

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

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## 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](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.

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:

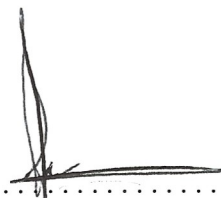
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures 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: 13<sup>th</sup> 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 31<sup>st</sup> 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').

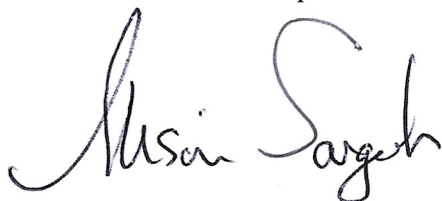
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### 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

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## Statement of Activities for the Year Ended 31<sup>st</sup> December 2022

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
<b>Incoming resources</b>						
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
<b>Total incoming resources</b>		<b>151,844</b>	<b>5,624</b>	<b>-</b>	<b>157,468</b>	<b>44,286</b>
<b>Resources expended</b>						
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
<b>Total resources expended</b>		<b>113,606</b>	<b>6,162</b>	<b>-</b>	<b>119,768</b>	<b>43,496</b>
<b>Net income before transfers</b>		<b>38,238</b>	<b>(538)</b>	<b>-</b>	<b>37,700</b>	<b>790</b>
Gross transfers between funds		-	-	-	-	-
<b>Net income (expense) and net movement in funds</b>						
<i>before gains and losses on investments</i>		<b>38,238</b>	<b>(538)</b>	<b>-</b>	<b>37,700</b>	<b>790</b>
Net Gain on disposal of fixed assets		-	-	-	-	837,833
Net investment gains (losses)	4	(29,958)	-	(38,628)	(68,586)	42,797
<b>Net movement in funds</b>		<b>8,280</b>	<b>(538)</b>	<b>(38,628)</b>	<b>(30,886)</b>	<b>881,420</b>
<b>Reconciliation of funds</b>						
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

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## Balance Sheet as at 31<sup>st</sup> December 2022

	Note	Total funds 2022	Total funds 2021
<b>Fixed assets</b>			
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
<b>Total fixed assets</b>		<b>541,352</b>	<b>609,938</b>
<b>Current assets</b>			
Debtors	8	6,222	898
Cash at bank and in hand		719,423	684,696
		725,645	685,594
<b>Liabilities</b>			
Creditors			
due in 1 year	9	(3,902)	(1,551)
Net current assets		721,743	684,043
<b>Total net assets</b>		<b>1,263,095</b>	<b>1,293,981</b>
<b>Parish funds</b>			
unrestricted	12	914,196	905,916
restricted	10	57,915	58,453
endowment	11	290,984	329,612
<b>Total funds</b>		<b>1,263,095</b>	<b>1,293,981</b>

The accounts were approved by the PCC on 13<sup>th</sup> 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 31<sup>st</sup> 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 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 2022

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## 2. Incoming Resources

Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
<b>2a Voluntary income</b>					
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>
<b>2b Activities for generating funds</b>					
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>
<b>2c Income from investments</b>					
UK dividends and investment	<u>11,488</u>	<u>3,887</u>	<u>-</u>	<u>15,376</u>	<u>8,779</u>
<b>2d Income from church activities</b>					
Church Room/Hall lets	3,739	-	-	3,739	1,249
Parish magazine	35	-	-	35	-
Fees for services	<u>2,595</u>	<u>-</u>	<u>-</u>	<u>2,595</u>	<u>1,991</u>
	<u>6,369</u>	<u>-</u>	<u>-</u>	<u>6,369</u>	<u>3,240</u>
<b>Total Incoming Resources</b>	151,844	5,624	-	157,468	44,286

## 3. Resources Expended

Note s	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
<b>3(a) Church activities</b>					
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>
<b>3(b) Costs of generating funds</b>					
Fundraising events	305	-	-	305	-
	<u>305</u>	<u>-</u>	<u>-</u>	<u>305</u>	<u>-</u>
<b>3(c) Governance costs</b>					
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>
<b>Total resources expended</b>	<u>113,606</u>	<u>6,162</u>	<u>-</u>	<u>119,768</u>	<u>43,496</u>

## 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	(29,958)	-	(21,289)	(51,248)	24,199
<b>Total gains (losses) on investment assets</b>	<u>(29,958)</u>	<u>-</u>	<u>(38,628)</u>	<u>(68,586)</u>	<u>880,630</u>

## 5. Staff Costs

	2022	2021
(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

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

	2022	2021
<b>(a) Mrs Puckle's bequest</b>		
CBF Investment Fund shares		
Market value at start of year	147,944	129,346
Unrealised investment gain / (loss)	(17,338)	18,598
Market value at end of year	130,606	147,944
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	181,649	159,129
Additions	-	-
Disposals	-	-
Unrealised investment gain / (loss)	(21,292)	22,520
Market value at end of year	160,357	181,649
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	18	13
Unrealised investment gain / (loss)	3	5
Market value at end of year	21	18
<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)	(29,958)	1,673
Market value at end of year	225,618	255,576
The historic cost of this investment was	250,000	250,000

## 8. Debtors

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

## 9. Creditors

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

## 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
	<b>58,453</b>	<b>5,624</b>	<b>6,162</b>	<b>-</b>	<b>57,915</b>

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.

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## 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	<u>650,000</u>	<u>-</u>	<u>74,195</u>	<u>185,000</u>	<u>760,805</u>
	<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><b>914,196</b></u>	<u><b>57,915</b></u>	<u><b>290,984</b></u>	<u><b>1,263,095</b></u>

## 14. Post Balance Sheet Events

The PCC gave authorization on 16<sup>th</sup> 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 6<sup>th</sup> 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.