

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](http://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.

# Parish of Merstham

*Annual Report for year ended 31 December 2021*

(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 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)



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
<b><u>Incoming resources</u></b>						
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
<b>Total incoming resources</b>		<b>37,377</b>	<b>6,909</b>	<b>-</b>	<b>44,286</b>	<b>42,426</b>
<b><u>Resources expended</u></b>						
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
<b>Total resources expended</b>		<b>39,474</b>	<b>4,022</b>	<b>-</b>	<b>43,496</b>	<b>47,504</b>
<b>Net income before transfers</b>		<b>(2,097)</b>	<b>2,887</b>	<b>-</b>	<b>790</b>	<b>(5,078)</b>
Gross transfers between funds		-	-	-	-	-
<b>Net income (expense) and net movement in funds</b>						
<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
<b>Net movement in funds</b>		<b>837,409</b>	<b>2,887</b>	<b>41,124</b>	<b>881,420</b>	<b>14,403</b>
<b><u>Reconciliation of funds</u></b>						
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
<b><u>Fixed assets</u></b>			
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
<b>Total fixed assets</b>		<b>609,938</b>	<b>386,031</b>
<b><u>Current assets</u></b>			
Debtors	8	898	990
Cash at bank and in hand		684,696	27,100
		685,594	28,090
<b>Liabilities</b>			
Creditors due in 1 year	9	(1,550)	(1,560)
Net current assets		684,044	26,530
<b>Total net assets</b>		<b>1,293,981</b>	<b>412,561</b>
<b>Parish funds</b>			
unrestricted	12	905,916	68,507
restricted	10	58,453	55,566
endowment	11	329,612	288,488
<b>Total funds</b>		<b>1,293,981</b>	<b>412,561</b>

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 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.

## 2. Incoming Resources

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
2a					
<b>Voluntary income</b>					
Gift Aided donations	19,344	1,010	-	20,354	21,669
Income tax recovered	5,143	284	-	5,427	5,851
Weekly collections	2,850	-	-	2,850	1,158
Outward Giving collections	108	-	-	108	-
Grants	-	-	-	-	-
Donations & legacies	1,334	443	-	1,777	835
Sundry income	(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					
<b>Activities for generating funds</b>					
Quality Street Fair	-	-	-	-	-
Other (parish) fundraising	355	-	-	355	-
	<u>355</u>	<u>-</u>	<u>-</u>	<u>355</u>	<u>-</u>
2c					
<b>Income from investments</b>					
UK dividends and investment	5,019	3,760	-	8,779	8,478
2d					
<b>Income from church activities</b>					
Church Room/Hall lets	1,249	-	-	1,249	1,490
Parish magazine	-	-	-	-	300
Fees for services	1,991	-	-	1,991	2,598
	<u>3,240</u>	<u>-</u>	<u>-</u>	<u>3,240</u>	<u>4,388</u>
<b>Total incoming resources</b>	<b>37,377</b>	<b>6,909</b>	<b>-</b>	<b>44,286</b>	<b>42,427</b>

## 3. Resources Expended

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
<b>3(a) Church activities</b>					
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>
<b>3(b) Costs of generating funds</b>					
Fundraising events	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3(c) Governance costs</b>					
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>
<b>Total resources expended</b>	<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
<b>Total gains (losses) on investment assets</b>	<b>839,506</b>	<b>-</b>	<b>41,124</b>	<b>880,630</b>	<b>19,483</b>

## 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

<b>Cost</b>	<b>Freehold properties</b>	<b>Silverware</b>	<b>Total</b>
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>
<b>Diminution in value</b>			
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>
<b>Net Book Value</b>			
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

<b>(a) Mrs Puckle's bequest</b>	<b>2021</b>	<b>2020</b>
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>(b) Expendable endowment investment</b>		
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>		
<b>(c) Other investments</b>		
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
<b>Due within one year</b>		
Tax recoverable (unrestricted)	826	950
Tax recoverable (restricted)	72	40
Other debtors	-	-
<b>Total debtors</b>	<u>898</u>	<u>990</u>

## 9. Creditors

	2021	2020
<b>Amounts falling due within one year</b>		
Accruals for utilities and other costs	-	-
Other creditors <i>Sargent &amp; Co</i>	1,550	1,560
<b>Total creditors</b>	<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>
	<b><u>905,917</u></b>	<b><u>58,453</u></b>	<b><u>329,612</u></b>	<b><u>1,293,982</u></b>

## 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).