

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MARGARET'S CHURCH CHIPSTEAD

England & Wales - Charity number 1139738

Details

Status	Registered
Legal form	Previously excepted
Registered	2011-01-10
Register	View on the Charity Commission register

Contact

Address	130 Brighton Road Hooley Coulsdon Surrey CR5 3EF
Phone	01737 554511
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Website	www.stmargaretschipstead.org

Activities

Objects: PROMOTING IN THE ECCLESIASTICAL PARISH THE WHOLE MISSION OF THE CHURCH.

Activities: Church of England Parish Church

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Education/training, Overseas Aid/famine Relief, Religious Activities
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

Geography

- Area of benefit: UNDEFINED.
- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£211,515	£290,181	-	-
2023-12-31	£396,317	£287,808	-	-
2022-12-31	£199,251	£291,612	-	-
2021-12-31	£200,507	£263,860	-	-
2020-12-31	£224,487	£291,487	-	-

Trustees

Name	Role	Appointed
Christopher TAYLOR		2026-06-08
Eamonn Joseph Davern		2022-06-13
Gareth Lewis-Jones		2026-05-31
Janice Marian Whittle		2022-05-22
Jennifer Stella Smith		2022-05-08
Jill Louie Lindsay		2023-04-23
Julia Frances Thompson		2024-04-28
LORNA MADELEINE MACCALLUM		
LUCY MARGARET WALES		2024-04-28
Nigel David Smith		2023-04-23
Raymond King		2023-04-23
Rosalind Lunberg		2023-04-23
Thomas John known as Jon Hill		2024-04-28
Tom Stuart Sanderson		2021-04-19

Accounts

St Margaret's Church, Chipstead Parish

Annual Report and Accounts of the Parochial Church Council

**For the year ended
31 December 2024**

INCLUDEPICTURE

"<http://www.stmargaretschipstead.org/Images/Content/2115/817888.jpg?ent=8253922>" *

MERGEFORMATINET

Registered Charity No: 1139738

Church Lane, Chipstead, Surrey CR5 3RD

Tel. no: 01737 552160

www.stmargaretschipstead.org

Financial Statements and Annual Report for the year ended 31st December 2024

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St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2024

The Annual Report of the Parochial Church Council will be read to the Annual Parochial Church Meeting, and copies will be available from the church office

Introduction

St Margaret's Church Parochial Church Council (PCC) is required, as stated in the Parochial Church Councils (Powers) Measure 1956, to cooperate with the minister in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical.

During the year the following served as members of the PCC:

Officers:

Chairman: Reverend Hannah Gordon #

Vice Chair: Eamonn Davern#

Churchwarden: Sarah Anne Bowes# (Until 28th April 2024)
Jennifer Smith#
Tom Sanderson (From 28th April 2024)

Secretary: Eamonn Davern#

PCC Members

Eamonn Davern
Jon Hill (From 28th April 2024)
Ray King
Jill Lindsay (Deanery Synod)
Rosalind Lundberg
Madeleine MacCallum (Deanery Synod)
Julia Thompson (From 28th April 2024)
Lucy Wales (From 28th April 2024)
Rev John Norman Wates
Janice Whittle
Kat Wicksteed

Management personnel

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Key Management Personnel

Key Management Personnel are shown on page 1. Details of the expenses of all members of the PCC (including Key Management Personnel) are shown in note 8 to the accounts.

Other than the Reverend Hannah Gordon, none of the key management received any remuneration . The Reverend Hannah Gordon was remunerated by the Diocese of Southwark. She received no remuneration from the PCC.

Advisers

Bankers

Natwest
Wallington Branch
27 Woodcote Road
Wallington
Surrey
SM6 0LN

Independent Examiners

Jon Grant

Correspondence Address

The Parish Office
Church Lane
Chipstead
Surrey CR5 3RD

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Our aims and purposes as a charity

The PCC has the responsibility for co-operating with the incumbent from time to time (and in the absence of an incumbent co-operating with the churchwardens and the Dean of Reigate) in promoting in the ecclesiastical parish of Chipstead, the Gospel and the whole mission of the church, pastoral, evangelistic, social and ecumenical. The PCC is specifically responsible for the maintenance of the Church building, the Orchard and the churchyard, the Peter Aubertin Hall in Chipstead and the Mission Hall in Mugswell.

Our Mission Statement reflects our ethos:

*To know and share God's transforming love with one another,
with our local community and with the wider world.*

What we planned to do to achieve our charitable objectives

When planning our activities for the year, the PCC considered the Charity Commission's guidance on public benefit. The PCC has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016, fully recognising its duty to have due regard to the House of Bishop's guidance on safeguarding children and vulnerable adults.

Our aims are:

- To enable as many people as possible to know Christ, worship him and grow in faith within our church and parish.
- To teach, baptise and nurture new and existing believers.
- To involve and seek to build bridges between the many, often varied, groups that live within the parish.
- To put faith into practice, through prayer and scripture, music and sacrament.
- To build upon our worship and prayer and learning about the gospel by meeting in small groups.
- To assist people of all ages and from all walks of life to develop their knowledge of, and trust in, Jesus.
- To provide pastoral care for people living in the parish and also for members of the congregation who live outside of the parish.
- To support the homeless in the deanery.
- To provide assistance to the poor and needy.
- To assist financially other organisations who promote our mission.

Mission Action Plan (MAP)

The MAP from last year remained in place with no new progress.

This year has been focussed on embedding our two services, celebrating festivals well and developing our monthly All Age Worship and Messy Church.

This coming year will see the development of a new mission statement and vision, from which an action plan will come.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Achievements and performance

The overall picture at the end of 2024 is positive. I started the year with a picture of St. Margaret's as a storm damaged boat in the harbour in need of repair and restoration. This has been the underlying theme of the year. By the end of the year I feel that we are much restored, afloat and ready to sail.

This year has seen a slight increase in the number of people in our regular worshipping community and our usual Sunday attendance, with a large increase in Christmas attendance. There is also an increase in the percentage of attendees who are under 18. This is all encouraging news.

The two services on a Sunday ran all year, with a time change in the autumn which saw the traditional service move to 9am. Numbers at the service are steady at around 20 adults.

Our All Age All Together service at 10:15 on the second Sunday of the month is now held in The Orchard and is informal in style with a soft start, acoustic worship and activities. The growth in attendance has been wonderful with worshippers aged from 3 weeks to 91 years. This service is designed to be genuine all age worship and facilitate creative worship in an informal space.

We have looked at various themes throughout the year including Knowing God, Justice, Promises and signs and a long series called The Unusual Suspects.

Groups of children and young people continue to be held during morning worship, now at the 10:15 service. Josh Asquith, our youth and community worker, continues his weekly secondment to Sparkfish as a mentor in St. Bede's school. He also attends Merstham Park and St Bede's to facilitate lunchtime clubs. Sunday youth ministry is now for children in year 6 and above with no upper age limit and runs every Sunday apart from the all age service. We have a core group of 6-7 young people. The PCC approved a youth vision this year:

'To nurture discipleship in our young people as we journey with them, rooted in God's care and joy. We aim to build faith in our young people, leading them to encounter Jesus and consider for themselves who God is in their life. Guided by a focus on relationship, curiosity and prayerfulness, these elements underpin not just our focus for our young people, but also what we aspire to model in leading them too. We seek to build into our practices the care and joy that are integral to God's abundant love. We hope to equip them to live a life of faith, and to journey with them as they develop, learning more about themselves, the world around them and God. Each person's walk of faith is unique and so we aim to support them in whatever place that journey may take them. We aim to always respect our young people; listening to them, honouring their beliefs, and recognising that they are an integral part of the church now; in their adolescence.'

Youth work outside of Sundays remains a challenge with a Friday night youth club running fortnightly since February with anywhere from 2 to 15 young people, but averaging around 5. This will be reviewed regularly.

Messy Church has been held once a half term on a Sunday afternoon between 3pm and 5pm, ending with a meal together. This has seen families attending who we do not encounter on a Sunday morning. Each session is based around a theme, and a small but committed group run activities and provide catering. In December we held Messy

St Margaret's Church, Chipstead Parish**ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

Christingle in Netherne Village Hall which saw a large attendance and a great atmosphere but lost some of the essence of Messy Church. More thought is needed on how we can run worship events for families in Netherne.

Maggie's Song continues to be our primary outreach to under 5s, run by a volunteer, Elaine. This is well attended.

Our Easter triduum was well thought out and coordinated this year, allowing worshippers to walk from Maundy Thursday to Easter Sunday in a focussed one act movement. We held joint services on Ash Wednesday and Maundy Thursday with St Peters, Woodmansterne.

Christmas services were well attended. This year we held joint carol services with our neighbours St Peter's Woodmansterne, with a traditional service at 4pm at St Peters and a more contemporary service at 7:30pm at St Margaret's. Both services were successful, with St Margaret's at capacity. We held a full nativity service at 4pm on Christmas Eve, which needs some work to engage all present, and a traditional midnight communion service. Christmas Day saw a said communion at 9am with 26 people and a well attended lively celebration at 10am.

The number of occasional offices was down slightly with 3 baptisms and 4 weddings. There was a large increase in funerals up from 6 last year to 13.

Claire Mills our SPA ran a bereavement course in the spring and from that started a monthly bereavement cafe. This is an excellent addition to our pastoral provision. CAMEO in Hooley was restarted and attracts around 20 people each month.

Six life groups met regularly across the parish, at a variety of times and locations. These provide an opportunity for prayer, fellowship, Bible study and time together. Tom and Rachelle Sanderson coordinate these and hold regular meetings for life group leaders. Groups choose their own material and meeting patterns.

I am encouraged by the last twelve months and excited to see where God leads us in 2025.

Rev'd Hannah Gordon, Rector.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2024 Financial Review

The church continues to enjoy a very strong overall financial position thanks to the substantial legacies received in recent years, totalling over £1,060,000 between 2019 and 2022. At the end of 2023 we held net financial assets of £962k.

The results in 2024 showed an overall loss of £51.3k versus a reported profit of £144k in 2023. The 'unrestricted funds' represent the main activities of the church with the exception of the activities of the PA Hall and Mugswell. Focussing on the unrestricted results, 2023 was boosted by a donation of £150k and an associated £12.5k of gift aid. Excluding the impact of legacies in both 2023 and 2024 and associated gift aid, income reduced by 12% in 2024 with planned giving continuing to decline gradually. Interest income on cash balances also declined from 2023 level (by £5k) thanks to lower interest rates and an overall reduction in cash balances during the period.

Costs rose by 5.4% with the main drivers being church building maintenance and general and secretarial expenses. Our parish share commitment to the diocese remained at £100k in 2024.

As in 2023, the results benefitted from holding part of our resource in an equity fund managed by the CCLA (a church financial institution). This was implemented in early 2023 and was done with the aim of improving our long term returns relative to holding cash. The gain in value in the fund during 2024 was £27.3k, down from the £35.7k in 2023. Without this gain the loss in the unrestricted funds was £83.7k.

Revenue from hire of the PA hall saw a solid increase in 2024 to £19.2k from £15.8k in 2023 and the hall returned to profit (£3.5k) following on from the loss reported in 2023 following major refurbishment work carried out to the hall floor.

Our expectation is that the church will continue to operate at a significant deficit for the foreseeable future.. Moreover there are no guarantees regarding the investment performance. of the funds held in the CCLA equity fund which is inherently volatile.

At 31 December 2024, total funds amounted to £1,003,270 (2023: £1,054,590) of which £100,410 (2023: £95,406) were restricted and £132,278 (2023: £132,278) were in the Endowment Fund.

Statement of PCC responsibilities

The Parochial Church Council (PCC) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Church Accounting Regulations 2006 require the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Council and of its financial activities for that period. In preparing those financial statements, the PCC is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk assessment

The PCC is satisfied that there are procedures in place to mitigate exposure to major risks. The PCC considers the principal risks and uncertainties facing the Church and their plans and strategies for managing these risks to be:

Potential Risk	Potential Impact	Steps to mitigate risk
Security of assets	<ul style="list-style-type: none"> • loss or damage • theft of assets 	<ul style="list-style-type: none"> • review security arrangements • asset register and inspection programme • review insurance cover
Fund-raising	<ul style="list-style-type: none"> • unsatisfactory returns • reputational risks of campaign or methods used • actions of agents and commercial fund-raisers • compliance with law and regulation 	<ul style="list-style-type: none"> • implement appraisal, budgeting and authorisation procedures • review regulatory compliance • monitor the adequacy of financial returns achieved • stewardship reporting in annual report
Disaster recovery and planning	<ul style="list-style-type: none"> • computer system failures or loss of data • destruction of property, equipment, records through fire, flood or similar damage 	<ul style="list-style-type: none"> • agree IT recovery plan • implement data backup procedures and security measures • review insurance cover • create disaster recovery plan
Cash flow sensitivities	<ul style="list-style-type: none"> • inability to meet commitments • lack of liquidity to cover variance in costs • impact on operational activities 	<ul style="list-style-type: none"> • ensure adequate cash flow projections (prudence of assumptions) • identify major sensitivities • ensure adequate information flow from operational managers • monitor arrangements and reporting

St Margaret's Church, Chipstead Parish**ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****Reserves policy**

The PCC needs reserves to cover short term shortfalls in income and to cover unexpected expenditure. The vast majority of the PCC's income derives from voluntary donations. Whilst a significant proportion of these donations are planned, there is a level of unplanned giving which is not always predictable. In addition, due to changes in circumstances within the congregation, planned giving may not always match the level pledged at the start of the year. Reserves allow the PCC to better manage short term fluctuations in the level of giving. In addition, the running costs of the church are not always predictable and reserves allow the PCC to cope with unexpected expenditure which may arise from time to time. It is PCC policy to try to maintain a balance on free reserves which equates to at least three months of unrestricted payments, which would equate to £75k. At the end of 2024 unrestricted reserves were £771k.

Fundraising

The PCC engaged in fundraising, in the form of receiving donations, some of which were gift-aided, from members of our fellowship. The PCC did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. The PCC is satisfied that its fundraising practices are ethical. No complaints were received about our fundraising practices.

Investment policy

The PCC is risk averse in its investment policy placing surplus cash on deposit with the CBF Church of England Deposit Fund or with large banks.

Chairman

Date 11th March 2025

St Margaret's Church, Chipstead Parish**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL**

I report to the charity trustees on my examination of the accounts of the St Margaret's Parochial Church Council (the Church) for the year ended 31 December 2024 set out on pages 10 to 21.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts as 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 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 Church 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 Report) 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; or
4. the accounts have not been prepared in accordance with the methods and principles of 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 the Republic of Ireland (FRS 102).

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.

Jon Grant FCA

Date: 11th March 2025

St Margaret's Church, Chipstead Parish

Statement of Financial Activities for the year ended 31 December 2024

For the year ended 31 December 2024	2024				2023			
	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2024	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2023
Notes	2(a)	2(b)	10		2(a)	2(b)	10	
INCOME	£	£	£	£	£	£	£	£
Voluntary income	149,690	1,339	-	151,029	325,114	1,542	-	326,656
Income from church activities	16,180	-	-	16,180	16,715	-	-	16,715
Activities for generating funds	1,619	25,288	-	26,907	5,141	25,340	-	30,481
Income from investments	17,399	-	-	17,399	22,465	-	-	22,465
Total Income	184,888	26,627	-	211,515	369,435	26,882	-	396,317
EXPENDITURE								
Church activities	268,458	21,318	-	289,776	253,838	30,781	-	284,619
Raising funds	100	305	-	405	1,010	2,179	-	3,189
Total Expenditure	268,558	21,623	-	290,181	254,848	32,960	-	287,808
Excess (deficit) of income over expenditure	(83,670)	5,004	-	(78,666)	114,587	(6,078)	-	108,509
Net gains/(losses) on investments	27,346	-	-	27,346	35,675	-	-	35,675
Net Income/(Expenditure)	(56,324)	5,004	-	(51,320)	150,262	(6,078)	-	144,184
Total funds brought forward	826,906	95,406	132,278	1,054,590	676,644	101,484	132,278	910,406
Total funds carried forward	770,582	100,410	132,278	1,003,270	826,906	95,406	132,278	1,054,590

St Margaret's Church, Chipstead Parish
Balance sheet as 31 December 2024

	Notes		2024		2023
			£		£
FIXED ASSETS					
Tangible assets	3	651		1,302	
Investments		563,021		535,675	
Total fixed assets			563,672		536,977
CURRENT ASSETS					
Debtors	5	62,428		25,989	
Cash at bank and in hand		398,178		503,017	
		460,607			529,006
LIABILITIES: AMOUNTS FALLING					
DUE WITHIN ONE YEAR	6	21,008		11,393	
NET CURRENT ASSETS			439,599		517,613
NET ASSETS			1,003,270		1,054,590
PARISH FUNDS					
Unrestricted	7		770,582		826,906
Restricted	7		100,410		95,406
Endowment	7		132,278		132,278
			1,003,270		1,054,590

The accounts were approved by the PCC on 11th March 2025 and signed on behalf of the PCC by:

Rev'd Hannah Gordon
Chairman

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements have been prepared under the historical cost convention. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members. The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £. The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The PCC have prepared detailed forecasts which they believe are based upon reasonable assumptions. The forecasts show that the church should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

FUNDS

1. **Unrestricted Funds** represent the resources of the PCC that are not subject to any restrictions regarding their use and are available for the general purposes of the PCC.
2. **Restricted Funds** represent resources which the PCC has indicated to donors and fundraisers will be used for specified purposes:

The Fabric Fund mainly derives from major donations and special events to meet major expenses on repairs and renewals of the Church and the Churchyard.

Trust Funds consist of donations made specifically for the upkeep of certain graves.

The Bell Fund contains specific donations and surpluses from the use of bells at weddings set aside to meet future maintenance of and improvements to the bells and to meet bell ringer expenses.

Specific Donations consist of donations received at services and other Parish occasions for purposes specified at the time of collection.

The Appeal Fund contains donations made and the proceeds of special events undertaken for the purposes of funding the construction of The Orchard.

The Peter Aubertin Hall Fund consists of income from operating activities of the Hall, specific fundraising events and donations for the improvement of the Hall.

The Mugswell Hall Fund consists of income from the operating activities of the Hall and specific donations for the maintenance and improvement of the Hall

3 **The Endowment Fund** represents resources provided to build up a fund to ensure the future financial wellbeing of the Church. The Endowment Fund, a portion of which was originally donated in the 1970s, was done so with the restriction that it should not be spent on any activities outside of the parish, or routine running costs of the church. It is the policy of the PCC that it should be used as a reserve against major expenditure on the church fabric and churchyard.

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024 (continued)

1. ACCOUNTING POLICIES (continued)

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 the income receivable can be measured reliably.

1. Voluntary Income

- Collections at services are recognised when received on behalf of the PCC.
- Planned giving is recognised when received and related Gift Aid is accrued for.
- Funds raised through events are accounted for gross.
- Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount is quantifiable and the ultimate receipt by the PCC is considered probable.

Other Income

- Operating income from other sources such as letting of church premises, magazine sales/advertising and parochial fees is recognised when due.
- Income from bank and CBF deposits is recognised when received. Income from investments is accumulated within the fund.

Expenditure

- All expenditure is accounted for on an accruals basis.

Fixed Assets

Consecrated Property and Movable Church Furnishings

- Consecrated land/buildings and equipment are not included in the financial statements by virtue of the Charities Act 2011 Under the PCCs (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 in the year.
- Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. They are listed in the church inventory which can be inspected at any time.

Other church buildings

- The accounts for the PA Hall and Mugswell Hall are both shown under restricted funds. The PCC has made a decision not to show these buildings within fixed assets. Both of these halls were built before the start of the 20th century and the PCC believes that in the context of today's accounts showing these at cost would be immaterial.
- The Orchard - The PCC believes that since the Diocese of Rochester owns the church, the churchyard and the land on which the Orchard is built, it would be inappropriate to capitalise the Orchard as if it belonged to us.
- Depreciation is provided at the following rates to write off the cost of fixed assets over their useful lives: Furniture, fittings & equipment - Straight line over 3 - 5 years

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024 (continued)

1. ACCOUNTING POLICIES (continued)

Investments

These represent CBF equity investments and are valued at market value at the end of the year

Current assets

Income tax recoverable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash deposits with a short maturity date.

Creditors and provisions

Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

2 Income and Expenditure

The PCC has chosen to show income and expenditure on a fund by fund basis for both the historic and current periods. This gives greater clarity rather than the amalgamated basis for the historic period which is outlined in the PCC Accountability Manual (published 2006 and updated to incorporate SORP 2015).

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024 (continued)

Note 2a Unrestricted general church funds	2024	2023
INCOME	£	£
<u>Voluntary income</u>		
Planned Giving	114,222	122,773
Collections (plate) at services	1,998	2,546
Income tax recoverable	23,400	39,033
Grants received	25	25
Donations	5,045	160,237
Legacies	5,000	500
	149,690	325,114
<u>Income From Church Activities:</u>		
Wedding, Baptism and Funeral fees	16,180	16,715
	16,180	16,715
<u>Activities for generating funds</u>		
Magazine sales	0	1,500
Magazine advertising	0	1,155
Fetes and other fundraising events	1,139	2,111
Orchard hire	480	375
	1,619	5,141
Interest income	17,399	22,465
TOTAL INCOME	184,888	369,435
EXPENDITURE		
<u>Church Activities</u>		
Parish Share	100,000	100,000
Clergy expenses	945	343
Church building maintenance	20,360	6,539
Churchyard maintenance	2,198	997
Youth, children, music and hospitality	38,717	37,615
Church running expenses	48,488	50,190
General & secretarial expenses	38,875	32,963
Printing and stationery	4,615	7,661
Depreciation	651	4,191
	254,849	240,499
Overseas mission society grants	7,822	5,456
Christian relief & development agencies grants	500	500
Home mission & other church societies grants	5,287	7,389
Fund raising costs	100	1,010
TOTAL EXPENDITURE	268,558	254,848

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024 (continued)

Restricted Funds - Summary				
	Income (£)	Expenditure (£)	As at 31st Dec 2024 (£)	As at 31st Dec 2023 (£)
Trust Funds	-	-	367	367
Bell Fund	-	-	28,576	28,576
Specific donations	863	305	726	168
Appeal Fund	100	28	7,175	7,103
PA Hall Fund	22,180	18,656	556	(2,968)
Mugswell Hall	3,484	2,634	3,020	2,170
Fabric fund	-	-	59,988	59,988
	26,627	21,623	100,406	95,406

Note: Totals may not add due to rounding

Note 2 (b) Restricted Funds - detail			
Trust Funds		2024	2023
		£	£
Income			
Dividends & Interest		-	-
Expenditure			
Flowers & upkeep of graves		-	-
Net Income		-	-
Balance at 1 January		367	367
Balance at 31 December		367	367
Bell Fund		2024	2023
		£	£
Income			
Interest		-	-
Surplus from weddings		-	-
Net income		-	-
Transfers		-	-
Balance at 1 January		28,576	28,576
Balance at 31 December		28,576	28,576

Specific Donations		2024	2023
		£	£
Income			
Collections		763	683
Donations etc		100	110
Events		-	-
		863	793
Expenditure			
Overseas mission societies			
Christian relief & development agencies		305	2,179
Total Grants		305	2,179

Net Income		558	(1,386)
Balance at 1 January		168	1,554
Balance at 31 December		726	168

		2024	2023
		£	£
<u>Appeal Fund</u>			
Income		100	100
Expenditure			
Grants to home mission & other church societies		-	-
Costs of Fundraising		-	-
Equipment purchases		28	-
		-	-
Net Income/(expenditure)		72	100
Balance at 1 January		7,103	7,003
Balance at 31 December		7,175	7,103

		2024	2023
		£	£
<u>Peter Aubertin Hall</u>			
Income			
Operating activities to generate funds		3,000	12
Grants received		-	7,494
Church hall lettings		19,180	15,822
		22,180	23,328
Expenditure			
Church hall running costs		15,510	13,053
Church hall building maintenance		3,146	15,102
Total expenses		18,656	28,155
Net Income		3,524	(4,827)
Balance at 1 January		(2,968)	1,859
Balance at 31 December		556	(2,968)

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024 (continued)

Note 2(b) Restricted funds (continued)

Mugswell Hall		2024	2023
		£	£
Income			
Donations		376	649
Church hall lettings		3,108	2,012
		3,484	2,661
Expenditure			
Church hall running costs		1,523	2,249
Church hall building maintenance		1,111	377
		2,634	2,626
Net Income		850	35
Balance at 1 January		2,170	2,135
Balance at 31 December		3,020	2,170

		2024	2023
		£	£
Fabric Fund			
Income			
Bequest		-	-
Expenditure		-	-
Net Income		-	-
Balance at 1 January		59,988	59,988
Balance at 31 December		59,988	59,988

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024 (continued)

3: Fixed assets for use by the PCC		
		Furniture, fittings and equipment
Cost	At 1 January 2024	24,171
	Additions at cost	0
	At 31 December 2024	24,271
Depreciation	At 1 January 2024	22,869
	Charge for the year	651
	At 31 December 2024	23,520
Net book value	At 31 December 2024	651
	At 31 December 2023	1,302

A new audio visual system has been brought into operation in 2025 at a cost of £56k. A deposit of £28k was paid during 2024 and the balance of £28k was paid in January 2025. The cost will be capitalised in the 2025 accounts and depreciation charged over a 5 year period.

4: Staff Costs		2024	2023
		£	£
Wages and salaries (gross of tax)		56,652	53,948
Employers NIC		638	427
Employers Pension costs		1,412	1,412
Total		58,703	55,787
Average number of employees		2	2

Throughout the year the PCC employed a finance assistant and a youth worker, none of whom earned £60,000 pa or more. None of the employees were members of the PCC during 2024. There were no employee benefits to key management personnel in the previous or current year.

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024 (continued)

5 Debtors		2024	2023
Due within one year		£	£
Income Tax recoverable		24,457	17,947
Prepayments		34,187	5,906
Other Debtors		3,784	2,137
Total debtors		62,428	25,989
6 Liabilities		2024	2023
Amount falling due within one year		£	£
Deferred Income		2,050	625
Accruals		18,958	10,768
Total liabilities		21,008	11,393

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024 (continued)

7 Analysis of Net Assets by Fund				
	2024			
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	790,939	651	(21,008)	770,582
Fabric Fund	59,988			59,988
Trust Funds	367			367
Bell Fund	28,576			28,576
Appeal Fund	7,175			7,175
Specific Donations	726			726
PA Hall	556			556
Mugswell Hall	3,020			3,020
Endowment Fund	132,278			132,278
Total Funds	1,023,627	651	(21,008)	1,003,270
	2023			
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	833,129	1,302	(7,525)	826,906
Fabric Fund	59,988			59,988
Trust Funds	367			367
Bell Fund	28,576			28,576
Appeal Fund	7,103			7,103
Specific Donations	168			168
PA Hall	900		(3,868)	(2,968)
Mugswell Hall	2,170			2,170
Endowment Fund	132,278			132,278
Total Funds	1,064,681	1,302	(11,393)	1,054,590

Note 7: £100k of the unrestricted funds is committed to improve disabled access to the church

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2024 (continued)

8. Related party transactions

During the year there were no related party transactions

9. Lease Commitments

The total future minimum lease payments under non-cancellable operating leases are payable:

		2024	2023
		£	£
Within 1 year		0	1,430
Within 2 to 5 years		0	-
			1,430
Lease payments during the year		0	1,430

10. Endowment fund

The Endowment Fund, a portion of which was originally donated in the 1970s, was done with the restriction that it should not be spent on any activities outside of the parish, or on routine running costs of the church. During 2018 the cost of strengthening the Bell Tower and adding a wooden gallery, were charged against the fund. There was no expenditure charged against the fund in the past six years.

Accounts

St Margaret's Church, Chipstead Parish

Annual Report and Accounts of the Parochial Church Council

**For the year ended
31 December 2023**



Registered Charity No: 1139738

Church Lane, Chipstead, Surrey CR5 3RD

Tel. no: 01737 552160

www.stmargaretschipstead.org

Financial Statements and Annual Report for the year ended 31st December 2023

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St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

The Annual Report of the Parochial Church Council will be read to the Annual Parochial Church Meeting, and copies will be available from the church office

Introduction

St Margaret's Church Parochial Church Council (PCC) is required, as stated in the Parochial Church Councils (Powers) Measure 1956, to cooperate with the minister in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical.

During the year the following served as members of the PCC:

Officers:

Chairman: Christopher Howard Taylor- (To 29th May 2023)
Reverend Hannah Gordon #- (From 30th May 2023)

Vice Chair: Eamonn Davern#

Churchwarden: Sarah Anne Bowes#
Jennifer Smith#

Secretary: Eamonn Davern#

PCC Members

Andrew James Christie Britton (Until 23rd April 2023)
Eamonn Davern
Perry George Lee Esparon
Jill Lindsay (Deanery Synod, from 23rd April 2023)
Rosalind Lundberg (From 23rd April 2023)
Madeleine MacCallum
Tom Sanderson
Ian Thirlwall
Rev John Norman Wates
Janice Whittle
Kat Wicksteed

Management personnel

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

Key Management Personnel

Key Management Personnel are shown on page 1. Details of the expenses of all members of the PCC (including Key Management Personnel) are shown in note 8 to the accounts.

Other than the Reverend Hannah Gordon, none of the key management received any remuneration . From 30th May 2023, the Reverend Hannah Gordon was remunerated by the Diocese of Southwark. She received no remuneration from the PCC.

Advisers

Bankers

Natwest
Wallington Branch
27 Woodcote Road
Wallington
Surrey
SM6 0LN

Independent Examiners

Jon Grant

Correspondence Address

The Parish Office
Church Lane
Chipstead
Surrey CR5 3RD

Our aims and purposes as a charity

The PCC has the responsibility for co-operating with the incumbent from time to time (and in the absence of an incumbent co-operating with the churchwardens and the Dean of Reigate) in promoting in the ecclesiastical parish of Chipstead, the Gospel and the whole mission of the church, pastoral, evangelistic, social and ecumenical. The PCC is specifically responsible for the maintenance of the Church building, the Orchard and the churchyard, the Peter Aubertin Hall in Chipstead and the Mission Hall in Mugswell.

Our Mission Statement reflects our ethos:

*To know and share God's transforming love with one another,
with our local community and with the wider world.*

What we planned to do to achieve our charitable objectives

When planning our activities for the year, the PCC considered the Charity Commission's guidance on public benefit. The PCC has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016, fully recognising its duty to have due regard to the House of Bishop's guidance on safeguarding children and vulnerable adults.

Our aims are:

- To enable as many people as possible to know Christ, worship him and grow in faith within our church and parish.
- To teach, baptise and nurture new and existing believers.
- To involve and seek to build bridges between the many, often varied, groups that live within the parish.
- To put faith into practice, through prayer and scripture, music and sacrament.
- To build upon our worship and prayer and learning about the gospel by meeting in small groups.
- To assist people of all ages and from all walks of life to develop their knowledge of, and trust in, Jesus.
- To provide pastoral care for people living in the parish and also for members of the congregation who live outside of the parish.
- To support the homeless in the deanery.
- To provide assistance to the poor and needy.
- To assist financially other organisations who promote our mission.

Mission Action Plan (MAP)

The MAP from last year remained in place. Progress added in italics:

- To appoint a new Rector. *Hannah Gordon was appointed in February 2023 and licensed to the post on 30th May 2023.*

- To grow our work with children and families. *Messy Church meeting once a half term. Maggie's Song for under 5s weekly in term time. Junior Church and Youth work continue on a Sunday morning.*
- To grow our outreach and be more visible in the local community. *Community events attended in Summer 2023. Hannah took Harvest and Christmas services at Mugswell.*
- To grow our pastoral care. *Pastoral Team established Summer 2023.*
- To re-establish our two main services *Traditional service at 8:45am and more contemporary service at 10:15am started end of September 2023.*

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

Achievements and performance

On 12th February 2023, Reverend Hannah Gordon, previously Curate at The Good Shepherd, Carshalton Beeches, in the Diocese of Southwark, was appointed Rector for St Margaret, Chipstead. She was instituted and inducted on Tuesday 30th May.

This year has seen a number of people returning to the worshipping community.

Hannah introduced Compline on a Sunday evening in the summer months, followed by fellowship in the White Hart. This was a way of introducing regular prayer into the church building and offering people a way to get to know her in a more informal setting.

The summer also saw the introduction of a said communion service at 8:30am every Sunday, which coincided with the end of pre-recorded communion celebrations.

After a consultation process St. Margaret's moved into two distinct service styles at the end of September. The 8:45 service is more traditional, alternating between morning praise and communion, with hymns sung accompanied by the organ. The 10:15 service is more contemporary and also alternates between communion and morning praise, with worship band. The second Sunday of the month is a service for all ages all together. For festivals and 5th Sundays we held one united service at 10 am. This pattern will be reviewed in Spring 2024.

In September we celebrated our Harvest Festival with a celebration in church followed by a really well attended lunch in The Orchard. It was good to gather as a whole community to mark the end of one morning service, before moving into two distinct service styles. Eating together was joyous and much fun was had.

Groups of children and young people continue to be held during morning worship, now at the 10:15 service. There are a small but steady number of children and young people who attend. Josh Allwith, our youth and community worker, continues his weekly secondment to Sparkfish as a mentor in St. Bede's school. He has run a regular after school drop in on a Wednesday, which moved from church to Starbucks after the clocks changed in October. This year also saw the young people go paddle boarding and sailing on Mercer's lake and swimming at Elmore.

Messy Church has been held once a half term on a Sunday afternoon between 3pm and 5pm, ending with a meal together. This has seen families attending who we do not encounter on a Sunday morning. Each session is based around a theme, and a small but committed group run activities and provide catering.

Maggie's Song continues to be our primary outreach to under 5s, run by a volunteer, Elaine. This is well attended.

Christmas services were well attended. We hosted the Village Carol Service which is held by The Chipstead Singers and attended by children from Chipstead Valley Primary School. We held two carol services back to back, as in previous years, with a wonderful choir. Christmas Eve saw a crib service at 4pm and Midnight Communion for a packed church. The celebrations concluded with Communion on Christmas Morning at 10am.

This year saw a good number of occasional offices with eight weddings, two wedding blessings, and nine baptisms. We also took six funerals.

In the wider parish we attended the Chipstead Flower Show, Netherne Fun Day and the Village BBQ, introducing our wacky but popular toilet game, it has to be seen to be understood! These events provided vital opportunities to engage with the wider parish and to have conversations with people who may drive past our building but never come through the doors.

Hannah has taken the reins from Andrew Britton, who retired this year, with regards to worship at the Mugswell Mission Hall. This year she led a well attended, and lively, Harvest Service in October and a traditional Christmas Carol Service, accompanied by the Chipstead Singers. The atmosphere is lovely, and it is wonderful to take worship to a different part of our parish. Claire Roberts is the new Chair of the Mugswell Committee and is keen to develop our relationship.

Six life groups met regularly across the parish, at a variety of times and locations. These provide an opportunity for prayer, fellowship, Bible study and time together. Tom and Rachelle Sanderson coordinate these and hold regular meetings for life group leaders. Groups choose their own material and meeting patterns.

In the summer of 2023 the Pastoral Team was formally created, and held regular meetings to establish its working methods, safeguarding and communication. This team is now active, visiting people in the parish, and keeping each other up to date. People can contact the team on a dedicated email address, or via the Rector.

2023 Financial Review

The church continues to enjoy a very strong overall financial position thanks to the substantial legacies received in recent years, totaling over £910k between 2019 and 2021, and a further donation of £150k from a single donor received during 2023. At the end of 2023 we enjoyed a net cash and investment position of £1,038k.

A number of factors resulted in a better reported financial result than in the past three years with unrestricted funds growing by £150k. The main factor was the donation of £150k and an associated £12.5k of gift aid, but this still left underlying unrestricted funds in negative territory by around £20k during 2023. This is significantly better than previous years where the church had reported a significant and steadily growing underlying deficit, which reached over £92k in 2022. There were a number of reasons behind this.

Firstly, a decision was made by the newly formed finance committee to invest a substantial portion of these monies (£500k) in financial assets managed by CCLA (a church financial institution) with the aim of improving our long term returns relative to holding cash. This was implemented in early 2023 and at the end of 2023 the gain was £35k, or 7%.

Secondly, we reduced our parish share commitment to the diocese from an annual payment of £120k to £100k in 2023.

Thirdly the interest rates available on those reserves remaining in cash were far higher in 2023 than in previous years, with the result that interest income rose to over £20k for 2023 relative to £5.8k in 2022 despite a reduction in our average cash balances.

These three factors alone improved income during 2023 by £70k relative to 2022. Our underlying loss excluding these three items together with the donation and associated gift aid was just under £20k. The deficit has been growing since 2016 as a result of a steep decline in planned giving amounting to £92k since 2016. However as in 2022 planned giving, together with the associated gift aid, was flat at just under £150k.

Inflationary pressures eased somewhat during the latter stages of 2023 and helped to keep underlying operating costs stable for the year.

Revenue from hire of the PA hall saw a solid increase over 2022 from £12.5k to £15.8k but a loss for the year was reported of £4.8k as major refurbishment work was carried out to the hall floor. This was partially funded by a £7.5k grant from Reigate and Banstead Borough Council. .

The financial outlook for 2024 has improved somewhat following the better than expected result in 2023. However interest rates are beginning to ease back at present and there are no guarantees regarding the investment performance. In some future years there is a chance that this could be negative.

Our concern is that the church will continue to operate at a deficit, albeit reduced from our previous expectations for the foreseeable future.

At 31 December 2023, total funds amounted to £1,054,590 (2022: £910,406) of which £95,406 (2022: £101,484) were restricted and £132,278 (2022: £132,278) were in the Endowment Fund.

The PCC has designated funds (a minimum of £40k) from the Denise Baker bequest for an upgrade to the video system in the church to improve access to Church services and activities. This bequest flowed exclusively from regular pastoral visits by Revd. John Wates and the late Freda Honey.

Statement of PCC responsibilities

The Parochial Church Council (PCC) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Church Accounting Regulations 2006 require the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Council and of its financial activities for that period. In preparing those financial statements, the PCC is required to:

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

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The PCC has taken into account the Charity Commission Guidance on Public Benefit.

Risk assessment

The PCC is satisfied that there are procedures in place to mitigate exposure to major risks. The PCC considers the principal risks and uncertainties facing the Church and their plans and strategies for managing these risks to be:

Potential Risk	Potential Impact	Steps to mitigate risk
Security of assets	<ul style="list-style-type: none"> • loss or damage • theft of assets 	<ul style="list-style-type: none"> • review security arrangements • asset register and inspection programme • review insurance cover
Fund-raising	<ul style="list-style-type: none"> • unsatisfactory returns • reputational risks of campaign or methods used • actions of agents and commercial fund-raisers • compliance with law and regulation 	<ul style="list-style-type: none"> • implement appraisal, budgeting and authorisation procedures • review regulatory compliance • monitor the adequacy of financial returns achieved • stewardship reporting in annual report
Disaster recovery and planning	<ul style="list-style-type: none"> • computer system failures or loss of data • destruction of property, equipment, records through fire, flood or similar damage 	<ul style="list-style-type: none"> • agree IT recovery plan • implement data backup procedures and security measures • review insurance cover • create disaster recovery plan
Cash flow sensitivities	<ul style="list-style-type: none"> • inability to meet commitments • lack of liquidity to cover variance in costs • impact on operational activities 	<ul style="list-style-type: none"> • ensure adequate cash flow projections (prudence of assumptions) • identify major sensitivities • ensure adequate information flow from operational managers • monitor arrangements and reporting

Reserves policy

The PCC needs reserves to cover short term shortfalls in income and to cover unexpected expenditure. The vast majority of the PCC's income derives from voluntary donations. Whilst a significant proportion of these donations are planned, there is a level of unplanned giving which is not always predictable. In addition, due to changes in circumstances within the congregation, planned giving may not always match the level pledged at the start of the year. Reserves allow the PCC to better manage short term fluctuations in the level of giving. In addition, the running costs of the church are not always predictable and reserves allow the PCC to cope with unexpected expenditure which may arise from time to time. It is PCC policy to try to maintain a balance on free reserves which equates to at least three months of unrestricted payments, which would equate to £75k. At the end of 2023 unrestricted reserves were £826k.

Fundraising

The PCC engaged in fundraising, in the form of receiving donations, some of which were gift-aided, from members of our fellowship. The PCC did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. The PCC is satisfied that its fundraising practices are ethical. No complaints were received about our fundraising practices.

Investment policy

The PCC's appetite for risk is low to moderate in its investment policy placing surplus cash on deposit with the CBF Church of England Deposit Fund or with large banks. The investment with CCLA is considered to be a low to moderate, but worthwhile, risk.

Hannah Gordon

Chairman

Date 21st April 2024

St Margaret's Church, Chipstead Parish

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL

I report to the charity trustees on my examination of the accounts of the St Margaret's Parochial Church Council (the Church) for the year ended 31 December 2023 set out on pages 10 to 21.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts as 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 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 Church 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 Report) 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; or
4. the accounts have not been prepared in accordance with the methods and principles of 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 the Republic of Ireland (FRS 102).

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.

Jon Grant FCCA

Date: 31st March 2024

St Margaret's Church, Chipstead Parish

Statement of Financial Activities for the year ended 31 December 2023

For the year ended 31	2023				2022			
	Unrestricted	Restricted	Endowment	TOTAL	Unrestricted	Restricted	Endowment	TOTAL
	Funds	Funds	Funds	2023	Funds	Funds	Funds	2022
Notes	2(a)	2(b)	10		2(a)	2(b)	10	
INCOME	£	£	£	£	£	£	£	£
Voluntary income	325,114	1,542	-	326,656	159,303	350	-	159,653
Income from church activities	16,715	-	-	16,715	14,198	-	-	14,198
Activities for generating funds	5,141	25,340	-	30,481	2,635	17,221	-	19,856
Income from investments	22,465	-	-	22,465	5,814	-	-	5,814
Total Income	369,435	26,882	-	396,317	181,950	17,571	-	199,521
EXPENDITURE								
Church activities	253,838	30,781	-	284,619	274,876	13,951	-	288,827
Raising funds	1,010	2,179	-	3,189	340	2,445	-	2,785
Total Expenditure	254,848	32,960	-	287,808	275,216	16,396	-	291,612
Excess (deficit) of income over expenditure	114,587	(6,078)		108,509	(93,266)	1,175	-	(92,091)
Net gains/(losses) on	35,675	-	-	35,675	-	-	-	-
Net Income/ (Expenditure)	150,262	(6,078)	-	144,184	(93,266)	1,175	-	(92,091)
Transfer between funds	-	-	-	-	-	-	-	-

Total funds brought forward	676,644	101,484	132,278	910,406	769,910	100,309	132,278	1,002,497
Total funds carried forward	826,906	95,406	132,278	1,054,590	676,644	101,484	132,278	910,406

St Margaret's Church, Chipstead Parish
Balance sheet as 31 December 2023

	Notes		2023		2022
			£		£
FIXED ASSETS					
Tangible assets	3	1,302		3,540	
Investments		535,675		-	
Total fixed assets			536,977		3,540
CURRENT ASSETS					
Debtors	5	25,989		33,994	
Cash at bank and in hand		503,017		891,476	
			529,006		925,470
LIABILITIES: AMOUNTS FALLING					
DUE WITHIN ONE YEAR	6	11,393		18,604	
NET CURRENT ASSETS			517,613		906,866
NET ASSETS			1,054,590		910,406
PARISH FUNDS					
Unrestricted	7		826,906		676,644
Restricted	7		95,406		101,484

Endowment	7		132,278		132,278
			1,054,590		910,406

The accounts were approved by the PCC on 21st April 2024 and signed on behalf of the PCC by:

Rev'd Hannah Gordon
Chairman

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements have been prepared under the historical cost convention. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members. The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £. The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The PCC have prepared detailed forecasts which they believe are based upon reasonable assumptions. The forecasts show that the church should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

FUNDS

1. **Unrestricted Funds** represent the resources of the PCC that are not subject to any restrictions regarding their use and are available for the general purposes of the PCC.
2. **Restricted Funds** represent resources which the PCC has indicated to donors and fundraisers will be used for specified purposes:

The Fabric Fund mainly derives from major donations and special events to meet major expenses on repairs and renewals of the Church and the Churchyard.

Trust Funds consist of donations made specifically for the upkeep of certain graves.

The Bell Fund contains specific donations and surpluses from the use of bells at weddings set aside to meet future maintenance of and improvements to the bells and to meet bell ringer expenses.

Specific Donations consist of donations received at services and other Parish occasions for purposes specified at the time of collection.

The Appeal Fund contains donations made and the proceeds of special events undertaken for the purposes of funding the construction of The Orchard.

The Peter Aubertin Hall Fund consists of income from operating activities of the Hall, specific fundraising events and donations for the improvement of the Hall.

The Mugswell Hall Fund consists of income from the operating activities of the Hall and specific donations for the maintenance and improvement of the Hall

- 3 **The Endowment Fund** represents resources provided to build up a fund to ensure the future financial wellbeing of the Church. The Endowment Fund, a portion of which was originally donated in the 1970s, was done so with the restriction that it should not be spent on any activities outside of the parish, or routine

running costs of the church. It is the policy of the PCC that it should be used as a reserve against major expenditure on the church fabric and churchyard.

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2023 (continued)

1. ACCOUNTING POLICIES (continued)

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 the income receivable can be measured reliably.

1. Voluntary Income

- Collections at services are recognised when received on behalf of the PCC.
- Planned giving is recognised when received and related Gift Aid is accrued for.
- Funds raised through events are accounted for gross.
- Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount is quantifiable and the ultimate receipt by the PCC is considered probable.

Other Income

- Operating income from other sources such as letting of church premises, magazine sales/ advertising and parochial fees is recognised when due.
- Income from bank and CBF deposits is recognised when received. Income from investments is accumulated within the fund.

Expenditure

- All expenditure is accounted for on an accruals basis.

Fixed Assets

Consecrated Property and Movable Church Furnishings

- Consecrated land/buildings and equipment are not included in the financial statements by virtue of the Charities Act 2011 Under the PCCs (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 in the year.
- Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. They are listed in the church inventory which can be inspected at any time.

Other church buildings

- The accounts for the PA Hall and Mugswell Hall are both shown under restricted funds. The PCC has made a decision not to show these buildings within fixed assets. Both of these halls were built before the start of the 20th century and the PCC believes that in the context of today's accounts showing these at cost would be immaterial.
- The Orchard - The PCC believes that since the Diocese of Rochester owns the church, the churchyard and the land on which the Orchard is built, it would be inappropriate to capitalise the Orchard as if it belonged to us.

- Depreciation is provided at the following rates to write off the cost of fixed assets over their useful lives:
Furniture, fittings & equipment- Straight line over 3 - 5 years

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2023 (continued)

1. ACCOUNTING POLICIES (continued)

Investments

These represent CBF equity investments and are valued at market value at the end of the year

Current assets

Income tax recoverable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash deposits with a short maturity date.

Creditors and provisions

Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

2 Income and Expenditure

The PCC has chosen to show income and expenditure on a fund by fund basis for both the historic and current periods. This gives greater clarity rather than the amalgamated basis for the historic period which is outlined in the PCC Accountability Manual (published 2006 and updated to incorporate SORP 2015).

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2023 (continued)

Note 2a Unrestricted general church funds	2023	2022
INCOME	£	£
<u>Voluntary income</u>		
Planned Giving	122,773	122,418
Collections (plate) at services	2,546	3,135
Income tax recoverable	39,033	25,724
Grants received	25	2,600
Donations	157,000	4,926
Refunds	3,237	-
Legacies	500	500
	325,114	159,303
<u>Income From Church Activities:</u>		
Wedding, Baptism and Funeral fees	16,715	14,198
	16,715	14,198
<u>Activities for generating funds</u>		
Magazine sales	1,500	1,816
Magazine advertising	1,155	460
Fetes and other fundraising events	2,111	-
Orchard hire	375	359
	5,141	2,635
Interest income	22,465	5,814
TOTAL INCOME	369,435	181,950
EXPENDITURE		
<u>Church Activities</u>		
Parish Share	100,000	120,000

Clergy expenses	343	-
Church building maintenance	6,539	5,646
Churchyard maintenance	997	1,486
Youth, children, music and hospitality	37,615	39,673
Church running expenses	50,190	51,064
Organ costs	-	-
General & secretarial expenses	32,963	32,535
Printing and stationery	7,661	7,547
Depreciation	4,191	4,654
	240,499	262,605
<u>Grants</u>		
Overseas mission societies	5,456	10,156
Christian relief & development agencies	500	500
Home mission & other church societies	7,389	1,615
	13,339	12,271

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2023 (continued)

Note 2a Unrestricted general church funds (continued)

Fund raising costs	1,010	340
TOTAL EXPENDITURE	254,848	275,216

Restricted Funds - Summary				
	Income (£)	Expenditure (£)	As at 31st Dec 2023 (£)	As at 31st Dec 2022 (£)
Trust Funds	-	-	367	367
Bell Fund	-	-	28,576	28,576
Specific donations	793	2,179	168	1,554
Appeal Fund	100	-	7,103	7,003
PA Hall Fund	23,328	28,155	(2,968)	1,859
Mugswell Hall	2,661	2,626	2,170	2,135
Fabric fund	-	-	59,988	59,988
	26,882	32,960	95,406	101,484

Note: Totals may not add due to rounding

Note 2 (b) Restricted Funds - detail			
Trust Funds		2023	2022
		£	£
Income			
Dividends & Interest		-	-
Expenditure			
Flowers & upkeep of graves		-	-
Net Income		-	-
Balance at 1 January		367	367
Balance at 31 December		367	367

Bell Fund		2023	2022
		£	£
Income			
Interest		-	-
Surplus from weddings		-	-
Net income		-	-
Transfers		-	-
Balance at 1 January		28,576	28,576
Balance at 31 December		28,576	28,576
Specific Donations		2023	2022
		£	£
Income			
Collections		683	-
Donations etc		100	100
Events		-	-
		793	100
Expenditure			
Overseas mission societies			
Christian relief & development agencies		2,179	
Total Grants		2,179	

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

Note 2 (b) Restricted Funds (continued)

Net Income		(1,386)	100
Balance at 1 January		1,554	1,454
Balance at 31 December		168	1,554

		2023	2022
<u>Appeal Fund</u>		£	£
Income		100	100
Expenditure			
Grants to home mission & other church societies		-	-
Costs of Fundraising		-	-
Equipment purchases		-	-
		-	-
Net Income/(expenditure)		100	100
Balance at 1 January		7,003	6,903
Balance at 31 December		7,103	7,003
<u>Peter Aubertin Hall</u>		2023	2022
Income		£	£
Operating activities to generate funds		12	250
Grants received		7,494	
Church hall lettings		15,822	12,535
		23,328	12,785
Dividends & interest		-	-
Other Income		-	-
		23,328	12,785

Expenditure			
Church hall running costs		13,053	8,874
Church hall building maintenance		15,102	3,056
Administration of Hall Bookings			-
		28,155	11,930
Net Income		(4,827)	855
Transfers			-
Balance at 1 January		1,859	1,004
Balance at 31 December		(2,968)	1,859

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2023 (continued)

Note 2(b) Restricted funds (continued)

Mugswell Hall		2023	2022
		£	£
Income			
Donations		649	-
Church hall lettings		2,012	2,240
		2,661	427
Expenditure			
Church hall running costs		2,249	1,646
Church hall building maintenance		377	375
		2,626	2,021
Net Income		35	219
Balance at 1 January		2,135	1,916
Balance at 31 December		2,170	2,135

		2023	2022
		£	£
Fabric Fund			
Income			
Bequest			
Expenditure			
Net Income		-	-
Balance at 1 January		59,988	59,988
Balance at 31 December		59,988	59,988

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2023 (continued)

3: Fixed assets for use by the PCC		
		Furniture, fittings and equipment
Cost	At 1 January 2023	22,218
	Additions at cost	1,953
	At 31 December 2023	24,171
Depreciation	At 1 January 2023	18,678
	Charge for the year	4,191
	At 31 December 2023	22,869
Net book value	At 31 December 2023	1,302
	At 31 December 2022	3,540

4: Staff Costs		2023	2022
		£	£
Wages and salaries		45,033	57,954
Social security costs		664	1,121
Employers Pension costs		1,412	2,196
Total		47,109	61,271
Average number of employees		2	2

Throughout the year the PCC employed a finance assistant and a youth worker, none of whom earned £60,000 pa or more. None of the employees were members of the PCC during 2023. There were no employee benefits to key management personnel in the previous or current year.

5 Debtors		2023	2022
		£	£
Due within one year			
Income Tax recoverable		17,947	25,975

Prepayments		5,906	6,234
Other Debtors		2,137	1,785
Total debtors		25,989	33,994
6 Liabilities		2023	2022
Amount falling due within one year		£	£
Deferred Income		625	670
Accruals		10,768	17,934
Total liabilities		11,393	18,604

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2023 (continued)

7 Analysis of Net Assets by Fund				
	2023			
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	833,129	1,302	(7,525)	826,906
Fabric Fund	59,988			59,988
Trust Funds	367			367
Bell Fund	28,576			28,576
Appeal Fund	7,103			7,103
Specific Donations	168			168
PA Hall	900		(3,868)	(2,968)
Mugswell Hall	2,170			2,170
Endowment Fund	132,278			132,278
Total Funds	1,064,681	1,302	(11,393)	1,054,590
	2022			
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	691,708	3,540	(14,794)	676,644
Fabric Fund	59,988			59,988
Trust Funds	367			367
Bell Fund	28,576			28,576

Appeal Fund	7,003			7,003
Specific Donations	1,554			1,554
PA Hall	5,669		(3,810)	1,859
Mugswell Hall	2,134			2,134
Endowment Fund	132,278			132,278
Total Funds	925,467	3,540	(18,604)	910,406

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2023 (continued)

8. Related party transactions

During the year there were no related party transactions

9. Lease Commitments

The total future minimum lease payments under non-cancellable operating leases are payable:

		2023	2022
		£	£
Within 1 year		1,430	1,430
Within 2 to 5 years		-	1,430
		1,430	2,860
Lease payments during the year		1,430	1,430

10. Endowment fund

The Endowment Fund, a portion of which was originally donated in the 1970s, was done with the restriction that it should not be spent on any activities outside of the parish, or on routine running costs of the church. During 2018 the cost of strengthening the Bell Tower and adding a wooden gallery, were charged against the fund. There was no expenditure charged against the fund in the past five years.

Accounts

St Margaret's Church, Chipstead Parish

Annual Report and Accounts of the Parochial Church Council

**For the year ended
31 December 2022**

INCLUDEPICTURE

"<http://www.stmargaretschipstead.org/Images/Content/2115/817888.jpg?ent=8253922>" *

MERGEFORMATINET

Registered Charity No: 1139738

Church Lane, Chipstead, Surrey CR5 3RD

Tel. no: 01737 552160

www.stmargaretschipstead.org

Financial Statements and Annual Report for the year ended 31st December 2022

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St Margaret's Church, Chipstead Parish
ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2022

The Annual Report of the Parochial Church Council will be read to the Annual Parochial Church Meeting, and copies will be available from the church office

Introduction

St Margaret's Church Parochial Church Council (PCC) is required, as stated in the Parochial Church Councils (Powers) Measure 1956, to cooperate with the minister in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical.

During the year the following served as members of the PCC:

Officers:

Chairman:	The Rev'd Susan Merrilyn Marsh Williams # - (To 31 January 2022)
Vice Chair	Christopher Howard Taylor # (Chairman from 1 February 2022)
Churchwarden:	Ray King # - (To 22 May 2022)
	Sally Anne Bowes# - (From 22 May 2022)
	Jennifer Smith# - (From 22 May 2022)
Secretary:	Sally Anne Bowes# – (To 13 June 2022)
	Eamonn Davern# - (From 13 June 2022)

PCC Members

Andrew James Christie Britton
Eamonn Davern
Perry George Lee Esparon
Lorna Madeleine MacCallum
Tom Stuart Sanderson
Ian Thrilwall
Rev John Norman Wates
Janice Whittle – (From 22 May 2022)
Katherine Wicksteed

Management personnel

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Key Management Personnel

Key Management Personnel are shown on page 1. Details of the expenses of all members of the PCC (including Key Management Personnel) are shown in note 8 to the accounts.

Other than the Reverend Susan Williams, none of the key management received any remuneration . Up until 31 January 2022, the Reverend Susan Williams was remunerated by the Diocese of Southwark. She received no remuneration from the PCC.

Advisers

Bankers

Natwest
Wallington Branch
27 Woodcote Road
Wallington
Surrey
SM6 0LN

Independent Examiners

John Stephenson

Correspondence Address

The Parish Office
Church Lane
Chipstead
Surrey CR5 3RD

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Our aims and purposes as a charity

The PCC has the responsibility for co-operating with the incumbent from time to time (and in the absence of an incumbent co-operating with the churchwardens and the Dean of Reigate) in promoting in the ecclesiastical parish of Chipstead, the Gospel and the whole mission of the church, pastoral, evangelistic, social and ecumenical. The PCC is specifically responsible for the maintenance of the Church building, the Orchard and the churchyard, the Peter Aubertin Hall in Chipstead and the Mission Hall in Mugswell.

Our Mission Statement reflects our ethos:

*To know and share God's transforming love with one another,
with our local community and with the wider world.*

What we planned to do to achieve our charitable objectives

When planning our activities for the year, the PCC considered the Charity Commission's guidance on public benefit. The PCC has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016, fully recognising its duty to have due regard to the House of Bishop's guidance on safeguarding children and vulnerable adults.

Our aims are:

- To enable as many people as possible to know Christ, worship him and grow in faith within our church and parish.
- To teach, baptise and nurture new and existing believers.
- To involve and seek to build bridges between the many, often varied, groups that live within the parish.
- To put faith into practice, through prayer and scripture, music and sacrament.
- To build upon our worship and prayer and learning about the gospel by meeting in small groups.
- To assist people of all ages and from all walks of life to develop their knowledge of, and trust in, Jesus.
- To provide pastoral care for people living in the parish and also for members of the congregation who live outside of the parish.
- To support the homeless in the deanery.
- To provide assistance to the poor and needy.
- To assist financially other organisations who promote our mission.

Mission Action Plan (MAP)

During the year we updated our MAP. Five clear priorities came out of this:

- To appoint a new Rector.
- To grow our work with children and families
- To grow our outreach and be more visible in the local community.
- To grow our pastoral care
- To re-establish our two main services.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Achievements and performance

At the start of September 2021, our Rector, the Reverend Susan Williams, went on a period of extended sick leave. She resigned from her post with effect from 31 January 2022 without having returned to work. Therefore, for the majority of the year the parish has been in vacancy without an incumbent.

As we have emerged from COVID, we re-established a regular Sunday morning in person service at 10 o'clock. This service has relied on a dedicated team of worship leaders and preachers drawn from our own congregation supplemented from time to time by members of clergy from outside of the parish. We were particularly indebted to the Diocese of Southwark who enabled the Reverend Erin Gilmour, a curate from St Mary's Reigate, to lend her support on a part time basis for a number of months during the year. In particular, while she was with us, Erin was able to lead services on two Sundays a month and to undertake wedding and funeral services. At other times during the year, other members of clergy from both inside and outside of the diocese have stepped in to either take Sunday services and to officiate at weddings and funerals.

During the year, our Honorary Curate, the Reverend John Wates, stepped down after many years of service to St Margaret's. In July, we were able to hold a service of thanks for John's ministry presided over by the Bishop of Southwark. Notwithstanding this, John has continued to step in when needed to run services during the year. In particular, in September, he was able to lead our service of commemoration for the life of Queen Elizabeth II.

In February 2023, we were delighted to announce the appointment of the Reverend Hannah Gordon as our new Rector. Hannah, who was one of the members of the clergy helping us with our Sunday services during the year, will take up her appointment on 30 May 2023. We look forward to welcoming Hannah and we pray that her ministry with us is fruitful.

Thanks to the dedicated work of our worship leaders and preachers, supported by clergy from outside of the parish, we have been able to continue to fulfil our Mission and aims notwithstanding that we have been in vacancy for most of the year.

The PCC would also like to extend its warm thanks to everyone in the congregation who has stepped forward to help the church during the period of vacancy and, in particular, to the churchwardens who, along with the Area Dean, have assumed overall responsibility for the operation of St Margaret's in the absence of a Rector. As noted above, there was a change in churchwardens in May 2022, so churchwarden responsibilities have been shared during the year.

As set out in our updated MAP, it remains our ambition to move back to holding two services of different styles on a Sunday once our resources allow for this.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Our Youth and Communities Leader, Josh Askwith has continued to undertake wonderful work with our young people both through Sunday youth group sessions, through holding a regular after school meeting with a wider group during the week and by mentoring young people at St Bedes school. His ministry with us has continued to provide valuable support and teaching to our young people. Josh has also played a full part in the wider activities of the church and has led a number of our Sunday services.

Whilst we have been trying to recruit a Children and Families Leader, we have so far not been able to find the right person for this role although we continue to hope and pray that someone will come forward. However, our children's ministry has been led during the year by a number of talented people from within our own congregation who have stepped in to lead our vibrant children's church. In addition to the Sunday groups, Maggies Song and Messy Church also attract significant congregations including children who don't come to church regularly on a Sunday.

In December, a number of our congregation ran a Warm Hub in Hooley Village hall providing heat, a hot meal and fellowship for anyone within our community who wished to come. This was part of a wider nationwide initiative to provide Warm Hubs across the country and was funded by Surrey County Council. Whilst this initiative has now come to an end, it is our intention to use this as a springboard to relaunch CAMEO which was paused during the COVID pandemic.

As set out in the accounts, our Mission Committee has continued to further our aim to share God's transforming love with those in the wider world by financially assisting many charities both within and outside of the UK. During the year, the Chair of the Mission Committee presented to the PCC on our overall approach to Mission giving. As well as giving regular donations to a number of charities, we also have a contingency amount which we use to donate to support initiatives provided by the UK to cataclysmic world events.

2022 Financial Review

The church continues to enjoy a very strong overall financial position thanks to the substantial legacies received in recent years, totalling over £910,000 between 2019 and 2021. At the end of 2022 we enjoyed a net cash position of £890,000. A decision was made by the newly formed finance committee to invest a substantial portion of these monies in financial assets managed by CCLA (a church financial institution) with the aim of improving our long term returns relative to holding cash. As of the end of 2022 this had not been implemented.

Were it not for the legacies the church would not be in a healthy position. The deficit continues to grow, to £92k for 2022 versus £81k in 2021. The deficit has been growing since 2016 as a result of a steep decline in planned giving amounting to £92k since 2016. However for the first time in five years 2022 saw planned giving, together with the associated gift aid recovered, flat at £148k. Despite the better result from planned giving in 2022 overall income fell by £7k to £182k mainly because 2021 was boosted by legacies received of almost £8k.

Overall costs, excluding various exceptional items in 2021 which boosted the cost base, rose by £20k, equivalent to around 8%. Staff costs rose thanks to a full year of employment for our youth worker and there were steep rises in electricity and gas costs, up 63%, thanks to well publicised factors. These two cost categories rose by approximately £13k in 2022, accounting for the major part of underlying increase. Inflationary pressures are likely to persist in 2023, as a result of which we would expect our deficit to increase further this year.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Revenue for the PA hall saw a solid increase over 2021 from £9.6k to £12.8k as normal levels of bookings resumed after COVID but significant increases in running expenses, mainly heating and lighting, left only a small profit, despite no longer allocating administration expenses to the PA Hall account.

The financial outlook for 2023 remains poor. Inflation will continue to impact most elements of St Margaret's costs and even on the basis that planned giving holds steady our deficit is forecast to grow further in the current year.

Our expectation is that the church will continue to operate at a deficit for the foreseeable future and while this is not a concern in the short term thanks to the substantial resources we enjoy, the size and expected growth of the deficit cannot be ignored longer term

At 31 December 2022, total funds amounted to £910,406 (2021: £1,002,497) of which £101,484 (2021: £100,309) were restricted and £132,278 (2021: £132,278) were in the Endowment Fund.

Statement of PCC responsibilities

The Parochial Church Council (PCC) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Church Accounting Regulations 2006 require the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Council and of its financial activities for that period. In preparing those financial statements, the PCC is required to:

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

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Risk assessment

The PCC is satisfied that there are procedures in place to mitigate exposure to major risks. The PCC considers the principal risks and uncertainties facing the Church and their plans and strategies for managing these risks to be:

Potential Risk	Potential Impact	Steps to mitigate risk
Security of assets	<ul style="list-style-type: none"> • loss or damage • theft of assets 	<ul style="list-style-type: none"> • review security arrangements • asset register and inspection programme • review insurance cover
Fund-raising	<ul style="list-style-type: none"> • unsatisfactory returns • reputational risks of campaign or methods used • actions of agents and commercial fund-raisers • compliance with law and regulation 	<ul style="list-style-type: none"> • implement appraisal, budgeting and authorisation procedures • review regulatory compliance • monitor the adequacy of financial returns achieved • stewardship reporting in annual report
Disaster recovery and planning	<ul style="list-style-type: none"> • computer system failures or loss of data • destruction of property, equipment, records through fire, flood or similar damage 	<ul style="list-style-type: none"> • agree IT recovery plan • implement data backup procedures and security measures • review insurance cover • create disaster recovery plan
Cash flow sensitivities	<ul style="list-style-type: none"> • inability to meet commitments • lack of liquidity to cover variance in costs • impact on operational activities 	<ul style="list-style-type: none"> • ensure adequate cash flow projections (prudence of assumptions) • identify major sensitivities • ensure adequate information flow from operational managers • monitor arrangements and reporting

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Reserves policy

The PCC needs reserves to cover short term shortfalls in income and to cover unexpected expenditure. The vast majority of the PCC's income derives from voluntary donations. Whilst a significant proportion of these donations are planned, there is a level of unplanned giving which is not always predictable. In addition, due to changes in circumstances within the congregation, planned giving may not always match the level pledged at the start of the year. Reserves allow the PCC to better manage short term fluctuations in the level of giving. In addition, the running costs of the church are not always predictable and reserves allow the PCC to cope with unexpected expenditure which may arise from time to time. It is PCC policy to try to maintain a balance on free reserves which equates to at least three months of unrestricted payments, which would equate to £75k. At the end of 2022 unrestricted reserves were £769,000.

Fundraising

The PCC engaged in fundraising, in the form of receiving donations, some of which were gift-aided, from members of our fellowship. The PCC did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. The PCC is satisfied that its fundraising practices are ethical. No complaints were received about our fundraising practices.

Investment policy

The PCC is risk averse in its investment policy placing surplus cash on deposit with the CBF Church of England Deposit Fund or with large banks.

Chris Taylor
Chairman
Date 31st March 2023

St Margaret's Church, Chipstead Parish

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL

I report to the charity trustees on my examination of the accounts of the St Margaret's Parochial Church Council (the Church) for the year ended 31 December 2022 set out on pages 10 to 21.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts as 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 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 Church 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 Report) 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; or
4. the accounts have not been prepared in accordance with the methods and principles of 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 the Republic of Ireland (FRS 102).

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.

Date:

St Margaret's Church, Chipstead Parish
Statement of Financial Activities for the year ended 31 December 2022

For the year ended 31 December 2022	2022				2021			
	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2022	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2021
Notes	2(a)	2(b)	10		2(a)	2(b)	10	
INCOME	£	£	£	£	£	£	£	£
Voluntary income	159,303	350	-	159,653	168,978	5,200		174,178
Income from church activities	14,198	-	-	14,198	15,098	0		15,098
Activities for generating funds	2,635	17,221	-	19,856	3,604	10,071		13,675
Income from investments	5,814	-	-	5,814	1,165			1,165
Total Income	181,950	17,571	-	199,521	188,845	15,271		204,116
EXPENDITURE								
Church activities	274,876	13,951	-	288,827	260,332	22,802		283,134
Raising funds	340	2,445	-	2,785	225	1,275		1,500
			-					
Total Expenditure	275,216	16,396	-	291,612	260,557	24,077		284,634
Net Income/(Expenditure)	(93,266)	1,175	-	(92,091)	(71,712)	(8,806)		(80,518)
Transfer between funds	-	-	-	-	-	-	-	-
Net movement in funds	(93,266)	1,175	-	(92,091)	(71,712)	(8,806)		(80,518)
Reconciliation of funds								
Total funds brought forward	769,910	100,309	132,278	1,002,497	841,622	109,115	132,278	1,083,015
Total funds carried forward	676,644	101,484	132,278	910,406	769,910	100,309	132,278	1,002,497

St Margaret's Church, Chipstead Parish
Balance sheet as 31 December 2022

	Notes		2022		2021
			£		£
FIXED ASSETS					
Tangible assets	3		3,540		8,194
CURRENT ASSETS					
Debtors	5	33,994		31,706	
Cash at bank and in hand		891,476		972,203	
		925,470		1,003,909	
LIABILITIES: AMOUNTS FALLING					
DUE WITHIN ONE YEAR	6	18,604		9,608	
NET CURRENT ASSETS			906,866		994,303
NET ASSETS			910,406		1,002,497
PARISH FUNDS					
Unrestricted	7		676,644		769,910
Restricted	7		101,484		100,309
Endowment	7		132,278		132,278
			910,406		1,002,497

The accounts were approved by the PCC on 31st March 2023 and signed on behalf of the PCC by:

Chris Taylor
Chairman

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements have been prepared under the historical cost convention. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members. The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £. The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The PCC have prepared detailed forecasts and cash flow projections which they believe are based upon reasonable assumptions. The forecasts show that the church should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

FUNDS

1. **Unrestricted Funds** represent the resources of the PCC that are not subject to any restrictions regarding their use and are available for the general purposes of the PCC.
2. **Restricted Funds** represent resources which the PCC has indicated to donors and fundraisers will be used for specified purposes:

The Fabric Fund mainly derives from major donations and special events to meet major expenses on repairs and renewals of the Church and the Churchyard.

Trust Funds consist of donations made specifically for the upkeep of certain graves.

The Bell Fund contains specific donations and surpluses from the use of bells at weddings set aside to meet future maintenance of and improvements to the bells and to meet bell ringer expenses.

Specific Collections consist of donations received at services and other Parish occasions for purposes specified at the time of collection.

The Appeal Fund contains donations made and the proceeds of special events undertaken for the purposes of funding the construction of The Orchard.

The Peter Aubertin Hall Fund consists of income from operating activities of the Hall, specific fundraising events and donations for the improvement of the Hall.

The Mugswell Hall Fund consists of income from the operating activities of the Hall and specific donations for the maintenance and improvement of the Hall

- 3 **The Endowment Fund** represents resources provided to build up a fund to ensure the future financial wellbeing of the Church. The Endowment Fund, a portion of which was originally donated in the 1970s, was done so with the restriction that it should not be spent on any activities outside of the parish, or routine running costs of the church. It is the policy of the PCC that it should be used as a reserve against major expenditure on the church fabric and churchyard.

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

1. ACCOUNTING POLICIES (continued)

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 the income receivable can be measured reliably.

1. Voluntary Income

- Collections at services are recognised when received on behalf of the PCC.
- Planned giving is recognised when received and related Gift Aid is accrued for.
- Funds raised through events are accounted for gross.
- Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount is quantifiable and the ultimate receipt by the PCC is considered probable.

Other Income

- Operating income from other sources such as letting of church premises, magazine sales/advertising and parochial fees is recognised when due.
- Income from bank and CBF interest is recognised when received

Expenditure

- All expenditure is accounted for on an accruals basis.

Fixed Assets

Consecrated Property and Movable Church Furnishings

- Consecrated land/buildings and equipment are not included in the financial statements by virtue of the Charities Act 2011 Under the PCCs (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 in the year.
- Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. They are listed in the church inventory which can be inspected at any time.

Other church buildings

- The accounts for the PA Hall and Mugswell Hall are both shown under restricted funds. The PCC has made a decision not to show these buildings within fixed assets. Both of these halls were built before the start of the 20th century and the PCC believes that in the context of today's accounts showing these at cost would be immaterial.
- The Orchard - The PCC believes that since the Diocese of Rochester owns the church, the churchyard and the land on which the Orchard is built, it would be inappropriate to capitalise the Orchard as if it belonged to us.
- Depreciation is provided at the following rates to write off the cost of fixed assets over their useful lives:
Furniture, fittings & equipment- Straight line over 3 - 5 years

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

1. ACCOUNTING POLICIES (continued)

Current assets

Income tax recoverable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments.

2 Income and Expenditure

The PCC has chosen to show income and expenditure on a fund by fund basis for both the historic and current periods. This gives greater clarity rather than the amalgamated basis for the historic period which is outlined in the PCC Accountability Manual (published 2006 and updated to incorporate SORP 2015).

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

Note 2a Unrestricted general church funds	2022	2021
INCOME	£	£
<u>Voluntary income</u>		
Planned Giving	122,418	123,242
Collections (plate) at services	3,135	1,522
Income tax recoverable	25,724	25,192
Grants received	2,600	18
Donations etc.	4,926	11,081
Legacies	500	7,923
	159,303	168,978
<u>Income From Church Activities:</u>		
Wedding, Baptism and Funeral fees	14,198	15,073
Contractual income	-	25
		15,098
<u>Activities for generating funds</u>		
Magazine sales	1,816	2,031
Magazine advertising	460	1,082
Fetes and other fundraising events	-	41
Orchard hire	359	450
	2,635	3,604
Interest income	5,814	1,165
TOTAL INCOME	181,950	188,845
EXPENDITURE		
<u>Church Activities</u>		
Parish Share	120,000	120,000
Clergy expenses	-	1,821
Church building maintenance	5,646	6,520
Churchyard maintenance	1,486	492
Youth, children, music and hospitality	39,673	31,610
Church running expenses	51,064	47,760
Organ costs	-	-
General & secretarial expenses	32,535	30,419
Printing and stationery	7,547	8,550
Depreciation	4,654	5,046
	262,605	252,218
<u>Grants</u>		
Overseas mission societies	10,156	3,484
Christian relief & development agencies	500	500
Home mission & other church societies	1,615	4,130
	12,271	8,114

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

Note 2a Unrestricted general church funds (continued)

Fund Raising costs		
Fund raising costs total	340	225
TOTAL EXPENDITURE	275,216	260,558

Note 2 (b) Restricted Funds			
Trust Funds		2022	2021
		£	£
Income			
Dividends & Interest		-	-
Expenditure			
Flowers & upkeep of graves		-	-
Net Income		-	-
Balance at 1 January		367	367
Balance at 31 December		367	367
Bell Fund		2022	2021
		£	£
Income			
Interest		-	-
Surplus from weddings		-	-
Net income		-	-
Transfers		-	-
Balance at 1 January		28,576	28,576
Balance at 31 December		28,576	28,576
Specific Donations		2022	2021
		£	£
Income			
Collections		-	-
Donations etc		100	100
Events		-	-
		100	100
Expenditure			
Overseas mission societies			
Christian relief & development agencies			4,001
Total Grants			4,001

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

Note 2 (b) Restricted Funds (continued)

Net Income		100	(3,901)
Balance at 1 January		1,554	5,455
Balance at 31 December		1,654	1,554

		2022	2021
		£	£
<u>Appeal Fund</u>			
Income		100	100
Expenditure			
Grants to home mission & other church societies		-	-
Costs of Fundraising		-	-
Equipment purchases		-	-
		-	-
Net Income/(expenditure)		100	100
Balance at 1 January		6,903	6,803
Balance at 31 December		7,003	6,903
<u>Peter Aubertin Hall</u>		2022	2022
		£	£
Income			
Operating activities to generate funds		250	-
Church hall lettings		12,535	9,644
		12,785	9,644
Dividends & interest		-	-
Other Income		-	-
		12,785	9,644
Expenditure			
Church hall running costs		8,874	6,139
Church hall building maintenance		3,056	8,940
Administration of Hall Bookings		-	4,000
		11,930	19,079
Net Income		855	(9,435)
Transfers		-	-
Balance at 1 January		1,004	10,439
Balance at 31 December		1,859	1,004

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

Note 2(b) Restricted funds (continued)

Mugswell Hall		2022	2021
		£	£
Income			
Donations		-	-
Church hall lettings		2,240	427
		427	427
Expenditure			
Church hall running costs		1,646	998
Church hall building maintenance		375	-
		2,021	998
Net Income		219	(571)
Balance at 1 January		1,916	2,487
Balance at 31 December		2,135	1,916

		2022	2021
		£	£
Fabric Fund			
Income			
Bequest			5,000
Expenditure			
Net Income		-	5,000
Balance at 1 January		59,988	54,988
Balance at 31 December		59,988	59,988

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

3: Fixed assets for use by the PCC		
		Furniture, fittings and equipment
Cost	At 1 January 2022	22,218
	Additions at cost	-
	At 31 December 2022	<u>22,218</u>
Depreciation	At 1 January 2022	14,024
	Charge for the year	4,654
	At 31 December 2022	<u>18,678</u>
Net book value	At 31 December 2022	<u>3,540</u>
	At 31 December 2021	<u>8,194</u>

4: Staff Costs		2022	2021
		£	£
Wages and salaries		57,954	49,305
Social security costs		1,121	934
Employers Pension costs		2,196	1,603
Total		<u>61,271</u>	<u>51,842</u>
Average number of employees		2	3

Wages and salaries include the administration costs charged against the PA Hall accounts. At the start of the year the PCC employed a finance assistant and a youth worker, none of whom earned £60,000 pa or more. None of the employees were members of the PCC during 2022. There were no employee benefits to key management personnel in the previous or current year.

5 Debtors		2022	2021
		£	£
Due within one year			
Income Tax recoverable		25,975	24,809
Prepayments		6,234	5,667
Other Debtors		1,785	1,229
Total debtors		<u>33,994</u>	<u>31,705</u>
6 Liabilities		2022	2021
		£	£
Amount falling due within one year			
Deferred Income		670	150
Accruals		17,934	9,458
Total liabilities		<u>18,604</u>	<u>9,608</u>

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

7 Analysis of Net Assets by Fund				
	2022			
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	691,708	3,540	(14,794)	676,644
Fabric Fund	59,988			59,988
Trust Funds	367			367
Bell Fund	28,576			28,576
Appeal Fund	7,003			7,003
Specific Donations	1,554			1,554
PA Hall	5,669		(3,810)	1,859
Mugswell Hall	2,134			2,134
Endowment Fund	132,278			132,278
Total Funds	925,467	3,540	(18,604)	910,406
	2021			
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	769,738	8,194	(8,022)	769,910
Fabric Fund	59,988			59,988
Trust Funds	367			367
Bell Fund	28,576			28,576
Appeal Fund	6,903			6,903
Specific Donations	1,554			1,554
PA Hall	1,982		(976)	1,004
Mugswell Hall	2,525		(610)	1,917
Endowment Fund	132,278			132,278
Total Funds	1,003,911	8,194	(9,608)	1,002,497

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2022 (continued)

8. Related party transactions

During the year there were no related party transactions

9. Lease Commitments

The total future minimum lease payments under non-cancellable operating leases are payable:

		2022	2021
		£	£
Within 1 year		1,430	1,430
Within 2 to 5 years		1,430	2,860
		2,860	4,290
Lease payments during the year		1,430	1,430

10. Endowment fund

The Endowment Fund, a portion of which was originally donated in the 1970s, was done with the restriction that it should not be spent on any activities outside of the parish, or on routine running costs of the church. During 2018 the cost of strengthening the Bell Tower and adding a wooden gallery, were charged against the fund. There was no expenditure charged against the fund in the past four years..

Accounts

St Margaret's Church, Chipstead Parish

Annual Report and Accounts of the Parochial Church Council

**For the year ended
31 December 2021**



Registered Charity No: 1139738

Church Lane, Chipstead, Surrey CR5 3RD

Tel. no: 01737 552160

www.stmargaretschipstead.org

Financial Statements and Annual Report for the year ended 31st December 2021

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St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2021

The Annual Report of the Parochial Church Council will be read to the Annual Meeting, and copies will be available from the Church Office

Introduction

St Margaret's Church Parochial Church Council (PCC) is required, as stated in the Parochial Church Councils (Powers) Measure 1956, to cooperate with the minister in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical.

Membership of the Parochial Church Council

Members of the PCC are either ex-officio or elected by the Annual Parochial Church Meeting in accordance with the Church Representation Rules. PCC Members serve for a period of three years and are then eligible to be re-elected for one further three year term. After six years, an elected PCC member must stand down for a period of at least one year.

During the year the following served as members of the PCC:

Officers:

Chairman:	The Rev'd Susan Merrilyn Marsh Williams # - (To 31 January 2022)
Vice Chair	Christopher Howard Taylor # (Chairman from 1 February 2022)
Churchwarden:	Ray King # Shirley Page # - stood down at 2021 APCM
Secretary:	Sarah Anne Bowes #
Treasurer:	Martin Mabbutt # - to 25/7/2021

PCC members

Rev John Norman Wates #
Madeleine MacCallum
Andrew James Christie Britton
Tom Sanderson
Ian Thirlwall
Kat Wicksteed
Perry George Lee Esparon
Steve Cheng Whitehead - to 12//7/2021
Kim Michelle Honey - to 12/7/2021
Eamonn Davern - co-opted 22/11/2021
The following members stood down at the 2021 APCM held on 19th April 2021)
Katy Deragon
Madeleine MacCallum
Andrew James Christie Britton
Ann Jennifer Elliott Nee Reading
David MacCallum
Wendy Morgan
David Wetherall
Fofu Lappin
Angela Robertson

Management personnel

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Key Management Personnel

The PCC listed on page 1 are also considered to be key management personnel as they are in charge of directing, controlling, running and operating the church on a day- to-day basis. Details of PCC members' expenses and other related party transactions are disclosed in Note 8 to the financial statements.

Other than The Rev'd Susie Williams, none of the key management receives any remuneration. The Rev'd Susie Williams is remunerated by the Diocese of Southwark. She receives no remuneration from the PCC.

Advisers

Bankers

Natwest
Wallington Branch
27 Woodcote Road
Wallington
Surrey
SM6 0LN

Independent Examiners

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

Correspondence Address

The Parish Office
Church Lane
Chipstead
Surrey CR5 3RD

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Our aims and purposes as a charity

The Parochial Church Council (PCC) of St Margaret's, Chipstead has the responsibility for co-operating with the incumbent, the Reverend Susie Williams, in promoting in the ecclesiastical parish of Chipstead, the gospel and whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is specifically responsible for the maintenance of the Church building, the Orchard and the churchyard, the Peter Aubertin Hall in Chipstead, and the Mission Hall in Mugswell. Our Mission Statement reflects our ethos:

*To know and share God's transforming love with one another,
with our local community and with the wider world.*

What we planned to do to achieve our charitable objectives

When planning our activities for the year the PCC considered the Charity Commission's guidance on public benefit. The council has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016, fully recognising its duty to have due regard to House of Bishops' guidance on safeguarding children and vulnerable adults.

Our aims:

- To enable as many people as possible to know Christ, worship him and grow in faith within our church and parish.
- To teach, baptise and nurture new and existing believers.
- To involve and seek to build bridges between the many, often varied, groups that live within the parish.
- To put faith into practice, through prayer and scripture, music and sacrament.
- To build upon our worship and prayer and learning about the Gospel in small group situations.
- To assist people of all ages and from all walks of life to develop their knowledge of, and trust in, Jesus.
- To provide pastoral care for people living in the parish and also for the members of the congregation who live outside of the parish.
- To support the homeless in the deanery.
- To continue to provide assistance to the poor and needy.
- To assist other organisations financially.

Mission Action Plan (MAP)

Our MAP has three priorities:

- To develop our children and youth activities
- To provide Pastoral Care and Community Support
- To develop our ministry in Netherne

The measures taken to control and mitigate the COVID-19 pandemic have restricted our ability to progress some of these priorities during 2021. Notwithstanding that a review and reconfirmation of these priorities was undertaken during 2019, we believe that as the country emerges from the effects of this pandemic, the church and the

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

community we serve are likely to face new challenges. Therefore, we are committed to reviewing our MAP priorities again once we have some experience of post pandemic life.

Achievements and Performance

2021 has continued to be a challenging year for the whole country as we have adapted to the constantly changing restrictions placed on our daily lives in order to control COVID infections. Whilst the church has been open for services for the majority of the year, the number and form of those services has been restricted. For example, over the course of the year we moved from being able to administer communion in one form only to, later in the year, being able to reincorporate wine into the act of communion albeit by intinction only.

Also, for the first part of the year, we were not allowed to include communal singing within our services where they were held inside church buildings. We responded to this in various ways. For example, we held a number of services outside during the spring period so as to allow communal singing. We reintroduced this for our Carols by Candlelight services in December when the Omicron variant started to become prevalent.

At the start of September 2021, our Rector, the Reverend Susie Williams, went on a period of extended sick leave. She resigned from her post with effect from 31 January 2022 without having returned from sick leave.

Also, during the year, one of our Readers, Kim Honey, took up employment in Iceland.

This has put increased pressure on a small but dedicated team of lay service leaders and preachers who have risen to the challenge magnificently in order to ensure that we can continue to provide weekly Sunday worship. However, this resource is limited, and as we emerged from the pandemic we were not able to reintroduce the pre pandemic pattern of worship. We have therefore reverted to one service at 10.00 am on a Sunday where the whole congregation can worship together. We remain committed to keeping the pattern of services under review whilst being mindful of the pressure placed on our lay service leaders and preachers.

In March, we welcomed Josh Askwith as our new Youth and Communities Leader and he has achieved much during his time with us to move the youth ministry forward. He has a number of further exciting initiatives in the pipeline.

In May, our Children and Families leader, Abi Page, left us after having served us wonderfully and created a strong and vibrant Junior Church. A small team of dedicated volunteers is maintaining the junior church activity whilst we search for a new Family and Children's leader.

During the year, the PCC commissioned a review of the administrative structures operated by the church. This review was carried out by John Truscott, an expert in the field of church administration. John reported back to the PCC in March 2021 and since then the PCC has been working through a series of

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

initiatives aimed at implementing the recommendations made. This has formed a significant part of the PCC's agenda over the course of the year and, by implementing the recommendations, we aim to position the church to run our affairs more efficiently and effectively.

As we emerge from the pandemic and enter what is likely to be an extended period of interregnum, we will go through a process of redefining our activities as a church and preparing ourselves for the arrival of a new Rector. As part of this, we will be reviewing our Mission Action Plan and deciding on our priorities for the next few years.

In the interim, we are very grateful for the support of the Diocese of Suffolk and of St Mary's Reigate in allowing the Reverend Erin Gilmour to work with us on a part time basis. Amongst other things, Erin is leading the Sunday services twice a month thus relieving some of the pressure on the team of lay service leaders and preachers.

Electoral Roll

At the year end our number stood at 169 (2020 - 180). The whole electoral roll is reconstituted every 6 years and this is next scheduled to be done in 2025.

2021 Financial Review

The church continues to enjoy a very strong overall financial position thanks to the substantial legacies received in recent years, totalling £900,000 in 2019 and 2020. During 2021 we received further legacies totalling £7,900 in the unrestricted funds and £5,000 specifically for the Fabric fund. The bulk of the £7,900 arose from a residual payment (£7,700) relating to the estate of the late June Jueitt. At the end of 2021 we enjoyed a net cash position of £970,000. A decision was made by the newly formed finance committee to invest a substantial portion of these monies in financial assets managed by CCLA (a church financial institution) with the aim of improving our long term returns relative to holding cash.

Were it not for the legacies the church would not be in a healthy position. The underlying deficit continues to grow as a result of planned giving declining steadily since 2016. The overall deficit for the year was £81k, and would have been £94k without the additional legacy monies received. Planned giving together with the associated gift aid recovered was almost £20k below the levels of 2020 which in turn was £27k less than in 2019 and was the principal reason for our underlying deficit continuing to grow. Since 2016 there has been a £92k decline in planned giving.

Most of the church's income is regular giving rather than received at services and therefore it is unlikely that the lack of people coming into our church as a result of the Covid pandemic will have materially impacted income. As normality has begun to return so costs have stabilised after the substantial fall reported last year. Staff costs fell by £9k in 2021 reflecting the loss of our children and families worker halfway through 2021, partially offset by the recruitment of a new youth worker towards the end of the year.

Our two church halls, Peter Aubertin and Mugswell have begun to see bookings pick up after the problems of the past two years but revenue remains far below the levels seen prior to 2020. Revenue for the PA hall saw a marginal increase over 2020 and we took the opportunity created by the lack of bookings to carry out maintenance projects. As a result the hall accounts show a loss of over £9k.

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The financial outlook for 2022 is poor. Inflation is likely to significantly impact most elements of our costs and even on the basis that planned giving does not decline any further our deficit is forecast to grow further in the current year.

Our expectation is that the church will continue to operate at a deficit for the foreseeable future and while this is no longer a concern in the short term thanks to the substantial resources we enjoy, the size and expected growth of the deficit cannot be ignored longer term

At 31 December 2021, total funds amounted to £1,002,497 (2020: £1,083,015) of which £100,309 (2020: £109,115) were restricted and £132,278 (2020: £132,278) were in the Endowment Fund.

Statement of PCC responsibilities

The Parochial Church Council (PCC) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Church Accounting Regulations 2006 require the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Council and of its financial activities for that period. In preparing those financial statements, the PCC is required to:

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

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Risk assessment

The PCC is satisfied that there are procedures in place to mitigate exposure to major risks. The PCC considers the principal risks and uncertainties facing the Church and their plans and strategies for managing these risks to be:

Potential Risk	Potential Impact	Steps to mitigate risk
Security of assets	<ul style="list-style-type: none"> • loss or damage • theft of assets 	<ul style="list-style-type: none"> • review security arrangements • asset register and inspection programme • review insurance cover
Fund-raising	<ul style="list-style-type: none"> • unsatisfactory returns • reputational risks of campaign or methods used • actions of agents and commercial fund-raisers • compliance with law and regulation 	<ul style="list-style-type: none"> • implement appraisal, budgeting and authorisation procedures • review regulatory compliance • monitor the adequacy of financial returns achieved • stewardship reporting in annual report
Disaster recovery and planning	<ul style="list-style-type: none"> • computer system failures or loss of data • destruction of property, equipment, records through fire, flood or similar damage 	<ul style="list-style-type: none"> • agree IT recovery plan • implement data backup procedures and security measures • review insurance cover • create disaster recovery plan
Cash flow sensitivities	<ul style="list-style-type: none"> • inability to meet commitments • lack of liquidity to cover variance in costs • impact on operational activities 	<ul style="list-style-type: none"> • ensure adequate cash flow projections (prudence of assumptions) • identify major sensitivities • ensure adequate information flow from operational managers • monitor arrangements and reporting

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Reserves policy

The PCC needs reserves to cover short term shortfalls in income and to cover unexpected expenditure. The vast majority of the PCC's income derives from voluntary donations. Whilst a significant proportion of these donations are planned, there is a level of unplanned giving which is not always predictable. In addition, due to changes in circumstances within the congregation, planned giving may not always match the level pledged at the start of the year. Reserves allow the PCC to better manage short term fluctuations in the level of giving. In addition, the running costs of the church are not always predictable and reserves allow the PCC to cope with unexpected expenditure which may arise from time to time. It is PCC policy to try to maintain a balance on free reserves which equates to at least three months of unrestricted payments, which would equate to £75k. At the end of 2021 unrestricted reserves were £769,000.

Fundraising

The PCC engaged in fundraising, in the form of receiving donations, some of which were gift-aided, from members of our fellowship. The PCC did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. The PCC is satisfied that its fundraising practices are ethical. No complaints were received about our fundraising practices.

Investment policy

The PCC is risk averse in its investment policy placing surplus cash on deposit with the CBF Church of England Deposit Fund or with large banks.

Chris Taylor

Chairman

Date 13th March 2022

St Margaret's Church, Chipstead Parish

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL

I report to the charity trustees on my examination of the accounts of the St Margaret's Parochial Church Council (the Church) for the year ended 31 December 2021 set out on pages 10 to 21.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts as 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 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 Church 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 Report) 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; or
4. the accounts have not been prepared in accordance with the methods and principles of 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 the Republic of Ireland (FRS 102).

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.

Miriam Hickson CTA FCA

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW
Date:

St Margaret's Church, Chipstead Parish
Statement of Financial Activities for the year ended 31 December 2021

For the year ended 31 December 2021	2021				2020			
	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2021	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2020
Notes	2(a)	2(b)	10		2(a)	2(b)	10	
INCOME	£	£	£	£	£	£	£	£
Voluntary income	168,978	5,200		174,178	181,182	14,233		195,415
Income from church activities	15,098	0		15,098	12,036	-		12,036
Activities for generating funds	3,604	10,071		13,675	3,974	9,747		13,721
Income from investments	1,165			1,165	3,315	-	-	3,315
Total Income	188,845	15,271		204,116	200,507	23,980	-	224,487
EXPENDITURE								
Church activities	260,332	22,802		283,134	262,396	18,275	-	280,671
Raising funds	225	1,275		1,500	1,464	9,352		10,816
Total Expenditure	260,557	24,077		284,634	263,860	27,627	-	291,487
Net Income/(Expenditure)	(71,712)	(8,806)		(80,518)	(63,353)	(3,647)	-	(67,000)
Transfer between funds					-	-	-	-
Net movement in funds	(71,712)	(8,806)		(80,518)	(63,353)	(3,647)	-	(67,000)
Reconciliation of funds								
Total funds brought forward	841,622	109,115	132,278	1,083,015	904,975	112,762	132,278	1,150,015
Total funds carried forward	769,910	100,309	132,278	1,002,497	841,622	109,115	132,278	1,083,015

St Margaret's Church, Chipstead Parish
Balance sheet as 31 December 2021

	Notes		2021	2020
			£	£
FIXED ASSETS				
Tangible assets	3		8,194	13,240
CURRENT ASSETS				
Debtors	5	31,706		15,967
Cash at bank and in hand		972,205		1,072,718
		1,003,911		1,088,685
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR				
	6	9,608		18,910
NET CURRENT ASSETS			994,303	1,069,775
NET ASSETS			1,002,497	1,083,015
PARISH FUNDS				
Unrestricted	7		769,910	841,622
Restricted	7		100,309	109,115
Endowment	7		132,278	132,278
			1,002,497	1,083,015

The accounts were approved by the PCC on 28th March 2022 and signed on behalf of the PCC by:

Chris Taylor
Chairman

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements have been prepared under the historical cost convention. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members. The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £. The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The PCC have prepared detailed forecasts and cash flow projections which they believe are based upon reasonable assumptions. The forecasts show that the church should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

FUNDS

1. **Unrestricted Funds** represent the resources of the PCC that are not subject to any restrictions regarding their use and are available for the general purposes of the PCC.
2. **Restricted Funds** represent resources which the PCC has indicated to donors and fundraisers will be used for specified purposes:

The Fabric Fund mainly derives from major donations and special events to meet major expenses on repairs and renewals of the Church and the Churchyard.

Trust Funds consist of donations made specifically for the upkeep of certain graves.

The Bell Fund contains specific donations and surpluses from the use of bells at weddings set aside to meet future maintenance of and improvements to the bells and to meet bell ringer expenses.

Specific Collections consist of donations received at services and other Parish occasions for purposes specified at the time of collection.

The Appeal Fund contains donations made and the proceeds of special events undertaken for the purposes of funding the construction of The Orchard.

The Peter Aubertin Hall Fund consists of income from operating activities of the Hall, specific fundraising events and donations for the improvement of the Hall.

The Mugswell Hall Fund consists of income from the operating activities of the Hall and specific donations for the maintenance and improvement of the Hall

The Endowment Fund represents resources provided to build up a fund to ensure the future financial wellbeing of the Church. The Endowment Fund, a portion of which was originally donated in the 1970s, was done so with the restriction that it should not be spent on any activities outside of the parish, or routine running costs of the church. It is the policy of the PCC that it should be used as a reserve against major expenditure on the church fabric and churchyard.

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021 (continued)

1. ACCOUNTING POLICIES (continued)

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 the income receivable can be measured reliably.

1. Voluntary Income

- Collections at services are recognised when received on behalf of the PCC.
- Planned giving is recognised when received and related Gift Aid is accrued for.
- Funds raised through events are accounted for gross.
- Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount is quantifiable and the ultimate receipt by the PCC is considered probable.

Other Income

- Operating income from other sources such as letting of church premises, magazine sales/advertising and parochial fees is recognised when due.
- Income from bank and CBF interest is recognised when received

Expenditure

- All expenditure is accounted for on an accruals basis.

Fixed Assets

Consecrated Property and Movable Church Furnishings

- Consecrated land/buildings and equipment are not included in the financial statements by virtue of the Charities Act 2011 Under the PCCs (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 in the year.
- Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. They are listed in the church inventory which can be inspected at any time.

Other church buildings

- The accounts for the PA Hall and Mugswell Hall are both shown under restricted funds. The PCC has made a decision not to show these buildings within fixed assets. Both of these halls were built before the start of the 20th century and the PCC believes that in the context of today's accounts showing these at cost would be immaterial.
- The Orchard - The PCC believes that since the Diocese of Rochester owns the church, the churchyard and the land on which the Orchard is built, it would be inappropriate to capitalise the Orchard as if it belonged to us.
- Depreciation is provided at the following rates to write off the cost of fixed assets over their useful lives:
Furniture, fittings & equipment- Straight line over 3 - 5 years

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021 (continued)

1. ACCOUNTING POLICIES (continued)

Current assets

Income tax recoverable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments.

2 Income and Expenditure

The PCC has chosen to show income and expenditure on a fund by fund basis for both the historic and current periods. This gives greater clarity rather than the amalgamated basis for the historic period which is outlined in the PCC Accountability Manual (published 2006 and updated to incorporate SORP 2015).

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021 (continued)

Note 2a Unrestricted general church funds	2021	2020
INCOME	£	£
<u>Voluntary income</u>		
Planned Giving	123,242	136,619
Collections (plate) at services	1,522	1,812
Income tax recoverable	25,192	30,368
Grants received	18	3,092
Donations etc.	11,081	8,791
Legacies	7,923	500
	168,978	181,182
<u>Income From Church Activities:</u>		
Wedding, Baptism and Funeral fees	15,073	11,988
Contractual income	25	48
	15,098	12,036
<u>Activities for generating funds</u>		
Magazine sales	2,031	1,649
Magazine advertising	1,082	1,395
Fetes and other fundraising events	41	-
Orchard hire	450	930
	3,604	3,974
Interest income	1,165	3,315
TOTAL INCOME	188,845	200,507
EXPENDITURE		
<u>Church Activities</u>		
Parish Share	120,000	120,000
Clergy expenses	1,821	884
Church building maintenance	6,520	8,143
Churchyard maintenance	492	151
Youth, children, music and hospitality	31,610	37,150
Church running expenses	47,760	38,692
Organ costs	-	300
General & secretarial expenses	30,419	31,765
Printing and stationery	8,550	8,966
Depreciation	5,046	5,046
	252,218	251,097
<u>Grants</u>		
Overseas mission societies	3,484	7,697
Christian relief & development agencies	500	500
Home mission & other church societies	4,130	3,102
	8,114	11,299

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021 (continued)

Note 2a Unrestricted general church funds (continued)

<u>Fund Raising costs</u>		
Fund raising costs total	225	1,464
TOTAL EXPENDITURE	260,557	263,860

Note 2 (b) Restricted Funds			
Trust Funds		2021	2020
		£	£
Income			
Dividends & Interest		-	-
Expenditure			
Flowers & upkeep of graves		-	-
Net Income		-	-
Balance at 1 January		367	367
Balance at 31 December		367	367
Bell Fund		2021	2020
		£	£
Income			
Interest		-	-
Surplus from weddings		-	-
Net income		-	-
Transfers		-	-
Balance at 1 January		28,576	28,576
Balance at 31 December		28,576	28,576
Specific Donations		2021	2020
		£	£
Income			
Collections		-	30
Donations etc		100	9,202
Events		-	-
		100	9,232
Expenditure			
Overseas mission societies			
Christian relief & development agencies		4,001	459
Home mission & other church societies			-
Secular charities		-	(689)
Refunds		-	9,202
Total Grants		4,001	8,972

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021 (continued)

Note 2 (b) Restricted Funds (continued)

Net Income		(3,901)	260
Balance at 1 January		5,455	5,195
Balance at 31 December		1,554	5,455

	2021	2020
	£	£
Appeal Fund		
Income	100	-
Expenditure		
Grants to home mission & other church societies	-	-
Costs of Fundraising	-	-
Equipment purchases	-	3,136
	-	3,136
Net Income/(expenditure)	100	(3,136)
Balance at 1 January	6,803	9,939
Balance at 31 December	6,903	6,803

	2021	2020
	£	£
Peter Aubertin Hall		
Income		
Operating activities to generate funds	-	-
Church hall lettings	9,644	9,525
	9,644	9,525
Dividends & interest	-	-
Other Income	-	-
	9,644	9,525
Expenditure		
Church hall running costs	6,139	6,849
Church hall building maintenance	8,940	3,500
Administration of Hall Bookings	4,000	4,000
	19,079	14,349
Net Income	(9,435)	(4,824)
Transfers	-	-
Balance at 1 January	10,439	15,263
Balance at 31 December	1,004	10,439

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021 (continued)

Note 2(b) Restricted funds (continued)

Mugswell Hall		2021	2020
		£	£
Income			
Donations		-	-
Church hall lettings		427	235
		427	235
Expenditure			
Church hall running costs		998	1,022
Church hall building maintenance		-	148
		998	1,170
Net Income		(571)	(935)
Balance at 1 January		2,487	3,422
Balance at 31 December		1,916	2,487

Fabric Fund		2021	2020
		£	£
Income			
Bequest		5,000	4,988
Expenditure			-
Net Income		5,000	4,988
Balance at 1 January		54,988	50,000
Balance at 31 December		59,988	54,988

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021 (continued)

3: Fixed assets for use by the PCC		
		Furniture, fittings and equipment
Cost	At 1 January 2021	22,218
	Additions at cost	-
	At 31 December 2021	<u>22,218</u>
Depreciation	At 1 January 2021	8,978
	Charge for the year	5,046
	At 31 December 2021	<u>14,024</u>
Net book value	At 31 December 2021	<u>8,194</u>
	At 31 December 2020	<u>13,240</u>

4: Staff Costs		2021	2020
		£	£
Wages and salaries		49,305	58,096
Social security costs		934	1,204
Employers Pension costs		1,603	1,354
Total		<u>51,842</u>	<u>60,654</u>
Average number of employees		3	3

Wages and salaries include the administration costs charged against the PA Hall accounts. At the start of the year the PCC employed a finance assistant and a children and families worker, none of whom earned £60,000 pa or more. Our children and families worker left during 2021 and we recruited a youth worker. None of the employees were members of the PCC during 2021. There were no employee benefits to key management personnel in the previous or current year.

5 Debtors		2021	2020
		£	£
Due within one year			
Income Tax recoverable		24,809	9,543
Prepayments		5,667	5,491
Other Debtors		1,229	933
Total debtors		<u>31,705</u>	<u>15,967</u>
6 Liabilities		2021	2020
		£	£
Amount falling due within one year			
Deferred Income		150	300
Accruals		9,458	18,610
Total liabilities		<u>9,608</u>	<u>18,910</u>

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021 (continued)

7 Analysis of Net Assets by Fund				
2021				
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	769,738	8,194	(8,022)	769,910
Fabric Fund	59,988			59,988
Trust Funds	367			367
Bell Fund	28,576			28,576
Appeal Fund	6,903			6,903
Specific Donations	1,554			1,554
PA Hall	1,982		(976)	1,004
Mugswell Hall	2,525		(610)	1,917
Endowment Fund	132,278			132,278
Total Funds	1,003,911	8,194	(9,608)	1,002,497
2020				
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	846,090	13,240	(17,708)	841,622
Fabric Fund	54,988		-	54,988
Trust Funds	367		-	367
Bell Fund	28,576		-	28,576
Appeal Fund	6,803		-	6,803
Specific Donations	6,009		(554)	5,455
PA Hall	11,087		(648)	10,439
Mugswell Hall	2,487		-	2,487
Endowment Fund	132,278		-	132,278
Total Funds	1,088,684	13,240	(18,910)	1,083,015

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2021 (continued)

8. Related party transactions

During the year 1 (2020: 1) member of the PCC was reimbursed £67 (2020: £317) for travel and subsistence expenses.

Abigail Page (daughter of Shirley Page who was a PCC member until April 2021) received remuneration of £10,895 (2020: £18,307) for her role as Children and Families worker

9. Lease Commitments

The total future minimum lease payments under non-cancellable operating leases are payable:

		2021	2020
		£	£
Within 1 year		1,430	1,430
Within 2 to 5 years		2,860	3,934
		4,290	5,364
Lease payments during the year		1,430	1,799

10. Endowment fund

The Endowment Fund, a portion of which was originally donated in the 1970s, was done with the restriction that it should not be spent on any activities outside of the parish, or on routine running costs of the church. During 2018 the cost of strengthening the Bell Tower and adding a wooden gallery, were charged against the fund. There was no expenditure charged against the fund in 2019, 2020 and 2021.

Accounts



St Margaret's Church, Chipstead Parish

**Annual Report and Accounts
of the Parochial Church Council
For the year ended
31 December 2020**

Registered Charity No: 1139738

Church Lane, Chipstead, Surrey CR5 3RD

Tel. no: 01737 552160

www.stmargaretschipstead.org

Financial Statements and Annual Report for the year ended 31st December 2020

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St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

The Annual Report of the Parochial Church Council will be read to the Annual Meeting, and copies will be available from the Church Office

Introduction

St Margaret's Church Parochial Church Council (PCC) is required, as stated in the Parochial Church Councils (Powers) Measure 1956, to co-operate with the minister in promoting in the ecclesiastical parish the whole mission of the Church – pastoral, evangelistic, social and ecumenical.

Membership of the Parochial Church Council

Members of the PCC are either ex-officio or elected by the Annual Parochial Church Meeting in accordance with the Church Representation Rules. PCC Members serve for a period of three years and are then eligible to be re-elected for one further three year term. After six years, an elected PCC member must stand down for a period of at least one year.

Due to the impact of the COVID-19 pandemic and the associated social distancing measures introduced by the Government, it was not possible to hold an APCM during 2020. In recognition of this, the Bishop of Southwark extended the date before which 2020 APCMs for churches must take place to 31 May 2021 and permitted the 2020 APCM and the 2021 APCM to be held on the same day (although they must be two separate meetings). COVID-19 restrictions permitting, it is the intention of the church to hold both the 2020 and the 2021 APCMs on 19 April 2021. PCC Members serving as at 31 December 2019 were asked to continue to serve up until the time that 2020 APCM takes place.

During the year the following served as members of the PCC:

Officers:

Chairman:	The Rev'd Susan Merrilyn Marsh Williams #
Churchwardens:	Shirley Page # Ray King #
Secretary:	Sarah Anne Bowes #
Treasurer:	Martin Mabbutt #

PCC members

Rev John Norman Wates #
Katy Deragon
Madeleine MacCallum
Andrew James Christie Britton
Ann Jennifer Elliott Nee Reading
Ian Thirlwall
Christopher Howard Taylor #
Kim Michelle Honey
Amanda Louise King
David MacCallum
Wendy Morgan
David Wetherall
Perry George Lee Esparon
Fofu Lappin
Angela Robertson

Management personnel

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Key Management Personnel

The Management Committee members listed on page 1 are considered to be key management personnel as they are in charge of directing, controlling, running and operating the church on a day to day basis. All such personnel give of their time freely or are remunerated by the Diocese, and therefore received no remuneration from the church in the year. Details of PCC members' expenses and other related party transactions are disclosed in Note 8 to the financial statements.

Other than The Rev'd Susie Williams, none of the key management receives any remuneration. The Rev'd Susie Williams is remunerated by the Diocese of Southwark. She receives no remuneration from the PCC

Standing committee

This is the only Committee required by law. It meets about six times a year.

Advisers

Bankers

Natwest
Wallington Branch
27 Woodcote Road
Wallington
Surrey
SM6 0LN

Independent Examiners

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

Correspondence Address

The Parish Office
Church Lane
Chipstead
Surrey CR5 3RD

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Our aims and purposes as a charity

The Parochial Church Council (PCC) of St Margaret's, Chipstead has the responsibility for co-operating with the incumbent, the Reverend Susie Williams, in promoting in the ecclesiastical parish of Chipstead, the gospel and whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is specifically responsible for the maintenance of the Church building, the Orchard and the churchyard, the Peter Aubertin Hall in Chipstead, and the Mission Hall in Mugswell. Our Mission Statement reflects our ethos:

*To know and share God's transforming love with one another,
with our local community and with the wider world.*

What we planned to do to achieve our charitable objectives

When planning our activities for the year the PCC considered the Charity Commission's guidance on public benefit. The council has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016, fully recognising its duty to have due regard to House of Bishops' guidance on safeguarding children and vulnerable adults.

Our aims:

- To enable as many people as possible to know Christ, worship him and grow in faith within our church and parish.
- To teach, baptise and nurture new and existing believers.
- To involve and seek to build bridges between the many, often varied, groups that live within the parish.
- To put faith into practice, through prayer and scripture, music and sacrament.
- To build upon our worship and prayer and learning about the Gospel in small group situations.
- To assist people of all ages and from all walks of life to develop their knowledge of, and trust in, Jesus.
- To provide pastoral care for people living in the parish and also for the members of the congregation who live outside of the parish.
- To support the homeless in the deanery.
- To continue to provide assistance to the poor and needy.
- To assist other organisations financially.

Mission Action Plan (MAP)

Our MAP has three priorities:

- To develop our children and youth activities
- To provide Pastoral Care and Community Support
- To develop our ministry in Netherne

The measures taken to control and mitigate the COVID-19 pandemic have restricted our ability to progress some of these priorities during 2020. Notwithstanding that a review and reconfirmation of these priorities was undertaken during 2019, we believe that as the country emerges from the effects of this pandemic, the church and the

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

community we serve are likely to face new challenges. Therefore, we are committed to reviewing our MAP priorities again once we have some experience of post pandemic life.

Achievements and Performance

There is little doubt that 2020 has been an exceptionally challenging year for the whole country as we have all needed to adapt to the COVID-19 pandemic, and the restrictions placed on our daily lives in order to control infections. In March 2020, all places of worship in the UK were closed. We immediately moved all three of our services online so that, whilst the location of our services changed and people were asked to worship in their own homes, for the majority of the year our pattern of services remained the same. Each Sunday we continued to offer a Book of Common Prayer (BCP) service of Holy Communion, a traditional service (but using contemporary language) with traditional hymns, and a contemporary less liturgical service with modern worship songs – all of which were moved online from March 2020.

In July 2020, in accordance with government guidelines, we were able to re-open the church for private prayer on Wednesday and Sunday afternoons and we continued to do this for the rest of the year. In order to facilitate this, a full Covid risk assessment was undertaken, and a number of measures were taken in order to keep the church as Covid safe as possible. These measures included social distancing within the church, the installation of hand sanitisation equipment, recording of details of people attending for private prayer and cleaning of surfaces following private prayer.

In September 2020, we re-commenced a single live Service on a Sunday, and our risk assessments were updated. In order to safeguard the congregation, only 30 or so people were permitted to attend and services were kept to 40 minutes. Unfortunately, singing by the congregation was not permitted, but music was played. Many of the services were Holy Communion with the sacrament being received in one kind only.

The need to provide both three online services and live services each week from September put enormous pressure on our ministry staff. In recognition of this, from October we moved from three online services to two by combining our traditional and contemporary services into a joint service which was usually morning worship.

Our youth and children's groups encourage younger people to learn about relating to God and one another in love and helps enable them to consider the needs of others, the environment and wider world; whilst also helping them to grow in confidence and wholeness and achieve their God-given potential. All worship in the children's groups is age appropriate.

Following the introduction of the Covid restrictions, our youth and children's groups moved online where, up until November 2020, there continued to be a monthly all age service and features of all age services were brought into our main contemporary service. Since November 2020, there has been a weekly online service for families and children led by our Children and Families leader and regular Zoom calls for all age groups. In September, we were able to restart limited in person children's groups on a Sunday morning to coincide with our live services and in December we held a live Christingle service..

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

For the first three months of the year, we also ran a creche for children under 3 during our live 10.45 service, a Babies and Bumps Group for parents of babies (0-12 months) and a Stay and Play Group in Netherne for toddlers. These activities were suspended in March 2020 due to the Covid restrictions, but we look forward to a time when they can reopen safely. In January and February, we ran a Parenting for Faith course aimed at empowering parents to develop the faith of their children.

Messy Church, held six weekly, continues to be popular, and new families are being recommended by word of mouth, through coming with friends, or through our multi-media advertising. With the onset of Covid restrictions, Messy Church was successfully moved online and has continued to thrive, with online and in person Messy Church running concurrently when permitted.

Our worship through music at St Margaret's continues to be a blessing, from the talented organists at the 9 o'clock service or occasional services, to the worship band and singers under the direction of Libby Egwuba, our Director of Music. Libby and the band, once COVID restrictions were brought in, moved to recording music for use in our online services, either by using recording software or through video during those periods in which it was possible for the band to gather together outside and appropriately socially distanced. We are also grateful to St Martin's in the Field, who permitted use of their recorded carols over the Christmas period.

Members of the 10.45 team also lead services at Kingdom Come on a Sunday evening. This is an informal time of worship and praise, bible readings and prayer. Whilst these, and our other Evening worship session of Sacred Space, have happened less frequently in 2020 due to the impact of the Covid restrictions, they also have been moved online.

Weddings, Funerals and Baptisms

Sadly, the onset of the Covid restrictions has made life very difficult for those planning to get married this year. Our wedding couples have been forced to either postpone their services or to limit the number of guests attending the ceremony. We look forward to welcoming our wedding couples back to the church once restrictions are eased.

We have continued to hold funeral services, albeit with a limited number of mourners allowed into the church itself. These are difficult times for those suffering bereavement and our thoughts and prayers go out to all those who have lost loved ones over the last year.

Sadly, for the majority of the year it has not been possible to hold services of baptism.

During the year we have held 5 weddings, 7 funerals and 2 baptisms.

Deanery Synod

We currently have three Deanery Synod Lay Representatives plus the Rector as our clergy representative. The terms of office for the three Lay Representatives were due to end in July 2020. However, the postponement of the 2020 APCM meant that we were unable to elect new members and so, our three existing members have agreed to continue until elections can be held. During 2020 there were 2 Deanery Synod meetings: the first in February being held in person, and the second in October being held via Zoom. They provided an opportunity for us to hear about wider activities in the Deanery.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Pastoral Care, Mission and Evangelism

Pastoral care is offered at a number of different levels by Rev. Susie Williams, and Rev. John Wates, as well as many members of the congregation, and with 'triage' being offered by Deborah, our Administrator, as she is often our first point of contact. Much of the 'in-house' pastoral care is carried out by the staff team and life groups. Pastoral care is offered to the whole parish, irrespective of church attendance, and also forms an important part in supporting families who attend our occasional services. John Wates keeps in regular contact with a number of those who can no longer physically attend St Margaret's with his 'Church Without Walls'. One of the benefits of putting our services online has been that those who are no longer able to physically attend services are able to experience those services from their own homes.

Due to the Covid restrictions, the Winter Night Shelter programme was not run in 2020 although local authorities did seek to proactively provide hotel accommodation for those suffering homelessness.

Mission and evangelism are a major part of our remit as God's church in this place. As Christians we believe that we are all to fulfil Christ's commission to make, teach and nurture disciples. Our life groups continue to provide places in which to nurture disciples, but also offer fellowship and pastoral care.

Sadly, due to the Covid restrictions, we had to suspend our CAMEO (Come and Meet Each Other) meetings for much of the year. It was also not possible to hold the Annual Church Fete for the first time in many years.

Our Children, Families and Youth work touches the lives of those within the Church and many more outside the church, whilst also offering practical support and teaching to families, and guidance and a listening ear to children, teenagers and those starting out in life as adults. We also keep in touch with those who have left school.

Despite the Covid restrictions, Holiday Club continued to run both virtually and, on a socially distanced basis, within the churchyard. 30 children and 20 adults from 17 different families participated across the three days. Activities included time spent together on Zoom, a range of activities that could be done at home and socially distanced activities in the churchyard. There was a strong sense of community in the group even for those families who were unable to attend the live sessions.

Maggie's Song transitioned to running live online from April to October 2020. We returned to running in person sessions between October and December 2020 when restrictions permitted. Maggie's Song has had up to 12 different families and children attending each week, many of whom have no other church connection. It offers a time of music and movement for under 5's and was enjoyed by them and their parents.

Mission Giving and Grant Making Policy

As part of the budgeting process, the PCC agrees an amount to be donated to causes that advance our mission "To know and share God's transforming love with one another, with our local community and with the wider world." One of the functions of the Mission Committee is to make recommendations as to how this money should be spent ensuring that there is an appropriate split between charities within our local community and those within the wider

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

church. These recommendations are then approved or otherwise by the full PCC. In addition, from time to time, the church may launch specific appeals for individual causes or donate the collections from a particular service to a specified charity.

During the year, we gave grants totaling approximately £12,000 to various missionary organisations including Agape, Bible Society, Bishop's Lent Appeal, Christian Aid, Community Debt Advice, Discet, Open Doors, Renewed Hope Trust, Welcare, Women of Purpose and Zimbabwe Link.

Fabric and Churchyard

We maintain the fabric of the Grade 1 listed church building as a historic centre, and the church building, the Orchard and the PA Hall as a focus of life in the village of Chipstead and the Mission Hall in Mugswell. The Peter Aubertin Hall is seen by many as being the village hall, and it not only houses the local pre-school, but usually provides a place for various community groups to meet. Since the COVID restrictions were introduced, and to make it safer for those attending the pre-school, the PA Hall has only been occupied by the pre-school with many of the children's parents being key workers. We also have a very well maintained and peaceful open Churchyard which is also a haven for wildlife and encourages children and adults to be environmentally aware.

Volunteers

We would like to thank all of those volunteers who work so hard to make our church such a lively, welcoming and well-functioning community – thank you. Working together helps us grow as individuals, as a church, and is of benefit to the wider community, it's also fun!

Staff

We are blessed by the members of staff we employ and who work so hard to enable us, as a church, to offer so much to both our congregations and our wider community. Abi Page continues as our Children and Families Leader and Deborah Mathews keeps our finance, property bookings and administration running smoothly. Kate Clemson left her post as administrator during the year.

In April, our Youth and Communities worker, Amy Reeves, left us to take up employment in a business. We would like to thank her for the enormous contribution she made to the Youth ministry during her time in the role.

Electoral Roll

Last year saw the production of a new electoral roll and at the year end our number stood at 180. The whole electoral roll is reconstituted every 6 years and this is next scheduled to be done in 2025.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

2020 Financial Review

The church continues to enjoy a very strong overall financial position thanks to the substantial legacy of £845,000 received from the estate of Denise Baker at the end of 2019. In addition to this we also received a further £55k towards the end of 2020 from the estate of June Jueitt, £50k of which was already provided for in the 2019 accounts. Therefore the 2020 Statement Of Financial Activities only benefits from these legacies by approximately £5k. The £55k legacy has conditions attached relating to the church buildings and therefore sits within the Fabric fund while the larger legacy has no such conditions attached. These two legacies will provide the church with many opportunities to further its mission as well as supporting the church's existing operations.

The underlying deficit continues to grow as a result of declining levels of giving. The overall deficit for the year was £67k, and would have been £72k without the additional legacy monies received. Planned giving together with the associated gift aid recovered was £27k below the levels of 2019 which in turn was £15k less than in 2018 and was the principal reason for our underlying deficit growing at an accelerating pace.

Most of the church's income is regular giving rather than received at services and therefore it is unlikely that the lack of people coming into our church as a result of the Covid pandemic will have materially impacted income. However it has impacted costs which fell in the year for the unrestricted funds by over £25k. The largest element in the decline was church maintenance (£9k). The lack of a youth worker and administrator for much of 2020 also drove down costs. Offsetting these falls were additional costs arising from cleaning charges and products to permit the church to continue to operate a limited service during the pandemic.

The effect of the pandemic was more marked on the operating performance of our two church halls, Peter Aubertin and Mugswell. Revenue was significantly reduced owing to the lack of rental income with the PA hall dropping to £9.5k from £22.3k in 2019. While costs were contained thanks to lower utility bills the PA Hall reported a deficit of £4.8k compared to a surplus of £4.2k in 2019.

The financial outlook for 2021 is very unclear. At the time of writing it would seem that there is potential for a more normal environment to return later in the year but this is likely to result in an upwards resumption of costs. Our forecasts assume a small bounce back in the level of planned giving but nevertheless our deficit seems likely to grow further in the current year.

Our expectation is that the church will continue to operate at a deficit for the foreseeable future and while this is no longer a concern in the short term thanks to the substantial resources we enjoy, the size and expected growth of the deficit cannot be ignored longer term

At 31 December 2020, total funds amounted to £1,083,015 (2019: £1,150,015) of which £109,115 (2019: £112,762) were restricted and £132,278 (2019: £132,278) were in the Endowment Fund.

St Margaret's Church, Chipstead Parish

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Statement of PCC responsibilities

The Parochial Church Council (PCC) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Church Accounting Regulations 2006 require the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Council and of its financial activities for that period. In preparing those financial statements, the PCC is required to:

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

The PCC is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk assessment

The PCC is satisfied that there are procedures in place to mitigate exposure to major risks. The PCC considers the principal risks and uncertainties facing the Church and their plans and strategies for managing these risks to be:

Potential Risk	Potential Impact	Steps to mitigate risk
Security of assets	<ul style="list-style-type: none"> • loss or damage • theft of assets 	<ul style="list-style-type: none"> • review security arrangements • asset register and inspection programme • review insurance cover
Fund-raising	<ul style="list-style-type: none"> • unsatisfactory returns • reputational risks of campaign or methods used • actions of agents and commercial fund-raisers • compliance with law and regulation 	<ul style="list-style-type: none"> • implement appraisal, budgeting and authorisation procedures • review regulatory compliance • monitor the adequacy of financial returns achieved • stewardship reporting in annual report
Disaster recovery and planning	<ul style="list-style-type: none"> • computer system failures or loss of data • destruction of property, equipment, records through fire, flood or similar damage 	<ul style="list-style-type: none"> • agree IT recovery plan • implement data backup procedures and security measures • review insurance cover • create disaster recovery plan
Cash flow sensitivities	<ul style="list-style-type: none"> • inability to meet commitments • lack of liquidity to cover variance in costs • impact on operational activities 	<ul style="list-style-type: none"> • ensure adequate cash flow projections (prudence of assumptions) • identify major sensitivities • ensure adequate information flow from operational managers • monitor arrangements and reporting

Reserves policy

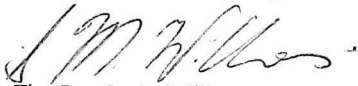
The PCC needs reserves to cover short term shortfalls in income and to cover unexpected expenditure. The vast majority of the PCC's income derives from voluntary donations. Whilst a significant proportion of these donations are planned, there is a level of unplanned giving which is not always predictable. In addition, due to changes in circumstances within the congregation, planned giving may not always match the level pledged at the start of the year. Reserves allow the PCC to better manage short term fluctuations in the level of giving. In addition, the running costs of the church are not always predictable and reserves allow the PCC to cope with unexpected expenditure which may arise from time to time. It is PCC policy to try to maintain a balance on free reserves which equates to at least three months of unrestricted payments, which would equate to £75k. At the end of 2020 unrestricted reserves were almost £900,000.

Fundraising

The PCC engaged in fundraising, in the form of receiving donations, some of which were gift-aided, from members of our fellowship. The PCC did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. The PCC is satisfied that its fundraising practices are ethical. No complaints were received about our fundraising practices.

Investment policy

The PCC is risk averse in its investment policy placing surplus cash on deposit with the CBF Church of England Deposit Fund or with large banks.



The Rev Susie Williams

Chair

Date 22nd March 2021

St Margaret's Church, Chipstead Parish

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL

I report to the charity trustees on my examination of the accounts of the St Margaret's Parochial Church Council (the Church) for the year ended 31 December 2020 set out on pages 12 to 24.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts as 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 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 Church 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 Report) 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; or
4. the accounts have not been prepared in accordance with the methods and principles of 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 the Republic of Ireland (FRS 102).

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.

Miriam Hickson CTA FCA

Jacob Cavenagh & Skeet
5 Robin Hood Lane

Sutton

Surrey

SM1 2SW

Date: 29/03/2021



St Margaret's Church, Chipstead Parish

Statement of Financial Activities for the year ended 31 December 2020

For the year ended 31 December 2020	2020				2019			
	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2020	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2019
Notes	2(a)	2(b)	10		2(a)	2(b)	10	
INCOME	£	£	£	£	£	£	£	£
Voluntary income	181,182	14,233	-	195,415	1,055,973	54,263	-	1,100,236
Income from church activities	12,036	-	-	12,036	12,632	25,495	-	38,127
Activities for generating funds	3,974	9,747	-	13,721	12,271	-	-	12,271
Income from investments	3,315	-	-	3,315	1	50	1,118	1,169
Total Income	200,507	23,980	-	224,487	1,080,877	79,808	1,118	1,161,803
EXPENDITURE								
Church activities	262,396	18,275	-	280,671	285,438	21,673	-	307,111
Raising funds	1,464	9,352	-	10,816	3,934	2,339	-	6,273
Total Expenditure	263,860	27,627	-	291,487	289,372	24,012	-	313,384
Net Income/(Expenditure)	(63,353)	(3,647)	-	(67,000)	791,505	55,796	1,118	848,419
Transfer between funds	-	-	-	-	3,700	(3,700)	-	-
Net movement in funds	(63,353)	(3,647)	-	(67,000)	795,205	52,096	1,118	848,419
Reconciliation of funds								
Total funds brought forward	904,975	112,762	132,278	1,150,015	109,770	60,666	131,160	301,596
Total funds carried forward	841,622	109,115	132,278	1,083,015	904,975	112,762	132,278	1,150,015

St Margaret's Church, Chipstead Parish
Balance sheet as 31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	3	13,240	14,946
CURRENT ASSETS			
Debtors	5	15,967	75,214
Cash at bank and in hand		1,072,718	1,087,146
		1,088,685	1,162,360
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	6	18,910	27,291
NET CURRENT ASSETS		1,069,775	1,135,069
NET ASSETS		1,083,015	1,150,015
PARISH FUNDS			
Unrestricted	7	841,622	904,975
Restricted	7	109,115	112,762
Endowment	7	132,278	132,278
		1,083,015	1,150,015

The accounts were approved by the PCC on 22nd March 2021 and signed on behalf of the PCC by:



The Rev'd Susie Williams
Chair

St Margaret's Church, Chipstead Parish
Statement of Cash flow for the year ended 31 December 2020

	2020	2019
	£	£
Cash from operating activities	(14,403)	821,950
Cash flows from investing activities		
Interest receivable	3,315	1,169
Payment to acquire tangible fixed assets	(3,340)	(18,878)
Cash (used in) investing activities	<u>(25)</u>	<u>(17,709)</u>
Change in cash in reporting period	<u>(14,428)</u>	<u>804,241</u>
Cash at 1st January	1,087,146	282,905
Cash at 31st December	1,072,718	1,087,146
Cash used in operating activities		
Net income/(expenditure)	(67,000)	848,419
Interest received	(3,315)	(1,169)
Depreciation charges	5,046	3,932
Decrease/(increase) in debtors	59,247	(37,211)
Increase/(decrease) in creditors	(8,381)	7,979
Net cash provided by operating activities	<u>(14,403)</u>	<u>821,950</u>

St Margaret's Church, Chipstead Parish
Notes to the Financial Statements for the year ended 31st December 2020

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements have been prepared under the historical cost convention. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members. The financial statements are prepared in sterling, which is the functional currency of the PCC. Monetary amounts in these financial statements are rounded to the nearest £. The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The PCC have prepared detailed forecasts and cash flow projections which they believe are based upon reasonable assumptions. The forecasts show that the church should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

FUNDS

1. **Unrestricted Funds** represent the resources of the PCC that are not subject to any restrictions regarding their use and are available for the general purposes of the PCC.
2. **Restricted Funds** represent resources which the PCC has indicated to donors and fundraisers will be used for specified purposes:

The Fabric Fund mainly derives from major donations and special events to meet major expenses on repairs and renewals of the Church and the Churchyard.

Trust Funds consist of donations made specifically for the upkeep of certain graves.

The Bell Fund contains specific donations and surpluses from the use of bells at weddings set aside to meet future maintenance of and improvements to the bells and to meet bell ringer expenses.

Specific Collections consist of donations received at services and other Parish occasions for purposes specified at the time of collection.

The Appeal Fund contains donations made and the proceeds of special events undertaken for the purposes of funding the construction of The Orchard.

The Peter Aubertin Hall Fund consists of income from operating activities of the Hall, specific fundraising events and donations for the improvement of the Hall.

The Mugswell Hall Fund consists of income from the operating activities of the Hall and specific donations for the maintenance and improvement of the Hall

The Endowment Fund represents resources provided to build up a fund to ensure the future financial wellbeing of the Church. The Endowment Fund, a portion of which was originally donated in the 1970s, was done so with the restriction that it should not be spent on any activities outside of the parish, or routine running costs of the church. It is the policy of the PCC that it should be used as a reserve against major expenditure on the church fabric and churchyard.

Notes to the Financial Statements for the year ended 31st December 2020 (continued)

1. ACCOUNTING POLICIES (continued)

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 the income receivable can be measured reliably.

1. Voluntary Income

- Collections at services are recognised when received on behalf of the PCC.
- Planned giving is recognised when received and related Gift Aid is accrued for.
- Funds raised through events are accounted for gross.
- Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount is quantifiable and the ultimate receipt by the PCC is considered probable.

Other Income

- Operating income from other sources such as letting of church premises, magazine sales/advertising and parochial fees is recognised when due.
- Income from bank and CBF interest is recognised when received

Expenditure

- All expenditure is accounted for on an accruals basis.

Fixed Assets

Consecrated Property and Movable Church Furnishings

- Consecrated land/buildings and equipment are not included in the financial statements by virtue of the Charities Act 2011 Under the PCCs (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 in the year.
- Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. They are listed in the church inventory which can be inspected at any time.

Other church buildings

- The accounts for the PA Hall and Mugswell Hall are both shown under restricted funds. The PCC has made a decision not to show these buildings within fixed assets. Both of these halls were built before the start of the 20th century and the PCC believes that in the context of today's accounts showing these at cost would be immaterial.
- The Orchard - The PCC believes that since the Diocese of Rochester owns the church, the churchyard and the land on which the Orchard is built, it would be inappropriate to capitalise the Orchard as if it belonged to us.
- Depreciation is provided at the following rates to write off the cost of fixed assets over their useful lives:
Furniture, fittings & equipment - Straight line over 3 - 5 years

Notes to the Financial Statements for the year ended 31st December 2020 (continued)

1. ACCOUNTING POLICIES (continued)

Current assets

Income tax recoverable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments.

2 Income and Expenditure

The PCC has chosen to show income and expenditure on a fund by fund basis for both the historic and current periods. This gives greater clarity rather than the amalgamated basis for the historic period which is outlined in the PCC Accountability Manual (published 2006 and updated to incorporate SORP 2015).

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2020 (continued)

Note 2a Unrestricted general church funds	2020	2019
INCOME	£	£
<u>Voluntary income</u>		
Planned Giving	136,619	159,905
Collections (plate) at services	1,812	6,352
Income tax recoverable	30,368	34,639
Grants received	3,092	-
Donations etc.	8,791	9,917
Legacies	500	845,160
	181,182	1,055,973
<u>Income From Church Activities:</u>		
Wedding, Baptism and Funeral fees	11,988	12,593
Contractual income	48	39
	12,036	12,632
<u>Activities for generating funds</u>		
Magazine sales	1,649	2,526
Magazine advertising	1,395	2,418
Fetes and other fundraising events	-	6,597
Orchard hire	930	730
	3,974	12,271
Interest income	3,315	1
TOTAL INCOME	200,507	1,080,877
EXPENDITURE		
<u>Church Activities</u>		
Parish Share	120,000	117,504
Clergy expenses	884	790
Church building maintenance	8,143	17,586
Churchyard maintenance	151	113
Youth, children, music and hospitality	37,150	42,221
Church running expenses	38,692	46,912
Organ costs	300	297
General & secretarial expenses	31,765	32,700
Printing and stationery	8,966	9,912
Depreciation	5,046	3,932
	251,097	271,967
<u>Grants</u>		
Overseas mission societies	7,697	9,458
Christian relief & development agencies	500	500
Home mission & other church societies	3,102	3,513
	11,299	13,471

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2020 (continued)

Note 2a Unrestricted general church funds (continued)

Fund Raising costs		
Fund raising costs total	1,464	3,934
TOTAL EXPENDITURE	263,860	289,372

Note 2 (b) Restricted Funds

Trust Funds	2020	2019
	£	£
Income		
Dividends & Interest	-	-
Expenditure		
Flowers & upkeep of graves	-	-
Net Income	-	-
Balance at 1 January	367	367
Balance at 31 December	367	367

Bell Fund	2020	2019
	£	£
Income		
Interest	-	50
Surplus from weddings	-	-
Net income	-	50
Transfers	-	300
Balance at 1 January	28,576	28,226
Balance at 31 December	28,576	28,576

Specific Donations	2020	2019
	£	£
Income		
Collections	30	1,236
Donations etc	9,202	2,900
Events	-	1,248
	9,232	5,384
Expenditure		
Overseas mission societies		
Christian relief & development agencies	459	1,551
Home mission & other church societies	-	970
Secular charities	(689)	(2,332)
Refunds	9,202	-

Total Grants	8,972	189
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St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2020 (continued)

Note 2 (b) Restricted Funds (continued)

Net Income	260	5,195
Balance at 1 January	5,195	-
Balance at 31 December	5,455	5,195

	2020	2019
	£	£
Appeal Fund		
Income	-	-
Expenditure		
Grants to home mission & other church societies	-	-
Costs of Fundraising	-	-
Equipment purchases	3,136	8,272
	3,136	8,272
Net Income/(expenditure)	(3,136)	(8,272)
Balance at 1 January	9,939	18,211
Balance at 31 December	6,803	9,939
Peter Aubertin Hall		
Income	£	£
Operating activities to generate funds	--	-
Church hall lettings	9,525	22,255
	9,525	22,255
Dividends & interest	-	-
Other Income	-	-
	9,525	22,255
Expenditure		
Church hall running costs	6,849	10,145
Church hall building maintenance	3,500	3,884
Administration of Hall Bookings	4,000	-
	14,349	14,029
Net Income	(4,824)	8,226
Transfers	-	(4,000)
Balance at 1 January	15,263	11,037
Balance at 31 December	10,439	15,263

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2020 (continued)

Note 2(b) Restricted funds (continued)

Mugswell Hall	2020	2019
	£	£
Income		
Donations	-	337
Church hall lettings	235	1,782
	235	2,119
Expenditure		
Church hall running costs	1,022	1,200
Church hall building maintenance	148	322
	1,170	1,522
Net Income	(935)	597
Balance at 1 January	3,422	2,825
Balance at 31 December	2,487	3,422

Fabric Fund	2020	2019
	£	£
Income		
Bequest	4,988	50,000
Expenditure	-	-
Net Income	4,988	50,000
Balance at 1 January	50,000	-
Balance at 31 December	54,988	50,000

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2020 (continued)

3: Fixed assets for use by the PCC		
		Furniture, fittings and equipment
Cost	At 1 January 2020	18,878
	Additions at cost	3,340
	At 31 December 2020	<u>22,218</u>
Depreciation	At 1 January 2020	3,932
	Charge for the year	5,046
	At 31 December 2020	<u>8,978</u>
Net book value	At 31 December 2020	<u>13,240</u>
	At 31 December 2019	<u>14,946</u>

4: Staff Costs	2020	2019
	£	£
Wages and salaries	58,096	62,579
Social security costs	1,204	642
Employers Pension costs	1,354	1,438
Total	<u>60,654</u>	<u>64,659</u>
Average number of employees	3	4

Wages and salaries include the administration costs charged against the PA Hall accounts. At the start of the year the PCC employed a parish administrator/ secretary, a finance assistant, a children and families worker and a youth worker, none of whom earned £60,000 pa or more. Our youth worker and parish administrator left during 2020. None of the employees were members of the PCC during 2020. There were no employee benefits to key management personnel in the previous or current year.

5 Debtors	2020	2019
Due within one year	£	£
Income Tax recoverable	9,543	17,825
Prepayments	5,491	5,936
Other Debtors	933	51,453
Total debtors	<u>15,967</u>	<u>75,214</u>
6 Liabilities		
Amount falling due within one year	£	£
Deferred Income	300	195
Accruals	18,610	27,096
Total liabilities	<u>18,910</u>	<u>27,291</u>

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2020 (continued)

7 Analysis of Net Assets by Fund				
	2020			
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	846,090	13,240	(17,708)	841,622
Fabric Fund	54,988		-	54,988
Trust Funds	367		-	367
Bell Fund	28,576		-	28,576
Appeal Fund	6,803		-	6,803
Specific Donations	6,009		(554)	5,455
PA Hall	11,087		(648)	10,439
Mugswell Hall	2,487		-	2,487
Endowment Fund	132,278		-	132,278
Total Funds	1,088,685	13,240	(18,910)	1,083,015
	2019			
	Current	Fixed assets	Current	Fund
	Assets		Liabilities	Balance
	£	£	£	£
Unrestricted Funds	906,551	14,946	(16,522)	904,975
Fabric Fund	50,000		-	50,000
Trust Funds	367		-	367
Bell Fund	28,576		-	28,576
Appeal Fund	9,939		-	9,939
Specific Donations	15,273		(10,078)	5,195
PA Hall	15,954		(691)	15,263
Mugswell Hall	3,422		-	3,422
Endowment Fund	132,278		-	132,278
Total Funds	1,162,360	14,946	(27,291)	1,150,015

St Margaret's Church, Chipstead Parish

Notes to the Financial Statements for the year ended 31st December 2020 (continued)

8. Related party transactions

During the year 1 (2019: 2) member of the PCC was reimbursed £317 (2019: £2,653) for travel and subsistence expenses.

Abigail Page (daughter of Shirley Page) received remuneration of £18,307 (2019: £19,125) for her role as Children and Families worker

9. Lease Commitments

The total future minimum lease payments under non-cancellable operating leases are payable:

	2020	2019
	£	£
Within 1 year	1,430	1,430
Within 2 to 5 years	3,934	5,364
	5,364	6,794
Lease payments during the year	1,799	2,009

10. Endowment fund

The Endowment Fund, a portion of which was originally donated in the 1970s, was done with the restriction that it should not be spent on any activities outside of the parish, or on routine running costs of the church. During 2018 the cost of strengthening the Bell Tower and adding a wooden gallery, were charged against the fund. There was no expenditure charged against the fund in 2019 and 2020