



Annual Report
and
Financial Statements

Year ended 31 December 2021

Registered Charity No. 1133066

Table of contents

Trustees' report	2
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9
Independent examiner's report	14

PCC Annual Report for the year to 31 DECEMBER 2021

The Parochial Church Council of St Paul's Letchworth

Registered charity number (if any) 1133066

Charity's principal address 179 Pixmore Way

Letchworth Herts SG6 1QT

Names of the PCC members who manage the charity

Names of the PCC members who manage the charity

Name	Office (if any)	Dates acted if not for whole year	Notes
Rev Jeni McQuaid	Incumbent		
Rev Amanda Ferris	Associate Vicar		
Rachel Snow	Assistant Curate		
Emma Vernon	Church warden		
Rebekah Pinco	Church warden		
Irene Adam		From October 2021	Elected Member
Keith Blundell	PCC Secretary		" "
Rachel Cheffy			" "
Chris Dingwall		From November 2021	Co-Opted
Pam Hull			Elected Member
Judith Nash			" "
Madeleine Nicholas			" "
Paul Owen			" "
Dan Pinco			" "
Paul Thomson			" "
Clare Townsend			" "
Emily Wilkinson			" "
Ian Frostick	Treasurer	To October 2020	" "
Madeleine Nicholas	Synod Rep.		
Maureen Phillips	Synod Rep.		
Judith Nash	Synod Rep.	To September 2021	
Fiona Owen	Children and Families Worker	To January 2022	Observer
Claire McDonnell	Youth Worker		Observer

Names and addresses of advisers

Architects	Iain Frearson, 20 Shott Lane, Letchworth Garden City, Hertfordshire, SG6 1SE
Bankers	National Westminster Bank, Station Place, Letchworth. SG6 3AL
Deanery Synod representatives (entitled to attend PCC)	Madeleine Nicholas Maureen Phillips Judith Nash (retired)

Structure, governance and management

Description of the charity's trusts

How the Church is constituted

St Paul's Letchworth is a registered charity as well as being part of the Church of England.

The structure and governance arrangements of the charity are set out by the Church of England and St Albans Diocese. The church sits within the Hitchin Deanery and the Archdeaconry of St Albans. Full details of governance arrangements are set out on the St Albans Diocese web-site.

St Paul's is part of a Joint Benefice with All Saints' Willian, jointly served by the incumbent, associate minister, curate, and readers. All Saints' is administered by its own PCC, appointed from its own membership, and has separate financial records and accountability. St Paul's PCC has no responsibility for the pastoral or administrative affairs of All Saints'.

PCC and Committees

The responsibilities of St Paul's PCC are enshrined in the Parochial Church Councils (Powers) Measure 1956. As such, the purpose of the PCC is to cooperate with the incumbent in promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is responsible for the maintenance of all church buildings and grounds, ensuring the smooth running of the church and for ensuring that the church is compliant with all relevant legislation relating to its functions – health and safety, data protection, safeguarding and employment law. The ordained ministers, curates, readers and church wardens become members of the PCC on appointment. Elected members are appointed by ballot of church members at the APCM on 3-year terms, with vacancies during the year being filled by PCC.

PCC meets its objectives achieved through:

- Full PCC meetings 6 times a year, bi-monthly
- Standing Committee, which has powers to act on behalf of PCC, meeting 6 times a year bi-monthly, alternating with PCC;
- Missionary Committee which oversees the church's links with our mission partners
- Ad hoc task groups, formed during the year as required.

None of St. Paul's objectives would have been achieved without the dedication and support of our 3 staff members (our Children and Family's worker, our Youth Worker and our Parish Administrator) and the very many church members who give their time voluntarily and unstintingly in all areas of church life.

Objectives and activities

Summary of the objects of the charity set out in its governing and the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that trustees have had regard to the guidance issued by the Charity Commission on public benefit)document

"To Show the Light and Love of Jesus for all"

This year has been a strange year, for the most part we were neither in lock down, nor functioning at our usual, welcome, and familiar capacity. For many it has been unsettling as we try and find our way forward in this new world. The pandemic and constantly changing guidance has meant we have had to operate from a place of reactivity rather than strategy. Masks, socially distancing, some confusion around the legality or otherwise of singing, are factors that contributed to church feeling unfamiliar. None the less, it has been so encouraging to see what the Spirit of God has done. We have rejoiced that new people have joined us having first encountered us online during the lock downs and that "worship at home" community continues to see 500-600 log ins per week. Although our return is slower than we had anticipated there are over 90 children and young people on our register, and we are slowly seeing our regular Sunday numbers returning with our Altogether Services increasing in number each month. These are encouraging signs as our familiar atmosphere of worship returns.

Our vision, and the calling we sense the Lord has placed on us "To Show the Light and Love of Jesus for All" remains at the heart of all we do. Our great and redeeming God bought many good things out of the pandemic. We have continued to stream all our main services, and to provide Home Packs to those who struggle to be in church in person and have not got access to our online offering. I know that these packs continue to be a source of great strength and encouragement to their recipients. The immediate need generated by the lock down began a flurry of social justice activity which was the beginnings of our new Love in Action Team now dedicated to serving such needs within our church family and community.

We continue to strive to become a "Mission-Shaped PCC". The populating of the framework is slowing happening, and although there remain many significant gaps, this is a foundational change which will ensure our future growth is sustainable. We remain grateful to the Development Team for their work on this project. The nourishing of and investing in our existing church family will depend on the continuing populating of this framework, as will our ability to welcome and effectively integrate newcomers.

Despite the changing regulations we have continued with our Mission Action Plan;

- 3 Alpha courses were run, 2 in person and 1 online.
- The SIX:30, offering a less formal style of worship, continues to be well attended.
- Two church members, Christopher Scott and Pete Farquhar continue into year 3 of their ordination training and are members of the ministry team and Jeni is in conversation with two potential future candidates for ordination.
- Community Café relaunched in October
- Toddlers and Babies relaunched in September
- Light Party was able to go ahead in person

All our usual activities have had to adapt. We have reached out to the wider community through our online services, Messy Church, work with young people in schools, youth work and our social media pages have engaged all our groups. The Luncheon Club have kept in contact with their members and our Gateway Club has continued online to be a valued service to older people.

Home groups remain the bedrock of pastoral support within St Paul's.

The launching of Connect Groups in the Spring term of 2021 has greatly enhanced our connectivity across the generations of our church family, the Flower Arranging Connect attendance ranging from 8-year-olds to 80-year-olds.

We were delighted to welcome Claire McDonnell, our full time Youth Worker back from maternity leave. The launch of Impact which occurs once a month on a Sunday afternoon has engaged many young people both from our church family, but also those who we have little or no other contact with. We rejoiced with Claire and Michael as they announced that they are expecting their second baby in April 2022.

We were sad to receive Fiona Owen's resignation in December 2021 and our heartfelt thanks go to her for all she did to serve the children and families of St Paul's in her time here, in addition to serving the local schools.

During 2021 we published 3 issues of the St Paul's Magazine which is now available not only in church but outside the church hall for those who are passing or making use of our facilities.

Growing our teams for existing and new activities is a continual challenge. This of course was exacerbated by Covid and the ongoing awareness there was of the dangers the virus posed as the vaccine program was rolled out. Giving Sunday, remarkably, saw a stable continuation in our financial giving including several extraordinarily generous one-off gifts. God does indeed provide for all our needs. Our new Treasurer Chris Dingwall was appointed in November, and we are hugely grateful to him for his willingness to serve in this ministry.

Beki Pinco and Emma Vernon were appointed churchwardens in our April APCM, and we rejoiced with Beki and Dan as they announced the arrival of

	<p>their daughter Eliza in December.</p> <p>Our sister church All Saints continues to flourish under the special care and attention of Associate Vicar Rev. Amanda Ferris. Their numbers are growing and the buildings project there continues with the removal of the organ and the renovation of the Vestry.</p> <p>In all that we do, the PCC, as trustees have had regard to the guidance issued by the Charity Commission on public benefit document.</p>
Summary of the main activities during the year	<p>Our activities are:</p> <p>Regular public worship open to all; administration of the sacraments, including preparation for baptism and marriage; conducting funerals; the provision of sacred space for personal prayer and contemplation; pastoral work, including visiting the sick and bereaved; Christian teaching through talks, courses and small groups; taking religious assemblies in schools; youth work with a Christian ethos; promoting the whole mission of the church though a range of activities for older people; work with young children and their families - parents and toddlers; collaborating with our Ecumenical brothers and sisters in Letchworth on a range of community activities, including the provision of a Food Bank and The Ark, a drop in centre for homeless and vulnerable adults; supporting other charities in the UK and overseas.</p>
Safeguarding	<p>The PCC has complied with its duty under Section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to the House of Bishops' guidance on safeguarding children and vulnerable adults).</p>

Financial review


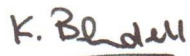
Brief statement of the charity's policy on reserves	<p>The PCC is committed to maintaining the following reserves:</p> <ul style="list-style-type: none"> • Capital Fund - representing the PCC's strategic interest in the curate's accommodation • Working Capital reserve – equivalent to 3 months expenditure • Provisions are also in place to meet the estimated costs arising from 5-yearly quinquennial reviews and other known financial liabilities. The General Fund is in deficit at year-end. This deficit has occurred as a result of the making of the provision based on the estimated cost of quinquennial repairs. The PCC has not yet entered into any contractual obligations and will be seeking alternative funding in the next financial period for these repairs, including fund-raising and financial grants. Any deficit remaining in the General Fund at the time when the provision is due will be met through other unrestricted funds and the Buildings Fund.
<ul style="list-style-type: none"> • Financial results 	<p>The principal sources of income and expenditure are set out in the financial statements for the year. The deficit in the General Fund is the result of the provision set and the funds available to the PCC at year-end remain adequate to achieve its objectives in 2022.</p>

Declaration

The members declare that they have approved the PCC Annual Report above.

Signed on behalf of the PCC

On 3 April 2022

	
Rev Jeni McQuaid	Keith Blundell
Minister	Secretary

St Pauls Church Letchworth

Year to 31 December 2021

Statement of financial activities

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income					
Voluntary income	2	225,269	20,383	245,652	220,681
Income from fees and charges	2	16,638	0	16,638	14,797
Income from local mission activities		0	321	321	332
Income from investments		45	0	45	358
Other		40	225	265	579
Total incoming resources		241,992	20,929	262,921	236,747

Expenditure					
Ministry	3	49,802	1,196	50,998	44,874
Parish share		84,212	0	84,212	84,212
Support provided to missionaries		21,201	0	21,201	26,908
Cost of generating fees and charges		26,536	59	26,595	26,166
Costs of local mission activities		3,659	2,414	6,073	2,703
Buildings and other running costs	3	145,834	5,164	150,998	47,586
Total resources used		331,244	8,833	340,077	232,449

Net income/(expenditure)	(89,252)	12,096	(77,156)	4,298
Total funds brought forward	91,261	13,091	104,352	100,054
Total funds carried forward	2,009	25,187	27,196	104,352

Balance Sheet

		2021	2020
	Note	£	£
Fixed assets			
Tangible assets	5	9,912	9,912
Total fixed assets		9,912	9,912
Current assets			
Debtors	6	9,140	14,237
Cash and cash equivalents	7	129,516	94,547
Total current assets		138,656	108,784
Creditors: amounts falling due within one year	8	2,842	3,926
Net current assets		135,814	104,858
Total assets less current liabilities		145,726	114,770
Provisions for liabilities	9	118,530	10,418
Total net assets		27,196	104,352
Funds	10		
Restricted funds		25,187	13,091
Unrestricted funds		2,009	91,261
Total funds		27,196	104,352

Notes to the financial statements

1 Significant accounting policies

Basis of accounting

These financial statements are presented in pounds sterling. All values are rounded to the nearest pound. The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

There has been no change to the accounting policies (valuation rules and method of accounting) since last year.

The principal accounting policies adopted are set out below.

Going concern basis

The financial statements have been prepared on the basis that the charity is a going concern.

Recognition of income

Income is included in the Statement of Financial Activities (SOFA) when:

- The church becomes entitled to the resources
- The church is virtually certain to receive the resources and
- The monetary value can be measured with sufficient reliability.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Grants and donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Gift Aid tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Gifts in kind, donated services and volunteer help

Gifts in kind, donated services and volunteer help are not included in the SOFA.

Investment income

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Tangible fixed assets

Tangible fixed assets costing in excess of £5,000 will be capitalised over the estimated useful life of the asset. Expenditure below £5,000 is treated as expenditure in the year taking place.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Cash and cash equivalents

Cash and cash equivalents comprise on hand and demand deposits that are subject to an insignificant risk of changes in value.

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Provisions for liabilities and charges

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

2 Analysis of Income

	Unrestricted £	Restricted £	2021 £	2020 £
Voluntary Income				
Covenanted giving	163,420	2,010	165,430	159,371
Collections	1,926	0	1,926	4,728
Donations and gifts	18,405	17,760	36,165	15,358
Gift Aid tax recoverable	41,518	613	42,131	41,224
Total	225,269	20,383	245,652	220,681
Income from fees and charges				
Weddings and funerals	6,426	0	6,426	2,792
Church hall lettings	10,212	0	10,212	10,872
Other	0	0	0	1,133
Total	16,638	0	16,638	14,797

3 Expenditure Analysis

	Unrestricted £	Restricted £	2021 £	2020 £
Ministry				
Clergy	2,582	0	2,582	4,614
Children and families	26,315	1,196	27,511	25,948
Youth work	20,905	0	20,905	14,312
Total	49,802	1,196	50,998	44,874

	Unrestricted £	Restricted £	2021 £	2020 £
Buildings and other running costs				
Church building	114,936	2,764	117,700	7,048
Equipment noncapital and maintenance	3,626	2,400	6,026	14,428
Administration costs	26,672	0	26,672	24,970
Independent examiner fee	600	0	600	1,140
Total	145,834	5,164	150,998	47,586

Church building expenditure includes a provision made for major works arising from the Quinquennial review (see notes 9 & 10).

4 Staff costs

	2021 £	2020 £
Staff costs		
Wages and salaries	57,606	47,483
Social security costs	844	675
Pension costs	3,456	3,630
Total	61,906	51,788

St Paul's contributes 6% of salaries to employee personal pension schemes. Members of PCC receive no fees, allowances or travelling expenses for serving on the PCC.

Average number of employees in the year:

	No.	No.
Ministry team	2.0	2.0
Administration	0.6	0.6
Total	2.6	2.6

5 Tangible assets

	2021 £	2020 £
Cost at 1 January 2021	9,912	9,912
Cost at 31 January 2021	9,912	9,912

6 Debtors

	2021 £	2020 £
Trade debtors	0	0
Gift Aid tax recoverable	8,756	9,671
Taxation and social security	0	4,458
Other debtors	0	0
Prepayments and accrued income	384	108
Total	9,140	14,237

7 Cash and cash equivalents

	2021 £	2020 £
Short term deposits	109,744	74,699
Cash at bank and in hand	19,772	19,848
Total	129,516	94,547

8 Creditors and accruals falling due within one year

	2021 £	2020 £
Trade creditors	1,546	1,880
Accruals and deferred income	1,122	1,808
Other creditors	174	238
Total	2,842	3,926

9 Provision for liabilities

	2021 £	2020 £
Balance at the start of the reporting period	10,418	10,418
Amounts added in current period	108,112	0
Amounts charged against the provision in the current period	0	0
Balance at the end of the reporting period	Total 118,530	10,418

This provision was set with a view to covering the cost of the repairs based on the estimate provided within the architect's quinquennial inspection report of June 2021. Subsequent to the year-end, a structural survey has been completed and the estimated costs of full repair to the North Aisle roof are £157,000 excluding VAT, which is approximately a £140,000 increase in the estimated costs on which this provision was set. We would be unable to meet the full costs of these repairs without jeopardising our going concern basis. There are no contractual commitments at this time and we are unlikely to enter into any prior to establishing how these expenses will be funded. The PCC recognises the need to seek alternative funding arrangements (including but not limited to financial grants) in the next financial period but the provision remains as the contribution to the roof repairs that the PCC are able to fund themselves.

10 Funds

Fund Name	Type	Fund Balance Brought Forward	Income	Expenditure	Fund Balance Carried Forward
		£	£	£	£
General	General	26,349	0	89,252	(62,903)
Capital	Designated	9,912	0	0	9,912
Working Capital	Designated	55,000	0	0	55,000
Buildings	Restricted	2,369	11,000	2764	10,605
Flowers	Restricted	1,126	258	408	976
Luncheon Club	Restricted	1,792	0	493	1,299
Toddlers	Restricted	1,415	247	364	1,298
Audio Visual					
Equipment	Restricted	1,875	525	2,400	0
Welfare	Restricted	2,806	0	643	2,163
Children's Work	Restricted	1,500	2,513	59	3,954
Home Worship					
Packs	Restricted	208	790	432	566
Youth Worker					
Events	Restricted	0	1,028	0	1,028
Little Eden	Restricted	0	4,244	1,196	3,048
Connect Diocese	Restricted	0	250	59	191
Community Café	Restricted	0	69	15	54
Wild Wednesday	Restricted	0	5	0	5
Total		104,352	20,929	98,085	27,196

Capital fund represents the cost of the Church's equity interest in 89 Howard Drive.
 Working Capital reserve represents approx. 3 months' costs, excluding funded building works.
 The Buildings fund is restricted to major building works, including the major works arising from the Quinquennial report.

The changes within the General fund represent the excess of income and endowments over expenditure and includes the expenditure associated with the increase in the provision as advised by the estimated costs within the June 2021 Quinquennial report. Any deficit within the fund once the provision is due will be covered by the Buildings Fund and unrestricted funds.

Analysis of net assets between funds

	General funds £	Designated Funds £	Restricted Funds £	Total 2021 £
Fixed assets	0	9,912	0	9,912
Current assets	58,469	55,000	25,187	138,656
Creditors and provisions	(121,372)	0	0	(121,372)
Total net assets	Total (62,903)	64,912	25,187	27,196

11 Transactions with related parties

The Church of England and its Diocese in St Albans is a related party. Payments were made to the Diocese of St Albans as follows:

	2021 £	2020 £
Parish Share	84,212	84,212
Total	84,212	84,212

Parish share is a contribution to the running costs of the Diocese and includes Ministry stipendiary costs.

	2021 £	2020 £
Wedding and funeral fees	2,667	1,757
Total	2,667	1,757

Diocesan fees are recovered in full as part of the fees charged.

Fee income is included in note 2: income from fees and charges.

Voluntary income includes donations from church members, including PCC members.

Church members, including PCC members, are reimbursed for costs incurred whilst helping with church activities.

There were no other transactions with related parties.

Independent Examiner's Report to the Trustees of St Paul's Letchworth

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2021 which are set out on pages 7 to 13.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do 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.



Mark Moberly BFP FCA

7/4/2022

MTM, Chartered Accountants
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Welwyn Garden City
Hertfordshire
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