

HORNCHURCH PAROCHIAL CHURCH COUNCIL

TRUSTEES' REPORT AND ACCOUNTS

For the year ended 31 December 2021

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

For the year ended 31 December 2021

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 2021.

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)	Mrs J Harder
Mr M Harder (Vice-Chair)	Rev'd Dr M Hayward (from June 2021)
Rev'd B Baker (Co-opted)	Miss A Jarrett
Mrs C Beech (from May 2021)	Mrs J John
Rev'd L Bewick (from October 2021)	Mr A Losq
Mrs P Bromhall	Mr N McCarren
Mrs J Brooks	Mrs M Powell
Mr D Cast	Mr D Reynolds
Mrs P Clark (Secretary)	Mr J Shearmur
Mrs S Cox	Mrs C Sherratt
Mr C Cox (from May 2021)	Mr J Speller
Mr R Dines	Mrs A Tansley
Mrs K Dunstan	Mrs C Withers
Rev'd S Groombridge (Co-opted from July 2021)	

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. 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	Rev.d L Bewick	
Curate	Rev.d Dr M Hayward	
Retired Ministers	Rev'd B Baker	
	Rev'd S Groombridge	
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 (to May 2021)	
	Mr M Harder	
	Mr N McCarren (from May 2021)	
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

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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 2021, there were 307 Parishioners on the Church Electoral Roll, of whom 172 were resident and 135 were not resident within the Parish Boundary. The total represents a decrease of 7 on the figure quoted in the Annual Report for 2020.

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Review of the Year

The year 2021 continued to be dominated by the Covid-19 global pandemic and the Government's response to the situation, which changed through the remainder of the year, starting with the continuation of a second lockdown in December 2020 (which was only relaxed in the Spring 2021 after the successful rollout of the vaccination programme that commenced in December 2020). During the rest of the year there was a gradual relaxation of the strict regulations, until, from the Autumn the pace of relaxation speeded up. By Easter Day 2022, when this report was written, it was once more possible to hold services without limiting numbers and setting aside the other restrictions we had become used to.

Throughout 2021, the services at St Andrew's followed the established pattern of a variety of worship formats and congregations in church picked up, and the Audio-Visual (A-V) system 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. The broadcasting of Morning Prayer at 9am on Monday to Thursday to a regular congregation continued and was extended to include a Friday Service after Rev'd Lisa joined us. It is clear that streaming of services has enabled many people to appreciate the opportunity to engage with church who had not always been able to do so previously, such as the housebound or shift workers, and the A-V system has come into its own.

St George's held a monthly Sunday service from September 2021.

2021 was significant for Messy Church, which celebrated its tenth birthday! Celebrations took place on zoom with all ages of our Messy Church family invited to join in craft activities, cake making and a scavenger hunt.

'Easter Messy Church' was in a box and distributed for people to take part in at home, containing resources and activities for each day of Holy Week

'Messy Outdoors' took place in person within the grounds of St Andrew's with two themed sessions in August. Each session was repeated 3 times during the day with people registering for a one hour of activities, games, Bible story, prayer, food and fellowship sitting in household groups.

Messy Harvest in September (Feeding the 5,000) and the annual Light Party also took place outside enabling us to enjoy the autumnal afternoons, make bread on camping stoves, explore natural resources to enhance our activities and increase our awareness of God's amazing creation.

Community is important to us at Messy Church, we were excited to once again be part of the Hornchurch Christmas Lights Switch on event in November.

Messy Church in Hornchurch is one of a small team of UK Churches selected to trial sessions for a pilot scheme for 'Messy Church Goes Wild' – a new international resource BRF are developing to be published in 2022. In November there were opportunities for all generations to reflect on the wonders of the earth. The pilot sessions continue through to May 2022.

Messy Church Nativity was held at St Andrew's in early December. Activities took place in the hall, all ages explored the ten Knitted Nativity Trail a group at a time, with the Christmas story briefly explained. This fantastic resource which was used by many groups to explore the Nativity Story in the weeks leading up to Christmas and also by a number of visitors when we opened the church on a Saturday and Sunday for viewing.

During the year we are pleased to have been able to welcome several new families and individuals to Messy Church.

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Review of the Year (continued)

It was with regret that many of the regular features of the Parish Year had again to be cancelled in 2021 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 Winter Market (with its opportunities for fellowship) and some special services were not able to be held.

On a more positive note, the Remembrance Day service was held entirely outside at the War Memorial and was well-attended. The Bridge (an open house offering a listening ear to all-comers) was re-started in the Autumn.

Most Life Groups have been unable to meet since March 2020 due to Covid restrictions, though one Group continued throughout when restrictions permitted. The intention is for the Life Groups to be reviewed and to resume during 2022.

The A-V system team, ably led by Peter Carver, are to be congratulated on their work in continuing to use the system effectively; their dedication and expertise has 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. St George's church has held a monthly Sunday service and St Matthew's churches has been closed for the duration.

The ministry of music began with hope as restrictions began to ease and much planning went in to keeping everyone safe. It was an emotional experience for the choir and congregation when they began singing again in the autumn, accompanied by the organ. In October the choir began rehearsing for the "Nine Lessons and Carols" service, which was a highlight of the Christmas season. 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 2022.

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 2021, including: Ted Haskell, Val Ireton, Pat Jackson, Dave McClean, Brenda Nicholls, Ray Losq, Peter Scott, Ernie Spicknell, Brenda Taylor and Michael Wenborn.

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, Lisa Bewick, Marianne Hayward, Barbara Baker, Carole Sherratt, Pat Bromhall, Sonia Groombridge, Christine Withers, Anne Jarrett, Mark Cornish, Peter Evans, Jo Smallman, Karen Dunstan and Alison Tansley.

Marianne Hayward joined us as a curate in June 2021 and Lisa Bewick was appointed as Associate Minister in October 2021. We were delighted that they, and their respective families, have joined us to share their gifts and fellowship with us and we look forward to working with them in the future.

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 much of the year, although the three "Mother & Toddler" groups re-opened in the Autumn. 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.

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Review of the Year (continued)

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 seven times in 2021. All meetings were hosted on Zoom; the average attendance was 75%. The Standing Committee met regularly, at least monthly, during the year to discuss policy and financial matters. The Strategy Committee met regularly 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 is reviewed annually in the spring 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		2021	Unrestricted funds		2020
	General	Designated	Total	General	Designated	Total
£						
Income	290,294	3,367	293,661	272,548	65,005	337,553
Expenditure	<u>305,188</u>	<u>1,473</u>	<u>306,661</u>	<u>290,987</u>	<u>3,203</u>	<u>294,190</u>
Net (expenditure)/income	<u>(14,894)</u>	<u>1,894</u>	<u>(13,000)</u>	<u>(18,439)</u>	<u>61,802</u>	<u>43,363</u>

General income, at £290,294 (2020: £272,548) increased by £17,746. Planned giving and collections at all services both increased, by £12,000 and £3,000 respectively. Although donations were down by £20,000, the level of donations in 2020 and 2021 was significantly higher than previously, reflecting donors' concern about the collapse in income from various sources in those years. Hall lettings increased by £23,000. Receipts from the Government's Coronavirus Job Retention Scheme were lower by £7,000 as staff returned to work and the scheme closed in September.

General expenditure of £305,188 (2020: £290,987) increased by £14,201, arising mainly from £12,000 required to be spent on St Matthew's ceiling.

The operational financial performance of the Parish was insufficient to enable the Parish Share of Diocesan costs of £153,023 (2020: £158,740) to be paid in full from income and recourse was again made to reserves to fund the deficit on general funds of £14,894 (2020: £18,439).

The reduction in Parish Share arose from the Vacancy credit of £19,161 (2020 £6,387) given to the Parish by the Diocese while we did not have an Associate Minister; this credit ended in September and an increase in Parish Share costs for 2022 is to be expected.

As noted last year, lockdown had 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. St Andrew's has recently installed a "contactless" device to assist those who no longer carry cash to continue to give.

The PCC is grateful to all those parishioners who were able to increase their giving in 2021, including the two anonymous donors who gave a total of £10,000 in the year. An unrestricted legacy of £1,000 was gratefully received during the year from the estate of Michael Wenborn.

Expenses have been kept under scrutiny by the Standing Committee.

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 continued to adapt their working practices and working hours to such effect that the Parish office was always available during normal office hours.

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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 £51,000 and £77,000, in order to smooth out fluctuations in cash flow and to meet unexpected items of expenditure. At 31 December 2021, “free” reserves for this purpose on the unrestricted general fund were exhausted by the prior year’s deficit and the designated legacy fund held £63,570, below the top of this range. However, 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 on St Andrew’s church.

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: 2022 and the continuing impact of the coronavirus pandemic and the current economic climate

The outlook for 2022 and the likelihood and timing of a return to previous levels of income, particularly hall hire and weddings, remain very uncertain.

The designation of legacies and the bequest will allow these funds to be held in reserve to further the mission of our Parish in 2022 and beyond.

The Annual Report was approved by the Parochial Church Council on 21 April 2022 and signed on 24 April 2022 on its behalf by:

The Reverend Kenneth Wylie

Chair of Council, Vicar

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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: 25 April 2022

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Statement of Financial Activities – Year ended 31 December 2021

	Note	Unrestricted General Fund	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
		£	£	£	£	£	£
Income and endowments							
Voluntary income	2(a)	162,110	1,000	305	-	163,415	227,800
Church activities	2(b)	68,064	1,155	19,405	-	88,624	65,153
Income from investments	2(c)	49,822	-	-	-	49,822	44,787
Activities for generating funds	2(d)	-	1,212	-	-	1,212	2,832
Coronavirus Job Retention Scheme Grant	2(d)	10,298	-	-	-	10,298	17,229
Total income		290,294	3,367	19,710	-	313,371	357,801
Expenditure on							
Church activities	3(a)	304,333	1,473	23,859	-	329,665	310,116
Fundraising costs	3(b)	855	-	-	-	855	913
Total expenditure		(305,188)	(1,473)	(23,859)	-	(330,520)	(311,029)
Net income/(expenditure) before investment gains		(14,894)	1,894	(4,149)	-	(17,149)	46,772
Transfers between funds		14,894	(14,894)	-	-	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets		-	120	4,959	-	5,079	2,236
Net income/(expenditure)		-	(12,880)	810	-	(12,070)	49,009
Reconciliation of funds:							
Balances Brought Forward 1 January 2021		-	1,808,449	199,902	10,654	2,019,005	1,969,996
Balance Carried Forward 31 December 2021		-	1,795,569	200,712	10,654	2,006,935	2,019,005

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 2020, are set out in note 11.

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Balance Sheet – 31 December 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	5(a)	1,577,500	1,577,500
Investments	5(b)	<u>42,676</u>	<u>37,597</u>
		1,620,176	1,615,097
CURRENT ASSETS			
Debtors and prepayments	6	27,739	28,410
Short term deposits		313,432	313,269
Cash at bank and in hand		<u>102,765</u>	<u>101,210</u>
		443,936	442,889
LIABILITIES			
Creditors: amounts falling due within one year	7	<u>(57,177)</u>	<u>(38,981)</u>
Net Current Assets		386,759	403,908
TOTAL ASSETS LESS CURRENT LIABILITIES			
		2,006,935	2,019,005
TOTAL NET ASSETS			
		<u>2,006,935</u>	<u>2,019,005</u>
FUNDS			
Unrestricted funds	8(a)	1,795,569	1,808,449
Restricted funds	8(b)	200,712	199,902
Endowments funds	8(c)	<u>10,654</u>	<u>10,654</u>
TOTAL FUNDS	9	<u>2,006,935</u>	<u>2,019,005</u>

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

Approved by the Parochial Church Council on 21 April 2021 and signed on 24 April 2021 on its behalf by:

Rev'd Kenneth Wylie
Chair of Hornchurch Parochial Church Council

Mr Michael Harder
Trustee

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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.

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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 2021

Notes to the Financial Statements (continued)

2. Income and endowments

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
	£	£	£	£	£	£
(a) Voluntary income						
Planned giving	101,665	-	-	-	101,665	89,827
Collections at all services	7,200	-	-	-	7,200	4,263
Donations and appeals	27,994	-	305	-	28,299	48,758
Income tax recoverable	25,251	-	-	-	25,251	23,376
Legacies	-	1,000	-	-	1,000	61,576
	<u>162,110</u>	<u>1,000</u>	<u>305</u>	<u>-</u>	<u>163,415</u>	<u>227,800</u>
(b) Income from church activities						
Letting of Church halls	56,719	-	-	-	56,719	32,918
Fees from weddings and funerals	11,345	611	325	-	12,281	13,071
Summer Safari	-	-	-	-	-	-
Messy Church	-	544	-	-	544	84
Grant – Churchyard Trust (note 4)	-	-	19,080	-	19,080	19,080
	<u>68,064</u>	<u>1,155</u>	<u>19,405</u>	<u>-</u>	<u>88,624</u>	<u>65,153</u>
(c) Income from investments						
Dividends and interest	1,709	-	-	-	1,709	2,371
Letting of houses	36,713	-	-	-	36,713	31,016
Other letting income	11,400	-	-	-	11,400	11,400
	<u>49,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,822</u>	<u>44,787</u>
(d) Activities for generating funds						
Fetes, bazaars and other events	-	-	-	-	-	-
Parish magazine advertising	-	1,179	-	-	1,179	2,637
Bookstall	-	33	-	-	33	195
	<u>-</u>	<u>1,212</u>	<u>-</u>	<u>-</u>	<u>1,212</u>	<u>2,832</u>
(e) Coronavirus Job Retention Scheme Grant (note 4)						
	<u>10,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,298</u>	<u>17,229</u>
Total Income	<u>290,294</u>	<u>3,367</u>	<u>19,710</u>	<u>-</u>	<u>313,371</u>	<u>357,801</u>

For the year ended 31 December 2021

3. Expenditure

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

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

3. Expenditure (continued)

(e) Diocesan Parish Share

	2021	2020
	£	£
Gross Diocesan Share from the parish	181,086	181,086
Less: Fees credit	(4,782)	(5,200)
	176,304	175,886
Discount	-	(1,759)
Housing credit	(4,120)	(9,000)
Prolonged vacancy credit	(19,161)	(6,387)
	153,023	158,740

(f) Support costs

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£	£
Support costs (included above)	25,500	-	-	25,500	26,600

4. Staff costs and Coronavirus Job Retention Scheme Grant

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£	£
Wages and Salaries	55,337	-	19,046	74,383	70,434
Employer's pension contribution	363	-	459	822	587
	55,700	-	19,505	75,205	71,021

The average number of full-time equivalent employees in administrative and support roles during the year was four (2020: 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 2021, four eligible staff members were enrolled in the NEST pension scheme (2020: 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 scheme ended in September 2021. The PCC received grants from the scheme amounting to £10,298 for the period January to September 2021 (2020 for the period March to December) 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 2021

Notes to the Financial Statements (continued)

5. Fixed assets

(a)	Freehold Land and Buildings			2021 Total £	2020 Total £
	Halls	Curate Houses	Fixtures, fittings and equipment		
	£	£	£		
Tangible assets					
Cost					
At 1 January 2021	795,000	782,500	20,063	1,597,563	1,597,563
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2021	<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 2021	-	-	20,063	20,063	19,721
Charge for year	-	-	-	-	342
Depreciation on disposals	-	-	-	-	-
Accumulated depreciation at 31 December 2021	<u>-</u>	<u>-</u>	<u>20,063</u>	<u>20,063</u>	<u>20,063</u>
Net book value:					
At 31 December 2021	<u>795,000</u>	<u>782,500</u>	<u>-</u>	<u>1,577,500</u>	<u>1,577,500</u>
At 31 December 2020	<u>795,000</u>	<u>782,500</u>	<u>-</u>	<u>1,577,500</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 2021

Notes to the Financial Statements (continued)

5. Fixed assets (continued)

(b) Movement in fixed asset investments	2021	2020
	£	£
Market value brought forward at 1 January 2021	37,597	35,361
Add gain/deduct (loss) on revaluation	5,079	2,236
Market value at 31 December 2021	42,676	37,597
Investments at market value comprised Collective investment Schemes (COIF Charities Ethical Investment Fund)	42,676	37,597
Total	42,676	37,597
Market value of unrestricted investments at 31 December 2021	1,006	886
Market value of restricted investments at 31 December 2021	41,670	36,711
	42,676	37,597

6. Debtors and prepayments

	2021	2020
	£	£
Income Tax Recoverable	21,255	22,503
Other debtors	5,036	5,443
Prepayments and Accrued Income	1,448	463
	27,739	28,410

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For the year ended 31 December 2021

Notes to the Financial Statements (continued)

7. Liabilities

	2021	2020
Amounts falling due within one year:	£	£
Accruals and Deferred income	23,331	10,698
Trade creditors	13,734	1,858
Other creditors	20,112	26,425
	<u>57,177</u>	<u>38,981</u>

8. Statement of fund movements

	Balance brought forward	Income	Expenditure	Revaluation Gain(Loss)	Transfers	Balance carried forward
	£	£	£	£	£	£
Unrestricted Funds (see (a) below)	1,808,449	293,661	(306,661)	120	-	1,795,569
Restricted Funds (see (b) below)	199,902	19,710	(23,859)	4,959	-	200,712
Endowment Funds (see (c) below)	10,654	-	-	-	-	10,654
	<u>2,019,005</u>	<u>313,371</u>	<u>(330,520)</u>	<u>5,079</u>	<u>-</u>	<u>2,006,935</u>

(a) Unrestricted Funds

General Funds	-	290,294	(305,188)	-	14,894	-
Legacies	77,464	1,000	-	-	(14,894)	63,570
Bequest	120,000	-	-	-	-	120,000
Organ & choir, music	23,702	611	(783)	-	-	23,530
Summer Safari	1,849	-	-	-	-	1,849
Magazine	1,851	1,179	-	-	-	3,030
Bookstall	2,458	33	-	-	-	2,491
Messy Church	2,194	544	(690)	-	-	2,048
Unrealised gain/(loss) on valuation	1,578,931	-	-	120	-	1,579,051
	<u>1,808,449</u>	<u>293,661</u>	<u>(306,661)</u>	<u>120</u>	<u>-</u>	<u>1,795,569</u>

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

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

8. Statement of funds (continued)

	Balance brought forward	Income	Expenditure	Revaluation Gain(Loss)	Transfers	Balance carried forward
	£	£	£	£	£	£
(b) Restricted Funds						
Church Fabric/Restoration	27,819	325	-	-	-	28,144
St Andrew's Roof Appeal 2011	33,256	-	-	-	-	33,256
Bells	1,618	-	(488)	-	-	1,130
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	-	(801)	-	-	9,199
Dorothy Dines legacy (Choir)	808	-	-	-	-	808
F J Black (TimeOut)	693	-	(100)	-	-	593
Impact and youth work	133	-	-	-	-	133
CYT grant (note 4)	3,666	19,080	(21,707)	-	-	1,039
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	-	(66)	-	-	419
H Smith (Flowers)	102	-	-	-	-	102
C Braithwaite (Fabric)	2,307	-	-	-	-	2,307
Mrs I M Parry (Education)	1,000	-	-	-	-	1,000
Children's Society	431	26	(431)	-	-	26
Other charity collections	22	279	(266)	-	-	35
Brenda Newlyn (Ramp & crosses)	301	-	-	-	-	301
Unrealised gain on investments	36,851	-	-	4,959	-	41,810
	<u>199,902</u>	<u>19,710</u>	<u>(23,859)</u>	<u>4,959</u>	<u>-</u>	<u>200,712</u>

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

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

8. Statement of funds (continued)

	Balance brought forward	Income	Expenditure	Revaluation Gain(Loss)	Transfers	Balance carried forward
	£	£	£	£	£	£
(c) Endowment Funds						
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 2021	Total Funds 2020
	£	£	£	£	£
Fixed Assets	1,577,500	42,676	-	1,620,176	1,615,097
Current Assets	275,246	158,036	10,654	443,936	442,889
Current Liabilities	<u>(57,177)</u>	<u>-</u>	<u>-</u>	<u>(57,177)</u>	<u>(38,981)</u>
	<u>1,795,569</u>	<u>200,712</u>	<u>10,654</u>	<u>2,006,935</u>	<u>2,019,005</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 Mr N McCarren. 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 2021 (2020: none).

No Trustees received any remuneration for services as members of the PCC, but a total of £2,713 (2020 £1,403) was paid, reimbursed or waived in respect of five (2020: 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 £41,462.

The Organist, Mr A Losq, a member of Deanery Synod and therefore ex officio a PCC trustee, was paid £5,852 (2020 £5,852), which is included in the staff costs figures in note 4. The PCC received £2,948 from the Coronavirus Job Retention Scheme in 2021 while Mr Losq was on furlough.

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

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

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 2010, in a note to the accounts as set out below.

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