

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERSTHAM

England & Wales · Charity number 1139490

Details

Other names	PCC OF MERSTHAM
Status	Registered
Legal form	Other
Registered	2010-12-23
Register	View on the Charity Commission register

Contact

Address	28 Harestone Hill Caterham CR3 6DG
Phone	01883387500
Email	ann.beirne@outlook.com
Website	mgmchurches.org.uk

Activities

Objects: Promoting in the ecclesiastical parish the whole mission of the Church.

Activities: A womens' support group Monthly Cafe Church (team venture) A community development worker (faith)St Katharine's choirPATH choir (team Gospel Choir)St Katharine's Bell ringers (all ages)

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL
- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£67,172	£45,425	-	-
2023-12-31	£72,973	£84,804	-	-
2022-12-31	£157,468	£119,768	-	-
2021-12-31	£44,286	£43,495	-	-
2020-12-31	£42,426	£47,504	-	-

Trustees

Name	Role	Appointed
Ann Beirne		2018-09-06
CHRIS GREEN		
CHRISTIANA AGWUEGBO		2014-03-02
DANIEL ARTHUR HOPCROFT		2014-04-23
GLYNIS CLAIRE BEAZLEY		2022-05-22
JOHN TURNER		2014-03-02
Jill Diane Gunn		2016-05-19
Judith Hilary Hanson		2020-11-19
MARGARET ANNE KIPPEN		2024-04-21
Robert Prentice		2021-05-30

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERSTHAM

England & Wales - Charity number 1139490

Accounts

Parish of Merstham

PCC report and financial statements



for the year ended 31 December 2024

[The Parochial Church Council of the Ecclesiastical Parish of Merstham]

Charity No. 1139490

CONTENTS

	Page
PCC report	1 – 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the financial statements	11 – 20

Parish of Merstham

Annual Report for year ended 31 December 2024

(1)

PCC report

The members of the PCC present their annual report and financial statements of the Parish of Merstham for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing documents, Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

The primary object of the PCC is the promotion of the Gospel of the Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC is tasked with co-operating with the minister in promoting in the parish the whole mission of the Church; pastoral, evangelistic, social and ecumenical.

As a Parish Church within the Church of England's Diocese of Southwark, St Katharine's Church exists for the benefit of the wider community as well as for those who form part of the week-by-week worshipping community. With this in mind, our activities have been a combination of those for the worshipping community together with others aimed at the wider community through pastoral care or missionary and outreach.

In order to accomplish these objectives, it is important that we maintain the fabric of the church buildings.

The members of the PCC have complied with the duty in Section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

The parish

The parish of Merstham is in the Diocese of Southwark and is within Reigate Deanery. The parish is part of the Merstham and Gatton Team Ministry under the terms of a Pastoral Scheme pursuant to the Pastoral Measure 1983 made by the Church Commissioners on 29 March 2010 and which came into effect on 1 April 2010.

Following the closure of the Church of the Epiphany in January 2015 the parish has only one place of worship: the Parish Church is St Katharine, on Church Hill, Merstham, RH1 3BJ.

Merstham & Gatton Team Ministry is composed of the parishes of Merstham (St Katharine), Gatton (St Andrew), and South Merstham (All Saints).

Team Rector

Revd Nigel Griffiths

The Rectory, Battlebridge Lane, Merstham, RH1 3LH

Team Vicar

Suspended

Associate Priest

Revd Rob Kenyon

Readers

Mrs Christiana Agwuegbo

Churchwarden

Mr Chris Green

Achievements and Performance

Worship and prayer

Within the parish the PCC aims to offer a variety of services during the week and throughout the year to cater for different groups within the community. These range from organised services such as our regular Sunday worship, including Holy Communion, to less formal and less structured meetings such as study groups and prayer meetings. The Parish provides a range of regular and extra festival and seasonal services over the course of the year that our community has found both beneficial and spiritually fulfilling, and regularly provides hospitality for special Team Services.

Regular Service Pattern

During the recent vacancy a Worship Group had been set up and this continues to arrange services, usually once a month. The regular service pattern is: Holy Communion on the first and third Sundays each month, Morning Worship (usually led by either our Licensed Reader or members of the Worship Group) on the second Sunday, and a Team service at All Saints on the fourth Sunday. Arrangements for the fifth Sunday (when this occurs) vary.

Occasional Offices

During 2024 one baptism and two weddings were celebrated in the church. No funeral services were held in the church, but there were four instances of interment of cremated remains in the churchyard.

Electoral Roll and Church Attendance Report

In December 2024 there were 37 members on the Electoral Roll. A completely new Electoral Roll will be prepared in April 2025.

Pastoral Care

St Katharine's has a Pastoral Team which meets regularly to review people in particular need and ensure they can be attended to as appropriate and feasible. Home Communion is also available. A WhatsApp group has been created to allow prompt communication among the team for prayer and practical needs.

The provision of community support and facilities by the local council and charitable trust is patchy. Since the Team Ministry won a grant from the Church of England's Strategic Development Fund there has been scope for the churches – mainly coming out of All Saints, to seek ways of serving the Merstham Estate. At present this consists mainly of connecting with young people through school and ex-curricular activities. However, a Fresh Expression of church, much like St Katharine's Café Churches in past years, is being planned to begin in 2025.

St Katharine's Church Room is used for various church activities, including PCC meetings and after-service coffee on Sundays. The Church Room also has regular weekly bookings by non-church groups. With the PCC's approval the Church Room received a facelift in the form of re-painting the interior, new curtains and a new kitchen. In addition, through social media and other means the intention is to raise awareness of the Room as a rental space and increase regular income from it.

During 2024 one member of the Women's Support Group moved away, and another died, so the decision has been taken to close the Group. The leader continues, however, to support the one remaining member of the Group on an informal basis.

Parish of Merstham

Annual Report for year ended 31 December 2024

(3)

Safeguarding Report

The church implements the 'Safe Church' diocesan policy. A copy of the policy is displayed in the church porch and a copy is also kept securely. Regular updates are inserted into the policy and where appropriate members of the PCC are encouraged to attend the Safeguarding and Vulnerable adults training provided by the Diocese. Regular newsletters are shared with PCC and Junior church leaders. All DBS checks are up to date or being renewed. We are grateful for the work of Mr Simon Beirne and Mrs Maggie Kippen, our Safeguarding officers, who generously share their overview with St Andrew, Gatton.

Mission and outreach

The Team Ministry endeavours to provide information and communication to parishioners and the general public by several means.

The *Messenger*, the parish magazine for Merstham and Gatton, is produced monthly online, with a very few paper copies distributed to those unable to access the internet. It contains information regarding church-associated events held within the Team Ministry together with general local services and charity/alternative events held within the wider community.

The website for the Team Ministry is at www.mgtmchurches.org. The intention is that it will provide details of church services and activities, as well as information about weddings, marriages and funerals and how to make contact with parish staff.

Information is also displayed on notice boards at the church and published in a monthly news-sheet.

Quality Street Fair is now a predominantly community-led, rather than church-led, event, and takes place in September. St Katharine's Supper, celebrating our Patronal Saint, took place in the Church Room at the end of November.

The weekly ecumenical prayer meeting has been able to continue at the Community Hub; it includes members of St Katharine's and the wider Merstham Team.

Ecumenical relationships

The churches continue to be involved in ecumenical activities as part of the *Churches Together in Merstham* group and would usually hold joint activities such as the World Day of Prayer, Lent Groups and Lent Lunches, Good Friday Walk of Witness, and Carol singing at Christmas.

Fabric

Amongst other duties, the PCC is responsible for the maintenance of our buildings, which include the historic church of St Katharine (Merstham Parish Church) and St Katharine's Church Room. The last Quinquennial Inspection was carried out in March 2018 by Thomas Ford & Partners. The architect's conclusion was that the church was well looked after by the PCC and significant repairs had been undertaken in the last ten years; although a number of repair issues remain these do not reflect poor care or management on the part of the Parish. Due to the ongoing work (see below) the next Quinquennial was arranged for January 2025 with no major problems raised.

Fundraising events

Quality Street Fair brought in a respectable £4,000.

The Deanery Synod

The Deanery Synod is the link between the parishes and the Diocese. Merstham Parish is part of Reigate Deanery Synod and is represented there by Jill Gunn and Judith Hanson. The Synod not only provides a link with the governance structures of the Church of England in the Diocese and nationally but also provides a link for the PCC to raise matters at a Deanery level and potentially higher.

Financial Review

Net income after gains on investments of £34.7k was generated in 2024 (2023 £37.2k).

Income fell to £67.2k (2023 £73.0k) with some significant differences in the underlying sources of income. Voluntary income fell £26.7k to £21.7k (2023 £48.4k). The principal reason for the fall was a reduction in grant income following work on the church extension being placed on hold (2024 £0.4k vs 2023 £17.4k). In addition, remaining voluntary income fell to £21.3k (2024 £31.0k) reflecting the death or movement away of several donors. Income from activities for generating funds was £4.3k, very similar to 2023 (£4.2k). Income from church activities was also very similar to 2023 at £5.2k (2023 4.8k). Income from investments increased significantly to £36.0k (2024 15.5k), with the main difference arising from interest gained on a deposit fund account opened in order to obtain interest on the money anticipated to be used for the church extension. This account generated £20.3k in income in 2024. Income from other investments was £15.7k, (2023 £15.5k).

Expenditure fell significantly to £45.4k (2023 £84.8k), principally as a consequence of the work on the church extension being put on hold (2024 £nil vs 2023 £48.4k). This saving vs 2023 was partially offset by an upgrade to the Church Room (£4.3k) and some less significant expenditure incurred to upgrade the heating in the church and maintain the organ.

The net gain on investments was a more modest £13.0k in 2024 (2023 £49.0k) reflecting the movement in general stock markets. The amounts held in investments during 2024 were unchanged compared to 2023.

The church silver was revalued in 2024 at £15.7k, £9.1k lower than its previous valuation.

As a result of the activity detailed above, the Net Assets increased by £25.6k during 2024. The PCC had total net assets of £1.326m at the end of 2024 (2023 £1.300m).

The PCC met its 2024 Parish Pledge to the Diocese of Southwark in full (2024 £17.1k vs 2023 £16.5k).

The PCC is very aware of the consequences of a reducing congregation with its corresponding effect to the level of giving and many activities are ongoing to attempt to increase the congregation. It has set aside a designated fund to cover the cost of the planned extension works. This work had been started with the vestry roof being removed, as well as the upper part of the wall, prior to the contracted builder entering administration. Mindful of the financial position and its future obligations, the PCC has moved forward with a smaller scale plan which should be built in Q2 and Q3 2025, the exact cost of which is currently unknown but is hoped to be lower than previously anticipated.

Reserves policy

It is the policy of the PCC to seek to maintain adequate reserves, including some reserves for unforeseeable circumstances. Approximately £45k of reserves are restricted and may only be used for the purposes stipulated. Of the remaining reserves, £728k is held in a designated fund to be used for the specific purpose of funding the extension and £146k is held in a non-expendable endowment.

Plans for the future

Work to demolish the Victorian vestries on the north side of the church started at the end of February 2023, and the planned extension (incorporating a new vestry, meeting area and toilets) was expected to be complete by the end of the summer that year. It is regretful that the construction company went into administration the day prior to Maundy Thursday and, as a result of this, we were left with a partly-demolished annexe. Emergency measures were put in place to render it weather-tight and to remove the debris left by the builders. We embarked on a second round of tendering, but the results of this served only to demonstrate that prices had increased considerably over the original estimate. As a consequence, we have reluctantly decided to abandon the original plan.

We have now engaged a new building company and a new architect, and intend to proceed with an extension that, while being significantly smaller than the original plan, will contain a toilet and a small meeting area, while at the same time improving the insulation.

Other information

Related Party Transactions

There have been no transactions between the PCC and related parties, as defined by the Charities Act 2011 and the Charities SORP.

Examiners' Remuneration

Sargent and Co will be paid £1,440 for the examination of these accounts.

Trustee Remuneration and Expenses

All Trustees give freely of their time and do not claim expenses for fulfilling their role. Several Trustees were reimbursed costs they incurred on behalf of the PCC where this was the most efficient means of purchase.

Structure, governance and management

Governing Documents

The Governing Documents relating to the operation of the PCC are:

- The Parochial Church Councils (Powers) Measure 1956 as amended
- The Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969 as amended with the 2009 Statutory Instrument and the 2009 update to the Code of Recommended Practice to the Pastoral Measure 1983)

Membership of the PCC

The Parochial Church Council (PCC) is a corporate body established by the Church of England. Members of the PCC, who are also Trustees for the purposes of charity law, are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as *ex officio* members. The PCC can also exercise its right to co-opt members as it deems fit.

During the year the Council received regular reports on the following topics, amongst other matters:

Finance	Team Council	Fabric and Churchyard
Mission and Outreach projects	Deanery Synod	Safe Church Policy

The PCC usually meets each alternate month.

PCC membership following the 2024 APCM

Ex Officio members:

Revd Nigel Griffiths	Team Rector
Revd Rob Kenyon	Associate Priest
Mrs Christiana Agwuegbo	Reader
Mr Chris Green	Churchwarden (from May 2022)
Mrs Jill Gunn	Deanery Synod Representative (appointed May 2023)
Mrs Judith Hanson	Deanery Synod Representative (appointed May 2023)

Elected members:

Mr Daniel Hopcroft	Treasurer (co-opted in April 2024)
Mrs Maggie Kippen	Safeguarding Officer (co-opted in May 2024)
Mrs Libby Green	(from 2023)
Mr John Turner	(from 2023)

Parish of Merstham

Annual Report for year ended 31 December 2024

(6)

Mr Robert Prentice (from 2024)
Mrs Glynis Beazley (from 2022)
Mrs Gill Buchanan (from 2023)
Mr Geoff Dixon (from May 2024)

PCC Secretary

Mrs Ann Beirne
28 Harestone Hill, Caterham, Surrey, CR3 6DG

Independent Examiner

Alison Sargent FCA Sargent & Co.
219 Croydon Road, Caterham, Surrey, CR3 6PH

Bankers

The Central Board of Finance of the Church of England: Cheapside, London EC2Y 5AQ
CAF Bank: 25 Kings Hill Avenue, West Malling, Kent ME19 4TA
NatWest Bank Ltd.: Station Road, Redhill RH1 1QN
CCLA Investment Management Ltd: One Angel Lane, London EC4R 3AB

Correspondence

All correspondence should be sent to the PCC Secretary: 28 Harestone Hill, Caterham, Surrey, CR3 6DG

Registered Charity Number

The Parochial Church Council of the Ecclesiastical Parish of Merstham (Merstham PCC) is a charity registered with the Charity Commission under registration number 1139490.

Safeguarding Officers

Mrs Margaret Kippen, Mr Simon Beirne

Standing Committee

The Standing Committee is the only committee required by law. It exists to transact the business of the PCC between meetings and may construct the agenda for meetings of the PCC.

Team Council

This was set up at the creation of the Team Ministry. It consists of the clergy, churchwardens and secretaries from across the churches. It has not met during 2024. Its purpose is to share news and sustain an overview of Team life, help determine what activities may be achieved better across the team (e.g. various training), and support one another, particularly in the mission and outreach of the Team churches.

Statement of Parochial Church Council Responsibilities

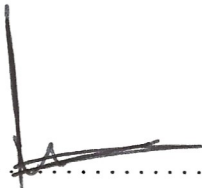
Charity Law requires the Parochial Church Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Church and of its financial activities for that period.

In preparing those financial statements the Parochial Church Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the church will continue in business.

The Parochial Church Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enables PCC members to ensure that the financial statements comply with regulations made under the Church Accounting Regulations 2006. It is also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Parochial Church Council and signed on its behalf by



Chris Green (Churchwarden)



Glynis Beazley (PCC member)

Date: 7th May 2025

Independent Examiner's Report to the Members of the PCC of the Parish of Merstham

I report to the members of the Parochial Church Council (PCC), being the charity's trustees, on my examination of the accounts of the charity for the year ended 31st December 2024 which are set out on pages 9 to 20.

Responsibilities and Basis of Report

As members of the PCC, 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

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.



Alison Sargent FCA

Sargent and Co
Chartered Accountants
219 Croydon Road
Caterham
Surrey
CR3 6PH

Date:

Parish of Merstham

Annual Report for year ended 31 December 2024

(9)

Statement of Activities for the Year Ended 31st December 2024

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
<u>Incoming resources</u>						
Voluntary income	2(a)	21,463	250	-	21,713	48,443
Activities for generating funds	2(b)	4,284	-	-	4,284	4,249
Income from investments	2(c)	32,036	3,970	-	36,005	15,462
Church activities	2(d)	5,169	-	-	5,169	4,818
Total incoming resources		62,952	4,220	-	67,172	72,973
<u>Resources expended</u>						
Church activities	3(a)	34,410	9,326	-	43,736	82,136
Fundraising costs	3(b)	249	-	-	249	1,218
Governance costs	3(c)	1,440	-	-	1,440	1,450
Total resources expended		36,099	9,326	-	45,425	84,804
Net income before investment gains/(losses)		26,853	(5,106)	-	21,747	(11,832)
Net gains/(losses) on investments	4	5,654	-	7,305	12,959	49,031
Net income/(expenditure)		32,507	(5,106)	7,305	34,706	37,200
Transfers between funds		-	-	-	-	-
Gains/(losses) on revaluation of fixed assets	6	-	(9,100)	-	(9,100)	-
Net movement in funds		32,507	(14,206)	7,305	25,606	37,200
<u>Reconciliation of funds</u>						
Total funds brought forward		922,112	59,586	318,596	1,300,295	1,263,095
Total funds carried forward		954,619	45,380	325,901	1,325,900	1,300,295

The notes on pages 11 to 20 form part of these accounts

Parish of Merstham

Annual Report for year ended 31 December 2024

(10)

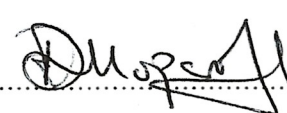
Balance Sheet as at 31st December 2024

	Note	Total funds 2024	Total funds 2023
Fixed assets			
Tangible assets	6	15,650	24,750
Investments			
Mrs Puckle's bequest	7(a)	146,274	143,001
Expendable endowment	7(b)	179,599	175,580
Other	7(c)	252,719	247,052
Total fixed assets		594,242	590,383
Current assets			
Debtors	8	8,858	1,531
Cash at bank and in hand		725,450	711,230
		734,307	712,761
Liabilities			
Creditors	9	(2,649)	(2,850)
due in 1 year			
Net current assets		731,658	709,911
Total net assets		1,325,900	1,300,295
Parish funds			
unrestricted	12	954,619	922,112
restricted	10	45,380	59,586
endowment	11	325,901	318,596
Total funds		1,325,900	1,300,295

The accounts were approved by the PCC on 7th May 2025 and signed on behalf of the PCC by


.....
P. Chinn
Green – Churchwarden

Date: 7th May 2025


.....
Dan Hopcroft – Treasurer

Date: 7th May 2025

Notes to the Accounts for the Year Ended 31st December 2024

1. Accounting Policies

(a) Basis of Preparation

The accounts have been prepared under the current Church Accounting Regulations and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts have been prepared on a going concern basis on the grounds that no material uncertainties exist and under the historical cost convention modified to include certain items at fair value as stated in the relevant notes to the accounts. The accounts are presented in Sterling and rounded to the nearest £.

The Church constitutes a public benefit entity as defined by FRS102.

(b) Income Recognition

All income is recognised once the Church has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The income of the Church includes income from Church activities, donations, grants, known legacies and letting income for Church premises.

All incoming resources have been recognised on a receivable basis except for voluntary donations and income from investments which is accounted for when received.

Legacy gifts are recorded on a case-by-case basis following the granting of probate when the administrator/executor of the estate has communicated in writing both the amount and settlement date.

(c) Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure is directly attributable to various Church activities and has been included in the relevant cost categories.

Fundraising costs comprise the costs associated with any fundraising event.

(d) Tangible Fixed Assets

The Church silver has been included at market value based on an independent valuation report obtained in 2024.

Under the PCC's (Powers) Measure 1956, all PCCs are trustees of income and expenditure but not necessarily of assets, so that any expenditure whether maintenance or improvement, incurred on consecrated or benefice buildings or moveable church fittings, is written off as expenditure during the year.

(e) Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(f) Debtors and Creditors Receivable/Payable Within One Year

Debtors and creditors receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Cash at Bank and In Hand

Cash at bank and in hand includes cash and short-term highly liquid assets with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(h) Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(i) Funds

Permanent endowment funds are funds which have been given to the Parish of Merstham in trust with the restriction that the funds are invested to generate income for specific Church activities.

Expendable endowments are those funds which are mainly to be used as permanent endowments but the capital can also be used for the purposes of the Church in certain circumstances.

Restricted funds relate to income which is made available to the Parish of Merstham for specific purposes and which must be used solely for those purposes. The aim and use of the restricted fund is set out in the notes to the financial statements.

Unrestricted funds relate to the income which is available to meet the general objectives of the Parish of Merstham. General funds are unrestricted funds which are available for use at the discretion of the Members of the PCC in the furtherance of the general objectives of the Church and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the members of the PCC for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

Parish of Merstham

Annual Report for year ended 31 December 2024

(13)

2. Incoming Resources

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
2a Voluntary income					
Gift Aid donations	14,412	250	-	14,662	19,875
Income tax recovered	3,666	-	-	3,666	5,641
Non-Gift Aid donations	2,720	-	-	2,720	3,019
Grants	430	-	-	430	17,434
Donations & legacies	-	-	-	-	2,000
Outward Giving collections	-	-	-	-	223
Sundry income	235	-	-	235	252
	<u>21,463</u>	<u>250</u>	<u>-</u>	<u>21,713</u>	<u>48,443</u>
2b Activities for generating funds					
Quality Street Fair	4,113	-	-	4,113	3,549
Other (parish) fundraising	171	-	-	171	700
	<u>4,284</u>	<u>-</u>	<u>-</u>	<u>4,284</u>	<u>4,249</u>
2c Income from investments					
Bank Interest	20,304	-	-	20,304	-
UK dividends and investment	11,731	3,970	-	15,701	15,462
	<u>32,036</u>	<u>3,970</u>	<u>-</u>	<u>36,005</u>	<u>15,462</u>
2d Income from church activities					
Church Room/Hall lets	2,937	-	-	2,937	2,555
Parish magazine	-	-	-	-	-
Fees for services	2,232	-	-	2,232	2,263
	<u>5,169</u>	<u>-</u>	<u>-</u>	<u>5,169</u>	<u>4,818</u>
Total Incoming Resources	<u>62,952</u>	<u>4,220</u>	<u>-</u>	<u>67,172</u>	<u>72,973</u>

Parish of Merstham

Annual Report for year ended 31 December 2024

(14)

3. Resources Expended

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
3(a) Church activities					
Diocesan Parish Share	17,100	-	-	17,100	16,500
Other ministry costs	1,189	-	-	1,189	475
Outward Giving payments	-	400	-	400	223
Church running & maintenance	11,528	1,664	-	13,192	11,397
Church Room & Hall costs	2,203	4,277	-	6,480	1,555
Music & Organists	1,410	-	-	1,410	1,545
Organ maintenance	-	1,671	-	1,671	787
Parish magazine costs	-	-	-	-	-
Churchyard upkeep	-	1,314	-	1,314	864
Cost of services	975	-	-	975	435
Sundry expenses	5	-	-	5	-
New build (extension)	-	-	-	-	48,355
	<u>34,410</u>	<u>9,326</u>	<u>-</u>	<u>43,736</u>	<u>82,136</u>
3(b) Costs of generating funds					
Fundraising events	125	-	-	125	1,055
Credit Card Fees	125	-	-	125	163
	<u>249</u>	<u>-</u>	<u>-</u>	<u>249</u>	<u>1,218</u>
3(c) Governance costs					
Accountancy fees -					
Independent Examination	1,440	-	-	1,440	1,450
	<u>1,440</u>	<u>-</u>	<u>-</u>	<u>1,440</u>	<u>1,450</u>
Total resources expended	<u>36,099</u>	<u>9,326</u>	<u>-</u>	<u>45,425</u>	<u>84,804</u>

Parish of Merstham

Annual Report for year ended 31 December 2024

(15)

4. Gains/Losses on Investment Assets

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
Realised gain (loss) on sale of investments	-	-	-	-	-
Profit (loss) on revaluation of Permanent Endowment	-	-	3,273	3,273	12,395
Profit (loss) on revaluation of investments	5,654	-	4,032	9,686	36,636
Total gains (losses) on investment assets	<u>5,654</u>	<u>-</u>	<u>7,305</u>	<u>12,959</u>	<u>49,031</u>

5. Staff Costs

	2024	2023
(a) Wages and salaries		
Wages paid to 1 individual (cleaner)	786	534

No payments to staff were large enough to warrant Social Security costs. The salary, pension and housing costs of Stipendiary Clergy are paid by the Diocese from the Diocesan Parish share, which is included in total resources expended on Church activities (see note 3 (a)).

(a) Payments to PCC Members

During the year no payments were made to PCC Members other than the reimbursement of agreed expenditure, all of which is included in the accounts.

The PCC members neither received nor waived any remuneration for their services during the year as trustees (2023-nil)

6. Tangible Fixed Assets

Cost	Freehold properties	Silverware	Total
As at 1 January 2024	-	24,750	24,750
Disposal	-	-	-
At 31 December 2024	<u>-</u>	<u>24,750</u>	<u>24,750</u>
Diminution in value			
At 1 January 2024	-	-	-
Disposal	-	-	-
Diminution in value during the year	-	9,100	9,100
At 31 December 2024	<u>-</u>	<u>9,100</u>	<u>9,100</u>
Net Book Value			
At 31 December 2024	-	15,650	15,650
At 31 December 2023	-	24,750	24,750

The Parish owns several items of historic silver which were valued in July 2024 at £15,650.

7. Fixed Asset Investments

(a) Mrs Puckle's bequest	2024	2023
CBF Investment Fund shares		
Market value at start of year	143,001	130,606
Unrealised investment gain / (loss)	<u>3,273</u>	<u>12,395</u>
Market value at end of year	<u><u>146,274</u></u>	<u><u>143,001</u></u>
The historic cost of the listed investment was	46,375	46,375
<i>Dividends from this fund are paid into the Fabric Fund (a Restricted fund)</i>		
(b) Expendable endowment investment		
CBF Investment Fund income shares		
Market value at start of year	175,580	160,357
Additions	-	-
Disposals	-	-
Unrealised investment gain / (loss)	<u>4,019</u>	<u>15,223</u>
Market value at end of year	<u><u>179,599</u></u>	<u><u>175,580</u></u>
The historic cost of this investment was	67,897	67,897
<i>Dividends from this fund are paid into the General Fund (an Unrestricted fund)</i>		
(c) Other investments		
Listed investments - UK		
Market value at start of year	15	21
Unrealised investment gain / (loss)	<u>13</u>	<u>(6)</u>
Market value at end of year	<u><u>28</u></u>	<u><u>15</u></u>
<i>This investment refers to Royal Bank of Scotland shares received as a donation</i>		
CBF Investment Fund income shares		
Market value at start of year	247,037	225,618
Additions	-	-
Disposals	-	-
Unrealised investment gain (loss)	<u>5,654</u>	<u>21,419</u>
Market value at end of year	<u><u>252,691</u></u>	<u><u>247,037</u></u>
The historic cost of this investment was	250,000	250,000

Parish of Merstham

Annual Report for year ended 31 December 2024

(18)

8. Debtors

	<u>2024</u>	<u>2023</u>
Due within one year		
Tax recoverable (unrestricted)	1,704	727
Tax recoverable (restricted)	-	20
Other debtors	7,154	784
Total Debtors	<u>8,858</u>	<u>1,531</u>

9. Creditors

	<u>2024</u>	<u>2023</u>
Amounts falling due within one year		
Accruals for utilities and other costs (unrestricted)	1,015	1,213
Other creditors (unrestricted)	1,500	1,638
Other creditors (restricted)	-	-
Deferred revenue	134	-
Total Creditors	<u>2,649</u>	<u>2,850</u>

10. Restricted Funds

The Organ Fund is a restricted fund to be used solely for the renovation and maintenance of the organ in St Katharine's Church.

The Mission Fund is a restricted fund for promoting the mission of the Church within the Parish of Merstham.

During 2024, the PCC took the decision not to continue to place funds in a restricted fabric fund.

	Balance at 1 January 2024	Incoming resources	Expenditure	Transfers	Diminution in value	Balance at 31 December 2024
Fabric Fund	11,998	4,220	7,255	-	-	8,962
Silverware	24,750	-	-	-	9,100	15,650
Organ Fund	17,661	-	1,671	-	-	15,990
Mission Fund	5,178	-	400	-	-	4,778
	<u>59,586</u>	<u>4,220</u>	<u>9,326</u>	<u>-</u>	<u>9,100</u>	<u>45,380</u>

Parish of Merstham

Annual Report for year ended 31 December 2024

(19)

11. Endowment Fund

	Balance at 1 January 2024	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2024
Mrs Puckle's bequest	143,001	-	-	3,273	146,274
Expendable Endowment	175,580	-	-	4,019	179,599
Other	15	-	-	13	28
	<u>318,596</u>	<u>-</u>	<u>-</u>	<u>7,305</u>	<u>325,901</u>

The Endowment Funds of the Parish of Merstham consist of both permanent and expendable endowment funds:

Mrs. Puckle's Bequest is a permanent endowment. This gifted trust fund is managed by the Diocesan Trust. Although the PCC has no authority to realise this investment the income from it is available to the PCC.

The expendable endowment was originally created from the sale of the verger's cottage, which belonged to the PCC. The funds from the sale of the verger's cottage, together with a donation, were used to purchase a freehold property in Mansfield Drive, Merstham. This property was subsequently sold in 2004. The PCC have the authority to use the expendable endowment and investment income for Church running expenses, fabric expenditure and expenditure related to the Mission.

The other fund is a block of Royal Bank of Scotland shares received as a donation. The shares are held by the Diocese but the income, which is unrestricted and undesignated, comes to the Parish.

12. Unrestricted Fund

	Balance at 1 January 2024	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2024
General funds	192,228	62,522	33,506	5,654	226,897
Designated funds	729,884	430	2,593	-	727,721
	<u>922,112</u>	<u>62,952</u>	<u>36,099</u>	<u>5,654</u>	<u>954,619</u>

The designated funds shown above are for the purpose of constructing and furnishing the planned extension to the north of the church, plus the heating and lighting for the church. The PCC expect this work to be completed in 2025. It is hoped the church extension will now cost less than the value set aside in this designated fund, as it has been scaled back. If this is the case, the balance will be returned to general funds

13. Analysis of Net Assets Between Funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2024
Tangible fixed assets	-	15,650	-	15,650
Investment fixed assets	252,691	-	325,901	578,592
Net current assets	701,928	29,730	-	731,658
	<u>954,619</u>	<u>45,380</u>	<u>325,901</u>	<u>1,325,900</u>

14. Post Balance Sheet Events

The latest Quinquennial was undertaken in January 2025. Whilst the report includes a number of areas requiring attention over the medium to longer term, there are no significant items of work requiring expenditure in the short term.

15. Related Parties

There were no related party transactions between any PCC member or other person related to the charity and the charity other than donations by PCC members totalling £5,104 during the year and being made without condition.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERSTHAM

England & Wales - Charity number 1139490

Accounts

Parish of Merstham

PCC report and financial statements



for the year ended 31 December 2023

[The Parochial Church Council of the Ecclesiastical Parish of Merstham]

Charity No. 1139490

CONTENTS

	Page
PCC report	1 – 6
Independent Examiner’s Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the financial statements	10 – 19

PCC report

The members of the PCC present their annual report and financial statements of the Parish of Merstham for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing documents, Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

The primary object of the PCC is the promotion of the Gospel of the Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC is tasked with co-operating with the minister in promoting in the parish the whole mission of the Church; pastoral, evangelistic, social and ecumenical.

As a Parish Church within the Church of England's Diocese of Southwark, St Katharine's Church exists for the benefit of the wider community as well as for those who form part of the week-by-week worshipping community. With this in mind our activities have been a combination of those for the worshipping community together with others aimed at the wider community through pastoral care or missionary and outreach.

In order to accomplish these objectives it is important that we maintain the fabric of the church buildings.

The members of the PCC have complied with the duty in Section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

The parish

The parish of Merstham is in the Diocese of Southwark and is within Reigate Deanery. The parish is part of the Merstham and Gatton Team Ministry under the terms of a Pastoral Scheme pursuant to the Pastoral Measure 1983 made by the Church Commissioners on 29 March 2010 and which came into effect on 1 April 2010.

Following the closure of the Church of the Epiphany in January 2015 the parish has only one place of worship: the Parish Church is St Katharine, on Church Hill, Merstham, RH1 3BJ.

Merstham & Gatton Team Ministry is composed of the parishes of Merstham (St Katharine), Gatton (St Andrew), and South Merstham (All Saints). There is a Team Council which has representatives from the three parishes; it meets up to four times per year and reports back to the respective PCCs.

Team Rector

Revd Nigel Griffiths

The Rectory, Battlebridge Lane, Merstham, RH1 3LH

Revd Griffiths was licensed as Team Rector on 5th September 2023.

Team Vicar

Vacancy

Honorary Curate

Vacancy

Readers

Mrs Christiana Agwuegbo

Churchwardens

Mr Simon Beirne

Mr Chris Green

Achievements and Performance

Worship and prayer

Within the parish the PCC aims to offer a variety of services during the week and throughout the year to cater for different groups within the community. These range from organised services such as our regular Sunday worship, including Holy Communion, to less formal and less structured meetings such as study groups and prayer meetings. The Parish provides a range of regular and extra festival and seasonal services over the course of the year that our community has found both beneficial and spiritually fulfilling, and regularly provides hospitality for special Team Services.

Regular Service Pattern

Following the departure of Revd Mark Pullinger in October 2022, the usual service pattern changed as our total clergy complement was just one Licensed Reader. A Worship Group was set up to lead services during the year. We were greatly assisted by Revd Sue Weakley, a retired NSM who very generously offered to lead us in Holy Communion on the first Sunday of each month. We also welcomed Revd Raymond Bayley (retired clergy from St Barnabas) and Revd Catherine Dawkins (retired clergy) who occasionally led us in communion. Following the licencing of Revd Nigel Griffiths, and with the assistance of retired NSM Revd Rob Kenyon, we once again adopted a regular service pattern of Holy Communion on the first and third Sundays each month, Morning Worship on the second Sunday, and a Team service at All Saints on the last Sunday.

Occasional Offices

During 2023 one baptism and two weddings were celebrated in the church. No funeral services were held in the church, but there were three instances of interment of cremated remains in the churchyard.

Electoral Roll and Church Attendance Report

In December 2023 there were 34 members on the roll. The Electoral Roll will next be due for revision in April 2024.

Pastoral Care

The Merstham Estate is an area where there are extensive plans for regeneration, and it is deemed a 'priority area' by Surrey County Council due to levels of deprivation in pockets of the estate.

The provision of community facilities at the corner of Bletchingley Road and Portland Drive within the estate continues to offer a wide range of resources to the community, and amongst the Library and a café the building also houses the Merstham Community Facilities Project.

St Katharine's Church Room is used for various church activities, including PCC meetings and after-service coffee on Sundays. The Church Room also has regular weekly bookings by non-church groups.

The Women's Support Group is a closed group, now in its twenty-fifth year. It meets on most Thursday mornings, at All Saints, South Merstham. The group is led by a member of the St Katharine's congregation who is a retired Occupational Therapist who worked in mental health. The group provides opportunities to discuss personal issues in a confidential and mutually supportive environment and to develop self-awareness.

Safeguarding Report

The church implements the 'Safe Church' diocesan policy. A copy of the policy is displayed in the church porch and a copy is also kept securely. Regular updates are inserted into the policy and where appropriate members of the PCC are encouraged to attend the Safeguarding and Vulnerable adults training provided by the Diocese. Regular newsletters are shared with PCC and Junior church leaders. All DBS checks are up to date or being renewed. We are grateful for the work of Mr Simon Beirne and Mrs Maggie Kippen, our Safeguarding officers, who generously share their overview with St Andrew, Gatton.

Mission and outreach

The Team Ministry endeavours to provide information and communication to parishioners and the general public by several means.

Parish of Merstham

Annual Report for year ended 31 December 2023

(3)

The *Messenger*, the parish magazine for Merstham and Gatton, is produced monthly online, with a very few paper copies distributed to those unable to access the internet. It contains information regarding church-associated events held within the Team Ministry together with general local services and charity/alternative events held within the wider community.

The website for the Team Ministry is at www.mgtmchurches.org and provides details of church services and activities, as well as information about weddings, marriages and funerals and how to make contact with parish staff.

Information is also displayed on notice boards at the church and published in a weekly news-sheet.

Quality Street Fair is now a predominantly community-led, rather than church-led, event, and takes place in September. St Katharine's Supper, celebrating our Patronal Saint, took place in the Church Room at the end of November.

The weekly ecumenical prayer meeting has been able to continue at the Community Hub.

Ecumenical relationships

The churches continue to be involved in ecumenical activities as part of the *Churches Together in Merstham* group and would usually hold joint activities such as the World Day of Prayer, Lent Groups and Lent Lunches, Good Friday Walk of Witness, and Carol singing at Christmas. Some of these have still not resumed post-Covid.

Fabric

Amongst other duties, the PCC is responsible for the maintenance of our buildings, which include the historic church of St Katharine (Merstham Parish Church) and St Katharine's Church Room. The last Quinquennial Inspection was carried out in March 2018 by Thomas Ford & Partners. The architect's conclusion was that the church was well looked after by the PCC and significant repairs had been undertaken in the last ten years; although a number of repair issues remain these do not reflect poor care or management on the part of the Parish. Because of the ongoing work (see below) it has been agreed that the next Quinquennial, which was due during 2023, could be postponed until the following year.

Fundraising events

Quality Street Fair brought in a respectable £3,500. In addition, a display of artwork by a member of the congregation and subsequent sale generated a further £700.

The Deanery Synod

The Deanery Synod is the link between the parishes and the Diocese. Merstham Parish is part of Reigate Deanery Synod and is represented there by Jill Gunn and Judith Hanson. The Synod not only provides a link with the governance structures of the Church of England in the Diocese and nationally but also provides a link for the PCC to raise matters at a Deanery level and potentially higher.

Financial Review

Net income in the year was negative at c-£12k. This negative outcome was largely as a result of continued expenditure associated with the building of an extension to the existing church. Unfortunately, the builders entered administration in early 2023, shortly after starting work. Whilst there has been no financial loss from the administration, the PCC has incurred costs to restore the building to a safe and watertight standard, in addition to additional professional fees. Building work has been on hold since whilst the PCC determine what should now be done and find a suitable builder to undertake the work. Incoming resources include grant payments received from the Listed Places of Worship Grant Fund which offsets the VAT incurred on the extension project. Gift aided donations were slightly lower than 2022 and one-off legacies were substantially so. The investments regained a large amount of the value they had lost in 2022, which resulted in Total Net Assets in the Balance Sheet increasing by c£37k vs 2022. During the year we were able to pay our Parish Pledge in full.

Reserves policy

It is the policy of the PCC to seek to maintain adequate, but not excessive, reserves, to be used for the specific purposes for which they are identified. Cash representing reserves not immediately required is invested with the CBF Church of England Deposit Fund.

Plans for the future

Work to demolish the Victorian vestries on the north side of the church started at the end of February, and the planned extension (incorporating a new vestry, meeting area and toilets) was expected to be complete by the end of the summer. It is greatly to be regretted that the construction company went into administration the day prior to Maundy Thursday, and as a result of this we were left with a partly-demolished annexe. Emergency measures were put in place to render it weather-tight and to remove the debris left by the builders. We embarked on a second round of tendering, but the results of this served only to demonstrate that prices have increased considerably over the original estimate. As a consequence, we have reluctantly decided to abandon the original plan, and now intend to restore the vestry to its original condition while at the same time improving the insulation. We also intend to install a toilet as that was the primary reason for embarking on this project.

Other information

There have been no transactions between the PCC and related parties (as defined by the Charities Act 2011 and the Charities SORP) nor has the PCC identified any major risks (other than the availability of continued funding, a topic of continued consideration by the PCC) which impact the work of the Church in the parish.

In September we were blessed to welcome Nigel and his family to the Merstham and Gatton team ministry and are thankful for his much-needed leadership to both the team and to St Katharine's.

Governing Documents

The Governing Documents relating to the operation of the PCC are:

- The Parochial Church Councils (Powers) Measure 1956 as amended
- The Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969 as amended with the 2009 Statutory Instrument and the 2009 update to the Code of Recommended Practice to the Pastoral Measure 1983)

Membership of the PCC

The Parochial Church Council (PCC) is a corporate body established by the Church of England. Members of the PCC, who are also Trustees for the purposes of charity law, are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as *ex officio* members. The PCC can also exercise its right to co-opt members as it deems fit.

During the year the Council received regular reports on the following topics, amongst other matters:

Finance	Team Council	Fabric and Churchyard
Mission and Outreach projects	Deanery Synod	Safe Church Policy

The PCC usually meets each alternate month.

PCC membership following the 2023 APCM

Ex Officio Members:

Revd Nigel Griffiths	Team Rector (<i>from September 2023</i>)
Mrs Christiana Agwuegbo	Reader
Mr Simon Beirne	Churchwarden (<i>from April 2016</i>)
Mr Chris Green	Churchwarden (<i>from May 2022</i>)
Mrs Jill Gunn	Deanery Synod Representative
Mrs Judith Hanson	Deanery Synod Representative

Elected members:

Mr Daniel Hopcroft	(<i>from 2021</i>)
Mrs Libby Green	(<i>from 2023</i>)
Mr John Turner	(<i>from 2023</i>)
Mr Robert Prentice	(<i>from 2021</i>)
Mrs Glynis Beazley	(<i>from 2022</i>)
Mrs Gill Buchanan	(<i>from 2023</i>)

Until the arrival of Revd Griffiths, PCC meetings have been chaired by Simon Beirne, the deputy chairman.

PCC Secretary

Mrs Ann Beirne

28 Harestone Hill, Caterham, Surrey, CR3 6DG

Independent Examiner

Alison Sargent FCA Sargent & Co.

219 Croydon Road, Caterham, Surrey, CR3 6PH

Bankers

The Central Board of Finance of the Church of England: Cheapside, London, EC2Y 5AQ

Charities Aid Foundation

NatWest Bank Ltd.: Station Road, Redhill, RH1 1QN

Correspondence

All correspondence should be sent to the PCC Secretary: 28 Harestone Hill, Caterham, Surrey, CR3 6DG

Registered Charity Number

The Parochial Church Council of the Ecclesiastical Parish of Merstham (Merstham PCC) is a charity registered with the Charity Commission under registration number 1139490.

Safeguarding Officers

Mrs Margaret Kippen, Mr Simon Beirne

Standing Committee

The Standing Committee is the only committee required by law. It exists to transact the business of the PCC between meetings and may construct the agenda for meetings of the PCC.

Team Council

This was set up at the creation of the Team Ministry. It consists of the clergy, churchwardens and secretaries from across the churches. It has not met during 2023. Its purpose is to share news and sustain an overview of Team life, help determine what activities may be achieved better across the team (e.g. various training), and support one other particularly in the mission and outreach of the Team churches.

Other Sub-committees

An 'Extension sub-group' was formed to oversee the progress of the Extension Project, with a mandate to report and to bring points of decision to the PCC.

Statement of Parochial Church Council Responsibilities

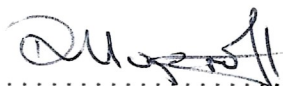
Charity Law requires the Parochial Church Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Church and of its financial activities for that period.

In preparing those financial statements the Parochial Church Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the church will continue in business.

The Parochial Church Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enables PCC members to ensure that the financial statements comply with regulations made under the Church Accounting Regulations 2006. It is also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Parochial Church Council and signed on its behalf by



.....
Dan Hopcroft (Treasurer)



.....
Chris Green (Churchwarden)

Date. 16 JUN 24

Independent Examiner's Report to the Members of the PCC of the Parish of Merstham

I report to the members of the Parochial Church Council (PCC), being the charity's trustees, on my examination of the accounts of the charity for the year ended 31st December 2023 which are set out on pages 8 to 19.

Responsibilities and Basis of Report

As members of the PCC 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

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.

Alison Sargent FCA
Sargent and Co
Chartered Accountants
219 Croydon Road
Caterham
Surrey
CR3 6PH

Date:

Parish of Merstham

Annual Report for year ended 31 December 2023

(8)

Statement of Activities for the Year Ended 31st December 2023

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023	Total funds 2022
<u>Incoming resources</u>						
Voluntary income	2(a)	46,704	1,739	-	48,443	131,958
Activities for generating funds	2(b)	4,249	-	-	4,249	3,765
Income from investments	2(c)	11,553	3,909	-	15,462	15,376
Church activities	2(d)	4,818	-	-	4,818	6,369
Total incoming resources		67,324	5,648	-	72,973	157,468
<u>Resources expended</u>						
Church activities	3(a)	78,160	3,977	-	82,136	117,844
Fundraising costs	3(b)	1,218	-	-	1,218	305
Governance costs	3(c)	1,450	-	-	1,450	1,620
Total resources expended		80,827	3,977	-	84,804	119,768
Net income before transfers		(13,503)	1,671	-	(11,832)	37,700
Gross transfers between funds		-	-	-	-	-
Net income (expense) and net movement in funds						
<i>before gains and losses on investments</i>		(13,503)	1,671	-	(11,832)	37,700
Net Gain on disposal of fixed assets		-	-	-	-	-
Net investment gains (losses)	4	21,419	-	27,612	49,031	(68,586)
Net movement in funds		7,916	1,671	27,612	37,200	(30,886)
<u>Reconciliation of funds</u>						
Total funds brought forward		914,196	57,915	290,984	1,263,095	1,293,981
Total funds carried forward		922,112	59,586	318,596	1,300,295	1,263,095

The notes on pages 10 to 19 form part of these accounts

Parish of Merstham

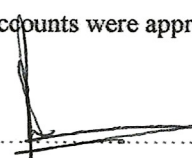
Annual Report for year ended 31 December 2023

(9)

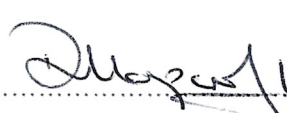
Balance Sheet as at 31st December 2023

	Note	Total funds 2023	Total funds 2022	
Fixed assets				
Tangible assets	6	24,750	24,750	
Investments	Mrs Puckle's bequest	7(a)	143,001	130,606
	Expendable endowment	7(b)	175,580	160,357
	Other	7(c)	247,052	225,639
Total fixed assets		590,383	541,352	
Current assets				
Debtors	8	1,531	6,222	
Cash at bank and in hand		711,230	719,423	
		712,761	725,645	
Liabilities				
Creditors	due in 1 year	9	(2,850)	(3,902)
Net current assets		709,911	721,743	
Total net assets		1,300,295	1,263,095	
Parish funds				
	unrestricted	12	922,112	914,196
	restricted	10	59,586	57,915
	endowment	11	318,596	290,984
Total funds		1,300,295	1,263,095	

The accounts were approved by the PCC *StH May* 2024 and signed on behalf of the PCC by


Chris Green – Churchwarden

16 JUN 24
Date


Dan Hopcroft – Treasurer

16 JUN 24
Date

Notes to the Accounts for the Year Ended 31st December 2023

1. Accounting Policies

(a) Basis of Preparation

The accounts have been prepared under the current Church Accounting Regulations and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts have been prepared on a going concern basis on the grounds that no material uncertainties exist and under the historical cost convention modified to include certain items at fair value as stated in the relevant notes to the accounts. The accounts are presented in Sterling and rounded to the nearest £.

The Church constitutes a public benefit entity as defined by FRS102.

(b) Income Recognition

All income is recognised once the Church has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The income of the Church includes income from Church activities, donations, grants, known legacies and letting income for Church premises.

All incoming resources have been recognised on a receivable basis except for voluntary donations and income from investments which is accounted for when received.

Legacy gifts are recorded on a case-by-case basis following the granting of probate when the administrator/executor of the estate has communicated in writing both the amount and settlement date.

(c) Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure is directly attributable to various Church activities and has been included in the relevant cost categories.

Fundraising costs comprise the costs associated with any fundraising event.

(d) Tangible Fixed Assets

The Church silver has been included at market value based on an independent valuation report in a previous year.

Under the PCC's (Powers) Measure 1956, all PCCs are trustees of income and expenditure but not necessarily of assets, so that any expenditure whether maintenance or improvement, incurred on consecrated or benefice buildings or moveable church fittings, is written off as expenditure during the year.

(e) Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(f) Debtors and Creditors Receivable/Payable Within One Year

Debtors and creditors receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Cash at Bank and In Hand

Cash at bank and in hand includes cash and short-term highly liquid assets with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(h) Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(i) Funds

Permanent endowment funds are funds which have been given to the Parish of Merstham in trust with the restriction that the funds are invested to generate income for specific Church activities.

Expendable endowments are those funds which are mainly to be used as permanent endowments but the capital can also be used for the purposes of the Church in certain circumstances.

Restricted funds relate to income which is made available to the Parish of Merstham for specific purposes and which must be used solely for those purposes. The aim and use of the restricted fund is set out in the notes to the financial statements.

Unrestricted funds relate to the income which is available to meet the general objectives of the Parish of Merstham. General funds are unrestricted funds which are available for use at the discretion of the Members of the PCC in the furtherance of the general objectives of the Church and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the members of the PCC for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

Parish of Merstham

Annual Report for year ended 31 December 2023

(12)

2. Incoming Resources

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023	Total funds 2022
2a Voluntary income					
Gift Aid donations	18,865	1,010	-	19,875	22,633
Income tax recovered	5,389	252	-	5,641	5,802
Non-Gift Aid donations	2,699	320	-	3,019	1,587
Grants	17,434	-	-	17,434	1,400
Donations & legacies	2,000	-	-	2,000	100,000
Outward Giving collections	223	-	-	223	-
Sundry income	94	157	-	252	538
	<u>46,704</u>	<u>1,739</u>	<u>-</u>	<u>48,443</u>	<u>131,958</u>
2b Activities for generating funds					
Quality Street Fair	3,549	-	-	3,549	3,663
Other (parish) fundraising	700	-	-	700	102
	<u>4,249</u>	<u>-</u>	<u>-</u>	<u>4,249</u>	<u>3,765</u>
2c Income from investments					
UK dividends and investment	<u>11,553</u>	<u>3,909</u>	<u>-</u>	<u>15,462</u>	<u>15,376</u>
2d Income from church activities					
Church Room/Hall lets	2,555	-	-	2,555	3,739
Parish magazine	-	-	-	-	35
Fees for services	<u>2,263</u>	<u>-</u>	<u>-</u>	<u>2,263</u>	<u>2,595</u>
	<u>4,818</u>	<u>-</u>	<u>-</u>	<u>4,818</u>	<u>6,369</u>
Total Incoming Resources	67,324	5,648	-	72,973	157,468

Parish of Merstham

Annual Report for year ended 31 December 2023

(13)

3. Resources Expended

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023	Total funds 2022
3(a) Church activities					
Diocesan Parish Share	16,500	-	-	16,500	24,000
Other ministry costs	475	-	-	475	198
Outward Giving payments	223	-	-	223	100
Church running & maintenance	9,072	2,326	-	11,397	12,433
Church Room & Hall costs	1,555	-	-	1,555	1,601
Music & Organists	1,545	-	-	1,545	1,905
Organ maintenance	-	787	-	787	624
Parish magazine costs	-	-	-	-	56
Churchyard upkeep	-	864	-	864	977
Cost of services	435	-	-	435	450
Sundry expenses	-	-	-	-	1,305
New build (extension)	48,355	-	-	48,355	74,195
	<u>78,160</u>	<u>3,977</u>	<u>-</u>	<u>82,136</u>	<u>117,844</u>
3(b) Costs of generating funds					
Fundraising events	1,055	-	-	1,055	305
Credit Card Fees	163	-	-	163	-
	<u>1,218</u>	<u>-</u>	<u>-</u>	<u>1,218</u>	<u>305</u>
3(c) Governance costs					
Accountancy fees -					
Independent Examination	1,450	-	-	1,450	1,620
	<u>1,450</u>	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>1,620</u>
Total resources expended	<u>80,827</u>	<u>3,977</u>	<u>-</u>	<u>84,804</u>	<u>119,768</u>

Parish of Merstham

Annual Report for year ended 31 December 2023

(14)

4. Gains/Losses on Investment Assets

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023	Total funds 2022
Realised gain (loss) on sale of investments	-	-	-	-	-
Profit (loss) on revaluation of Permanent Endowment	-	-	12,395	12,395	(17,338)
Profit (loss) on revaluation of investments	<u>21,419</u>	<u>-</u>	<u>15,217</u>	<u>36,636</u>	<u>(51,248)</u>
Total gains (losses) on investment assets	<u><u>21,419</u></u>	<u><u>-</u></u>	<u><u>27,612</u></u>	<u><u>49,031</u></u>	<u><u>(68,586)</u></u>

5. Staff Costs

	<u>2023</u>	<u>2022</u>
(a) Wages and Salaries		
Wages paid to 1 individual (cleaner)	534	360

No payments to staff were large enough to warrant Social Security costs. The salary, pension and housing costs of Stipendiary Clergy are paid by the Diocese from the Diocesan Parish share, which is included in total resources expended on Church activities (see note 3 (a)).

(b) Payments to PCC Members

During the year no payments were made to PCC Members other than the reimbursement of agreed expenditure, all of which is included in the accounts.

The PCC members neither received nor waived any remuneration for their services during the year as trustees (2022-nil)

6. Tangible Fixed Assets

Cost	Silverware	Total
As at 1 January 2023	24,750	24,750
Disposal	-	-
At 31 December 2023	<u>24,750</u>	<u>24,750</u>
 Diminution in value		
At 1 January 2023	-	-
Disposal	-	-
Diminution in value during the year	-	-
At 31 December 2023	<u>-</u>	<u>-</u>
 Net Book Value		
At 31 December 2023	24,750	24,750
At 31 December 2022	24,750	24,750

The Parish owns several items of historic silver which were valued in November 2007 at £24,750. The members of the PCC are not aware of any material changes to this valuation.

7. Fixed Asset Investments

(a) Mrs Puckle's bequest	2023	2022
CBF Investment Fund shares		
Market value at start of year	130,606	147,944
Unrealised investment gain / (loss)	<u>12,395</u>	<u>(17,338)</u>
Market value at end of year	<u><u>143,001</u></u>	<u><u>130,606</u></u>
The historic cost of the listed investment was	46,375	46,375
<i>Dividends from this fund are paid into the Fabric Fund (a Restricted fund)</i>		
(b) Expendable endowment investment		
CBF Investment Fund income shares		
Market value at start of year	160,357	181,649
Additions	-	-
Disposals	-	-
Unrealised investment gain / (loss)	<u>15,223</u>	<u>(21,292)</u>
Market value at end of year	<u><u>175,580</u></u>	<u><u>160,357</u></u>
The historic cost of this investment was	67,897	67,897
<i>Dividends from this fund are paid into the General Fund (an Unrestricted fund)</i>		
(c) Other investments		
Listed investments - UK		
Market value at start of year	21	18
Unrealised investment gain / (loss)	<u>(6)</u>	<u>3</u>
Market value at end of year	<u><u>15</u></u>	<u><u>21</u></u>
<i>This investment refers to Royal Bank of Scotland shares received as a donation</i>		
CBF Investment Fund income shares		
Market value at start of year	225,618	255,576
Additions	-	-
Disposals	-	-
Unrealised investment gain (loss)	<u>21,419</u>	<u>(29,958)</u>
Market value at end of year	<u><u>247,037</u></u>	<u><u>225,618</u></u>
The historic cost of this investment was	250,000	250,000

Parish of Merstham

Annual Report for year ended 31 December 2023

(17)

8. Debtors

	<u>2023</u>	<u>2022</u>
Due within one year		
Tax recoverable (unrestricted)	727	5,548
Tax recoverable (restricted)	20	253
Other debtors	784	421
Total Debtors	<u>1,531</u>	<u>6,222</u>

9. Creditors

	<u>2023</u>	<u>2022</u>
Amounts falling due within one year		
Accruals for utilities and other costs (unrestricted)	1,213	466
Other creditors (unrestricted) <i>Sargent & Co</i>	1,638	1,550
Other creditors (restricted)	-	1,886
Total Creditors	<u>2,850</u>	<u>3,902</u>

10. Restricted Funds

The Organ Fund is a restricted fund to be used solely for the renovation and maintenance of the organ in St Katharine's Church.

The Mission Fund is a restricted fund for promoting the mission of the Church within the Parish of Merstham.

	Balance at 1 January 2023	Incoming resources	Expenditure	Transfers	Balance at 31 December 2023
Fabric Fund	9,539	5,648	3,190	-	11,998
Silverware	24,750	-	-	-	24,750
Organ Fund	18,448	-	787	-	17,661
Mission Fund	5,178	-	-	-	5,178
	<u>57,915</u>	<u>5,648</u>	<u>3,977</u>	<u>-</u>	<u>59,586</u>

Parish of Merstham

Annual Report for year ended 31 December 2023

(18)

11. Endowment Fund

	Balance at 1 January 2023	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2023
Mrs Puckle's bequest	130,606	-	-	12,395	143,001
Expendable Endowment	160,357	-	-	15,223	175,580
Other	21	-	-	(6)	15
	<u>290,984</u>	<u>-</u>	<u>-</u>	<u>27,612</u>	<u>318,596</u>

The Endowment Funds of the Parish of Merstham consist of both permanent endowment funds and expendable endowment funds and consist of the following:

Mrs. Puckle's Bequest is a permanent endowment. This gifted trust fund is managed by the Diocesan Trust. Although the PCC has no authority to realise this investment the income from it is available to the Fabric Fund.

The expendable endowment was originally created from the sale of the verger's cottage, which belonged to the PCC. The funds from the sale of the verger's cottage, together with a donation, were used to purchase a freehold property in Mansfield Drive, Merstham. This property was subsequently sold in 2004. The PCC have the authority to use the expendable endowment and investment income for Church running expenses, fabric expenditure and expenditure related to the Mission.

The other fund is a block of Royal Bank of Scotland shares received as a donation. The shares are held by the Diocese but the income, which is unrestricted and undesignated, comes to the Parish.

12. Unrestricted Fund

	Balance at 1 January 2023	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2023
General funds	153,391	49,890	32,472	21,419	192,228
Designated funds	<u>760,805</u>	<u>17,434</u>	<u>48,355</u>	<u>-</u>	<u>729,884</u>
	<u>914,196</u>	<u>67,324</u>	<u>80,827</u>	<u>21,419</u>	<u>922,112</u>

The Designated Funds shown above are for the purpose of constructing and furnishing the planned extension to the north of the church, together with improvements to the heating and lighting within the church. It is anticipated that the total cost of the planned extension may well exceed the value of the designated funds and it will be necessary for some of the General Fund, or the Expendable Endowment, to be used to meet the full cost. As noted in Note 14, the original contracted builder entered Administration in 2023 and the work had to be put on hold. The PCC still intend to contract for an extension and hope that this work can be completed in 2024 or 2025.

13. Analysis of Net Assets Between Funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023
Tangible fixed assets	-	24,750	-	24,750
Investment fixed assets	247,037	-	318,596	565,633
Net current assets	<u>675,075</u>	<u>34,836</u>	<u>-</u>	<u>709,911</u>
	<u>922,112</u>	<u>59,586</u>	<u>318,596</u>	<u>1,300,295</u>

14. Post Balance Sheet Events

Unfortunately, the contracted builder for the church extension entered administration in early 2023. The PCC attempted to find an acceptable and affordable quotation for the continuation of the original planned extension, but this has proved impossible. Therefore, the PCC has agreed that a smaller and less ambitious vestry annexe should be constructed, most or all of which should use the footprint of the Victorian extension. Enquiries to secure a design and costings for this revised project have commenced and are ongoing. The PCC are confident that the building work can be concluded in 2024 or 2025.

15. Related Parties

There were no related party transactions between any PCC member or other person related to the charity and the charity other than donations being made without condition.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERSTHAM

England & Wales - Charity number 1139490

Accounts

Parish of Merstham

PCC report and financial statements



for the year ended 31 December 2022

[The Parochial Church Council of the Ecclesiastical Parish of Merstham]

Charity No. 1139490

CONTENTS

	Page
PCC report	1 – 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the financial statements	10 – 19

PCC report

The members of the PCC present their annual report and financial statements of the Parish of Merstham for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the governing documents, Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

The primary object of the PCC is to promote the Gospel of the Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC is tasked with co-operating with the minister to promote the whole mission of the Church; pastoral, evangelistic, social and ecumenical within the Parish.

As a Parish Church within the Church of England's Diocese of Southwark, St Katharine's Church exists for the benefit of the wider community as well as for those who form part of the week-by-week worshipping community. With this in mind our activities have been a combination of those for the worshipping community together with others aimed at the wider community through pastoral care, or missionary and outreach.

In order to accomplish these objectives, it is important that we maintain the fabric of the church buildings.

The members of the PCC have complied with the duty in Section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

The Parish

The parish of Merstham is in the Diocese of Southwark and is within Reigate Deanery. The parish is part of the Merstham and Gatton Team Ministry under the terms of a Pastoral Scheme pursuant to the Pastoral Measure 1983 made by the Church Commissioners on 29 March 2010 and which came into effect on 1 April 2010.

Following the closure of the Church of the Epiphany in January 2015, the parish has only one place of worship: the Parish Church is St Katharine, on Church Hill, Merstham, RH1 3BJ.

Merstham & Gatton Team Ministry is composed of the parishes of Merstham (St Katharine), Gatton (St Andrew), and South Merstham (All Saints). There is a Team Council which has representatives from the three parishes; it meets up to four times per year and reports back to the respective PCCs.

2022 Clergy, Readers and Churchwardens:

Team Rector

Revd Mark Pullinger

The Rectory, Battlebridge Lane, Merstham, RH1 3LH

Revd Pullinger left the Team at the end of October, retiring to the Isle of Wight

Honorary Curate

Revd Val Williams

Merstham Lodge, Harps Oak Lane, Merstham, RH1 3AN

Revd Williams passed away in October

Readers

Mrs Kirsty Anderson (*Mrs Anderson moved to live in Scotland in September*)

Mrs Christiana Agwuegbo

Churchwardens

Mrs Kirsty Anderson (*resigned at the 2022 APCM*)

Mr Simon Beirne

Mr Chris Green (*appointed at the 2022 APCM*)

Achievements and Performance

Worship and prayer

Within the parish the PCC aims to offer a variety of services during the week and throughout the year to cater for different groups within the community. These range from organised services such as our regular Sunday worship, including Holy Communion, to less formal and less structured meetings such as study groups and prayer meetings. The Parish provides a range of regular and extra festival and seasonal services over the course of the year that our community has found both beneficial and spiritually fulfilling, and regularly provides hospitality for special Team Services.

Regular Service Pattern

Following the departure of Revd Ben Brown in September 2021, the usual service pattern changed. The first Sunday would be Morning Worship, normally led by one of our Readers; the second Sunday would sometimes be a communion service led by Revd Williams, if she were well enough to attend and lead the service (she had been suffering from Motor Neurone Disease for some time), otherwise Morning Worship. On the third Sunday Revd Mark Pullinger would come to St Katharine and deliver a communion service. The last Sunday in the month was a Team service at All Saints. In those months with five Sundays, the fourth Sunday would again be a service of Morning Worship.

This service pattern has needed to change following the departure of our Reader Kirsty Anderson, the death of Revd Williams and the retirement of Revd Pullinger leaving the parish with only one Reader. Services are currently being led by the congregation outside of the times when the Reader, or visiting clergy, can officiate.

Occasional Offices

During 2022, two baptisms and three weddings were celebrated in the church.

Two funeral services were held in the church, including that of Val Williams in October; and twelve cremations for residents of the parish took place at local Crematoria.

Electoral Roll and Church Attendance Report

In December 2022 there were 36 electoral members on the roll. The Electoral Roll will next be due for revision in April 2023.

Pastoral Care

The Merstham Estate is an area where there are extensive plans for regeneration, and it is deemed a 'priority area' by Surrey County Council due to levels of deprivation in pockets of the estate. The Team Ministry and the PCC continue to engage with both Surrey and Reigate and Banstead Councils and the Diocese with regard to the plans for further development in the area.

The Pastoral Ministry Group has ceased to meet with the departure of Revd Pullinger.

St Katharine's Church Room is used for various activities, including PCC meetings. The Church Room is also booked by non-church groups, both for occasional events and regular weekly hires. After-service coffee on Sundays is normally provided within the church as it is felt more inclusive. The walk to the Church Room, whilst not long, has always created a separation for the congregation.

The Women's Support Group is a closed group, now in its twenty-fourth year. It normally meets on Thursday mornings at All Saints, South Merstham. The group is led by a member of St Katharine's congregation who is a retired Occupational Therapist who worked in mental health. The group provides opportunities to discuss personal issues in a confidential and mutually supportive environment and to develop self-awareness.

Safeguarding Report

The church implements the 'Safe Church' Diocesan policy. A copy of the policy is displayed in the church porch and a copy is also kept in the vestry. Regular updates are inserted into the policy and where appropriate members of the PCC are strongly encouraged to attend the Safeguarding and Vulnerable adults training provided by the Diocese. Regular newsletters are shared with PCC and Junior church leaders. All DBS checks are up to date or being renewed. We are grateful for the work of Mr Simon Beirne and Mrs Maggie Kippen, our Safeguarding officers, who generously share their overview with St Andrew, Gatton.

Mission and Outreach

The Team Ministry endeavours to provide information and communication to parishioners and the general public by several means.

The *Messenger*, the parish magazine for Merstham and Gatton, is produced monthly online, with a very few paper copies distributed to those unable to access the internet. It contains information regarding church-associated events held within the Team Ministry, together with general local services and charity/alternative events held within the wider community.

The website for the Team Ministry is at www.mgtmchurches.org.uk and provides details of church services and activities as well as information about weddings, marriages and funerals and how to make contact with parish staff.

Information is also displayed on notice boards at the church and published in a weekly news-sheet.

The once-regular Quality Street Fair, and St Katharine's Supper in the Church Room, were reinstated in 2022. Quality Street Fair has now become a predominantly community-led, rather than church-led, event, and in 2022 the date was moved from July to September.

Ecumenical relationships

The churches continue to be involved in ecumenical activities as part of the *Churches Together in Merstham* group and would usually hold joint activities such as the World Day of Prayer, Lent Groups and Lent Lunches, Good Friday Walk of Witness, and Carol singing at Christmas. Some of these have still not resumed post-Covid.

However, the weekly ecumenical prayer meeting has been able to continue, once again in person, at the Community Hub.

Fabric

Amongst other duties, the PCC is responsible for the maintenance of our buildings, which include the historic church of St Katharine (Merstham Parish Church) and St Katharine's Church Room. The last Quinquennial Inspection was carried out in March 2018 by Thomas Ford & Partners. The architect's conclusion was that the church was well looked after by the PCC and significant repairs had been undertaken in the last ten years; although a number of repair issues remain these do not reflect poor care or management on the part of the Parish.

Fundraising events

The only fundraising event held in 2022 was Quality Street Fair (see above). The PCC are grateful for the generous donations by congregation and non-congregation members which are not tied to specific fundraising events.

The Deanery Synod

The Deanery Synod is the link between the parishes and the Diocese. Merstham Parish is part of Reigate Deanery Synod and is represented by Jill Gunn and Judith Hanson. The Synod not only provides a link with the governance structures of the Church of England in the Diocese and nationally but also provides a link for the PCC to raise matters at a Deanery level and potentially higher.

Financial Review

The net movement in funds across 2022 was a reduction of just under £31k. This was driven by three significant movements. Firstly, the PCC continued to pursue the building of an extension to St Katharine's to include a meeting room, kitchen and toilets on site. This has been a long term aim and whilst no decision was formally taken in 2022 c£74k of expenditure was incurred on professional fees and pre-building work. A decision has been taken by the PCC in 2023, post the 2022 Balance Sheet date, to contract for the building work to be undertaken in 2023. Secondly, there was a large reduction in the value of investments held by the PCC of c£69k. This reflected the value of the Church of England Investment Fund. Thirdly, a large one-off donation of £100k was received from a donor who wishes to remain anonymous.

Excluding the large movements in funds above, the remainder of the funds show a surplus of c£12k of income over expenditure including our Parish Pledge of £24k being paid in full.

Reserves Policy

It is the policy of the PCC to seek to maintain adequate, but not excessive, reserves which are to be used for the specific purposes for which they are identified. Cash not anticipated to be spent in the short term is invested with the CBF Church of England Deposit Fund.

Plans for the Future

Although work to demolish the Victorian vestries on the north side of the church, and replace them with an extension which will incorporate a new vestry, meeting area and toilets, was expected to start at Easter further delays in acquiring the necessary permissions delayed the project until 2023. One side-effect of this delay has been that prices have increased considerably over the original estimate. It is now expected that work will commence early in March 2023 following the authorisation by the PCC to contract for the work.

The PCC aims to recruit and appoint a new Rector in 2023 following Mark Pullinger's retirement.

Other Information

There have been no transactions between the PCC and related parties (as defined by the Charities Act 2011 and the Charities SORP) nor has the PCC identified any major risks (other than the availability of continued funding, a topic of continued consideration by the PCC) which impact the work of the Church in the Parish.

A significant change during the year has been the departure of the Team Rector, Revd Mark Pullinger. The PCC will look to fill the vacancy but there are at least six other parishes within the Deanery in a similar position, so this situation is likely to continue for some time. If and when a new Team Rector is appointed, we are unlikely to have the benefit of any other clergy.

Structure, Governance and Management

Governing Documents

The Governing Documents relating to the operation of the PCC are:

- The Parochial Church Councils (Powers) Measure 1956 as amended
- The Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969 as amended with the 2009 Statutory Instrument and the 2009 update to the Code of Recommended Practice to the Pastoral Measure 1983)

Membership of the PCC

The Parochial Church Council (PCC) is a corporate body established by the Church of England. Members of the PCC, who are also Trustees for the purposes of charity law, are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as *ex officio* members. The PCC can also exercise its right to co-opt members as it deems fit.

During the year the Council received regular reports on the following topics, amongst other matters:

Finance	Team Council	Fabric and Churchyard
Mission and Outreach projects	Deanery Synod	Safe Church Policy

The PCC usually meets each alternate month. During 2022 several meetings were held online via Zoom.

PCC membership following the 2022 APCM

***Ex Officio* Members:**

Revd P Mark Pullinger	Team Rector (to October 2022)
Mrs Kirsty Anderson	Reader (to September 2022)
Mrs Christiana Agwuegbo	Reader
Mr Simon Beirne	Churchwarden (from April 2016)
Mr Chris Green	Churchwarden (from May 2022)
Mrs Jill Gunn	Deanery Synod Representative
Mrs Judith Hanson	Deanery Synod Representative

Elected Members:

Mr Daniel Hopcroft	(from 2018)
Mrs Libby Green	(from 2020)
Mr John Turner	(from 2020)
Mr Robert Prentice	(from 2021)
Mrs Glynis Beazley	(from 2022)

The following left the PCC during the year:

Revd Mark Pullinger	moved to the Isle of Wight
Mrs Kirsty Anderson	moved to Scotland

Since the departure of Revd Pullinger, PCC meetings have been chaired by Simon Beirne, the Deputy Chair.

PCC Secretary

Mrs Ann Beirne
28 Harestone Hill, Caterham, Surrey, CR3 6DG

Independent Examiner

Alison Sargent FCA Sargent & Co.
219 Croydon Road, Caterham, Surrey, CR3 6PH

Bankers

The Central Board of Finance of the Church of England: Cheapside, London, EC2Y 5AQ
Charities Aid Foundation
NatWest Bank Ltd.: Station Road, Redhill, RH1 1QN

Correspondence

All correspondence should be sent to the PCC Secretary: 28 Harestone Hill, Caterham, Surrey, CR3 6DG

Registered Charity Number

The Parochial Church Council of the Ecclesiastical Parish of Merstham (Merstham PCC) is a charity registered with the Charity Commission under registration number 1139490.

Safeguarding Officers

Mrs Margaret Kippen, Mr Simon Beirne

Standing Committee

The Standing Committee is the only committee required by law. It exists to transact the business of the PCC between meetings and may construct the agenda for meetings of the PCC.

Team Council

This was set up at the creation of the Team Ministry. It consists of the clergy, churchwardens and secretaries from across the churches. During 2022 it has not met. Its purpose is to share news and sustain an overview of Team life, help determine what activities may be achieved better across the team (e.g. various training), and support one another particularly in the mission and outreach of the Team churches.

Other Sub-committees

An 'Extension sub-group' was formed to oversee the progress of the Extension Project, with a mandate to report and to bring points of decision to the PCC.

Statement of Parochial Church Council Responsibilities

Charity Law requires the Parochial Church Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Church and of its financial activities for that period.

In preparing those financial statements the Parochial Church Council is required to:

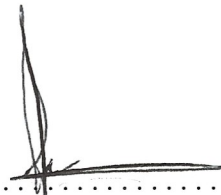
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on an ongoing concern basis unless it is inappropriate to presume that the church will continue in business.

The Parochial Church Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enables PCC members to ensure that the financial statements comply with regulations made under the Church Accounting Regulations 2006. It is also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Parochial Church Council and signed on its behalf by



Simon Beirne (Churchwarden)



Chris Green (Churchwarden)

Date: 13th April 2023

Independent Examiner's Report to the Members of the PCC of the Parish of Merstham

I report to the members of the Parochial Church Council (PCC), being the charity's trustees, on my examination of the accounts of the charity for the year ended 31st December 2022 which are set out on pages 8 to 19.

Responsibilities and Basis of Report

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

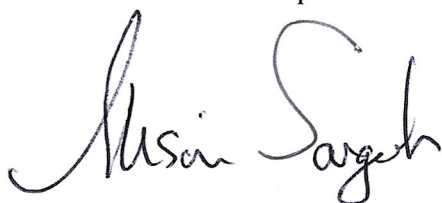
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

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.



Alison Sargent FCA

Sargent and Co
Chartered Accountants
219 Croydon Road
Caterham
Surrey
CR3 6PH

Date: April 2023

Parish of Merstham

Annual Report for year ended 31 December 2022

(8)

Statement of Activities for the Year Ended 31st December 2022

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
<u>Incoming resources</u>						
Voluntary income	2(a)	130,222	1,737	-	131,958	31,913
Activities for generating funds	2(b)	3,765	-	-	3,765	355
Income from investments	2(c)	11,488	3,887	-	15,376	8,779
Church activities	2(d)	6,369	-	-	6,369	3,240
Total incoming resources		151,844	5,624	-	157,468	44,286
<u>Resources expended</u>						
Fundraising costs	3(b)	305	-	-	305	-
Church activities	3(a)	111,682	6,162	-	117,844	42,006
Governance costs	3(c)	1,620	-	-	1,620	1,490
Total resources expended		113,606	6,162	-	119,768	43,496
Net income before transfers		38,238	(538)	-	37,700	790
Gross transfers between funds		-	-	-	-	-
Net income (expense) and net movement in funds						
<i>before gains and losses on investments</i>		38,238	(538)	-	37,700	790
Net Gain on disposal of fixed assets		-	-	-	-	837,833
Net investment gains (losses)	4	(29,958)	-	(38,628)	(68,586)	42,797
Net movement in funds		8,280	(538)	(38,628)	(30,886)	881,420
<u>Reconciliation of funds</u>						
Total funds brought forward		905,916	58,453	329,612	1,293,981	412,561
Total funds carried forward		914,196	57,915	290,984	1,263,095	1,293,981

The notes on pages 10 to 19 form part of these accounts

Parish of Merstham


Annual Report for year ended 31 December 2022

(9)

Balance Sheet as at 31st December 2022

	Note	Total funds 2022	Total funds 2021	
Fixed assets				
Tangible assets	6	24,750	24,750	
Investments	Mrs Puckle's bequest	7(a)	130,606	147,944
	Expendable endowment	7(b)	160,357	181,649
	Other	7(c)	225,639	255,594
Total fixed assets		541,352	609,938	
Current assets				
Debtors	8	6,222	898	
Cash at bank and in hand		719,423	684,696	
		725,645	685,594	
Liabilities				
Creditors	due in 1 year	9	(3,902)	(1,551)
Net current assets		721,743	684,043	
Total net assets		1,263,095	1,293,981	
Parish funds				
	unrestricted	12	914,196	905,916
	restricted	10	57,915	58,453
	endowment	11	290,984	329,612
Total funds		1,263,095	1,293,981	

The accounts were approved by the PCC on 13th April 2023 and signed on behalf of the PCC by


.....
Chris Green – Churchwarden

13 APR 23
.....
Date


.....
Simon Beirne – Churchwarden

7 - MAY - 2023
.....
Date

Notes to the Accounts for the Year Ended 31st December 2022

1. Accounting Policies

(a) Basis of Preparation

The accounts have been prepared under the current Church Accounting Regulations and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts have been prepared on a going concern basis on the grounds that no material uncertainties exist and under the historical cost convention modified to include certain items at fair value as stated in the relevant notes to the accounts. The accounts are presented in Sterling and rounded to the nearest £.

The Church constitutes a public benefit entity as defined by FRS102.

(b) Income Recognition

All income is recognised once the Church has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The income of the Church includes income from Church activities, donations, grants, known legacies and letting income for Church premises.

All incoming resources have been recognised on a receivable basis except for voluntary donations and income from investments which is accounted for when received.

Legacy gifts are recorded on a case-by-case basis following the granting of probate when the administrator/executor of the estate has communicated in writing both the amount and settlement date.

(c) Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure is directly attributable to various Church activities and has been included in the relevant cost categories.

Fundraising costs comprise the costs associated with any fundraising event.

(d) Tangible Fixed Assets

The Church silver has been included at market value based on an independent valuation report in a previous year.

Under the PCC's (Powers) Measure 1956, all PCCs are trustees of income and expenditure but not necessarily of assets, so that any expenditure whether maintenance or improvement, incurred on consecrated or benefice buildings or moveable church fittings, is written off as expenditure during the year.

(e) Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(f) Debtors and Creditors Receivable/Payable Within One Year

Debtors and creditors receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Cash at Bank and In Hand

Cash at bank and in hand includes cash and short-term highly liquid assets with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(h) Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(i) Funds

Permanent endowment funds are funds which have been given to the Parish of Merstham in trust with the restriction that the funds are invested to generate income for specific Church activities.

Expendable endowments are those funds which are mainly to be used as permanent endowments but the capital can also be used for the purposes of the Church in certain circumstances.

Restricted funds relate to income which is made available to the Parish of Merstham for specific purposes and which must be used solely for those purposes. The aim and use of the restricted fund is set out in the notes to the financial statements.

Unrestricted funds relate to the income which is available to meet the general objectives of the Parish of Merstham. General funds are unrestricted funds which are available for use at the discretion of the Members of the PCC in the furtherance of the general objectives of the Church and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the members of the PCC for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

Parish of Merstham

Annual Report for year ended 31 December 2022

(12)

2. Incoming Resources

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
2a Voluntary income					
Gift Aid donations	21,623	1,010	-	22,633	23,204
Income tax recovered	5,549	253	-	5,802	5,427
Non-Gift Aid donations	1,267	320	-	1,587	1,777
Grants	1,400	-	-	1,400	-
Legacies	100,000	-	-	100,000	-
Outward Giving collections	-	-	-	-	108
Sundry income	384	154	-	538	1,397
	<u>130,222</u>	<u>1,737</u>	<u>-</u>	<u>131,958</u>	<u>31,913</u>
2b Activities for generating funds					
Quality Street Fair	3,663	-	-	3,663	-
Other (parish) fundraising	102	-	-	102	355
	<u>3,765</u>	<u>-</u>	<u>-</u>	<u>3,765</u>	<u>355</u>
2c Income from investments					
UK dividends and investment	11,488	3,887	-	15,376	8,779
2d Income from church activities					
Church Room/Hall lets	3,739	-	-	3,739	1,249
Parish magazine	35	-	-	35	-
Fees for services	2,595	-	-	2,595	1,991
	<u>6,369</u>	<u>-</u>	<u>-</u>	<u>6,369</u>	<u>3,240</u>
Total Incoming Resources	151,844	5,624	-	157,468	44,286

3. Resources Expended

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
3(a) Church activities					
Diocesan Parish Share	24,000	-	-	24,000	27,000
Reigate Deanery	-	-	-	-	-
Other ministry costs	198	-	-	198	1,078
Grants and donations	-	-	-	-	-
Outward Giving payments	100	-	-	100	108
Church running & maintenance	8,393	4,040	-	12,433	8,077
Church Room & Hall costs	1,061	540	-	1,601	807
Music & Organists	1,905	-	-	1,905	802
Junior Church / Sunday Club	-	-	-	-	-
Organ maintenance	-	624	-	624	276
Parish magazine costs	56	-	-	56	68
Churchyard upkeep	19	958	-	977	694
Cost of services	450	-	-	450	275
Mission Fund	-	-	-	-	-
Sundry expenses	1,305	-	-	1,305	1,176
New build (extension)	74,195	-	-	74,195	1,644
	<u>111,682</u>	<u>6,162</u>	<u>-</u>	<u>117,844</u>	<u>42,006</u>
3(b) Costs of generating funds					
Fundraising events	305	-	-	305	-
	<u>305</u>	<u>-</u>	<u>-</u>	<u>305</u>	<u>-</u>
3(c) Governance costs					
Accountancy fees -					
Independent Examination	1,620	-	-	1,620	1,490
	<u>1,620</u>	<u>-</u>	<u>-</u>	<u>1,620</u>	<u>1,490</u>
Total resources expended	<u>113,606</u>	<u>6,162</u>	<u>-</u>	<u>119,768</u>	<u>43,496</u>

Parish of Merstham

Annual Report for year ended 31 December 2022

(14)

4. Gains/Losses on Investment Assets

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
Realised Gain on sale of Epiphany House	-	-	-	-	837,833
Realised gain (loss) on sale of investments	-	-	-	-	-
Profit (loss) on revaluation of Permanent Endowment	-	-	(17,338)	(17,338)	18,598
Profit (loss) on revaluation of investments	<u>(29,958)</u>	<u>-</u>	<u>(21,289)</u>	<u>(51,248)</u>	<u>24,199</u>
Total gains (losses) on investment assets	<u><u>(29,958)</u></u>	<u><u>-</u></u>	<u><u>(38,628)</u></u>	<u><u>(68,586)</u></u>	<u><u>880,630</u></u>

5. Staff Costs

	<u>2022</u>	<u>2021</u>
(a) Wages and Salaries		
Wages paid to 1 individual (cleaner)	360	242

No payments to staff were large enough to warrant Social Security costs. The salary, pension and housing costs of Stipendiary Clergy are paid by the Diocese from the Diocesan Parish share, which is included in total resources expended on Church activities (see note 3 (a)).

(b) Payments to PCC Members

During the year no payments were made to PCC Members other than the reimbursement of agreed expenditure, all of which is included in the accounts.

The PCC members neither received nor waived any remuneration for their services during the year as trustees (2021-nil)

6. Tangible Fixed Assets

Cost	Silverware	Total
As at 1 January 2022	24,750	24,750
Disposal	-	-
At 31 December 2022	<u>24,750</u>	<u>24,750</u>
Diminution in value		
At 1 January 2022	-	-
Disposal	-	-
Diminution in value during the year	-	-
At 31 December 2022	<u>-</u>	<u>-</u>
Net Book Value		
At 31 December 2022	24,750	24,750
At 31 December 2021	24,750	24,750

The Parish owns several items of historic silver which were valued in November 2007 at £24,750. The members of the PCC are not aware of any material changes to this valuation.

7. Fixed Asset Investments

	<u>2022</u>	<u>2021</u>
(a) Mrs Puckle's bequest		
CBF Investment Fund shares		
Market value at start of year	147,944	129,346
Unrealised investment gain / (loss)	<u>(17,338)</u>	<u>18,598</u>
Market value at end of year	<u><u>130,606</u></u>	<u><u>147,944</u></u>
The historic cost of the listed investment was	46,375	46,375
<i>Dividends from this fund are paid into the Fabric Fund (a Restricted fund)</i>		
(b) Expendable endowment investment		
CBF Investment Fund income shares		
Market value at start of year	181,649	159,129
Additions	-	-
Disposals	-	-
Unrealised investment gain / (loss)	<u>(21,292)</u>	<u>22,520</u>
Market value at end of year	<u><u>160,357</u></u>	<u><u>181,649</u></u>
The historic cost of this investment was	67,897	67,897
<i>Dividends from this fund are paid into the General Fund (an Unrestricted fund)</i>		
(c) Other investments		
Listed investments - UK		
Market value at start of year	18	13
Unrealised investment gain / (loss)	<u>3</u>	<u>5</u>
Market value at end of year	<u><u>21</u></u>	<u><u>18</u></u>
<i>This investment refers to Royal Bank of Scotland shares received as a donation</i>		
CBF Investment Fund income shares		
Market value at start of year	255,576	13,903
Additions	-	240,000
Disposals	-	-
Unrealised investment gain (loss)	<u>(29,958)</u>	<u>1,673</u>
Market value at end of year	<u><u>225,618</u></u>	<u><u>255,576</u></u>
The historic cost of this investment was	250,000	250,000

8. Debtors

	2022	2021
Due within one year		
Tax recoverable (unrestricted)	5,548	826
Tax recoverable (restricted)	253	72
Other debtors	421	-
Total Debtors	6,222	898

9. Creditors

	2022	2021
Amounts falling due within one year		
Accruals for utilities and other costs (unrestricted)	466	-
Other creditors (unrestricted) <i>Sargent & Co</i>	1,550	1,551
Other creditors (restricted)	1,886	
Total Creditors	3,902	1,551

10. Restricted Funds

	Balance at 1 January 2022	Incoming resources	Expenditure	Transfers	Balance at 31 December 2022
Fabric Fund	9,453	5,624	5,538	-	9,539
Silverware	24,750	-	-	-	24,750
Organ Fund	19,072	-	624	-	18,448
Mission Fund	5,178	-	-	-	5,178
	58,453	5,624	6,162	-	57,915

The Organ Fund is a restricted fund to be used solely for the renovation and maintenance of the organ in St Katharine's Church.

The Mission Fund is a restricted fund for promoting the mission of the Church within the Parish of Merstham.

Parish of Merstham

Annual Report for year ended 31 December 2022

(18)

11. Endowment Fund

	Balance at 1 January 2022	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2022
Mrs Puckle's bequest	147,944	-	-	(17,338)	130,606
Expendable Endowment	181,649	-	-	(21,292)	160,357
Other	18	-	-	3	21
	<u>329,612</u>	<u>-</u>	<u>-</u>	<u>(38,628)</u>	<u>290,984</u>

The Endowment Funds of the Parish of Merstham consist of both permanent endowment funds and expendable endowment funds and consist of the following:

Mrs. Puckle's Bequest is a permanent endowment. This gifted trust fund is managed by the Diocesan Trust. Although the PCC has no authority to realise this investment the income from it is available to the Fabric Fund.

The expendable endowment was originally created from the sale of the verger's cottage, which belonged to the PCC. The funds from the sale of the verger's cottage, together with a donation, were used to purchase a freehold property in Mansfield Drive, Merstham. This property was subsequently sold in 2004. The PCC have the authority to use the expendable endowment and investment income for Church running expenses, fabric expenditure and expenditure related to the Mission.

The other fund is a block of Royal Bank of Scotland shares received as a donation. The shares are held by the Diocese but the income, which is unrestricted and undesignated, comes to the Parish.

12. Unrestricted Fund

	Balance at 1 January 2022	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2022
General funds	255,916	151,844	39,411	(214,958)	153,391
Designated funds	650,000	-	74,195	185,000	760,805
	<u>905,916</u>	<u>151,844</u>	<u>113,606</u>	<u>(29,958)</u>	<u>914,196</u>

The Designated Funds shown above are for the purpose of constructing and furnishing the planned extension to the north of the church, together with improvements to the heating and lighting within the church. It is anticipated that the total cost of the planned extension may well exceed the value of the designated funds and it will be necessary for some of the General Fund, or the Expendable Endowment to be used to meet the full cost.

13. Analysis of Net Assets Between Funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022
Tangible fixed assets	-	24,750	-	24,750
Investment fixed assets	225,618	-	290,984	516,602
Net current assets	<u>688,578</u>	<u>33,165</u>	<u>-</u>	<u>721,743</u>
	<u>914,196</u>	<u>57,915</u>	<u>290,984</u>	<u>1,263,095</u>

14. Post Balance Sheet Events

The PCC gave authorization on 16th January 2023 for the commencement of work to replace the current vestries and replace it with a building that will house a meeting area, a small kitchen, and toilets as well as a new vestry. The value of this contract is £703K plus VAT and professional fees, however, the PCC will aim to reclaim the VAT from the Listed Places of Worship Grant Scheme.

The contractor appointed to undertake the work entered Administration on 6th April 2023 with the work at an early stage. The consultants advising the PCC will seek alternative contractors to complete the changes. At the date of this report signing the PCC are not yet aware of any changes to the construction cost, but are mindful that both the current anticipated cost and timeframe may change and are planning accordingly.

15. Related Parties

There were no related party transactions between any PCC member or other person related to the charity and the charity other than donations being made without condition.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERSTHAM

England & Wales - Charity number 1139490

Accounts

Parish of Merstham

PCC report and financial statements



for the year ended 31 December 2021

[The Parochial Church Council of the Ecclesiastical Parish of Merstham]

Charity No. 1139490

CONTENTS

	Page
PCC report	1 – 7
Independent Examiner’s Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the financial statements	11 – 20

PCC report

The members of the PCC present their annual report and financial statements of the Parish of Merstham for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing documents, Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

The primary object of the PCC is the promotion of the Gospel of the Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC is tasked with co-operating with the minister in promoting in the parish the whole mission of the Church; pastoral, evangelistic, social and ecumenical.

As a Parish Church within the Church of England's Diocese of Southwark, St Katharine's Church exists for the benefit of the wider community as well as for those who form part of the week-by-week worshipping community. With this in mind our activities have been a combination of those for the worshipping community together with others aimed at the wider community through pastoral care or missionary and outreach.

In order to accomplish these objectives it is important that we maintain the fabric of the church buildings.

The members of the PCC have complied with the duty in Section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

The parish

The parish of Merstham is in the Diocese of Southwark and is within Reigate Deanery. The parish is part of the Merstham and Gatton Team Ministry under the terms of a Pastoral Scheme pursuant to the Pastoral Measure 1983 made by the Church Commissioners on 29 March 2010 and which came into effect on 1 April 2010.

Following the closure of the Church of the Epiphany in January 2015 the parish has only one place of worship: the Parish Church is St Katharine, on Church Hill, Merstham, RH1 3BJ.

Merstham & Gatton Team Ministry is composed of the parishes of Merstham (St Katharine), Gatton (St Andrew), and South Merstham (All Saints). There is a Team Council which has representatives from the three parishes; it meets up to four times per year and reports back to the respective PCCs.

Revd Ben Brown, formerly Team Vicar, moved to another parish at the end of September.

Team Rector

Revd Mark Pullinger
The Rectory, Battlebridge Lane, Merstham, RH1 3LH.

Team Vicar

Vacancy

Honorary Curate

Revd Val Williams (*PTO*)
Merstham Lodge, Harps Oak Lane, Merstham, RH1 3AN.

Readers

Mrs Kirsty Anderson
Mrs Christiana Agwuegbo

Churchwardens

Mrs Kirsty Anderson (from 2021 APCM; Mrs Gillian Buchanan prior to that)
Mr Simon Beirne

Achievements and Performance

Worship and prayer

Within the parish the PCC aims to offer a variety of services during the week and throughout the year to cater for different groups within the community. These range from organised services such as our regular Sunday worship, including Holy Communion, to less formal and less structured meetings such as study groups and prayer meetings.

The Parish provides a range of regular and extra festival and seasonal services over the course of the year that our community has found both beneficial and spiritually fulfilling, and regularly provides hospitality for special Team Services.

Regular Service Pattern

Under normal circumstances the main Sunday service at St Katharine's is Holy Communion at 10.00 a.m., with a service of Holy Communion (BCP) at 8.00 a.m. on the first Sunday of each month, when the 10.00 a.m. service is Morning Worship. In addition, Team Morning Prayer is said each Tuesday at 9.15 a.m. and, since the start of Covid restrictions, Morning Prayer is said via Zoom on Wednesdays at 9.15 a.m. This pattern has been sustained after the easing of the Covid lockdowns, except that the 8.00 a.m. service has not restarted.

Since the end of September, when the Team Vicar moved to another parish, it has been necessary to adopt a different approach to the monthly service pattern.

Sunday Club, for junior church members, formerly took place in St Katharine's Church Room throughout term-time in conjunction with the church services. It provided the opportunity for young people to engage in more outgoing activities and worship; the children also participated in arts and crafts, plays, songs and quizzes. This group was led by teams of volunteers, all of whom had up-to-date DBS clearance. The list of volunteers was also updated annually in accordance with the Diocesan policy. Sunday Club has been severely disrupted by the pandemic, and with the departure of an active family and the fragility of running it at St Katharine it is temporarily paused, and the future of children and young people activities re-envisioned in the Parish.

All church activities have been disrupted by shutdowns and church closures during the year caused by the Coronavirus Pandemic. At times when activities were possible, all due caution, social distancing and sanitization were adhered to according to national church and government regulations. A few church festivals and special events were enjoyed across the year 2021: these were the Harvest Festival and a Remembrance service, with an act of Remembrance at the Village War Memorial at the top of School Hill. A very limited midnight communion service was held at Christmas, the traditional Carol service being cancelled due to local high Covid infection rates.

Occasional Offices

During 2021 two baptisms and one wedding were celebrated at the church.

Two funeral services were held in the church; and twelve cremations for residents of the parish took place at local Crematoria. A memorial service for Mrs Barbara Ryder was held in November.

Electoral Roll and Church Attendance Report

In December 2021 there were 41 members on the roll. The Electoral Roll will next be due for revision in April 2022.

Pastoral Care

St Katharine's has a Pastoral Team that maintains awareness of those members of the parish unable to attend services due to sickness or old age, and makes arrangements for visits to look after their spiritual needs and allow them to celebrate communion in their own homes if requested. The Pastoral Team also aims to visit everyone on the electoral roll within a two-year cycle as well as visiting the housebound and those in nursing homes more regularly. The clergy and licensed volunteers have not been able to take communion to Nursing and Residential homes within the parish due to Covid restrictions.

The Merstham Estate is an area where there are extensive plans for regeneration, and it is deemed a 'priority area' by Surrey County Council due to levels of deprivation in pockets of the estate.

Parish of Merstham

Annual Report for year ended 31 December 2021

(3)

The provision of community facilities at the corner of Bletchingley Road and Portland Drive within the estate continues to offer a wide range of resources to the community, and amongst the Library and a café the building also houses the Merstham Community Facilities Project. The Team Ministry and the PCC continue to engage with the Council and the diocese with regard to the plans for further development in the area.

The Pastoral Ministry Group meets as regularly as possible as it seeks the welfare of parishioners and arranges to visit where needed. It has also benefited from a series of training mornings led by the Team's Southwark Pastoral Auxiliary (SPA), Mrs Sue Clarke.

St Katharine's Church Room is used for various activities, including PCC meetings and after-service coffee on Sundays (although this has been suspended for reasons associated with the pandemic). The Church Room is also booked by non-church groups, both for occasional events and regular weekly hires. In 2021 use of the Church Room was intermittent due to the pandemic.

The Women's Support Group is a closed group, now in its twenty-third year. It normally meets on Thursday mornings, at All Saints, South Merstham although during the pandemic face-to-face meetings have been few, with contact being maintained by weekly phone calls. The group is led by a member of the St Katharine's congregation who is a retired Occupational Therapist who worked in mental health. The group provides opportunities to discuss personal issues in a confidential and mutually supportive environment and to develop skills such as self-awareness, assertiveness and relaxation techniques.

The St Katharine's Emmaus Group, for fellowship, prayer and study, has not been able to meet during 2021 due to continuing Covid restrictions. Online Bible study and spiritual development groups have met instead.

Safeguarding Report

The church implements the 'Safe Church' diocesan policy. A copy of the policy is displayed in the church porch and a copy is also kept in the vestry. Regular updates are inserted into the policy and where appropriate members of the PCC are encouraged to attend the Safeguarding and Vulnerable adults training provided by the Diocese. Regular newsletters are shared with PCC and Junior church leaders. All DBS checks are up to date or being renewed. We are grateful for the work of Mr Simon Beirne and Mrs Maggie Kippen, our Safeguarding officers, who generously share their overview with St Andrew, Gatton.

Mission and outreach

The Team Ministry endeavours to provide information and communication to parishioners and the general public by several means.

The *Messenger*, the parish magazine for Merstham and Gatton, is produced monthly online, with a very few paper copies distributed to those unable to access the internet. It contains information regarding church-associated events held within the Team Ministry together with general local services and charity/alternative events held within the wider community.

The website for the Team Ministry is at www.mgtmchurches.org.uk and provides details of church services and activities, as well as information about weddings, marriages and funerals and how to make contact with Parish Staff. During 2021 the website also provided regular devotional and worship resources for use at home during lockdown periods.

Information is also displayed on notice boards at the church. It is most unfortunate that because of lockdown and other reasons it has not been possible to open the church for visitors during the day, as formerly.

Unfortunately, some of our usual and traditional events, especially those which combine fundraising with outreach, such as our regular Quality Street Fair in Quality Street, and St Katharine's Supper in the Church Room, were not able to take place in 2021, again due to the pandemic strictures; and our customary Lent Lunches were once again cancelled. The weekly ecumenical prayer meeting has been able to continue, sometimes online and more recently in person at the Community Hub.

Ecumenical relationships

The churches are actively involved in ecumenical activities as part of the *Churches Together in Merstham* group and would usually hold joint activities such as the Women's World Day of Prayer, Lent Groups and Lent Lunches, Good Friday Walk of Witness, and Carol singing at Christmas. Many of these were not possible in 2021, although the weekly Ecumenical Prayer Group continued via Zoom until it was able to resume meetings in the Community Hub in September.

Fabric

Amongst other duties, the PCC is responsible for the maintenance of our buildings, which include the historic church of St Katharine (Merstham Parish Church) and St Katharine's Church Room. The last Quinquennial Inspection was carried out in March 2018 by Thomas Ford & Partners. The architect's conclusion was that the church was well looked after by the PCC and significant repairs had been undertaken in the last ten years.

Although there are a number of repair issues these do not reflect poor care or management on the part of the Parish.

The Epiphany site

The sale of the site was finally concluded in June 2021, after many years. Funds were transferred to the parish from the diocese.

The whole Epiphany site was sold for £1,227,218. The site comprised the Parsonage (Epiphany House), which at the time of the sale was owned 39% by the parish and 61% by the diocese, and the church together with the church hall, which was wholly owned by the parish. The diocese calculated that the Parsonage occupied 44.15% of the entire site. The sales proceeds were divided proportionally between the parish and the diocese. The latter received 61% x 44.15% of the principal amount (£330,508) whilst the parish received the balance (£896,723).

The site is currently being developed for housing.

Fundraising events

Unfortunately, as noted under Mission and Outreach, due to the Coronavirus pandemic none of our usual fundraising events were held in 2021.

The Deanery Synod

The Deanery Synod is the link between the parishes and the Diocese. Merstham Parish is part of Reigate Deanery Synod and is represented there by Jill Gunn and Judith Hanson. The Synod not only provides a link with the governance structures of the Church of England in the Diocese and nationally but also provides a link for the PCC to raise matters at a Deanery level and potentially higher.

Financial Review

Because of Covid-19 restrictions during the year, the church building has been closed for part of the year. When possible a Sunday service was held with the appropriate precautions. Most fundraising events have not been possible for a second year, although the easing of restrictions meant that it was possible to man a stall at the All Saints' Fair in September. Only one wedding booked for the year was able to go ahead. The Church Room also had to be closed for much of the year, again because of Covid restrictions.

The various effects of Covid-19 have not been as severe as those seen during the previous year and there was a slight increase in income over the previous year of just under £1,800 (this figure does not include the proceeds from the sale of the Epiphany site). Associated expenditure was again reduced in some areas and overall there was a net surplus of some £700 over the year.

A substantial part (£650,000) of the Epiphany sale proceeds has been moved into a Designated fund for the purposes of the construction of the new extension; and a further portion (£240,000) used to increase our investments with CCLA.

During the year we were able to pay our Parish Pledge in full, and we also made an additional goodwill payment of £15,000.

Reserves policy

It is the policy of the PCC to seek to maintain adequate, but not excessive, reserves, to be used for the specific purposes for which they are identified. Cash representing reserves not immediately required is invested with the CBF Church of England Deposit Fund.

Plans for the future

Since the sale of the Epiphany site, we have been able to move forward with our plan to demolish the Victorian vestries on the north side of the church and replace them with an extension which will incorporate a new vestry, meeting area and toilets. Thomas Ford & Partners have drawn up detailed plans for submission to the DAC and Surrey County Council for planning permissions. It is expected that work will begin later in 2022.

Other information

There have been no transactions between the PCC and related parties (as defined by the Charities Act 2011 and the Charities SORP) nor has the PCC identified any major risks (other than the availability of continued funding, a topic of continued consideration by the PCC) which impact the work of the Church in the parish.

A significant change during the year has been the departure of the Team Vicar. Revd Ben Brown, who had pastoral oversight of St Katharine's, moved to a new post in another diocese at the end of September. The diocese has made it clear that this post is unlikely to be replaced 'as is', and although this role may be included in a new post with wider responsibilities in the Team it is very unlikely to be a full-time post. The team is short-staffed at moment, and is likely to be so for a while, so planning to that effect may well necessitate adjustments in the short-term future.

Structure, governance and management

Governing Documents

The Governing Documents relating to the operation of the PCC are:

- The Parochial Church Councils (Powers) Measure 1956 as amended
- The Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969 as amended with the 2009 Statutory Instrument and the 2009 update to the Code of Recommended Practice to the Pastoral Measure 1983)

Membership of the PCC

The Parochial Church Council (PCC) is a corporate body established by the Church of England. Members of the PCC, who are also Trustees for the purposes of charity law, are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as *ex officio* members. The PCC can also exercise its right to co-opt members as it deems fit.

During the year the Council received regular reports on the following topics, amongst other matters:

Finance	Team Council	Fabric and Churchyard
Mission and Outreach projects	Deanery Synod	Safe Church Policy

The PCC usually meets each alternate month. During 2021 several meetings were held online via Zoom.

PCC membership following the 2021 APCM

Ex Officio Members:

Revd P Mark Pullinger	Team Rector
Revd Ben Brown	Team Vicar (who moved to a new post at the end of September)
Mrs Kirsty Anderson	Churchwarden (from April 2021) and Reader
Mr Simon Beirne	Churchwarden (from April 2016)
Mrs Jill Gunn	Deanery Synod Representative
Mrs Judith Hanson	Deanery Synod Representative
Mrs Christiana Agwuegbo	Reader

Parish of Merstham

Annual Report for year ended 31 December 2021

(6)

Elected members:

Mr Chris Green	(from 2019)	Mr Robert Prentice	(from 2021)
Mrs Libby Green	(from 2020)	Mrs Roz Robinson	(co-opted from 2019)
Mr Daniel Hopcroft	(from 2018)	Mr John Turner	(from 2020)

The following left the PCC during the year:

Mrs Gill Buchanan	Churchwarden; resigned in April 2021
Mrs Margaret Kippen	term expired; did not wish to stand for re-election
Reve Ben Brown	moved to a different post at the end of September

PCC Secretary

Mrs Ann Beirne
28 Harestone Hill, Caterham, Surrey, CR3 6DG

Independent Examiner

Alison Sargent FCA Sargent & Co.
219 Croydon Road, Caterham, Surrey, CR3 6PH

Bankers

The Central Board of Finance of the Church of England: Cheapside, London, EC2Y 5AQ
Charities Aid Foundation
NatWest Bank Ltd.: Station Road, Redhill, RH1 1QN

Correspondence

All correspondence should be sent to the PCC Secretary: 28 Harestone Hill, Caterham, Surrey, CR3 6DG

Registered Charity Number

The Parochial Church Council of the Ecclesiastical Parish of Merstham (Merstham PCC) is a charity registered with the Charity Commission under registration number 1139490.

Safeguarding Officers

Mrs Margaret Kippen, Mr Simon Beirne

Standing Committee

The Standing Committee is the only committee required by law. It exists to transact the business of the PCC between meetings and may construct the agenda for meetings of the PCC.

Team Council

This was set up at the creation of the Team Ministry. It consists of the clergy, churchwardens and secretaries from across the churches. During 2021 it has not met. Its purpose is to share news and sustain an overview of Team life, help determine what activities may be achieved better across the team (e.g. various training), and support one other particularly in the mission and outreach of the Team churches.

Other Sub-committees

An 'Extension sub-group' was formed to oversee the progress of the Extension Project, with a mandate to report and to bring points of decision to the PCC.

Statement of Parochial Church Council Responsibilities

Charity Law requires the Parochial Church Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Church and of its financial activities for that period.

In preparing those financial statements the Parochial Church Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the church will continue in business.

The Parochial Church Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enables PCC members to ensure that the financial statements comply with regulations made under the Church Accounting Regulations 2006. It is also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Parochial Church Council and signed on its behalf by



Revd Mark Pullinger (Team Rector)



Kirsty Anderson (Churchwarden)

24th March 2022

Date.....

Independent Examiner's Report to the members of the PCC of the Parish of Merstham

I report to the members of the Parochial Church Council (PCC), being the charity's trustees, on my examination of the accounts of the charity for the year ended 31 December 2021, which are set out on page 9 to 20.

Responsibilities and basis of report

As the members of the PCC 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

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.



Alison Sargent FCA
Sargent & Co
Chartered Accountants
219 Croydon Road
Caterham
Surrey
CR3 6PH

Date: March 2022

Statement of Financial Activities for the year ended 31 December 2021


	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
<u>Incoming resources</u>						
Voluntary income	2(a)	28,763	3,149	-	31,913	29,561
Activities for generating funds	2(b)	355	-	-	355	-
Income from investments	2(c)	5,019	3,760	-	8,779	8,477
Church activities	2(d)	3,240	-	-	3,240	4,388
Total incoming resources		37,377	6,909	-	44,286	42,426
<u>Resources expended</u>						
Fundraising costs	3(b)	-	-	-	-	-
Church activities	3(a)	37,984	4,022	-	42,006	45,974
Governance costs	3(c)	1,490	-	-	1,490	1,530
Total resources expended		39,474	4,022	-	43,496	47,504
Net income before transfers		(2,097)	2,887	-	790	(5,078)
Gross transfers between funds		-	-	-	-	-
Net income (expense) and net movement in funds						
<i>before gains and losses on investments</i>		<i>(2,097)</i>	<i>2,887</i>	<i>-</i>	<i>790</i>	<i>(5,078)</i>
Net Gain on disposal of fixed assets	4	837,833	-	-	837,833	-
Net investment gains (losses)	4	1,673	-	41,124	42,797	19,481
Net movement in funds		837,409	2,887	41,124	881,420	14,403
<u>Reconciliation of funds</u>						
Total funds brought forward		68,507	55,566	288,488	412,561	398,158
Total funds carried forward		905,916	58,453	329,612	1,293,981	412,561

The notes on pages 11 to 20 form part of these accounts.

Balance sheet as at 31 December 2021

	Note	Total funds 2021	Total funds 2020
Fixed assets			
Tangible assets	6	24,750	83,640
Investments			
Mrs Puckle's bequest	7(a)	147,944	129,346
Expendable endowment	7(b)	181,649	159,129
Other	7(c)	255,594	13,916
Total fixed assets		609,938	386,031
Current assets			
Debtors	8	898	990
Cash at bank and in hand		684,696	27,100
		685,594	28,090
Liabilities			
Creditors due in 1 year	9	(1,550)	(1,560)
Net current assets		684,044	26,530
Total net assets		1,293,981	412,561
Parish funds			
unrestricted	12	905,916	68,507
restricted	10	58,453	55,566
endowment	11	329,612	288,488
Total funds		1,293,981	412,561

The accounts were approved by the PCC on 09 March 2022 and signed on behalf of the PCC by


 Kirsty Anderson – member of the PCC

23rd March 2022
 Date

The notes on pages 11 to 20 form part of these accounts.

Notes to the accounts for the year ended 31 December 2021

1. Accounting Policies

(a) Basis of Preparation

The accounts have been prepared under the current Church Accounting Regulations and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts have been prepared on a going concern basis on the grounds that no material uncertainties exist and under the historical cost convention modified to include certain items at fair value as stated in the relevant notes to the accounts. The accounts are presented in Sterling and rounded to the nearest £.

The Church constitutes a public benefit entity as defined by FRS102.

(b) Income recognition

All income is recognised once the Church has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The income of the Church includes income from Church activities, donations, grants, known legacies and letting income for Church premises.

All incoming resources have been recognised on a receivable basis except for voluntary donations and income from investments which is accounted for when received.

Legacy gifts are recorded on a case by case basis following the granting of probate when the administrator/executor of the estate has communicated in writing both the amount and settlement date.

(c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure is directly attributable to various Church activities and has been included in the relevant cost categories.

Fundraising costs comprise the costs associated with any fundraising event.

(d) Tangible Fixed Assets

The Church silver has been included at market value based on an independent valuation report in a previous year.

Under the PCC's (Powers) Measure 1956, all PCCs are trustees of income and expenditure but not necessarily of assets, so that any expenditure whether maintenance or improvement, incurred on consecrated or benefice buildings or moveable church fittings, is written off as expenditure during the year.

(e) Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(f) Debtors and creditors receivable/payable within one year

Debtors and creditors receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid assets with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(h) Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(i) Funds

Permanent endowment funds are funds which have been given to the Parish of Merstham in trust with the restriction that the funds are invested to generate income for specific Church activities.

Expendable endowments are those funds which are mainly to be used as permanent endowments but the capital can also be used for the purposes of the Church in certain circumstances.

Restricted funds relate to income which is made available to the Parish of Merstham for specific purposes and which must be used solely for those purposes. The aim and use of the restricted fund is set out in the notes to the financial statements.

Unrestricted funds relate to the income which is available to meet the general objectives of the Parish of Merstham. General funds are unrestricted funds which are available for use at the discretion of the Members of the PCC in the furtherance of the general objectives of the Church and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the members of the PCC for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

2. Incoming Resources

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
2a	Voluntary income				
	19,344	1,010	-	20,354	21,669
	5,143	284	-	5,427	5,851
	2,850	-	-	2,850	1,158
	108	-	-	108	-
	-	-	-	-	-
	1,334	443	-	1,777	835
	(16)	1,413	-	1,397	48
	<u>28,763</u>	<u>3,149</u>	<u>-</u>	<u>31,913</u>	<u>29,561</u>
2b	Activities for generating funds				
	-	-	-	-	-
	355	-	-	355	-
	<u>355</u>	<u>-</u>	<u>-</u>	<u>355</u>	<u>-</u>
2c	Income from investments				
	<u>5,019</u>	<u>3,760</u>	<u>-</u>	<u>8,779</u>	<u>8,478</u>
2d	Income from church activities				
	1,249	-	-	1,249	1,490
	-	-	-	-	300
	1,991	-	-	1,991	2,598
	<u>3,240</u>	<u>-</u>	<u>-</u>	<u>3,240</u>	<u>4,388</u>
	37,377	6,909	-	44,286	42,427

3. Resources Expended

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
3(a) Church activities					
Diocesan Parish Share	27,000	-	-	27,000	33,167
Reigate Deanery	-	-	-	-	-
Other ministry costs	1,078	-	-	1,078	226
Grants and donations	-	-	-	-	-
Outward Giving payments	108	-	-	108	
Church running & maintenance	6,756	1,321	-	8,077	9,392
Church Room & Hall costs	807	-	-	807	947
Music & Organists	802	-	-	802	717
Junior Church / Sunday Club	-	-	-	-	-
New build (extension)		1,644		1,644	
Organ maintenance		276		276	
Parish magazine costs	68	-	-	68	132
Churchyard upkeep	(11)	706	-	694	21
Cost of services	275	-	-	275	1,091
Mission Fund	-	-	-	-	-
Sundry expenses	1,101	75	-	1,176	281
	<u>37,984</u>	<u>4,022</u>	<u>-</u>	<u>42,005</u>	<u>45,974</u>
3(b) Costs of generating funds					
Fundraising events	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3(c) Governance costs					
Accountancy fees -					
Independent Examination	1,490	-	-	1,490	1,530
	<u>1,490</u>	<u>-</u>	<u>-</u>	<u>1,490</u>	<u>1,530</u>
Total resources expended	<u>39,474</u>	<u>4,022</u>	<u>-</u>	<u>43,495</u>	<u>47,504</u>

4. Gains (losses) on investment assets

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
Realised Gain on sale of Epiphany House	837,833	-	-	837,833	-
Realised gain (loss) on sale of investments	-	-	-	-	-
Profit (loss) on revaluation of Permanent Endowment	-	-	18,598	18,598	8,355
Profit (loss) on revaluation of investments	1,673	-	22,525	24,199	11,128
Total gains (losses) on investment assets	839,506	-	41,124	880,630	19,483

5. Staff costs

	2021	2020
(a) Wages and salaries		
Wages paid to 1 individual (cleaner)	242	222

No payments to staff were large enough to warrant Social Security costs. The salary, pension and housing costs of Stipendiary Clergy are paid by the Diocese from the Diocesan Parish share, which is included in total resources expended on Church activities (see note 3 (a)).

(b) payments to PCC Members

During the year payments totalling £67 (2020 – £36) (for printing the Parish Magazine) plus £78 (2020 – £7) (for sundry printing and stationery and other expenses) were made to Chris Green.

No other payments were made to other PCC Members other than the reimbursement of agreed expenditure, all of which are included in the accounts.

The PCC members neither received nor waived any remuneration during the year (2020 - nil) for their services as trustees.

6. Tangible Fixed Assets

Cost	Freehold properties	Silverware	Total
As at 1 January 2021	151,000	24,750	175,750
Disposal	<u>(151,000)</u>	<u>-</u>	<u>(151,000)</u>
At 31 December 2021	<u>-</u>	<u>24,750</u>	<u>24,750</u>
Diminution in value			
At 1 January 2021	92,110	-	92,110
Disposal	(92,110)	-	(92,110)
Diminution in value during the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 31 December 2021	-	24,750	24,750
At 31 December 2020	58,890	24,750	83,640

The freehold property consisted of the proportion of the Epiphany House relating to the Parish. The Epiphany House was sold during the year and the gain relevant to the Parish is reflected in note 4.

The Parish owns several items of historic silver which were valued in November 2007 at £24,750. The members of the PCC are not aware of any material changes to this valuation.

7. Fixed Assets Investments

(a) Mrs Puckle's bequest	2021	2020
CBF Investment Fund shares		
Market value at start of year	129,346	120,991
Unrealised investment gain / (loss)	<u>18,598</u>	<u>8,355</u>
Market value at end of year	<u>147,944</u>	<u>129,346</u>
The historic cost of the listed investment was	46,375	46,375
<i>Dividends from this fund are paid into the Fabric Fund (a Restricted fund)</i>		
(b) Expendable endowment investment		
CBF Investment Fund income shares		
Market value at start of year	159,129	148,890
Additions	-	-
Disposals	-	-
Unrealised investment gain / (loss)	<u>22,520</u>	<u>10,239</u>
Market value at end of year	<u>181,649</u>	<u>159,129</u>
The historic cost of this investment was	67,897	67,897
<i>Dividends from this fund are paid into the General Fund (an Unrestricted fund)</i>		
(c) Other investments		
Listed investments - UK		
Market value at start of year	13	19
Unrealised investment gain / (loss)	<u>5</u>	<u>6</u>
Market value at end of year	<u>18</u>	<u>13</u>
<i>This investment refers to Royal Bank of Scotland shares received as a donation</i>		
CBF Investment Fund income shares		
Market value at start of year	13,903	13,009
Additions	240,000	-
Disposals	-	-
Unrealised investment gain (loss)	<u>1,673</u>	<u>894</u>
Market value at end of year	<u>255,576</u>	<u>13,903</u>
The historic cost of this investment was	250,000	10,000

8. Debtors

	2021	2020
Due within one year		
Tax recoverable (unrestricted)	826	950
Tax recoverable (restricted)	72	40
Other debtors	-	-
Total debtors	<u>898</u>	<u>990</u>

9. Creditors

		2021	2020
Amounts falling due within one year			
Accruals for utilities and other costs		-	-
Other creditors	<i>Sargent & Co</i>	1,550	1,560
Total creditors		<u>1,550</u>	<u>1,560</u>

10. Restricted Funds

The restricted funds of the Parish of Merstham consist of funds received from specific fundraising ventures and revaluing assets of the company.

	Balance at 1 January 2021	Incoming resources	Expenditure	Transfers	Balance at 31 December 2021
Fabric Fund	6,566	6,909	4,022	-	9,453
Silverware	24,750	-	-	-	24,750
Organ Fund	19,072	-	-	-	19,072
Mission Fund	5,178	-	-	-	5,178
	<u>55,566</u>	<u>6,909</u>	<u>4,022</u>	<u>-</u>	<u>58,453</u>

The Fabric Fund was originally set up for the long-term repair of St Katharine's and its graveyard. Income is generated from some donations and also from the permanent endowment.

The Organ Fund is a restricted fund to be used solely for the renovation and maintenance of the organ in St Katharine's Church.

The Mission Fund is a restricted fund for promoting the mission of the Church within the Parish of Merstham.

11. Endowment Fund

	Balance at 1 January 2021	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2021
Mrs Puckle's bequest	129,346	-	-	18,598	147,944
Expendable Endowment	159,129	-	-	22,520	181,649
Other	13	-	-	5	18
	<u>288,488</u>	<u>-</u>	<u>-</u>	<u>41,124</u>	<u>329,612</u>

The Endowment Funds of the Parish of Merstham consist of both permanent endowment funds and expendable endowment funds and consist of the following:

Mrs Puckle's Bequest is a permanent endowment. This gifted trust fund is managed by the Diocesan Trust. Although the PCC has no authority to realise this investment the income from it is available to the Fabric Fund.

The expendable endowment was originally created from the sale of the verger's cottage, which belonged to the PCC. The funds from the sale of the verger's cottage, together with a donation, were used to purchase a freehold property in Mansfield Drive, Merstham. This property was subsequently sold in 2004. The PCC have the authority to use the expendable endowment and investment income for Church running expenses, fabric expenditure and expenditure related to the Mission.

The other fund is a block of Royal Bank of Scotland shares received as a donation. The shares are held by the Diocese but the income, which is unrestricted and undesignated, comes to the Parish.

12. Unrestricted Fund

	Balance at 1 January 2021	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2021
General funds	68,506	37,377	39,474	189,506	255,916
Designated funds	-	-	-	650,000	650,000
	<u>68,506</u>	<u>37,377</u>	<u>39,474</u>	<u>839,506</u>	<u>905,916</u>

The Designated Funds shown above are for the purpose of constructing and furnishing the planned extension to the north of the church, together with improvements to the heating and lighting within the church.

13. Analysis of Net Assets between Funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021
Tangible fixed assets	-	24,750	-	24,750
Investment fixed assets	255,576	-	329,612	585,188
Net current assets	<u>650,340</u>	<u>33,703</u>	<u>-</u>	<u>684,044</u>
	<u>905,917</u>	<u>58,453</u>	<u>329,612</u>	<u>1,293,982</u>

14. Post Balance Sheet Events

Now that the sale of the Epiphany site has been completed, and funds transferred to the parish, work has been re-started on the design, planning and construction of the northern extension to the church. This will replace the current vestries and will include a meeting area, a small kitchen, and toilets as well as a new vestry.

Following the loss of some slabs (Horsham slabs) from the south slope of the nave roof, part of this sum will be used to repair or replace the roof as necessary.

15. Related parties

There were no related party transactions between any PCC member or other person related to the charity and the charity other than donations being made without condition (and these were not material).

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERSTHAM

England & Wales - Charity number 1139490

Accounts

Parish of Merstham

PCC report and financial statements



for the year ended 31 December 2020

[The Parochial Church Council of the Ecclesiastical Parish of Merstham]

Charity No. 1139490

CONTENTS

	Page
PCC report	1 – 7
Independent Examiner’s Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the financial statements	11 – 20

PCC report

The members of the PCC present their annual report and financial statements of the Parish of Merstham for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing documents, Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

The primary object of the PCC is the promotion of the Gospel of the Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC is tasked with co-operating with the minister in promoting in the parish the whole mission of the Church; pastoral, evangelistic, social and ecumenical.

As a Parish Church within the Church of England's Diocese of Southwark, St Katharine's Church exists for the benefit of the wider community as well as for those who form part of the week-by-week worshipping community. With this in mind our activities have been a combination of those for the worshipping community together with others aimed at the wider community through pastoral care or missionary and outreach.

In order to accomplish these objectives it is important that we maintain the fabric of the church buildings.

The members of the PCC have complied with the duty in Section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

The parish

The parish of Merstham is in the Diocese of Southwark and is within Reigate Deanery. The parish is part of the Merstham and Gatton Team Ministry under the terms of a Pastoral Scheme pursuant to the Pastoral Measure 1983 made by the Church Commissioners on 29 March 2010 and which came into effect on 1 April 2010.

Following the closure of the Church of the Epiphany in January 2015 the parish has only one place of worship: the Parish Church is St Katharine, on Church Hill, Merstham, RH1 3BJ.

Merstham & Gatton Team Ministry is composed of the parishes of Merstham (St Katharine), Gatton (St Andrew), and South Merstham (All Saints). There is a Team Council which has representatives from the three parishes; it meets up to four times per year and reports back to the respective PCCs.

Team Rector

Revd Mark Pullinger
The Rectory, Battlebridge Lane, Merstham, RH1 3LH.

Team Vicar

Revd Ben Brown
Appletree House, 16 London Road South, Merstham, RH1 3DT.

Honorary Curate

Revd Val Williams (*retired from the Team at the beginning of September 2020 – now holds PTO*)
Merstham Lodge, Harps Oak Lane, Merstham, RH1 3AN.

Readers

Mrs Kirsty Anderson
Mrs Christiana Agwuegbo

Churchwardens

Mrs Gillian Buchanan
Mr Simon Beirne

Achievements and Performance

Worship and prayer

Within the parish the PCC aims to offer a variety of services during the week and throughout the year to cater for different groups within the community. These range from organised services such as our regular Sunday worship, including Holy Communion, to less formal and less structured meetings such as study groups and prayer meetings. The Parish provides a range of regular and extra festival and seasonal services over the course of the year that our community has found both beneficial and spiritually fulfilling. And regularly provide hospitality for special Team Services.

Regular Service Pattern

The main Sunday service at St Katharine's is Holy Communion at 10.00 a.m. On the first Sunday of each month a service of Holy Communion (BCP) is held at 8.00 a.m., and the 10.00 a.m. service is Morning Worship. In addition, Team Morning Prayer is said each Tuesday at 9.15 a.m. at St Katharine's.

Our monthly Café Church service met twice at Furzefield School, at 11.00 a.m. on the first Sunday of February and March, before the Covid restrictions denied its possibility.

Sunday Club, for junior church members, takes place in St Katharine's Church Room throughout term-time in conjunction with the services there and provides the opportunity for young people to engage in more outgoing activities and worship. The children also participate in arts and crafts, plays, songs and quizzes. This group is led by teams of volunteers, all of whom have up-to-date DBS clearance. The list of volunteers is also updated annually in accordance with the Diocesan policy. General planning for Sunday Club takes place jointly with All Saints. The Team Youth Group, established in 2016, continues at All Saints, South Merstham.

All these activities have been disrupted by shutdowns and church closures during the year caused by the Coronavirus Pandemic. At times when activities were possible, all due caution, social distancing and sanitization were adhered to according to national church and government regulations.

Church Festivals

As noted above, due to the pandemic disruption only a few church festivals and special events were able to be enjoyed across the 2020. These were: Ash Wednesday, Harvest Festival, and a Christingle service held online. It was unfortunate that Passion Week, Good Friday and Easter, as well as Remembrance, Carol, and Christmas services could not be held physically, but celebrated online where possible.

Occasional Offices

During 2020 there were no baptisms, and two weddings were celebrated at St Katharine's church.

Two funeral services were held in the church; and twelve cremations for residents of the parish took place at local Crematoria.

Electoral Roll and Church Attendance Report

In December 2020 there were 41 members on the roll. The Electoral Roll will next be due for revision in April 2021.

Pastoral Care

St Katharine's has a Pastoral Team that maintains awareness of those members of the parish unable to attend services due to sickness or old age, and makes arrangements for visits to look after their spiritual needs and allow them to celebrate communion in their own homes if requested. The Pastoral Team also aims to visit everyone on the electoral roll within a two-year cycle as well as visiting the housebound and those in nursing homes more regularly. The clergy and licensed volunteers also regularly take communion to Nursing and Residential homes within the parish.

The Merstham Estate is an area where there are extensive plans for regeneration, and it is deemed a 'priority area' by Surrey County Council due to levels of deprivation in pockets of the estate.

The provision of community facilities at the corner of Bletchingley Road and Portland Drive within the estate is now completed, offering a wide range of resources to the community, and amongst the Library and a café houses the Merstham Community Facilities Project. The Team Ministry and the PCC continue to engage with the Council and the diocese with regard to the plans for further development in the area.

The Pastoral Ministry Group meet regularly as it seeks the welfare of parishioners and arranges to visit where needed. It has also benefited from a series of training mornings led by the Team's Southwark Pastoral Auxiliary (SPA), Mrs Sue Clarke.

St Katharine's Church Room is used for various activities, including PCC meetings and after-service coffee on Sundays. The Church Room is also booked by non-church groups, both for occasional events and regular weekly hires. In 2020 use of the Church Room was intermittent due to the pandemic.

The Women's Support Group is now in its twenty-second year and is held every Thursday morning, meeting at All Saints, South Merstham. It is led by a member of the St Katharine's congregation who is an Occupational Therapist by training. This group provides its members with opportunities to discuss personal issues in a confidential and mutually supportive environment and to develop skills such as self-awareness, assertiveness and relaxation techniques.

The St Katharine's Emmaus Group, for fellowship, prayer and study, has been meeting one evening a month since 2000, and is still going strong. Recently they have been reading and discussing books suggested by group members. There is also a group of church members exploring the Christian faith and discipleship.

Safeguarding Report

The church implements the 'Safe Church' diocesan policy. A copy of the policy is displayed in the church porch and a copy is also kept in the vestry. Regular updates are inserted into the policy and where appropriate members of the PCC are encouraged to attend the Safeguarding and Vulnerable adults training provided by the Diocese. Regular newsletters are shared with PCC and Junior church leaders. All DBS checks are up to date or being renewed. We are grateful for the work of Mr Simon Beirne and Revd Val Williams as Safeguarding officers. Following the retirement of the Revd Val Williams Mrs Maggie Kippen took on the role of Safeguarding Officer.

Mission and outreach

The Team Ministry endeavours to provide information and communication to parishioners and the general public by several means.

The *Messenger*, the parish magazine for Merstham and Gatton, is produced monthly and distributed by volunteers from the congregation, though for much of the year it was necessary to publish it online. It contains information regarding church-associated events held within the Team Ministry together with general local services and charity/alternative events held within the wider community.

The website for the Team Ministry is at www.mgtmchurches.org.uk and provides details of church services and activities, as well as information about weddings, marriages and funerals and how to make contact with Parish Staff. During 2020 the website also provided regular devotional and worship resources for use at home during lockdown periods.

Information is also displayed on notice boards at the church and, when possible, St Katharine's church is open daily between about 9.30 a.m. and 4.30 p.m. (though these hours may be reduced during the winter).

Unfortunately, some of our usual and traditional events, especially those which combine fundraising with outreach, such as our regular Quality Street Fair in Quality Street, and St Katharine's Supper in the Church Room, were not able to take place in 2020, again due to the pandemic strictures. As has become the custom, Lent Lunches were held in aid of the Bishop of Southwark's Lent Call – three of these were able to take place before the first lockdown commenced on 18th March. Also, a weekly ecumenical prayer meeting has been established at the Community Hub. This is well supported by the Team, and has been held weekly online since the lockdown.

Ecumenical relationships

The Churches are actively involved in ecumenical activities both as part of the *Churches Together in Merstham* group and usually would hold joint activities such as the Women's World Day of Prayer, Lent Groups and Lent Lunches, Good Friday Walk of Witness, and Carol singing at Christmas. Many of these were not possible in 2020.

Parish of Merstham

Annual Report for year ended 31 December 2020

(4)

Fabric

Amongst other duties, the PCC is responsible for the maintenance of our buildings, which include the historic church of St Katharine (Merstham Parish Church) and St Katharine's Church Room. The last Quinquennial Inspection was carried out in March 2018 by Thomas Ford & Partners. The architect's conclusion was that the church was well looked after by the PCC and significant repairs had been undertaken in the last ten years.

Although there are a number of repair issues these do not reflect poor care or management on the part of the Parish.

The Epiphany site

The PCC remains grieved to report that there has still been no tangible progress on the sale of the site of our former church: however, some actions have been taken and our Diocesan advisors, who are handling this process, seek to move this forward urgently, and hope for significant progress in 2021.

Fundraising events

Unfortunately, as noted under Mission and Outreach, due to the Coronavirus pandemic none of our usual fundraising events were held in 2020.

The Deanery Synod

The Deanery Synod is the link between the parishes and the Diocese. Merstham Parish is part of Reigate Deanery Synod and is represented there by Alasdair Anderson and John Turner until September 2020, after which Jill Gunn and Judith Hanson were elected as Deanery Synod Representatives. The Synod not only provides a link with the governance structures of the Church of England in the Diocese and nationally but also provides a link for the PCC to raise matters at a Deanery level and potentially higher. Libby Green resigned as a representative on Diocesan Synod during the year.

Financial Review

With three lockdowns during the year because of Covid-19, the church building has been closed for much of the year, though for a short time during the summer a Sunday service was held under the appropriate restrictions. No fundraising events have been possible, meaning that the annual Quality Street Fair had to be cancelled for the first time in almost half a century. Cancellation of most church services resulted in considerably smaller casual offerings, not least because all but two of the weddings booked for the year had to be cancelled or postponed. In addition, because of a ruling by the Church commissioners, the church now receives no financial benefit from funerals taken by the Team clergy. The Church Room also had to be closed for much of the year.

The various effects of Covid-19 resulted in a decrease in income over the previous year of £21,737. Associated expenditure was reduced in some areas (paying organists, heating the church, cleaning) and overall there was a net deficit of £5,078 over the year.

However, investments increased in value after a bumpy start to the year and after taking these into account the net assets increased by £14,400.

During the year we were able to pay our Parish Pledge in full, and we also paid the Pledge payments outstanding from the previous year.

There has still been no financial outcome from the sale of the Epiphany site.

Reserves policy

It is the policy of the PCC to seek to maintain adequate, but not excessive, reserves, to be used for the specific purposes for which they are identified. Cash representing reserves not immediately required is invested with the CBF Church of England Deposit Fund.

Plans for the future

Since the closure of the Epiphany church (in January 2015) and the subsequent closure of its Church Hall (in July 2015) the plan has been to sell the entire site for development. This is in the hands of the Diocese, and progress remains very slow.

Closely allied to the above, and financially dependent on it, is the plan to build a small extension to the north of St Katharine's church, replacing the existing Victorian vestries. This will contain a meeting room, a small kitchen and toilets, none of which are present in the current church, together with a clergy vestry area. Plans for this are now established and agreed through the DAC and other interested bodies and await execution once funds are available through the sale of the Epiphany.

Other Information

There have been no transactions between the PCC and related parties (as defined by the Charities Act 2011 and the Charities SORP) nor has the PCC identified any major risks (other than the availability of continued funding, a topic of continued consideration by the PCC) which impact the work of the Church in the parish.

Structure, governance and management

Governing Documents

The Governing Documents relating to the operation of the PCC are:

- The Parochial Church Councils (Powers) Measure 1956 as amended
- The Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969 as amended with the 2009 Statutory Instrument and the 2009 update to the Code of Recommended Practice to the Pastoral Measure 1983)

Membership of the PCC

The Parochial Church Council (PCC) is a corporate body established by the Church of England. Members of the PCC, who are also Trustees for the purposes of charity law, are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as *ex officio* members. The PCC can also exercise its right to co-opt members as it deems fit.

During the year the Council received regular reports on the following topics, amongst other matters:

Finance	Team Council	Fabric and Churchyard
Mission and Outreach projects	Deanery Synod	Safe Church Policy

The PCC usually meets each alternate month. During 2020 this sequence was disrupted.

PCC membership following the 2020 APCM (which was delayed and held online)

Ex Officio Members:

Revd P Mark Pullinger	Team Rector
Revd Ben Brown	Team Vicar

Mrs Gill Buchanan	Churchwarden (from April 2015)
Mr Simon Beirne	Churchwarden (from April 2016)
Mrs Jill Gunn	Deanery Synod Representative
Mrs Judith Hanson	Deanery Synod Representative
Mrs Christiana Agwuegbo	Reader
Mrs Kirsty Anderson	Reader

Parish of Merstham

Annual Report for year ended 31 December 2020

(6)

Elected members:

Mr Chris Green	(from 2019)
Mrs Libby Green	(from 2020)
Mr Daniel Hopcroft	(from 2018)
Mrs Margaret Kippen	(from 2018)
Mrs Roz Robinson	(co-opted from 2019)
Mr John Turner	(from 2020)

The following left the PCC during the year:

Revd Val Williams	retired as Hon. Curate in September
Mr Alasdair Anderson	was <i>ex officio</i> as Deanery Synod representative (term expired)
Mrs Tracey Agnew	term expired and did not stand for re-election
Mrs Fiona Exley	term expired and did not stand for re-election
Mr Paul Ryder	resigned from the PCC during the summer

PCC Secretary

Mrs Ann Beirne
28 Harestone Hill, Caterham, Surrey, CR3 6DG

Independent Examiner

Alison Sargent FCA Sargent & Co.
219 Croydon Road, Caterham, Surrey, CR3 6PH

Bankers

The Central Board of Finance of the Church of England: Cheapside, London, EC2Y 5AQ
Charities Aid Foundation
NatWest Bank Ltd.: Station Road, Redhill, RH1 1QN

Correspondence

All correspondence should be sent to the PCC Secretary: 28 Harestone Hill, Caterham, Surrey, CR3 6DG

Registered Charity Number

The Parochial Church Council of the Ecclesiastical Parish of Merstham (Merstham PCC) is a charity registered with the Charity Commission under registration number 1139490.

Safeguarding Officers

Mrs Margaret Kippen, Mr Simon Beirne

Standing Committee

The Standing Committee (normally comprising the Rector, churchwardens, treasurer and secretary of the PCC) is the only committee required by law. It exists to transact the business of the PCC between meetings and may construct the agenda for meetings of the PCC.

Team Council

This was set up at the creation of the Team Ministry. It consists of the clergy, churchwardens and secretaries from across the churches. During 2020 it has not met. Its purpose is to share news and sustain an overview of Team life, help determine what activities may be achieved better across the team (e.g. various training), and support one other particularly in the mission and outreach of the Team churches.

Other Sub-committees

Other groups are formed on an *ad hoc* basis to address particular needs.

Statement of Parochial Church Council Responsibilities

Charity Law requires the Parochial Church Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Church and of its financial activities for that period.

In preparing those financial statements the Parochial Church Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the church will continue in business.

The Parochial Church Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enables PCC members to ensure that the financial statements comply with regulations made under the Church Accounting Regulations 2006. It is also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Parochial Church Council and signed on its behalf by

B. B. M. Brown

Revd Ben Brown (Team Vicar)

Simon Beirne

Simon Beirne (Churchwarden)

Date. *28/4/21*

Independent Examiner's Report to the members of the PCC of the Parish of Merstham

I report to the members of the Parochial Church Council (PCC), being the charity's trustees, on my examination of the accounts of the charity for the year ended 31 December 2020, which are set out on page 9 to 20.

Responsibilities and basis of report

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

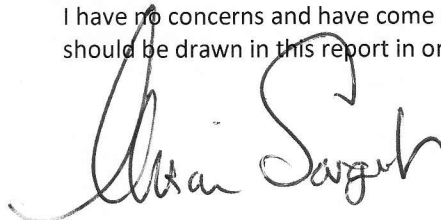
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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.



Alison Sargent FCA
Sargent & Co
Chartered Accountants
219 Croydon Road
Caterham
Surrey
CR3 6PH

Date: April 2021

Statement of Financial Activities for the year ended 31 December 2020


	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
<u>Incoming resources</u>						
Voluntary income	2(a)	27,831	1,730	-	29,561	39,012
Activities for generating funds	2(b)	-	-	-	-	7,519
Income from investments	2(c)	4,847	3,630	-	8,478	8,233
Church activities	2(d)	4,388	-	-	4,388	9,399
Total incoming resources		37,066	5,360	-	42,426	64,163
<u>Resources expended</u>						
Fundraising costs	3(b)	-	-	-	-	2,050
Church activities	3(a)	43,826	2,149	-	45,974	51,353
Governance costs	3(c)	1,530	-	-	1,530	1,590
Total resources expended		45,356	2,149	-	47,504	54,993
Net income before transfers		(8,290)	3,212	-	(5,078)	9,170
Gross transfers between funds		-	-	-	-	-
Net income (expense) and net movement in funds						
<i>before gains and losses on investments</i>		(8,290)	3,212	-	(5,078)	9,170
Net investment gains (losses)	4	894	-	18,588	19,482	44,595
Net movement in funds		(7,396)	3,212	18,588	14,405	53,765
<u>Reconciliation of funds</u>						
Total funds brought forward		75,902	52,355	269,901	398,158	344,393
Total funds carried forward		68,506	55,567	288,489	412,563	398,158

The notes on pages 11 to 20 form part of these accounts.

Balance sheet as at 31 December 2020

	Note	Total funds 2020	Total funds 2019
Fixed assets			
Tangible assets	6	83,640	83,640
Investments			
Mrs Puckle's bequest	7(a)	129,346	120,991
Expendable endowment	7(b)	159,129	148,890
Other	7(c)	<u>13,917</u>	<u>13,028</u>
Total fixed assets		<u>386,031</u>	<u>366,549</u>
Current assets			
Debtors	8	990	1,196
Cash at bank and in hand		<u>27,100</u>	<u>32,002</u>
		28,090	33,198
Liabilities			
Creditors			
due in 1 year	9	(1,560)	(1,590)
Net current assets		<u>26,530</u>	<u>31,608</u>
Total net assets		<u>412,561</u>	<u>398,157</u>
Parish funds			
unrestricted	12	68,507	75,902
restricted	10	55,566	52,354
endowment	11	<u>288,488</u>	<u>269,901</u>
Total funds		<u>412,561</u>	<u>398,157</u>

The accounts were approved by the PCC on 22 April 2021 and signed on behalf of the PCC by



 Simon Beirne – member of the PCC

24/4/2021

 Date

The notes on pages 11 to 20 form part of these accounts.

Notes to the accounts for the year ended 31 December 2020

1. Accounting Policies

(a) Basis of Preparation

The accounts have been prepared under the current Church Accounting Regulations and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts have been prepared on a going concern basis on the grounds that no material uncertainties exist and under the historical cost convention modified to include certain items at fair value as stated in the relevant notes to the accounts. The accounts are presented in Sterling and rounded to the nearest £.

The Church constitutes a public benefit entity as defined by FRS102.

(b) Income recognition

All income is recognised once the Church has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The income of the Church includes income from Church activities, donations, grants, known legacies and letting income for Church premises.

All incoming resources have been recognised on a receivable basis except for voluntary donations and income from investments which is accounted for when received.

Legacy gifts are recorded on a case by case basis following the granting of probate when the administrator/executor of the estate has communicated in writing both the amount and settlement date.

(c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure is directly attributable to various Church activities and has been included in the relevant cost categories.

Fundraising costs comprise the costs associated with any fundraising event.

(d) Tangible Fixed Assets

Epiphany House has been included on the basis of historical cost less the accumulated diminution in value (see note 6 below).

The Church silver has been included at market value based on an independent valuation report in a previous year.

Under the PCC's (Powers) Measure 1956, all PCCs are trustees of income and expenditure but not necessarily of assets, so that any expenditure whether maintenance or improvement, incurred on consecrated or benefice buildings or moveable church fittings, is written off as expenditure during the year.

(e) Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(f) Debtors and creditors receivable/payable within one year

Debtors and creditors receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid assets with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(h) Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(i) Funds

Permanent endowment funds are funds which have been given to the Parish of Merstham in trust with the restriction that the funds are invested to generate income for specific Church activities.

Expendable endowments are those funds which are mainly to be used as permanent endowments but the capital can also be used for the purposes of the Church in certain circumstances.

Restricted funds relate to income which is made available to the Parish of Merstham for specific purposes and which must be used solely for those purposes. The aim and use of the restricted fund is set out in the notes to the financial statements.

Unrestricted funds relate to the income which is available to meet the general objectives of the Parish of Merstham. General funds are unrestricted funds which are available for use at the discretion of the Members of the PCC in the furtherance of the general objectives of the Church and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the members of the PCC for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

2. Incoming Resources

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
2a	Voluntary income				
	Regular giving				
	Gift Aid donations	20,369	1,300	21,669	24,231
	Income tax recovered	5,626	225	5,851	6,566
	Weekly collections	1,158		1,158	1,648
	Grants	-	-	-	-
	Donations & legacies	660	175	835	6,313
	Sundry income	19	30	49	254
		<u>27,831</u>	<u>1,730</u>	<u>-</u>	<u>29,561</u>
					<u>39,012</u>
2b	Activities for generating funds				
	Quality Street Fair	-	-	-	7,444
	Other (parish) fundraising	-	-	-	75
		<u>-</u>	<u>-</u>	<u>-</u>	<u>7,519</u>
2c	Income from investments				
	UK dividends and investment	4,847	3,630	8,478	8,233
2d	Income from church activities				
	Church Room/Hall lets	1,490		1,490	4,205
	Parish magazine	300		300	512
	Fees for services	2,598	-	2,598	4,682
		<u>4,388</u>	<u>-</u>	<u>-</u>	<u>9,399</u>
	Total incoming resources	37,066	5,360	-	42,426
					64,163

3. Resources Expended

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
3(a) Church activities					
Diocesan Parish Share	33,167	-	-	33,167	30,833
Reigate Deanery	-	-	-	-	47
Other ministry costs	226	-	-	226	137
Grants and donations	-	-	-	-	2,294
Church running & maintenance	7,256	2,136	-	9,392	9,374
Church Room & Hall costs	947	-	-	947	1,593
Music & Organists	717	-	-	717	2,281
Junior Church / Sunday Club	-	-	-	-	-
Parish magazine costs	132	-	-	132	684
Churchyard upkeep	9	12	-	21	1,403
Cost of services	1,091	-	-	1,091	2,385
Mission Fund	-	-	-	-	-
Sundry expenses	281	-	-	281	322
	<u>43,826</u>	<u>2,149</u>	<u>-</u>	<u>45,974</u>	<u>51,353</u>
3(b) Costs of generating funds					
Fundraising events	-	-	-	-	2,050
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,050</u>
3(c) Governance costs					
Accountancy fees -					
Independent Examination	1,530	-	-	1,530	1,590
	<u>1,530</u>	<u>-</u>	<u>-</u>	<u>1,530</u>	<u>1,590</u>
Total resources expended	<u>45,356</u>	<u>2,149</u>	<u>-</u>	<u>47,504</u>	<u>54,993</u>

4. Gains (losses) on Investment assets

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
Diminution in value of Epiphany House	-	-	-	-	-
Realised gain (loss) on sale of investments	-	-	-	-	-
Profit (loss) on revaluation of Permanent Endowment	-	-	8,355	8,355	19,082
Profit (loss) on revaluation of investments	894	-	10,234	11,128	25,513
Total gains (losses) on investment assets	<u>894</u>	<u>-</u>	<u>18,588</u>	<u>19,482</u>	<u>44,595</u>

5. Staff costs

	2020	2019
(a) Wages and salaries		
Wages paid to 1 individual (cleaner)	222	500

No payments to staff were large enough to warrant Social Security costs. The salary, pension and housing costs of Stipendiary Clergy are paid by the Diocese from the Diocesan Parish share, which is included in total resources expended on Church activities (see note 3 (a)).

(b) payments to PCC Members

During the year payments totalling £36 (2019 – £523) (for printing the Parish Magazine) plus £7 (2019 – £181) (for sundry printing and stationery and other expenses) were made to Chris Green.

No other payments were made to other PCC Members other than the reimbursement of agreed expenditure, all of which are included in the accounts.

The PCC members neither received nor waived any remuneration during the year (2019 - nil) for their services as trustees.

6. Tangible Fixed Assets

Cost	Freehold properties	Silverware	Total
As at 1 January 2020	151,000	24,750	175,750
Diminution in value			
At 1 January 2020	92,110	-	92,110
Diminution in value during the year	-	-	-
At 31 December 2020	92,110	-	92,110
Net Book Value			
At 31 December 2020	58,890	24,750	83,640
At 31 December 2019	58,890	24,750	83,640

Under an agreement dated 1995, 2% of the assumed value of Epiphany House passed annually from the Parish to the Diocese. Following the closure of the site the Diocese stated that this diminution in value would no longer apply from January 2015. The figures above reflect this position in terms of cost. No formal valuation has been obtained for this site as the cost of a professional valuation would outweigh the benefit to the users of the accounts.

The Parish owns several items of historic silver which were valued in November 2007 at £24,750. The members of the PCC are not aware of any material changes to this valuation.

In addition to the above the Parish of Merstham has the site of the Epiphany Church which was given to the Parish more than 60 years ago. No formal valuation has been obtained for this site as the cost of a professional valuation would outweigh the benefit to the users of the accounts and a valid comparison with other properties cannot be made.

7. Fixed Assets Investments

(a) Mrs Puckle's bequest	2020	2019
CBF Investment Fund shares		
Market value at start of year	120,991	101,909
Unrealised investment gain / (loss)	<u>8,355</u>	<u>19,082</u>
Market value at end of year	<u><u>129,346</u></u>	<u><u>120,991</u></u>
The historic cost of the listed investment was	46,375	46,375
<i>Dividends from this fund are paid into the Fabric Fund (a Restricted fund)</i>		
(b) Expendable endowment investment		
CBF Investment Fund income shares		
Market value at start of year	148,890	125,429
Additions	-	-
Disposals	-	-
Unrealised investment gain / (loss)	<u>10,239</u>	<u>23,461</u>
Market value at end of year	<u><u>159,129</u></u>	<u><u>148,890</u></u>
The historic cost of this investment was	67,897	67,897
<i>Dividends from this fund are paid into the General Fund (an Unrestricted fund)</i>		
(c) Other investments		
Listed investments - UK		
Market value at start of year	19	17
Unrealised investment gain / (loss)	<u>(6)</u>	<u>2</u>
Market value at end of year	<u><u>13</u></u>	<u><u>19</u></u>
<i>This investment refers to Royal Bank of Scotland shares received as a donation</i>		
CBF Investment Fund income shares		
Market value at start of year	13,009	10,959
Additions	-	-
Disposals	-	-
Unrealised investment gain (loss)	<u>894</u>	<u>2,050</u>
Market value at end of year	<u><u>13,903</u></u>	<u><u>13,009</u></u>
The historic cost of this investment was	10,000	10,000

8. Debtors

Debtors	2020	2019
Due within one year		
Tax recoverable (unrestricted)	950	1,196
Tax recoverable (restricted)	40	-
Other debtors	-	-
Total debtors	<u>990</u>	<u>1,196</u>

9. Creditors

Creditors	2020	2019
Amounts falling due within one year		
Accruals for utilities and other costs	-	-
Other creditors	<i>Sargent & Co</i> 1,560	1,590
	-	-
Total creditors	<u>1,560</u>	<u>1,590</u>

10. Restricted Funds

The restricted funds of the Parish of Merstham consist of funds received from specific fundraising ventures and revaluing assets of the company.

	Balance at 1 January 2020	Incoming resources	Expenditure	Transfers	Balance at 31 December 2020
Fabric Fund	2,435	5,360	1,230	-	6,566
Silverware	24,750	-	-	-	24,750
Organ Fund	19,991	-	919	-	19,072
Mission Fund	5,178	-	-	-	5,178
	<u>52,354</u>	<u>5,360</u>	<u>2,149</u>	<u>-</u>	<u>55,566</u>

The Fabric Fund was originally set up for the long-term repair of St Katharine's and its graveyard. Income is generated from some donations and also from the permanent endowment.

The Organ Fund is a restricted fund to be used solely for the renovation and maintenance of the organ in St Katharine's Church.

The Mission Fund is a restricted fund for promoting the mission of the Church within the Parish of Merstham.

11. Endowment Fund

	Balance at 1 January 2020	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2020
Mrs Puckle's bequest	120,991			8,355	129,346
Expendable Endowment	148,890	-		10,239	159,129
Other	19			(6)	13
	<u>269,900</u>	<u>-</u>	<u>-</u>	<u>18,588</u>	<u>288,488</u>

The Endowment Funds of the Parish of Merstham consist of both permanent endowment funds and expendable endowment funds and consist of the following:

Mrs Puckle's Bequest is a permanent endowment. This gifted trust fund is managed by the Diocesan Trust. Although the PCC has no authority to realise this investment the income from it is available to the Fabric Fund.

The expendable endowment was originally created from the sale of the verger's cottage, which belonged to the PCC. The funds from the sale of the verger's cottage, together with a donation, were used to purchase a freehold property in Mansfield Drive, Merstham. This property was subsequently sold in 2004. The PCC have the authority to use the expendable endowment and investment income for Church running expenses, fabric expenditure and expenditure related to the Mission.

The other fund is a block of Royal Bank of Scotland shares received as a donation. The shares are held by the Diocese but the income, which is unrestricted and undesignated, comes to the Parish.

12. Unrestricted Fund

	Balance at 1 January 2020	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2020
General funds	75,902	37,066	45,356	894	68,506
Designated funds	-	-	-	-	-
	<u>75,902</u>	<u>37,066</u>	<u>45,356</u>	<u>894</u>	<u>68,506</u>

There are no designated funds at the present time.

13. Analysis of Net Assets between Funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020
Tangible fixed assets	58,890	24,750	-	83,640
Investment fixed assets	-	13,903	288,488	302,391
Net current assets	<u>9,617</u>	<u>16,913</u>	<u>-</u>	<u>26,529</u>
	<u>68,507</u>	<u>55,566</u>	<u>288,488</u>	<u>412,561</u>

14. Post Balance Sheet Events

It remains the intention of the Parish to sell the former Epiphany site for redevelopment, but this matter is entirely under the control of the Diocese. At the end of the year the sale of the site had been agreed, and planning consent had been obtained, but the sale had still not been completed.

15. Related parties

There were no related party transactions between any PCC member or other person related to the charity and the charity other than donations being made without condition (and these were not material).