

The Parish of St Paul Howell Hill
Report of the Trustees and
Financial Statements for the year ended
31 December 2020

Harmer Slater Limited
Curzon House 2nd Floor
24 High Street
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The Parish of St Paul Howell Hill

Financial Statements for the year ended 31 December 2020

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The Parish of St Paul Howell Hill

Trustees' Report for the year ended 31 December 2020

Reference and administrative information

Full name of PCC: The Parochial Church Council of the Ecclesiastical Parish of Howell Hill (*Working name:* St Paul Howell Hill PCC).

Address: 15 Northey Avenue, Cheam, Surrey SM2 7HS

Charity registration number: 1128212 (registered 24th February 2009)

Names of all the members of the PCC who have served in the period from 1 January 2020 to the date of this report are as follows:

Clergy:	Rev Martin Wainwright (Vicar) Rev Paul Dever (Senior Associate Vicar) Rev Sally Thomas (Associate Vicar) Rev David Senior
Church Wardens:	Steven McLeod Rosalynn Holliday
Deanery Synod Members:	Joshua Carne (appointed 2020 for one year) Leslie King Elizabeth Stockwell Adam Hansen Samuel Neill
PCC Members:	Rob Baldry (appointed April 2018) Monica Cockram (appointed April 2018) Matthew Jeffery (appointed April 2018) Julia Marsh (appointed April 2018) Steven Russell (appointed April 2018) Jenny Fisher (appointed April 2019) Pauline Hilliam (until September 2020) Ben Mckie (appointed April 2019) Anne Pianca (appointed April 2019) Mark Goodman (appointed 2020 for two years) Hannah Duncan (appointed 2020 for two years) Paul Clinton (appointed 2020) Mervyn Wolfsohn (appointed 2020) Andrew Wells (appointed 2020) David Wright (appointed 2020) Craig Wilson (appointed 2020)
Co-options:	John Woolley (Chair of Finance Team) Jeremy Randall (Treasurer) Chris White (Church Manager).

The PCC's bankers are NatWest Bank plc of St Nicholas Centre, Sutton, Surrey, SM1 1NW and CAF Bank Limited of 25 King's Hill Avenue, West Malling, Kent, ME19 4JQ

The PCC's Independent Examiner is:
Timothy Slater, ACA
Institute of Chartered Accountants in England and Wales
Harmer Slater Limited,
Curzon House, 2nd Floor,
24 High Street, Banstead
SM7 2LJ

The Parish of St Paul Howell Hill

Trustees' Report for the year ended 31 December 2020

The day to day management of the affairs of the church is delegated to the Staff Team under the control of the Vicar. The Vicar and Staff Team are supported by and report into St Paul's Management Team (StPMT) and the PCC.

The members of the staff team are:

Vicar:	Rev Martin Wainwright
Senior Associate Vicar:	Rev Paul Dever
Associate Vicar:	Rev Sally Thomas
Curate:	Rev David Senior
Youth Pastor:	Amanda Neill
Youth and Worship Pastor:	Matthew Gatt (until June 2020)
Children's Pastor:	Naomi Simms
Young Families Pastor:	Keren Hillman
Church Manager:	Chris White
Parish Administrator:	Ann McIntyre
Executive Assistant:	Lisa Gyngell
HUB Host:	Debbie McLeod
Financial Controller:	Tina Guilbert (contractor)
CAP Centre Manager:	Emma Paxton-Browne
CAP Debt Coach:	Robin Calcott
Church Caretaker:	Toby Ahern

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 Powers Measure. The PCC was registered with the charity commission on 24 February 2009, under charity number 1128212. Previously, the PCC was exempted from registering with the Charity Commission.

The appointment of PCC members is governed by and set out in the Church Representation Rules.

The PCC is made up of elected, ex officio and co-opted members. Elected members are elected by the Annual Parochial Church Meeting, and serve for a period of 3 years. Elected members are eligible for re-election after 3 years, but may only serve for a maximum of 6 consecutive years. Other church members may be co-opted to the PCC, primarily to cover particular areas of expertise that are deemed necessary for the functioning of the PCC e.g. Finance, Premises.

PCC members are provided with guidance on the role of trustees. In addition PCC Members receive a document detailing their responsibilities as members of the PCC and receive ongoing guidance as necessary.

The frequency of PCC meetings is 5 times a year where the PCC oversees the strategic direction of the Parish and approves policy and budgets. Operational management of St Paul's is delegated to a specific team appointed by PCC, with a further management group for Little Fishes, which is a Pre-School owned by the PCC. St Paul's Management Team meets at least 8 times during the year. Little Fishes Management Group meets at least once each school term.

The Parish of St Paul Howell Hill

Trustees' Report for the year ended 31 December 2020

Names of the current members of the management teams are as follows:

St Paul's Management Team (StPMT):

Rev Martin Wainwright
Rev Paul Dever
Rev Sally Thomas
Rosalynn Holliday
Steven McLeod
Monica Cockram
Julia Marsh
Mark Goodman
John Woolley
Chris White

Little Fishes Management Group (LFMG)

Alison Carr (Chair)
Tony Butler (Treasurer)
Hannah Wright
Keren Hillman
Lynne Hansen

In addition to the above, PCC has delegated a number of matters to specific teams. The permanent teams are:

- Finance Team
- Permissions Team
- Key Partnerships Team

Other teams are formed from time to time by the PCC to address specific issues.

Risk Management

The PCC reports that it has given consideration to the risks faced by the church. The major risks that the church is exposed to relate to people, including the safeguarding of children and vulnerable adults, and the ability to cover and recruit to vacant staffing positions when these occur. The PCC has formal controls in place, working with the Diocese of Guildford, to manage these risks. Other main risks relate to financial matters, compliance with legal and statutory requirements and the activities of the church. The PCC has policies and procedures in place to manage all of these risks. In November 2019 PCC approved a Risk Register – this document will continue to be reviewed and updated regularly.

Public benefit

The PCC are aware of the Charity Commission's guidance on public benefit in "The advancement of religion for the Public Benefit" and have had regard to it in their administration of the church.

The PCC believes that by promoting the Christian faith it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual development, both for existing church members and for anyone who wishes to benefit from what the church offers; and
- promoting Christian values, and service by members of the church in and to their communities, to the benefit of individuals and society as a whole.

The Parish of St Paul Howell Hill

Trustees' Report for the year ended 31 December 2020

Objectives and activities

The Parish is part of the Diocese of Guildford, and in the Deanery of Epsom.

The Parish's local objectives and activities are summarized in the following paragraphs.

At St Paul's, the phrase **connect transform serve** guides us in our call to be disciples of Jesus Christ in the 21st century. During this last year, it has been great to see God continuing to work in these areas, despite the challenges presented by the Covid-19 pandemic. Here are a few of the highlights:

connect Whilst our building have been closed for much of 2020, we have been able to use new technology to help and support members of our church family and local community through this difficult period,

transform We have been able to run a number of courses on line, including an Alpha course with St Barnabas church, Epsom.

serve Leading St Paul's is a team effort. We wanted to particularly thank those who have partnered with us this year, in particular enabling us to worship on line (via Zoom and you tube) during lockdown, and to live stream services during the brief period in which we were able to return to worshipping in Church. They have done this through developing and supporting the technology, as well as playing and recording worship songs. We also want to thank the Staff, PCC, Management Team and Wardens who have helped us to discern the path for St Paul's in this past year.

As indicated above, 2020 presented some new challenges, which are continuing into 2021. The global Covid-19 pandemic and the resulting "lockdown" arrangements meant that the Church premises had to be closed to the public for a significant period, beginning in March 2020. During this period we have been able to use technology to enable us to worship on-line (via both Zoom and You Tube), and also to connect with members of our congregation. The members of staff on our children, families and youth teams have maintained contact with and supported our young people and their families throughout this period, while our premises team have had to deal with the additional safety requirements involving additional cleaning and working out how many people can safely fit in our premises within social distancing restrictions. The PCC thanks all of the staff team for their hard work in this challenging period.

During this period we have been exploring the possibility of a partnership with St Barnabas Church, Epsom, which if successful, will lead to us becoming a united parish in 2022. Again, the inability to meet in person has meant that progress with this proposal has been slower than originally anticipated, but we have worked with the Guildford Diocese and the PCC and church wardens at St Barnabas to move forward with this. PCC wishes to thank Paul Dever for leading this work, together with those PCC and church members who have been part of the steering committee supporting him.

The financial position continues to be challenging, in that the PCC approved a deficit budget for 2020 and has done so again for 2021, with the shortfall being met from the increased level of General Reserves at 31 December 2020 (see below). This position is not sustainable in the longer term, and our Finance Team are continuing to work to encourage new givers, and to identify options for reducing expenditure should that be unsuccessful. In 2020 we have also continued to maintain our buildings appropriately, including necessary work to 19 Northey Avenue. In the spring of 2021 we will be replacing the boilers at the "Cheyham Hall" end of the main church building.

The Parish of St Paul Howell Hill

Trustees' Report for the year ended 31 December 2020

Objectives and activities (continued)

Looking ahead, as well as continuing to explore the proposed partnership with St Barnabas, we face a number of challenges including:

- working out when and how we will be able to return to worship and re-start activities which have been paused because of the pandemic,
- identifying those which it may not be right to re-start
- continuing to respond to the financial challenges facing us as a church.

In doing this we will continue to try to

- Live out our faith confidently in an increasingly hostile secular society
- Understand our calling to engage in mission both individually and as a church

We are intending to create a set of video updates highlighting the Church's activities this year (in lieu of detailed written reports), which will be available from: [APCM : St Paul's Church Howell Hill \(saintpauls.co.uk\)](http://APCM : St Paul's Church Howell Hill (saintpauls.co.uk))

Use of volunteers

The PCC is very reliant on volunteers to carry out all of its activities. However, it is not possible to place any monetary value on the contribution made by volunteers.

Financial Review

A Parish Measure on 1 July 2018, separated St Paul's Howell Hill from the former St Mary's Burgh Heath. The transfer of the property 19 Ballards Green was not completed until 26 February 2019 together with the transfer of some final cash balances. These items are reflected in the comparative (2019) figures in the Statement of Cash Flows and Note 3.

Unrestricted Funds (General and Repairs and Maintenance)

General Fund

The General Fund produced an overall surplus for the year of £30,060 (2019 deficit of £21,503). This was significantly better than the approved budget – a deficit of £23,157 – due to some significant variances during the year.

General (unrestricted) giving in the year 2020 (including tax recoveries) amounted to £702,652. General giving was £22,352 (3.3%) above the budget for the year. This level of general giving compares with £672,665 (including tax recoveries) given in 2019. However it should be noted there were additionally, significant one-off "restricted" donations in 2019 for the Resource Fund for Youth and Worship (£59,428, including tax recoveries).

General Fund expenditure overall was £690,461 in 2020, (£711,142 in 2019). This was £42,901 (6%) less than budgeted, mainly as a result of cost savings due to the pandemic. The biggest costs are staffing, £299,903, (£307,794 in 2019), the Parish Share payable to the Guildford Diocese, £173,927, (£174,765 in 2019), and costs associated with the maintenance and operation of our Church and other buildings, including depreciation, of £73,823 (£86,709 in 2019).

The balance on the General Fund at the end of 2020 amounted to £193,740, (£163,679 for 2019) of which £8,680 is represented by fixed assets (2019 - £21,240). This means that in terms of free reserves, the General Fund amounts to £185,060 at 31 December 2020. As indicated above, PCC has budgeted for a deficit of £67,600 in 2021.

The Parish of St Paul Howell Hill

Trustees' Report for the year ended 31 December 2020

Unrestricted Funds (General and Repairs and Maintenance) (continued)

Repairs and Maintenance Fund

In 2018 the PCC determined that it would be prudent to build up this fund to meet larger non routine maintenance requirements (including the hall boilers which were known to be reaching the end of their useful lives, and will be replaced in 2021.). On 1 February 2021, PCC approved a transfer of £13,000 from General Fund into the Fund at the end of 2020, and £1,050 was spent from the Fund in 2020. The balance of this fund at 31st December 2020 was £60,781, and approximately £30,000 of this will be spent on replacing boilers in 2021.

Grant and Donations

There were specific gifts of £3,129 received for grants and donations outside of the parish in 2020 (£1,315 in 2019).

Grants of £109,109 were made to partner and other agencies in 2020 (£113,207 in 2019).

Reserves policy

The PCC approved a Reserves Policy at its meeting on 18 January 2020. Day to day running costs of the parish are generally met from current income (donations), and therefore the PCC does not hold significant free reserves. The PCC policy is to hold free reserves of at least £50,000 in the General Fund, which represents approximately 3 months of budgeted salary costs. As noted above, current free reserves are £185,060 (£142,441 at 31 December 2019).

The Policy is also to maintain the Repairs and Maintenance Fund, as described above. The PCC has since decided to use the reserve to even out the impact of significant maintenance costs by making budgeted annual contributions to the Fund, and meeting significant maintenance costs from the Fund as these arise. Whilst the balance on this Fund will fluctuate according to when large items of maintenance costs occur, the PCC amended its Reserves Policy at its meeting on 1 February 2021 to state that it is intended that the Fund's balance will be maintained at a level of between £35,000 and £75,000. The PCC will review these limits from time to time in the light of the predicted maintenance requirements for the next three to five years. The value of the Fund at 31 December 2020 is £60,781, but approximately half of this amount will be required to meet the cost of the boiler replacement early in 2021.

Grant making policy

The Partnership Team oversees our relationship with our key partners in mission. Grants are proposed by the Management Team and approved annually by the PCC. In addition, there is a small budget to make grants to individuals who are undertaking a specific trip, internship, or gap year – the grants are made following an application. The team operating this is suspended at the moment and therefore this responsibility sits with the Management Team.

Policy for key management personnel remuneration

Key management personnel are deemed to be the Vicar, Senior Associate Vicar and the Church Manager. The Vicar and Senior Associate Vicar are clergy licensed by the Bishop of Guildford and are paid in accordance with the stipends rates in place for Church of England clergy. Both are paid directly by the Church Commissioners, administered by the Diocese of Guildford. The Vicar's stipend is covered by the parish share paid to the Diocese of Guildford, and the PCC directly reimburses the Diocese in respect of the stipend payments for the associate vicar. The Church Manager's remuneration has been set to be at a similar level to that of the Senior Associate Vicar, but reflecting that unlike the Senior Associate Vicar, there is no house provided. The Church Manager is paid by the Church directly.

Plans for future periods

The PCC, Management Team, Finance Team and Staff Team regularly review the activities and programmes in place to seek to ensure the stated aims and objectives are met.

The Parish of St Paul Howell Hill

Trustees' Report for the year ended 31 December 2020

Responsibilities of the PCC

The PCC is responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England & Wales requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the church and of the incoming resources and application of resources of the church for that period. In preparing these financial statements, the PCC is required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the church will continue in business.

The PCC is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the church and enable them to ensure that the financial statements comply with the Charities Act 2011, the Church Accounting Regulations 2006 and the Accounting by Charities Statement of Recommended Practice. The PCC is also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

Timothy Slater, ACA, of Harmer Slater Limited was appointed as Independent Examiner by the APCM on 14 October 2020.

On behalf of the PCC

 *Jeremy Randall*
Signed on 18/03/21 @ 20:44
Jeremy P Randall
Trustee

Date: 15 March 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PCC OF ST PAUL'S HOWELL HILL

I report to the Trustees on my examination of the accounts of The PCC of St Paul's Howell Hill (the charity), charity number 1128212, for the year ended 31 December 2020, which are set out on pages 9 to 19.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ("the Act").

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

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the applicable Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with 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 consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

I have no conflict of interest in relation to this examination.

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants in England and Wales which is one of the listed bodies

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Tim Slater, ACA
Institute of Chartered Accountants in England and Wales
Harmer Slater Limited
Curzon House 2nd Floor
24 High Street
Banstead
Surrey
SM7 2LJ

Date: 15 March 2021

The Parish of St Paul Howell Hill

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2020

	Note	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS 2020 £	2019 £
Income and endowments					
<i>Donations and legacies</i>	2(a)	704,960	9,969	714,929	745,630
<i>Other trading activities</i>	2(b)	8,358	-	8,358	19,752
<i>Investments</i>	2(c)	183	15	198	536
		<u>713,501</u>	<u>9,984</u>	<u>723,485</u>	<u>765,918</u>
<i>Charitable activities</i>	2(d)	20,021	59,281	79,302	121,689
Total operating income		733,522	69,265	802,787	887,607
Expenditure					
<i>Charitable activities</i>	3	712,231	117,474	829,705	1,335,867
Total operating expenditure		712,231	117,474	829,705	1,335,867
Net operating (expenditure)/income		<u>21,291</u>	<u>(48,209)</u>	<u>(26,918)</u>	<u>(448,260)</u>
Gross transfers between funds		-	-	-	-
Net movement in funds		<u>21,291</u>	<u>(48,209)</u>	<u>(26,918)</u>	<u>(448,260)</u>
Funds brought forward at 1 January		310,568	827,223	1,137,791	1,586,051
Funds carried forward at 31 December		<u>331,859</u>	<u>779,014</u>	<u>1,110,873</u>	<u>1,137,791</u>

The Parish of St Paul Howell Hill

BALANCE SHEET AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
<i>Tangible fixed assets</i>	5	808,582	876,650
CURRENT ASSETS			
<i>Stock</i>		-	61
<i>Debtors</i>	6	12,585	17,855
<i>Short term deposits</i>	7	235,571	281,344
<i>Cash at bank and in hand</i>	7	84,059	908
LIABILITIES: amounts falling due within one year	8	29,924	39,027
NET CURRENT ASSETS		302,291	261,141
TOTAL ASSETS LESS CURRENT LIABILITIES		1,110,873	1,137,791
NET ASSETS		<u>1,110,873</u>	<u>1,137,791</u>
FUNDS	9,10		
<i>Unrestricted</i>		331,859	310,568
<i>Restricted</i>		779,014	827,223
		<u>1,110,873</u>	<u>1,137,791</u>

Approved by the Parochial Church Council on 15 March 2021 and signed on its behalf by:



Jeremy Randall
Signed on 18/03/21 @ 20:44

Jeremy P Randall
Trustee

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

The Parish of St Paul Howell Hill

STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	2020	2019
	£	£
Cashflows from operating activities		
<i>Net cash provided by operating activities</i>	37,180	10,960
Cashflows from investing activities		
<i>Interest receivable</i>	198	536
<i>Investment in property, plant and equipment</i>	-	(2,021)
<i>Net cash used in investing activities</i>	<u>198</u>	<u>(1,485)</u>
<i>Change in cash and cash equivalents in the reporting period</i>	37,378	9,475
Cash and cash equivalents at the beginning of the reporting period	282,252	272,777
Cash and cash equivalents at the end of the reporting period	<u>319,630</u>	<u>282,252</u>
Classified on the Balance Sheet as:		
<i>Short term deposits</i>	235,571	281,344
<i>Cash at bank and in hand</i>	84,059	908
	<u>319,630</u>	<u>282,252</u>
Reconciliation of net (expenditure)/ income to net cash flow from operating activities		
<i>Net (expenditure)/ income for the reporting period (as per the statement of financial activities)</i>	(26,918)	(448,260)
Adjustments for:		
<i>Depreciation</i>	68,068	70,354
<i>Interest receivable</i>	(198)	(536)
<i>Decrease/ (increase) in stock</i>	61	497
<i>(Increase)/ decrease in debtors</i>	5,270	3,158
<i>(Decrease)/ increase in creditors</i>	(9,103)	(25,973)
<i>Non-cash grants</i>	-	411,720
<i>Net cash provided by operating activities</i>	<u>37,180</u>	<u>10,960</u>

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in pounds sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on a going concern basis. The trustees do not consider there to be any material uncertainties about the Charity's ability to continue as a Going Concern.

The charity meets the definition of a public benefit entity under FRS 102.

Funds

Unrestricted funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. These include funds designated for a particular purpose by the PCC.

The purpose of any restricted fund is noted in the accounts.

The financial statements include all transactions, assets and liabilities for which the PCC can be held responsible in law. They do not include the accounts of church groups that owe an affiliation to another body nor those that are informal gatherings of church members.

Incoming resources

Voluntary income and capital sources

- Collections are recognised when received by or on behalf of the PCC, except where specifically designated to a particular period by the donor.
- Amounts receivable under Gift Aid are recognised only when received.
- Income tax recoverable on Gift Aid donations is recognised when the donation is recognised.
- Legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is probable.

Other income

Rental income from the letting of church premises is accounted for when the rental is due.

Income from investments

Interest entitlements are accounted for as they accrue.

Government grants

Government grants are recognised when the PCC is notified of entitlement, and all conditions have been satisfied.

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

1 ACCOUNTING POLICIES (continued)

Resources used

Expenditure is recognised when incurred. Expenditure which cannot be attributed directly to a charitable activity (support costs, which are mainly office staff and related costs) are apportioned on a time spent basis.

Grants

Grants are accounted for when paid.

Activities directly relating to the work of the Church

The Diocesan parish share is accounted for when payable.

Lease rentals

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pension costs

Contributions to pension schemes on behalf of staff members are accounted for when paid.

Fixed Assets

Consecrated land and buildings and moveable church furnishings

Consecrated and beneficial property is excluded from the accounts in accordance with s.10(2) of the Charities Act 2011.

No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be an inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off.

Other land and buildings

Other land and buildings held on behalf of the PCC for its own purpose is valued at cost. Depreciation is provided to write off the cost of buildings on a straight line basis over 50 years.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years. Fixtures and furniture are depreciated over 10 years.

Current Assets

Stocks of books are included at the lower of cost and net realisable value.

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less any provision for amounts that may prove uncollectible.

Cash and cash equivalents include cash at banks and in hand and in short term deposits with a maturity date of three months or less.

Tax Status

As a charity, the PCC is exempt from paying Corporation Tax on its charitable activities.

The charity is not registered for VAT and as such expenditure is shown inclusive of irrecoverable VAT.

Financial Instruments

Debtors and Creditors receivable or payable within one year of the reporting date are carried at their transaction price.

The Parish of St Paul Howell Hill

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

2 INCOME FROM:	Unrestricted Funds £	Restricted Funds £	TOTAL 2020 £	Unrestricted Funds £	Restricted Funds £	TOTAL 2019 £
2(a) <i>Donations and legacies</i>						
Planned giving: Gift Aid	580,350	-	580,350	564,418	-	564,418
Income tax recoverable on Gift Aid	122,302	-	122,302	108,247	-	108,247
Other giving and donations	308	8,129	8,437	2,590	4,760	7,350
Legacies	2,000	-	2,000	6,187	-	6,187
Y & W Fund	-	1,840	1,840	-	59,428	59,428
	704,960	9,969	714,929	681,442	64,188	745,630
2(b) <i>Other trading activities</i>						
Rental income	2,605	-	2,605	15,873	-	15,873
Other income	1,193	-	1,193	3,879	-	3,879
Government Grant	4,560	-	4,560			
	8,358	-	8,358	19,752	-	19,752
2(c) <i>Investments</i>						
Bank interest	183	15	198	536	-	536
2(d) <i>Charitable activities</i>						
Little Fishes Fees	-	54,062	54,062	-	62,959	62,959
Courses, events and activities	15,002	-	15,002	58,730	-	58,730
Government Grant	5,019	5,219	10,238			
	20,021	59,281	79,302	58,730	62,959	121,689
TOTAL INCOME	733,522	69,265	802,787	760,460	127,147	887,607

Included within Little Fishes fees is £37,758 (2019: £38,226) of government grant income in relation to nursery fees.

The Parish of St Paul Howell Hill

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

3 EXPENDITURE ON:

	Unrestricted Funds £	Restricted Funds £	TOTAL 2020 £	Unrestricted Funds £	Restricted Funds £	TOTAL 2019 £
<i>Charitable Activities</i>						
Grants made in furtherance of the PCC's objectives						
Partners and other agencies	107,080	2,029	109,109	113,207	-	113,207
Other grants	-	-	-	-	419,428	419,428
	107,080	2,029	109,109	113,207	419,428	532,635
<i>Ministry costs</i>						
Staff costs	150,990	15,774	166,764	148,254	5,000	153,254
Children and Youth work	3,256	-	3,256	5,962	-	5,962
Parish share	173,927	-	173,927	174,765	-	174,765
Other ministry costs	13,331	1,109	14,440	19,599	-	19,599
Events and activities	17,153	1,500	18,653	56,034	4,760	60,794
	358,657	18,383	377,040	404,614	9,760	414,374
<i>Church running costs</i>						
Staff costs	9,377	-	9,377	11,553	-	11,553
Heat, Light, Rates and Insurance	21,584	-	21,584	25,677	-	25,677
Cleaning and servicing	12,301	-	12,301	18,487	-	18,487
Maintenance, equipment and IT costs	54,382	2,614	56,996	73,784	-	73,784
Hub development costs	491	-	491	-	-	-
Hub running costs	1,646	-	1,646	6,520	-	6,520
Depreciation	33,278	34,790	68,068	35,563	34,791	70,354
	133,059	37,404	170,463	171,584	34,791	206,375
<i>Support costs</i>						
Staff costs	93,872	-	93,872	92,494	-	92,494
Telephone	2,883	-	2,883	3,038	-	3,038
Printing & Stationery	4,076	-	4,076	4,784	-	4,784
Professional costs	8,184	-	8,184	2,183	-	2,183
Audit fee	3,000	-	3,000	9,240	-	9,240
Bank charges	1,420	-	1,420	1,453	-	1,453
	113,435	-	113,435	113,192	-	113,192
<i>Little Fishes costs</i>						
Staff costs	-	57,332	57,332	-	65,165	65,165
Other costs	-	2,326	2,326	-	4,126	4,126
	-	59,658	59,658	-	69,291	69,291
TOTAL EXPENDITURE	712,231	117,474	829,705	802,597	533,270	1,335,867

50% of support costs (£56,717 (2019: £56,597)) relate to Ministry costs and 50% (56,717 (2019: £56,597)) relate to Church running costs.

Included within support costs are governance costs of £3,000 (2019: £9,240).

In February 2019 19 Ballards Green was transferred to the "Nork with Burgh Heath" parish as part of the implementation of the Parochial Measure giving effective formation of a new Parish of "Nork with Burgh Heath" of which St Mary's was one partner. The loss on disposal is reflected in 'other grant' expenditure.

The Parish of St Paul Howell Hill

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

4 STAFF COSTS

	2020	2019
	£	£
Salaries	265,240	274,953
Social security costs	16,177	14,691
Pension costs	18,486	18,150
	<u>299,903</u>	<u>307,794</u>

The above staff costs include the stipend of the vicar. His stipend is paid by the Church Commissioners, and the church pays for this stipend through the parish share system. The vicar is included in the staff numbers analysis below.

During the year the PCC employed an average of 9 (2019: 9) staff members carrying out ministry roles and 5 (2019: 4) staff members carrying out administration roles 12 (2019: 14) members of staff were employed to run the Little Fishes pre-school.

During the year no employees received emoluments of more than £60,000 (2019: nil).

Key management personnel include the Trustees, the vicar, the senior associate vicar and the church manager. Total amounts paid to the Diocese in respect of key management personnel was £ 102,890 (2019: £131,815). No remuneration was received by Trustees during the year (2019: £nil) and no expenses were reimbursed to them (2019: £nil).

The PCC is very reliant on volunteers to carry out all its activities. However, it is not possible to place any monetary value on the contribution of volunteers.

5 FIXED ASSETS FOR USE BY THE PCC

		Property	Fixtures	Equipment	Total
		£	£	£	£
GROSS BOOK VALUE	At 1 January 2020	782,575	403,187	100,306	1,286,068
	Additions	-	-	-	-
	Disposals	-	-	-	-
	At 31 December 2020	<u>782,575</u>	<u>403,187</u>	<u>100,306</u>	<u>1,286,068</u>
DEPRECIATION	At 1 January 2020	101,774	228,748	78,896	409,418
	Charge for the year	15,651	37,192	15,225	68,068
	Depreciation eliminated on disposal	-	-	-	-
	At 31 December 2020	<u>117,425</u>	<u>265,940</u>	<u>94,121</u>	<u>477,486</u>
NET BOOK VALUE	At 31 December 2020	<u>665,150</u>	<u>137,247</u>	<u>6,185</u>	<u>808,582</u>
	At 31 December 2019	<u>680,801</u>	<u>174,439</u>	<u>21,410</u>	<u>876,650</u>

Property comprises 18 Nonsuch Walk and 19 Northey Avenue. 19 Northey Avenue was donated to the PCC by the St Paul's Howell Hill Charitable Trust during 2016. It has been included in the financial statements at market value at the date of transfer.

6 DEBTORS

	2020	2019
	£	£
Income tax recoverable	11,068	8,589
Prepayments and other debtors	1,517	9,266
	<u>12,585</u>	<u>17,855</u>

Other debtors are financial instruments and are measured at present value.

7 ANALYSIS OF CASH AND SHORT TERM DEPOSITS

	Cash		On Short Term Deposit	
	2020	2019	2020	2019
	£	£	£	£
General Fund account	82,900	100	223,103	267,977
Petty cash	-	100	-	-
Little Fishes	1,159	708	12,468	13,367
Spartans Fund	-	-	-	-
	<u>84,059</u>	<u>908</u>	<u>235,571</u>	<u>281,344</u>

8 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other creditors and accruals	29,924	39,027
	<u>29,924</u>	<u>39,027</u>

All creditors are financial instruments and are measured at present value.

The Parish of St Paul Howell Hill

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

9 FUND DETAILS

UNRESTRICTED FUNDS

	General Fund	Activity Fund	Support for partners and other agencies	Repairs and maintenance Fund	Strategic Development Fund	Total
	£	£	£	£	£	£
Balance at 1 January 2019	185,182	523	12,675	51,831	110,227	360,438
Surplus/(Deficit) for the year	(9,894)	(523)	-	(11,000)	(20,720)	(42,137)
Transfer between funds	(11,609)	-	(12,675)	8,000	8,551	(7,733)
Balance at 31 December 2019	163,679	-	-	48,831	98,058	310,568
Balance at 1 January 2020	163,679	-	-	48,831	98,058	310,568
Surplus/(Deficit) for the year	43,060	-	-	(1,050)	(20,719)	21,291
Transfer between funds	(13,000)	-	-	13,000	-	-
Balance at 31 December 2020	193,739	-	-	60,781	77,339	331,859

RESTRICTED FUNDS

	Support for partners and other agencies	Property Fund	Social Fund	Various St Mary's Funds	Jubilee Fund	Little Fishes	Y & W Fund	Other Funds	Total
	£	£	£	£	£	£	£	£	£
Balance at 1 January 2019	(25)	1,108,172	1,205	-	95,691	20,570	-	-	1,225,613
Surplus/(Deficit) for the year	0	(427,371)	-	(7,708)	(19,140)	(6,332)	54,428	-	(406,123)
Transfer between funds	25	-	-	7,708	-	-	-	-	7,733
Balance at 31 December 2019	-	680,801	1,205	-	76,551	14,238	54,428	-	827,223
Balance at 1 January 2020	-	680,801	1,205	-	76,551	14,238	54,428	-	827,223
(Deficit)/ surplus for the year	-	(15,651)	-	-	(19,140)	(361)	(15,434)	2,377	(48,209)
Transfer between funds	-	-	-	-	-	-	-	-	-
Balance at 31 December 2020	-	665,150	1,205	-	57,411	13,877	38,994	2,377	779,014

9 FUND DETAILS (continued)

Designated Funds

Church Activity Fund

This fund represents amounts set aside for specific future activities of the church.

Support for Partner and other agencies

Unless donations are received for onward giving to specific partners or agencies, these grants and from the General Fund.

Repairs and Maintenance Fund

This fund represents amounts set aside for future repairs and maintenance. £8,000 has been transferred into the fund to meet the anticipated costs of renewing the hall boilers and also other larger non-routine maintenance requirements.

Strategic Development Fund

This fund has been created from a legacy received and will be used for the strategic development of the parish.

Restricted Funds

Support for Partners and other agencies

This fund reflects giving by members of the congregation to support partners and other agencies.

Property Fund

In 2016 the properties at 19 Northey Avenue, Cheam, and 19 Ballards Green, Burgh Heath were donated to the PCC by the St Paul's Howell Hill Charitable Trust. The use of these properties is restricted to the provision of housing for staff members of the PCC. During 2017 19 Ballards Green was vacated, and the trustees of the St Paul's Howell Hill Charitable have agreed that the property can be rented out on a commercial basis with the rental income restricted to the paying of costs for staff members at St Mary's. In February 2019 19 Ballards Green was transferred to the "Nork with Burgh Heath" parish as part of the implementation of the Parochial Measure giving effective formation of a new Parish of "Nork with Burgh Heath" of which St Mary's was one partner. The balance of the Property Fund reflects amounts given for the purchase of 18 Nonsuch walk.

Social Fund

This represents amounts given to support the poor and needy.

St Paul's Jubilee Fund

This represents money given to upgrade the fabric and equipment of the church.

Little Fishes Fund

This represents the cumulative funds relating to the running of the Little Fishes Pre-School.

Y & W Fund

This represents the cost over and above the underlying budgeted costs for 2019 in relation to the staffing costs for the youth and worship activities.

Other Funds

This represents restricted gifts from Church members, which were made with specific requests or instructions on how these were to be spent.

The Parish of St Paul Howell Hill

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

10 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2020		2020			2019
	£	£	£	£	£	£
Tangible fixed assets	86,021	722,561	808,582	119,298	757,352	876,650
Stock	0	-	0	61	-	61
Debtors	12,585	-	12,585	17,855	-	17,855
Short term deposits	179,118	56,453	235,571	211,473	69,871	281,344
Cash at bank and in hand	84,059	-	84,059	908	-	908
Creditors: amounts due in less than one year	(29,924)	-	(29,924)	(39,027)	-	(39,027)
Fund balance	331,859	779,014	1,110,873	310,568	827,223	1,137,791

In February 2019 19 Ballards Green was transferred to the "Nork with Burgh Heath" parish as part of the implementation of the Parocial Measure giving effective formation of a new Parish of "Nork with Burgh Heath" of which St Mary's was one partner. As a result, restricted tangible fixed assets have decreased.

11 COMMITMENTS

The PCC was committed to total payments under operating leases as follows:

	2020	2020	2019	2019
	Property	Equipment	Property	Equipment
	£	£	£	£
Expiring in less than 1 year	-	1,813	-	1,813
Expiring in 2-3 years	-	2,720	-	3,626
Expiring in 4-5 years	-	-	-	907
	-	4,533	-	6,346

During the year £2,388 (2019: £2,391) was incurred in relation to these leases.

12 GRANTS AND DONATIONS

		Grants and	Grants and	2020	2019
		donations	donations		
		Unrestricted	Restricted	£	£
		£	£		
Partners					
David & Georgina Gray (Wycliffe Bible Translators)	global	13,820	-	13,820	16,407
Keith & Rosie Ketchum (Mission Aviation Fellowship)	global	18,674	-	18,674	18,300
Hazel Maunsell (Crosslinks)	global	3,525	-	3,525	3,700
Pat Blanchard (CMS)	global	13,975	-	13,975	12,600
Stephen Fraser (UCCF)	national	-	-	-	2,500
Organisations					
Open Doors	global	5,000	-	5,000	-
hope4malawi	global	6,600	-	6,600	5,600
Christians in Sport	national	3,750	-	3,750	3,750
Prison Fellowship	national	5,000	-	5,000	5,000
Stand by Me	national	-	-	-	2,500
Stepping Out	national	1,950	-	1,950	3,273
Kairos Partnership	global	757	-	757	450
Local mission					
Sutton Community Works	local	6,500	-	6,500	6,500
Sutton Schools' Christian Workers Trust	local	3,500	-	3,500	3,500
CAP centre	local	18,270	-	18,270	22,850
Persecuted Church - CSW	local	-	-	-	5,000
Training and materials for Missional Communities	local	438	-	438	-
Diocese appeal - Pakistan	global	1,000	-	1,000	-
Tear Fund Covid appeal	local	1,000	-	1,000	-
Short Term Missions					
Bridges Nepal		2,500	-	2,500	-
Spinnaker Trust		2,500	-	2,500	-
Mission expenses		350	-	350	1,277
TOTAL		109,109	-	109,109	113,207

All grants and donations in 2019 were paid from unrestricted funds. All grants and donations are paid to the relevant institution. No grants are paid to individuals.

13 RELATED PARTY TRANSACTIONS

Mark Goodman is a trustee of hope4malawi and also a PCC member and member of the Management Team. A donation of £6,600 was given to hope4malawi, as shown in note 12.

The Guildford Diocesan Board of Finance Limited acts as custodian trustee in respect of the two properties beneficially owned by the PCC (see note 9 for details). The PCC paid parish share to the Guildford Diocesan Board of Finance Limited amounting to £173,927 (2019: £174,765). The parish share includes an amount in respect of the stipend of the vicar.