ST MARY'S CHURCH, REIGATE

ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE PAROCHIAL CHURCH COUNCIL

for the year ended

31 December 2022

Charity Registration No: 1129140

INCUMBENT
Vicar
The Revd Richard Wilson
The Vicarage
76 Church Street
Reigate
Surrey
RH2 OSP

AUDITOR

Jacob Cavenagh & Skeet, Chartered Accountants
5 Robin Hood Lane
Sutton
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SM1 2SW

BANKERS

HSBC UK Bank Plc
9 The Boulevard
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RH10 1UT

The Central Board of Finance of the Church of England
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Skipton Building Society
43 Church Street
Reigate
Surrey
RH2 0AE

National Westminster Bank Plc (Redhill)
39 Station Road
Redhill
Surrey
RH1 1QN

ALL CORRESPONDENCE TO PRINCIPAL PLACE OF OPERATIONS:

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St Mary's Church Centre
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Parochial Church Council of St Mary's Church Reigate
ANNUAL REPORT FOR 2022

BACKGROUND

St Mary Magdalene Parochial Church Council (PCC) has the responsibility of co-operating with the incumbent in promoting within the ecclesiastical parish the whole mission of the Church of Christ. The PCC is also responsible for the maintenance of our buildings, which include the historic church of St Mary Magdalene (Reigate Parish Church), our Church Centre, the Heath Church and our staff housing.

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission under registration number 1129140.

MEMBERSHIP

Members of the PCC are either elected by the Annual Parochial Church Meeting in strict accordance with the Church Representation Rules or serve as ex officio members. The PCC can also exercise its right to invite co-opted members as it deems fit.

PCC MEMBERSHIP FOR THE YEAR ENDED 31 DECEMBER 2022

Elected Members
Deanery Synod

Mr P Chesterton
Mr P Darwent
Mr G Evans
Miss E Gunn
Mr M Johnson
Mrs B Juntunen (from 20.01.2022)
Licensed Lay Minister
Mrs P Parry

PCC
Mr T Andrew
Mrs R Beggs
Mrs A Brown
Mrs K Cornish (to 26.04.2022)
Mr M Hetherington (from 26.04.2022)
Mrs T Hillsdon
Mrs E Lyth (from 26.04.2022)
Mrs G Moore
Mr A Morgan
Mr N Pettitt (co-opted as PCC Treasurer from 12.05.2022)
Mr N Rayner
Mr A Rubie (to 26.04.2022)
Mrs M Wood

Church Wardens
Mr L Jackson
Mr T Lumsden

Ex Officio Members
Revd R Wilson – Vicar & Chair
Revd K Capper - Associate Vicar
Revd H Fraser - Self Supporting Minister
Revd N Griffiths - Associate Vicar
Revd E Gilmour – Curate (to 07.09.2022)

Hon Secretary
Miss S Bertlin

COMMITTEES

The PCC operates through a number of committees that report to the main PCC meeting from time to time. The PCC members, who are also Trustees for the purpose of charity law, are nominated and elected (other than those holding ex officio positions or who are co-opted) at the Annual Parochial Church Meetings. New members of the PCC are inducted into the workings of the Parochial Church Council through meetings with existing members of the PCC, the Churchwardens and the Incumbent. Information in relation to matters to be discussed at PCC meetings is circulated to members prior to each meeting. PCC members, who include the Clergy, Wardens and holders of other offices, are considered to be the Key Management Personnel as they are responsible for directing church affairs. All such personnel give of their time freely and receive no remuneration for their service on the PCC directly from St Mary's. Details of PCC members' expenses, other than reimbursements of costs incurred on behalf of the church, and related party transactions are disclosed in Notes 4 and 11 to the financial statements.

The pay of staff is reviewed annually and normally increased in line with the Diocese of Southwark salary and stipend increases. All staff are paid at or above the Living Wage Foundation minimum wage.

The following committees supported the work of the PCC during the past year:

Standing Committee

The Standing Committee exists to transact the business of the PCC between meetings and may form the agenda for meetings of the PCC. It consists of the incumbent, the Associate Vicars, the Churchwardens, two deputy churchwardens, the Treasurer and may include other co-opted members. The Standing Committee meets on an ad hoc basis as needs arise. There were 6 meetings of the Standing Committee in 2022.

St Mary's Global

This committee exists to promote our involvement in the church's mission across the world. The committee is active in encouraging support for our link Mission Partners (serving God around the world), financially, practically, and through prayer. The Committee seeks to ensure that the financial support for our Mission Partners and other mission organisations is appropriate for their needs within the resources available.

Fabric and Facilities Committee

This committee exists to oversee all repairs, maintenance and building works affecting the church, the church centre and PCC owned housing.

Heath Church Committee

This committee exists to oversee and plan the mission and ministry of the Heath Church Community under the responsibility of one of the Clergy team.

Safeguarding Committee

This group meets to make sure that the church is compliant with its safeguarding obligations and follows through on all incidents or issues that relate to safeguarding

St Mary's Local

This group was established in 2022 as a group to explore and develop the mission and social outreach of the church.

OBJECTIVES AND ACTIVITIES

As a Parish Church within the Church of England's Diocese of Southwark, St Mary's Church (also known as Reigate Parish Church) exists for the benefit of its wider

community as well as for those who form part of our week-by-week worshipping community across a number of congregations.

Our vision is to see God changing lives, families, and churches again and again.

Our mission is to make whole life disciples of all ages, to create and support communities of people who worship God with their whole lives, and to model and reproduce this as widely as possible.

Our strategy is to draw people into intentional apprenticeship to Jesus through:

- reaching out to a world in need,
- drawing people into a new identity in Christ,
- developing a culture of discipleship,
- loving one another as family, and
- giving ourselves away for the sake of others.

The work of the church is wide-ranging, and members of our wider parish community have continued to benefit from the mission and ministry of the church and its members, in a variety of settings and across all age groups.

When reviewing these and other activities, the PCC has had due regard to Charity Commission guidance on public benefit.

The church could not operate without the generous contributions of its staff and its host of volunteers, and we are enormously grateful and indebted to all who contribute in so many ways to the life and health of St Mary's Parish Church with the Heath Church.

ACHIEVEMENTS AND PERFORMANCE

With our vision to see God change lives, and our mission to make disciples continuing to set our direction as a church family, 2022 was a year of steady **awakening**, and progress after the testing years of the pandemic. The 'covid-years' have undoubtedly impacted us a church, disrupting attendance, belonging, outreach and connection. While our 'reach' as a church remains quite wide, the depth of our relationships and the strength of our engagement has become thinner than we would want it to be. We acknowledge that, for a number of reasons - some known, and others hidden - the number **gathering for worship** each week has declined. Some people have left the church or drifted away, and this is a sadness. However, over the course of this year we have also noticed a steady renewal and growth on Sundays with new people joining us, getting involved and bringing new energy.

We are so grateful for all those who serve each week to make worship and community possible, giving up time to help on all kinds of teams. As attendance is still somewhat fragile and irregular, we have been praying for, and encouraging a renewed commitment to gathering for worship in the church, seeking a steady building of momentum. From the leadership there has been a strong call to churchwide prayer and over the course of the year a new pattern emerged of a **monthly prayer meeting** supported by the worship team. These are growing in significance as we seek God together for the next chapter our life together.

As a church we have always wanted to respond to the needs and challenges of those in need. In 2022, following the invasion of **Ukraine**, we responded to the influx of refugees into the UK with energy, creativity, and intentionality. Working in partnership with the Local Authority and other charities and agencies, we quickly became a gathering point for hosts and refugee families, both from within the church and the wider community. A small team co-ordinated this work and it has been wonderful to see the way God has used us in blessing and helping others in such challenging times.

We have learned so much from this experience and seeking to reflect even more deeply about **poverty alleviation and social action**, a small group in the church (St Mary's Local) was established. This group has been on a significant journey developing a set of principles

to shape our future mission and in the coming year they will share their learning and vision with the wider church for further shaping and discernment.

In response to the **'Living in Love and Faith'** initiative of the wider Church of England, some teaching was offered on Sundays, as we continued to explore together how to live faithfully in a post-Christian culture, especially around the issue of sexuality. This issue is being discussed at every level of church life, including at the General Synod which will be gathering to discern next steps in the coming year. This issue touches our lives in powerful and important ways, and it will be important to open up opportunities for learning and sharing together as we move forward.

Perhaps some of the most significant changes in our church life in 2022 has been the shifts in the **staff team** with Ali Foulkes, Charles Merritt, Erin Gilmour, moving on and Kate Capper changing role. Josh Brown was appointed Head of Worship Culture and Mandy Childs was appointed Children's Minister (6-11's). Although we were unsuccessful in appointing a Head of Family Discipleship, we remain committed to seeing parents supported as the key disciplers of their children and young people and anticipate investing in this in the coming years. We are grateful for all that Ali, Charles and Erin brought us and we are delighted that Kate will continue to use her ministerial gifts in Spiritual Direction here. A new Head of Community Life role was agreed ready for an appointment in early 2023.

The summer of 2022 was busy with the launch of the first **Summer Satellites Festival**, held in Peterborough under Martin Saunders' leadership. It was joy to see so many from our church family support this and being on team, and the impact among our young people was significant.

Behind the scenes, from September, Richard and Nigel began more intentionally exploring the possibility of us **church planting** in the coming years and many discussions with the Diocese began to taken place. Very quickly God has opened doors and we have been invited to send a group of us, under Nigel's leadership, to graft into All Saint's Church in Merstham in September 2023 as part of a larger strategic development plan of the Diocese as a way of pioneering mission in the Merstham estate. The calling on us to join in God's mission in new ways has become very clear and it will be exciting to see where this leads.

At the APCM in April 2022 there were 544 names on the electoral roll (508 2021).

FINANCIAL REVIEW OF THE YEAR

In our budget projections for 2022 we anticipated that, before charging depreciation, our General Fund expenditure would exceed income by £27,112, therefore creating a budget deficit. In the event, we were pleased to see the 2022 income exceeded expenditure, excluding depreciation, by £68,672. The reason for this stronger than budget financial performance was that while planned giving was in line with budget, one off donations exceeded budget by £29,387 and expenditure was below budget with a number of headings under budget This surplus is added to the General fund Reserve, but Capital Expenditure of £6,699 is deducted leaving the General Fund Reserve at £262,554 at 31 December 2022.

Income from donors – Note 2(a)

Compared with 2021, our planned Giving increased by £28,384 or 6%. A Stewardship campaign took place at the start of the year, the results of which were very positive. We again received a number of very generous single donations. In total these one-off donations totalled £54,387. The number of contactless donation machines in church and the centre has increased to 4. While the income from these is still only a small part of general giving, they also allow us to gather 'tap' payments for other church activities and one-off appeals. Almost 300 regular donations from standing orders etc are currently being received, many from couples. Our high level of tax efficient giving has been maintained with £103,346 being received by the General Fund as a result of Gift Aid tax refunds. We are enormously grateful

to God for this provision and blessing and to everyone in the church family who has contributed so generously.

Income from church activities – Note 2(b)

Income from the Church Centre bookings at £45,190, returned to pre-pandemic figure. Lettings of the Church at £ 11,656. These figures are double the 2021 income.

This heading also includes rental of church residential properties, where the rentals of £18,600 were received. Net income from fees for weddings, funerals, etc was £7,882.

Expenditure – Grants – Note 3

Payments to Mission Partners amounted to £27,867, a reduction from 2021 as two partnerships came to the end of their agreed 3-year support term. The giving, of £55,919 to various missional and evangelistic organisations including Tearfund, IJM, Open Doors, Sparkfish and the DEC Ukraine Appeal replaced the individual support. Full details of all donations, totalling £83,786 (2021 £70,201) are shown at Note 14 to the accounts. The PCC keeps under regular review the amounts given to mission partners and other donations.

Expenditure – Other - Note 3

In September 2021 the PCC agreed to increase the Diocesan share for 2022 by 2% or £4,820 to £245,820. For 2023, the PCC have agreed a further increase of 3% to £253,194 which exceeds the cost, including overheads, of our own two full time clergy posts. Also included under the heading Diocesan Share, for 2022, was £20,084 in respect of the part-time services of one additional clergy.

Staff costs have increased slightly from £146,632 to £154,539. The principal reason for this is the employment of a part-time Finance Assistant. With the plans in place for 2023 these are expected to increase further.

Balance Sheet

Capital expenditure of £6,696 (2021: £28,384) was incurred in 2022. This included audio visual assets and kitchen and other church equipment.

As in previous years we have used a property valuation website to provide an internal valuation of our 4 residential properties, for Balance Sheet purposes. The value of these properties has increased in 2022 by 4.7% to £1,845,200

2023

We have decided to budget for expenditure, before depreciation, to exceed income by £4,755 as we expect many expense headings, particularly staff costs, to increase. We cannot at present foresee these costs being totally matched by increases in income. We do however start the year with a high level of reserves (see below) and it seems wise this year to use in part these reserves

Peggy Caffyn-Tees Legacy

The total sum received in 2013/14 was £359,696. Of this amount, £121,589, was restricted for the Heath Church, with a remaining balance of £2080 (2021: £2080). The other two thirds, initially £238,107, is held on trust by the PCC for an indefinite period with the income only to be used to maintain Peggy's family graves, and for fabric work on the Church. This sum has been fully invested in 4 CCLA funds with a loss of £53,482 in 2022, bringing the value invested to £319,253 (2021: £372,735). The loss reflects the general downturn in the investment market during 2022. A review of investments will be undertaken in 2023. Income in 2022 from the sum invested amounted to £11,526 (2021: £11,018). During 2022 £3,859 was spent (2021: £1,830). The balance carried forward and available for use in future years now stands at £49,701.

RISK MANAGEMENT

The PCC has considered the major risks to which the church is exposed including safeguarding children and vulnerable adults (in which regard the PCC follows the Diocese

of Southwark Safeguarding procedures in full and has two experienced safeguarding officers to assist it), disability discrimination, data protection, health and safety and fire protection. The Risk Register is reviewed annually by the PCC.

The PCC considers the principal financial risk facing the Church is that expenditure is not matched by income. This risk is managed by the preparation of regular financial statements, now utilising the new Xero accounting system and an annual budget which is regularly reviewed and updated.

FUNDRAISING

The Church's fundraising activities comprised a giving campaign which included teaching on Christian giving and invited a response. The majority of the Church's income is derived from standing orders and one-off donations from Church members. Additional contactless giving terminals were purchased for use on Sundays and midweek. The hiring of the Church and Church Centre also provides a good source of income. The Church does not employ outside fundraisers. The Church complies with the principles of the Charities Governance Code.

FUTURE PLANS

If 2022 was a year of steady awakening, we anticipate (and pray) that 2023 will be a year of continued **consolidation** (as new staff are appointed and take up their roles) and **sending** (as we prepare to send a team to graft into Merstham).

We are mindful of the need to plan well for Richard to take a **sabbatical**, and for Nigel to lead and galvanise the church in anticipation for a **church planting initiative** in September, and for the **new staff** appointments to be carried out well.

At the time of writing, it will be clear that by the end of the year a completely new ministry team will be in place with Ben Forbes as Head of Community Life, a new Youth Minister joining the team to replace Martin, a new Associate Minister to replace Nigel as Head of Discipleship, and a new Children's Minister (0-5) to replace Gen Griffiths. With Richard returning from Sabbatical in July 2023, the immediate task will be to bed this new team in and to build confidence among them.

In line with our strategic priorities, we want to:

Reach out to a world in need:

- Embed and implement a new strategy for social engagement in our community
- Grow confident disciples able to share their faith by preaching and teaching on mission

Draw people into a new identity in Christ:

- Welcome and induct new members into church life following Alpha
- Further develop our 'newcomer's flow'

Develop a culture of discipleship:

- Teach on Genesis 1-3 as a way of engaging with issues of identity, meaning, purpose, sexuality, failure and redemption
- Develop our monthly prayer meetings and encourage participation in our annual 24/7 prayer week in the lead up to Easter
- Strengthen our small groups - increasing leadership, engagement, transformation, and participation
- Encourage families and individuals to participate in summer festivals of New Wine and Satellites
- Appoint a new Head of Discipleship, Youth Minister, and Children's Minister

Love one another as family:

- Appoint a Head of Community life to help us deepen belonging, develop pastoral care, energise and support small groups, and enable us to grow as an emotionally healthy church

- Build on the success of last year's Christmas Event with a summer fun-day and another Christmas Event in November 2023
- Celebrate our volunteers with a party

Give ourselves away for the sake of others:

- Gather and send out a group of people from within the church as part of a 'church planting team' under Nigel's leadership.
- Further embed and develop our partnerships with others in mission overseas and strengthen our communication and engagement within the church family
- Develop our relationships with other Churches and networks as we seek to grow resilient disciples in our secular age

RESERVES POLICY

It is PCC policy to hold in unrestricted reserves the equivalent of at least one month's budgeted expenditure. It is also our policy to hold sums in reserve for building works arising from the Quinquennial inspection of the Church and for refurbishment of the Church Centre.

The closing balance of £262,554 on Unrestricted General Reserve on 31st December 2022 represents approximately 4 months budgeted expenditure in the year 2023. This sum will provide a very helpful buffer if, as is possible, the church is affected by the cost of living crisis and a subsequent reduction in giving is experienced.

	At 31 December 2022
Total reserves	4,598,508
Unrestricted reserves	4,192,428
*restricted reserves	406,080
**designated reserves	71,530
Total funds less restricted and designated funds	4,120,898

*funds not available for general purposes of the charity

**funds that are designated or otherwise committed (at 31 December 2022)

Included within the unrestricted reserve total is £3,858,344 which is associated with property assets. These funds can only be realised by disposing of tangible fixed assets.

INVESTMENT POLICY

The charity (through its Trustees) has the power to invest in such stocks, shares, investments and property as deemed fit. The charity has made such investments, principally in relation to the Peggy Caffyn-Tees legacy (see page 7), to generate income and has made no social investments'

On behalf of the PCC on 18th April 2023

Revd Richard Wilson
Vicar

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (the PCC) are 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).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are 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 and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of the Parochial Church Council of St Mary's Church, Reigate (the "PCC") for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion, the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the PCC members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the PCC members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the PCC members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the PCC members' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of PCC members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC members

As explained more fully in the PCC members' responsibilities statement, the PCC members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC members are responsible for assessing the PCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC members either intend to liquidate the PCC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health and safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, valuation of property, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates such as valuation of property, agreeing financial statement disclosures to underlying supporting documentation, identifying and testing journal entries, reviewing PCC meeting minutes and evaluating the charity' internal controls.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the PCC members, as a body, in accordance Part 4 of the charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC members' those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and the PCC members as a body, for our audit work, for this report, or for the opinions we have formed.

Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

Jacob, Cavenagh + Skeet

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 18th April 2023

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the PCC by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Parochial Church Council of St Mary's Church Reigate

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2022

	Notes	Unrestricted Funds £	Restricted Funds £	End't Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	End't Funds £	Total 2021 £
Income									
Donations and legacies	2(a)	617,455	12	0	617,467	575,482	201	0	575,683
Church activities	2(b)	125,321	5,431	0	130,752	65,138	2,104	0	67,242
Investments	2(c)	1,668	11,905	0	13,573	640	11,315	0	11,955
Other income	2(d)	3,400	0	0	3,400	16,261	0	0	16,261
Total income		747,844	17,348	0	765,192	657,521	13,620	0	671,141
Expenditure on Church Activities	3	699,630	10,214	0	709,844	620,150	4,006	0	624,156
Total expenditure		699,630	10,214	0	709,844	620,150	4,006	0	624,156
Net gains/(losses) on investments		0	0	(55,287)	(55,287)	0	0	43,914	43,914
Net income/(expenditure)		48,214	7,134	(55,287)	61	37,371	9,614	43,914	90,899
Transfers between funds	9	0	0	0	0	7,384	(7,384)	0	0
Other recognised gains/(losses): Gains/(losses) on revaluation of tangible fixed assets	5a	83,000	0	0	83,000	121,000	0	0	121,000
Net movement in funds		131,214	7,134	(55,287)	83,061	165,755	2,230	43,914	211,899
Funds b/fwd at 1 January 2022		4,061,214	65,976	388,257	4,515,447	3,895,459	63,746	344,343	4,303,548
Funds c/fwd at 31 December 2022		4,192,428	73,110	332,970	4,598,508	4,061,214	65,976	388,257	4,515,447

All income arises from the continuing activities of the PCC. The PCC had no recognised gains or losses other than those dealt with in the Statement of Financial Activities. The notes on pages 17 to 26 form part of these accounts.

Parochial Church Council of St Mary's Church Reigate

BALANCE SHEET
31 December 2022

Fixed assets	Notes	2022 £	2021 £
Tangible fixed assets	5(a)	3,858,344	3,789,103
Investment assets	5(b)	332,970	388,257
		4,191,314	4,177,360
Current assets			
Debtors	6	44,633	68,634
Cash at bank & in hand		385,309	298.338
		429,942	366,972
Liabilities: Amounts falling due within one year			
Creditors	7	(22,748)	(28,885)
Net current assets		407,194	338,087
Liabilities: Amounts falling due after more than one year			
Creditors		0	0
Net assets		4,598,508	4,515,447
Funds			
Unrestricted reserves	9	4,192,428	4,061,214
Restricted reserves	9	73,110	65,976
Endowments	9	332,970	388,257
		4,598,508	4,515,447

Approved by the Parochial Church Council **on 18th April 2023** and signed on its behalf by:

Revd Richard Wilson
Vicar

Parochial Church Council of St Mary's Church Reigate

STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	2022	2021
	£	£
Cash used in operating activities (note)	80,094	23,960
Cash flows from investing activities		
Interest and dividends received	13,573	11,955
Payments to acquire tangible fixed assets	(6,696)	(28,384)
Proceeds on sale of tangible fixed assets	-	
Payments to acquire fixed asset investments	(3,300)	(95,455)
Proceeds on sale of fixed asset investments	3,300	95,455
Cash (used in) investing activities	6,877	(16,429)
Cash flows from financing activities		
Interest free loans repaid	0	0
Cash (used in) financing activities	0	0
Net cash inflows/(outflows)	86,971	7,531
Cash and cash equivalents at 1 January 2022	298,338	290,807
Cash and cash equivalents at 31 December 2022	385,309	298,338

Cash used in operating activities

Net income/(expenditure)	61	90,899
Interest and dividends received shown in investing activities	(13,573)	(11,955)
Depreciation	20,458	21,178
(Gain)/loss on disposal of tangible fixed assets	(3)	0
(Gain)/loss on disposal of fixed asset investments	0	0
Other (gains)/losses on investments	55,287	(43,914)
(Increase)/Decrease in debtors	24,001	(32,563)
(Decrease)/Increase in creditors	(6,137)	315
Cash used in operating activities	80,094	23,960

1. Accounting Policies

The Parochial Church Council is a corporate body (PCC Powers Measure 1956, Church Representation Rules 2006) and is a charity registered with the Charity Commission (number 1129140). Its principal place of operations is: St Mary's Parish Office, St Mary's Church Centre, Chart Lane, Reigate, Surrey RH2 7RN.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

The financial statements have been prepared under the historical cost convention subject to the revaluation of residential properties and investments. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.
The financial statements are presented in pounds sterling rounded to the nearest £1.
The PCC meets the definition of a public benefit entity under FRS102.

Going concern

The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern.

Funds

General 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. Funds designated for a particular purpose by the PCC are also unrestricted.
Restricted funds are those monies received by the PCC which have been given for a particular purpose.
Endowment funds are funds, the capital of which must be maintained; use of the income arising from investment of the endowment varies according to individual trust purposes.

Income

Donations and legacies

Donations and legacies (including collections and income tax recoverable under Gift Aid) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

Other income

Rental income from the letting of church premises is recognised when the rental is receivable.

Income from investments

Dividends are accounted for when receivable, interest is accrued.

Gains and losses on investments

Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Grants

Grants relating to revenue expenditure are recognised in income in the periods in which the related costs are incurred.

1. Accounting policies (continued)

Expenditure
Expenditure is accrued as soon as a liability is incurred. Support and governance costs are included in expenditure on church activities.

Church activities
Most mission grants are payable monthly and are accounted for in the month in respect of which they are payable. Other mission grants are accounted for when a decision to make payment has been taken.

The Diocesan parish share is accounted for when payable.

Fixed Assets
Land and buildings and church and church centre fittings
Consecrated and benefice property is excluded from the accounts by s10 (2) (a) of the Charities Act 2011. Residential properties used by the PCC in undertaking its activities (i.e. staff housing) have been included in tangible fixed assets at their estimated market value. The Church Centre has been included at its cost at the year end. No depreciation has been provided on land and buildings as the PCC has adopted a policy of maintaining properties to a standard that prolongs their lives and enhances their residual values. No value is placed on moveable church furnishings held by the churchwardens on a special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All maintenance expenditure incurred during the year on consecrated or benefice buildings and on church and church centre fittings continues to be written off as expenditure in the Statement of Financial Activities (SOFA). Fixtures and equipment costing more than £500 are capitalised and depreciated over their useful life which varies from 4 years to 40 years depending on the asset.

Investments
Investments are valued at market value at 31 December. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year and are shown as a component of net income.

Current Assets
Gift Aid recoverable and other debtors are included at the amount due. Prepayments are valued at the amount prepaid. Cash at bank and in hand includes cash and sums placed on deposit available on demand.

Creditors and provisions
Creditors and provisions are recognised where the Church has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments
The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical accounting estimates and judgements
In the application of the church's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
(a) Donations and legacies						
Planned giving & gifts	495,552	0	495,552	467,168	0	467,168
Income tax recovery (Gift Aid)	103,346	12	103,358	99,322	201	99,523
Legacies	1,900	0	1,900	0	0	0
Offertories	1,789	0	1,789	1,678	0	1,678
Heath Church	8,453	0	8,453	4,346	0	4,346
Community Building Project	0	0	0	0	0	0
Other income from donors	6,415	0	6,415	2,968	0	2,968
	617,455	12	617,467	575,482	201	575,683
(b) Church activities						
Rental Income	75,446	0	75,446	45,644	0	45,644
Youth income	15,325	0	15,325	4,341	0	4,341
Girls' Brigade income	0	5,431	5,431	0	2,104	2,104
Hospitality & events	14,155	0	14,155	4,096	0	4,096
Sundry income	20,395	0	20,395	11,057	0	11,057
	125,321	5,431	130,752	65,138	2,104	67,242
(c) Investments						
Interest and dividends	1,668	11,905	13,573	640	11,315	11,955
(d) Other income						
Grants	3,400	0	3,400	16,261	0	16,261
Total income	747,844	17,348	765,192	657,521	13,620	671,141

3. Expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Church activities						
Grants (See Note 14):						
Mission Partners	27,867	0	27,867	48,720	0	48,720
Other mission and donations	55,919	0	55,919	21,481	0	21,481
	83,786	0	83,786	70,201	0	70,201
Other:						
Diocesan Quota	265,904	0	265,904	261,033	0	261,033
Fees to Diocese	7,927	0	7,927	5,494	0	5,494
Admin and support staff	106,863	0	106,863	87,972	0	87,972
Clergy expenses	5,898	0	5,898	6,453	0	6,453
Clergy housing	9,802	0	9,802	9,464	0	9,464
Music ministry	26,259	0	26,259	19,915	0	19,915
Youth & children's ministry	50,514	0	50,514	65,112	0	65,112
Girls' Brigade expenses	0	6,280	6,280	0	2,176	2,176
Repairs and cleaning	19,986	3,859	23,845	9,296	1,830	11,126
Insurance: Church and Centre	11,874	0	11,874	12,538	0	12,538
Other church activities	27,165	75	27,240	14,686	0	14,686
Governance costs: Audit fees	6,000	0	6,000	5,460	0	5,460
Administrative expenses	22,856	0	22,856	21,173	0	21,173
Utilities & Other expenses	34,338	0	34,338	10,175	0	10,175
Depreciation	20,458	0	20,458	21,178	0	21,178
Total expenditure	699,630	10,214	709,844	620,150	4,006	624,156

4. Staff costs

	2022 £	2021 £
Wages and salaries	146,206	138,840
Social security costs	4,820	4,028
Pension costs	3,513	3,764
	154,539	146,632

	2022	2021
Average number of employees (full time equivalents) during year was:	6	6
Average number of employees during year was:	12	11

4. Staff Costs (continued)

Payments made to third parties on behalf of PCC members in the year were £7,431 (2021: £ 4,056) These were mainly in respect of housing, books, food, kitchenware and Internet access. These payments were received by or on behalf of 3 (2021: 8 PCC members.) No employee received employee benefits of more than £60,000 (2021 Nil). Renumeration of family members of the PCC amounted to £38,876 (2021 £31,377)

5. Fixed assets for use by the PCC	Freehold/Leasehold Property £	Fixtures & Equipment £	Total £
5(a) Tangible fixed assets			
Cost or valuation			
At 1 January 2022	3,619,461	293,200	3,912,660
Additions	-	6,696	6,696
Disposals	-	(4,819)	(4,819)
Revaluation of properties	83,000	-	83,000
At 31 December 2022	3,702,461	295,077	3,997,538
Depreciation			
At 1 January 2022	-	123,558	123,558
Charge for the year	-	20,458	20,458
Disposals	-	(4,822)	(4,822)
At 31 December 2022	-	139,194	139,194
Net book Value			
At 31 December 2022	3,702,461	155,883	3,858,344
At 31 December 2021	3,619,461	169,642	3,789,103

Tangible fixed assets comprise the following freehold/leasehold land and buildings held as assets by the PCC:

i) **63 Chart Lane (Freehold), 9 Lymden Gardens (Freehold) and Flat 11 Monks Court, Reigate (Leasehold)**
These properties are held in trust for the PCC of St Mary's and the full maintenance and insurance costs are the responsibility of the PCC.

ii) **3 St Clair Close, Reigate (Freehold)**
The parish has a 20% interest in this property, the remaining 80% being owned by the diocese. The PCC is responsible for 20% of the maintenance and insurance costs.

iii) **Church Centre, Chart Lane, Reigate (Freehold)**
The land and buildings are owned by the PCC who have responsibility for maintaining and insuring the property.

Residential properties are included in the Balance Sheet at their estimated market value using a property valuation website. The Church Centre is included at its cost.

5(b) **Investments**

	Listed Investments	Listed Investments
	£	£
	2022	2021
Market value as at 1st January	388,257	344,343
Additions	3,300	95,455
Disposals	(3,750)	(102,568)
Unrealised gains/(losses) in the year	(54,837)	51,027
Market value as at 31st December	332,970	388,257
Historic cost	256,064	254,588

The historical cost of the Graveyard and Parish Trust investments is not known and cannot be traced as these investments were donated or acquired many years ago. The historical cost of the Caffyn-Tees Endowment Investments is £256,064.

6	**Debtors**	2022	2021
		£	£
	Income tax recoverable	32,458	55,580
	Other debtors	8,515	9,902
	Prepayments	3,660	3,152
		44,633	68,634

7	**Liabilities: amounts falling due within one year**	2022	2021
		£	£
	Other creditors	21,998	28,885
	Deferred Income	750	0
		22,748	28,885

8 Analysis of net assets by fund

2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 £
Fixed assets	3,858,344	0	332,970	4,191,314
Current assets	356,832	73,110	0	429,942
Current liabilities	(22,748)	0	0	(22,748)
	4,192,428	73,110	332,970	4,598,508

2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 £
Fixed assets	3,789,103	0	388,257	4,177,360
Current assets	296,566	70,406	0	366,972
Current liabilities	(24,455)	(4,430)	0	(28,885)
	4,061,214	65,976	388,257	4,514,447

9 Analysis of fund movements during the year

2022	Bal b/fwd 1 Jan 2022 £	Income £	Expenditure £	Other gains / (losses) £	Transfers £	d 31 Dec 2022 £
Unrestricted reserves:						
General Fund	200,581	747,844	(679,172)	0	(6,699)	262,554
Capital Reserve	3,789,103	0	(20,458)	83,000	6,699	3,858,344
Church Centre Reserve	50,000	0	0	0	0	50,000
Quinquennial Reserve	21,530	0	0	0	0	21,530
	4,061,214	747,844	(699,630)	83,000	0	4,192,428
Restricted reserves:						
Graveyard Trusts	3,386	86	0	0	0	3,472
Parish Trusts	6,834	293	0	0	0	7,127
Caffyn-Tees Legacy - St Mary's	42,034	11,526	(3,859)	0	0	49,701
Caffyn-Tees Legacy - Heath	2,080	0	0	0	0	2,080
Easter Project	5,428	0	(74)	0	0	5,354
Girls' Brigade Reserve	6,214	5,443	(6,281)	0	0	5,376
	65,976	17,348	(10,214)	0	0	73,110
Endowments:						
Graveyard Trusts	4,511			(525)	0	3,986
Parish Trusts	11,011			(1,280)	0	9,731
Caffyn-Tees – St Marys	372,735			(53,482)	0	319,253
	388,257			(55,287)	0	332,970
Total Funds	4,515,447	765,192	(709,844)	27,713	0	4,598,508

2021	Bal b/fwd 1 Jan 2021 £	Income £	Expenditure £	Other gains / (losses) £	Transfers £	Bal c/fwd 31 Dec 2021 £
Unrestricted reserves:						
General Fund	173,032	657,521	(598,972)	- 0	(31,000)	200,581
Capital Reserve	3,660,897	-	(21,178)	121,000	28,384	3,789,103
Church Centre Reserve	40,000	-	-	-	10,000	50,000
Quinquennial Reserve	21,530	-	-	-	-	21,530
	3,895,459	657,521	(620,150)	121,000	7,384	4,061,214
Restricted reserves:						
Graveyard Trusts	3,300	86		-	-	3,386
Parish Trusts	6,551	283	-	-	-	6,834
Easter Project	5,428			-	-	5,428
Caffyn-Tees - St Marys	32,846	11,018	(1,830)			42,034
Caffyn-Tees - Heath	9,536	(72)			(7,384)	2,080
Girls' Brigade Reserve	6,085	2,305	(2,176)			6,214
	63,746	13,620	(4,006)	-	(7,384)	65,976
Endowments:						
Graveyard Trusts	4,086			425		4,511
Parish Trusts	9,625			1,386		11,011
Caffyn-Tees - St Marys	330,632			42,103		372,735
	344,343			43,914		388,257
Total Funds	4,303,54	671,141	(624,156)	164,914	0	4,515,447

Unrestricted Funds comprise:

(a) **General Reserve**, which contains that part of the PCC's income which is freely available for spending.
(b) **Capital Reserve**, which represents the value of invested income (principally in freehold and leasehold properties) which would become available for spending when realised.
(c) **Church Centre Reserve**, an unrestricted reserve, which comprises income set aside by the PCC to meet future refurbishment costs relating to the church centre.
(d) **Quinquennial Reserve**, which contains income set aside by the PCC to meet the costs of repairs to the church buildings identified by the Quinquennial (five-yearly) inspection.

Restricted Funds comprise:

(a) **Graveyard Trusts**, which contain income from endowment funds to maintain named graves.
(b) **Parish Trusts**, which contain income from endowment funds for specific purposes e.g. care of the poor in the Parish.
(c) **Easter Project Fund**, which contains gifts restricted for use in this community project, which is currently under review.
(d) **Caffyn-Tees Fund (St Mary's)**, which contains income from the endowment fund to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.
(e) **Caffyn-Tees Fund (Heath)**, which contains a legacy which can only be used for Heath Church general purposes.
(f) **Girls' Brigade Reserve**, which contains gifts restricted for use by the Girls' Brigade.

Endowment Funds comprise:

(a) **The Graveyard Trusts**, which are permanent endowments, the income from which is used for maintenance of named graves.
(b) **The Parish Trusts**, which are permanent endowments, the income from which is used for specified purposes e.g. for the care of the poor in the Parish.

(c) **Caffyn-Tees Trust (St Mary's),** which is a permanent endowment, the income from which is to be used to cover expenditure relating to the fabric of St Mary's church, maintenance of the organ and upkeep of family graves.

No transfers were made was made from the General Fund to the Church Centre Reserve (2021 £10,000). There has been a movement of £6,699 from the General Fund to the Capital Reserve representing capital expenditure described above.

10 **Taxation**

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

11 **Related Party Transactions**

PCC members are considered to be related parties and the total employee benefits received by them are set out in note 4 above. PCC members are not remunerated, except as detailed in Note 4.

During the year, donations totalling £74,728 (2021: £66,104) were received from PCC members.

Trustees and individual liability insurance is covered under the Public Liability section of our church insurance. Mr & Mrs J Brown paid rent of £9,600 (2021 £9,600) for the use of a church property.

The grant of £13,169 was given to P & A Guinness, a relative of PCC member E. Lyth.

12 **Operating leases**

The total future minimum lease payments under non-cancellable operating leases are payable:

	2022	2021
	£	£
Within one year	1,272	1,272
After one year but within five years	3,180	4,452
	4,452	5,724
The operating lease charges for the year were:		
Hire of plant and machinery	1,272	1,774

13 **Defined contribution scheme**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £3,741 (2021: £3,764).

14 Mission Grants

	2022 £	2021 £
Mission Partner Commitments:		
Wycliffe Bible Translators – P & J Fresard	8,200	12,911
T & C Morris	-	8,039
M & E Lyth	-	8,039
Tearfund – B & S Clark	-	
Africa Inland Mission – P & A Guinness	13,169	12,910
CMS –H Burningham/ H Kisakye	6,498	6,821
	27,867	48,720
Sparkfish – Schools Youth Worker	6,239	6,000
Children's Society	1,529	-
	7,768	6,000
Mission & Evangelism – Global:		
Tearfund	12,815	6,543
K Madanat	-	-
Bible Society	335	-
CMS	251	-
Fairtrade		-
International Justice Ministry	8,200	-
Open Doors	7,877	562
DEC Ukraine appeal	2,357	-
UNHCR	560	-
	32,395	7,105
Mission & Evangelism – Local & Social Outreach:		
Community Debt Advice	6,000	6,000
Renewed Hope Trust (including Winter Night Shelter)	-	1,250
BBC Children in Need	-	415
Welcare	87	-
Royal British Legion	305	12
MacMillan Cancer Support	-	240
Barnabas	278	-
Other		459
St Bede's & Reigate Parish Church Primary Schools	3,318	-
Sanctuary Foundation	1,923	-
St Matthews Foodbank	3,845	-
	15,756	8,376
Total Mission Grants from unrestricted funds	£ 83,786	£70,201