

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ALFOLD AND LOXWOOD**

**Annual Report and Financial Statements
for the year ended 31 December 2021**

Rector

The Reverend Gregory D Cushing

Bankers

National Westminster Bank

Independent Examiner

Jim Jewell
Trehenny
Spy Lane
Loxwood

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ALFOLD
AND LOXWOOD

Parish Office, Alfold Church Room, Off Rosemary Lane, Alfold GU6 8EU
REGISTERED CHARITY NUMBER 1165693

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ALFOLD AND LOXWOOD

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Rev Greg's Foreword

I remember with great fondness my first Rugby Union Varsity Match for Cambridge University. Whilst staying in a plush London hotel the night before the game, as is the tradition, a piece of paper with a personal message was slipped underneath my door. On it read these words: *"Greggy, be the artist we believe you to be. Tomorrow's game is a blank canvass. Paint us a beautiful picture."* Tomorrow came around and, upon entering England's home dressing room at Twickenham, I found my shirt hanger 'No.10 Greg Cushing' with yet more words (that I'd chosen this time) displayed below my name: *"I can do everything through Him who strengthens me. (Philippians 4:13)"*

I won't tell you how that game went! However, it's with those two words I want us to head into the unknown of this post-Covid epoch. I'll share some encouragements from 2021 but, looking ahead, I won't waste ink telling you about how we're reaching our past goals. The fact that Covid has hung around has caused us to constantly re-evaluate and thrown us time and time again into the sure hands of our God and Redeemer, Jesus Christ.

So, looking forwards – we have a blank slate, a clear canvas, and I believe that, striving together, we'll paint a beautiful picture for God in this parish. It will be new because times have changed. That might be painful, but it will be a blessing to many, as long as we keep relying on the only One who can strengthen us for this task: our hope is in God.

Are you ready, metaphorically speaking, to get your spiritual overalls on and start painting?

Aims and Purposes

The Parochial Church Council ("PCC") has the responsibility of co-operating with the Priest-in-Charge (Rev Greg Cushing) in promoting in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is also responsible for the maintenance of the two church buildings, St. John the Baptist, Loxwood and St. Nicholas, Alfold, their church rooms, churchyards and the garden of remembrance.

Our mission statement:

"We seek to be a generous church for the whole community, committed to growing together in love for our Saviour Jesus Christ and sharing His love with others."

With that in mind, we seek to play our part in our diocese's exciting vision 'Transforming Church, Transforming Lives.' We've taken to heart its twelve transformation goals. We long to bless the diocese with good parish representation at all levels on Deanery, Diocesan, and General Synod. Most of all we long to be a rural church that resources other rural churches. Decline doesn't have to be the norm!

Achievements and Performance

At the APCM on 25th April 2021, we had recorded 121 on our electoral roll, of whom 39 were non-resident in the parish. It's still hard to know what rhetoric to use during this time when Covid has caused such upset, but there is no doubt that in our Church Community the suffering has been used by God for good. We've sought community more through church and we've longed to share something of the hope we possess in practical ways with our neighbour. As a result, during 2021, we've had 13

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adults and 3 children join our regular worshipping community, which we now number at 142. Towards the end of the year, we could once again witness the encouragement of baptism: we had 5, of which 2 were adult baptisms, including one very memorable full emersion in a paddling pool – the water was very cold! We also celebrated 1 reaffirmation of baptismal vows. We conducted 3 wedding ceremonies and 1 wedding dedication service. Our ministry team conducted 14 funeral services and 4 interments of ashes; which, understandably, once again led to a very precious All Souls Memorial Service in October. Each year, the Church of England asks us to take an average attendance count by averaging all who come each Sunday during four weeks of October. During 2021, we recorded an average of 64 adults and 10 children each Sunday, with 60 devices tuning in for Sunday services each week. The latter figure might not be that realistic, which is why we primarily focus on our in-person services. However, we have striven to provide an online service every Sunday since the first lockdown began – we seek to include all our church family, without mobility being a barrier.

Here are a few personal highlights from 2021:

The Hanson Family

James began his curacy with us back in late June and it feels like he's been here forever. Supported by his musical family (Jenny, Ella and Thea) – all of whom played a part in our Christmas services – James has been a humongous asset. He took it upon himself to get to know everyone in church and, if you haven't yet had a knock on your door – it's coming. It's obvious to me that he loves people and many of you will have already experienced that love and eagerness to point you to God. With James' arrival, and with greater flexibility for work meetings, 2021 has seen the return to weekly staff meetings. We even managed a staff day away where we escaped from Guildford's fiercest escape room. That might seem trivial, but it has been a joy to see our staff team grow, adapt and change operationally these last six years, all the time supported by an even more amazing lay core. To add to that, alongside our ever servant-hearted LLM in Mike Edwards, we also have an OLM in training – Richard Allan.

Christmas

You may remember feeling a bit of déjà vu during December 2021. Was Christmas going to happen? Would churches be allowed to stay open? We just didn't know what the government would do and many churches, fearing the worst, decided to once again retreat online. I am so pleased we stood firm and courageously stuck to our plans. Yes, events were perhaps smaller than pre-Covid years, but there was a special peace felt at all our services and a different crowd engaging with the ageless story of the God who steps into human history. All in all, 459 came to one of our Advent physical services. We got to see an impressive Lego Christingle built in real time, taste beers in Firebird Brewery (where 152 heard Rico Tice share the Gospel), buy and wrap presents for children of prisoners from Ford Open Prison, ensure Fearless had their fill of turkey and enjoy two beautiful candlelit carol services.

Adaptability

I love that line from Narnia, "*Aslan is on the move.*" It has been heartening to see the ways in which, as a parish, we've been quick to adapt, hold loosely to that which isn't ultimate but preference, and keep moving with our God, who isn't hampered by Covid restraints. Even when church buildings have been closed, we've decided to meet together outside despite the weather because we're a family and we love spending time together. In fact, we carried on meeting outside when meeting inside meant that we couldn't sing and praise God that way. The PCC unanimously decided to restart one main morning meeting, such was the need for community after periods of isolation. As soon as Pilgrim Groups were deemed acceptable, we restarted 6 groups, all of which are growing steadily. When the

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NYA (National Youth Association) limited numbers at youth groups to 15, we had a waiting list each week. Sadly, Fearless has shrunk a little since then, but we thank God for the seeds that have been planted and are being encouraged in these young hearts and minds each week. Finally, with regards to adaptability, 2021 didn't thwart the evangelistic events and courses we usually enjoy running. Once again, we went online, immediately enabling us to reach a much larger audience, with over 20 attending the likes of Alpha and Life Explored and encouraging reports of some who prayed to Jesus, inviting Him into their lives. Similarly, we saw over 20 children attend our in-person Holiday Club, have loads of fun whilst learning about Jesus, ably run by Kim and Linda.

Vision: The Blank Canvass

At present, I'm at 30,000 feet, flying to Romania. It's the day after Storm Eunice and it was touch and go whether my flight would take off. Less than 24 hours ago, one of the largest trees in Loxwood churchyard blew over - a Scots Pine I have always admired, high enough that often circling buzzards would rest in it for a while. Fortunately, nobody was hurt and no grave or gravestones were cracked or damaged, although the path now seems to direct people up to the sky rather than to church!

I start there simply to remind us that the canvass is never entirely blank. There will always be things to do, watch and repair – all of which we will keep doing with all of our energy. But this blank canvas is about looking forward in hope with a vision that specifically addresses our mission statement:

"We seek to be a generous church for the whole community, committed to growing together in love for our Saviour Jesus Christ and sharing His love with others."

Firstly, we pledge to be generous to our community.

We recently commissioned Ruth, Marjorie and Liz as pastoral assistants to the parish and would love to see more following suit. In their commissioning service, the entire church family also pledged our willingness to serve – we want to be a church that puts into action what it preaches. With that in mind, we hope to materialise our pre-Covid dream of running a wellbeing café for those suffering with mental illness as well as their carers.

Towards the beginning of 2022, St. John the Baptist church building has gone through a minor reordering which I hope will allow for a greater variety of meetings to be hosted onsite. As a church family, we enjoyed watching *The Chosen* together on Sunday nights and now, with a flexible space, the church building can be used more for this and a whole host of other activities. Space has always been an issue with our children's work and now, with a large space and good audio-visual system, we can run holiday clubs onsite, as well as hosting the likes of Mums & Tots and Alpha courses in a new, creative way.

During the last two years, we have worked closely with our surgery, Horsham Matters, Cranleigh Foodbank, Springbok and the Loxwood & Alfold Relief in Sickness Fund, all of which we hope to keep blessing.

Further afield, we remain committed to giving 10% of our income to our mission partners and a Mission Partners Prayer & Communication Team is set to start up. To highlight one of our partners – through our financial and prayer support, Paul Mansaray in the Gambia is well underway with a new school building. His Theophany Youth Ministry has blossomed in Sierra Leone and will hopefully soon be taking root in Liberia too. Generosity always reaches further than we think.

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Secondly, we pledge to grow closer together as a church family in love for Jesus.

We currently have 52 out of our 64 adult 'October' regulars attending one of our midweek Pilgrim group Bible studies. In many ways, that is a great percentage, but we'd love to see that grow as close to 100% as possible, simply because we know that nothing makes us feel more like family than praying and listening to God's Word together. That's our discipleship vision – and, for that reason, despite a large number of our core not being able to make our 2022 Church Weekend Away, we remain committed, trusting that God will use those few days where we're physically closer than usual to glue us together as one.

Committed to prayer, we have started interspersing 24-hour periods of prayer throughout the year in addition to our week of 24/7 unbroken prayer in the run up to Pentecost. Similarly, in early 2022, we began running additional morning services, enabling those put off by the larger numbers at the 10am to come back to church worry-free and enjoy the physical sense of fellowship, which cannot tangibly be felt through an online service. In longing for every member to find their identity more in Jesus and shine like stars for Him, we hold firm to the adaptability which has seen us through various lockdowns, appreciating that, once again, new patterns of Sunday worship might be needed. Who we worship is more important than when or where we worship and we remain committed to faithful Bible teaching and prophetic calling to living lives that at times make no sense to the world.

Thirdly, we pledge to share Jesus and His reckless love with others.

There are two basic behaviours we remain committed to, and want to encourage, in every member of our church family:

1 – We let people know that we come to church.

2 – We let people know that we are Christians and that it makes a difference in our lives.

Although we will continue to run three evangelistic courses throughout the year, we recognise that most of the conversions we've seen throughout the last few years have happened through relationships, invitation and conversation. To that end, we realise that we need to be more intentional with training in evangelism throughout the year. In 2022, we plan to feed off of the many Passion For Life resources made available for their Easter outreach. Similarly, we remain as committed as ever to our youth & children's work. Our numbers have not yet returned to our high pre-Covid levels, yet one could argue that there is now greater spiritual depth and engagement. We pledge to keep the whole church family more informed of our youth & children's work because, at present, there seems to be a disconnect between our midweek youth groups and our regular Sunday services. We pledge to try our hardest to convince families to send their children to the Ventures and Christians In Sport camps we recommend, in knowledge that discipleship often happens on fast-forward in such environments. Finally, we remain committed to increasing our budget on all things evangelistic, especially with regards to the next generation.

Out of 160 parishes in the diocese, we were given 1 of just 9 incoming curates in 2021. Despite being a rural parish, unknown by many of the larger metropolitan parishes, we were given a curate because it seems that we have something special - not just that we're growing, but that we have a passion and excitement to see God's Kingdom grow. As mentioned above, James' arrival has undoubtedly blessed us in many ways and, with his priesting just around the corner, and Richard's OLM training at the halfway stage, we're inching closer to being a church which is able to help resource other rural churches stuck with that debilitating sadness of decline. We have good news to share.

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Public Benefit

Our primary goals as a Church of England parish are:

- Spiritual, we proclaim Jesus and His Gospel to all – in the words of John 3:16, “For God so loved the world that he sent his only begotten Son, that whoever believes in him will not die but have eternal life.” We provide church services, which are open to all who wish to participate and provide access to our church buildings, which are open all day for private prayer where possible enabling solace to be found away from the busyness of everyday life.
- Practical, that all within the parish are entitled to call on the parish team for baptisms, marriages, funerals and other forms of help such as assisting the disabled, marriage and bereavement counselling and visiting the sick at home and in hospital.
- Missional, we look beyond our parish to those who are less fortunate than ourselves in this country and overseas and support them prayerfully and financially.

VOLUNTEERS

The PCC is most grateful to everyone who provides financial support to the church and to those who help in so many different ways, both practical, pastoral and by prayer. The list is by no means complete but a big thank you to those who help to make our two churches so beautiful, both inside and out by cleaning, flower arranging and gardening; those who make the cakes and coffee, the sidesmen who welcome; those who read the Word; those who lead us in prayer, those who undertake the many pastoral activities outside the church buildings; and those, perhaps housebound, who faithfully pray for us. We would like to give a special thanks to Iain Taylor, who despite never claiming to possess accountancy qualifications, saw the need and threw himself hook line and sinker into the role of treasurer. It certainly wasn't an easy time to be a church treasurer, yet with his influence in budgeting and forward planning our giving has continued to increase despite many other parishes needing to be bailed out by the diocese. We also thank Julie Sayers, always there to guide and direct, and especially help Iain make sense of our accounts at the year-ends. Although not technically a volunteer, we cannot forget to mention our administrator, Emily Cross, and rejoice with her that her son Sean finally has a permanent residential home where he can be cared for full time.

Financial Review for the year ending 31 December 2021

With the country at least starting to return to some semblance of normality after two years of Coronavirus outbreak perhaps we can think of a future no longer dominated by lockdowns, lateral flow tests and masks. Looking back on my report for last year, I highlighted the major impact the pandemic had on the church's finances and how we overcame a £30,000 shortfall through the remarkable generosity of our church members. We thank God for their generosity!

This year, although loose plate collections have resumed, the magazine is being printed again and events such as fetes are generating income, the future financial environment remains very challenging. And if we look ahead to the current year, the reordering of St John's, Loxwood, providing suitable long term accommodation for our curate and his family and the sums we will have to find for the Quinquennial Inspections of both our church buildings mean that we must not be complacent about the future, although the results for this year are encouraging.

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Results for the year

The Statement of Financial Activities for 2021 reveal that income from donations and legacies was up nearly 5% in 2021, from £118,718 to £124,394. Over 90% of our revenue is from this key source. More than £37,000 came through the Parish Giving Scheme, which spares our volunteers the laborious task of processing gifts manually and Gift Aid is recovered in just a few days, to the great benefit of our cash flow.

Unsurprisingly income from charitable activities (mainly wedding and funeral fees resuming after lockdown ended), was up substantially, from £2,484 last year to £3,769 in 2021. Included in other trading activities, fetes brought in £2,250 compared to zero last year but magazine advertising was down, from £3,650 in 2020 to £2,935 this year. Our total income for 2021 was £137,083, an increase of 5% on the previous year.

In 2021 we kept a keen eye on expenditure, although we continued to tithe our unrestricted income to fund our various mission partners around the world, a total of nearly £12,200. Our heaviest financial burden by far is the annual Parish Share. This was £71,431 in 2021 and will rise by over 4% in 2022. This is the annual amount every parish in the Church of England has to find, mainly but not exclusively to cover clergy salaries, pensions and housing costs.

As it turned out, our total expenditure in 2021 amounted to £123,660, almost exactly the same as the previous year. This has allowed us to report what I call a 'trading' surplus for the year of £13,423. That is however not the end of the story, for our investment portfolio is revalued each year and any gains or losses are incorporated into the financial statement. In December 2021, with world stock markets close to their all time highs as pandemic fears receded, we were able to add another £16,168, making a total surplus for the year of £29,591. However, as we have witnessed on our TV screens over the last few weeks, the world remains an unpredictable, dangerous place and we should never assume that investment performance will be replicated in the coming year. It is very possible that will be a negative number in 2022, which will put a very different complexion on those results.

We must also face the unpalatable fact that soaring energy costs and other inflationary pressures will have a serious impact on church finances in the latter part of 2022. New research by Kingdom Bank indicates that the utility bills paid by the average church are set to rise by £3-4,000 a year - at the same time as rising household costs generally will mean that gift income to that same average church is set to fall by a massive £22,000 a year. The Bank forecasts that the current rising cost of living will be a greater financial challenge for UK churches than the Covid pandemic was. We do not need to panic about this, for the Lord our God is sovereign. But we must also not pretend this is not happening. We must prepare for it and work out carefully how we are going to manage and overcome it.

Reserves policy

The PCC's policy is to maintain a balance on unrestricted funds which equates to at least three months' unrestricted payments. This is to smooth out fluctuations in cash flow and to meet any emergencies. Our general fund reserve was £101,303 at 31 December 2021 and our unrestricted expenditure for the year was £111,574 representing nearly eleven months reserve compared with eight and a half months last year.

The balance of the Alfold church bell fund stands at £1,359 (2020: £1,359).

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The balance of £59,085 (2020 £51,647) in the two fabric fund reserves is retained for financing repairs to the respective church buildings and the church rooms. The Alfold church balance is £4,626 and the Loxwood balance is £54,459.

The balance of the music and organ fund stands at £15 (2020: £263).

We have established a new Curate Fund with a balance of £5,000.

It is PCC policy to invest the short-term investment fund balances with the CCLA Church of England Investment Fund.

Prayer

Last year I entirely endorsed Rev Greg's comments about prayer. In particular it must continue to be centre stage in everything we do, as we seek to be a blessing to our community and to give generously to our mission partners - recognising that all these good visions have costs attached. But that in turn depends on our good and gracious God moving hearts and minds to provide the finances we need in order to do so.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under The Parochial Church Council Measure. The PCC is a charity and is registered on the Register of Charities by the Charities Commission with the Registered Charity Number 1165693.

The appointment of PCC members is governed by and set out in the Church Representation Rules. All church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

Each lay PCC member is to be appointed for a term of three years. At the end of his / her term, that member is entitled to put himself / herself forward to the APCM for immediate re-election to the PCC. In normal circumstances after serving two terms, the member must stand down for a period of at least one year. However, when there is a lack of members putting themselves forward for election to the PCC, and the person standing down would lead to the PCC being unduly under strength, the PCC would waive this rule.

The PCC endeavours to make the prime focus of the PCC the work of the Church rather than administration. To undertake administrative matters, there are a number of groups, such as a Buildings Group, a Finance Group, a Safeguarding Group, and a Human Relations Group, which under the leadership of a PCC member and reporting back regularly to the PCC, focus on the detailed work directly related to the topic concerned.

The PCC recognises its responsibility to carry out a review of all risks to which the charity is exposed, and a start has been made with this by introducing the Diocesan system of risk analysis for each one of our activities. Risk analyses have been completed for all activities carried out by the PCC, the Diocesan Safeguarding systems have been fully implemented, Health and Safety reviews have been undertaken in the three buildings for which the PCC is responsible and financial controls have been reviewed. In each case, administrative procedures have been improved and training initiated where necessary. The procedures recently developed jointly by the Church of England and the Charity Commission for the reporting of serious incidents will be initiated from the date of the approval of this report.

During 2021, the PCC met five times.

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ADMINISTRATIVE INFORMATION

The Church of St Nicholas is situated at the southern edge of Alfold village in Surrey. The Church of St. John the Baptist is situated at the southern edge of Loxwood village, West Sussex, towards the foot of Vicarage Hill. The Parish of Alfold and Loxwood is part of the Diocese of Guildford within the Church of England.

The correspondence address is: The Parish Office, Alfold Church Room, Off Rosemary Lane, Alfold GU6 8EU.

Parish Administrator: Mrs Emily Cross

Members of the PCC who have served during the period from the 2021 APCM (25 Apr 2021) until the date this report was approved are:

Ex-Officio Members

Rector: Revd. Gregory Cushing

Curate: Revd. James Hanson

Permission to Mr Michael Edwards

Officiate:

Churchwardens: Mrs Elizabeth Simpson Year 2

Mr Trevor Goacher Year 1

Representatives on the Deanery Synod:

Mr Richard Allan

Mrs Suzanne Burdfield

Mr Michael Edwards

Mrs Ele Cushing (*Diocesan*)

Mrs Ruth Allan (*General*)

Elected members:

For 3 years

Mrs Linda Beadle Year 1 of 3

Mrs Kim Venter Year 2 of 3

Mrs Camilla Oram Year 1 of 3

Mr Iain Taylor Year 3 of 3

Mrs Christine Bolton Year 2 of 3

Mr Roger Brockway Year 2 of 3

Mrs Becky Hughes Year 2 of 3

Mr Ewan Curphey Year 2 of 3

The Secretary to the PCC is Mrs Elise Whittington

INDEPENDENT EXAMINER

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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The PCC reappointed Mr Jim Jewell to act as Independent Examiner at the Annual Parochial Church Meeting held on 3 April 2022. We are very grateful to Mr Jewell for undertaking this work.

Approved by the PCC on 17 March 2022 and signed on its behalf by:

The Rev. Gregory D Cushing
PCC Chairman

Iain Taylor
Treasurer

INDEPENDENT EXAMINER'S REPORT

I report on the accounts for the year ended 31 December 2021.

Respective responsibilities of the Trustees and the Examiner

The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to

- (a) examine the accounts under section 145 of the 2011 Act;
- (b) follow the procedures laid down in the General Directions given by the Charity Commissioners section 145(5)(b) of the 2011 Act; and
- (c) state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the General Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes the consideration of any unusual items or disclosures in the accounts, and seeking explanations from the management committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner's Statement

In connection with my examination, no matters have come to my attention:

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

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Date

Jim Jewell
Trehenny
Spy Lane,
Loxwood

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2021

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	2020
	£	£	£	£	£
Income and endowments from: (Note 2)					
Donations and legacies	112,394	12,000	—	124,394	118,718
Income from charitable activities	3,769	—	—	3,769	2,484
Other trading activities	5,625	—	—	5,625	6,161
Investment income	—	3,295	—	3,295	3,195
Total income	121,788	15,295	—	137,083	130,558
Expenditure on: (Note 3)					
Expenditure on charitable activities	111,574	12,086	—	123,660	123,943
Total expenditure	111,574	12,086	—	123,660	123,943
Net income / (expenditure) resources before transfer	10,214	3,209	—	13,423	6,615
Gains/Losses on Investments unrealised	2,793	7,977	5,398	16,168	7,179
Net movement in funds	13,007	11,186	5,398	29,591	13,794
Total funds brought forward	88,296	55,948	37,738	181,982	168,188
Total funds carried forward	£101,303	£67,134	£43,136	£211,573	£181,982
Represented by:					
Unrestricted					
General fund	101,303	—	—	101,303	88,296
Restricted					
Bell Fund - Alfold	—	1,359	—	1,359	1,359
Fabric Fund - Alfold	—	4,626	—	4,626	4,059
Fabric Fund - Loxwood	—	54,459	—	56,209	47,588
Hardship Fund	—	1,675	—	1,675	1,675
Curate Fund	—	5,000	—	5,000	—

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Music and Organ Fund	—	15	—	15	263
Special Groups Fund - Youth Fund	—	—	—	—	1,004
	—	67,134	—	67,134	55,948
Endowment					
Endowment Trusts	—	—	43,136	43,136	37,738
Total funds carried forward	£101,303	£67,134	£43,136	£211,573	£181,982

The attached notes on pages **16 to 22** form part of these accounts

BALANCE SHEET as at 31 December 2021

	2021 £	2020 £
Fixed assets		
Tangible assets (Note 5)	4,390	5,838
Investments (Note 9)	129,405	113,237
	133,795	119,075
Current assets		
Stocks and work in progress	278	477
Debtors	7,876	2,966
Short-term deposits and cash at bank (Note 10)	85,387	74,513
	93,541	77,956
Liabilities		
Creditors: Amounts falling due in one year	15,763	15,049
	15,763	15,049
Net current assets	77,778	62,907
Total assets less current liabilities	211,573	181,982
Total assets less liabilities	£211,573	£181,982
Represented by		
Unrestricted		
General fund	<u>101,303</u>	<u>88,296</u>
Restricted (Note 7)		
Bell Fund - Alfold	1,359	1,359
Endowment Trusts Accumulated Income Fund	—	—
Fabric Fund - Alfold	4,626	4,059
Fabric Fund - Loxwood	54,459	47,588
Hardship Fund	1,675	1,675
Curate Fund	5,000	—
Music and Organ Fund	15	263
Special Groups Fund - Youth Fund	<u>—</u>	<u>1,004</u>

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Endowment (Note 7)	67,134	55,948
Endowment Trusts	43,136	37,738
Funds of the church	£211,573	£181,982

The attached notes on pages **16 to 22** form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

1 Accounting policies

Basis of financial statements

The financial statements have been prepared under the Church Accounting Regulations 2006 in accordance with applicable accounting standards and the current Statement of Recommended Accounting Practice and Reporting by Charities (SORP 2015).

On 1 September 2015 under a Pastoral Scheme made by the Church Commissioners, the two parishes of St Nicholas, Alfold and St John the Baptist, Loxwood were unified to form the parish of Alfold and Loxwood. At that date, the new PCC of the unified parish took over the assets and liabilities for which the separate Alfold and Loxwood PCCs were responsible.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible at law.

Funds

Endowment funds are funds, the capital of which must be retained either permanently or at the PCC's discretion; the income derived from the endowment is to be used as restricted income funds.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of the year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund.

Unrestricted funds are income funds, which are to be spent on the PCC's general purposes.

Incoming resources

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Planned Giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Dividends are accounted for when receivable, interest is accrued. All other income is recognised when it is receivable. All incoming resources are accounted for gross.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when due. Amounts received specifically for mission are dealt with as restricted funds. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Note 1 (continued)

Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with s 10(2) (a) and (c) of the Charities Act 2011.

Various items of movable church furnishings are vested in the churchwardens for the use and benefit of the parishioners and cannot be disposed of without a faculty. These assets are regarded as “inalienable” property held on special trust on behalf of the PCC and are not accounted for in these accounts. Expenditure to renew, improve or add to them is written off as an expense in the financial year in which it occurs.

The organ in the Loxwood church is being depreciated on a straight-line basis over 10 years. Printing and electronic equipment is depreciated over 5 years on a straight-line basis.

Investments are valued at market value at the balance sheet date.

2 Analysis of income

Donations and legacies

				Total	
	Unrestricted	Restricted	Endowment	This year	2020
	£	£	£	£	£
Gift Aid - Planned Giving	12,860	—	—	12,860	9,864
Gift Aid - Parish Giving Scheme	37,349	—	—	37,349	35,799
Gift Aid - Other Giving	15,645	7,000	—	22,645	22,968
Non Gift Aid - Planned Giving	11,063	—	—	11,063	11,857
Loose plate collections	4,009	—	—	4,009	2,233
Giving through church boxes	27	—	—	27	19
Donations	12,870	5,000	—	17,870	13,632
Tax recoverable on Gift Aid	15,181	—	—	15,181	17,386
Recurring grants	3,390	—	—	3,390	4,960
Total	112,394	12,000	—	124,394	118,718

Income from charitable activities

				Total	
	Unrestricted	Restricted	Endowment	This year	2020
Fees for weddings and funerals	3,529	—	—	3,529	2,454
Book Sales	240	—	—	240	30
Total	3,769	—	—	3,769	2,484

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Other trading activities

				Total	
	Unrestricted	Restricted	Endowment	This year	2020
Bazaars and fetes etc.	2,250	---	—	2,250	---
Church hall lettings - fund raising	148	---	—	148	137
Magazine income - advertising	2,935	---	—	2,935	3,650
Parish magazine sales	147	---	—	147	1,075
Printing and Copying income	145	---	—	145	1,299
Total	5,625	---	—	5,625	6,161

Investments

				Total	
	Unrestricted	Restricted	Endowment	This year	2020
Dividends	—	3,294	—	3,294	3,192
Bank and building society interest	—	1	—	1	3
Total	—	3,295	—	3,295	3,195

INCOME TOTAL	£121,788	£15,295	—	£137,083	£130,558
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3 Analysis of expenditure

Raising funds

				Total	
	Unrestricted	Restricted	Endowment	This year	2020
	£	£	£	£	£
Costs of fetes & other events	—	—	—	---	---
Total	—	—	—	---	---

Expenditure on charitable activities

				Total	
	Unrestricted	Restricted	Endowment	This year	2020
Giving to missionary societies	12,179	—	—	12,179	12,619
Hardship Fund Donations	—	—	—	—	750
Home Mission	27	—	—	27	30
Diocesan parish share	71,431	—	—	71,431	69,899
Salaries of parish staff	11,359	860	—	12,219	11,064
Working expenses of incumbent	196	339	—	535	512
Rectory expenses	515	—	—	515	710
Curate Expenses	375	7,000	—	7,375	—
Parish training and mission	150	—	—	150	149
Insurance	2,117	—	—	2,117	2,900
Church office - expenses	445	—	—	445	731
Youth Activities	257	143	—	400	220
Organ/Piano Tuning	—	248	—	248	241
Church maintenance - minor repairs	1,294	—	—	1,294	1,073
Church maintenance – Major works – Alfold	—	—	—	—	6,440
Church maintenance - Major works - Loxwood	—	990	—	990	3,358
Upkeep of services	566	1,750	—	2,316	2,095
Upkeep of churchyards & Garden of Remembrance	4,515	756	—	5,271	4,550
Utilities	3,715	—	—	3,715	3,839
Magazine Expenses	157	—	—	157	39

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Printing, Stationary and Computer costs	688	—	—	688	1,048
Cost of books sold	205	—	—	205	29
Other expenditure	1,383	—	—	1,383	1,647
Total	111,574	12,086	—	123,660	123,943

EXPENDITURE TOTAL	£111,574	£12,086	—	£123,660	£123,943
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4 Major works

	2021	2020
	£	£
Loxwood Creche Door	990	-
Loxwood Church Building Repairs	-	849
Loxwood Church Boiler House Repairs	-	1,301
Loxwood Church Heaters and Floodlights	-	1,207
Alfold Church Building Repairs	-	400
Alfold Church Room Repairs	-	1,219
Alfold Church Room Damp Repairs	-	4,822
Total	<u>£990</u>	<u>£9,798</u>

5 Tangible fixed assets
(Organ restricted, other assets unrestricted)

	Loxwood organ	Church equipment	Parish office equipment	Total
Cost	£	£	£	£
At 1 January 2021	17,625	12,874	3,962	34,461
Additions	<u>-</u>	<u>-</u>	<u>623</u>	<u>623</u>
31 December 2021	<u>17,625</u>	<u>12,874</u>	<u>4,585</u>	<u>35,084</u>
Depreciation				
At 1 January 2020	17,625	7,036	3,962	28,623
Charge for the year	<u>-</u>	<u>1,946</u>	<u>125</u>	<u>2,071</u>
At 31 December 2020	<u>17,625</u>	<u>8,982</u>	<u>4,087</u>	<u>30,694</u>
Net book value at 31 December 2021	<u>NIL</u>	<u>£3,892</u>	<u>£498</u>	<u>£4,390</u>
Net book value at 31 December 2020	<u>NIL</u>	<u>£5,838</u>	<u>NIL</u>	<u>£5,838</u>

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Church equipment comprises computer equipment and the projector system at Loxwood Church this year the addition is a laptop for the incumbent. The PCC owns the Alfold Church Office building for which the Diocese acts as Custodian Trustee. The building was gifted by Edith Cammell in 1929 and has an estimated value of £200,000 to £250,000.

6 Mission giving and donations

	2021	2020
	Total	Total
	£	£
The Zambia Society	3,045	3,155
Paul Mansaray Theophany School of The Gambia	3,045	3,155
CAP	3,045	3,155
The Manlowes in Belgium	1,522	1,577
Prison Fellowship UK	<u>1,522</u>	<u>1,577</u>
Total	<u>£12,179</u>	<u>£12,619</u>

7 Restricted and endowment funds

The Fabric Funds represent accumulated donations and appeals for fabric maintenance and improvements and can only be spent for that purpose in the respective churches.

The Music and Organ Fund represents accumulated donations and appeals for the organ and music in the Church.

The Special Groups Fund represents accumulated donations and is restricted for expenditure on children's groups and Alpha Courses.

The Alfold church Bell Fund accumulated donations and is restricted for expenditure on the maintenance of the church bells there.

Endowment Fund investments are held in trust the income from which is only to be spent on prescribed purposes:

CBF Church of England Investment Fund

596 units in a Loxwood Churchyard Trust

435 units in G Whitmore Gift for beneficial purposes in the Loxwood parish

811 units in A Cardale Trust for beneficial purposes in the Loxwood parish

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These investments give rise to the Endowment Trust income which is shown in the Accumulated income fund.

The movements in the restricted and endowment funds during the year were:

	Opening Balance	Incoming resources	Resources expended	Investment revaluation Gains	Closing balance
	£	£	£	£	£
Fabric fund – Alfold church	4,059	567	-	-	4,626
Fabric fund – Loxwood church	47,588	1,634	2,740	7,977	54,459
Special groups fund	1,004	-	1,004	-	-
Music and organ fund	263	-	248	-	15
Bell fund – Alfold church	1,359	-	-	-	1,359
Hardship Fund	1,675	-	-	-	1,675
Curate Fund	-	12,000	7,000	-	5,000
Endowment Trusts					
Accumulated income fund	-	1,094	1,094	-	-
Total restricted funds	55,948	15,295	12,086	7,977	67,134
Endowment trusts	37,738	-	-	5,398	43,136
	<u>£93,686</u>	<u>£15,295</u>	<u>£12,086</u>	<u>£13,375</u>	<u>£110,270</u>

8 Analysis of net assets by fund

	Unrestricted funds	Restricted funds	Endowment fund	Total 2021
	£	£	£	£
Tangible fixed assets	890	3,500	-	4,390
Investment assets	22,316	63,953	43,136	129,405
Current assets	92,818	723	-	93,541
Current liabilities	(14,721)	(1,042)	-	(15,763)
Totals	<u>£101,303</u>	<u>£67,134</u>	<u>£43,136</u>	<u>£211,573</u>

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9 Investments
(mainly restricted or endowment)

The investments comprise:

		Market value	
		2021	2020
	Units	£	£
CBF Church of England Investment Fund	4,289.73	100,457	87,885
COIF Charities Investment Fund	1,407.54	28,948	25,352
Totals		<u>£129,405</u>	<u>£113,237</u>
Of which:			
Restricted		63,953	55,976
Endowment		43,136	37,738
Totals		<u>£107,089</u>	<u>£93,714</u>

10 Short-term deposits and cash at bank

The deposits comprise:

	2021	2020
	£	£
Bank Current accounts	82,831	71,958
Kingdom Bank account	1,640	1,640
CBF Church of England deposit	806	806
Bank deposit account	109	109
Totals	<u>£85,386</u>	<u>£74,513</u>
Of which:		
Restricted	722	(4,992)
Unrestricted	84,664	79,505
Totals	<u>£85,386</u>	<u>£74,513</u>

11 Trusts

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The Guildford Diocese holds shares in trust for the Loxwood parish, administered by the Smallpeice Bequest, from which the PCC benefited this year. The PCC has no direct authority over this bequest.

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