

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF HEADLEY WITH BOX HILL

England & Wales - Charity number 1151029

Details

Other names	HEADLEY WITH BOX HILL
Status	Registered
Legal form	Previously excepted
Registered	2013-03-01
Register	View on the Charity Commission register

Contact

Address	The Rectory Breech Lane Walton On The Hill Tadworth KT20 7SD
Phone	07785990229
Email	rogerkitley@aol.com
Website	www.headleyboxhillchurches.org.uk

Activities

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

Activities: Regular public worship open to all. The provision of sacred space for personal prayer and contemplation. Pastoral work including visiting the sick and bereaved. Teaching of Christianity through sermons, courses and small groups. Promotion of Christianity through the staging of events and meetings. Outreach to all villagers by providing a care team and a meeting point for carers.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£111,192	£102,282	-	-
2023-12-31	£112,531	£111,120	-	-
2022-12-31	£135,101	£128,961	-	-
2021-12-31	£135,731	£157,489	-	-
2020-12-31	£242,087	£475,528	-	-

Trustees

Name	Role	Appointed
Adrienne Lloyd-Williams		2025-05-06
Celia Frances Toms		2024-04-30
George Frederick Nixon		2025-05-06
Georgette Lucia Mimicopoulou		2024-04-30
Rev Henry Nicholas Lomax Latham		2017-09-01
Roger John Kitley		2016-04-10
Sally Vivien Hunt		2024-04-30
Susan Jane Boswell		2023-06-13
Thelma Rose Ann Jackson		2023-04-25
William Anthony Donnelly		2024-04-30

Accounts

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL
PARISH OF HEADLEY WITH BOX HILL
Charity Number 1151029**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
OF THE
PAROCHIAL CHURCH COUNCIL**

For the year ended 31st December 2024

Incumbent:

The Revd. Henry (Harry) N L Latham
The Rectory
Breech Lane
Walton on the Hill
Surrey, KT20 7SD

Bankers:

CAF Bank Ltd
25, Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent Examiner:

Mr Stuart Kneec

ANNUAL REPORT FOR 2024

Objectives and Activities

The Parochial Church Council of the Ecclesiastical Parish of Headley with Boxhill (PCC) is a Registered Charity with the Charities Commission, Number 1151029 and Inland Revenue Charity Number X83572.

Structure, Governance and Management

The Parish of Headley with Box Hill is a separate parish within the United Benefice of Headley with Box Hill and Walton-on-the-Hill.

The PCC is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

The PCC has the responsibility of co-operating with the Rector in promoting in the ecclesiastical Parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC members are responsible for making decisions on all matters of general concern and importance to the parish, including deciding on how the funds of the parish are to be spent. The PCC has a Standing Committee which meets to consider matters that are to be brought to the PCC for decision.

The PCC also has the responsibility for the maintenance and upkeep of two churches (St Mary the Virgin, Headley and St Andrew's, Box Hill). It has acquired the former school buildings adjacent to St Mary's, which are let to commercial tenants and occasionally used for overflow car parking when not being used by the current tenants. We have also acquired the Hooper field for car parking and as an extension to the churchyard.

Certain elected members of the PCC are also Trustees of two related Trusts; The Mary Freeman Braithwaite Trust (Charity Commission Number 800588) and the St. Andrew's Brodie Trust (Charity Commission Number 1090820).

Administrative Information

Members of the PCC are either elected at the Annual Parochial Church Meeting or are ex officio or co-opted in accordance with the Church Representation Rules. All those who attend our services are encouraged to register on the Electoral Roll and stand for election to the PCC. New members receive initial training into the workings of the PCC.

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

Revd. Harry Latham*
Revd Leah Bates*
Rev Karen Wheatley*
Mr Roger Kitley*
Mrs Janet Curtis*
Mrs Ann Golding*
Mrs Sue Boswell*

Rector
Benefice Curate (left April 2024)
Benefice Curate (from July 2024)
Treasurer
Deanery Synod
Deanery Synod
Safeguarding Officer

Elected	Date of retirement
Mrs Adrienne Lloyd-Williams	Retired 2024
Mr Phil Hollingdale*	2028
Mrs Thelma Jackson	2029
Mrs Celia Toms	2030
Mr William Donnelly	2030
Mrs Sally Hunt	2030
Mrs Georgie Mimicopoulou	2030

*Indicates members of the Standing Committee

The major risks to which the the PCC is exposed have been reviewed and systems and procedures designed to manage those risks have been established.

Achievements and Performance

Church Services in the Parish

2024 was a difficult year with the departure of Christopher Hancock who left at the beginning of the year to become the Rector of the Octagon Parish in Compton, followed by Leah Bates – who left after Easter to become Rector of Fetcham. However we welcomed Karen Wheatley (our new deacon) and husband Rob at Petertide and they have come to live in the Rectory at Headley.

With help from various visiting priests Sunday services continued as usual. At St Mary's, Prayer Book Communion was celebrated at 8.00 am on the first, second and fourth Sundays. At 9.30 am Family Communion was celebrated on the second and fourth Sundays, the second Sunday being a joint service with St Andrew's. At 10.30am Parish Communion Service was celebrated on the first and third Sundays. Livestreaming of St Mary's main morning services continued.

At St Andrew's at 9.30 am a Contemporary Worship Service was held on the first Sunday, an Informal Family Communion on the third and a 10am Morning Praise on the fourth. On the fifth Sunday of a month a Joint United Benefice Family Communion took place at each of the three churches of the Benefice in rotation.

The evening Explore & Connect gathering (meeting in the Octagon and Rectory) was paused with the departure of the Bates family.

Ascension Day was celebrated again at the Viewpoint on Box Hill – with many thanks to Jan Curtis for her bacon sarnies.

Harvest Festival services took place as normal with generous contributions of provisions for Head Start and the Night Shelter.

Remembrance Day services took place in the normal way.

Christmas was celebrated and both Churches looked beautiful. Esther Jones and the Community Choir produced the Nine Lessons and Carols alongside St Mary's Church choir, and the Carols by Candlelight took place at St Andrew's.

Church Attendance

The number of people on the Church Electoral Roll at 31st December was 80 (2023 – 83). The average Sunday attendance over both churches was slightly lower than the previous year, but has not yet recovered to pre-Covid levels.

Attendance at specific services were as follows, 2019 figures are included for comparison:-

	2024	2023	2022	2019
Mothering Sunday	39	71	41	89
Easter Day	98	70	70	107
Remembrance Services	79	72	94	118
Nine Lessons and Carols	66	81	86	91
Carols by Candlelight	22	22	51	N/A
Crib Service & Carols	127	111	176	87
Midnight Mass	N/A	53	24	51
Christmas Day	47	41	27	51

Occasional services were held as follows:-

	2024	2023	2022	2019
Baptisms	4	3	6	2
Weddings & Blessings	2	1	4	0
Funeral & Memorial Services	12	4	4	9

Review of the Year

The Pilgrim Group continued to meet in the Octagon on a Friday morning, and Prayer & Pastries in St Andrew's. Monthly Healing Communion have taken place in St Mary's on a Wednesday Morning. First Friday Coffee continued in the Octagon.

The Prayer Network daily emails have continued and many thanks to Charlie Holme for all his work on this and to the team of contributors.

An especial "Thank you" again to our vital but diminished volunteer teams. We are so grateful to those who clean our churches, provide refreshments, help as vergers and sidespeople, oversee streaming, arrange flowers, and look after candles.

A continuing challenge in 2024 has been the lack of volunteers and a shortage of new helpers. We have a pressing need for people to volunteer to help clean, to join the Coffee Team, to help as sidespeople and vergers, to sing in the choir and to arrange flowers – as well as to come on the PCC. 2024 was also the year in which the post of warden was vacant.

Looking Towards 2025

The Deanery of Epsom enters its second experience of the Parish Needs Process – a rolling two year program that puts strategy at the top of the list for the Archdeacon's visitation. The PCC has good foundations to build on and has updated our Church development plan based on the principles from the LYCiG materials (Leading Your Church into Growth).

Under the **Heading of Growing Discipleship** we continue to run Prayer & Pastries, to build our Pilgrim course, and encourage prayer and bible reading, and baptism and confirmation.

Under the **Heading of Growing Diversity** we need to connect with younger people.

Under the **Heading of Growing Community** we will continue the Community choir and special musical events at St Mary's. We run First Friday Coffees and welcome hirers to the Octagon. At St Andrew's we support the Good Neighbour's monthly meetings, Warm Hubs, and the Community Fridge. We continue our August cream tea and Songs of Praise as well as our Carols by candlelight for the wider community.

Reaching out into our unique local communities, and amongst our neighbours and friends of all ages, in appropriate ways remains vital. Developing a culture of Invitation remains a key part of our future.

Continuing to serve all who come to us for baptisms, weddings, and funerals remains very important. We look to connect with people beyond our existing contacts and friends.

We also look to keep growing in faith and in our connection to God as we develop our spiritual lives in prayer, Bible study, worship and service.

Treasurer's Report

The year has seen a slight decrease in attendances at services, although voluntary income (excluding donations and gifts) has remained constant. Voluntary income and donations are a vital part of our total income stream, and regular donations are extremely important as they provide a source of income that is both regular and predictable.

We have provided a variety of platforms for these donations to be made, allowing the recovery of Gift Aid, which is also an important part of our income. We would encourage all regular donors to use one of these platforms, as our ability to recover Gift Aid from cash donations is always subject to statutory limits. The Parish Giving Scheme has attracted a growing number of regular donors, and we encourage all new and regular donors to join this scheme, as it greatly streamlines our administration, as well as the reporting and collection of Gift Aid. The PGS scheme also offers the advantage of operating at zero cost to the parish, online and credit card donations do attract a small commission. We therefore urge you to review how you contribute to the work of the church and consider joining the Parish Giving Scheme.

The average donation by regular donors to one or more of our main regular giving platforms was £16.37 per week, very close to last year's figure, however, the number of regular donors has increased slightly to 49.

We would like to thank all our regular donors for their invaluable support, but we do urge those who are not regular donors to join one of these regular giving schemes to help finance the work of the church.

While our online giving platform and credit card facility are providing useful additional income, particularly from non-regular attenders at services, or at special services such as weddings and baptisms, income from these sources was £1,424 in the year, a substantial fall from last year.

Fundraising and donations to charity included donations to The Meeting Room, Leatherhead Start, and St Peter's Lifeline in Kenya during the year.

Summary

We have recorded an excess of income over expenditure in our general account for 2024 of £8,910.

Minor repairs to the fabric of our buildings were carried out during the year, but there were no items of significant expenditure. This has largely contributed to the surplus of income over expenditure generated this year.

The intrusion of ground water into the basement at St Mary's, continues to be an issue, but the recently installed sump pumps are keeping the boiler room reasonably dry.

All works identified in the Quinquennial Review of our two churches, which was carried out in May 2021 by our Inspecting Architect, have now been acted upon.

We have fully paid our Parish Share of £49,287, but we have been advised of a substantial increase of 6.5% in 2025. Recent budget changes to employers National Insurance contributions will also negatively impact Parish Share, although we have not yet been advised of the extent of this.

We continue to use the Parish Buying scheme that takes advantage of the combined purchasing power of a large grouping of parishes. This has led to substantial cost savings, particularly with oil purchases and office and church supplies. One of the great concerns to us all is the increase in energy costs, although prices have now stabilised. Unfortunately, our 3 year fixed price contracts for gas and electricity supply ended in December of this year. Our new contract prices are substantially higher and we will see a sharp increase in energy costs in 2025. We do not have a similar arrangement for our oil supplies, oil prices have fluctuated during the year, but were generally about the same as in 2023..

The annual cost of running our two churches in 2024 was £93,869. This figure excludes fundraising costs, charitable donations, trading costs and Old School insurance costs.

The rental income from The Old School has again been an extremely important part of our revenues. Regular giving is an essential source of income and we would like to thank everyone who regularly donates to the Parish by committed giving through Parish Giving, standing orders and coloured gift aid envelopes. The Parish Giving Scheme has been a very efficient means of sustaining our incoming resources and has proved to be particularly

important during this time of great uncertainty. We are always in need of new committed givers to help maintain and grow our income and we would urge our regular givers to keep their contribution levels under review.

In 2020, we established a Curate Fund to cover our 50% share of the cost of having Leah Bates as the Benefice's Curate in Training, resident in the Rectory. Now that Leah has moved on and has been replaced by Revd Karen Wheatley, the need to maintain and support a Curate Fund will continue for the foreseeable future.

This is a substantial cost, but we feel it is essential to continue the life of the Parish. However, the fund required a transfer of £3,240 from the general Fund to achieve a break-even for the year. On current forecasts, an even greater sum will be required in 2025. We therefore have an urgent need to increase our donations to this fund, we encourage those already donating to this fund to continue to do so, and those not donating to consider helping to fund this important post.

Looking to 2025

While we have recorded a surplus for 2024, we are projecting a deficit in 2025 of as much as £15,000, depending upon the extent of any necessary maintenance works. The main drivers for this rather pessimistic forecast are:-

- The large increase in the Parish Share, previously referred to
- Increased utility costs
- Continued inflationary pressures

This forecast serves to highlight the pressures on parish finances, and the ever present need for donors to continue to support the work of the church and to maintain our beautiful buildings.

Statement of Financial Affairs and Reserves Policy

Cash Position

At 31st December, our cash balance in the General Accounts stood at £62,018.

Our investment in the Atomos PCC Fund was valued at £28,865 on 31st December, this represents a rise of £639 (2.3%) in the value of our investment over the year. This PCC Fund also yielded interest of £638 (2.3%) during the course of the year.

We do face great uncertainty for next year and there are no guarantees that we will receive financial support going forward. However, we do have strong cash reserves and we continue to receive wonderful support from our regular donors, for which we are extremely grateful.

Reserves Policy

In September 2021, the PCC adopted a formal resolution to hold a minimum of £30,000 in reserves, approximately 3-4 months of normal expenditure. This figure is to be reviewed

annually and increased when practicable. In November 2024, the PCC agreed that our minimum reserves should remain at their current level of £38,000. Our total net current liquid assets at 31st December were £88,244 (£78,695 at 31st December 2023), we are therefore satisfied that there are sufficient reserves to meet our continuing needs. The minimum reserves limit will be reviewed again in November 2025.

On behalf of the PCC:

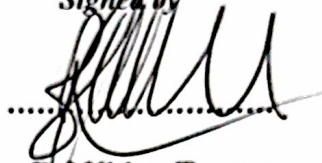
11th April 2025

Signed by


.....

Rev. H N L Latham, Rector

Signed by


.....

R.J. Kitley, Trustee

PARISH OF HEADLEY WITH BOX HILL
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2024

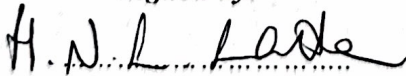
	Notes	Restricted Funds	Unrestricted/ Designated Funds	TOTAL 2024	TOTAL 2023
INCOMING RESOURCES	9	£	£	£	£
Voluntary income		0	53,669	53,669	53,834
Activities for generating funds (fundraising)		0	1,228	1,228	2,392
Tax received through Gift Aid		0	13,744	13,744	12,708
VAT refunded		0	748	748	1,057
Income from Grants, Trust Donations		0	0	0	1,000
Income from Investments/Property		0	27,035	27,035	26,229
Income from Church Activities		0	13,487	13,487	10,808
Other Income		0	1,281	1,281	4,503
TOTAL INCOMING RESOURCES	9	0	111,192	111,192	112,531
RESOURCES EXPENDED	10				
Costs of generating funds (fundraising)		0	0	0	(5)
Home mission giving & charitable donations		0	2,025	2,025	2,100
Church activities: parish share & stipend		0	49,287	49,287	47,241
Church activities: clergy expenses/rectory		0	10,727	10,727	9,952
Church activities: Honaria organist		0	4,800	4,800	4,725
Mission, evangelism, training costs		0	0	0	0
Improvement Works/Extension	7	0	3,016	3,016	12,184
Church Activities: Running Costs		0	19,110	19,110	21,804
Church Activities: Utilities		0	6,929	6,929	6,355
Costs of Trading		0	5,154	5,154	6,118
Professional Fees		0	0	0	0
Other property costs		0	1,234	1,234	1,123
Governance Costs		0	0	0	0
Transfer to General Account		0	0	0	0
TOTAL RESOURCES EXPENDED	10	0	102,282	102,282	111,120
NET INCOMING RESOURCES Before Investment Gains/Losses		0	8,910	8,910	1,411
Net assets before Investment Gains/Losses h/f as at 1 January		0	230,619	230,619	218,911
Net Gains/Losses on Investments		0	639	639	1,386
NET ASSETS CARRIED FWD AT DECEMBER 31		0	231,257	231,257	221,708

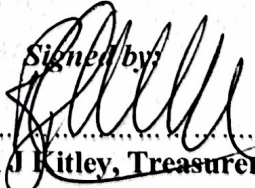
**PARISH OF HEADLEY WITH BOX HILL
BALANCE SHEET AT 31 DECEMBER 2024**

	Notes	Restricted Funds	Unrestricted /Designated Funds	Total 2024	Total 2023
		£	£	£	£
FIXED ASSETS					
Freehold land & buildings	4	0	143,013	143,013	143,013
Plant & Equipment	1	0	0	0	0
		0	143,013	143,013	143,013
CURRENT ASSETS					
Debtors:					
Income Tax receivable	11	0	2,120	2,120	2,281
VAT receivable	11	0	0	0	0
Other	11	0	100	100	405
Cash at bank and in hand	1,3,11	5,000	62,018	67,018	56,596
Investments	2	0	28,865	28,865	28,226
Investment Interest	11	0	0	0	0
		5,000	93,103	98,103	87,508
CURRENT LIABILITIES					
Creditors:					
Loans repayable within 24 months	3	0	0	0	0
Rent deposit		5,000	0	5,000	5,000
Other accrued expenses	11	0	1,328	1,328	1,436
		5,000	4,859	9,859	8,813
NET CURRENT LIQUID ASSETS		0	88,244	88,244	78,695
TOTAL NET ASSETS		0	231,257	231,257	221,708
PARISH FUNDS					
Restricted Funds	6	0	0	0	0
Designated Funds	6	0	38,484	38,484	39,068
Unrestricted Funds		0	192,773	192,773	182,640
		0	231,257	231,257	221,708

The notes on pages 11 to 18 form part of these accounts

Approved by the Parochial Church Council on 11th April 2025

Signed by:

 Revd. Henry N L Latham, Rector

Signed by:

 R J Kitley, Treasurer

NOTES TO THE ACCOUNT

1. Accounting Policies

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCC's, together with applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP(FRS102)).

The financial statements have been prepared on an accruals basis under the historical cost convention with the exception of investments assets which are shown at market value.

The financial statements 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.

Incoming Resources

Voluntary Income

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

Planned giving receivable under Gift Aid is recognised only when received.

Income Tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants and legacies to the PCC are accounted for only when the amount due is received.

Activities for Generating Funds

Funds raised by fund raising events are accounted for gross.

Income from Investments

Bank interest received which is attributable to Designated Funds is shown as such.

Income from Church Activities

Statutory fees are accounted for net of the Parochial Fees due to the Diocese, which are treated as agency collections.

Sales of books and cards from the bookstall, sales of Parish magazines and income from magazine advertising are accounted for gross.

Resources Expended

Church Activities

The Diocesan Parish Share is accounted for when paid. Any parish share unpaid at year end is provided for in these accounts as an operational and moral (though not legal) liability.

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

Fixed Assets

Consecrated property and movable church furnishings

Consecrated and benefited property of any kind is excluded from these accounts by section 10(2) of the Charities Act 2011.

Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted as inalienable property unless consecrated. For

inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Items acquired since 1 January 2000 have been capitalised and depreciated in the accounts over their currently anticipated useful life on a straight line basis.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £1,000 or on the repair of movable church furnishings acquired before 1 January 2000 is written off immediately.

Land and buildings

No depreciation is provided on the land and buildings because it is considered the usual life of the building will be in excess of 50 years and it will have a high residual value. The building is regularly maintained. Provision will be made should any annual impairment review show that a permanent diminution in value of the land and building has occurred.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years. Individual items of equipment with a purchase price of less than £1,000 are written off when the asset is acquired.

Restricted and Unrestricted Funds

Restricted funds include funds which have been donated for specific purposes and therefore have restricted use. Designated funds are those funds designated from time to time by the PCC for specific purposes. Such designated funds may be closed once their original purpose has been accomplished or when all monies have been exhausted.

2. Investments - Atomos PCC Fund

On 6th August 2019, the CBF Deposit account was closed and a total of £30,000 was transferred from the current account and the CBF deposit account into a new PCC account in the Sanlam Optima Fund. In 2022, Sanlam rebranded itself as Atomos.

3. Loans

In order to finance the completion of the Octagon Project, in 2020 the PCC received a total of £30,000 in zero interest loans, repayable by November 2022 at the latest. This liability was recorded on the Balance Sheet and reflected in the Octagon bank balance. These loans were repaid in full during 2021.

4. Tangible Fixed assets - Freehold Land and Buildings

	<u>2024</u>	<u>2023</u>
	£	£
As at 1 January	143,013	143,013
As at 31 December	<u>143,013</u>	<u>143,013</u>

Freehold land and buildings comprise the former school buildings and that part of the field adjacent to St Mary's Church used for car parking.

5. Rectory and Working Expenses

	2024		2023
	£		£
Rev. Harry Latham, Rev Leah Bates & Rev Karen Wheatley			
Mileage allowance))	
Other expenses of office))	695
Visiting speakers / Ministry	451		248
 Rectory expenses and rental payments	 8,499		 8,532
	-----		-----
	10,727		9,475

6. Analysis of Net Assets by Fund

(1) The Benefice Mission Fund represents a fund designed by the PCC for the purpose of promoting mission in the Parish and together with St Peter's Mission Fund promoting mission in the United Benefice.

(2) The Extension Fund represents a fund designated by the PCC for the purpose of investigating and building an extension to St Mary's providing a kitchen, toilets, cupboards and meeting area. This is also known as the Octagon Appeal. The project is now complete and fully funded, therefore the Extension Fund is now closed and will not be reported in future years.

(3) The Curate Fund has been established to track expenditure and donations to support the provision of a Curate in The Rectory, Headley.

(4) The Reserve Fund was established in 2021 to provide a minimum of £30,000 in reserves to provide a contingency for exceptional situations or unexpected major expenditure on the fabric of our buildings. The minimum held in reserves will be reviewed annually, and increased when feasible. The PCC agreed in November 2024 to maintain this fund at a level of £38,000.

(5) Rent Deposit of £5,000 is held as security on the lease of The Old School House.

Restricted Funds

	(2) Extension Fund	(5) Rent Deposit	Total Restricted Funds
Balance at 1 January	0	0	0
Income	0	0	0
Expenditure	0	0	0
Balance at 31 December 23			
Represented by			
Creditors	0	(5,000)	(5,000)
Cash	0	5,000	5,000
Net Assets at 31 December 24	0	0	0

Designated (Unrestricted) Funds

	(1) Benefice Mission Fund	(3) Curate Fund	(4) Reserve Fund	Total Designated Funds
Balance at 1 January	452	616	38,000	39,068
Income	482	4,763	0	5,245
Transfer from General Fund	0	3,240	0	3,240
Expenditure	450	8,619	0	8,806
Net assets at 31 December	484	0	38,000	38,484

7. Non-Recurring Grants

No grants (other than a VAT refund) have been received this year.

8. Incoming Resources	Restricted Funds 2024	Unrestricted /Designated Funds 2024	Total 2024	Total 2023
Voluntary Income				
Tax efficient planned giving : Standing Orders	-	7,840	7,840	9,190
: Parish Giving Scheme	-	24,301	24,301	21,123
: Coloured envelopes	-	6,025	6,025	6,055
: CAF cheques	-	2,700	2,700	3,600
Collections at services: : White envelopes	-	2,010	2,010	1,656
: Cash in plate	-	5,249	5,249	5,464
Online / Credit Card giving	-	1,434	1,434	3,200
Non-recurring giving/donations/appeals	-	4,110	4,110	3,546
Legacies	-	-	-	-
Total Voluntary Income	0	53,669	53,669	53,834
Fund raising	-	1,228	1,228	2,392
Tax received through Gift Aid	-	13,744	13,744	12,708
Transfer to Gen Acc from Octagon/Rent Dep	-	-	-	-
VAT refunded	-	748	748	1,057
Donations from Trusts				
Mary Freeman Braithwaite Trust	-	-	-	-
Other Trust Donations 7.	-	-	-	-
Non recurring Grants 7.	-	-	-	1,000
Total Donations from Trusts	0	0	0	1,000
Income from Investments				
Bank interest	-	1,072	1,072	729
Income from property	-	25,325	25,325	24,910
Atomos PCC Fund	-	638	638	590
Total Investment Income	0	27,035	27,035	26,229
Income from church activities				
Statutory fees (net)	-	5,924	5,924	2,019
Book and card stall	-	74	74	115
Magazine advertising and sales	-	6,114	6,114	5,833
Miscellaneous Income	-	1,150	1,150	1,775
Event Income	-	225	225	1,066
Total Income from Church Activities	0	13,487	13,487	10,808
Other Income				
Refund on Old School insurance	-	822	822	734
Refund on electricity	-	-	-	-
Refund of Rectory expenses from St Peter's	-	459	459	-
Insurance recovery	-	-	-	3,769
Refund of water costs	-	-	-	-
Total Other Income	0	1,281	1,281	4,503
Total Income	0	111,192	111,192	112,531

9. Resources Expended	Restricted Funds 2024	Unrestricted /Designated Funds 2024	Total 2024	Total 2023
Fundraising Costs	0	0	0	(5)
Charitable donations	0	2,025	2,025	2,100
Parish share and stipend				
Parish share paid to Diocese	-	49,287	49,287	47,241
Stipend paid to Diocese	-	-	-	-
Total Payments to Diocese	0	49,287	49,287	47,241
Clergy/Rectory Expenses				
Working expenses of incumbent	-	1,777	1,777	695
Rectory expenses	-	519	519	552
Visiting clergy/speakers	-	451	451	193
Ministry	-	-	-	55
Rectory rental payments to Diocese	-	7,980	7,980	7,980
Total Clergy/Rectory Costs	0	10,727	10,727	9,475
Honaria Organist	0	4,800	4,800	4,725
Training, Mission & Evangelism Costs	-	-	-	-
Transfer to Gen Acc from Octagon/Rent Deposit	-	-	-	-
Church Improvement Works	0	3,016	3,016	12,184
Church running costs				
Insurance	-	4,302	4,302	4,155
Organ/piano tuning	-	559	559	238
Church Maintenance	-	3,486	3,486	8,330
Refuse disposal/cleaning	-	482	482	455
Upkeep of services	-	329	329	500
Upkeep of churchyard & grounds	-	6,563	6,563	5,833
Administration/Misc. Costs	-	3,389	3,389	2,293
Quinquennial Reviews	-	-	-	-
Total Church Running Costs	0	19,110	19,110	21,804
Church Utility Costs				
Electricity	-	2,213	2,213	1,759
Gas	-	947	947	934
Water and Drainage	-	1,378	1,378	1,407
Oil	-	1,795	1,795	1,645
Telecoms	-	596	596	610
Total Utility Costs	0	6,929	6,929	6,355
Costs of Trading				
Magazine Costs	-	4,623	4,623	5,206
Card Stand/Bookstall	-	-	-	-
Bank/Online/Credit Card Costs	-	81	81	97
Event Costs	-	450	450	815
Total Costs of Trading	0	5,154	5,154	6,118
Governance costs	0	0	0	0
St Mary's new building extension Professional Fees and Construction Costs	0	0	0	0
Old School insurance (part reimbursed)	-	1,234	1,234	1,123
Total Expenditure	0	102,282	102,282	111,120
Net Incoming Resources	0	8,910	8,910	1,411

10.

**NOTES TO ACCOUNTS 2024
ACCRUALS 2024**

	£
Income to be Credited	
Q4 HMRC Refund to General Fund	2,110
Online and Credit Card Donations (December)	110
Total Accrued Income	<u>2,220</u>
Expenditure to be Debited	
Unrestricted Funds	
Fire Extinguisher Service	356
Rector's Expenses	263
Honaria Organist	250
Electricity	404
Gas	54
Online/Credit Card Charges (December)	1
Total Accrued Expenditure	<u>1,328</u>
Other Creditors	
Diocese Parochial Fees (Agency) (1)	366
Community Choir (2)	1,091
HMRC	2,074
Total Creditors	<u>3,531</u>
Current Cash	
CAF Current Account Cash	13,142
NatWest Current Account Cash	2,997
CAF Deposit Account Cash	41,075
NatWest Deposit Account Cash	4,760
Cash Manager (Rent Deposit)	5,000
Cash in hand (floats)	44
Total Cash	<u>67,018</u>
Liquid Investments (Atomos PCC Fund)	28,865
Total	<u>95,883</u>

- 1 Parochial Fees are that portion of wedding and funeral fees that are collected on behalf of the Diocese of Guildford, they are therefore not included in the statement of income, however they do impact upon the Bank Balance.
- 2 Funds held on behalf of Community Choir, are not included in the statement of income and expenditure, but are included in the Bank Balance.

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INDEPENDENT EXAMINER'S REPORT

This report on the accounts of the PCC for the year ended 31 December 2024, which are set out on pages 6 to 18, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and the Charities Act 2011 ("the Act").

Respective responsibilities of trustees and examiner

As the 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 Act do not apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

Basis of independent examiner's report

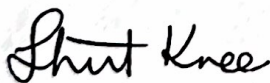
My examination was carried out in accordance with the General Directions given by the Charity Commission under section 145 of the 2011 Act. That examination includes a review of the accounting records kept by the PCC and a comparison of the financial statements with those records. It also includes considering 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 financial statements, and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the 2011 Act; and to prepare accounts which accord with the accounting records and
 - to comply with the requirements of the 2011 Act and the Regulations have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed by:



Stuart Kneec

Date: 14th April 2025

Accounts

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL
PARISH OF HEADLEY WITH BOX HILL
Charity Number 1151029**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
OF THE
PAROCHIAL CHURCH COUNCIL**

For the year ended 31st December 2023

Incumbent:

The Revd. Henry (Harry) N L Latham
The Rectory
Breech Lane
Walton on the Hill
Surrey, KT20 7SD

Bankers:

CAF Bank Ltd
25, Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent Examiner:

Mr Stuart Knee

ANNUAL REPORT FOR 2023

Objectives and Activities

The Parochial Church Council of the Ecclesiastical Parish of Headley with Boxhill (PCC) is a Registered Charity with the Charities Commission, Number 1151029 and Inland Revenue Charity Number X83572.

Structure, Governance and Management

The Parish of Headley with Box Hill is a separate parish within the United Benefice of Headley with Box Hill and Walton-on-the-Hill.

The PCC is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

The PCC has the responsibility of co-operating with the Rector in promoting in the ecclesiastical Parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC members are responsible for making decisions on all matters of general concern and importance to the parish, including deciding on how the funds of the parish are to be spent. The PCC has a Standing Committee which meets to consider matters that are to be brought to the PCC for decision.

The PCC also has the responsibility for the maintenance and upkeep of two churches (St Mary the Virgin, Headley and St Andrew's, Box Hill). It has acquired the former school buildings adjacent to St Mary's, which are let to commercial tenants and occasionally used for overflow car parking when not being used by the current tenants. We have also acquired the Hooper field for car parking and as an extension to the churchyard.

Certain elected members of the PCC are also Trustees of two related Trusts; The Mary Freeman Braithwaite Trust (Charity Commission Number 800588) and the St. Andrew's Brodie Trust (Charity Commission Number 1090820).

Administrative Information

Members of the PCC are either elected at the Annual Parochial Church Meeting or are ex officio or co-opted in accordance with the Church Representation Rules. All those who attend our services are encouraged to register on the Electoral Roll and stand for election to the PCC. New members receive initial training into the workings of the PCC.

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

Revd. Harry Latham*	Rector
Revd Christopher Hancock*	Honorary Assistant Curate
Revd Leah Bates*	Benefice Curate (since July 2021)
Mr Roger Kitley*	Churchwarden & Treasurer
Mr Philip Hollingdale*	Churchwarden
Mrs Janet Curtis*	Deanery Synod

Ms Anne Golding*	Deanery Synod
Elected	Date of retirement
Mrs Adrienne Lloyd-Williams	2024
Mrs Shirley Dannel	2028 (resigned August 2023)
Mrs Thelma Jackson	2029
Mr Jean Dannel	2028 (resigned August 2023)
Co-Opted	
Mrs Sue Boswell* (Safeguarding Officer)	

*Indicates members of the Standing Committee

The major risks to which the the PCC is exposed have been reviewed and systems and procedures designed to manage those risks have been established

Achievements and Performance

Church Services in the Parish

2023 was a stable year with the full time Rector & Curate and part time honorary curate. At St Mary's, Prayer Book Communion was celebrated at 8.00 am on the first, second and fourth Sundays. At 9.30 am Family Communion was celebrated on the second and fourth Sundays, the second Sunday being a joint service with St Andrew's. At 10.30am Parish Communion Service was celebrated on the first and third Sundays. Livestreaming of St Mary's main morning services continued.

At St Andrew's at 9.30 am a Contemporary Worship Service was held on the first Sunday, an Informal Family Communion on the third and a 10am Morning Praise on the fourth. On the fifth Sunday of a month a Joint United Benefice Family Communion took place at each of the three churches in rotation.

In addition the evening Explore & Connect gathering (meeting in the Octagon and Rectory) continues two times a month in term time. It continued to include a youth stream and a youth group meeting at the Headley Rectory.

Ascension Day continued at the Viewpoint on Box Hill – with many thanks to Jan Curtis for her bacon sarnies.

Harvest Festival services took place as normal with generous contributions of provisions for Head Start and the Night Shelter.

Remembrance Day services took place in the normal way.

Christmas was celebrated and both Churches looked beautiful. Leah once again produced the Nine Lessons and Carols with an augmented choir, and the Carols by Candlelight took place at St Andrew's.

Church Attendance

The number of people on the Church Electoral Roll at 31st December was 83 (2022 – 83). The average Sunday attendance over both churches was similar to the previous year, but has not yet recovered to pre-Covid levels.

Attendance at specific services were as follows, 2019 figures are included for comparison:-

	2023	2022	2021	2019
Mothering Sunday	71	41	26	89
Easter Day	70	70	100	107
Battle of Britain Service	N/A	N/A	N/A	N/A
Remembrance Services	72	94	75	118
(Adult) Nativity	N/A	N/A	25	50
Nine Lessons and Carols	81	86	53	91
Carols by Candlelight	22	51	57	N/A
Crib Service & Christingle	111	N/A	37	87
Mince Pies & Carols	N/A	176	N/A	N/A
Midnight Mass	53	24	29	51
Christmas Day	41	27	49	51

Occasional Offices were held as follows:-

	2023	2022	2021	2019
Baptisms	3	6	3	2
Weddings	1	4	5	0
Funeral & Memorial Services	4	4	4	9

Review of the Year

The Pilgrim Group continued to meet in the Octagon on a Friday morning, and Prayer & Pastries in St Andrew's. Monthly Healing Communion have taken place in St Mary's on a Wednesday Morning. First Friday Coffee continued in the Octagon.

The Prayer Network daily emails have continued and many thanks to Charlie Holme for all his work on this and to the team of contributors.

And many thanks to Robin and Lucy Hunter for producing their ongoing online Advent Calendar, for the Benefice that was broadcast each day of Advent.

An especial "Thank you" again to our vital but diminished volunteer teams. We are so grateful to those who clean our churches, provide refreshments, help as vergers and sidespeople, oversee streaming, arrange flowers, and look after candles.

The PCC has been meeting in the Octagon in person and special thanks are recorded to Roger our warden and treasurer for all his work and to Phil our other warden and the rest of the PCC.

A real challenge in 2023 has been the lack of volunteers and a shortage of new helpers.

We have a pressing need for people to volunteer to help clean, to join the Coffee Team, to help as sidespeople and vergers, to sing in the choir and to arrange flowers – as well as to come on the PCC.

2023 was also the year in which Revd Christopher Hancock moved on to lead his own parish after two decades of contributing much to the life of the parish. He is now Rector of the Octagon Parish in Chichester Diocese. We also learned that Revd Leah Bates would be leaving after a little less than three years with us to lead her own parish. She has been appointed to be Rector of the nearby Parish of Fetcham.

They are both to be congratulated on their appointments and both will be missed. We look forward to being joined at Petertide 2024 by Karen Wheatley a self-supporting ministry curate from St Paul's Dorking. We are also seeking to find an Associate Priest to live in the Headley Rectory on a house for duty or part-time basis.

Looking Towards 2025

The Deanery of Epsom has had its first experience of the new Parish Needs Process – a rolling two year program that puts strategy at the top of the list for the Archdeacon's visitation. The PCC has good foundations to build on and has updated our Church development plan based on the principles from the LYCiG materials (Leading Your Church into Growth).

Under the **Heading of Growing Discipleship** we are looking to continue to run Prayer & Pastries, to build our Pilgrim course, run a Pattern for Life course, and encourage prayer and bible reading, and baptism and confirmation.

Under the **Heading of Growing Diversity** we will seek to offer Explore & Connect with its Youth Stream.

Under the **Heading of Growing Community** we will continue the Community choir and special musical events at St Mary's. We will run First Friday Coffees, Lent lunches and welcome hirers to the Octagon. At St Andrew's we will support the Good Neighbour's monthly meetings, seek to start a monthly Coffee morning, and continue our August cream tea and Songs of Praise as well as our Carols by candlelight for the wider community.

Reaching out into our unique local communities, and amongst our neighbours and friends of all ages, in appropriate ways remains vital. Developing a culture of Invitation remains a key part of our future.

Continuing to serve all who come to us for baptisms, weddings, and funerals remains very important. We look to connect with people beyond our existing contacts and friends.

We also look to keep growing in faith and in our connection to God as we develop our spiritual lives in prayer, Bible study, worship and service.

Treasurer's Report

The year has seen a slight increase of attendances at services and voluntary income (excluding donations and gifts). Voluntary income and donations are a vital part of our total income stream, and regular bank donations are extremely important as they provide a source of income that is both regular and predictable.

We have provided a variety of platforms for these donations to be made, allowing the recovery of Gift Aid, which is also an important part of our income. We would encourage all regular donors to use one of these platforms, as our ability to recover Gift Aid from cash donations is always subject to statutory limits. The recently introduced Parish Giving Scheme has attracted a number of regular donors, and we encourage all new and regular donors to join this scheme, as it greatly streamlines our administration, as well as the reporting and collection of Gift Aid. The PGS scheme also offers the advantage of operating at zero cost to the parish, other schemes do attract a small commission. We therefore urge you to review how you contribute to the work of the church and consider joining the Parish Giving Scheme.

The average donation by regular donors to one or more of our 3 main platforms of Parish Giving, Standing Orders and Coloured Envelopes was £16.35 per week, an increase of approximately £1.50 from the previous year. The number of regular donors has remained static at 47, we therefore urge those who are not regular donors to join one of these schemes to help finance the work of the church.

Our online giving platform and credit card facility are now providing useful additional income, particularly from non-regular attenders at services, or at special services such as weddings and baptisms. Income from these sources was £3,200 in the year, a slight fall from last year, probably due to the reduced number of weddings and funerals during the year.

Fundraising and donations to charity included donations to The Meeting Room, Leatherhead Start, and St Peter's Lifeline in Kenya during the year.

Summary

We have recorded an excess of income over expenditure in our general account for 2023 of £1,411.

This has been another year of achievement. Repairs to the fabric of our buildings were carried out during the year, and a major portion of the fence outside St Mary's was replaced with new oak fencing. Improvements to the ground water drainage arrangements were also made at the west side of St Mary's.

One major issue that has arisen was the intrusion of ground water into the basement at St Mary's, causing serious flooding. This resulted in the oil burners in our new boilers having to be replaced at a cost of £3,900. Fortunately, most of this cost was recovered through our insurance policy. We have now installed sump pumps to protect against further flooding, but we will be carrying out work to improve drainage around that section of the church during the course of next year.

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All works identified in the Quinquennial Review of our two churches, which was carried out in May 2021 by our Inspecting Architect, have now been acted upon.

We have fully paid our Parish Share of £47,241.

We are grateful to the Diocese of Guildford for a grant of £1,000. This was for general support of heating costs.

We continue to use the Parish Buying scheme that takes advantage of the combined purchasing power of a large grouping of parishes. This has led to substantial cost savings, particularly with oil purchases and office and church supplies. One of the great concerns to us all is the increase in energy costs, although prices have now stabilised. Fortunately we entered into new 3 year fixed price contracts beginning in January 2022 for gas and electricity supply. These contracts were entered into at prices comparable with our previous contract, well before the major price increases, and have one more year to run. We can expect that our utility costs will rise significantly in 2025. We do not have a similar arrangement for our oil supplies, oil prices have fluctuated during the year, but were generally lower than in 2022.

The annual cost of running our two churches in 2023 was £102,186. This figure excludes fundraising costs, charitable donations, trading costs and Old School insurance costs.

As previously stated, the Octagon Project is now fully complete. Final project costs were £397,791, net of recovered VAT. We raised a total of £397,957 (including Gift Aid) and have fully repaid the £30,000 of short term loans raised to help our cash flow during the construction phase. The accounts for this project are now closed. Thanks are due to all the sponsors and donors to this project, without whose support it would not have been possible.

The rental income from The Old School has again been an extremely important part of our revenues. Regular giving is an essential source of income and we would like to thank everyone who regularly donates to the Parish by committed giving through Parish Giving, standing orders and coloured gift aid envelopes. The Parish Giving Scheme has been a very efficient means of sustaining our incoming resources and has proved to be particularly important during this time of great uncertainty. We are always in need of new committed givers to help maintain and grow our income and we would urge our regular givers to keep their contribution levels under review.

In 2020, we established a Curate Fund to cover our 50% share of the cost of having Leah Bates as the Benefice's Curate in Training, resident in the Rectory. Now that Leah is nearing the end of her time with us, the fund still has a modest cash surplus, mainly due to early positive cash flows, but it is expected to fall into deficit in 2024.

We have all come to value the energy and enthusiasm that Leah has brought to the Benefice as well as having a member of our clergy team in the Rectory, we therefore hope to advertise a 'House for Duty' position in early 2024 to allow a Curate to continue to occupy the Rectory. In order to do this, the Benefice will have to continue paying a monthly rental to the Diocese for the continued use of the Rectory. This is a substantial cost, but we feel it is essential to continue the life of the Parish. We therefore encourage those already donating to this fund to continue to do so, and those not donating to consider helping to fund this important post.

Statement of Financial Affairs and Reserves Policy

Cash Position

At 31st December, our cash balance in the General Accounts stood at £51,596.

Our investment in the Atomos PCC Fund was valued at £28,226 on 31st December, this represents a rise of £1,386 (5.2%) in the value of our investment over the year

We continue to face great uncertainty for next year and there are no guarantees that we will continue to receive financial support going forward. However, we do have strong cash reserves and we continue to receive wonderful support from our regular donors, for which we are extremely grateful.

Reserves Policy

In September 2021, the PCC adopted a formal resolution to hold a minimum of £30,000 in reserves, approximately 3-4 months of normal expenditure. This figure is reviewed annually and increased when practicable. In November 2023, the PCC agreed to increase this figure to £38,000. Our total net current liquid assets at 31st December were £78,695 (£75,898 at 31st December 2022), we are therefore satisfied that there are sufficient reserves to meet our continuing needs. The minimum total reserves limit will be reviewed annually.

On behalf of the PCC:

27th March 2024

Signed by
.....

Rev. H N L Latham, Rector

Signed by
.....

P Hollingdale, Churchwarden

PARISH OF HEADLEY WITH BOX HILL
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2023

	Notes	Restricted Funds	Unrestricted/ Designated Funds	TOTAL 2023	TOTAL 2022
INCOMING RESOURCES	9	£	£	£	£
Voluntary income		-	53,834	53,834	61,735
Activities for generating funds (fundraising)		-	2,392	2,392	4,625
Tax received through Gift Aid		-	12,708	12,708	15,605
VAT refunded		-	1,057	1,057	9,826
Income from Grants, Trust Donations		-	1,000	1,000	2,844
Income from Investments/Property		-	26,229	26,229	25,247
Income from Church Activities		-	10,808	10,808	13,751
Other Income		-	4,503	4,503	1,468
TOTAL INCOMING RESOURCES	9	0	112,531	112,531	135,101
RESOURCES EXPENDED	10				
Costs of generating funds (fundraising)		-	(5)	(5)	1,589
Home mission giving & charitable donations		-	2,100	2,100	3,100
Church activities: parish share & stipend		-	47,241	47,241	48,002
Church activities: clergy expenses/rectory		-	9,475	9,952	12,540
Church activities: Honaria organist		-	4,725	4,725	3,960
Mission, evangelism, training costs		-	0	0	147
Improvement Works/Extension	7	-	12,184	12,184	27,490
Church Activities: Running Costs		-	21,804	21,804	19,080
Church Activities: Utilities		-	6,355	6,355	6,320
Costs of Trading		-	6,118	6,118	5,242
Professional Fees		-	0	0	0
Other property costs		-	1,123	1,123	1,093
Governance Costs		-	0	0	0
Transfer to General Account		-	0	0	652
TOTAL RESOURCES EXPENDED	10	0	111,120	111,120	128,961
NET INCOMING RESOURCES Before Investment Gains/Losses		0	1,411	1,411	6,140
Net assets before Investment Gains/Losses b/f as at 1 January		0	218,911	218,911	217,260
Net Gains/Losses on Investments		0	1,386	1,386	(4,489)
NET ASSETS CARRIED FORWARD AT DECEMBER 31		0	221,708	221,708	218,911

**PARISH OF HEADLEY WITH BOX HILL
BALANCE SHEET AT 31 DECEMBER 2023**

	Notes	Restricted Funds	Unrestricted /Designated Funds	Total 2023	Total 2022
		£	£	£	£
FIXED ASSETS					
Freehold land & buildings	4	0	143,013	143,013	143,013
Plant & Equipment	1	0	0	0	0
		0	143,013	143,013	143,013
CURRENT ASSETS					
Debtors:					
Income Tax receivable	11	0	2,281	2,281	2,717
VAT receivable	11	0	0	0	0
Other	11	0	405	405	590
Cash at bank and in hand	1,3,11	5,000	51,596	56,596	52,260
Investments	2	0	28,226	28,226	26,840
Investment Interest	11	0	0	0	0
		5,000	82,508	87,508	82,407
CURRENT LIABILITIES					
Creditors:	11	0	2,377	2,377	761
Loans repayable within 24 months	3	0	0	0	0
Rent deposit		5,000	0	5,000	5,000
Other accrued expenses	11	0	1,436	1,436	748
		5,000	3,813	8,813	6,509
NET CURRENT LIQUID ASSETS		0	78,695	78,695	75,898
TOTAL NET ASSETS		0	221,708	221,708	218,911
PARISH FUNDS					
Restricted Funds	6	0	0	0	0
Designated Funds	6	0	39,068	39,068	38,541
Unrestricted Funds		0	182,640	182,640	180,370
		0	221,708	221,708	218,911

The notes on pages 11 to 18 form part of these accounts

Approved by the Parochial Church Council on 27th March 2024

Signed by:

.....

Rev. Henry N L Latham, Rector

Signed by:

.....

R J Kitley, Treasurer

NOTES TO THE ACCOUNT

1. Accounting Policies

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCC's, together with applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP(FRS102)).

The financial statements have been prepared on an accruals basis under the historical cost convention with the exception of investments assets which are shown at market value.

The financial statements 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.

Incoming Resources

Voluntary Income

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

Planned giving receivable under Gift Aid is recognised only when received.

Income Tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants and legacies to the PCC are accounted for only when the amount due is received.

Activities for Generating Funds

Funds raised by fund raising events are accounted for gross.

Income from Investments

Bank interest received which is attributable to Designated Funds is shown as such.

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

Income from Church Activities

Statutory fees are accounted for net of the Parochial Fees due to the Diocese, which are treated as agency collections.

Sales of books and cards from the bookstall, sales of Parish magazines and income from magazine advertising are accounted for gross.

Resources Expended

Church Activities

The Diocesan Parish Share is accounted for when paid. Any parish share unpaid at year end is provided for in these accounts as an operational and moral (though not legal) liability.

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

Fixed Assets

Consecrated property and movable church furnishings

Consecrated and beneficed property of any kind is excluded from these accounts by section 10(2) of the Charities Act 2011.

Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted as inalienable property unless consecrated. For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Items acquired since 1 January 2000 have been capitalised and depreciated in the accounts over their currently anticipated useful life on a straight line basis.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £1,000 or on the repair of movable church furnishings acquired before 1 January 2000 is written off immediately.

Land and buildings

No depreciation is provided on the land and buildings because it is considered the usual life of the building will be in excess of 50 years and it will have a high residual value. The building is regularly maintained. Provision will be made should any annual impairment review show that a permanent diminution in value of the land and building has occurred.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years. Individual items of equipment with a purchase price of less than £1,000 are written off when the asset is acquired.

Restricted and Unrestricted Funds

Restricted funds include funds which have been donated for specific purposes and therefore have restricted use. Designated funds are those funds designated from time to time by the PCC for specific purposes. Such designated funds may be closed once their original purpose has been accomplished or when all monies have been exhausted.

2. Investments - Atomos PCC Fund

On 6th August 2019, the CBF Deposit account was closed and a total of £30,000 was transferred from the current account and the CBF deposit account into a new PCC account in the Sanlam Optima Fund. In 2022, Sanlam rebranded itself as Atomos.

3. Loans

In order to finance the completion of the Octagon Project, in 2020 the PCC received a total of £30,000 in zero interest loans, repayable by November 2022 at the latest. This liability was recorded on the Balance Sheet and reflected in the Octagon bank balance. These loans were repaid in full during 2021.

4. Tangible Fixed assets - Freehold Land and Buildings

	<u>2023</u>	<u>2022</u>
	£	£
As at 1 January	143,013	143,013
As at 31 December	<u>143,013</u>	<u>143,013</u>

Freehold land and buildings comprise the former school buildings and that part of the field adjacent to St Mary's Church used for car parking.

5. Rectory and Working Expenses

	2023		2022
	£		£
Rev. Harry Latham, Rev Christopher Hancock & Rev Leah Bates			
Mileage allowance))	
Other expenses of office) 695) 3,720	
Other Ministry Costs	248	140	
Rectory expenses and rental payments	8,532	8,680	
	<hr/> 9,475	<hr/> 12,540	

6. Analysis of Net Assets by Fund

(1) The Benefice Mission Fund represents a fund designed by the PCC for the purpose of promoting mission in the Parish and together with St Peter's Mission Fund promoting mission in the United Benefice.

(2) The Extension Fund represents a fund designated by the PCC for the purpose of investigating and building an extension to St Mary's providing a kitchen, toilets, cupboards and meeting area. This is also known as the Octagon Appeal.

(3) The Palm Sunday Mission Fund represents a fund to help develop the Palm Sunday Parade into an annual event. This fund has been closed and will not be reported on in subsequent years.

(4) The Curate Fund has been established to track expenditure and donations to support the provision of a Curate in The Rectory, Headley.

(5) The Reserve Fund was established in 2021 to provide a minimum of £30,000 in reserves to provide a contingency for exceptional situations or unexpected major expenditure on the fabric of our buildings. The minimum held in reserves will be reviewed annually, and increased when feasible. The PCC agreed in November 2023 to increase this fund to £38,000.

Restricted Funds

	(2) Extension Fund	Rent Deposit	Total Restricted Funds
Balance at 1 January	0	0	0
Income	0	0	0
Expenditure	0	0	0
Balance at 31 December 23			
Represented by			
Creditors	0	(5,000)	(5,000)
Cash	0	5,000	5,000
Net Assets at 31 December 23	0	0	0

Designated (Unrestricted) Funds

	(1) Benefice Mission Fund	(3) Palm Sunday Mission Fund	(4) Curate Fund	(5) Reserve Fund	Total Designated Funds
Balance at 1 January	425	0	3,116	35,000	38,541
Income	377	0	5,624	3,000	9,001
Expenditure	350	0	8,124	0	8,474
Net assets at 31 December	452	0	616	38,000	39,068

6. Non-Recurring Grants

During the course of the year we have received a grant of £1,000 from the Guildford Diocesan Board of Finance. This grant was made in support of additional costs due to increased utility costs through the greater use of our buildings for community support.

7. Octagon Accounts

The Octagon project achieved Practical Completion on 22nd December 2020. The building is complete, and the outside works, including providing a disabled access ramp and restoring the paths and car park to their original condition were completed in April 2021. Final completion was achieved in July 2022. However, in April 2023, the main contractor carried out repairs to rectify the leakage of ground water into the drainage system. This work was carried out at their cost, but we paid an additional amount of £3,533 (exclusive of VAT) to improve the drainage arrangements. This sum was paid out of the church improvements account. Final contract completion with Valley Builders was then achieved and the completion certificate issued earlier this year.

The following summarises expenditure on the project. VAT was recovered through the Listed Places of Worship scheme.

	Expenditure 1 January – 31 December 2023 £	Total Expenditure Project start to 31 December 2023 £
Professional Fees, incl. VAT (1)	0	48,825
Main Contractor, incl. VAT (2,3)	0	408,422
Other Costs, incl. VAT (4)	0	20,320
Insurance costs	0	1,057
	<hr/>	<hr/>
	0	478,624
Less VAT recovered	0	80,833
	<hr/>	<hr/>
Total Net Spend	0	397,791
Funds Raised (net of costs) (2,5)	0	397,957

(1) Professional Fees include Archaeological Consultants, Arborial Consultants, Architect, Quantity Surveyor, Building Control, Mechanical and Electrical Consultants and Structural Engineers.

(2) Under the terms of the Viridor Credits grant, £40,000 was paid directly by Viridor Credits to the Main Contractor against invoices submitted.

(3) Excludes £16,378 total of church repair, delay costs and outside improvements, paid through contractor invoices. Vat recovered.

(4) Other costs include kitchen servery installation, lightning conductor enhancements, alarm system, flooring and equipment. Excludes £2,000 contribution from general fund to acoustic improvements.

(5) Funds raised total is net of fundraising and banking costs. Total includes Gift Aid received.

The accounts for this project are now closed and will not be reported on again.

9. Incoming Resources	Restricted Funds 2023	Unrestricted /Designated Funds 2023	Total 2023	Total 2022
Voluntary Income				
Tax efficient planned giving : Standing Orders	-	9,190	9,190	10,885
: Parish Giving Scheme	-	21,123	21,123	16,784
: Coloured envelopes	-	6,055	6,055	4,900
: CAF cheques	-	3,600	3,600	3,700
Collections at services: : White envelopes	-	1,656	1,656	1,820
: Cash in plate	-	5,464	5,464	6,101
Online / Credit Card giving	-	3,200	3,200	3,501
Non-recurring giving/donations/appeals	-	3,546	3,546	14,044
Legacies	-	-	-	-
Total Voluntary Income		53,834	53,834	61,735
Fund raising		2,392	2,392	4,625
Tax received through Gift Aid	-	12,708	12,708	15,605
Transfer to Gen Acc from Octagon/Rent Dep	-	-	-	652
VAT refunded	-	1,057	1,057	9,826
Donations from Trusts				
Mary Freeman Braithwaite Trust	-	-	-	-
Other Trust Donations 7.	-	-	-	-
Non recurring Grants 7.	-	1,000	1,000	2,844
Total Donations from Trusts		1,000	1,000	2,844
	-			
Income from Investments				
Bank interest	-	729	729	69
Income from property	-	24,910	24,910	24,483
Atomos PCC Fund	-	590	590	695
Total Investment Income		26,229	26,229	25,247
Income from church activities				
Statutory fees (net)	-	2,019	2,019	3,886
Book and card stall	-	115	115	109
Magazine advertising and sales	-	5,833	5,833	7,280
Miscellaneous Income	-	1,775	1,775	2,476
Event Income		1,066	1,066	-
Total Income from Church Activities		10,808	10,808	13,751
Other Income	-			
Refund on Old School insurance	-	734	734	755
Refund on electricity	-	-	-	61
Refund of Rectory expenses from Diocese	-	-	-	-
Insurance recovery	-	3,769	3,769	-
Refund of water costs				
		-		
Total Other Income		4,503	4,503	816
Total Income	0	112,531	112,531	135,101

10. Resources Expended	Restricted Funds 2023	Unrestricted /Designated Funds 2023	Total 2023	Total 2022
Fundraising Costs		(5)	(5)	1,589
Charitable donations	-	2,100	2,100	3,100
Parish share and stipend				
Parish share paid to Diocese	-	47,241	47,241	47,748
Stipend paid to Diocese	-	-	-	-
Total Payments to Diocese	-	47,241	47,241	47,748
Clergy/Rectory Expenses				
Working expenses of incumbent	-	695	695	3,720
Rectory expenses	-	552	552	700
Visiting clergy/speakers	-	193	193	98
Ministry	-	55	55	42
Rectory rental payments to Diocese	-	7,980	7,980	7,980
Total Clergy/Rectory Costs	-	9,475	9,475	12,540
Honaria Organist	-	4,725	4,725	3,960
Training, Mission & Evangelism Costs		-	-	147
Transfer to Gen Acc from Octagon/Rent Deposit	-	-	-	652
Church Improvement Works	-	12,184	12,184	16,870
Church running costs				
Insurance	-	4,155	4,155	4,152
Organ/piano tuning	-	238	238	226
Church Maintenance	-	8,330	8,330	2,488
Refuse disposal/cleaning	-	455	455	390
Upkeep of services	-	500	500	127
Upkeep of churchyard & grounds	-	5,833	5,833	5,139
Administration/Misc. Costs	-	2,293	2,293	6,909
Quinquennial Reviews	-	-	-	-
Total Church Running Costs		21,804	21,804	19,080
Church Utility Costs				
Electricity	-	1,759	1,759	1,782
Gas	-	934	934	823
Water and Drainage	-	1,407	1,407	594
Oil	-	1,645	1,645	2,435
Telecoms	-	610	610	686
Total Utility Costs		6,355	6,355	6,320
Costs of Trading				
Magazine Costs	-	5,206	5,206	5,185
Card Stand/Bookstall	-	-	-	-
Bank/Online/Credit Card Costs	-	97	97	57
Event Costs	-	815	815	-
Total Costs of Trading	-	6,118	6,118	5,242
Governance costs		-	-	-
St Mary's new building extension Professional Fees and Construction Costs 8.	-	-	-	10,620
Old School insurance (part reimbursed)	-	1,123	1,123	1,093
Total Expenditure	0	111,120	111,120	128,961
⌘				
Net Incoming Resources	0	1,411	1,411	6,140

11.

**NOTES TO ACCOUNTS 2023
ACCRUALS 2023**

	£
Income to be Credited	
Q4 HMRC Refund to General Fund	2,281
Online and Credit Card Donations (December)	115
December 31 Collection	140
Octagon Rental (Old School)	150
	2,686
Expenditure to be Debited	
Unrestricted Funds	
Rector's Expenses	273
Rectory Expenses	300
Church maintenance	420
Honaria Organist	155
Electricity	286
Online/Credit Card Charges (December)	2
	1,436
	Sub-Total
Other Creditors	
Diocese Parochial Fees (Agency) (1)	0
Community Choir (2)	303
HMRC	2,074
	2,377
Current Cash	
CAF Current Account Cash	11,703
NatWest Current Account Cash	2,314
CAF Deposit Account Cash	35,581
NatWest Deosit Account Cash	1,954
Cash Manager (Rent Deposit)	5,000
Cash in hand (floats)	44
	56,596
	Total Cash
Liquid Investments (Atomos PCC Fund)	28,226
	84,822
Total	

1 Parochial Fees are that portion of wedding and funeral fees that are collected on behalf of the Diocese of Guildford, they are therefore not included in the statement of income, however they do impact upon the Bank Balance and Balance Sheet

2 Funds held on behalf of Community Choir, are not included in the statement of income and expenditure, but are included in the Balance Sheet

INDEPENDENT EXAMINER'S REPORT

This report on the accounts of the PCC for the year ended 31 December 2023, which are set out on pages 6 to 18, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and the Charities Act 2011 ("the Act").

Respective responsibilities of trustees and examiner

As the 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 Act do not apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission under section 145 of the 2011 Act. That examination includes a review of the accounting records kept by the PCC and a comparison of the financial statements 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 financial statements, and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the 2011 Act; and to prepare accounts which accord with the accounting records and
 - to comply with the requirements of the 2011 Act and the Regulations have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed by:

Stuart Knee

Date: 2nd April 2024

Accounts

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL
PARISH OF HEADLEY WITH BOX HILL
Charity Number 1151029**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
OF THE
PAROCHIAL CHURCH COUNCIL**

For the year ended 31st December 2022

Incumbent:

The Revd. Henry (Harry) N L Latham
The Rectory
Breech Lane
Walton on the Hill
Surrey, KT20 7SD

Bankers:

National Westminster Bank
115 High Street
Epsom
Surrey, KT19 8DX

Independent Examiner:

Mr Stuart Knee

ANNUAL REPORT FOR 2022

Objectives and Activities

The Parochial Church Council of the Ecclesiastical Parish of Headley with Boxhill (PCC) is a Registered Charity with the Charities Commission, number 1151029 and Inland Revenue Charity Number X83572.

Structure, Governance and Management

The Parish of Headley with Box Hill is a separate parish within the United Benefice of Headley with Box Hill and Walton-on-the-Hill.

The PCC is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

The PCC has the responsibility of co-operating with the Rector in promoting in the ecclesiastical Parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC members are responsible for making decisions on all matters of general concern and importance to the parish, including deciding on how the funds of the parish are to be spent. The PCC has a Standing Committee which meets to consider matters that are to be brought to the PCC for decision.

The PCC also has the responsibility for the maintenance and upkeep of two churches (St Mary the Virgin, Headley and St Andrew's, Box Hill). It has acquired the former school buildings adjacent to St Mary's, which are let to commercial tenants and occasionally used for overflow car parking when not being used by the current tenants. We have also acquired the Hooper field for car parking and as an extension to the churchyard.

Certain elected members of the PCC are also Trustees of two related Trusts; The Mary Freeman Braithwaite Trust (Charity Commission Number 800588) and the St. Andrew's Brodie Trust (Charity Commission Number 1090820).

Administrative Information

Members of the PCC are either elected at the Annual Parochial Church Meeting or are ex officio or co-opted in accordance with the Church Representation Rules. All those who attend our services are encouraged to register on the Electoral Roll and stand for election to the PCC. New members receive initial training into the workings of the PCC.

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

Revd. Harry Latham*

Rector

Revd Christopher Hancock*	Honorary Assistant Curate
Revd Leah Bates* (2021)	Benefice Curate (since July 2021)
Mrs Patricia Kitley*	Churchwarden
Mrs Janet Curtis*	Deanery Synod
Ms Michelle Cahill	Deanery Synod

Elected	Date of retirement
Mrs Sue Boswell* (Secretary)	2023
Mr Barrie Fox	2023
Mr Philip Hollingdale*	2028
Mrs Adrienne Lloyd-Williams	2024
Mr George Nixon	2023
Mrs Joan Stocker	2023
Mrs Shirley Wilson	2028

Co-Opted
Roger Kitley (Treasurer)*

*Indicates members of the Standing Committee

The major risks to which the the PCC is exposed have been reviewed and systems and procedures designed to manage those risks have been established

Achievements and Performance

Church Services in the Parish

2022 marked a welcome return to 'normal' in the Parish, with our eleven Sunday services each month. At St Mary's, Prayer Book Communion is celebrated at 8.00 am on the first, second and fourth Sundays. At 9.30 am Family Communion is celebrated on the second and fourth Sundays and the second Sunday is a joint service with St Andrew's. At 10.30am Parish Communion Service is celebrated on the first and third Sundays.

At St Andrew's at 9.30 am a Contemporary Worship Service is held on the first Sunday, Informal Family Communion on the third and a 10am Morning Praise on the fourth. On the fifth Sunday of a month a Joint United Benefice Family Communion takes place at each of the three churches in rotation. Other significant liturgical days are marked with appropriate services.

We added to this number with the launch in September of an evening gathering called Explore & Connect four times a month in term time. This has continued into 2023 focussing on two evenings a month. It also includes a youth stream and a youth group meeting at the Headley Rectory following the time in St Mary's and the Octagon.

Church Attendance

The number of people on the Church Electoral Roll at 31st December was 83 (2021 - 97). This reduction has resulted from a review of non-residents who were on the electoral Roll, but are no longer attending services. The average Sunday attendance over both churches has recovered from the previous year as the effects of Covid have diminished, but has not yet recovered to pre-Covid levels.

Attendance at specific services were as follows, 2019 figures are included to indicate the extent of recovery from pre-covid levels:-

	2021	2019		2022
Mothering Sunday			41	26
89				
Easter Day			70	100
Battle of Britain Service				N/A
N/A	N/A			
Remembrance Services				94
75	118	(Adult) Nativity		
	N/A	25	50	
Nine Lessons and Carols				86
53	91			
Carols by Candlelight				51
57	N/A			
Crib Service & Christingle			N/A	37
87				
Mince Pies & Carols				176
N/A	N/A			
Midnight Mass			24	29
51				
Christmas Day			27	49
51				

Extraordinary services were held as follows:-

	2022	2021
2019		
Baptisms	6	3
Weddings	4	5
Funerals	4	4

Review of the Year

During 2022 the PCC met 5 times and the Standing Committee on 4 occasions.

2022 has been a year of continued recovery. The Pilgrim Group continued to meet in the Octagon on a Friday morning. The Healing Prayer meetings have continued in St Andrew's on a Wednesday Morning.

The Prayer Network daily emails have continued and many thanks to Charlie Holme for all his work on this and to the team of contributors.

First Friday Coffee is well established in the Octagon. The Benefice Pastoral care team led by our curate Leah Bates also met monthly in the Octagon. Ascension Day was able to return to the Viewpoint at Box Hill - with many thanks to Jan Curtis for her bacon sarnies.

Leah was ordained Priest in Guildford Cathedral on July 2nd and continued her significant contribution to the Benefice one example being the flourishing Hilltop Community Choir. It is also lovely to have one of our clergy team living in the Headley Rectory.

Our Honorary Assistant Curate Christopher continues his much-appreciated work on two Sundays a month in St Mary's as well as visiting St Andrew's on six Sundays a year.

Harvest Festival services took place as normal with generous contributions of provisions for Head Start and the Night Shelter. Remembrance Day services took place in the normal way, and special services were held to commemorate the life and reign of our late Queen Elizabeth II and to proclaim the Accession of our King Charles III.

Christmas was unhindered and both Churches looked beautiful. Leah for a second time produced the Nine Lessons and Carols with an augmented choir, and the Carols by Candlelight at St Andrew's were supported by young people from High Ashurst.

Livestreaming of regular St Mary's services continued. And many thanks again to Robin and Lucy Hunter for their ongoing online Advent Calendar, this time for the Benefice that was broadcast each day of Advent.

Thank you again to our vital volunteer teams. We are so grateful to all those who clean our churches, provide refreshments, help as vergers and sidespeople, oversee streaming, arrange flowers, and look after candles.

The PCC has been meeting in the Octagon mainly in person and special thanks are recorded to Pat our warden and Roger our treasurer for all their work.

Looking Towards 2024

The Deanery of Epsom is now taking its turn in the new Parish Needs Process - a rolling two year program that puts strategy at the top of the

list for the Archdeacon's visitation. The PCC has good foundations to build on and is updating our Church development plan based on the principles from the LYCiG materials (Leading Your Church into Growth). The summary of the 2019 Plan below, shows what has been accomplished and what still remains as a significant challenge.

1. The first is the Spiritual and Numerical Growth of our current congregations over the next three years. In particular looking to increase regular worshippers at St Mary's up to 60 regulars, and St Andrew's up to 40 regulars. This is something we have not yet seen, but it remains our goal.
2. The second is to prioritise our provision for and incorporation of youth and children's ministry in definite but distinctive ways at both churches. With the advent of the Explore & Connect Benefice gathering at St Mary's we have increased the number of young people coming to St Mary's.
3. The third was to build the Octagon extension to St Mary's, which will give us the flexibility and facilities we currently lack for all ages. In its second year of use we remain very grateful for this facility and wonder how we managed without it.
4. The fourth is to gradually develop our stewardship as a parish so that it becomes normal for the worshipping communities to cover the ministry proportion of our costs. We are grateful to all those who contribute financially and we have done better than break even this year. But we are still propped up by the rental from the Old School, whereas this income could be used to help secure an ongoing place for a staff member in the Headley Rectory.

Church growth, provision for young people and developing our stewardship and ministry are very important things for us. There will be ways that each member of St Mary's and St Andrew's can contribute.

Reaching out into our unique local communities, and amongst our neighbours and friends of all ages, in appropriate ways remains vital. Continuing to serve all who come to us for baptisms, weddings, and funerals remains very important. We look to connect with people beyond our existing contacts and friends. We also look to grow in faith and connect to God and develop our spiritual lives in prayer, Bible study, worship and service.

The Octagon

We launched the Octagon Appeal in April 2018, with the objective of raising funds for the extension project. Once we had received final tenders for the construction, we set our target at raising £370,000 net of

fundraising costs. The Appeal finally raised the amazing total of £397,957 net of fundraising costs.

We are also grateful to the various Trusts that have supported our Appeal. These include The Wates Foundation, AllChurches Trust, Beatrice Laing Trust, Church Growth Fund, Garfield Weston Foundation, Surrey Churches Preservation Trust and Viridor Credits, these Trusts have together committed £83,300 to our construction spend. We also thank the members of the Fundraising Committee for their efforts in raising the considerable sum required to build the extension.

The project was formally completed this year at a final cost of £397,791, net of recovered VAT. This cost was met in full by our various fundraising initiatives. We are immensely grateful to all those who have given so generously.

We have now begun to make wider use of the facility and have received many favourable comments. The Octagon is beginning to fulfil its central purpose of making the church more central to the life of the community as well as developing a new source of income for the future sustainability of the church.

Treasurer's Report

The year has seen a recovery of attendances at services and voluntary income as the impact of Covid has diminished. Voluntary income and donations are a vital part of our total income stream, and regular bank donations are extremely important as they provide a source of income that is both regular and predictable.

We have provided a variety of platforms for these donations to be made, allowing the recovery of Gift Aid, which is also an important part of our income. We would encourage all regular donors to use one of these platforms, as our ability to recover Gift Aid from cash donations is always subject to statutory limits. The recently introduced Parish Giving Scheme has attracted a number of regular donors, and we encourage all new and regular donors to join this scheme, as it greatly streamlines our administration, as well as the reporting and collection of Gift Aid. We urge you to review how you contribute to the work of the church and consider joining the Parish Giving Scheme.

Our online giving platform and credit card facility are now providing useful additional income, particularly from non-regular attenders at services, or at special services such as weddings and baptisms. Income from these sources grew to £3,501 in the year, up from £1,810 in 2021.

Fundraising and donations to charity were increased considerably over 2021, and included donations totalling £1,550 to the Red Cross Appeal

for Ukraine. We also supported The Meeting Room, Leatherhead Start, and St Peter's Lifeline in Kenya during the year.

Summary

We have recorded an overall excess of income over expenditure for 2022 of £6,140, the gain on our unrestricted account was £14,811 and a net expenditure of £8,671 in restricted funds is attributable to completing the construction of the Octagon Project.

This has been another year of considerable achievement; extensive work has been completed on our two churches, particularly the installation of a new boiler system at St Mary's and numerous minor works and improvements.

All works identified in the Quinquennial Review of our two churches, which was carried out in May 2021 by our Inspecting Architect, have now been acted upon.

We have fully paid our Parish Share of £47,748.

We are grateful to the Diocese of Guildford for two grants amounting to £2,844 in total. These were for Covid related costs and general support for heating costs.

We continue to use the Parish Buying scheme that takes advantage of the combined purchasing power of a large grouping of parishes. This has led to substantial cost savings, particularly with oil purchases and office and church supplies. One of the great concerns to us all is the rapid increase in energy costs. Fortunately we entered into new 3 year fixed price contracts beginning in January 2022 for gas and electricity supply. These contracts were entered into at prices comparable with our previous contract, well before the major price increases, and have two more years to run. Unfortunately, we do not have a similar arrangement for our oil supplies, and we have seen a substantial increase in oil costs. Electricity costs have also shown a substantial increase over 2021, largely due to Octagon heating costs as a result of greatly increased use of the building, both for our own use, as well as being let on numerous occasions for community use.

The annual cost of running our two churches in 2022 was £106,665. This figure excludes fundraising costs, charitable donations, trading costs and Old School insurance costs.

As previously stated, the Octagon Project is now fully complete. Final project costs are £397,791, net of recovered VAT. We have raised a total of £397,957 (including Gift Aid) and have fully repaid the £30,000 of

short term loans raised to help our cash flow during the construction phase. The accounts for this project are now closed.

The rental income from The Old School has again been an extremely important part of our revenues. Regular giving is an essential source of income and we would like to thank everyone who regularly donates to the Parish by committed giving through Parish Giving, standing orders and coloured gift aid envelopes. This is a very efficient means of sustaining our incoming resources and has proved to be particularly important during this time of great uncertainty. We are always in need of new committed givers to help maintain and grow our income and we would urge our regular givers to keep their contribution levels under review.

In 2020, we established a Curate Fund to cover our 50% share of the cost of having Leah Bates as the Benefice's Curate in Training, and we enjoyed seeing her ordained into the church during this year. While the fund still has a modest cash surplus, mainly due to early positive cash flows, it is now running at an annual excess of expenditure over income. We have all come to value the energy and enthusiasm that Leah has brought to the Benefice as well as having a member of our clergy team in the Rectory, and would encourage those not directly supporting her to consider making donations to this Curate Fund

Statement of Financial Affairs and Reserves Policy

Cash Position

There has been a net outflow of £8,671 from Restricted Funds leaving a cash balance of £0. Project expenditure of £8,850 plus VAT was the final payment of retention monies from the construction contract. A sum of £634 was also transferred from the Octagon account to bring the balance to zero, and the account closed.

At 31st December, our cash reserves in the General Accounts stood at £47,260.

Our investment in the Sanlam Fund was valued at £26,840 on 31st December, this represents a fall of £4,489 in the value of our investment over the year. This fall was in line with market conditions, primarily due to the war in Ukraine and political instability, resulting in volatility in the Bond markets. We have taken some mitigating actions, but market conditions continue to be volatile.

We continue to face great uncertainty for next year and there are no guarantees that we will continue to receive financial support going forward. However, we do have strong cash reserves and we continue to receive wonderful support from our regular donors, for which we are extremely grateful.

Reserves Policy

In September 2021, the PCC adopted a formal resolution to hold a minimum of £30,000 in reserves, approximately 3-4 months of normal expenditure. In November 2022, the PCC agreed to increase this figure to £35,000. Our total net current liquid assets at 31st December were £75,898, we are therefore satisfied that there are sufficient reserves to meet our continuing needs. The minimum total reserves limit will be reviewed annually.

On behalf of the PCC:

Signed by:



Revd. Henry N L Latham

Signed by



Patricia J Kitley

14th March 2023

PARISH OF HEADLEY WITH BOX HILL STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

	Notes	Restricted Funds	Unrestricted/Designated Funds	TOTAL 2022	TOTAL 2021
INCOMING RESOURCES	9	£	£	£	£
Voluntary income		100	61,635	61,735	60,369
Activities for generating funds (fundraising)		-	4,625	4,625	1,061
Tax received through Gift Aid		25	15,580	15,605	13,856
VAT refunded		2,479	7,347	9,826	14,511
Income from Grants, Trust Donations		-	2,844	2,844	11,310
Income from Investments/Property		-	25,247	25,247	23,231
Income from Church Activities		-	13,751	13,751	8,836

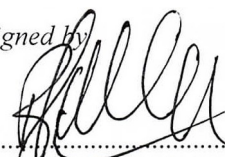
Other Income		-	1,468	1,468	2,557
TOTAL INCOMING RESOURCES	9	2,604	132,497	135,101	135,731
RESOURCES EXPENDED	10				
Costs of generating funds (fundraising)		-	1,589	1,589	267
Home mission giving & charitable donations		-	3,100	3,100	826
Church activities: parish share & stipend		-	47,748	47,748	48,002
Church activities: clergy expenses/rectory		-	12,540	12,540	5,773
Church activities: Honaria organist		-	3,960	3,960	2,590
Mission, evangelism, training costs		-	147	47	31
Improvement Works/Extension	8	10,620	16,870	27,490	65,674
Church Activities: Running Costs		-	19,080	19,080	22,975
Church Activities: Utilities		-	6,320	6,320	4,468
Costs of Trading		3	5,239	5,242	4,423
Professional Fees		-	-	-	1,437
Other property costs		-	1,093	1,093	1,023
Governance Costs		-	-	-	0
Transfer to General Account		652	-	652	0
TOTAL RESOURCES EXPENDED	10	11,275	117,686	128,961	157,489
NET INCOMING RESOURCES Before Investment Gains/Losses		(8,671)	14,811	6,140	(21,758)
Net assets before Investment Gains/Losses b/f as at 1 January		8,671	208,589	217,260	239,352
Net Gains/Losses on Investments		-	(4,489)	(4,489)	(334)
NET ASSETS CARRIED FORWARD AT DECEMBER 31		0	218,911	218,911	217,260

**PARISH OF HEADLEY WITH BOX HILL
BALANCE SHEET AT 31 DECEMBER 2022**

	Notes	Restrict ed Funds	Unrestric ted/Desig nated Funds	Total 2022	Total 2021
		£	£	£	£
FIXED ASSETS					
Freehold land & buildings	4	0	143,013	143,013	143,013
Plant & Equipment	1	0	0	0	0
		0	143,013	143,013	143,013
CURRENT ASSETS					
Debtors:					
Income Tax receivable	11	0	2,717	2,717	2,007
VAT receivable	11	0	0	0	0
Other	11	0	590	590	573
Cash at bank and in hand	1,3,11	5,000	47,260	52,260	54,195
Investments	2	0	26,840	26,840	31,329
Investment Interest	11	0	0	0	0
		5,000	77,407	82,407	88,104
CURRENT LIABILITIES					
Creditors:	11	0	7	7	857
Loans repayable within 24 months	3	0	0	0	0
Rent deposit		5,000	0	5,000	4,509
Other accrued expenses	11	0	748	748	8,491
		5,000	1,509	6,509	13,857
NET CURRENT ASSETS		0	75,898	75,898	74,247
TOTAL NET ASSETS		0	218,911	218,911	217,260
PARISH FUNDS					
Restricted Funds	6	0	0	0	8,671
Designated Funds	6	0	38,541	38,541	35,061
Unrestricted Funds		0	180,370	180,370	173,528
		0	218,911	218,911	217,260

The notes on pages 11 to 18 form part of these accounts

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Approved by the Parochial Church Council on 14th March 2023

Signed by



Revd. Henry N L Latham, Rector
NOTES TO THE ACCOUNT

Signed by



Roger J Kitley - Treasurer

1. Accounting Policies

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCC's, together with applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP(FRS102)).

The financial statements have been prepared on an accruals basis under the historical cost convention with the exception of investments assets which are shown at market value.

The financial statements 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.

Incoming Resources

Voluntary Income

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

Planned giving receivable under Gift Aid is recognised only when received.

Income Tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants and legacies to the PCC are accounted for only when the amount due is received.

Activities for Generating Funds

Funds raised by fund raising events are accounted for gross.

Income from Investments

Bank interest received which is attributable to Designated Funds is shown as such.

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

Income from Church Activities

Statutory fees are accounted for net of the Parochial Fees due to the Diocese, which are treated as agency collections.

Sales of books and cards from the bookstall, sales of Parish magazines and income from magazine advertising are accounted for gross.

Resources Expended

Church Activities

The Diocesan Parish Share is accounted for when paid. Any parish share unpaid at year end is provided for in these accounts as an operational and moral (though not legal) liability.

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

Fixed Assets

Consecrated property and movable church furnishings

Consecrated and beneficed property of any kind is excluded from these accounts by section 10(2) of the Charities Act 2011.

Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted as inalienable property unless consecrated. For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Items acquired since 1 January 2000 have been capitalised and depreciated in the accounts over their currently anticipated useful life on a straight line basis.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £1,000 or on the repair of movable church furnishings acquired before 1 January 2000 is written off immediately.

Land and buildings

No depreciation is provided on the land and buildings because it is considered the usual life of the building will be in excess of 50 years and it will have a high residual value. The building is regularly maintained. Provision will be made should any annual impairment review show that a permanent diminution in value of the land and building has occurred.

Other fixtures, fittings and office equipment

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

Individual items of equipment with a purchase price of less than £1,000 are written off when the asset is acquired.

Restricted and Unrestricted Funds

Restricted funds include funds which have been donated for specific purposes and therefore have restricted use. Designated funds are those funds designated from time to time by the PCC for specific purposes. Such designated funds may be closed once their original purpose has been accomplished or when all monies have been exhausted.

2. Investments - Sanlam PCC Fund

On 6th August 2019, the CBF Deposit account was closed and a total of £30,000 was transferred from the current account and the CBF deposit account into a new PCC account in the Sanlam Optima Fund.

3. Loans

In order to finance the completion of the Octagon Project, in 2020 the PCC received a total of £30,000 in zero interest loans, repayable by November 2022 at the latest. This liability was recorded on the Balance Sheet and reflected in the Octagon bank balance. These loans were repaid in full during 2021.

4. Tangible Fixed assets - Freehold Land and Buildings	2022
<u>2021</u>	
	£
As at 1 January	143,013
143,013	
As at 31 December	<u>143,013</u>
<u>143,013</u>	

Freehold land and buildings comprise the former school buildings and that part of the field adjacent to St Mary's Church used for car parking.

5. Rectory and Working Expenses

	2022	2021
	£	£
Rev. Harry Latham, Rev Christopher Hancock & Rev Leah Bates		
Mileage allowance))
Other expenses of office)		3,720)
1,649		
Other Ministry Costs		140
124		
Rectory expenses and rental payments		8,680
4,000*		
		<hr/> 12,540
5,773*		

*In 2021, £652 of these expenses were reimbursed by the Diocese of Guildford and £591 by the PCC of St Peter's, Walton-on-the-Hill.

6. Analysis of Net Assets by Fund

(1) The Benefice Mission Fund represents a fund designed by the PCC for the purpose of promoting mission in the Parish and together with St Peter's Mission Fund promoting mission in the United Benefice.

(2) The Extension Fund represents a fund designated by the PCC for the purpose of investigating and building an extension to St Mary's providing a kitchen, toilets, cupboards and meeting area. This is also known as the Octagon Appeal.

(3) The Palm Sunday Mission Fund represents a fund to help develop the Palm Sunday Parade into an annual event. This fund has been closed.

(4) The Curate Fund has been established to track expenditure and donations to support the provision of a training Curate in The Rectory, Headley.

(5) The Reserve Fund was established in 2021 to provide a minimum of £30,000 in reserves to provide a contingency for exceptional situations or unexpected major expenditure on the fabric of our buildings. The minimum held in reserves will be reviewed annually, and increased when feasible. The PCC agreed in November 2022 to increase this fund to £35,000.

Restricted Funds

	(2) Extension Fund	Rent Deposit	Total Restricted Funds
Balance at 1 January	8,653	18	8,671
Income	2,604	-	2,604
Expenditure	11,257	18	11,275
Balance at 31 December 22	0	0	0
Represented by			
Creditors	0	(5,000)	(5,000)
Cash	0	5,000	5,000
Net Assets at	0	0	0

31 December 22			
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Designated (Unrestricted) Funds

	(1) Benefice Mission Fund	(3) Palm Sunday Mission Fund	(4) Curate Fun d	(5) Reserve Fund	Total Designa ted Funds
Balance at 1 January	551	126	4,3 84	30,000	35,0 61
Income	294	0	7,5 61	5,000	12,8 55
Expenditure	420	126	8,8 29	0	9,3 75
Net assets at 31 December	425	0	3, 116	35,00 0	38, 541

6. Non-Recurring Grants

During the course of the year we have received grants of £2,844 in total from the Guildford Diocesan Board of Finance. These grants were made in support of additional costs due to covid related issues, and increased utility costs through the greater use of our buildings for community support.

7. Octagon Accounts

The Octagon project achieved Practical Completion on 22nd December 2020. The building is complete, and the outside works, including providing a disabled access ramp and restoring the paths and car park to their original condition were completed in April 2021. Final completion was achieved in July 2022.

The following summarises expenditure on the project. VAT was recovered through the Listed Places of Worship scheme.

Total Expenditure	Expenditure
Project start to 31 December	1 January - 31 December
2022	2022
£	£
Professional Fees, incl. VAT (1) 48,825	0
Main Contractor, incl. VAT (2,3) 408,422	10,620
Other Costs, incl. VAT (4) 20,320	0
Insurance costs 1,057	0
478,624	10,620
Less VAT recovered 80,833	2,478
Total Net Spend 397,791	8,142
Funds Raised (net of costs) (2,5) 397,957	125

(1) Professional Fees include Archaeological Consultants, Arborial Consultants, Architect, Quantity Surveyor, Building Control, Mechanical and Electrical Consultants and Structural Engineers.

(2) Under the terms of the Viridor Credits grant, £40,000 was paid directly by Viridor Credits to the Main Contractor against invoices submitted.

(3) Excludes £16,378 total (£4,000 in 2021) of church repair, delay costs and outside improvements, paid through contractor invoices. Vat recovered.

(4) Other costs include kitchen servery installation, lightning conductor, alarm system, flooring and equipment. Excludes £2,000 contribution from general fund to acoustic improvements.

(5) Funds raised total is net of fundraising and banking costs. Total includes Gift Aid received.

9. Incoming Resources	Restrict ed Funds 2022	Unrestrict ed / Designate d Funds 2022	Total Funds 2022	Total Funds 2021
Voluntary Income				
Tax efficient planned giving : Standing Orders	-	10,885	10,885	11,525
Giving Scheme : Parish	-	16,784	16,784	15,217
Coloured envelopes :	-	4,900	4,900	3,882
cheques : CAF	-	3,700	3,700	3,903
Collections at services: : White envelopes	-	1,820	1,820	1,865
Cash in plate :	-	6,101	6,101	2,500
Online / Credit Card giving	-	3,501	3,501	1,810
Non-recurring giving/donations/appeals	100	13,944	14,044	19,667
Legacies	-	-	-	-
	100	61,635	61,735	60,369
Fund raising	-	4,625	4,625	1,061
Tax received through Gift Aid	25	15,580	15,605	13,586
Transfer to Gen Acc from Octagon/Rent Dep	-	652	652	-
VAT refunded	2,479	7,347	9,826	14,511
Donations from Trusts				
Mary Freeman Braithwaite Trust	-	-	-	-
Other Trust Donations 7.	-	-	-	500
Non recurring Grants 7.	-	2,844	2,844	10,810

	-	2,844	2,844	11,310
Income from Investments				
Bank interest	-	69	69	1
Income from property	-	24,483	24,483	22,540
Atomos PCC Fund	-	695	695	6 90
	-	25,247	25,247	23,231
Income from church activities				
Statutory fees (net)	-	3,886	3,886	3,091
Book and card stall	-	109	1 09	121
Magazine advertising and sales	-	7,280	7,280	5,624
Miscellaneous Income	-	2, 476	2, 476	-
	-	13,751	13,751	8,836
Other income				
Refund on Old School insurance	-	755	755	706
Refund on electricity	-	61	61	-
Refund on Rectory expenses from Diocese	-	-	-	652
Refund Rectory costs from Walton	-	-	-	591
Refund of water costs	-	-	-	608
	-	816	816	2,557
Total Income	2,604	132 ,497	135,101	135,73 1

10. Resources Expended	Restrict ed Funds 2022	Unrestric ted / Designat ed Funds 2022	Total Funds 2022	Total Funds 2021
Fundraising Costs	-	1,589	1,589	267
Charitable donations	-	3,100	3,100	826
Parish share and stipend				
Parish share paid to Diocese	-	47,748	47,748	48,002
Stipend paid to Diocese	-	-	-	-
	-	47,748	47,748	48,002
Clergy/Rectory Expenses				
Working expenses of incumbent	-	3,720	3,720	1,649
Rectory expenses	-	700	700	2,110
Visiting clergy/speakers	-	98	98	60
Ministry	-	42		64

			42	
Rectory rental payments to Diocese	-	7,980	7,980	1,890
	-	12,540	12,540	5,773
Honaria Organist	-	3,960	3,960	2,590
Training, Mission & Evangelism Costs	-	147	147	31
Transfer to Gen Acc from Octagon/Rent Deposit	652	-	652	-
Church Improvement Works	-	16,870	16,870	19,090
Church running costs				
Insurance	-	4,152	4,152	4,098
Organ/piano tuning	-	226	226	216
Church Maintenance	-	2,488	2,488	4,521
Refuse disposal/cleaning	-	390	390	400
Upkeep of services	-	127	127	117
Upkeep of churchyard & grounds	-	5,139	5,139	6,588
Administration/Misc. Costs	-	6,909	6,909	5,598
Quinquennial Reviews	-	-	-	1,437
	-	19,080	19,080	22,975
Church Utility Costs				
Electricity	-	1,782	1,782	1,093
Gas	-	823	823	898
Water and Drainage	-	594	594	723
Oil	-	2,435	2,435	1,135
Telecoms	-	6	6	6
	-	6,320	6,320	4,468
Costs of Trading				
Magazine Costs	-	5,185	5,185	4,397
Card Stand/Bookstall	-	-	-	-
Bank/Online/Credit Card Costs	3	54	57	55
	3	5,239	5,242	4,452
Governance costs	-	-	-	
St Mary's new building extension Professional Fees and Construction Costs	10,620	-	10,620	47,992
Old School insurance (part reimbursed)	-	1,093	1,093	1,023
Total Expenditure	11,275	117,686	128,961	157,489

Net Incoming Resources	71)	(8,6	14,811	6,140	(21,75
					8)

11.

**NOTES TO ACCOUNTS 2022
ACCRUALS 2022**

£

Income to be Credited

Q4 HMRC Refund to General Fund	2,717
Online and Credit Card Donations	590
Total	3,307

Expenditure to be Debited

Unrestricted Funds

Administration	400
Honaria Organist	300
Online/Credit Card Charges	8
Fundraising Costs	40
Total	748

Other Creditors

Diocese Parochial Fees (Agency) (1)	618
Community Choir (2)	143
Total Expenditure	761

Current Assets

Current Account Cash	22,170
Liquidity Account Cash	25,046
Octagon Account Cash (3)	0
Cash Manager (Rent Deposit)	5,000
Cash in hand (floats)	44

Total Cash **52,260**

Liquid Investments (Sanlam Conservative Fund) 26,840

Total **79,100**

- 1 Parochial Fees are that portion of wedding and funeral fees that are collected on behalf of the Diocese of Guildford, they are therefore not included in the statement of income, however they do impact upon the Bank Balance and Balance Sheet
- 2 Funds held on behalf of Community Choir, not included in the statement of income and expenditure, but included in the Balance Sheet
- 3 Account closed 20/12/22

INDEPENDENT EXAMINER'S REPORT

This report on the accounts of the PCC for the year ended 31 December 2022, which are set out on pages 6 to 18, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and the Charities Act 2011 ("the Act").

Respective responsibilities of trustees and examiner

As the 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 Act do not apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission under section 145 of the 2011 Act. That examination includes a review of the accounting records kept by the PCC and a comparison of the financial statements 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 financial statements, and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the 2011 Act; and to prepare accounts which accord with the accounting records and
 - to comply with the requirements of the 2011 Act and the Regulations have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed by:

Stuart Knee

Stuart Knee

Date: *11th April 2023*

Accounts

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL
PARISH OF HEADLEY WITH BOX HILL
Charity Number 1151029**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
OF THE
PAROCHIAL CHURCH COUNCIL**

For the year ended 31st December 2021

Incumbent:

The Revd. Harry Latham
The Rectory
Walton on the Hill
Surrey

Bankers:

National Westminster Bank
115 High Street
Epsom
Surrey

Independent Examiner:

Mr Stuart Knee

ANNUAL REPORT FOR 2021

Objectives and Activities

The Parochial Church Council of the Ecclesiastical Parish of Headley with Boxhill (PCC) has charitable status with the Charities Commission number 1151029 and Inland Revenue Charity Number X83572.

Administrative Information

The Parish of Headley with Box Hill is a separate parish within the United Benefice of Headley with Box Hill and Walton-on-the-Hill. The PCC has the responsibility of co-operating with the Rector in promoting in the ecclesiastical Parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has the responsibility for the maintenance and upkeep of two churches (St Mary the Virgin, Headley and St Andrew's, Box Hill). It has acquired the former school buildings adjacent to St Mary's, which are let to commercial tenants and used for car parking and parish meetings when not being used by the current tenants. We have also acquired the Hooper field for overflow car parking and an extension to the churchyard.

Structure, Governance and Management

Members of the PCC are either elected at the Annual Parochial Church Meeting or are ex officio or co-opted in accordance with the Church Representation Rules. During the year the following served as members of the PCC:

Ex Officio

Revd Harry Latham*	Rector
Revd Christopher Hancock*	Honorary Assistant Curate
Revd Leah Bates*	Benefice Curate (since July 2021)
Mr Alan Jobber*	Churchwarden
Mrs Patricia Kitley*	Churchwarden
Mrs Janet Curtis	Deanery Synod
Ms Michelle Cahill	Deanery Synod

Elected	Date of retirement
Mrs Sue Boswell* (Secretary)	2023
Mr Barrie Fox	2023
Mr Charles Holme*	2022
Mr Roger Kitley* (Treasurer)	2022
Mrs Adrienne Lloyd-Williams	2024
Mr George Nixon	2023
Mrs Joan Stocker	2023

*Indicates members of the Standing Committee

Achievements and Performance

Church Services in the Parish

There are normally eleven Sunday services each month in the parish. At St Mary's, Prayer Book Communion is celebrated at 8.00 am on the first, second and fourth Sundays. At 9.30 am Family Communion is celebrated on the second and fourth Sundays and the second Sunday is a joint service with St Andrew's. At 10.30am Parish Communion Service is celebrated on the first and third Sundays.

At St Andrew's at 9.30 am a Contemporary Worship Service is held on the first Sunday, Informal Family Communion on the third and Morning Praise on the fourth. On the fifth Sunday of a month a Joint United Benefice Family Communion takes place at each of the three churches in rotation. Other significant liturgical days are marked with appropriate services.

Church Attendance

The number of people on the Church Electoral Roll at 31 December was 97 (2020 – 101, 2019 - 98). The average Sunday attendance over both churches has fallen, but we have survived the last two years reasonably well. Many services did not take place in 2020, but the following offers a comparison between 2021 and 2019.

	2021	2019
Mothering Sunday	26	89
Easter Day	100	107
Battle of Britain Service	N/A	N/A
Remembrance Services	75	118
(Adult) Nativity	25	50
Nine Lessons and Carols	53	91
Carols by Candlelight	57	44
Crib Service & Christingle	37	87
Midnight Mass	29	51
Christmas Day	49	81

Extraordinary services were held as follows:

	2021	2020	2019
Baptisms	3	0	2
Weddings	5	0	5
Funerals	4	5	3

Review of the Year

During 2021 the PCC met 5 times and the Standing Committee on 4 occasions.

2021 has been a year of regrouping and recovering and waiting longer than expected to officially open the Octagon.

The Pilgrim Group have met in the Octagon and moved to a Friday morning. The Healing Prayer meetings have met in St Andrew's and moved to a Wednesday Morning.

The Prayer Network daily emails that began in Lockdown have continued and been very helpful. Many thanks to Charlie Holme for all his work on this and to the team of contributors.

First Friday Coffee restarted in the Octagon, and Ascension Day was celebrated outside in the St Mary's Churchyard. The Novena for Thy Kingdom Come was kept on Zoom. The pastoral care network coordinated by Sue Boswell and Jan Curtis has developed into a monthly Benefice meeting led by our new curate Leah Bates.

Leah was ordained Deacon in Guildford Cathedral on July 4th and has already made a significant contribution to the Benefice. She moved into Headley Rectory with her husband and daughters during the October half term.

Our Honorary Assistant Curate Christopher continues his much-appreciated work on two Sundays a month in St Mary's as well as visiting St Andrew's on six Sundays a year.

The Archdeacon of Dorking visited us in the snow in January and the Bishop of Guildford visited us in August, when the weather was better and the restrictions were less confining, to officially open the Octagon.

Harvest Festival services took place in both churches with less people but generous contributions of provisions for Head start and the Night Shelter. This year the Remembrance Day services were able to go ahead in the normal way, but areas were again set aside outside both churches for people to place wooden crosses.

Christmas managed to go ahead and both Churches looked beautiful. Singing was allowed but masks were kept on. Leah produced the Nine Lessons and Carols with an augmented choir to a very high standard. The Carols by Candlelight at St Andrew's and the Christmas morning service at St Mary's were especially well supported.

Livestreaming of regular St Mary's services continued. And many thanks again to Robin and Lucy Hunter for their online Advent Calendar for the Parish that was broadcast each day of Advent.

The vital volunteer teams returned to work, and we are so grateful to all those who clean our churches, provide refreshments (when allowed), help as vergers and sacristans, oversee streaming, arrange flowers, and look after candles.

The PCC has been meeting in the Octagon mainly in person and special thanks are recorded to our wardens and treasurer for all their normal and extra work.

Looking Towards 2022

After a very strange two years, the PCC has begun to re-visit our Church development plan still holding on to the principles from the LYCiG materials (Leading Your Church into Growth).

The summary of the 2019 Plan is below, and it is apparent what has been accomplished and what still remains as a significant challenge.

1. The first is the Spiritual and Numerical Growth of our current congregations over the next three years. So, we are looking to increase regular worshippers at St Mary's up to 60 regulars, and St Andrew's up to 40 regulars.
2. The second is to prioritise our provision for and incorporation of youth and children's ministry in definite but distinctive ways at both churches.
3. The third was to build the Octagon extension to St Mary's, which will give us the flexibility and facilities we currently lack for all ages.
4. The fourth is to gradually develop our stewardship as a parish so that it becomes normal for the worshipping communities to cover the ministry proportion of our costs.

Reaching out into our unique local communities, and amongst our neighbours and friends, in appropriate ways remains a vital necessity as we look for growth. As we continue to serve all who come to us for baptisms, weddings, and funerals, we also look to connect with other people beyond our existing contacts and friends. At the same time, in prayer, Bible study, worship and devotion let us connect with God.

The Octagon

We launched the Octagon Appeal in April 2018, with the objective of raising funds for the extension project. Once we had received final tenders for the construction, we set our target at raising £370,000 net of fundraising costs. At 31st December 2021, we had raised the amazing total of £397,832 net of fundraising costs.

We are immensely grateful to all those who have given so generously, new donors are welcome and encouraged to give to this project that is so important to our growth.

We are also grateful to the various Trusts that have supported our Appeal. These include The Wates Foundation, AllChurches Trust, Beatrice Laing Trust, Church Growth Fund, Garfield Weston Foundation, Surrey Churches Preservation Trust and Viridor Credits, these Trusts have together committed £83,300 to our construction spend. We also thank the members of the Fundraising Committee for their efforts in raising the considerable sum required to build the extension.

The building was formally opened and dedicated by the Bishop of Guildford in August of this year.

Although the COVID situation has limited the use of the building, we have begun to make wider use of the facility and received many favourable comments.

With its new facilities, we anticipate the church will be used more widely by and for the community. Looking ahead we will need to plan the promotion of its use to make the church more central to the life of the community and to develop a new source of income for the future sustainability of the church.

Treasurer's Report

Impact of COVID

The year has continued to be dominated by the COVID-19 crisis which has had an impact on our income in 2021, primarily because attendance at services has been adversely affected.

However, with the pandemic set to continue well into 2022, maintaining our income will continue to be a major issue for us, and regular bank donations are, more than ever, a vitally important source of income. The recently introduced Parish Giving Scheme has attracted a number of regular donors, and we encourage all new and regular donors to join this scheme, as it greatly streamlines our reporting and collection of Gift Aid. We urge you to review how you contribute to the work of the church and consider joining the Parish Giving Scheme. We have also, once again, been very fortunate to receive financial support from various agencies, as described below, but there are no guarantees that this will continue.

Our new online giving platform and credit card facility are providing useful additional income, particularly from non-regular attenders at services, or at special services such as weddings and baptisms.

Summary

We have recorded an excess of expenditure over income for 2021 of £21,758, of which £10,298 is attributable to the cost of constructing the Octagon Project and £11,460 is the loss on our unrestricted account.

Last year I indicated that we should expect a negative impact on cash flow as there would be considerable expenditure in 2021 of the grants received in 2020. This has indeed been the case and has impacted negatively on unrestricted funds. However, looking at 2020 and 2021 together, there has been a surplus of income over expenditure of unrestricted and designated funds totalling £12,294. Our unrestricted and designated cash funds balance sheet totals £65,576, this compares favourably with the 2019 total of £52,083.

This has been a year of considerable achievement; extensive work has been completed on our two churches including the installation of an audio visual system at St Mary's and a Bluetooth speaker at St Andrew's. Other works include replastering and redecorating the south porch at St Mary's together with a refurbishment of the main entrance door, a much upgraded lightning conductor system at St Mary's and re-surfacing of the car park. We have also improved the drainage to the west side of the church and provided a disabled access pathway to the Octagon. Significant churchyard improvements and repairs to the external fences and Lychgates have been implemented during the year. These works have amounted to just over £21,000 of improvements to the fabric and facilities within our buildings and grounds.

The statutory Quinquennial Review of our two churches was carried out in May by our Inspecting Architect. A number of minor issues were identified and we are currently working through that list. However, nothing of significance was reported and our Inspecting Architect was extremely complimentary about the general level of care and maintenance of both churches.

We have fully paid our Parish Share of £48,002.

We are once again extremely grateful to the Heritage Lottery Fund who awarded us a further grant of £7,800. We also received £500 from The Surrey Churches Preservation Trust.

We continue to use the Parish Buying scheme that takes advantage of the combined purchasing power of a large grouping of parishes. This has led to substantial cost savings, particularly with oil purchases and office and church supplies. We also entered into new 3 year fixed price contracts for gas and electricity supply. These contracts were entered into at prices comparable with our previous contract, well before the recent price increases..

The annual cost of running our two churches in 2021 was £113,471.

As previously stated, the Octagon Project is now fully complete. Total project costs to date are £389,649, there will be further costs in 2022 when the remaining 2.5% retention is due to be reimbursed to the contractors in the first quarter, subject to all defects having being rectified. We have raised a total of £397,832 (including Gift Aid) and have now fully repaid the £30,000 of short term loans raised to help our cash flow.

The rental income from The Old School has again been an extremely important part of keeping our incoming resources at a sustainable level. Regular giving is an essential source of income and we would like to thank everyone who regularly donates to the Parish by committed giving through Parish Giving, standing orders and coloured gift aid envelopes. This is a very efficient means of sustaining our incoming resources and has proved to be particularly important during this time of great uncertainty. We are always in need of new committed givers to help maintain and grow our income and we would urge our regular givers to keep their contribution levels under review.

Statement of Financial Affairs and Reserves Policy

Cash Position

There has been a net outflow of cash from Restricted Funds leaving a positive cash balance of £8,671.

The current forecast is that the Octagon project will require a further £8,850 of expenditure (net of VAT) in 2022 to achieve final completion. This figure includes the repayment of retention monies.

2021 has seen a net outflow of cash from unrestricted and designated funds leaving a positive balance of £65,576; £34,247 in cash reserves plus £31,329 in liquid investments. As previously reported and highlighted in the 2020 Annual Report, this was an expected outcome caused by the phasing of income and expenditure from our various grants. However the total unrestricted and designated cash reserves are £13,493 higher than in December 2019.

We continue to face great uncertainty for next year and there are no guarantees that we will continue to receive financial support going forward. However, we do have strong cash reserves and we continue to receive support from our regular donors.

Reserves Policy

In September 2021, the PCC adopted a formal resolution to hold a minimum of £30,000 in reserves, approximately 3-4 months of normal expenditure. These reserves are to be held in a separate investment account. The amount in our investment account is currently £31,329 and our total current liquid assets are £65,576, we are therefore satisfied that there are sufficient reserves to meet our continuing needs. This minimum total reserves limit will be reviewed annually.

On behalf of the PCC

Signed by:

HNL Latham

.....

Rev. Harry Latham

15th March 2022

Signed by:

PJ Kitley

.....

Patricia Kitley

PARISH OF HEADLEY WITH BOX HILL
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

	Notes	Restricted Funds	Unrestricted/ Designated Funds	TOTAL 2021	TOTAL 2020
INCOMING RESOURCES	9	£	£	£	£
Voluntary income		16,019	44,350	60,369	45,772
Activities for generating funds (fundraising)		70	991	1,061	1,064
Tax received through Gift Aid		3,529	10,327	13,856	10,627
VAT refunded		13,601	910	14,511	64,882
Income from Grants, Trust Donations		500	10,810	11,310	87,490
Income from Investments/Property		1	23,230	23,231	22,910
Income from Church Activities		0	8,836	8,836	8,646
Other Income		0	2,557	2,557	696
TOTAL INCOMING RESOURCES	9	33,720	102,011	135,731	242,087
RESOURCES EXPENDED	10				
Costs of generating funds (fundraising)		0	267	267	230
Home mission giving & charitable donations		0	826	826	300
Church activities: parish share & stipend		0	48,002	48,002	43,352
Church activities: clergy expenses/rectory		0	5,773	5,773	1,611
Church activities: Honaria organist		0	2,590	2,590	800
Mission, evangelism, training costs		0	31	31	0
Church activities: running costs		0	22,975	22,975	29,377
Church activities: utilities		0	4,468	4,468	3,594
Costs of trading		26	4,397	4,423	5,287
Improvement works/structure	8	43,992	21,682	65,674	389,964
Professional Fees		0	1,437	1,437	0
Other property costs		0	1,023	1,023	1,013
Governance Costs		0	0	0	0
TOTAL RESOURCES EXPENDED	10	44,018	113,471	157,489	475,528
NET INCOMING RESOURCES Before Investment Gains/Losses		(10,298)	(11,460)	(21,758)	(233,441)
Net assets before Investment Gains/Losses b/f as at 1 January		18,969	220,383	239,352	471,260
Net Gains on Investments		-	(334)	(334)	1,533
NET ASSETS CARRIED FORWARD AT DECEMBER 31		8,671	208,589	217,260	239,352

**PARISH OF HEADLEY WITH BOX HILL
BALANCE SHEET AT 31 DECEMBER 2021**

	Notes	Restrict ed Funds	Unrestricted/ Designated Funds	Total 2021	Total 2020
		£	£	£	£
FIXED ASSETS - freehold land & buildings	4	0	143,013	143,013	143,013
CURRENT ASSETS					
Debtors:					
Income Tax receivable	11	0	2,007	2,007	2,092
VAT receivable	11	0	0	0	4,165
Other	11	0	573	573	25
Cash at bank and in hand	1,3,11	13,180	41,015	54,195	132,235
Investments	2	0	31,329	31,329	31,663
Investment Interest	11	0	0	0	308
		13,180	74,924	88,104	170,488
CURRENT LIABILITIES					
Creditors:					
Loans repayable within 24 months	3	0	0	0	30,000
Rent deposit		4,509	0	4,509	4,509
Other accrued expenses	11	0	8,491	8,491	39,252
		4,509	9,348	13,857	74,149
NET CURRENT ASSETS		8,671	65,576	74,247	96,339
TOTAL NET ASSETS		8,671	208,589	217,260	239,352
PARISH FUNDS					
Restricted Funds	6	8,671	0	8,671	18,969
Designated Funds	6	0	35,061	35,061	1,533
Unrestricted Funds		0	173,528	173,528	218,850
		8,671	208,589	217,260	239,352

The notes on pages 11 to 18 form part of these accounts

Approved by the Parochial Church Council on 15th March 2022

Signed by

HN Latham

.....
Revd. Harry Latham, Rector

Signed by

RJ Kitley

.....
Roger Kitley - Treasurer

NOTES TO THE ACCOUNT

1. Accounting Policies

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCC's, together with applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP(FRS102)).

The financial statements have been prepared on an accruals basis under the historical cost convention with the exception of investments assets which are shown at market value.

The financial statements 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.

Incoming Resources

Voluntary Income

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

Planned giving receivable under Gift Aid is recognised only when received.

Income Tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants and legacies to the PCC are accounted for only when the amount due is received.

Activities for Generating Funds

Funds raised by fund raising events are accounted for gross.

Income from Investments

Bank interest received which is attributable to Designated Funds is shown as such.

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

Income from Church Activities

Statutory fees are accounted for net of the Parochial Fees due to the Diocese, which are treated as agency collections.

Sales of books and cards from the bookstall, sales of Parish magazines and income from magazine advertising are accounted for gross.

Resources Expended

Church Activities

The Diocesan Parish Share is accounted for when paid. Any parish share unpaid at year end is provided for in these accounts as an operational and moral (though not legal) liability.

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

Fixed Assets

Consecrated property and movable church furnishings

Consecrated and beneficed property of any kind is excluded from these accounts by section 10(2) of the Charities Act 2011.

Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted as inalienable property unless consecrated. For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Items acquired since 1 January 2000 have been capitalised and depreciated in the accounts over their currently anticipated useful life on a straight line basis.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £1,000 or on the repair of movable church furnishings acquired before 1 January 2000 is written off immediately.

Land and buildings

No depreciation is provided on the land and buildings because it is considered the usual life of the building will be in excess of 50 years and it will have a high residual value. The building is regularly maintained. Provision will be made should any annual impairment review show that a permanent diminution in value of the land and building has occurred.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years. Individual items of equipment with a purchase price of less than £1,000 are written off when the asset is acquired.

Restricted and Unrestricted Funds

Restricted funds include funds which have been donated for specific purposes and therefore have restricted use. Designated funds are those funds designated from time to time by the PCC for specific purposes. Such designated funds may be closed once their original purpose has been accomplished or when all monies have been exhausted.

2. Investments - Sanlam PCC Fund

On 6th August 2019, the CBF Deposit account was closed and a total of £30,000 was transferred from the current account and the CBF deposit account into a new PCC account in the Sanlam Optima Fund. The PCC adopted a resolution to hold a minimum of £30,000 (reviewed annually) in a designated reserve account and these reserves are included within this investment.

3. Loans

In order to finance the completion of the Octagon Project, in 2020 the PCC received a total of £30,000 in zero interest loans, repayable by November 2022 at the latest. This liability was recorded on the Balance Sheet and reflected in the Octagon bank balance. These loans were repaid in full during 2021.

4. Tangible Fixed assets - Freehold Land and Buildings

	<u>2021</u>	<u>2020</u>
	£	£
As at 1 January	143,013	143,013
As at 31 December	<u>143,013</u>	<u>143,013</u>

Freehold land and buildings comprise the former school buildings and that part of the field adjacent to St Mary's Church used for car parking.

5. Rectory and Working Expenses

	2021		2020
	£		£
Rev. Harry Latham, Rev Christopher Hancock & Rev Leah Bates			
Mileage allowance))	
Other expenses of office))	1,188
Other Ministry Costs	124		94
Rectory expenses and rental payments	4,000 *		329
	5,773 *		1,611

* £652 of these Rectory expenses were reimbursed by the Diocese of Guildford and £591 by the PCC of St Peter's, Walton-on-the-Hill.

6. Analysis of Net Assets by Fund

(1) The Benefice Mission Fund represents a fund designed by the PCC for the purpose of promoting mission in the Parish and together with St Peter's Mission Fund promoting mission in the United Benefice.

(2) The Extension Fund represents a fund designated by the PCC for the purpose of investigating and building an extension to St Mary's providing a kitchen, toilets, cupboards and small meeting area. This is also known as the Octagon Appeal.

(3) The Palm Sunday Mission Fund represents a fund to help develop the Palm Sunday Parade into an annual event.

(4) The Curate Fund has been established to track expenditure and donations to support the provision of a training Curate in The Rectory, Headley.

(5) The Reserve Fund has been established to provide a minimum of £30,000 in reserves to provide a contingency for exceptional situations or unexpected major expenditure on the fabric of our buildings. This fund will be added to annually when feasible and the minimum held in reserves will be reviewed annually.

Restricted Funds

	(2) Extension Fund	Rent Deposit	Total Restricted Funds
Balance at 1 January	18,952	17	18,969
Income	33,719	1	33,720
Expenditure	44,018	0	44,018
Balance at 31 December	8,653	18	8,671
Represented by			
Creditors	0	(4,509)	(4,509)
Cash	8,653	4,527	13,180
Net Assets at 31 December	8,653	18	8,671

Designated (Unrestricted) Funds

	(1) Benefice Mission Fund	(3) Palm Sunday Restricted Funds Mission Fund	(4) Curate Fund	(5) Reserve Fund	Total Designated Funds
Balance at 1 January	532	126	875	0	1,533
Income	50	0	7,545	30,000	37,595
Expenditure	31	0	4,036	0	4,067
Net assets at 31 December	551	126	4,384	30,000	35,061

7. Non-Recurring Grants

During the course of the year we have received a further grant of £7,800 from the Heritage Lottery Fund to provide support in meeting our day to day expenditure. We also received a grant of £500 from the Surrey Churches Preservation Fund to assist in fundraising for the Octagon project.

8. Octagon Accounts

The Octagon project achieved Practical Completion on 22nd December 2020. The building is complete, and the outside works, including providing a disabled access ramp and restoring the paths and car park to their original condition were completed in April 2021.

The following summarises expenditure on the project to date. VAT is being recovered through the Listed Places of Worship scheme.

	Expenditure 1 January – 31 December 2021 £	Total Expenditure Project start to 31 December 2021 £
Professional Fees, incl. VAT (1)	2,071	48,825
Main Contractor, incl. VAT (2,3)	35,095	397,802
Other Costs, incl. VAT (4)	6,826	20,320
Insurance costs	0	1,057
	<hr/>	<hr/>
	43,992	468,004
Less VAT recovered	13,601	78,355
	<hr/>	<hr/>
Total Net Spend	30,391	389,649
Funds Raised (net of costs) (2,5)	20,118	397,832

(1) Professional Fees include Archaeological Consultants, Arborial Consultants, Architect, Quantity Surveyor, Building Control, Mechanical and Electrical Consultants and Structural Engineers.

(2) Under the terms of the Viridor Credits grant, £40,000 was paid directly by Viridor Credits to the Main Contractor against invoices submitted.

(3) Excludes £16,378 total (£4,000 in 2021) of church repair, delay costs and outside improvements, paid through contractor invoices. Vat recovered.

(4) Other costs include kitchen servery installation, lightning conductor, alarm system, flooring and equipment. Excludes £2,000 contribution from general fund to acoustic improvements.

(5) Funds raised total is net of fundraising and banking costs. Total includes Gift Aid received.

9. Incoming Resources	Restricted Funds 2021	Unrestricted /Designated Funds 2021	Total Funds 2021	Total Funds 2020
Voluntary Income				
Tax efficient planned giving: standing orders	-	11,525	11,525	17,385
: Parish Giving Scheme	-	15,217	15,217	5,390
Coloured envelopes	-	3,882	3,882	4,347
CAF cheques	-	3,903	3,903	900
Collections at services: White envelopes	-	1,865	1,865	2,454
Cash in plate	-	2,500	2,500	721
Online / Credit Card giving	-	1,810	1,810	240
Non-recurring giving/donations/appeals	16,019	3,648	19,667	13,835
Legacies	-	-	-	500
	16,019	44,350	60,369	45,772
Fund raising	70	991	1,061	1,064
Tax received through Gift Aid	3,529	10,327	13,856	10,627
VAT refunded	13,601	910	14,511	64,882
Donations from Trusts				
Mary Freeman Braithwaite Trust	-	-	-	10,000
Other Trust Donations 7.	500	-	500	45,000
Non recurring Grants 7.	-	10,810	10,810	32,490
	500	10,810	11,310	87,490
Income from Investments				
Bank interest	1	-	1	4
Income from property	-	22,540	22,540	22,370
Sanlam PCC Fund	-	690	690	536
	1	23,230	23,231	22,910
Income from church activities				
Statutory fees (net)	-	3,091	3,091	1,818
Book and card stall	-	121	121	29
Magazine advertising and sales	-	5,624	5,624	6,799
Miscellaneous Income	-	-	-	-
		8,836	8,836	8,646
Other income				
Refund on Old School insurance	-	706	706	696
Refund on electricity	-	-	-	-
Refund on Rectory expenses from Diocese	-	652	652	-
Refund bank charges	-	-	-	-
Refund Rectory costs from Walton	-	591	591	-
Refund of water costs	-	608	608	-
		2,557	2,557	696
Total Income	33,720	102,011	135,731	242,087

10. Resources Expended	Restricted Funds 2021	Unrestricted /Designated Funds 2021	Total Funds 2021	Total Funds 2020
Costs of generating funds (fundraising)		267	267	230
Charitable donations	-	826	826	300
Parish share and stipend				
Parish share paid to Diocese	-	48,002	48,002	43,352
Stipend paid to Diocese	-	-	-	-
		48,002	48,002	43,352
Clergy/Rectory Expenses				
Working expenses of incumbent	-	1,649	1,649	1,188
Rectory expenses	-	2,110	2,110	329
Visiting clergy/speakers	-	60	60	81
Ministry	-	64	64	13
Rectory payments to Diocese	-	1,890	1,890	-
	-	5,773	5,773	1,611
Honoraria - organist	-	2,590	2,590	800
Training, mission & evangelism costs		31	31	-
Church running costs				
Insurance	-	4,098	4,098	4,837
Organ/piano tuning	-	216	216	216
Maintenance/Improvement works	-	23,611	23,611	14,822
Refuse disposal/cleaning	-	400	400	278
Upkeep of services	-	117	117	163
Upkeep of churchyard & grounds	-	6,588	6,588	5,523
Administration/Misc. Costs	-	5,598	5,598	3,447
Quinquennial Reviews	-	1,437	1,437	-
Bank/Online giving/card charges	26	29	55	91
	26	42,094	42,120	29,377
Church utility bills				
Electricity	-	1,093	1,093	1,185
Gas	-	898	898	570
Water and Drainage	-	723	723	460
Oil	-	1,135	1,135	1,103
Telecoms	-	619	619	276
	-	4,468	4,468	3,594
Costs of trading				
Magazine costs + 50% advertising Box Hill News	-	4,397	4,397	5,287
Card stand/bookstall	-	-	-	-
		4,397	4,397	5,287
Governance costs	-	-	-	-
St Mary's new building extension Professional Fees and Construction Costs 8.	43,992	4,000	47,992	389,964
Old School insurance (part reimbursed)	-	1,023	1,023	1,013
Total Expenditure	44,018	113,471	157,489	475,528
Net Incoming Resources	(10,298)	(11,460)	(21,758)	(233,441)

11.

**NOTES TO ACCOUNTS 2021
ACCRUALS 2021**

	£
Income to be Credited	
Q4 HMRC Refund to General Fund	2,007
Online and Credit Card Donations	335
Fundraising	198
Collections	40
Total	2,580
 Expenditure to be Debited	
Restricted Funds	0
Unrestricted Funds	
Church Maintenance	4,734
Roof Repairs	1,872
Electrical Testing	1,534
Electricity	152
Administration	44
Charitable Donations	151
Online/Credit Card Charges	4
Total	8,491
Other Creditors	
Diocese Parochial Fees (Agency) (1)	857
Total Expenditure	9,348
 Current Assets	
Current Account Cash	40,815
Octagon Account Cash	8,653
Cash Manager (Rent Deposit)	4,527
Cash in hand (floats)	200
Total Cash	54,195
Liquid Investments (Sanlam Cautious Fund)	31,329
Total	85,524

1 Parochial Fees are that portion of wedding and funeral fees that are collected on behalf of the Diocese of Guildford, they are therefore not included in the statement of income, however they do impact upon the Bank Balance and Balance Sheet

INDEPENDENT EXAMINER'S REPORT

This report on the accounts of the PCC for the year ended 31 December 2021, which are set out on pages 6 to 18, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and the Charities Act 2011 ("the Act").

Respective responsibilities of trustees and examiner

As the 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 Act do not apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission under section 145 of the 2011 Act. That examination includes a review of the accounting records kept by the PCC and a comparison of the financial statements 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 financial statements, and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the 2011 Act; and to prepare accounts which accord with the accounting records and
 - to comply with the requirements of the 2011 Act and the Regulations have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed by

Stuart Knee

Stuart Knee

Date: 26th April 2022

Accounts

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL
PARISH OF HEADLEY WITH BOX HILL
Charity Number 1151029**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
OF THE
PAROCHIAL CHURCH COUNCIL**

For the year ended 31 December 2020

Incumbent:

The Revd. Harry Latham
The Rectory
Walton on the Hill
Surrey

Bank:

National Westminster Bank
115 High Street
Epsom
Surrey

Independent Examiner:

Sir Michael Pickard

ANNUAL REPORT FOR 2020

Objectives and Activities

The Parochial Church Council of the Ecclesiastical Parish of Headley with Boxhill (PCC) has charitable status with the Charities Commission number 1151029 and Inland Revenue Charity Number X83572.

Administrative Information

The Parish of Headley with Box Hill is a separate parish within the United Benefice of Headley with Box Hill and Walton-on-the-Hill. The PCC has the responsibility of co-operating with the Rector in promoting in the ecclesiastical Parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has the responsibility for the maintenance and upkeep of two churches (St Mary the Virgin, Headley and St Andrew's, Box Hill). It has acquired the former school buildings adjacent to St Mary's, which are let to commercial tenants and used for car parking and parish meetings when not being used by the current tenants. We have also acquired the Hooper field for overflow car parking and an extension to the churchyard.

Structure, Governance and Management

Members of the PCC are either elected at the Annual Parochial Church Meeting or are ex officio or co-opted in accordance with the Church Representation Rules. During the year the following served as members of the PCC:

Ex Officio

Revd Harry Latham*	Rector
Revd Christopher Hancock*	Honorary Assistant Curate
Mr Alan Jobber*	Churchwarden
Mrs Patricia Kitley*	Churchwarden
Mrs Janet Curtis	Deanery Synod (2017)

Elected	Date of retirement
Mrs Sue Boswell* (Secretary)	2023
Mr Barrie Fox	2023
Mr Charles Holme*	2022
Mr Roger Kitley* (Treasurer)	2022
Mrs Adrienne Lloyd-Williams	2024
Mr George Nixon	2023
Mrs Joan Stocker	2023

*Indicates members of the Standing Committee

Achievements and Performance

Church Services in the Parish

There are normally eleven Sunday services each month in the parish. At St Mary's, Prayer Book Communion is celebrated at 8.00 am on the first, second and fourth Sundays. At 9.30 am Family Communion is celebrated on the second and fourth Sundays and the second Sunday is a joint service with St Andrew's. At 10.30am Parish Communion Service is celebrated on the first and third Sundays.

At St Andrew's at 9.30 am a Contemporary Worship Service is held on the first Sunday, Informal Family Communion on the third and Morning Praise on the fourth. Prayers of Healing were said every Friday. On the fifth Sunday of a month at 10.15 am a Joint United Benefice Family Communion takes place at each of the three churches in rotation. Other significant liturgical days are marked with appropriate services. In 2020 these were significantly impacted by the Covid 19 Pandemic, with none of the usual Easter services and very limited Christmas Services.

Church Attendance

The number of people on the Church Electoral Roll as at 31 December is 101 (2019 - 98). The average Sunday attendance over both churches has not been applicable.

It has not been possible to keep the familiar pattern of the number of people attending specific services in the Parish as the Churches were closed after March 15th 2020 and began to open again initially just at 8am from July 5th 2020. There was then a second Lockdown in November closing Churches from the November 8th until the December 6th.

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	2020	2019
There were no Weddings or Baptisms		
Funerals	5	4

Review of the Year

During 2020 the PCC met 5 times and the Standing Committee on 4 occasions.

2020 has been a year like no other. The Global Pandemic that spread out from Wuhan in China hit our shores in February and by March we were locked down, as it turned out to be for five months.

This meant that we had to find other ways of ‘doing’ Church, other ways of gathering virtually on a Sunday and connecting with each other and coming together in corporate prayer and worship.

Our Honorary Assistant Curate and his household led the way in live streaming Sunday services from home using Zoom and Facebook, whilst our Rector recorded mini broadcasts on YouTube each week.

The Wednesday morning Pilgrim course moved on to Zoom as did the Friday Morning meeting for Healing Prayer.

First Friday Coffee was unable to take place, Mothering Sunday, Easter, Pentecost and Ascension Day were all unable to happen in their normal way. However, the Novena for Thy Kingdom Come proved to be better supported on Zoom than in person and we also ran a Zoom 24 hours of Prayer on the Eve of Pentecost which was very encouraging.

The Lent lunch at St Andrew’s took place just before Lockdown and the PCC agreed to match funds raised at that so we could continue our support for St Peter’s Life-Line and The Meeting Room.

Sue Boswell and Jan Curtis coordinated a pastoral care network to help keep people from being lonely and the Rector and wardens held socially distanced meetings in the churchyard – often in glorious weather.

At the suggestion of Charlie Holme who runs the Prayer Network the frequency of these emailed prayers was increased from 2 per week to six per week and other contributors were added including our churchwardens. The Network began in 2013 and its 1000th message was sent on the 27th of January 2021.

The Bishop of Guildford gave his churches until September to re-open fully. We saw the resumption of one service a week in St Mary’s Church from 5 July and in August were able to offer services in all three churches in the Benefice, whilst continuing to provide recorded messages and livestreaming on Zoom and Facebook. Thanks to all who have volunteered to keep our churches open.

A Benefice Picnic was not possible but a United Benefice service that was socially distanced and outdoor in the churchyard of our other Benefice Church St Peter’s took place on August 30th.

Harvest Festival services took place in both churches and the generosity of the congregations was overwhelming. Beneficiaries were Head Start and The Meeting Room. Collections for the Dorking Food Bank had been discontinued during the lock down and these were

reinstated in both churches before Christmas, with additional drop off points in the Headley Village Stores and Box Hill Post Office to widen the appeal. This has proved to be very successful.

Just as we were planning our Remembrance Day services the second Lockdown happened but outdoor wreath laying ceremonies were possible outside both Churches involving our local Councillor David Preedy and ex-servicemen Jim Jobber and Brian Day. So that members of the local community could still take part in commemorations St Mary's Church was open for private prayer and areas were set aside outside both churches for people to place wooden crosses.

Christmas was a much smaller celebration, but St Mary's was beautifully decorated. Socially distanced services took place on Christmas Eve and Christmas Day and were livestreamed, but the Crib service had to be replaced by an online Christingle. Two special events replaced the traditional offerings in the parish. The Service of Nine Lessons and Carols was replaced with a pre-recorded Carol Service. The readers represented each church in the Benefice and the music was a gift from Ashted Parish. Talent scouts scoured both villages to recruit volunteers to record Christmas readings, poems, and songs. Many thanks to Robin and Lucy Hunter for an innovative Advent Calendar that was broadcast each day of Advent.

Alongside all of this, the Octagon was being built and special mention must be given to Pat Kitley who cleaned the builders dust from St Mary's so that it was welcoming to worshippers each Sunday.

Special thanks also to George Nixon and Roger Kitley for all their work in liaising with the builders as the Octagon took shape and blossomed alongside St Mary's.

The PCC itself had to meet on Zoom and is very grateful to all the hard work and commitment of those who ran and supported these initiatives.

Looking Towards 2021

Construction of the Octagon started work on 10th February and Practical Completion was achieved on 22nd December. The construction schedule was affected by the COVID situation and there have been delays in the supply of materials as well as labour shortages. Despite these obstacles, our construction team have done a wonderful job in bringing this project to completion.

The Good Practice Guidelines for General Data Protection Regulation and Diocesan Safeguarding and Inclusion Protocol 2017 were implemented across the parish and members of the PCC have undertaken safeguarding training.

The Diocese continues to encourage our engagement with LYCiG materials and a positive approach to growth and development. This has influenced our Church Development Plan and PCC discussions. Going forward we remain committed to the same four main areas. We recognise that 2020 has set us back in all the areas except No 3, however an unintended outcome is that we have started a phased upgrade of the technology required to support our online services each week.

1. The first is the Spiritual and Numerical Growth of our current congregations over the next three years. So, we are looking to increase regular worshippers at St Mary's up to 60 regulars, and St Andrew's up to 40 regulars.
2. The second is to prioritise our provision for and incorporation of youth and children's ministry in definite but distinctive ways at both churches.
3. The third was to build the Octagon extension to St Mary's, which will give us the flexibility and facilities we currently lack for all ages.
4. The fourth is to gradually develop our stewardship as a parish so that it becomes normal for the worshipping communities to cover the ministry proportion of our costs.

The Octagon

We launched the Octagon Appeal in April 2018, with the objective of raising funds for the extension project. Once we had received final tenders for the construction, we set our target at raising £370,000 net of fundraising costs. At 31st December 2020, we had raised £377,712 net of fundraising costs.

We are immensely grateful to all those who have given so generously, new donors are welcome and encouraged to give to this project that is so important to our growth.

We are also grateful to the various Trusts that have supported our Appeal. These include The Wates Foundation, AllChurches Trust, Beatrice Laing Trust, Church Growth Fund, Garfield Weston Foundation, Surrey Churches Preservation Trust and Viridor Credits, these Trusts have together committed £83,300 to our construction spend. We also thank the members of the Fundraising Committee for their efforts in raising the considerable sum required to build the extension.

The development of the Octagon extension to St Mary's Church reached 'practical completion' on 22nd December 2020. The extension provides toilets, a servery and an area for meetings and circulating. This gives our beautiful 19th Century church that the Victorians handed down to us, facilities to upgrade it for the 21st century and helps to ensure its sustainability for many years to come.

The Octagon is an attractive development that enhances the overall appearance of the church. The completion of the extension is the culmination of a project that started in April 2014. It has involved:

- 1) Drawing up various plans for the building. Much discussion took place with the Diocesan Advisory Committee, the local Conservation Officer, the Victorian Society and Historic England to arrive at a project that they would all support.
- 2) Obtaining Planning Permission from Mole Valley District Council and a Faculty from the Diocesan Registrar.
- 3) Fundraising to obtain the finance required to enable the build to proceed.
- 4) Seeking tenders and selecting the contractor to carry out the works. The winning tender was from Valley Builders and the architect that has worked with us throughout the project has been Robin Nugent Architects.

With its new facilities, the church should be used more widely by and for the community. Looking ahead we will need to plan the promotion of its use to make the church more central to the life of the community and to develop a new source of income for the future sustainability of the church.

Treasurer's Report

Impact of COVID

The year has been dominated by the COVID-19 crisis which has had a major impact on our income in 2020, primarily because we have not been able to hold normal services for many months. Voluntary Income to our Unrestricted Fund is approximately 15% lower than in 2019, but the most dramatic fall is in cash collections (white envelopes and cash) at services, which are 65% lower than 2019. Income from Statutory Fees has also been adversely affected by 40%.

However, with the pandemic set to continue well into 2021, our loss of income will continue to be a major issue for us, and regular bank donations are, more than ever, a vitally important source of income. The newly introduced Parish Giving Scheme has attracted a number of regular donors, and we encourage all new and regular donors to join this scheme, as it greatly streamlines our reporting and collection of Gift Aid. We urge you to review how you donate to the work of the church and consider joining the Parish Giving Scheme. We have been very fortunate to receive financial support from various agencies, as described below, but there are no guarantees that this will continue.

These reductions in revenue have been partially offset by cost reductions, particularly in a much reduced Organist's Honaria, sadly caused by the reduced number of services and our being unable to sing at services due to the COVID restrictions.

Summary

We have recorded an excess of expenditure over income for 2020 of £233,441, of which £257,195 is attributable to the cost of constructing the Octagon Project. As reported last year, the Octagon Project was always going to result in a significantly negative outcome as most of the fund raising income was generated in 2018/19 whilst the bulk of the expenditure has been incurred in 2020.

A more meaningful picture of our accounts is to focus on the Unrestricted/Designated Fund accounts, these show a surplus of income over expenditure of £23,754. We have been fortunate to receive substantial financial support in several areas as described below, this has contributed £37,140 to our income this year. Without this financial support, we would almost certainly have incurred a loss.

We have fully paid our Parish Share of £43,352. Early in the COVID crisis, the Diocese generously offered parishes relief on their Parish Share payments, based upon returns submitted. A further reduction was offered later in the year as the crisis continued. In total, we were granted £4,650 relief (approximately 10%) and this is reflected in the reduced payment. We have been advised that our Parish Share will be unchanged from our 2020 pre-COVID contribution at £48,002 for 2021.

We are also extremely grateful to the Heritage Lottery Fund who have provided us with two grants this year to help cope with the COVID-19 crisis:- the first was a grant for £5,400 through the Heritage Emergency Fund, the second was a grant for £30,100 payable through the Heritage Culture Recovery Fund, from Government funding provided by the Department of Culture, Media and Sport. We have so far received 90% (£27,090) of this second grant,

with the balance payable in 2021. These grants have been provided to assist with the payment of routine expenses and some essential maintenance work. Much of this expenditure will actually be incurred in 2021, with a resulting negative impact on our financial performance in that year.

We did incur an exceptional cost of £6,120 when a substantial crack was found in the main church wall near the tower. This was discovered when the wood panelling was removed to form the entrance to the Octagon. There were also costs of £5,500 due to the delays in construction caused by this repair. Our contractors were able to effect the repair under the guidance of our Structural Engineer and Architect. We also made repairs to the 'St John The Baptist' stained glass window that has now been relocated into the Octagon.

We continue to use the Parish Buying scheme that takes advantage of the combined purchasing power of a large grouping of parishes. This has led to substantial cost savings, particularly with oil purchases and office and church supplies.

The annual cost of running our two churches in 2020 was £84,420.

As previously stated, the Octagon Project is almost fully complete, although there are outside works remaining to be completed in the early part of 2021. Total project costs to date are £359,258, there will be further costs in 2021 and the remaining 2.5% retention is due to be reimbursed to the contractors in December 2021, subject to all defects having being rectified. We are currently forecasting a small cost overrun, primarily due to COVID related delays, but there have also been a number of improvements to the original design specification. We have received interest free loans totalling £30,000, to allow completion of the project. We are extremely grateful to our design and construction team, who have managed to maintain progress during an extremely difficult time. We now have a beautiful building that we all hope can be enjoyed in 2021, and makes our church fit for the 21st Century.

The rental income from The Old School has again been an extremely important part of keeping our incoming resources at a sustainable level. Regular giving is an essential source of income and we would like to thank everyone who regularly donates to the Parish by committed giving through Parish Giving, standing orders and coloured gift aid envelopes. This is a very efficient means of sustaining our incoming resources and has proved to be particularly important during this time of great uncertainty. We are always in need of new committed givers to help maintain and grow our income and we would urge our regular givers to keep their contribution levels under review.

Statement of Financial Affairs and Reserves Policy

Cash Position

Because of the substantial construction expenditure, Octagon fundraising activities and the Heritage Grant income, there have been exceptionally large cash inflows and outflows during the year.

There has been a net outflow of cash from Restricted Funds leaving a positive cash balance of £18,969, net of £30,000 in short term loans repayable in November 2022.

The current forecast is that the project will require a further £40,000 of expenditure (net of VAT) in 2021 to achieve completion. This figure includes the repayment of retention monies.

The Heritage Grants have helped contribute to a net inflow of cash to Unrestricted Funds resulting in a positive balance of £77,370; £45,707 in cash reserves plus £31,663 in liquid investments. Spending commitments in 2021 against the Heritage Grant will serve to reduce these cash reserves by approximately £20,000.

At present, we continue to face great uncertainty for next year and there are no guarantees that we will continue to receive financial support going forward. However, we do have strong cash reserves and we continue to receive support from our regular donors.

The PCC is satisfied that the reserves of the Parish are appropriate for its continuing activities.

On behalf of the PCC

Signed by:

H. Latham

.....

Rev. Harry Latham

16th March 2021

Signed by:

A. Jobber

.....

Alan Jobber

PARISH OF HEADLEY WITH BOX HILL
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2020

	Notes	Restricted Funds	Unrestricted/ Designated Funds	TOTAL 2020	TOTAL 2019
INCOMING RESOURCES	9	£	£	£	£
Voluntary income		11,275	34,497	45,772	139,669
Activities for generating funds (fundraising)		365	699	1,064	33,728
Tax received through Gift Aid		2,515	8,112	10,627	33,969
VAT refunded		64,754	128	64,882	0
Income from Grants, Trust Donations		55,000	32,490	87,490	35,815
Income from Investments/Property		4	22,906	22,910	22,757
Income from Church Activities		0	8,646	8,646	10,533
Other Income		0	696	696	8,203
TOTAL INCOMING RESOURCES	9	133,913	108,174	242,087	284,674
RESOURCES EXPENDED	10				
Costs of generating funds (fundraising)		0	230	230	10,302
Home mission giving & charitable donations		0	300	300	2,087
Church activities: parish share & stipend		0	43,352	43,352	47,755
Church activities: clergy expenses/rectory		0	1,611	1,611	3,090
Church activities: Honaria organist		0	800	800	4,660
Mission, evangelism, training costs		0	0	0	0
Church activities: running costs		1,144	28,233	29,377	17,147
Church activities: utilities		0	3,594	3,594	4,106
Costs of trading		0	5,287	5,287	5,823
Improvement works/structure	8	389,964	0	389,964	32,416
Governance costs		0	0	0	0
Other property costs		0	1,013	1,013	996
TOTAL RESOURCES EXPENDED	10	391,108	84,420	475,528	128,382
NET INCOMING RESOURCES Before Investment Gains/Losses		(257,195)	23,754	(233,441)	156,292
Net assets before Investment Gains/Losses b/f as at 1 January		276,164	195,096	471,260	314,838
Net Gains on Investments		0	1,533	1,533	130
NET ASSETS CARRIED FORWARD AS AT DECEMBER 31		18,969	220,383	239,352	471,260

**PARISH OF HEADLEY WITH BOX HILL
BALANCE SHEET AT 31 DECEMBER 2020**

	Notes	Restrict ed Funds	Unrestricted/ Designated Funds	Total 2020	Total 2019
		£	£	£	£
FIXED ASSETS - freehold land & buildings	4	0	143,013	143,013	143,013
CURRENT ASSETS					
Debtors:					
Income Tax receivable	11	541	1,551	2,092	4,043
VAT receivable	11	4,165	0	4,165	0
Other	11	0	25	25	2,874
Cash at bank and in hand	1,3,11	82,057	50,178	132,235	306,016
Investments	2	0	31,663	31,663	30,130
Investment Interest	11	0	308	308	171
		86,763	83,725	170,488	343,234
CURRENT LIABILITIES					
Creditors:	11	-	388	388	352
Loans repayable within 24 months	3	30,000	0	30,000	0
Rent deposit		4,509	0	4,509	4,509
Other accrued expenses	11	33,285	5,967	39,252	10,126
		67,794	6,355	74,149	14,987
NET CURRENT ASSETS		18,969	77,370	96,339	328,247
TOTAL NET ASSETS		18,969	220,383	239,352	471,260
PARISH FUNDS					
Restricted Funds	6	18,969	0	18,969	276,164
Designated Funds	6	0	1,533	1,533	658
Unrestricted Funds		0	218,850	218,850	194,438
		18,969	220,383	239,352	471,260

The notes on pages 12 to 19 form part of these accounts

Approved by the Parochial Church Council on 16th March 2021

Signed by

H. Latham

.....
Rev. Harry Latham, Rector

Signed by

R. Kitley

.....
Roger Kitley - Treasurer

NOTES TO THE ACCOUNTS

1. Accounting Policies

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCC's, together with applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP(FRS102)).

The financial statements have been prepared on an accruals basis under the historical cost convention with the exception of investments assets which are shown at market value.

The financial statements 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.

Incoming Resources

Voluntary Income

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

Planned giving receivable under Gift Aid is recognised only when received.

Income Tax recoverable on 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, but only when the amount due is quantifiable and its ultimate receipt by the PCC is reasonably certain.

Activities for Generating Funds

Funds raised by fund raising events are accounted for gross.

Income from Investments

Bank interest received which is attributable to Designated Funds is shown as such.

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

Income from Church Activities

Statutory fees are accounted for net of the Parochial Fees due to the Diocese, which are treated as agency collections.

Sales of books and cards from the bookstall, sales of Parish magazines and income from magazine advertising are accounted for gross.

Resources Expended

Church Activities

The Diocesan Parish Share is accounted for when paid. Any parish share unpaid at year end is provided for in these accounts as an operational and moral (though not legal) liability.

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

Fixed Assets

Consecrated property and movable church furnishings

Consecrated and beneficed property of any kind is excluded from these accounts by section 10(2) of the Charities Act 2011.

Movable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted as inalienable property unless consecrated. For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts. Items acquired since 1 January 2000 have been capitalised and depreciated in the accounts over their currently anticipated useful life on a straight line basis.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £1,000 or on the repair of movable church furnishings acquired before 1 January 2000 is written off immediately.

Land and buildings

No depreciation is provided on the land and buildings because it is considered the usual life of the building will be in excess of 50 years and it will have high residual value. The building is regularly maintained. Provision will be made should any annual impairment review show that a permanent diminution in value of the land and building has occurred.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years. Individual items of equipment with a purchase price of less than £1,000 are written off when the asset is acquired.

Restricted and Unrestricted Funds

Restricted funds include funds which have been donated for specific purposes and therefore have restricted use. Designated funds are those funds designated from time to time by the PCC for specific purposes. Such designated funds may be closed once their original purpose has been accomplished or when all monies have been exhausted.

2. Investments - Thesis PCC Fund

On 6th August 2019, the CBF Deposit account was closed and a total of £30,000 was transferred from the current account and the CBF deposit account into a new PCC account in the Thesis Optima Fund.

3. Loans

In order to finance the completion of the Octagon Project, the PCC received a total of £30,000 in zero interest loans, repayable by November 2022 at the latest. This liability is recorded on the Balance Sheet and is reflected in the Octagon bank balance.

4. Tangible Fixed assets - Freehold Land and Buildings

	<u>2020</u>	<u>2019</u>
	£	£
As at 1 January	143,013	143,013
As at 31 December	<u>143,013</u>	<u>143,013</u>

Freehold land and buildings comprise the former school buildings and that part of the field adjacent to St Mary's Church used for car parking.

5. Rectory and Working Expenses

	2020	2019
	£	£
Rev. Harry Latham & Rev Christopher Hancock		
Mileage allowance))
Other expenses of office) 1,188) 2,296
	<hr/>	<hr/>
Rectory expenses	329	605
	<hr/>	<hr/>
	1,517	2,901

6. Analysis of Net Assets by Fund

(1) The Benefice Mission Fund represents a fund designed by the PCC for the purpose of promoting mission in the Parish and together with St Peter's Mission Fund promoting mission in the United Benefice.

(2) The Extension Fund represents a fund designated by the PCC for the purpose of investigating and building an extension to St Mary's providing a kitchen, toilets, cupboards and small meeting area. This is also known as the Octagon Appeal.

(3) The Palm Sunday Mission Fund represents a fund to help develop the Palm Sunday Parade into an annual event.

(4) The Curate Fund has been established to track expenditure and donations to support the provision of a training Curate in The Rectory, Headley.

Restricted Funds

	(2) Extension Fund	Rent Deposit	Total Restricted Funds
Balance at 1 January	276,151	13	276,164
Income	133,909	4	133,913
Expenditure	391,108	0	391,108
Balance at 31 December	18,952	17	18,969
Represented by			
Creditors	-	(4,509)	(4,509)
Cash	18,952	4,526	23,478
Net Assets at 31 December	18,952	17	18,969

Designated Funds

	(1) Benefice Mission Fund	(3) Palm Sunday Restricted Funds Mission Fund	(4) Curate Fund	Total Designated Funds
Balance at 1 January	532	126	0	658
Income	0	0	875	875
Expenditure	0	0	0	0
Net assets at 31 December	532	126	875	1,533

7. Non-Recurring Grants

During the course of the year we have received two grants from the Heritage Lottery Fund, both of which provided support in meeting our day to day expenditure. These Grants are

- **The Heritage Emergency Fund.** We received a Grant of £5,400 in August 2020. This has been fully accounted for. This Grant was only available to organisations that had received Heritage Funds within the previous 10 years. We qualified on account of the Heritage Lottery Fund grant for the reclothing of the spire at St Mary's.
- **The Heritage Culture Recovery Fund.** We successfully applied for a Grant of £30,100, which was awarded in October 2020. The funding for this award was from the Department for Culture, Media and Sport, administered by the Heritage Lottery Fund. The purpose of the grant was to fund essential expenditure to maintain economic viability as well as providing funds for essential maintenance and upgrading to preserve our heritage. We have received 90% of this grant (£27,090) with the balance due in April 2021. All expenditure must be completed and our final report submitted by 31st March 2021. Although most of the income has been received in 2020, the majority of the expenditure will occur in 2021. This Grant therefore has the effect of overstating our income in 2020 and will have a similarly negative impact on our financial performance in 2021.

8. Octagon Accounts

The Octagon project achieved Practical Completion on 22nd December 2020. The building is complete, but the outside works, including providing a disabled access ramp and restoring the paths and car park to their original condition remain to be completed in 2021.

The following summarises expenditure on the project to date. VAT is being recovered through the Listed Places of Worship scheme.

	Expenditure 1 January – 31 December 2020 £	Total Expenditure Project start to 31 December 2020 £
Professional Fees, incl. VAT (1)	14,338	46,754
Main Contractor, incl. VAT (2,3)	362,707	362,707
Other Costs, incl. VAT (4)	12,919	13,494
Insurance costs	1,057	1,057
	<hr/>	<hr/>
	391,021	424,012
Less VAT recovered	64,754	64,754
	<hr/>	<hr/>
Total Net Spend	326,267	359,258
Funds Raised (net of costs) (2,5)	69,072	377,712

(1) Professional Fees include Archaeological Consultants, Arborial Consultants, Architect, Quantity Surveyor, Building Control, Mechanical and Electrical Consultants and Structural Engineers.

(2) Under the terms of the Viridor Credits grant, £40,000 was paid directly by Viridor Credits to the Main Contractor against invoices submitted.

(3) Excludes £12,378 of church repair and delay costs, paid through contractor invoices. Vat recovered.

(4) Other costs include kitchen servery installation, lightning conductor, alarm system, flooring and equipment.

(5) Funds raised total is net of fundraising and banking costs.

9. Incoming Resources	Restricted Funds 2020	Unrestricted /Designated Funds 2020	Total Funds 2020	Total Funds 2019
Voluntary Income				
Tax efficient planned giving: standing orders	600	16,785	17,385	21,285
: Parish Giving Scheme	-	5,390	5,390	-
Coloured envelopes	-	4,347	4,347	5,516
CAF cheques	-	900	900	970
Collections at services: White envelopes	-	2,454	2,454	4,225
Cash in plate	-	721	721	4,755
Online / Credit Card giving	-	240	240	-
Non-recurring giving/donations/appeals	10,675	3,160	13,835	102,818
Legacies	-	500	500	100
	11,275	34,497	45,772	139,669
Fund raising	365	699	1,064	33,728
Tax received through Gift Aid	2,515	8,112	10,627	33,969
VAT refunded	64,754	128	64,882	0
Donations from Trusts				
Mary Freeman Braithwaite Trust	10,000	-	10,000	9,515
Other Trust Donations 7.	45,000	-	45,000	26,300
Non recurring Grants	-	32,490	32,490	
	55,000	32,490	87,490	35,815
Income from Investments				
Bank interest	4	-	4	89
Income from property	-	22,370	22,370	22,495
Thesis PCC Fund	-	536	536	171
	4	22,906	22,910	22,757
Income from church activities				
Statutory fees (net)	-	1,818	1,818	2,878
Book and card stall	-	29	29	129
Magazine advertising and sales	-	6,799	6,799	7,526
	0	8,646	8,646	10,533
Other income				
Refund on Old School insurance & overpayment	-	696	696	686
Refund on electricity	-	-	-	-
Refund on Rectory expenses from Diocese	-	-	-	-
Refund bank charges	-	-	-	-
Refund half costs from Walton	-	-	-	-
Refund of rectory water costs, leakage and repairs	-	-	-	7,517
	0	696	696	8,203
Total Income	133,913	108,174	242,087	284,674

10. Resources Expended	Restricted Funds 2020	Unrestricted /Designated Funds 2020	Total Funds 2020	Total Funds 2019
Costs of generating funds (fundraising)	-	230	230	10,302
Charitable donations	-	300	300	2,087
Parish share and stipend				
Parish share paid to Diocese	-	43,352	43,352	47,755
Stipend paid to Diocese	-	-	-	
	0	43,352	43,352	47,755
Expenses of clergy				
Working expenses of incumbent	-	1,188	1,188	2,296
Rectory expenses	-	329	329	605
Visiting clergy/speakers	-	81	81	132
Ministry	-	13	13	57
	0	1,611	1,611	3,090
Honoraria - organist	0	800	800	4,660
Training, mission & evangelism costs	0	0	0	0
Church running costs				
Insurance	1,057	3,780	4,837	3,782
Organ/piano tuning	-	216	216	204
Maintenance	-	14,822	14,822	4,202
Refuse disposal/cleaning	-	278	278	437
Upkeep of services	-	163	163	255
Upkeep of churchyard & grounds	-	5,523	5,523	4,605
Administration	-	3,447	3,447	3,499
Bank Charges/Online giving/card charges	87	4	91	163
	1,144	28,233	29,377	17,147
Church utility bills				
Electricity	-	1,185	1,185	794
Gas	-	570	570	1,204
Water	-	460	460	788
Oil	-	1,103	1,103	1,320
Telecoms	-	276	276	-
	0	3,594	3,594	4,106
Costs of trading				
Magazine costs + 50% advertising Box Hill News	-	5,287	5,287	5,823
Card stand/bookstall	-	-	-	-
	0	5,287	5,287	5,823
Governance costs	-	-	-	-
St Mary's new building extension Professional Fees and Construction Costs 7. 8.	389,964	-	389,964	32,416
Old School insurance (part reimbursed)	0	1,013	1,013	996
Total Expenditure	391,108	84,420	475,528	128,382
Excess of Income over Expenditure	(257,195)	23,754	(233,441)	156,292

11.

NOTES TO ACCOUNTS 2020
ACCRUALS 2020

	£
Income to be Credited	
Q4 HMRC Refund to General Fund	1,551
Q4 HMRC Refund to Extension Appeal	541
VAT Refund to Extension Fund	4,165
PCC Thesis Fund Income	308
Online Donations	25
Total	6,590
 Expenditure to be Debited	
Restricted Funds	
Octagon Construction Costs	28,630
Octagon Other Costs	4,655
Total	33,285
 Unrestricted Funds	
Church Maintenance	466
Octagon Project delay costs	5,500
Online/Credit Card Charges	1
Total	5,967
 Other Creditors	
Diocese Parochial Fees (Agency) (1)	388
 Cash at Bank and in Hand	
Current Account	49,992
Octagon Account	77,531
Deposit Account	0
Thesis Optima Fund (PCC Account)	31,663
Cash Manager (Rent Deposit)	4,526
Cash in hand (floats)	186
Total	163,898

1 Parochial Fees are Agency Collections & do not impact P&L, but do impact the Bank Balance and Balance Sheet

INDEPENDENT EXAMINER’S REPORT

This report on the accounts of the PCC for the year ended 31 December 2020, which are set out on pages 7 to 19, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 (“the Regulations”) and the Charities Act 2011 (“the Act”).

Respective responsibilities of trustees and examiner

As the 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 Act do not apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

Basis of independent examiner’s report

My examination was carried out in accordance with the General Directions given by the Charity Commission under section 145 of the 2011 Act. That examination includes a review of the accounting records kept by the PCC and a comparison of the financial statements 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 financial statements, and the report is limited to those matters set out in the statement below.

Independent examiner’s statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the 2011 Act; and to prepare accounts which accord with the accounting records and
 - to comply with the requirements of the 2011 Act and the Regulations have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed by

Sir Michael Pickard

Date: