

**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<sup>st</sup> 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.

|                            | <b>2021</b> | <b>2019</b> |
|----------------------------|-------------|-------------|
| 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:

|          | <b>2021</b> | <b>2020</b> | <b>2019</b> |
|----------|-------------|-------------|-------------|
| 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 4<sup>th</sup> 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 31<sup>st</sup> 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**

**15<sup>th</sup> 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       |
|----------------------------------------------------------------------|-----------|------------------|--------------------------------|-----------------|------------------|
| <b>INCOMING RESOURCES</b>                                            | <b>9</b>  | £                | £                              | £               | £                |
| 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              |
| <b>TOTAL INCOMING RESOURCES</b>                                      | <b>9</b>  | <b>33,720</b>    | <b>102,011</b>                 | <b>135,731</b>  | <b>242,087</b>   |
| <b>RESOURCES EXPENDED</b>                                            | <b>10</b> |                  |                                |                 |                  |
| 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                                          | <b>8</b>  | 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                |
| <b>TOTAL RESOURCES EXPENDED</b>                                      | <b>10</b> | <b>44,018</b>    | <b>113,471</b>                 | <b>157,489</b>  | <b>475,528</b>   |
| <b>NET INCOMING RESOURCES Before Investment Gains/Losses</b>         |           | <b>(10,298)</b>  | <b>(11,460)</b>                | <b>(21,758)</b> | <b>(233,441)</b> |
| <b>Net assets before Investment Gains/Losses b/f as at 1 January</b> |           | <b>18,969</b>    | <b>220,383</b>                 | <b>239,352</b>  | <b>471,260</b>   |
| <b>Net Gains on Investments</b>                                      |           | <b>-</b>         | <b>(334)</b>                   | <b>(334)</b>    | <b>1,533</b>     |
| <b>NET ASSETS CARRIED FORWARD AT DECEMBER 31</b>                     |           | <b>8,671</b>     | <b>208,589</b>                 | <b>217,260</b>  | <b>239,352</b>   |

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

|                                                         | Notes    | Restrict<br>ed Funds | Unrestricted/<br>Designated<br>Funds | Total<br>2021 | Total<br>2020 |
|---------------------------------------------------------|----------|----------------------|--------------------------------------|---------------|---------------|
|                                                         |          | £                    | £                                    | £             | £             |
| <b>FIXED ASSETS - freehold land<br/>&amp; buildings</b> | <b>4</b> | 0                    | 143,013                              | 143,013       | 143,013       |
|                                                         |          |                      |                                      |               |               |
| <b>CURRENT ASSETS</b>                                   |          |                      |                                      |               |               |
| 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       |
| <b>CURRENT LIABILITIES</b>                              |          |                      |                                      |               |               |
| Creditors:                                              | 11       | 0                    | 857                                  | 857           | 388           |
| 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        |
| <b>NET CURRENT ASSETS</b>                               |          | 8,671                | 65,576                               | 74,247        | 96,339        |
| <b>TOTAL NET ASSETS</b>                                 |          | 8,671                | 208,589                              | 217,260       | 239,352       |
| <b>PARISH FUNDS</b>                                     |          |                      |                                      |               |               |
| 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 15<sup>th</sup> 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 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 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<br>£ | 2020<br>£ |
|----------------------------------------------------------------|-----------|-----------|
| Rev. Harry Latham, Rev Christopher Hancock<br>& Rev Leah Bates |           |           |
| Mileage allowance                                              | )         | )         |
| Other expenses of office                                       | ) 1,649   | ) 1,188   |
| Other Ministry Costs                                           | 124       | 94        |
|                                                                | <hr/>     |           |
| Rectory expenses and rental payments                           | 4,000 *   | 329       |
|                                                                | <hr/>     |           |
|                                                                | 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 |
|----------------------------------|--------------------|--------------|------------------------|
| <b>Balance at 1 January</b>      | <b>18,952</b>      | 17           | 18,969                 |
| Income                           | 33,719             | 1            | 33,720                 |
| Expenditure                      | 44,018             | 0            | 44,018                 |
| <b>Balance at 31 December</b>    | <b>8,653</b>       | <b>18</b>    | <b>8,671</b>           |
| Represented by                   |                    |              |                        |
| Creditors                        | 0                  | (4,509)      | (4,509)                |
| Cash                             | 8,653              | 4,527        | 13,180                 |
| <b>Net Assets at 31 December</b> | <b>8,653</b>       | <b>18</b>    | <b>8,671</b>           |

## Designated (Unrestricted) Funds

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

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

|                                          | <b>Expenditure<br/>1 January – 31 December<br/>2021<br/>£</b> | <b>Total Expenditure<br/>Project start to 31 December<br/>2021<br/>£</b> |
|------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------|
| 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/>                                                                    |
|                                          | <b>43,992</b>                                                 | <b>468,004</b>                                                           |
| Less VAT recovered                       | 13,601                                                        | 78,355                                                                   |
|                                          | <hr/>                                                         | <hr/>                                                                    |
| <b>Total Net Spend</b>                   | <b>30,391</b>                                                 | <b>389,649</b>                                                           |
| <b>Funds Raised (net of costs) (2,5)</b> | <b>20,118</b>                                                 | <b>397,832</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 £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.

| <b>9. Incoming Resources</b>                  | <b>Restricted<br/>Funds 2021</b> | <b>Unrestricted<br/>/Designated<br/>Funds 2021</b> | <b>Total<br/>Funds<br/>2021</b> | <b>Total<br/>Funds<br/>2020</b> |
|-----------------------------------------------|----------------------------------|----------------------------------------------------|---------------------------------|---------------------------------|
| <b>Voluntary Income</b>                       |                                  |                                                    |                                 |                                 |
| 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                             |
|                                               | <b>16,019</b>                    | <b>44,350</b>                                      | <b>60,369</b>                   | <b>45,772</b>                   |
| <b>Fund raising</b>                           | <b>70</b>                        | <b>991</b>                                         | <b>1,061</b>                    | <b>1,064</b>                    |
| <b>Tax received through Gift Aid</b>          | <b>3,529</b>                     | <b>10,327</b>                                      | <b>13,856</b>                   | <b>10,627</b>                   |
|                                               |                                  |                                                    |                                 |                                 |
| <b>VAT refunded</b>                           | <b>13,601</b>                    | <b>910</b>                                         | <b>14,511</b>                   | <b>64,882</b>                   |
| <b>Donations from Trusts</b>                  |                                  |                                                    |                                 |                                 |
| Mary Freeman Braithwaite Trust                | -                                | -                                                  | -                               | 10,000                          |
| Other Trust Donations 7.                      | 500                              | -                                                  | 500                             | 45,000                          |
| Non recurring Grants 7.                       | -                                | 10,810                                             | 10,810                          | 32,490                          |
|                                               | <b>500</b>                       | <b>10,810</b>                                      | <b>11,310</b>                   | <b>87,490</b>                   |
| <b>Income from Investments</b>                |                                  |                                                    |                                 |                                 |
| Bank interest                                 | 1                                | -                                                  | 1                               | 4                               |
| Income from property                          | -                                | 22,540                                             | 22,540                          | 22,370                          |
| Sanlam PCC Fund                               | -                                | 690                                                | 690                             | 536                             |
|                                               | <b>1</b>                         | <b>23,230</b>                                      | <b>23,231</b>                   | <b>22,910</b>                   |
| <b>Income from church activities</b>          |                                  |                                                    |                                 |                                 |
| 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                          | -                                | -                                                  | -                               | -                               |
|                                               |                                  | <b>8,836</b>                                       | <b>8,836</b>                    | <b>8,646</b>                    |
| <b>Other income</b>                           |                                  |                                                    |                                 |                                 |
| 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                             | -                               |
|                                               |                                  | <b>2,557</b>                                       | <b>2,557</b>                    | <b>696</b>                      |
| <b>Total Income</b>                           | <b>33,720</b>                    | <b>102,011</b>                                     | <b>135,731</b>                  | <b>242,087</b>                  |



| <b>10. Resources Expended</b>                                                       | <b>Restricted Funds 2021</b> | <b>Unrestricted /Designated Funds 2021</b> | <b>Total Funds 2021</b> | <b>Total Funds 2020</b> |
|-------------------------------------------------------------------------------------|------------------------------|--------------------------------------------|-------------------------|-------------------------|
| <b>Costs of generating funds (fundraising)</b>                                      |                              | <b>267</b>                                 | <b>267</b>              | <b>230</b>              |
|                                                                                     |                              |                                            |                         |                         |
| <b>Charitable donations</b>                                                         | -                            | <b>826</b>                                 | <b>826</b>              | <b>300</b>              |
| <b>Parish share and stipend</b>                                                     |                              |                                            |                         |                         |
| Parish share paid to Diocese                                                        | -                            | 48,002                                     | 48,002                  | 43,352                  |
| Stipend paid to Diocese                                                             | -                            | -                                          | -                       | -                       |
|                                                                                     |                              | <b>48,002</b>                              | <b>48,002</b>           | <b>43,352</b>           |
| <b>Clergy/Rectory Expenses</b>                                                      |                              |                                            |                         |                         |
| 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                   | -                       |
|                                                                                     | -                            | <b>5,773</b>                               | <b>5,773</b>            | <b>1,611</b>            |
|                                                                                     |                              |                                            |                         |                         |
| <b>Honoraria - organist</b>                                                         | -                            | <b>2,590</b>                               | <b>2,590</b>            | <b>800</b>              |
| <b>Training, mission &amp; evangelism costs</b>                                     |                              | <b>31</b>                                  | <b>31</b>               | <b>-</b>                |
|                                                                                     |                              |                                            |                         |                         |
| <b>Church running costs</b>                                                         |                              |                                            |                         |                         |
| 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                      |
|                                                                                     | <b>26</b>                    | <b>42,094</b>                              | <b>42,120</b>           | <b>29,377</b>           |
| <b>Church utility bills</b>                                                         |                              |                                            |                         |                         |
| 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                     |
|                                                                                     | -                            | <b>4,468</b>                               | <b>4,468</b>            | <b>3,594</b>            |
| <b>Costs of trading</b>                                                             |                              |                                            |                         |                         |
| Magazine costs + 50% advertising Box Hill News                                      | -                            | 4,397                                      | 4,397                   | 5,287                   |
| Card stand/bookstall                                                                | -                            | -                                          | -                       | -                       |
|                                                                                     |                              | <b>4,397</b>                               | <b>4,397</b>            | <b>5,287</b>            |
| <b>Governance costs</b>                                                             | -                            | -                                          | -                       | -                       |
| <b>St Mary's new building extension Professional Fees and Construction Costs 8.</b> | <b>43,992</b>                | <b>4,000</b>                               | <b>47,992</b>           | <b>389,964</b>          |
| <b>Old School insurance (part reimbursed)</b>                                       | -                            | <b>1,023</b>                               | <b>1,023</b>            | <b>1,013</b>            |
|                                                                                     |                              |                                            |                         |                         |
| <b>Total Expenditure</b>                                                            | <b>44,018</b>                | <b>113,471</b>                             | <b>157,489</b>          | <b>475,528</b>          |
|                                                                                     |                              |                                            |                         |                         |
| <b>Net Incoming Resources</b>                                                       | <b>(10,298)</b>              | <b>(11,460)</b>                            | <b>(21,758)</b>         | <b>(233,441)</b>        |

11.

**NOTES TO ACCOUNTS 2021  
ACCRUALS 2021**

|                                  | <b>£</b>     |
|----------------------------------|--------------|
| <b>Income to be Credited</b>     |              |
| Q4 HMRC Refund to General Fund   | 2,007        |
| Online and Credit Card Donations | 335          |
| Fundraising                      | 198          |
| Collections                      | 40           |
|                                  | <hr/>        |
| <b>Total</b>                     | <b>2,580</b> |

**Expenditure to be Debited**

|                            |              |
|----------------------------|--------------|
| <b>Restricted Funds</b>    | <b>0</b>     |
| <b>Unrestricted Funds</b>  |              |
| Church Maintenance         | 4,734        |
| Roof Repairs               | 1,872        |
| Electrical Testing         | 1,534        |
| Electricity                | 152          |
| Administration             | 44           |
| Charitable Donations       | 151          |
| Online/Credit Card Charges | 4            |
|                            | <hr/>        |
| <b>Total</b>               | <b>8,491</b> |

**Other Creditors**

|                                     |            |
|-------------------------------------|------------|
| Diocese Parochial Fees (Agency) (1) | <b>857</b> |
|-------------------------------------|------------|

|                          |              |
|--------------------------|--------------|
| <b>Total Expenditure</b> | <b>9,348</b> |
|--------------------------|--------------|

**Current Assets**

|                             |        |
|-----------------------------|--------|
| Current Account Cash        | 40,815 |
| Octagon Account Cash        | 8,653  |
| Cash Manager (Rent Deposit) | 4,527  |
| Cash in hand (floats)       | 200    |

|                   |               |
|-------------------|---------------|
| <b>Total Cash</b> | <b>54,195</b> |
|-------------------|---------------|

|                                           |               |
|-------------------------------------------|---------------|
| Liquid Investments (Sanlam Cautious Fund) | <b>31,329</b> |
|-------------------------------------------|---------------|

|              |                     |
|--------------|---------------------|
| <b>Total</b> | <hr/> <b>85,524</b> |
|--------------|---------------------|

- 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: 26<sup>th</sup> April 2022**