

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

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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
Fofa Lappin
Angela Robertson

Management personnel

St Margaret's Church, Chipstead Parish

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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

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

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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..

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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

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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.

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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

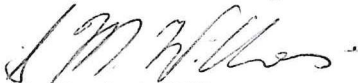
The PCC needs reserves to cover short term shortfalls in income and to cover unexpected expenditure. The vast majority of the PCC's income derives from voluntary donations. Whilst a significant proportion of these donations are planned, there is a level of unplanned giving which is not always predictable. 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	Restricted	Endowment	TOTAL	Unrestricted	Restricted	Endowment	TOTAL
	Funds	Funds	Funds	2020	Funds	Funds	Funds	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	(25)	(17,709)
Change in cash in reporting period	(14,428)	804,241
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	(14,403)	821,950

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		
	2020	2019
	£	£
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	22,218
Depreciation	At 1 January 2020	3,932
	Charge for the year	5,046
	At 31 December 2020	8,978
Net book value	At 31 December 2020	13,240
	At 31 December 2019	14,946

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		60,654	64,659
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		15,967	75,214

6 Liabilities		2020	2019
		£	£
Amount falling due within one year			
Deferred Income		300	195
Accruals		18,610	27,096
Total liabilities		18,910	27,291

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
	<u>5,364</u>	<u>6,794</u>
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