

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

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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 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.

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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.

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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:

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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

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Balance Sheet as at 31st December 2023

	Note	Total funds 2023	Total funds 2022
<u>Fixed assets</u>			
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
<u>Current assets</u>			
Debtors	8	1,531	6,222
Cash at bank and in hand		711,230	719,423
		712,761	725,645
<u>Liabilities</u>			
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
<u>Parish funds</u>			
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 8th May 2024 and signed on behalf of the PCC by

Chris Green – Churchwarden

Date

16 JUN 24

Dan Hopcroft – Treasurer

Date

16 JUN 24

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.

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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

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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>

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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	21,419	-	15,217	36,636	(51,248)
Total gains (losses) on investment assets	<u>21,419</u>	<u>-</u>	<u>27,612</u>	<u>49,031</u>	<u>(68,586)</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>143,001</u>	<u>130,606</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>175,580</u>	<u>160,357</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>15</u>	<u>21</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>247,037</u>	<u>225,618</u>
The historic cost of this investment was	250,000	250,000

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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>

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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.