

APPENDIX 1

**ST MARGARET'S HORSMONDEN
PAROCHIAL CHURCH COUNCIL**

Report and Accounts for the Year Ended 31 December 2021

ST MARGARET'S HORSMONDEN PCC
Report of the PCC for the year ended 31 December 2021

Status and Administration

St Margaret's Horsmonden Parochial Church Council is registered with the Charity Commission in England & Wales under the charity registration number 1188677 and in accordance with the Parochial Church Council Powers Measure (1956) as amended and the Church Representation Rules that came into effect on 2 January 1956.

Charitable Objects

Promoting in the Ecclesiastical Parish of Horsmonden, the whole mission of the Church.

Officers & Key Management Personnel

The Revds Tim and Trish ffrench (Incumbents)

Dennis Asplin (Warden)

Steve Jones (Warden & Treasurer from 12 May 2021)

Robin Black (Treasurer) resigned 12 May 2021

Valerie Holloway

Sue Huzzey

Angie Jenkins

Erica Jones

Roger Marsh

Bob Norton (co-opted from 9 June 2021)

Kate Hart-Dyke (Administrator until September)

Miranda Hungerford (Administrator from September)

Jan Cobley (PCC Secretary)

Nick Gerard-Pearse (Chairman, Building Committee)

Representatives on the Deanery Synod

Erica Jones

Independent Examiner

Martin Cobley

Quinquennial Inspector & Building Consultant

John Bailey, Thomas Ford & Partners Ltd

Trustees' Statement

With the continuation of the Covid pandemic in the United Kingdom it has been another challenging year, operating under UK Government restrictions and guidance from the Church of England. The inability for us to gather as a community in St Margaret's and the Church Hall for much of the year has again been much regretted by all, but the Trustees have taken appropriate steps to ensure the continued provision of religious services and support to our community through extensive use of on-line digital means. We are delighted that the PCC has received excellent feedback on this provision.

The PCC met 9 times during the year, with average attendance of 85%. If Revd Trish ffrench is excused as 'job-sharing' with Revd Tim ffrench, and Valerie Holloway is excused as she is unable to participate in Zoom meetings, then the attendance rises to 94%.

The Annual Parochial Church Meeting was held on 12th May 2021.

During the year, a Vision and Strategy sub-committee was set up to plan for our growth and development over the next 3 to 5 years, with particular reference to our planned link with Lamberhurst when the present incumbents retire.

Patterns of Worship

When the year started there were no services in church due to Covid lock-down rules, but we provided an online service on the St. Margaret's Facebook page most Sundays. Services in church re-started on 21st March at 9.30am, with the online service from the Rectory moving to 10.45am. To accommodate different

styles of worship, the united service in church was Prayer Book Holy Communion on the first and third Sundays of the month, Family Service on the second Sunday and Informal Worship on the fourth. Attendance in church has gradually picked up from around 25 to the high 30s. Covid restrictions (wearing masks, social distancing, wafers only at Communion, and no singing) were gradually lifted until some were re-imposed in December due to the Omicron variant. Also for this reason, the larger Christmas services (Carols by Candlelight and the Midnight Communion) were cancelled, but the Crib Service and Christmas Day Communion went ahead.

Thanks to a generous donation, the church has been connected to fibre-optic broadband and there are plans to install a camera system linked to the sound system to enable live-streaming of services.

Pastoral Support

Throughout most of the pandemic, pastoral support has been provided through informal networks, in particular the 'St M's Catch-up' WhatsApp group. The three Connect groups restarted during the autumn.

Youth and Children's Ministry

During the pandemic, many of our Youth and Children's activities had to stop, but the Family Service with activities resumed, with some restrictions, on the second Sunday of the month; Playtime (for parents and toddlers) operated in June, July and the autumn term; Woodland Connect re-started in October at a new time of 10.30am to 12.30pm on the first Sunday of the month; Well@5 did not meet, but is planned to restart with a new team leading it.

It looks likely that the Youth Drop-in will not be able to restart since our Youth Worker, Mike King, moved away during the pandemic and our Community worker, Hilary Marshall, has ended her secondment to us.

Good progress has been made on the Community Garden, with a good team running it, though unfortunately, because of the pandemic, the formal opening by Greg Clark MP has been postponed.

Buildings

Our plans for re-developing the church building were delayed by the pandemic as the Diocesan Advisory Council (DAC) were not able to come for a site visit until June, and their heavy workload meant we did not receive a response until September. However the response was broadly favourable, so our Architects (Thomas Ford & partners) are drawing up more detailed plans for the DAC and to submit for Local Authority planning permission.

John Bailey (of Thomas Ford) carried out the Quinquennial Inspection in February 2021. We were expecting that repairs would be needed on the tower, the internal timbers of the nave and chancel roofs, stained glass windows and some external stonework. However the work required is not as extensive as first thought. It is planned to start work on repairs to the tower shortly.

Financial Review

Income

Financially, Covid has continued to impact negatively on income with a lower corresponding reduction in costs as many of these are fixed. As we have been able to return to worshiping in church, the PCC agreed to recommence plate collections in services as we considered how best to approach Covid restrictions. We have also seen a continued growth in numbers giving by standing order, and an increasing percentage of giving has been eligible for gift aid claims.

Our income was also boosted by receiving the final distribution of a legacy amounting to £10,875, the first part of which was received in 2019. This helped actual income to exceed budget, but legacies are impossible to budget for and we will have to work hard to maintain income going forward.

Finally, with regard to income, in early December (a week or so ahead of concern over the Omicron variant) a Green Christmas Market was held in the Village Hall. This was a very positive and enjoyable event raising almost £2,500.

Expenditure

On the cost front, the PCC has managed its cost base sensibly, reducing total expenditure (where possible) by £1,651 to £68,417 despite an increase of 2.9% in the Parish Offer to £39,709 which represents our single largest expense at 58% of total expenditure. Due to a change in calculation methodology, it is anticipated that the Parish Offer will be slightly less in 2022 despite significant increases in inflation. The PCC is also pleased to report that our support for Christian based charities has been increased to £1,215, which includes donations to Medair, helped in part by donations from a frugal lunch, and to Release International.

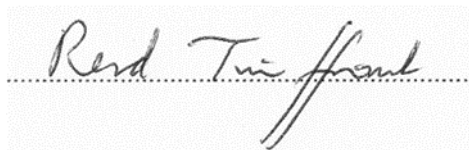
Surplus and Balances

The resultant surplus of £16,362 after transfer of £5,600 to the designated Church Repair Fund is highly encouraging in very difficult circumstances, and has seen the unrestricted reserves increase to £62,778 (2020 £46,416).

We also hold a number of restricted funds totalling £18,579. These funds consist of donations generously given by donors which can only be used for specific purposes, which include improvements to the church building, and other ministry purposes mentioned in the financial statements.

Finally, the plans to upgrade the church that are being developed with our Inspecting Architects, Thomas Ford & Partners, will require a significant fundraising commitment. Details of the plans will be communicated over the coming months, but the first phase in the project will be to repair the tower roof, timbers and some stonework as identified in the Quinquennial inspection carried out at the beginning of 2021. Costs for the tower work will come from a combination of the Church Repair Fund which, at year end, stood at £60,359, and grant applications to funds currently making donations for such work.

Approved by the Parochial Church Council on 10 April 2022 and signed on its behalf by

A handwritten signature in black ink, reading 'Revd Tim ffrench', written over a horizontal dotted line. The signature is cursive and extends below the line.

Revd Tim ffrench
Chairman

ST MARGARET'S HORSMONDEN PCC

ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2021

PAROCHIAL CHURCH OF ST MARGARET'S HORSMONDEN

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
INCOME						
Voluntary income	2a	83,502	0	7,621	91,123	87,780
Activities for generating funds	2b	2,513		194	2,706	2,724
Deposit interest	2c		64		64	94
Church activities	2d	4,364			4,364	6,168
Other income	2e				0	0
Total Income		90,379	64	7,814	98,257	96,766
EXPENDITURE						
Church activities	3a	68,289	0	2,242	70,532	78,057
Raising funds	3b	127			127	0
Total Expenditure		68,417	0	2,242	70,659	78,057
Net income/(expenditure)		21,962	64	5,572	27,598	18,710
Transfers between funds		(5,600)	5,600		0	0
Net movement in funds		16,362	5,664	5,572	27,598	18,710
Total funds b/fwd at 1 January 2021		46,416	129,759	13,007	189,182	170,473
Total funds c/fwd at 31 December 2021		62,778	135,423	18,579	216,781	189,182

PAROCHIAL CHURCH OF ST MARGARET'S HORSMONDEN

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020 for comparative purposes

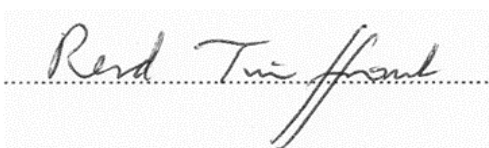
	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS 2020 £
INCOME					
Voluntary income	2a	81,276	50	6,454	87,780
Activities for generating funds	2b	984		1,740	2,724
Deposit interest	2c		94		94
Church activities	2d	6,168			6,168
Other income	2e				0
Total Income		88,428	144	8,194	96,766
EXPENDITURE					
Church activities	3a	70,068	6,180	1,809	78,057
Raising funds	3b				0
Total Expenditure		70,068	6,180	1,809	78,057
Net income/(expenditure)		18,360	(6,036)	6,385	18,710
Transfers between funds		(5,600)	5,600		
Net movement in funds		12,760	(436)	6,385	18,710
Total funds b/fwd at 1 January 2020		33,656	130,195	6,622	170,473
Total funds c/fwd at 31 December 2020		46,416	129,759	13,007	189,182

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S HORSMONDEN

BALANCE SHEET as at 31 December 2021

	Notes	2021	2020
		£	£
FIXED ASSETS			
Tangible fixed assets	5	75,000	75,000
Total Fixed Assets		75,000	75,000
CURRENT ASSETS			
Debtors	7	5,040	3,538
Short term deposits		39,748	34,084
Cash at bank and in hand		<u>97,905</u>	<u>77,319</u>
Total Current Assets		142,693	114,940
LIABILITIES			
Creditors-amounts falling due within 1 year	8a	(912)	(758)
NET ASSETS		216,781	189,182
PARISH FUNDS			
Unrestricted	9, 10	62,778	46,416
Designated	9, 10	135,423	129,759
Other Restricted Funds	9, 10	18,579	13,007
TOTAL FUNDS		216,780	189,182

Approved by the Parochial Church Council on 10 April 2022 and signed on its behalf by:



Revd Tim ffrench
Chairman

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S HORSMONDEN

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the current Church Accounting Regulations and comply with the current Charities SORP and applicable accounting standard FRS 102.

a INCOME

Recognition of Income

This is included in the Statement of Financial Activities (SOFA) when the PCC becomes legally entitled to the benefit of use of the income, the benefit is quantifiable and probable.

Fundraising costs

Funds raised from events (eg Christmas Fair, Art Exhibition and bookstall sales) are reported gross in the SOFA, i.e. before any related costs have been deducted from the gross proceeds.

Grants and donations

These are included in the SOFA when any preconditions preventing their use by the PCC have been met. For collections and planned giving, this is when the funds are received.

Gift Aid Tax claims etc on cash donations

These are included in the SOFA at the same time as the cash donations to which they relate.

Volunteer help

The value of any voluntary help received is not included in the Accounts but is described in the Trustees' Annual Report.

Church hall rental

This is recognised when received.

Investment income

The interest entitlement on the church repair fund is recognised when received.

b EXPENDITURE AND LIABILITIES

Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation and settlement is probable and quantifiable.

Grants

These are recognised in the accounts when a commitment has been made externally and there are no preconditions still to be met for entitlement to the grant that remain within the control of the PCC.

c ASSETS

Consecrated and benefice property

In so far as consecrated and benefice property of any kind is excluded from the statutory definition of 'charity' by Section 10(2) (a) and (c) of the Charities Act 2011, such assets are not capitalised in the financial statements.

Moveable church furnishings

These are capitalised at cost and depreciated over their useful economic life other than where insufficient cost information is available. In this case, the item is not capitalised but all items are included in the church's inventory in any case.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S HORSMONDEN

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021 (continued)

ASSETS (continued)

Depreciation

No depreciation is provided on the church hall as the currently estimated residual value is not less than its carrying value and the remaining useful life of the hall currently exceeds 50 years, so that any depreciation charge would be immaterial. An impairment review is carried out each year end and any resultant loss identified included in the expenditure for that year.

There were no items in the accounting period subject to depreciation.

Short term deposits

Include cash held on deposit with the CCLA Church of England Funds.

d FUNDS

Unrestricted funds

These include the remaining income funds of the PCC that are available for spending on the general purposes of the PCC, including amounts designated by the PCC for fixed assets for its own use or for spending on a future project and that are therefore not included in its 'free reserves' as disclosed in the trustees' report.

Restricted funds

These are income funds that must be spent on restricted purposes and details of the funds held and restrictions provided are shown in the notes to the accounts.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S HORSMONDEN

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

2 INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS 2021 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS 2020 £
a Voluntary Income								
Direct giving	54,264			54,264	53,109			53,109
GA envelopes	0			0	230			230
Income tax recoverable	14,641			14,641	13,723			13,723
Other donations	2,408		7,121	9,529	9,759	50	5,182	14,991
Collections at all services	1,314			1,314	1,155			1,155
Grants			500	500	3,300		1,272	4,572
Legacies	10,875			10,875				0
	83,502	0	7,621	91,123	81,276	0	6,454	87,780
b Activities for Generating Funds								
Fundraising	2,513		194	2,706	984		1,740	2,724
c Investment Income								
Deposit interest		64		64		94		94
d Income from Church Activities								
Church hall lettings	100			100	460			460
Weddings, funerals and memorial fees	4,264			4,264	3,948			3,948
Parish News				0	1,760			1,760
	4,364			4,364	6,168			6,168
e Other Incoming Resources								
Miscellaneous				0	0			0
TOTAL INCOME	90,379	64	7,814	98,257	88,428	94	8,194	96,766

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S HORSMONDEN

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

3 EXPENDITURE

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS 2021 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS 2020 £
a Church activities								
Missionary and charitable giving:	1,215			1,215				0
Ministry:								0
Parish Offer	39,709			39,709	38,584			38,584
Rector expenses	1,128			1,128	1,039			1,039
Rectory council tax/utilities	3,494			3,494	3,459			3,459
Other ministry	810			810	54			54
Church Running Expenses:								
Utilities	424			424	1,604			1,604
Insurance	4,860			4,860	4,943			4,943
Repairs and maintenance	2,562		1,230	3,792	589	6,180	834	7,603
Churchyard maintenance	5,760		1,012	6,772	4,499		974	5,473
Toilet hire	60			60	240			240
Upkeep of services	1,769			1,769	2,492			2,492
Parish administrator	3,080			3,080	3,402			3,402
General administration	1,537			1,537	2,009			2,009
Church Hall Running Expenses:								
Utilities	864			864	401			401
Repairs and maintenance	481			481	504			504
Other expenditure:								
Outreach/Youthworker	325			325	6,212			6,212
Refreshments	112			112	37			37
Miscellaneous	100			100				0
	68,289	0	2,242	70,532	70,068	6,180	1,809	78,057
b Raising funds								
Fundraising Costs	127			127				0
TOTAL EXPENDITURE	68,417	0	2,242	70,659	70,068	6,180	1,809	78,057

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S HORSMONDEN

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021 (continued)

4 STAFF COSTS

a *Wages and Salaries*

	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
Parish Administrator	0	3,402

The PCC shares a part-time administrator with Lamberhurst PCC, who are the employer and make all the PAYE deductions required.

b *Payments to PCC Members*

No payments, other than reimbursement of expenses, were made to members of the PCC.

The total of donations made to the PCC by PCC members during 2021 was £44,462 (£28,365 2020).

5 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	
Valuation	75,000	75,000
Net book amounts at 31 December 2021	75,000	75,000

The freehold land and buildings comprise the Church Hall and the value represents the valuation by Smiths Gore in November 2013. This is now treated as the deemed cost.

6 INVESTMENTS

The PCC does not currently hold any investment assets.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S HORSMONDEN

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

7 CURRENT ASSETS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS 2021 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL FUNDS 2020 £
Debtors								
Income tax recoverable	5,040			5,040	3,038			3,038
Miscellaneous	0				500			
	5,040		0	5,040	3,538		0	3,038

8 LIABILITIES

a Creditors

Amounts falling due within one year:

General Creditors	360		552	912	200		558	758
	0		0	0	0		0	0
	360		552	912	200		558	758

9 FUNDS

Analysis of Net Assets by Fund

Fixed assets for church use		75,000		75,000		75,000		75,000
Current assets	63,138	60,423	19,131	142,693	46,616	54,759	13,565	114,940
Current liabilities	(360)		(552)	(912)	(200)		(558)	(758)
Long term liabilities								
	62,778	135,423	18,579	216,781	46,416	129,759	13,007	189,182

Restricted Funds

These funds are to be used for the maintenance, upkeep, refurbishment or development of the property in accordance with the terms specified by the donor.

They comprise:

- (a) Church Fund is now being used for the New Project.
- (b) Community Garden Fund, for monies received towards this project
- (c) Lectern Fund, for monies received towards this project
- (d) Memorial Garden Fund for monies received towards this project
- (e) Video Streaming Fund for monies received towards this project
- (f) Woodland/HYA Fund for monies received towards this project.

PAROCHIAL CHURCH COUNCIL OF ST MARGARET'S HORSMONDEN

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

10 STATEMENT OF FUNDS

	Balance b/fwd 1 Jan 2021 £	Income £	Expenditure £	Transfers, other gains and losses £	Balance c/fwd 31 Dec 2021 £
<i>Unrestricted Funds</i>					
General Fund	46,416	90,379	(68,417)	(5,600)	62,778
	46,416	90,379	(68,417)	(5,600)	62,778
<i>Designated Funds</i>					
Fabric Fund	54,759	64	0	5,600	60,423
Church Hall Property Fund	75,000	0	0	0	75,000
	129,759	64	0	5,600	135,423
<i>Restricted Funds</i>					
Church Fund	7,850	100	(1,230)	0	6,720
Community Garden	1,254	464	(954)	0	763
Lectern Fund	0	500	0	0	500
Memorial Garden	2,068	0	0	0	2,068
Video Streaming	0	6,651	0	0	6,651
Woodland/HYA	1,836	100	(58)	0	1,878
	13,007	7,814	(2,242)	0	18,579
Total Funds	189,182	98,257	(70,659)	0	216,781

Reserves Policy

It is PCC policy to maintain a balance on liquid unrestricted funds (if possible) which equates to at least 3 months' unrestricted payments, to cover emergency situations. The current balance on 'liquid' unrestricted funds at the year end, equates to approximately 22 months' of unrestricted payments.