

**TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE PAROCHIAL CHURCH COUNCIL OF ST LEONARD'S PARISH,
HYTHE**



Aims and purposes

The Parochial Church Council (PCC) of the parish of St. Leonard has the responsibility of co-operating with the church wardens during the interregnum to promote in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is responsible for the maintenance of the two churches of the parish, St. Leonard's and Holy Cross, and for the Parish contribution, agreed by the Joint Council, to the St. Michael's Methodist Anglican Church Centre (StMMACC).

Objectives and Activities

The PCC is committed to enabling as many people as possible to worship at our churches and to become part of our parish community. The PCC maintains an overview of worship throughout the parish and makes suggestions on how our services can involve all those who live within the parish. Our services and worship put faith into practice through sacrament, prayer and scripture.

When planning our activities for the year, the incumbent and the PCC have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. We try to enable ordinary people to live out their faith as part of our parish community through:

- i) worship and prayer, and the development of spirituality through study and discussion
- ii) provision of pastoral care for people living in the parish
- iii) missionary and outreach work

To facilitate this work, it is important that we maintain the fabric of the churches in the Parish.

Achievements and Performance

Worship and Prayer

The PCC is keen to offer a range of services throughout the parish that our community find both beneficial and spiritually fulfilling. Eucharist is central to our worship in the form of Sung Eucharist with choir at St. Leonard's, the Holy Communion service at Holy Cross, along with the quieter, more intimate said Holy Communion services. However Holy Cross has remained closed this year, but was used for storage at Christmas for gifts for the residents of Hythe, and for prayer time during Advent. Holy Communion is celebrated once a month at SMACCS There is full choral evensong at St. Leonard's each Sunday. There are also weekday services throughout the parish.

Our main services are live streamed, also weddings, funerals and baptisms on request.

All are welcome to attend our regular services. At present, there are 126 parishioners on the Church Electoral Roll. The average weekly attendance for the whole parish, counted during October, was 70 adults and 8 children under 16.

There has been 7 baptisms, 4 weddings, and 3 funerals held in church and 11 funerals conducted on behalf of the parish at crematoria and cemeteries.

The church has remained open when permitted to do so, the crypt was able to reopen from mid July to September.

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Deanery Synod

3 members of the PCC sit on the Deanery Synod. This provides the PCC with an important link between the parish and the wider diocesan structures.

Pastoral Care

The Pastoral and Healing Team of the parish, in liaison with the clergy, ensure that all those who are unable to attend church because of age or ill health are visited and given communion, visiting during the pandemic has been difficult at times, but telephone calls have been welcomed also our services are live streamed which has been appreciated by many.

Mission and Evangelism

Our monthly Parish Review is distributed widely in the community and is always available at the back of each church.

Fund raising has been again difficult because of the pandemic

However because of a very generous legacy the church has been able to purchase a property in the High Street, which will be used for the church publications etc. and also for community use.

The church continues to maintain strong links with Hythe Bay school, and we have been pleased to be able to welcome them back in the church for a church day and their Christmas services

Through these the children become familiar and comfortable with the church and begin to learn that the church is part of their town and for them to use.

Ecumenical Relations

Churches together in Hythe and Saltwood are making an effort to get things moving and a joyous Pentecostal service was held in St Leonards with representatives from all our churches.

Financial Review

The parish benefited in 2021 from inheriting a trust fund relating to a legacy from 2001. The funds (which are unrestricted) became available to the parish following the death of a preferential beneficiary and totalled £769,070.

Total receipts for unrestricted funds were £871,532. In addition restricted income of £31,357 was also received and is detailed in the financial statements.

Planned giving through bankers orders and weekly envelopes was £52,973 (£57,018 in 2020) while the plate collections at all services totalled £5,095 (£3,978 in 2020).

The total expenditure required for the year totalled £146,068 of which £113,648 was from current unrestricted funds.

The parish purchased a high street business premises for £335,000 and this is reported in fixed assets.

The parish share as assessed by the Diocese of Canterbury was £87,389 and this was paid by the parish in full with the assistance of a donation and by using some of the legacy funds. However there are still historical arrears of £102,306.

Reserves Policy

Following receipt of legacy funds and purchasing a property parish reserves held at the bank at the end of the year totalled £427,393 of which £424,975 is unrestricted. In addition there are long term investments held with CBF Church of England funds of £9,626. Expenditure on the fabric at St Leonards Church is met by legacy funds or requires a request for funding from the Friends of St Leonards, a separate and independent charity.

The parish receives rent from a residential property which may be used for general purposes as well as the upkeep of that property.

In 2022 consideration will be given to retaining a working balance of cash reserves with the remainder being invested.

Volunteers

Our large team of volunteers is what makes the church function. These include members of the PCC, servers, church cleaners, sides persons, choir members, bell ringers, coffee makers, flower arrangers, churchyard maintenance workers and many others, all of whom add up to a band of helpers who willingly give their time for the good of our church community. We are truly grateful to them all and offer our heartfelt thanks to them all.

Structure, governance and management

The method of appointment of PCC members is set out in the Church Representation Rules. Here in the parish of St. Leonard the membership of the PCC consists of the Priest in Charge, associate and assistant clergy, the churchwardens, the reader, members of the deanery synod and members who are elected by those of the congregation who are on the

electoral roll of the parish. All who are members of our congregation are encouraged to register on the electoral roll and stand for election to the PCC.

The PCC is responsible for making decisions on all matters of general concern and importance to the parish including decisions about how funds of the PCC are to be spent.

The parish and PCC take the issue of safeguarding very seriously and our safeguarding officer, Marilyn Johnson, has continued to promote safeguarding training throughout the parish ensuring that all who require training are able to access stage 1 and stage 2 training.

Administrative Information

The Parish of St. Leonard is part of the Canterbury Diocese within the Church of England. The correspondence address is The Vicarage, Oak Walk, Hythe, Kent CT21 5DN.

The PCC is a body corporate (PCC Powers Measure 1956, Church Representation Rules 2011) and was registered as a charity (No 1144695) on 16 November 2011.

PCC members who have served from March 2017 until the date this report was approved are:

Wardens: John Wren
Gill Cox

Mike Cox

Lay Reader

Brian Bishop
David Owen

Deanery Synod and Treasurer
Deanery Synod

Elected members:

Berkeley Hill
Roger Taylor
John Wren

Elected 2017-20
Elected 2017-20
Elected 2017-20

Alison Brett

Elected 2018-2021

Martin Owen
Jane Spencer
Joan Devenny
Marilyn Johnson
Derek Maynard

Elected 2018-2021
Elected 2018-2021
Elected 2019-2022
Elected 2019-2022
Elected 2019-2022

PCC Secretary: ,

Christine Blackman

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st December 2021

	Note	Unrestricted Funds	Restricted Funds	2021	2020
Income and Expenditure					
Incoming Resources					
Incoming resources from donors	2(a)	73,477	0	73,477	77,003
Other voluntary incoming resources	2(b)	777,001	31,310	808,311	19,444
Incoming resources from operating activities:-					
- to further the Council's objects	2(c)	10,916	0	10,916	2,823
- to generate funds	2(cii)	1,340	47	1,387	758
Trading receipts	2(d)	7,360	0	7,360	7,360
Income from Investments	2(e)	7	0	7	28
Other incoming resources	2(f)	0	0	0	0
Total incoming resources		870,101	31,357	901,458	107,416
Resources Expended					
Grants	3(a)	67	1,340	1,407	755
Support Costs	3(b)	0	0	0	0
Relating to the Work of the Church	3(c)	107,275	33,080	140,355	141,259
Church Management & Admin.	3(d)	5,413	0	5,413	4,519
Vergers House	3(e)	893	0	893	365
Other Resources Expended	3 (f)	0	0	0	0
Total resources used		113,648	34,420	148,068	146,898
Net (outgoing)/incoming resources for the year		756,453	-3,063	753,390	-39,482
Other recognised gains and losses					
Gains/Losses(-) on investments		1,431	0	1,431	759
Surplus on revaluation of freehold property		0	0	0	125,000
Net Movement in Funds		757,884	-3,063	754,821	86,277
Balances Brought Forward at 1st January, 2021 (2020)		413,707	14,709	428,416	342,139
Balances Carried Forward at 31st December, 2021 (2020)		1,171,591	11,646	1,183,237	428,416

The notes on pages 8 to 13 form part of these accounts.

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

BALANCE SHEET
at 31st December, 2021

	Note	2021	2020
FIXED ASSETS			
Tangible Fixed Assets	5	844,600	512,592
Investments	6	<u>9,626</u>	<u>8,195</u>
		854,226	520,787
Current Assets			
Cash at Bank		453,852	36,879
Other Debtors - Income Tax recoverable		2,067	2,430
GASDS Recoverable		257	192
CDBF Vacancy Fees		180	0
Holy Cross Gas Account		<u>0</u>	<u>1</u>
		456,356	39,502
Liabilities: Amounts falling due within one year			
Parish Share		102,306	128,776
Insurance Premium Instalments		2,630	2,616
Uncleared Cheques		21,978	0
Sundry creditors		<u>431</u>	<u>481</u>
		127,345	131,873
Net current (liabilities) / assets		<u>329,011.00</u>	<u>-92,371</u>
NET ASSETS		<u>1,183,237</u>	<u>428,416</u>
Represented By			
Restricted	9,11	11,645	14,709
Unrestricted	10,12	1,171,592	413,707
		<u>1,183,237</u>	<u>428,416</u>

Approved by the Parochial Church Council on 2022 and signed on its behalf by:

.....
Mrs G J Cox (Churchwarden)

.....
Mr J C Wren (Churchwarden)

The notes on pages 8 to 13 form part of these accounts.

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December, 2021

NOTE 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 1997 together with applicable accounting standards and the Charities SORP.

The financial statements have been prepared under the historical cost convention except for the valuation of freehold property and investment assets, which are shown at market value.

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

The accounts include all transactions, asset 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.

Incoming Resources

Voluntary income and capital sources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under covenant or gift aid is recognised only when received.

Income tax recoverable on covenants or gift aid donations is recognised when the income is recognised.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement and the amount due.

Funds raised as a result of specific fund raising events are accounted for gross.

Sales of books and guides are accounted for gross.

Other ordinary income

Rental income from the letting of church premises is recognised when the rental is due.

Income from investments

Dividends and interest are accounted for when receivable. Tax recoverable on such income is recognised in the same accounting year.

Gains and losses on investments

Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investment on 31st December.

Resources used

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

Activities directly relating to the work of the Church

The diocesan quota is accounted for when payable. Any quota unpaid at 31st December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

Fixed Assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by s.96(2)(a) of the Charities Act 1993.

No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or benefice buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Steinway Performance Piano

The Steinway piano is depreciated on a straight line basis over 20 years.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years.

Investments

Investments are valued at market value at 31st December.

Current assets

Amounts owing to the PCC at 31st December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectible.

Short term deposits include cash held on deposit with CBF Church of England Funds or at the bank.

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2021 (continued)

NOTE 2. INCOME	Unrestricted Funds	Restricted Funds	2021	2020
<i>2(a) Incoming resources from donors</i>				
<i>Planned giving:</i>				
<i>Gift Aid declarations</i>	47,160		47,160	51,489
<i>Inc.Tax recovered on gift aid</i>	10,540		10,540	11,413
<i>Income tax to be reclaimed</i>	2,067		2,067	2,430
<i>Non Gift Aid giving</i>	5,813		5,813	5,529
<i>Collections (open plate) at all services</i>	5,095		5,095	3,978
<i>Gift Aid Small Donations Scheme</i>	908		908	881
<i>GASDS to be reclaimed</i>	257		257	192
<i>Sundry Donations</i>	1,637		1,637	1,091
	73,477	0	73,477	77,003
<i>2(b) Other voluntary incoming resources</i>				
<i>Donations, appeals</i>	1,931	30,310	32,241	6,185
<i>Legacies</i>	774,070		774,070	0
<i>Grants</i>	1,000	1,000	2,000	11,690
<i>Reclaimed VAT</i>			0	1,486
<i>Refunds</i>			0	83
	777,001	31,310	808,311	19,444
<i>2(c) Incoming resources from operating activities to further the Council's objects</i>				
<i>Magazines/Books Sales</i>	912		912	868
<i>Fees</i>	2,504		2,504	1,658
<i>Crypt</i>	7,500		7,500	297
	10,916	0	10,916	2,823
<i>2(cii) Incoming resources from operating activities to generate funds</i>				
<i>Fund-raising Events</i>		47	47	72
<i>Magazine advertising revenue</i>	1,250		1,250	630
<i>Printing revenue</i>	90		90	56
	1,340	47	1,387	758
<i>2(d) Trading receipts</i>				
<i>Vergers House - Rent</i>	7,200		7,200	7,200
<i>Holy Cross Church Letting Income</i>	160		160	160
	7,360	0	7,360	7,360
<i>2(e) Income from Investment</i>				
<i>Dividends & Interest</i>	7		7	28
	7	0	7	28
<i>2(f) Other ordinary incoming resources</i>				
<i>Misc Income</i>			0	0
	0	0	0	0
TOTAL INCOME	870,101	31,357	901,458	107,416

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2021 (continued)

NOTE 3. EXPENDITURE	Unrestricted Funds	Restricted Funds	2021	2020
3(a) Grants				
Missionary & Charitable Giving:				
Church Overseas:				
- Missionary Societies				0
- Relief & Development Agencies				0
Home Missions & Other Church Societies	67	1,340	1,407	755
	<u>67</u>	<u>1,340</u>	<u>1,407</u>	<u>755</u>
3(b) Support Costs				
Diocesan Training Funds			0	0
Conferences			0	0
ALMs/Readers			0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3(c) Relating to the Work of the Church				
Church Maintenance	3,806	70	3,876	17,724
Church Running Expenses	26,630		26,630	16,653
101 High Street Maintenance	13,623		13,623	0
Clergy Expenses			0	2,085
Crypt			0	0
Depreciation	1,792	1,200	2,992	4,044
Diocesan Parish Share	57,389	30,000	87,389	86,470
Education/Spiritual Growth	153		153	0
Evangelism/Retreats			0	237
Fees expenses	100		100	0
Organ Maintenance		1,810	1,810	791
Piano Maintenance			0	5,035
Wages & Staff Costs (see note 4)	3,782		3,782	8,220
	<u>107,275</u>	<u>33,080</u>	<u>140,355</u>	<u>141,259</u>
3(d) Church Management & Administration				
Administration	1,475		1,475	2,331
Office Rent			0	1,600
Bank Charges	51		51	0
Card Charges	46		46	26
Professional Fees	3,711		3,711	300
Affiliation Fees	130		130	262
	<u>5,413</u>	<u>0</u>	<u>5,413</u>	<u>4,519</u>
3(e) Vergers House				
Repairs & Maintenance	893		893	365
	<u>893</u>	<u>0</u>	<u>893</u>	<u>365</u>
3 (f) Other Resources Expended				
Misc Expenditure			0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURE	113,648	34,420	148,068	146,898

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2021 (continued)

NOTE 4. STAFF COSTS

	2021	2020
Wages & Salaries (Secretarial)	0	5,238
Wages & Salaries (Organ/choir)	3,782	2,982
	<u>3,782</u>	<u>8,220</u>

During the year the P.C.C. paid for the services of a Director of Music, an assistant organist and choirs.

NOTE 5. FIXED ASSETS FOR USE BY THE P.C.C. (Unrestricted)

	Freehold Land & Buildings	Furniture & Equipment	Total
COST OR VALUATION			
At 1 January 2021	500,000	69,681	569,681
Revaluation/purchase	0	0	0
Additions	335,000	0	335,000
At 31 Dec. 2021	835,000	69,681	904,681
DEPRECIATION			
At 1 January, 2020	0	57,089	57,089
Charge for the year	0	2,992	2,992
At 31 Dec. 2021	500,000	60,081	60,081
NET BOOK VALUE			
At 31 Dec. 2020	500,000	12,592	512,592
At 31 Dec. 2021	835,000	9,600	844,600

NOTES:

The freehold land and buildings comprise:

Vergers house located at Church Road, Hythe - value £500,000
Valued August 2020

101 High Street, Hythe, purchased 1 October 2021 at £335,000

No new equipment was purchased during the year.

Furniture & Equipment comprises:
Chamber Organ - £9,600

NOTE 6. INVESTMENTS

	Unrestricted Funds	Restricted Fund	2,021	Total 2020
CBF Investment Fund Units - Martello Drive	9,626		9,626	8,195

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2021 (continued)

NOTE 7. FUND DETAILS

The restricted fund comprises:

The Charity Account relates to funds raised for and grants made to support mission work and charities.

St. Leonard's Church which relates to funds donated and used for the upkeep and maintenance of that church.

The Organ Fund which relates to funds donated and used for the restoration and upkeep of the organ in St Leonards's Church.

The Churchyard Improvements Fund relates to funds donated and used for the upkeep and maintenance of the churchyard and boundary walls, railings and gates at St Leonards.

Holy Cross After School Club fund which relates to funds donated and used for children's work at Holy Cross Church.

The designated fund comprises:

The Vergers House fund which relates to income from renting the property and which is designated for the repair and upkeep of that property but can also be used for general purposes.

The Holy Cross Fund which relates to income from letting the property and which is designated for the repair and upkeep of that property.

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2021 (continued)

NOTE 9. ANALYSIS OF MOVEMENTS IN RESTRICTED FIXED ASSETS

	Balance at 1 Jan 2021	Movement in resources		Balance at 31 Dec 2021
		Incoming	Outgoing	
Chamber Organ	10,800		-1,200	9,600
	10,800	0	-1,200	9,600

NOTE 10. ANALYSIS OF MOVEMENTS IN UNRESTRICTED FIXED ASSETS

	Balance at 1 Jan 2021	Movement in resources		Balance at 31 Dec 2021
		Incoming	Outgoing	
Vergers House	500,000			500,000
101 High Street	0	335,000		335,000
Office Photocopier/Printer	1,792		-1,792	0
	501,792	335,000	-1,792	835,000

NOTE 11. ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS

	Balance at 1 Jan 2021	Movement in resources		Balance at 31 Dec 2021
		Incoming	Outgoing	
Churchyard Improvements Fund	1,199	0	-25	1,174
Organ Fund	2,118	0	-1,812	306
St Leomards Fabric Fund	71	0	-44	27
Mission & Charities Fund	326	1,347	-1,330	343
Mission & Charities Current Account	0	10	-10	0
Holy Cross After School Club	195	0	0	195
Parish Share	0	30,000	-30,000	0
	3,909	31,357	-33,221	2,045

NOTE 12. ANALYSIS OF MOVEMENTS IN UNRESTRICTED FUNDS

	Balance at 1 Jan 2021	Movement in resources		Balance at 31 Dec 2021
		Incoming	Outgoing	
Vergers House Designated Funds	157	7,200	-6,892	465
Holy Cross Designated Funds	816	160	-479	497
Other unrestricted funds	-89,058	864,172	-439,484	335,630
	-88,085	871,532	-446,855	336,592

NOTE 13. ANALYSIS OF NET ASSETS

	Unrestricted	Restricted	Total
Fixed assets	835,000	9,600	844,600
Investments	9,626	0	9,626
Current assets	454,310	2,045	456,355
Current liabilities	-127,345		-127,345
	1,171,591	11,645	1,183,236

The Parochial Church Council of St Leonard, Hythe ("the PCC")
Independent Examiner's Report
Year ended 31st December 2021

This report on the financial statements of the PCC for the year ended 31st December 2021 which are set on pages , is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and the Charities Act 2011 ("the 2001 Act").

Responsibilities and basis of report

As members of the PCC, you are responsible for the preparation of the financial statements ; you consider that the audit requirement of the Regulations and section 144(2) of the 2011 Act do not apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the financial statements and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept 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 accounting requirements of the Act.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

.....
N. D. May FCCA

Date:

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