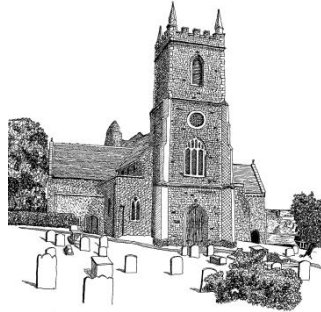


**TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE PAROCHIAL CHURCH COUNCIL OF ST LEONARD'S PARISH,
HYTHE**



Aims and purposes

The Parochial Church Council (PCC) of the parish of St. Leonard has the responsibility of co-operating with the church wardens and Rev Michael Darkins to promote in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is responsible for the maintenance of the two churches of the parish, St. Leonard's and Holy Cross, and for the Parish contribution, agreed by the Joint Council, to the St. Michael's Methodist Anglican Church Centre (StMMACC).

Objectives and Activities

The PCC is committed to enabling as many people as possible to worship at our churches and to become part of our parish community. The PCC maintains an overview of worship throughout the parish and makes suggestions on how our services can involve all those who live within the parish. Our services and worship put faith into practice through sacrament, prayer and scripture.

When planning our activities for the year, the incumbent and the PCC have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. We try to enable ordinary people to live out their faith as part of our parish community through:

- i) worship and prayer, and the development of spirituality through study and discussion
- ii) provision of pastoral care for people living in the parish
- iii) missionary and outreach work

To facilitate this work, it is important that we maintain the fabric of the churches in the Parish.

Achievements and Performance

Worship and Prayer

The PCC is keen to offer a range of services throughout the parish that our community find both beneficial and spiritually fulfilling. Eucharist is central to our worship in the form of Sung Eucharist with choir at St. Leonard's, and occasional services of Holy Communion and Christmas services were held at Holy cross. However Holy Cross has largely remained closed this year, but worship and more regular services are now restored. Holy Communion is celebrated once a month at SMACCS There is full choral evensong at St. Leonard's each Sunday. There are also weekday services throughout the parish.

Our main services are live streamed, also weddings, funerals and baptisms on request.

All are welcome to attend our regular services. At present, there are 116 parishioners on the Church Electoral Roll. The average weekly attendance for the whole parish, counted during October, was 122 adults and 10 children under 16.

There has been 9 baptisms, 2 weddings, and 11 funerals held in church and 11 funerals conducted on behalf of the parish at crematoria and cemeteries.

Deanery Synod

3 members of the PCC sit on the Deanery Synod. This provides the PCC with an important link between the parish and the wider diocesan structures.

Pastoral Care

The Pastoral and Healing Team of the parish, in liaison with the clergy, ensure that all those who are unable to attend church because of age or ill health are visited and given communion when requested, also our services are live streamed which has been appreciated by many. A service of healing and wholeness is held monthly.

Mission and Evangelism

Our monthly Parish Review is distributed widely in the community and is always available at the back of each church.

The refurbishment of the property in the town has been completed and our 101 project has made a promising start with a small shop which sells local handicrafts and books and has an area for use of the community which local organisations are finding useful as well as a meeting space for church groups.

The church continues to maintain strong links with Hythe Bay school, and we have been pleased to be able to welcome them in the church for church days and their services each term.

Through these the children become familiar and comfortable with the church and begin to learn that the church is part of their town and for them to use.

Ecumenical Relations

Churches together in Hythe and Saltwood are making an effort to get things moving and are making a positive step forward.

Financial Review

Total receipts for unrestricted funds were £130,222. In addition restricted income of £16,634 was also received and is detailed in the financial statements.

Planned giving through bankers orders and weekly envelopes was £54,402 (£52,973 in 2021) while the plate collections at all services totalled £8,468 (£5,095 in 2021).

The total expenditure required for the year totalled £233,750 of which £218,681 was from unrestricted funds and included a loss of £9,399 on investments.

A total of £82,708 was spent on furnishing the High Street business premises known as the 101 Open Door Project. A Community Interest Company (CIC) was set up during the year and are now responsible for collecting income and dealing with the running costs of the project.

The parish share as assessed by the Diocese of Canterbury was £81,279 and this was paid by the parish in full utilising £21,000 of reserves. However, there are still historical arrears of £102,306.

Reserves Policy

Following receipt of legacy funds 2021 the sum of £200,000 was invested in an income account with the remainder of the legacy is still held in cash..

Cash reserves held at the bank at the end of the year totalled £144,900.19 of which £140,090.76 is unrestricted. In addition there is a long term investment portfolio valued at £191,483 and further investments held with CBF Church of England funds of £8,744. Expenditure on the fabric at St Leonards Church is met by legacy funds or requires a request for funding from the Friends of St Leonards, a separate and independent charity.

It is necessary from time to time to utilise some unrestricted reserves to settle the parish share.

The parish receives rent from a residential property which may be used for general purposes as well as the upkeep of that property.

Volunteers

Our large team of volunteers is what makes the church function. These include members of the PCC, servers, church cleaners, sides persons, choir members, bell ringers, coffee makers, flower arrangers, churchyard maintenance workers and many others, all of whom add up to a band of helpers who willingly give their time for the good of our church community. We are truly grateful to them all and offer our heartfelt thanks to them all.

Structure, governance and management

The method of appointment of PCC members is set out in the Church Representation Rules. Here in the parish of St. Leonard the membership of the PCC consists of the Priest in Charge, associate and assistant clergy, the churchwardens, the reader, members of the deanery synod and members who are elected by those of the congregation who are on the

electoral roll of the parish. All who are members of our congregation are encouraged to register on the electoral roll and stand for election to the PCC.

The PCC is responsible for making decisions on all matters of general concern and importance to the parish including decisions about how funds of the PCC are to be spent.

The parish and PCC take the issue of safeguarding very seriously and our safeguarding officer, Marilyn Johnson, has continued to promote safeguarding training throughout the parish ensuring that all who require training are able to access stage 1 and stage 2 training.

Administrative Information

The Parish of St. Leonard is part of the Canterbury Diocese within the Church of England. The correspondence address is The Vicarage, Oak Walk, Hythe, Kent CT21 5DN.

The PCC is a body corporate (PCC Powers Measure 1956, Church Representation Rules 2011) and was registered as a charity (No 1144695) on 16 November 2011.

PCC members who have served from May 5th 2022 until the date this report was approved are:

Priest in Charge	Rev Michael Darkins
Churchwarden & Deanery Synod Churchwarden	John Wren Gill Cox
Reader	Mike Cox
Deanery Synod & Treasurer Deanery Synod	Brian Bishop David Owen
Elected Members:	Berkeley Hill Roger Taylor Steve Jones Penny Mattocks Brinley Hughes Mary Tyler Helen Waymouth Marilyn Johnson
Secretary	Christine Blackman

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31st December 2022

	Note	Unrestricted Funds	Restricted Funds	2022	2021
Income and Expenditure					
Incoming Resources					
Incoming resources from donors	2(a)	79,505	0	79,505	73,477
Other voluntary incoming resources	2(b)	13,791	15,980	29,771	808,311
Incoming resources from operating activities:-					
- to further the Council's objects	2(c)	16,672	0	16,672	10,916
- to generate funds	2(cii)	1,385	651	2,036	1,387
Trading receipts	2(d)	7,200	0	7,200	7,360
Income from Investments	2(e)	4,309	3	4,312	7
Other incoming resources	2(f)	7,360	0	7,360	0
Total incoming resources		130,222	16,634	146,856	901,458
Resources Expended					
Grants	3(a)	0	1,139	1,139	1,407
Support Costs	3(b)	0	0	0	0
Relating to the Work of the Church	3(c)	186,419	13,930	200,349	140,355
Church Management & Admin.	3(d)	3,805	0	3,805	5,413
Vergers House	3(e)	406	0	406	893
Other Resources Expended	3 (f)	0	0	0	0
Total resources used		190,630	15,069	205,699	148,068
Net (outgoing)/incoming resources for the year		-60,408	1,565	-58,843	753,390
Other recognised gains and losses					
Gains/Losses(-) on investments		-9,399	0	-9,399	1,431
Surplus on revaluation of freehold property		0	0	0	0
Net Movement in Funds		-69,807	1,565	-68,242	754,821
Balances Brought Forward at 1st January, 2022 (2021)		1,171,591	11,646	1,183,237	428,416
Balances Carried Forward at 31st December, 2022 (2021)		1,101,784	13,211	1,114,995	1,183,237

The notes on pages 8 to 13 form part of these accounts.

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

BALANCE SHEET
at 31st December, 2022

	Note	2022	2021
FIXED ASSETS			
Tangible Fixed Assets	5	862,052	844,600
Investments	6	<u>200,227</u>	<u>9,626</u>
		1,062,279	854,226
Current Assets			
Cash at Bank		157,092	453,852
Other Debtors - Income Tax recoverable		1,053	2,067
GASDS Recoverable		350	257
Insurance Claim		7,360	0
Vergers Rent		600	0
CDBF Vacancy Fees		<u>0</u>	<u>180</u>
		166,455	456,356
Liabilities: Amounts falling due within one year			
Parish Share		102,306	102,306
Insurance Premium Instalments		2,793	2,630
Uncleared Cheques		8,229	21,978
Sundry creditors		<u>411</u>	<u>431</u>
		113,739	127,345
Net current (liabilities) / assets		<u>52,716.26</u>	<u>329,011</u>
NET ASSETS		<u>1,114,995</u>	<u>1,183,237</u>
Represented By			
Restricted	9,11	13,211	11,645
Unrestricted	10,12	1,101,784	1,171,592
		<u>1,114,995</u>	<u>1,183,237</u>

Approved by the Parochial Church Council on 28th March 2023 and signed on its behalf by:

.....
Rev M Darkins (Priest-in-Charge)

.....
Mr J C Wren (Churchwarden)

The notes on pages 8 to 13 form part of these accounts.

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December, 2022

NOTE 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 1997 together with applicable accounting standards and the Charities SORP.

The financial statements have been prepared under the historical cost convention except for the valuation of freehold property and investment assets, which are shown at market value.

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.

The accounts include all transactions, asset 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.

Incoming Resources

Voluntary income and capital sources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under covenant or gift aid is recognised only when received.

Income tax recoverable on covenants or gift aid donations is recognised when the income is recognised. Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement and the amount due.

Funds raised as a result of specific fund raising events are accounted for gross.

Sales of books and guides are accounted for gross.

Other ordinary income

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

Income from investments

Dividends and interest are accounted for when receivable. Tax recoverable on such income is recognised in the same accounting year.

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 investment on 31st December.

Resources used

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

Activities directly relating to the work of the Church

The diocesan quota is accounted for when payable. Any quota unpaid at 31st December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

Fixed Assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by s.96(2)(a) of the Charities Act 1993.

No value is placed on movable 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 inalienable property. All expenditure incurred during the year on consecrated or benefice buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Chamber Organ

The Chamber Organ is depreciated on a straight line basis over 10 years.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years.

Investments

Investments are valued at market value at 31st December.

Current assets

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

Short term deposits include cash held on deposit with CBF Church of England Funds or at the bank.

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2022 (continued)

NOTE 2. INCOME	Unrestricted Funds	Restricted Funds	2022	2021
<i>2(a) Incoming resources from donors</i>				
<i>Planned giving:</i>				
<i>Gift Aid declarations</i>	46,703		46,703	47,160
<i>Inc. Tax recovered on gift aid</i>	11,307		11,307	10,540
<i>Income tax to be reclaimed</i>	1,053		1,053	2,067
<i>Non Gift Aid giving</i>	7,699		7,699	5,813
<i>Collections (open plate) at all services</i>	8,468		8,468	5,095
<i>Gift Aid Small Donations Scheme</i>	1,701		1,701	908
<i>GASDS to be reclaimed</i>	350		350	257
<i>Sundry Donations</i>	2,224		2,224	1,637
	<u>79,505</u>	<u>0</u>	<u>79,505</u>	<u>73,477</u>
<i>2(b) Other voluntary incoming resources</i>				
<i>Donations, appeals</i>	8,617	13,080	21,697	32,241
<i>Legacies</i>	5,000		5,000	774,070
<i>Grants</i>		2,900	2,900	2,000
<i>Reclaimed VAT</i>			0	0
<i>Refunds</i>	174		174	0
	<u>13,791</u>	<u>15,980</u>	<u>29,771</u>	<u>808,311</u>
<i>2(c) Incoming resources from operating activities to further the Council's objects</i>				
<i>Magazines/Books Sales</i>	977		977	912
<i>Fees</i>	4,451		4,451	2,504
<i>Crypt</i>	11,244		11,244	7,500
	<u>16,672</u>	<u>0</u>	<u>16,672</u>	<u>10,916</u>
<i>2(cii) Incoming resources from operating activities to generate funds</i>				
<i>Fund-raising Events</i>	220	651	871	47
<i>Magazine advertising revenue</i>	1,140		1,140	1,250
<i>Printing revenue</i>	25		25	90
	<u>1,385</u>	<u>651</u>	<u>2,036</u>	<u>1,387</u>
<i>2(d) Trading receipts</i>				
<i>Vergers House - Rent</i>	7,200		7,200	7,200
<i>Holy Cross Church Letting Income</i>			0	160
	<u>7,200</u>	<u>0</u>	<u>7,200</u>	<u>7,360</u>
<i>2(e) Income from Investment</i>				
<i>Investment Income</i>	3,965		3,965	0
<i>Bank Interest</i>	344	3	347	7
	<u>4,309</u>	<u>3</u>	<u>4,312</u>	<u>7</u>
<i>2(f) Other ordinary incoming resources</i>				
<i>Insurance Claim</i>	7,360		7,360	0
<i>Misc Income</i>	0		0	0
	<u>7,360</u>	<u>0</u>	<u>7,360</u>	<u>0</u>
TOTAL INCOME	130,222	16,634	146,856	901,458

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2022 (continued)

NOTE 3. EXPENDITURE	Unrestricted Funds	Restricted Funds	2022	2021
3(a) Grants				
<i>Missionary & Charitable Giving:</i>				
<i>Church Overseas:</i>				
- <i>Missionary Societies</i>				0
- <i>Relief & Development Agencies</i>				0
<i>Home Missions & Other Church Societies</i>		1,139	1,139	1,407
	0	1,139	1,139	1,407
3(b) Support Costs				
<i>Diocesan Training Funds</i>			0	0
<i>Conferences</i>			0	0
<i>ALMs/Readers</i>			0	0
	0	0	0	0
3(c) Relating to the Work of the Church				
<i>Church Maintenance</i>	12,552	24	12,576	3,876
<i>Church Running Expenses</i>	27,725	500	28,225	26,630
<i>101 High Street Maintenance</i>	52,591	11,465	64,056	13,623
<i>101 High Street Running Costs</i>	2,352		2,352	0
<i>Clergy Expenses</i>	113		113	0
<i>Crypt</i>	333		333	0
<i>Depreciation</i>		1,200	1,200	2,992
<i>Diocesan Parish Share</i>	81,279		81,279	87,389
<i>Education/Spiritual Growth</i>	479	435	914	153
<i>Evangelism/Retreats</i>	254		254	0
<i>Fees expenses</i>	0		0	100
<i>Organ Maintenance</i>	2,154	306	2,460	1,810
<i>Piano Maintenance</i>			0	0
<i>Wages & Staff Costs (see note 4)</i>	6,587		6,587	3,782
	186,419	13,930	200,349	140,355
3(d) Church Management & Administration				
<i>Administration</i>	2,096		2,096	1,475
<i>Office Rent</i>			0	0
<i>Bank Charges</i>	336		336	51
<i>Card Charges</i>	58		58	46
<i>Professional Fees</i>	1,035		1,035	3,711
<i>Affiliation Fees</i>	280		280	130
	3,805	0	3,805	5,413
3(e) Vergers House				
<i>Repairs & Maintenance</i>	406		406	893
	406	0	406	893
3 (f) Other Resources Expended				
<i>Misc Expenditure</i>			0	0
	0	0	0	0
TOTAL EXPENDITURE	190,630	15,069	205,699	148,068

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2022 (continued)

NOTE 4. STAFF COSTS	2022	2021
Wages & Salaries (Organ/choir)	6,587	3,782
	<u>6,587</u>	<u>3,782</u>

During the year the P.C.C. paid for the services of a Director of Music, an assistant organist and choirs.

NOTE 5. FIXED ASSETS FOR USE BY THE P.C.C. (Unrestricted)

	Freehold Land & Buildings	Furniture & Equipment	Total
COST OR VALUATION			
At 1 January 2022	835,000	69,681	904,681
Revaluation/purchase	0	0	0
Additions	0	18,652	18,652
<u>At 31 Dec. 2022</u>	<u>835,000</u>	<u>88,333</u>	<u>923,333</u>
DEPRECIATION			
At 1 January, 2021	0	60,081	60,081
Charge for the year	0	1,200	1,200
<u>At 31 Dec. 2022</u>	<u>500,000</u>	<u>61,281</u>	<u>61,281</u>
NET BOOK VALUE			
At 31 Dec. 2021	835,000	9,600	844,600
<u>At 31 Dec. 2022</u>	<u>835,000</u>	<u>27,052</u>	<u>862,052</u>

NOTES:

The freehold land and buildings comprise:

Vergers house located at Church Road, Hythe - value £500,000
Valued August 2020

101 High Street, Hythe, purchased 1 October 2021 at £335,000

Furniture & Fixings for 101 High Street valued at £18,652 were purchase during the year.

Furniture & Equipment comprises:

Chamber Organ - £8,400

101 High Street Furniture & Fixings - £18,652

NOTE 6. INVESTMENTS	Unrestricted Funds	Restricted Fund	2022	Total 2021
CBF Investment Fund Units - CCLA	8,744	0	8,744	9,626
Beckwith Legacy - St James's Place	191,483	0	191,483	0
	<u>200,227</u>	<u>0</u>	<u>200,227</u>	<u>9,626</u>

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2022 (continued)

NOTE 7. FUND DETAILS

The restricted fund comprises:

The Charity Account relates to funds raised for and grants made to support mission work and charities.

St. Leonard's Church which relates to funds donated and used for the upkeep and maintenance of that church.

The Organ Fund which relates to funds donated and used for the restoration and upkeep of the organ in St Leonards's Church.

The Churchyard Improvements Fund relates to funds donated and used for the upkeep and maintenance of the churchyard and boundary walls, railings and gates at St Leonards Church.

Holy Cross After School Club fund which relates to funds donated and used for children's work at Holy Cross Church.

The 101 High Street Garden Fund relates to funds donated for the maintenance of the garden of that property.

The Heating Grant Fund relates to a grant received to assist the parish with heating costs.

The designated fund comprises:

The Vergers House fund which relates to income from renting the property and which is designated for the repair and upkeep of that property but can also be used for general purposes.

The Holy Cross Fund which relates to income from letting the property and which is designated for the repair and upkeep of that property.

A Fabric Fund which the PCC has set aside designated for the upkeep and maintenance of St Leonards Church.

THE PAROCHIAL CHURCH COUNCIL OF ST. LEONARD, HYTHE

NOTES TO THE FINANCIAL ACCOUNTS
for the year ended 31st December, 2022 (continued)

NOTE 9. ANALYSIS OF MOVEMENTS IN RESTRICTED FIXED ASSETS

	Balance at 1 Jan 2022	Movement in resources		Balance at 31 Dec 2022
		Incoming	Outgoing	
Chamber Organ	9,600	0	-1,200	8,400
	<u>9,600</u>	<u>0</u>	<u>-1,200</u>	<u>8,400</u>

NOTE 10. ANALYSIS OF MOVEMENTS IN UNRESTRICTED FIXED ASSETS

	Balance at 1 Jan 2022	Movement in resources		Balance at 31 Dec 2022
		Incoming	Outgoing	
Vergers House	500,000	0	0	500,000
101 High Street	335,000	0	0	335,000
Furniture & Fixings 101 High Street	0	18,652	0	18,652
	<u>835,000</u>	<u>18,652</u>	<u>0</u>	<u>853,652</u>

NOTE 11. ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS

	Balance at 1 Jan 2022	Movement in resources		Balance at 31 Dec 2022
		Incoming	Outgoing	
Churchyard Improvements Fund	1,174	2	-24	1,152
Organ Fund	306	0	-306	0
St Leomards Fabric Fund	27	0	0	27
101 High Street Garden Fund	0	12,500	-11,465	1,035
Heating Grant Fund	0	2,900	-500	2,400
Lawrence Wellar Charity	0	435	-435	0
Missions & Charities	343	796	-1,139	0
Holy Cross After School Club	195	0	0	195
	<u>2,045</u>	<u>16,633</u>	<u>-13,869</u>	<u>4,809</u>

NOTE 12. ANALYSIS OF MOVEMENTS IN UNRESTRICTED FUNDS

	Balance at 1 Jan 2022	Movement in resources		Balance at 31 Dec 2022
		Incoming	Outgoing	
Vergers House Designated Funds	465	7,203	-6,906	762
Holy Cross Designated Funds	497	0	-497	0
Fabric Designated Funds	0	23,883	-9,985	13,898
Other unrestricted funds	335,630	99,136	-201,292	233,474
	<u>336,592</u>	<u>130,222</u>	<u>-218,680</u>	<u>248,134</u>

NOTE 13. ANALYSIS OF NET ASSETS

	Unrestricted	Restricted	Total
Fixed assets	853,652	8,400	862,052
Investments	200,227	0	200,227
Current assets	161,646	4,809	166,455
Current liabilities	-113,739	0	-113,739
	<u>1,101,786</u>	<u>13,209</u>	<u>1,114,995</u>

Trustees Annual Report and Accounts

For the Parochial Church Council of St Leonard's Parish, Hythe.

For the year ended 31st December 2022.

I have examined the reports and accompanying documents relating to the above and in my opinion, they show a true and fair view of the church's financial affairs.



Kenneth Clark

Independent Examiner