicar, Rev'd Ken Wylie, was thrown in at the deep end. The installation of the Audio-Visual (AV) system in 2018 enabled the streaming of services over the internet which were regularly "attended" by large "congregations". After the morning worship, Ken and Marlene, his wife, streamed "Family Time" for the younger members of the congregation, while Zoom (a video platform few had heard of before 2020 but they do now!) hosted a "Coffee and a chat" session giving a weekly opportunity for fellowship. Ken began broadcasting Morning Prayer at 9am on Monday to Thursday to a regular congregation and this continues. Over the summer, while restrictions were eased a little, we were able to open the church for private prayer on Thursdays and for a Sunday service, initially just for Morning Worship, though later for Holy Communion with limited numbers who were socially distanced and wearing masks.

The streamed services for Nine Lessons, Christmas Eve and Christmas Day were very well-received by viewing figures larger than could have been accommodated in church in a normal year.

The youth work in the Parish has been severely restricted in many areas which depend on churches being open but has continued to flourish in other areas and we are grateful to those who have been able to continue this important work, which is also referred to in the section on Young People below.

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### **Review of the Year (continued)**

Messy Church, now in its eleventh year, moved to “online celebrations” and by innovating, has kept in contact with our MC families and reached new people who may not have been able to attend our ‘physical’ sessions. Innovations included;

- ‘Messy Church in a Box’ through the year has provided Bible-themed resources, thoughts and information to explore as a family;
- In the summer holidays “resources in a bag” on the theme of ‘Creation’ was provided, supported by a weekly video session with Bible theme, craft and science activities and prayer ideas for the seven days of creation. This way of staying in touch with families was very popular and so activity boxes were produced for the October Light Party and Christmas with 60 boxes being requested;
- The Christmas box contained four different bags starting from Advent, through to Christingle, Christmas and Epiphany; with a knitted angel for each box, made by members of the Messy Church team and their friends.
- Churchyard trails;
- Updating “Messy Church in Hornchurch” Facebook page, where families are encouraged to share photos of their crafts and advertise upcoming events.

It was with regret that many of the regular features of the Parish Year had to be cancelled in 2020 due to the Government regulations on lockdowns and severely restricted social contact, and the uncertainty about how these regulations might change. The Safari summer holiday club (for infants to teenagers); The Bridge (an open house offering a listening ear to all-comers); the Winter Market (with its opportunities for fellowship) and some special services had to be cancelled for the duration or, in the case of Battle of Britain Sunday and Remembrance Day, severely curtailed.

Life Groups have been unable to meet since February due to Covid restrictions but the intention is for them to be reviewed and to resume in the autumn of 2021.

The A-V system came into its own during lockdown; and the team are to be congratulated on their work in continuing to use the system effectively; particular mention must be made of Peter and Harriet Carver, whose dedication and expertise has enabled us to reach out to a wider audience and contributed significantly to the mission of the Parish. Services are being streamed through the A-V system from St Andrew’s to those who were unable to attend in person, through government regulation or other reasons, while St George’s and St Matthew’s Churches have been closed for the duration.

The ministry of music had a curious year. The choir was able to attend rehearsals and services for only a very few weeks in the autumn, which enabled them to record some music which was then used for streamed services; the organ was unavailable throughout. We heard them only a little but sufficient to remind us how much we missed them. Having their own isolated space in the belltower, the ringers were able to ring, or chime, more regularly. We are grateful to everyone who shares their gifts through singing, playing and bell-ringing and look forward to restrictions being lifted in 2021.

It was with great sadness that we said goodbye to a number of extremely committed and long-standing members of our congregation who passed away in 2020, including: Evelyn Bunney, Betty Carrington, Joan and Frank Cook, Anita Fassam, Rosamund Hawkes, Josie Quick, Eileen Rice, Hazel Spurdle, Reginald and Sheila Statham, Marjorie Weaver and our former parishioners, Jenny and Mick Clarke.

Last but not least, we thank our clergy and lay leadership team. We pray that God will continue to bless, inspire and uphold Ken Wylie, Saffron Ryan, Barbara Baker, Carole Sherratt, Pat Bromhall, Sonia Groombridge, Christine Withers, Anne Jarrett, Mark Cornish, Peter Evans, Becki Bensusan, Dawn Butcher, Jo Smallman, Karen Dunstan and Alison Tansley.

Saffron completed her curacy with us in June 2020 and moved on to her new ministry in Stratford. We are sad to see Saffron, James and their family go; we thank them for sharing their gifts and fellowship with us and we wish them well in the future.

Becki and Dawn, our Ordinands, will be leaving us soon to go to the parishes where they will have the next stage of their training; we have enjoyed their leadership, teaching and fellowship with us and wish them well for the future.

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### **Review of the Year (continued)**

#### **Young people**

In a normal year, the Parish of Hornchurch hosts a wide range of groups for Young People, providing for youngsters from babies to eighteen years. There are currently thirty one groups, including eleven organised directly by the Church. The other nineteen are units of Uniformed Organisations: one Girl's Brigade unit; one Scout Group, with ten sections - three Beaver Colonies, four cub packs and three scout troops; and nine Girlguiding units – two of Rainbows, five of Brownies and two of Guides. The activities of the church groups were suspended for the year from March, though many of the sections of the Uniformed Organisations continued using Zoom for virtual meetings or in the summer, meeting outside when this was possible.

These groups are all led by volunteers, to whom the Parish is grateful for their dedication and for the time they spend in planning and running programmes and activities for their groups, many throughout the year: without their leadership, these groups would not be able to run. Further details of the activities of these groups can be found in the separate annual youth report presented to the APCM and available from the Parish Office.

#### **Volunteers**

The Parish of Hornchurch is dependent on the huge number of people involved in church activities in the area. Volunteers undertake significant roles in the activities of the PCC, ranging from administration, such as assisting with financial recording; leading mother and baby groups; youth activities; prayer, bereavement and support networks; as well as worship. Some of these activities were curtailed, others continued and some were new: an example of the latter is the stewarding of services, private prayer and weddings and funerals, where more volunteers were required to ensure the congregations, albeit limited in numbers, felt safe while in church. The number of volunteers involved during the year, daily, weekly, monthly or annually would be in the region of 100 (nearer 200 in a Safari year), contributing an average of around 2½ hours per week.

The service provided to our local community through church volunteering has a significant impact on people's relationship to the Church particularly at times of crisis. Within this context, the PCC greatly values the considerable time given by all the volunteers across the Parish in pursuit of our mission.

#### **Management of the charity**

The full PCC met five times in 2020, the planned sixth meeting in March being cancelled as it coincided with the first lockdown at the onset of the pandemic. The January meeting was held face to face and the other four meetings were hosted on Zoom; the average attendance was 77%. From March, the Standing Committee met regularly for the rest of the year to discuss policy and financial matters, initially weekly and after July every other week. In March, a Strategy Committee was set up to discuss the management of services and communication with the congregation, trying to ensure that the more vulnerable members were contacted regularly. The key matters arising were presented for consideration at the full PCC meetings.

#### **Pay policy for staff**

The PCC employs twelve staff (eleven of whom are part-time), working in the roles of cleaner, caretaker, office administration, financial administration and gardener, as well as remunerating the organist. Pay rates for staff in equivalent roles are the same, irrespective of gender and age. Pay is reviewed annually in the autumn and increased according to our means and to ensure these are in excess of minimum wages rates at that time.

The PCC has participated in the NEST pensions scheme from 1 March 2016, 10 months earlier than the statutory staging date. The PCC's contributions have been set at 3% with effect from that date.

The PCC members (who are trustees of the charity) give their time freely and received no remuneration for the year. Details of related party transactions are disclosed in note 10.

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### Review of the Year (continued)

#### Financial Review

During the year, the income and expenditure on unrestricted funds (general and designated) before investment gains were as follows:

£	Unrestricted funds		2020 Total	Unrestricted funds		2019 Total
	General	Designated		General	Designated	
Income	<b>272,548</b>	<b>65,005</b>	<b>337,553</b>	308,502	143,809	452,311
Expenditure	<b><u>290,987</u></b>	<b><u>3,203</u></b>	<b><u>294,190</u></b>	<u>328,814</u>	<u>12,577</u>	<u>341,391</u>
Net (expenditure)/income	<b><u>(18,439)</u></b>	<b><u>61,802</u></b>	<b><u>43,363</u></b>	<u>(20,312)</u>	<u>131,232</u>	<u>110,920</u>

General income of £272,548 (2019: £308,502) was down by £35,954, arising broadly from collections at all services, down £12,000 and a reduction in hall hire income of £42,500, offset by the receipt of £17,229 from the Government's Coronavirus Job Retention Scheme. General expenditure of £290,987 (2019: £328,814) was lower by £37,827, arising mainly from reduced running costs and maintenance while the churches and halls have been substantially closed.

The operational performance of the parish was insufficient to enable the Parish Share of Diocesan costs of £158,740 (2019: £166,450) to be paid in full from income and recourse was again made to reserves to fund the deficit on general funds of £18,439 (2019: £20,312).

Lockdown caused the normal pattern of giving to be turned upside down as regular giving, which has been the mainstay of our income for many years, fell away sharply and alternative methods of giving were used, including cheques and bank transfers instead of cash. Justgiving became a valuable source of income, while the Parish Giving Scheme (PGS) saw an increase in regular donors such that in future years this appears to be the primary source of giving for the Parish. PGS is not only administratively beneficial but also has improved the PCC's cash flow.

The PCC is grateful to the two anonymous donors who gave a total of £30,000 in the year, which enabled the general fund voluntary income to be only slightly lower than last year.

An unrestricted legacy of £61,576 was gratefully received during the year from the estates of Brenda and Peter Newlyn, which was added to the designated reserve for legacies and accounts for nearly all of the increase in designated funds.

While fees from weddings and funerals held up reasonably well, baptisms were few and this hit collections.

Expenses have been kept under scrutiny by the Standing Committee.

By the end of the year, the Church's surplus and net current assets had both increased by £47,115, mainly due to the Brenda and Peter Newlyn legacy of £61,576, from which is deducted the deficit for the year of £18,439 (2019: increased by £119,580, mainly arising from the Mrs Goodwin bequest of £120,000).

It remains vitally important that the parish continues to consider the stewardship of its financial resources and how it might increase its planned giving income in future years.

We are grateful to the office staff who adapted their working practices and working hours to such effect that the parish office was always available during normal office hours.



## **Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council**

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### **Review of the Year (continued)**

#### **Reserves Policy**

It is PCC policy to maintain “free” reserves (that is, unrestricted reserves which are not designated for a specific purpose) which are equivalent to two to three months of average unrestricted payments, which is currently equivalent to a reserve of between £48,000 and £73,000, in order to smooth out fluctuations in cash flow and to meet unexpected items of expenditure. At 31 December 2020, “free” reserves for this purpose on the unrestricted general fund were exhausted by the prior year’s deficit and the designated legacy fund held £77,464, just above the top of this range. The £120,000 unrestricted bequest received in 2019 has been earmarked by the PCC as an emergency fund against the potential future deficit on unrestricted general funds due to a continued reduction in income as referred to in the financial review and any significant expenditure which might arise from the Quinquennial Inspection of St Andrew’s church that is due in 2021.

The remaining designated funds are held: to prepare for the periodic major servicing of the organ; and to support the work of the committees who organize, on behalf of the PCC, Summer Safari, the Magazine, the Bookstall and Messy Church. Details of unrestricted funds, including those which are designated, are given in note 8 (a) to the financial statements. Details of restricted funds, including the purposes for which they are held, and endowment funds are given in notes 8 (b) and 8 (c) respectively.

#### **The future: 2021 and the continuing impact of the coronavirus pandemic**

The outlook for 2021 and the likelihood and timing of a return to previous levels of income, particularly hall hire and weddings, remain very uncertain.

A Quinquennial Inspection of the fabric of St Andrew’s Church is due in 2021 and the Inspector will give their opinion on what remedial work will need to be done in the next five years and will indicate what, if anything, will need to be done as a matter of urgency.

The designation of legacies and the bequest will allow these funds to be held in reserve to further the mission of our Parish in 2021 and beyond.

**The Annual Report was approved by the Parochial Church Council on 15 April 2021 and signed on 29 April 2021 on its behalf by:**

**The Reverend Ken Wylie**

**Chair of Council, Vicar**

## **Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council**

**For the year ended 31 December 2020**

### **Independent Examiner's Report to the Trustees of the Parochial Church Council Of the Ecclesiastical Parish of Hornchurch St Andrew**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 10 to 22.

#### **Responsibilities and basis of report**

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

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

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records, or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

*Signed*

Steven W Lescott FCCA

Chartered Certified Accountant

10 Station Court  
Station Approach  
Wickford  
Essex  
SS11 7AT

Date: 29 April 2021

**Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council**

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**Statement of Financial Activities – Year ended 31 December 2020**

	Note	Unrestricted General Fund	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019
		£	£	£	£	£	£
<b>Income and endowments</b>							
Voluntary income	2(a)	165,206	61,576	1,018	-	227,800	312,738
Church activities	2(b)	45,326	597	19,230	-	65,153	114,735
Income from investments	2(c)	44,787	-	-	-	44,787	48,779
Activities for generating funds	2(d)	-	2,832	-	-	2,832	7,576
Coronavirus Job Retention Scheme Grant	4	17,229	-	-	-	17,229	-
<b>Total income</b>		<b>272,548</b>	<b>65,005</b>	<b>20,248</b>	<b>-</b>	<b>357,801</b>	<b>483,828</b>
<b>Expenditure on</b>							
Church activities	3(a)	290,074	3,203	16,839	-	310,116	374,472
Fundraising costs	3(b)	913	-	-	-	913	850
<b>Total expenditure</b>		<b>(290,987)</b>	<b>(3,203)</b>	<b>(16,839)</b>	<b>-</b>	<b>(311,029)</b>	<b>(375,322)</b>
<b>Net income/(expenditure) before investment gains</b>		<b>(18,439)</b>	<b>61,802</b>	<b>3,409</b>	<b>-</b>	<b>46,772</b>	<b>108,506</b>
Transfers between funds		18,439	(18,439)	-	-	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	53	2,183	-	2,236	5,474
<b>Net income/(expenditure)</b>		<b>-</b>	<b>43,417</b>	<b>5,592</b>	<b>-</b>	<b>49,009</b>	<b>113,980</b>
<b>Reconciliation of funds:</b>							
Balances Brought Forward 1 January 2020		-	1,765,032	194,310	10,654	1,969,996	1,856,014
Balance Carried Forward 31 December 2020		-	1,808,449	199,902	10,654	2,019,005	1,969,996

The notes on pages 12 to 22 form part of these accounts.

The detailed comparative figures, showing the Statement of Financial Activities for the year ended 31 December 2019, are set out in note 12.

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**Balance Sheet**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	5(a)	1,577,500	1,577,842
Investments	5(b)	<u>37,597</u>	<u>35,361</u>
		1,615,097	1,613,203
<b>CURRENT ASSETS</b>			
Debtors and prepayments	6	28,410	51,081
Short term deposits		313,269	292,108
Cash at bank and in hand		<u>101,210</u>	<u>47,607</u>
		442,889	390,796
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	7	<u>(38,981)</u>	<u>(34,003)</u>
Net Current Assets		403,908	356,793
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,019,005</u>	<u>1,969,996</u>
<b>TOTAL NET ASSETS</b>		<u>2,019,005</u>	<u>1,969,996</u>
<b>FUNDS</b>			
Unrestricted funds	8(a)	1,808,449	1,765,032
Restricted funds	8(b)	199,902	194,310
Endowments funds	8(c)	<u>10,654</u>	<u>10,654</u>
<b>TOTAL FUNDS</b>	9	<u>2,019,005</u>	<u>1,969,996</u>

The notes on pages 12 to 22 form part of these accounts.

**Approved by the Parochial Church Council on 15 April 2021 and signed on 29 April 2021 on its behalf by:**

**Rev'd Kenneth Wylie**  
**Chair of Hornchurch Parochial Church Council**

**Mr Michael Harder**  
**Trustee**

## Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council

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### Notes to the Financial Statements

#### 1. Accounting policies

##### a. Accounting Convention

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the regulations' "true and fair view" provisions, together with FRS102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities ("SORP (FRS102)"). The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at fair value.

The SORP (FRS102) requires expenditure to be reported on an activity basis to show how the charity has used its resources to further its charitable aims for the public benefit. However, as the charity is below the charity audit level threshold, it has opted to report expenditure by the nature of the expenditure rather than on an activity basis, as permitted by section 4.27 of SORP.

The Financial Statements include all transactions, assets and liabilities for which the PCC is liable in law. They do not include the accounts of church groups that owe their affiliation to another body, nor those which are informal gatherings of church members.

##### b. Funds Accounting

Funds held by the PCC are:

**Unrestricted** – these represent income funds which can be used for general purposes of the PCC purposes, including amounts designated by the PCC for fixed assets for its own use or for spending on a future project and which are therefore not included in its "free reserves" as disclosed in the trustees' report.

**Restricted** – These are funds that must be spent on the restricted purposes for which they were given: (i) income from trusts or endowments which can be expended only on those objects specified in the terms of the trust or bequest; (ii) donations or grants received for a specific purpose or invited by the PCC for a specific object.

**Endowments** – Unless specified otherwise when the endowment was established, the income generated by these funds can be used for restricted or unrestricted purposes but the trust capital must be retained permanently.

##### c. Income and endowments

###### Recognition of income and endowments

These are included in the Statement of Financial Activities (SOFA) when: the PCC becomes legally entitled to the use of the resources; and the inflow of economic benefit is probable; and the monetary value can be measured with sufficient reliability. Income from events, etc., is reported before any related costs that may have been deducted from the gross proceeds.

###### Grants and donations

Grants and donations are included in the SOFA when any preconditions preventing their use by the PCC have been met. For collections and planned giving this is when the funds are received.

###### Gift Aid Tax claims, etc., on cash donations

Gift Aid and other tax claims are included in the SOFA at the same time as the cash donations to which they relate.

###### Income from Investments

Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue.

###### Gains and Losses on Investments

Realised Gains or Losses are recognised when the investments are sold.

Unrealised Gains and Losses are accounted for on revaluation at bid value as at 31 December of the year of account.

###### Rental income

Rental income from lettings is recognized when the rental is due.

##### d. Expenditure and liabilities

Liabilities are recognized as soon as there is a legal or constructive obligation and settlement is probable and quantifiable.

###### Grants

Grants and Donations are recognised when paid or when awarded where the award constitutes a binding obligation on the PCC.

###### Church Activities

The Diocesan Parish Share is accounted for when paid. Any contribution deemed to be unpaid at 31 December is not provided for in these accounts.

## Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council

For the year ended 31 December 2020

### Notes to the Financial Statements (continued)

#### 1. Accounting policies (continued)

##### e. Tangible fixed assets for use by the charity

Consecrated and Benefice Property is excluded from the Accounts by S.10 (2) (a) and (c) of The Charities Act 2011.

Moveable church furnishings are not included in the accounts unless sufficient cost information is available but all items are included in the Church's inventory.

All expenditure on consecrated or benefice buildings and other fixed assets costing under £1,000 are written off in the year they are incurred.

##### Depreciation

Depreciation is calculated to write down the cost of tangible fixed assets, excluding freehold buildings, over their expected useful lives. The rates applicable are:

Land	Nil
Buildings	Nil*
Fixtures & Fittings	25% Straight Line
Computer Equipment	30% Straight Line

\*No depreciation is provided on freehold buildings as the currently estimated residual value of the properties is not less than their carrying value and the remaining useful life of these assets currently exceeds 50 years, so that any depreciation charges would not be material. An impairment review is carried out annually and any resultant loss identified in expenditure for the year.

##### f. Current Assets

Amounts owing to the PCC at 31 December for fees, rents or other income are shown as debtors. This figure would be reduced by any provision deemed necessary to cover bad or doubtful debts

Short Term Deposits include cash held on deposit with CBF Church of England Funds or with Barclays Bank.

##### g. Donated services, goods and facilities

Donated services, goods or facilities are included in incoming resources (and at the same time in resources expended) at the estimated fair value of the services, goods or facilities received.

##### h. Fees collected by the PCC in an agency capacity

A proportion of the fees collected by the PCC for weddings and funerals is considered under SORP to be collected by the PCC as an intermediary and these fees do not count towards PCC income and should not be included in the PCC's financial statements if the money is paid over in full directly to those involved. Such fees include the fees belonging to the Diocesan Board of Finance and those collected for the services, for example, of bell ringers, organists and vergers. Similarly, the PCC will from time to time collect money for other charities in a public place or in church services; under SORP, these monies are also considered to be collected by the PCC as agent for the charity concerned and are not included in the financial statements. Reference is made to these collections in the Annual Report.

##### i. Going Concern

The trustees have prepared the accounts on a going concern basis and, having regard to a period exceeding twelve months after the balance sheet date, are satisfied that this basis continues to be appropriate.

# Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council

For the year ended 31 December 2020

## Notes to the Financial Statements (continued)

### 2. Income and endowments

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019
	£	£	£	£	£	£
<b>(a) Voluntary income</b>						
Planned giving	89,827	-	-	-	89,827	107,524
Collections at all services	4,263	-	-	-	4,263	16,538
Donations and appeals	47,740	-	1,018	-	48,758	18,051
Income tax recoverable	23,376	-	-	-	23,376	30,125
Legacies and bequest	-	61,576	-	-	61,576	140,500
	<u>165,206</u>	<u>61,576</u>	<u>1,018</u>	<u>-</u>	<u>227,800</u>	<u>312,738</u>
<b>(b) Income from church activities</b>						
Letting of Church halls	32,918	-	-	-	32,918	75,419
Fees from weddings and funerals	12,408	513	150	-	13,071	13,165
Summer Safari	-	-	-	-	-	6,646
Messy Church	-	84	-	-	84	1,298
Grant – Churchyard Trust (note 4)	-	-	19,080	-	19,080	18,207
	<u>45,326</u>	<u>597</u>	<u>19,230</u>	<u>-</u>	<u>65,153</u>	<u>114,735</u>
<b>(c) Income from investments</b>						
Dividends and interest	2,371	-	-	-	2,371	2,929
Letting of houses	31,016	-	-	-	31,016	34,450
Other letting income	11,400	-	-	-	11,400	11,400
	<u>44,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,787</u>	<u>48,779</u>
<b>(d) Activities for generating funds</b>						
Fetes, bazaars and other events	-	-	-	-	-	4,009
Parish magazine advertising	-	2,637	-	-	2,637	3,147
Bookstall	-	195	-	-	195	420
	<u>-</u>	<u>2,832</u>	<u>-</u>	<u>-</u>	<u>2,832</u>	<u>7,576</u>
<b>(e) Coronavirus Job Retention Scheme Grant (note 4)</b>						
	<u>17,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,229</u>	<u>-</u>
<b>Total Income</b>	<u>272,548</u>	<u>65,005</u>	<u>20,248</u>	<u>-</u>	<u>358,801</u>	<u>483,828</u>

**For the year ended 31 December 2020**

### 3. Expenditure

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# Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council

For the year ended 31 December 2020

## Notes to the Financial Statements (continued)

### 3. Expenditure (continued)

#### (e) Diocesan Parish Share

	2020	2019
	£	£
Gross Diocesan quota	181,086	181,086
Less: Fees credit	(5,200)	(3,863)
	175,886	177,223
Discount	(1,759)	(1,773)
Housing credit	(9,000)	(9,000)
Prolonged vacancy credit	(6,387)	-
	158,740	166,450

#### (f) Support costs

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£	£
Support costs (included above)	26,600	-	-	26,600	21,731

### 4. Staff costs and Coronavirus Job Retention Scheme Grant

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£	£
Wages and Salaries	55,298	-	15,136	70,434	75,594
Employer's pension contribution	309	-	278	587	729
	55,607	-	15,414	71,021	76,323

The average number of full-time equivalent employees in administrative and support roles during the year was four (2019: four). During the year there were no employees who earned £60,000 or more. St. Andrews (Hornchurch) Churchyard Maintenance Trust (note 10) makes a grant to the PCC to support the expenditure on maintaining the churchyard, including the wages of the gardener. The grant and expenditure set against it are included in note 8 (b). At 31 December 2020, four eligible staff members were enrolled in the NEST pension scheme (2019: four). The PCC is not required to make Employers' National Insurance contributions as its liability falls below the minimum level at which contributions are payable.

#### The Coronavirus Job Retention Grant Scheme

The Coronavirus Job Retention grant scheme was introduced in March 2020, when the first pandemic "lockdown" regulations came into force, to support organisations which were not able to open (including churches). The scheme was introduced to enable the Government to pay part of furloughed employees' salaries and potentially to protect employees from redundancy. The PCC received grants from the scheme amounting to £17,229 for the period March to December 2020 in respect of those of its staff who were on temporary leave (known as "furlough"). As required under SORP, these grants have been shown as Income in the Statement of Financial Activities on page 10.

# Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council

For the year ended 31 December 2020

## Notes to the Financial Statements (continued)

### 5. Fixed assets

(a)	Freehold Land and Buildings			2020 Total £	2019 Total £
	Halls	Curate Houses	Fixtures, fittings and equipment		
	£	£	£		
<b>Tangible assets</b>					
Cost					
At 1 January 2020	795,000	782,500	20,063	1,597,563	1,597,563
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2020	<u>795,000</u>	<u>782,500</u>	<u>20,063</u>	<u>1,597,563</u>	<u>1,597,563</u>
Depreciation					
Accumulated depreciation at 1 January 2020	-	-	19,721	19,721	18,849
Charge for year	-	-	342	342	873
Depreciation on disposals	-	-	-	-	-
Accumulated depreciation at 31 December 2020	<u>-</u>	<u>-</u>	<u>20,063</u>	<u>20,063</u>	<u>19,722</u>
Net book value:					
At 31 December 2020	<u>795,000</u>	<u>782,500</u>	<u>-</u>	<u>1,577,500</u>	<u>1,577,842</u>
At 31 December 2019	<u>795,000</u>	<u>782,500</u>	<u>342</u>	<u>1,577,842</u>	

The freehold land and buildings comprise the Halls and Premises located at North Street, Hornchurch, together with the curates' houses at Burnway, Chelmsford Drive and Kenilworth Gardens.

The North Street Halls site is shown at cost which, as permitted by SORP, was the deemed cost under FRS 15 transitional provisions, under which the property's 2013 valuation has not been updated.

The three curates' houses are also shown at cost under the same provisions noted above, under which the 2014 valuations of the properties have not been updated.

**Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council**  
**For the year ended 31 December 2020**

**Notes to the Financial Statements (continued)**

**5. Fixed assets (continued)**

(b) Movement in fixed asset investments	2020	2019
	£	£
Market value brought forward at 1 January 2020	35,361	29,887
Add gain/deduct (loss) on revaluation	2,236	5,474
Market value at 31 December 2020	<u>37,597</u>	<u>35,361</u>
Investments at market value comprised Collective investment Schemes (COIF Charities Ethical Investment Fund)	37,597	35,361
Total	<u>37,597</u>	<u>35,361</u>
Market value of unrestricted investments at 31 December 2020	886	833
Market value of restricted investments at 31 December 2020	<u>36,711</u>	<u>34,528</u>
	<u>37,597</u>	<u>35,361</u>

**6. Debtors and prepayments**

	2020	2019
	£	£
Income Tax Recoverable	22,503	22,903
Legacy debtor	-	20,000
Other debtors	5,443	7,408
Prepayments and Accrued Income	463	770
	<u>28,410</u>	<u>51,081</u>

# Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council

For the year ended 31 December 2020

## Notes to the Financial Statements (continued)

### 7. Liabilities

	Total Funds 2020	Total Funds 2019
Amounts falling due within one year:	£	£
Accruals and Deferred income	10,698	2,145
Trade creditors	1,858	7,275
Other creditors	26,425	24,853
	<u>38,981</u>	<u>34,003</u>

### 8. Statement of fund movements

	Balance brought forward	Income	Expenditure	Revaluation Gain(Loss)	Transfers	Balance carried forward
	£	£	£	£	£	£
Unrestricted Funds (see (a) below)	1,765,032	337,553	(294,188)	53	-	1,808,450
Restricted Funds (see (b) below)	194,310	20,248	(16,839)	2,183	-	199,902
Endowment Funds (see (c) below)	10,654	-	-	-	-	10,654
	<u>1,969,996</u>	<u>340,572</u>	<u>(293,798)</u>	<u>2,236</u>	<u>-</u>	<u>2,019,006</u>

#### (a) Unrestricted Funds

General Funds	-	272,548	(290,987)	-	18,439	-
Legacies	34,325	61,576	-	-	(18,439)	77,464
Bequest	120,000	-	-	-	-	120,000
Organ & choir, music	24,211	513	(1,022)	-	-	23,702
Summer Safari	2,483	-	(634)	-	-	1,849
Magazine	-	2,637	(786)	-	-	1,851
Bookstall	2,422	195	(159)	-	-	2,458
Messy Church	2,713	84	(602)	-	-	2,194
Unrealised gain/(loss) on valuation	1,578,878	-	-	53	-	1,578,931
	<u>1,765,032</u>	<u>337,553</u>	<u>(294,188)</u>	<u>53</u>	<u>-</u>	<u>1,808,450</u>

**Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council**

**For the year ended 31 December 2020**

**Notes to the Financial Statements (continued)**

**8. Statement of funds (continued)**

	Balance brought forward	Income	Expenditure	Revaluation Gain(Loss)	Transfers	Balance carried forward
	£	£	£	£	£	£
<b>(b) Restricted Funds</b>						
Church Fabric/Restoration	27,669	150	-	-	-	27,819
St Andrew's Roof Appeal 2011	33,256	-	-	-	-	33,256
Bells	1,618	-	-	-	-	1,618
Organ Fund 2011	19,336	-	-	-	-	19,336
Sheila Jigins legacy (Mission and Fabric)	50,794	-	-	-	-	50,794
Mrs E Burton legacy (Choir & Music)	10,000	-	-	-	-	10,000
Dorothy Dines legacy (Choir)	808	-	-	-	-	808
F J Black (TimeOut)	714	-	(21)	-	-	693
Impact and youth work	133	-	-	-	-	133
CYT grant (note 4)	-	19,080	(15,414)	-	-	3,666
Choir Lighting	2,785	-	-	-	-	2,785
The Fold (Messy Church)	6,054	-	-	-	-	6,054
Mrs J Sheppard (St Matthew's prayer & hymn books)	1,000	-	-	-	-	1,000
St Matthew's Books	239	-	-	-	-	239
L A Gillingham (Flowers)	202	-	-	-	-	202
V & LE Jackson and H Warren (Choir)	485	-	-	-	-	485
H Smith (Flowers)	103	-	-	-	-	103
C Braithwaite (Fabric)	3,052	-	(745)	-	-	2,307
Mrs I M Parry (Education)	1,000	-	-	-	-	1,000
Children's Society	93	948	(611)	-	-	430
Other charity collections	-	70	(48)	-	-	22
Brenda Newlyn (Ramp & crosses)	301	-	-	-	-	301
Unrealised gain on investments	34,668	-	-	2,183	-	36,851
	<u>194,310</u>	<u>20,248</u>	<u>(16,839)</u>	<u>2,183</u>	<u>-</u>	<u>199,902</u>

# Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council

For the year ended 31 December 2020

## Notes to the Financial Statements (continued)

### 8. Statement of funds (continued)

	Balance brought forward	Income	Expenditure	Revaluation Gain(Loss)	Transfers	Balance carried forward
	£	£	£	£	£	£
<b>(c) Endowment Funds</b>						
Mrs Herapath	8,581	-	-	-	-	8,581
Talbot Gibbs Charity	1,540	-	-	-	-	1,540
William Gogney	533	-	-	-	-	533
	<u>10,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,654</u>

### 9. Analysis of net assets by fund

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Fixed Assets	1,577,500	37,597	-	1,615,097	1,613,203
Current Assets	269,930	162,305	10,654	442,889	390,796
Current Liabilities	<u>(38,981)</u>	<u>-</u>	<u>-</u>	<u>(38,981)</u>	<u>(34,003)</u>
	<u>1,808,449</u>	<u>199,902</u>	<u>10,654</u>	<u>2,019,005</u>	<u>1,969,996</u>

### 10. Related party disclosures

The PCC is associated with St. Andrews (Hornchurch) Churchyard Maintenance Trust (Registered Charity no 295658) by means of mutual Trustees, Rev'd K Wylie, Mr M Harder and Mrs S Cox. Its objective is that the income of the Trust Fund shall be applied in maintaining the churchyard in good order and repair including providing and/or maintaining equipment necessary for such maintenance and providing stock. In September 2018, the member of staff transferred employment to the PCC from St. Andrews (Hornchurch) Churchyard Maintenance Trust (note 4), which makes a grant to the PCC to support the additional expenditure (note 8 (b)). There were no balances outstanding between the PCC and St. Andrews (Hornchurch) Churchyard Maintenance Trust as at 31 December 2020 (2019: none).

No Trustees received any remuneration for services as members of the PCC, but a total of £1,403 (2019 £1,279) was paid, reimbursed or waived in respect of five (2019: two) members of the PCC for fees or expenses relating to weddings, funerals, travel and housing costs.

Unconditional donations that have been identified as emanating from related parties, including members of the PCC, amounted to £65,168.

The Organist, Mr A Losq, a member of Deanery Synod and therefore ex officio a PCC trustee, was paid £5,852 (2019 £5,912), which is included in the staff costs figures in note 4. The PCC received £3,478 from the Coronavirus Job Retention Scheme in 2020 while Mr Losq has been on furlough.

# Parish of Hornchurch - Annual Report and Accounts of The Parochial Church Council

For the year ended 31 December 2020

## Notes to the Financial Statements (continued)

### 11. Post balance sheet date event – coronavirus pandemic

After the national emergency was declared in March 2020 as a result of the coronavirus pandemic (see also page 4), curbs on movement of the population were introduced which adversely affected the PCC's finances in 2020, because it receives a significant income from hall lettings, which were generally not permitted from the last half of March for the indefinite future. The combined income from this source and plate collections (with no services being conducted) was over £90,000 in 2019 and was expected to be seriously reduced in 2020. In the event, with the playgroup and blood donor sessions being permitted to continue operating from the early summer, together with some hirers declining refunds, the loss of income in 2020 from these sources was nearly £55,000 and the impact on the expected deficit in that year was alleviated by reduced costs and the receipt of £17,000 of furlough grant. The outlook for 2021, with lockdown being expected to continue through the first six months of the year at least, is that the successful vaccination programme may enable a return to church services and larger scale events from July. As the church opens for services again and halls open for lettings, staff will return to work and the furlough grant will cease. Efforts continue to be made to reduce costs where possible but it is considered likely that 2021 will again produce a substantial operating deficit to be taken from reserves (see also page 8, "The future: 2021").

### 12. Comparative figures for the Statement of Financial Activities

SORP (FRS102) requires that the Statement of Financial Activities should show comparative figures for every item shown therein. The PCC has taken the option of showing these figures, for the year ended 31 December 2019, in a note to the accounts as set out below.

	Note	Unrestricted General Fund	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	Total 2019
		£	£	£	£	£
<b>Income and endowments</b>						
Voluntary income	2(a)	169,383	130,500	12,855	-	312,738
Church activities	2(b)	86,486	9,742	18,507	-	114,735
Income from investments	2(c)	48,779	-	-	-	48,779
Activities for generating funds	2(d)	3,854	3,567	155	-	7,576
Total income		308,502	143,809	31,517	-	483,828
<b>Expenditure on</b>						
Church activities	3(a)	327,964	12,577	33,931	-	374,472
Fundraising costs	3(b)	850	-	-	-	850
Total expenditure		(328,814)	(12,577)	(33,931)	-	(375,322)
<b>Net income/(expenditure) before investment gains</b>		(20,312)	131,232	(2,414)	-	108,506
Transfers between funds		8,962	(8,962)	-	-	-
<b>Other recognised gains/(losses)</b>						
Gains/(losses) on revaluation of fixed assets		-	129	5,345	-	5,474
Net income/(expenditure)		(11,350)	122,399	2,931	-	113,980
<b>Reconciliation of funds:</b>						
Balances Brought Forward						
1 January 2019		11,350	1,642,631	191,379	10,654	1,856,014
Balance Carried Forward						
31 December 2019		-	1,765,032	194,310	10,654	1,969,994