

**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 15<sup>th</sup> 2020 and began to open again initially just at 8am from July 5<sup>th</sup> 2020. There was then a second Lockdown in November closing Churches from the November 8<sup>th</sup> until the December 6<sup>th</sup>.

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	<b>2020</b>	<b>2019</b>
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 1000<sup>th</sup> message was sent on the 27<sup>th</sup> 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 30<sup>th</sup>.

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 10<sup>th</sup> 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 31<sup>st</sup> 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 22<sup>nd</sup> 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 21<sup>st</sup> 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**

**16<sup>th</sup> 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
<b>INCOMING RESOURCES</b>	<b>9</b>	£	£	£	£
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
<b>TOTAL INCOMING RESOURCES</b>	<b>9</b>	<b>133,913</b>	<b>108,174</b>	<b>242,087</b>	<b>284,674</b>
<b>RESOURCES EXPENDED</b>	<b>10</b>				
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	<b>8</b>	389,964	0	389,964	32,416
Governance costs		0	0	0	0
Other property costs		0	1,013	1,013	996
<b>TOTAL RESOURCES EXPENDED</b>	<b>10</b>	<b>391,108</b>	<b>84,420</b>	<b>475,528</b>	<b>128,382</b>
<b>NET INCOMING RESOURCES Before Investment Gains/Losses</b>		<b>(257,195)</b>	<b>23,754</b>	<b>(233,441)</b>	<b>156,292</b>
<b>Net assets before Investment Gains/Losses b/f as at 1 January</b>		<b>276,164</b>	<b>195,096</b>	<b>471,260</b>	<b>314,838</b>
<b>Net Gains on Investments</b>		<b>0</b>	<b>1,533</b>	<b>1,533</b>	<b>130</b>
<b>NET ASSETS CARRIED FORWARD AS AT DECEMBER 31</b>		<b>18,969</b>	<b>220,383</b>	<b>239,352</b>	<b>471,260</b>

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

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

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

Approved by the Parochial Church Council on 16<sup>th</sup> March 2021

*Signed by*

**H. Latham**

.....  
**Revd. 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 6<sup>th</sup> 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
Rectory expenses	329	605
	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
<b>Balance at 1 January</b>	<b>276,151</b>	13	276,164
Income	133,909	4	133,913
Expenditure	391,108	0	391,108
<b>Balance at 31 December</b>	<b>18,952</b>	<b>17</b>	<b>18,969</b>
Represented by			
Creditors	-	(4,509)	(4,509)
Cash	18,952	4,526	23,478
<b>Net Assets at 31 December</b>	<b>18,952</b>	<b>17</b>	<b>18,969</b>

## Designated Funds

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

## 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 31<sup>st</sup> 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 22<sup>nd</sup> 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.

	<b>Expenditure 1 January – 31 December 2020 £</b>	<b>Total Expenditure Project start to 31 December 2020 £</b>
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/>
	<b>391,021</b>	<b>424,012</b>
Less VAT recovered	64,754	64,754
	<hr/>	<hr/>
<b>Total Net Spend</b>	<b>326,267</b>	<b>359,258</b>
<b>Funds Raised (net of costs) (2,5)</b>	<b>69,072</b>	<b>377,712</b>

(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.



<b>9. Incoming Resources</b>	<b>Restricted Funds 2020</b>	<b>Unrestricted /Designated Funds 2020</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
<b>Voluntary Income</b>				
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
	<b>11,275</b>	<b>34,497</b>	<b>45,772</b>	<b>139,669</b>
<b>Fund raising</b>	<b>365</b>	<b>699</b>	<b>1,064</b>	<b>33,728</b>
<b>Tax received through Gift Aid</b>	<b>2,515</b>	<b>8,112</b>	<b>10,627</b>	<b>33,969</b>
<b>VAT refunded</b>	<b>64,754</b>	<b>128</b>	<b>64,882</b>	<b>0</b>
<b>Donations from Trusts</b>				
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	
	<b>55,000</b>	<b>32,490</b>	<b>87,490</b>	<b>35,815</b>
<b>Income from Investments</b>				
Bank interest	4	-	4	89
Income from property	-	22,370	22,370	22,495
Thesis PCC Fund	-	536	536	171
	<b>4</b>	<b>22,906</b>	<b>22,910</b>	<b>22,757</b>
<b>Income from church activities</b>				
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
	<b>0</b>	<b>8,646</b>	<b>8,646</b>	<b>10,533</b>
<b>Other income</b>				
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
	<b>0</b>	<b>696</b>	<b>696</b>	<b>8,203</b>
<b>Total Income</b>	<b>133,913</b>	<b>108,174</b>	<b>242,087</b>	<b>284,674</b>

<b>10. Resources Expended</b>	<b>Restricted Funds 2020</b>	<b>Unrestricted /Designated Funds 2020</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
<b>Costs of generating funds (fundraising)</b>	-	230	230	10,302
<b>Charitable donations</b>	-	300	300	2,087
<b>Parish share and stipend</b>				
Parish share paid to Diocese	-	43,352	43,352	47,755
Stipend paid to Diocese	-	-	-	
	<b>0</b>	<b>43,352</b>	<b>43,352</b>	<b>47,755</b>
<b>Expenses of clergy</b>				
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
	<b>0</b>	<b>1,611</b>	<b>1,611</b>	<b>3,090</b>
<b>Honoraria - organist</b>	<b>0</b>	<b>800</b>	<b>800</b>	<b>4,660</b>
<b>Training, mission &amp; evangelism costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Church running costs</b>				
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
	<b>1,144</b>	<b>28,233</b>	<b>29,377</b>	<b>17,147</b>
<b>Church utility bills</b>				
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	-
	<b>0</b>	<b>3,594</b>	<b>3,594</b>	<b>4,106</b>
<b>Costs of trading</b>				
Magazine costs + 50% advertising Box Hill News	-	5,287	5,287	5,823
Card stand/bookstall	-	-	-	-
	<b>0</b>	<b>5,287</b>	<b>5,287</b>	<b>5,823</b>
<b>Governance costs</b>	-	-	-	-
<b>St Mary's new building extension Professional Fees and Construction Costs 7. 8.</b>	<b>389,964</b>	<b>-</b>	<b>389,964</b>	<b>32,416</b>
<b>Old School insurance (part reimbursed)</b>	<b>0</b>	<b>1,013</b>	<b>1,013</b>	<b>996</b>
<b>Total Expenditure</b>	<b>391,108</b>	<b>84,420</b>	<b>475,528</b>	<b>128,382</b>
<b>Excess of Income over Expenditure</b>	<b>(257,195)</b>	<b>23,754</b>	<b>(233,441)</b>	<b>156,292</b>

11.

**NOTES TO ACCOUNTS 2020**  
**ACCRUALS 2020**

	<b>£</b>
<b>Income to be Credited</b>	
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
<b>Total</b>	<b>6,590</b>
 <b>Expenditure to be Debited</b>	
<b>Restricted Funds</b>	
Octagon Construction Costs	28,630
Octagon Other Costs	4,655
<b>Total</b>	<b>33,285</b>
 <b>Unrestricted Funds</b>	
Church Maintenance	466
Octagon Project delay costs	5,500
Online/Credit Card Charges	1
<b>Total</b>	<b>5,967</b>
 <b>Other Creditors</b>	
Diocese Parochial Fees (Agency) (1)	<b>388</b>
 <b>Cash at Bank and in Hand</b>	
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
<b>Total</b>	<b>163,898</b>

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:**