Parish of Merstham

PCC report

and financial statements



for the year ended 31 December 2025

[The Parochial Church Council of the Ecclesiastical Parish of Merstham]

Charity No. 1139490

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PCC Report

The members of the PCC present their annual report and financial statements of the Parish of Merstham for the year ended 31 December 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing documents, Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

The primary object of the PCC is the promotion of the Gospel of the Lord Jesus Christ according to the doctrines and practices of the Church of England. The PCC is tasked with co-operating with the minister in promoting in the parish the whole mission of the Church; pastoral, evangelistic, social and ecumenical.

As a Parish Church within the Church of England's Diocese of Southwark, St Katharine's Church exists for the benefit of the wider community as well as for those who form part of the week-by-week worshipping community. With this in mind our activities have been a combination of those for the worshipping community together with others aimed at the wider community through pastoral care or missionary and outreach.

In order to accomplish these objectives, it is important that we maintain the fabric of the church buildings.

The members of the PCC have complied with the duty in Section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

We are very mindful of the fact that the church could not operate without the generous contributions of our volunteers. We are enormously grateful and indebted to all who contribute to the life and health of St Katharine's in a huge variety of different ways, from mowing grass to lay preaching and everything in-between. The gift of time from our volunteers enables this ancient church to continue to be a living part of the local community and provide a place for people to engage with God and find their own spiritual peace.

The Parish

The Parish of Merstham is in the Diocese of Southwark and is within Reigate Deanery. The parish is part of the Merstham and Gatton Team Ministry under the terms of a Pastoral Scheme pursuant to the Pastoral Measure 1983 made by the Church Commissioners on 29 March 2010 and which came into effect on 1 April 2010.

Following the closure of the Church of the Epiphany in January 2015 the parish has only one place of worship: the Parish Church is St Katharine, on Church Hill, Merstham, RH1 3BJ.

Merstham & Gatton Team Ministry is composed of the parishes of Merstham (St Katharine), Gatton (St Andrew), and South Merstham (All Saints).

Team Rector

Revd Nigel Griffiths
The Rectory, Battlebridge Lane, Merstham, RH1 3LH

Team Curates

Revd Paul Holden
Revd Sarah-Louise Schofield *appointed to the parish from October 2025 – June 2026*

Associate Priest

Revd Rob Kenyon

Reader

Mrs Christiana Agwuegbo

Churchwardens

Mrs Judith Hanson
Mr Chris Green

Achievements and Performance

Worship and prayer

Within the parish the PCC aims to offer a variety of services during the week and throughout the year to cater for different groups within the community. These range from organised services such as our regular Sunday worship, including Holy Communion, to less formal and less structured meetings such as study groups and prayer meetings.

The Parish provides a range of regular and extra festival and seasonal services over the course of the year that our community has found both beneficial and spiritually fulfilling, and regularly provides hospitality for special Team Services.

Regular Service Pattern

During the recent vacancy a Worship Group had been set up and this continues to arrange services, usually once a month. The regular service pattern is: Holy Communion on the first and third Sundays each month, Morning Worship (usually led by either our Licensed Reader or members of the Worship Group) on the second Sunday, and a Team service at All Saints on the fourth Sunday. Arrangements for the fifth Sunday (when this occurs) vary.

Occasional Offices

During 2025 three baptisms and two weddings were celebrated in the church. No funeral services were held in the church, but there were two instances of interment of cremated remains in the churchyard.

Electoral Roll and Church Attendance Report

In December 2025 there were 35 members on the roll.

Pastoral Care

St Katharine's has a Pastoral Team which meets occasionally to review people in particular need and ensure they can be attended to as appropriate and feasible. Home Communions are also available. A WhatsApp group has been created to allow prompt communication among the team for prayer and practical needs.

The provision of community support and facilities by the local council and charitable trust is patchy. Since the Team Ministry won a grant from the Church of England's Strategic Development Fund there has been scope for the churches to seek ways of better serving the Merstham Estate. At present this is principally driven from All Saints and consists mainly of connecting with young people through school and ex-curricular activities. However, a Fresh Expression of church, much like St Katharine's Café Church in past years, is being planned to begin in 2026.

St Katharine's Church Room is used for various church activities, including PCC meetings and after-service coffee on Sundays. The Church Room also has regular weekly bookings by non-church groups. With the PCC's approval the Church Room received a facelift in the form of re-painting the interior, new curtains and a new kitchen. In addition, through social media and other means the intention is to raise awareness of the Room as a rental space and increase regular income from it.

Safeguarding Report

The church implements the 'Safe Church' diocesan policy. A copy of the policy is displayed in the church porch and a copy is also kept securely. Regular updates are inserted into the policy and where appropriate members of the PCC are encouraged to attend the Safeguarding and Vulnerable adults training provided by the Diocese. Regular newsletters are shared with PCC and Junior church leaders. All DBS checks are up to date or being renewed. We are grateful for the work of Mr Simon Beirne and Mrs Maggie Kippen, our Safeguarding officers, who generously share their overview with St Andrew, Gatton.

Mission and Outreach

The Team Ministry endeavours to provide information and communication to parishioners and the general public by several means.

The *Messenger*, the parish magazine for Merstham and Gatton, was discontinued after the issue for June 2025, following the resignation of the Editor after 27 years. Nobody was willing to take on the task.

The website for the Team Ministry is at www.mgtmchurches.org. The intention is that it will provide details of church services and activities, as well as information about weddings, marriages and funerals and how to make contact with parish staff.

Information is also displayed on notice boards at the church and published in a monthly news-sheet.

Quality Street Fair has, since the Covid epidemic, been a predominantly community-led, rather than church-led, event, and takes place in September. Several church-based stalls were manned by members of our congregation, with most of the proceeds destined for the church. St Katharine's Supper, celebrating our Patronal Saint, was not celebrated this year.

The weekly ecumenical prayer meeting has been able to continue at the Community Hub; it includes members of St Katharine's and the wider Merstham Team.

Ecumenical Relationships

The church continues to be involved in ecumenical activities as part of the *Churches Together in Merstham* group and hold joint activities such as the World Day of Prayer, Lent Groups and Lent Lunches, Good Friday Walk of Witness and carol singing at Christmas. St Katharine has also joined the Merstham group for CAMS (the Campaign Against Modern Slavery), which is supported by the Reigate Archdeaconry Social Justice Focus and includes members from the Baptist Church and St Teresa's.

Fabric

Amongst other duties, the PCC is responsible for the maintenance of our buildings, which include the historic church of St Katharine (Merstham Parish Church) and St Katharine's Church Room. A Quinquennial Inspection was carried out in January 2025 by Mr Mark Addison, a qualified Conservation Architect. A report was produced with schedules of work to be done immediately, within one year, within five years, and within ten years. Those items required within one year have been undertaken. We still await a faculty from the Diocese before any further work can be done on the vestry extension. Some electrical work was done during the year, with the effect that all the power sockets in the church are now functioning.

A Finance and Fabric committee was established during the year. Its primary function is to provide a focused approach to Finance matters with more time than is available at the PCC meetings. The committee considers matters concerning both income and expenditure. The Finance and Fabric committee has no power to commit to expenditure, but brings recommendations to the PCC for decision.

Fundraising events

The annual Quality Street Fair is the main source of fundraising for St Katharine's. The Fair has been organised by the residents of Quality Street for the last few years and has grown in size from when it was a church-led event. However, members of St Katharine's church rent a number of stalls and continue to form an important part of the Fair. In 2025 this raised c£3k for the church.

The Deanery Synod

The Deanery Synod is the link between the parishes and the Diocese. Merstham Parish is part of Reigate Deanery Synod and is represented there by Jill Gunn and Judith Hanson. The Synod not only provides a link with the governance structures of the Church of England in the Diocese and nationally but also provides a link for the PCC to raise matters at a Deanery level and potentially higher.

Financial Review

Net Expenditure of £36.7k was incurred in 2025 (2024 Net Income £34.7k).

Income increased to £74.6k (2024 £67.2k). Voluntary income increased to £23.6k (2024 £21.7k) reflecting a higher Listed Places of Worship Grant receipt in 2025 of £2.5k (2024 £0.4k). Income from church activities was very similar to 2024 at £4.9k (2024 5.2k), as was income from other trading activities of £4.1k (2024 £4.3k). Income from investments increased significantly to £42.0k (2024 £36.0k), principally as a consequence of the interest on funds held in a deposit account for the whole of 2025 (2024 reflected a part year). The funds held on deposit were expected to be spent on the planned church extension, but this did not go ahead in 2025.

Expenditure increased significantly to £88.1k (2024 £45.4k). Expenditure on raising funds increased to £1.3k (2024 £0.3k) as a result of higher costs associated with Quality Street Fair. The PCC authorised an increase to the Diocesan Parish Share in 2025 setting this at £27.5k (2024 £17.1k). The decision reflected the value the PCC attribute to Team clergy and a desire to pay St Katharine's share of these costs. The largest increase was that of the planned extension, with expenditure in 2025 of £26.8k (2024 £nil). This reflects professional fees paid to provide plans and oversight of the project. Church running and maintenance increased to £16.5k (2024 £13.2k) with the increase reflecting the purchase of notice boards and a new sound system.

The net loss on investments of £23.1k (2024 gain of £13.0k) reflected acknowledged poor performance of the investments by the CCLA. The amounts held in investments during 2025 were unchanged compared to 2024.

As a result of the activity detailed above, the Net Assets decreased by £36.7k during 2025 (2024 increase of £25.6k). The PCC had total net assets of £1.289m at the end of 2025 (2024 £1.326m).

The PCC met its 2025 Parish Pledge of £27.5k to the Diocese of Southwark in full (2024 £17.1k).

The PCC has set aside a designated fund to cover the cost of the planned extension works. This work had been started with the vestry roof and upper part of the wall removed in 2023, prior to the contracted builder entering administration. Mindful of the financial position and its future obligations, the PCC has moved forward with a smaller scale plan which it was hoped would be built in 2025. However, the plans have yet to be agreed with the Diocesan Advisory Committee and so work has not yet started.

Reserves policy

It is the policy of the PCC to seek to maintain adequate reserves including some reserves for unforeseeable circumstances. Approximately £43k of reserves are restricted and may only be used for the purposes stipulated. Of the remaining reserves, as at 31st December 2025 £703k is held in a designated fund to be used for the specific purpose of funding the planned extension and £140k is held in a non-expendable endowment. These total £886k, leaving free reserves of £403k.

Plans for the Future

The PCC is extremely conscious of the impact of an ageing congregation and has spent much time planning how it can create a sustainable church at St Katharine which will see it flourish and remain as a place of worship for future generations. Central to this work has been the desire to make St Katharine's more welcoming for people and a church that offers more than just a traditional Sunday morning service. The PCC will continue to work tirelessly towards this objective.

Other Information

Related Party Transactions

There have been no transactions between the PCC and related parties, as defined by the Charities Act 2011 and the Charities SORP.

Examiners' Remuneration

Cheeld Wheeler & Co has been paid £1,440 for the examination of these accounts.

Trustee Remuneration and Expenses

All Trustees give freely of their time and do not claim expenses for fulfilling their role. Several Trustees were reimbursed costs they incurred on behalf of the PCC where this was the most efficient means of purchase.

Structure, Governance and Management

Governing Documents

The Governing Documents relating to the operation of the PCC are:

- The Parochial Church Councils (Powers) Measure 1956 as amended
- The Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969 as amended with the 2009 Statutory Instrument and the 2009 update to the Code of Recommended Practice to the Pastoral Measure 1983)

Membership of the PCC

The Parochial Church Council (PCC) is a corporate body established by the Church of England. Members of the PCC, who are also Trustees for the purposes of charity law, 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 co-opt members as it deems fit.

During the year the Council received regular reports on the following topics, amongst other matters:

Finance	Team Council	Fabric and Churchyard
Mission and Outreach projects	Deanery Synod	Safe Church Policy

The PCC usually meets each alternate month.

PCC membership following the 2025 APCM

***Ex Officio* members**:

Revd Nigel Griffiths	Team Rector
Revd Rob Kenyon	Associate Priest
Reve Sarah-Louise Schofield	Curate (from October 2025 and until June 2026)
Mrs Christiana Agwuegbo	Reader
Mrs Judith Hanson	Churchwarden (from 2025) and DSR (appointed May 2023)
Mr Chris Green	Churchwarden (from May 2022)
Mrs Jill Gunn	Deanery Synod Representative (appointed May 2023)

Elected members:

Mr Daniel Hopcroft	Treasurer (co-opted in May 2025)
Mrs Maggie Kippen	Safeguarding Officer (from 2025)
Mrs Libby Green	(from 2023)
Mr John Turner	(from 2023)
Mr Robert Prentice	(from 2024)
Mrs Glynis Beazley	(from 2025)
Mr Geoff Dixon	(from 2024)

PCC Secretary

Mrs Ann Beirne
28 Harestone Hill, Caterham, Surrey, CR3 6DG

Independent Examiner

David Wheeler FCCA Cheeld Wheeler & Co.
Redhill Chambers, 2d High Street, Redhill, Surrey RH1 1RJ

Bankers

The Central Board of Finance of the Church of England: Cheapside, London EC2Y 5AQ
CAF Bank: 25 Kings Hill Avenue, West Malling, Kent ME19 4TA
NatWest Bank Ltd.: 39 Station Road, Redhill RH1 1QN
CCLA Investment Management Ltd: One Angel Lane, London EC4R 3AB

Correspondence

All correspondence should be sent to the PCC Secretary: 28 Harestone Hill, Caterham, Surrey, CR3 6DG

Registered Charity Number

The Parochial Church Council of the Ecclesiastical Parish of Merstham (Merstham PCC) is a charity registered with the Charity Commission under registration number 1139490.

Safeguarding Officers

Mrs Margaret Kippen, Mr Simon Beirne

Standing Committee

The Standing Committee is the only committee required by law. It exists to transact the business of the PCC between meetings and may construct the agenda for meetings of the PCC.

Team Council

This was set up at the creation of the Team Ministry. It consists of the clergy, churchwardens and secretaries from across the churches. Its purpose is to share news and sustain an overview of Team life, help determine what activities may be achieved better across the team (e.g. various training), and support one another, particularly in the mission and outreach of the Team churches. The Team Council did not meet in 2025.

Statement of Parochial Church Council Responsibilities

Charity Law requires the Parochial Church Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Church and of its financial activities for that period.

In preparing those financial statements the Parochial Church Council is required to:

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

The Parochial Church Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enables PCC members to ensure that the financial statements comply with regulations made under the Church Accounting Regulations 2006. It is also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Parochial Church Council and signed on its behalf by

.....

Chris Green (Churchwarden)

.....

Judith Hanson (Churchwarden)

Date. 07/05/26

Independent Examiner's Report to the Members of the PCC of the Parish of Merstham

I report to the members of the Parochial Church Council (PCC), being the charity's trustees, on my examination of the accounts of the charity for the year ended 31st December 2025 which are set out on pages 9 to 20.

Responsibilities and Basis of Report

As members of the PCC 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

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.

David Wheeler FCCA

Cheeld Wheeler & Co
Chartered Certified Accountants
Redhill Chambers
2d High Street
Redhill
Surrey
RH1 1RJ

Date: 12 June 2026

Statement of Activities for the Year Ended 31st December 2025

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2025	Total funds 2024
Incoming resources						
Donations and Legacies	2a	23,082	523	-	23,605	21,713
Church activities	2b	4,918	-	-	4,918	5,169
Other trading activities	2c	4,118	-	-	4,118	4,284
Investments	2d	37,896	4,064	-	41,960	36,005
Total incoming resources		70,014	4,587	-	74,601	67,172
Resources expended						
Raising funds	3a	1,251	-	-	1,251	249
Church activities	3b	78,560	6,889	-	85,449	43,736
Governance costs	3c	1,440	-	-	1,440	1,440
Total resources expended		81,251	6,889	-	88,140	45,425
Net income before investment gains/(losses)		(11,237)	(2,302)	-	(13,538)	21,747
Net gains/(losses) on investments	4	(10,102)	-	(13,010)	(23,112)	12,959
Net income/(expenditure)		(21,339)	(2,302)	(13,010)	(36,650)	34,706
Transfers between funds		-	-	-	-	-
Gains/(losses) on revaluation of fixed assets		-	-	-	-	(9,100)
Net movement in funds		(21,339)	(2,302)	(13,010)	(36,650)	25,606
Reconciliation of funds						
Total funds brought forward		954,619	45,380	325,901	1,325,900	1,300,295
Total funds carried forward		933,280	43,078	312,891	1,289,249	1,325,900

The notes on pages 11 to 20 form part of these accounts

Balance Sheet as at 31st December 2025

		Note	Total funds 2025	Total funds 2024
Fixed assets				
Tangible assets		7	15,650	15,650
Investments	Mrs Puckle's bequest	8a	140,426	146,274
	Expendable endowment	8b	172,419	179,599
	Other	8c	242,634	252,719
Total fixed assets			**571,129**	**594,242**
Current assets				
Debtors		9	7,069	8,858
Cash at bank and in hand			714,376	725,450
			721,445	734,307
Liabilities				
Creditors	due in 1 year	10	(3,325)	(2,649)
Net current assets			718,120	731,658
Total net assets			**1,289,249**	**1,325,900**
Parish funds				
	endowment	11	312,891	325,901
	restricted	12	43,078	45,380
	unrestricted	13	933,280	954,619
Total funds			**1,289,249**	**1,325,900**

The accounts were approved by the PCC on 7th May 2026 and signed on behalf of the PCC by

..... Date: 7th May 2026

Chris Green – Churchwarden

..... Date: 7th May 2026

Judith Hanson – Churchwarden

..... Date: 7th May 2026

Dan Hopcroft – Treasurer

Notes to the Accounts for the Year Ended 31st December 2025

1. Accounting Policies

(a) Basis of Preparation

The accounts have been prepared under the current Church Accounting Regulations and 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 Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts have been prepared on a going concern basis on the grounds that no material uncertainties exist and under the historical cost convention modified to include certain items at fair value as stated in the relevant notes to the accounts. The accounts are presented in Sterling and rounded to the nearest £.

The Church constitutes a public benefit entity as defined by FRS102.

(b) Income Recognition

All income is recognised once the Church has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The income of the Church includes income from Church activities, donations, grants, known legacies and letting income for Church premises.

All incoming resources have been recognised on a receivable basis except for voluntary donations and income from investments which is accounted for when received.

Legacy gifts are recorded on a case-by-case basis following the granting of probate when the administrator/executor of the estate has communicated in writing both the amount and settlement date.

(c) Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure is directly attributable to various Church activities and has been included in the relevant cost categories.

Fundraising costs comprise the costs associated with any fundraising event.

(d) Tangible Fixed Assets

The Church silver has been included at market value based on an independent valuation report obtained in 2024.

Under the PCC's (Powers) Measure 1956, all PCCs are trustees of income and expenditure but not necessarily of assets, so that any expenditure whether maintenance or improvement, incurred on consecrated or benefice buildings, or moveable church fittings, is written off as expenditure during the year.

(e) Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(f) Debtors and Creditors Receivable/Payable Within One Year

Debtors and creditors receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Cash at Bank and In Hand

Cash at bank and in hand includes cash and short-term highly liquid assets with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(h) Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(i) Funds

Permanent endowment funds are funds which have been given to the Parish of Merstham in trust with the restriction that the funds are invested to generate income for specific Church activities.

Expendable endowments are those funds which are mainly to be used as permanent endowments but the capital can also be used for the purposes of the Church in certain circumstances.

Restricted funds relate to income which is made available to the Parish of Merstham for specific purposes and which must be used solely for those purposes. The aim and use of the restricted fund is set out in the notes to the financial statements.

Unrestricted funds relate to the income which is available to meet the general objectives of the Parish of Merstham. General funds are unrestricted funds which are available for use at the discretion of the Members of the PCC in the furtherance of the general objectives of the Church and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the members of the PCC for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

2. Incoming Resources

Notes		Unrestricted funds	Restricted funds	Endowment funds	Total funds 2025	Total funds 2024
2a	**Income from donations and legacies**					
	Gift Aid donations	14,004	-	-	14,004	14,662
	Income tax recovered	3,353	-	-	3,353	3,666
	Non-Gift Aid donations	2,565	-	-	2,565	2,720
	Grants	2,463	-	-	2,463	430
	Outward Giving collections	594	523	-	1,117	-
	Sundry income	103	-	-	103	235
		23,082	523	-	23,605	21,713
2b	**Income from church activities**					
	Church Room/Hall lets	2,614	-	-	2,614	2,937
	Parish magazine	-	-	-	-	-
	Fees for services	2,304	-	-	2,304	2,232
		4,918	-	-	4,918	5,169
2c	**Income from other trading activities**					
	Quality Street Fair	3,968	-	-	3,968	4,113
	Other (parish) fundraising	150	-	-	150	171
		4,118	-	-	4,118	4,284
2d	**Investment income**					
	Bank Interest	25,810	-	-	25,810	20,304
	UK dividends and investment	12,085	4,064	-	16,149	15,701
		37,895	4,064	-	41,960	36,005
	Total incoming resources	70,014	4,587	-	74,601	67,172

3. Resources Expended

Notes		Unrestricted funds	Restricted funds	Endowment funds	Total funds 2025	Total funds 2024
3a	**Expenditure on raising funds**					
	Fundraising events	1,045	-	-	1,045	125
	Credit Card Fees	115	-	-	115	125
	Marketing	90	-	-	90	-
		1,251	-	-	1,251	249
3b	**Expenditure on Church activities**					
	Diocesan Parish Share	27,500	-	-	27,500	17,100
	Other ministry costs	234	-	-	234	1,189
	Outward Giving payments	594	523	-	1,117	400
	Church running & maintenance	13,156	3,369	-	16,524	13,192
	Church Room & Hall costs	6,033	-	-	6,033	6,480
	Music & Organists	1,440	-	-	1,440	1,410
	Organ maintenance	-	1,779		1,779	1,671
	Churchyard upkeep	944	-	-	944	1,314
	Cost of services	1,753	-	-	1,753	975
	Sundry expenses	60	-	-	60	5
	New build (extension)	26,847	-	-	26,847	-
	Quinquennial inspection	-	1,218	-	1,218	1
		78,560	6,889	-	85,449	43,736
3c	**Governance costs**					
	Accountancy fees -					
	Independent Examination	1,440	-	-	1,440	1,440
		1,440	-	-	1,440	1,440
	Total resources expended	81,251	6,889	-	88,139	45,425

4. Gains/Losses on Investment Assets

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2025	Total funds 2024
Realised gain (loss) on sale of investments	-	-	-	-	-
Profit (loss) on revaluation of Permanent Endowment	-	-	(5,848)	(5,848)	3,273
Profit (loss) on revaluation of investments	(10,102)	-	(7,162)	(17,264)	9,686
Total gains (losses) on investment assets	(10,102)	-	(13,010)	(23,112)	12,959

5. Staff Costs

	2025	2024
(a) Wages and salaries		
Wages paid to 0 (2024 – 1) individual	-	786

No payments to staff were large enough to warrant Social Security costs. The salary, pension and housing costs of Stipendiary Clergy are paid by the Diocese from the Diocesan Parish share, which is included in total resources expended on Church activities (see note 3a).

(a) Payments to PCC Members

During the year no payments were made to PCC Members other than the reimbursement of agreed expenditure, all of which is included in the accounts.

The PCC members neither received nor waived any remuneration for their services during the year as Trustees (2024 -£nil)

6. Volunteers

St Katharine's was fortunate to receive the generous gift of time to undertake a host of different tasks across the year, without which it would not be possible to continue to operate. In total, 19 volunteers gave around 3,200 hours of their time in 2025.

7. Tangible Fixed Assets

Cost	Freehold properties	Silverware	Total
As at 1 January 2025	-	15,650	15,650
Disposal	-	-	-
At 31 December 2025	-	15,650	15,650
Diminution in value			
At 1 January 2025	-	-	-
Disposal	-	-	-
Diminution in value during the year	-	-	-
At 31 December 2025	-	-	-
Net Book Value			
At 31 December 2025	-	15,650	15,650
At 31 December 2024	-	15,650	15,650

The Parish owns several items of historic silver which were valued in July 2024 at £15,650.

8. Fixed Asset Investments

(a) Mrs Puckle's bequest	**2025**	**2024**
CBF Investment Fund income shares		
Market value at start of year	146,274	143,001
Unrealised investment gain / (loss)	(5,848)	3,273
Market value at end of year	140,426	146,274
The historic cost of the listed investment was	46,375	46,375

Dividends from this fund are paid into the Fabric Fund (a Restricted fund)

(b) Expendable endowment investment		
CBF Investment Fund income shares		
Market value at start of year	179,599	175,580
Additions	-	-
Disposals	-	-
Unrealised investment gain / (loss)	(7,180)	4,019
Market value at end of year	172,419	179,599
The historic cost of this investment was	67,897	67,897

Dividends from this fund are paid into the General Fund (an Unrestricted fund)

(c) Other investments		
Listed investments - UK		
Market value at start of year	28	15
Unrealised investment gain / (loss)	17	13
Market value at end of year	46	28

This investment refers to Royal Bank of Scotland shares received as a donation

CBF Investment Fund income shares		
Market value at start of year	252,691	247,037
Additions	-	-
Disposals	-	-
Unrealised investment gain (loss)	(10,102)	5,654
Market value at end of year	242,589	252,691
The historic cost of this investment was	250,000	250,000

9. Debtors

Due within one year	**2025**	**2024**
Tax recoverable (unrestricted)	991	1,704
Other debtors (unrestricted)	6,078	7,154
Total Debtors	7,069	8,858

10. Creditors

Amounts falling due within one year	**2025**	**2024**
Accruals for utilities and other costs (unrestricted)	378	1,015
Other creditors (unrestricted)	2,030	1,500
Other creditors (restricted)	-	-
Deferred revenue (unrestricted)	917	134
Total Creditors	3,325	2,649

11. Endowment Fund

	Balance at 1 January 2025	**Incoming resources**	**Expenditure**	**Transfers or gains /(losses)**	**Balance at 31 December 2025**
Mrs Puckle's bequest	146,274	-	-	(5,848)	140,426
Expendable Endowment	179,599	-	-	(7,180)	172,419
Other Endowment	28	-	-	18	46
	325,901	-	-	(13,010)	312,891

The Endowment Funds of the Parish of Merstham consist of both permanent and expendable endowment funds:

Mrs. Puckle's Bequest is a permanent endowment. This gifted trust fund is managed by the Diocesan Trust. Although the PCC has no authority to realise this investment the income from it is available to the PCC, but must be used for fabric of the church.

The Expendable Endowment was originally created from the sale of the verger's cottage, which belonged to the PCC. The funds from the sale of the verger's cottage, together with a donation, were used to purchase a freehold property in Mansfield Drive, Merstham. This property was subsequently sold in 2004. The PCC have the authority to use the expendable endowment and investment income for general Church running expenses in addition to fabric and mission expenditure.

The Other Endowment reflects a number of Royal Bank of Scotland shares received as a donation. The shares are held by the Diocese but the income, which is unrestricted and undesignated, comes to the Parish.

12. Restricted Funds

The Fabric Fund is a restricted fund to be used solely for the repair maintenance of the physical structure of the church building. The dividends from Mrs Puckle's Bequest (Note 7a) are paid into this fund. During 2025, the PCC took the decision not to continue to place additional resources in the restricted Fabric Fund.

The Silverware is a restricted fund and reflects the market value of the historic assets, last revalued in 2024.

The Organ Fund is a restricted fund to be used solely for the renovation and maintenance of the organ in St Katharine's Church.

The Mission Fund is a restricted fund to be used solely for promoting the mission of the Church within the Parish of Merstham.

	Balance at 1 January 2025	Incoming resources	Expenditure	Transfers	Diminution in value	Balance at 31 December 2025
Fabric Fund	8,962	4,587	4,586	-	-	8,963
Silverware	15,650	-	-	-	-	15,650
Organ Fund	15,990	-	1,779	-	-	14,211
Mission Fund	4,778	-	523	-	-	4,255
	45,380	4,587	6,888	-	-	43,079

13. Unrestricted Funds

	Balance at 1 January 2025	Incoming resources	Expenditure	Transfers or gains /(losses)	Balance at 31 December 2025
General funds	226,897	67,551	54,404	(10,102)	229,943
Designated funds	727,721	2,463	26,847	-	703,337
	954,619	70,014	81,251	(10,102)	933,280

The Designated funds shown above are for the purpose of constructing and furnishing the planned extension to the north of the church, plus the heating and lighting for the church. It is hoped the church extension will now cost less than the value set aside in this designated fund, as the building project has been scaled back. If this is the case, the balance will be returned to General funds.

The Designated fund income reflects monies received from the Government's Listed Places of Worship Grant scheme.

14. Analysis of Net Assets Between Funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2025
Tangible fixed assets	-	15,650	-	15,650
Investment fixed assets	242,589	-	312,891	555,480
Net current assets	690,691	27,429	-	718,120
	933,280	**43,079**	**312,891**	**1,289,250**

15. Post Balance Sheet Events

There are no post balance sheet events to report.

16. Related Parties

There were no related party transactions between any PCC member or other person related to the charity and the charity other than donations by PCC members totalling £4,970 during the year and being made without condition.