

ST. MARY BREDIN CHURCH

CANTERBURY

**ANNUAL REPORT OF
THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
OF ST MARY BREDIN, CANTERBURY**

FOR THE YEAR ENDED 31 DECEMBER 2016

Charity registration no: 1137431

Incumbent and Chairman: The Reverend Barney de Berry
The Vicarage
57 Nunnery Fields
Canterbury
Kent CT1 3JN

**Church location and
PCC correspondence address:** 59 Nunnery Fields
Canterbury
Kent CT1 3JN

Bank: Lloyds Banking Group PLC
49 High Street
Canterbury
Kent CT1 2SE

Independent Examiner: Mark Laughton FCCA
Burgess Hodgson LLP
Chartered Accountants
27 New Dover Road
Canterbury
Kent CT1 3DN

The Parochial Church Council of St Mary Bredin, Canterbury

Financial Statements for the year ended 31 December 2016

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Annual Report for the year ended 31 December 2016

Structure, Governance and Management

The Parochial Church Council is a corporate body established by the Church of England. Under the terms of the Parochial Church Councils (Powers) Measure 1956 the Parochial Church Council of St. Mary Bredin (the PCC) has the responsibility of co-operating with the incumbent, the Reverend Barney de Berry, in promoting in the parish of St. Mary Bredin the whole mission of the Church; pastoral, evangelistic, social and ecumenical. It has the responsibility for the maintenance of the grounds and fabric of the Church premises and the furniture, furnishings, equipment, etc. within the various buildings on the site.

Members of the PCC are responsible for ensuring compliance with legislation governing matters including health and safety, safeguarding, disability discrimination and employment.

Membership of the Parochial Church Council and Charity Trustees

Members of the PCC are either ex-officio, elected at the Annual Parochial Church Meeting in accordance with Church Representation Rules or co-opted. During the year the following were members of the PCC:

Incumbent and ex officio Chairman:	The Reverend Barney de Berry
Vice-Chairman:	Martin Collings (appointed April 2016)
Churchwardens:	Marian Nicholson (re-elected April 2016) Martin Collings (re-elected April 2016)
Honorary PCC Secretary:	Svenja Powell (re-appointed April 2016)
Honorary Treasurer:	Simon Webster (co-opted April 2016)

Members of the PCC during 2016 were as follows:

Ex-officio members

The Reverend Barney de Berry - Incumbent
The Reverend Craig Hunt - Associate Vicar
The Reverend Stephen Carter - Curate
Martin Collings
Marian Nicholson

Ex-officio members elected to Synod

Harry Macdonald (Deanery and Diocesan Synod)
Karien Downes (Deanery and Diocesan Synod)
Andrew Swindley (Deanery Synod)
Pauline Whitehouse (Deanery Synod)
Zac Bawtree (Deanery and Diocesan Synod)

Elected PCC members prior to the 2016 AGM:

Graham Bough
Sam Locke
Alison Macdonald
Anne Ovenden
Rosemary Wade
Paul Williams
Hannah Wilson
Lizzie Worthen

Members elected at the 2016 AGM:

Zac Bawtree
Margaret Griffin
Philip Lewis

Members who retired at the 2016 AGM

Alison Macdonald
Philip Lewis

Members who joined during the year

The Reverend Stephen Carter - joined July 2016
Simon Webster - Co-opted in April 2016

Members who left during the year

None

Individuals attending PCC who have no vote in decision making

Svenja Powell - Honorary PCC Secretary
Ben Forbes to April 2016 and Callum Elwood after April 2016 as student representatives by invitation.

Incumbent and Curate:

Throughout the year The Reverend Barney de Berry held office as Incumbent in the Parish. The Reverend Craig Hunt held office as Assistant Curate until 11 June 2016 and was appointed Associate Vicar on 12 June 2016. The Reverend Stephen Carter was appointed Assistant Curate on 2 July 2016.

PCC attendance review

The PCC met 10 times during the year including after the AGM (2015: 10 times). The average level of attendance at PCC meetings was 72.6% (2015: 74.9%). Various reports from the representatives of the Church who are either members of the PCC or members of staff are presented for consideration during these meetings.

Annual Report for the year ended 31 December 2016

Recruitment, induction and training of PCC members and Trustees

As part of the application process PCC members are given an explanation of what it means to become a PCC member and Trustee. This includes why the church has a PCC, what the PCC works for and with, what the PCC does and when, and what qualities and qualifications a PCC member and Trustee requires.

At the first PCC meeting of the year (after the APCM) all new PCC members and Trustees are welcomed, inducted and given an overview of the running and working of the PCC. Training evenings and prayer days for the PCC members are held periodically.

Committees:

Matters of policy and substance are discussed at PCC meetings. Financial liaison with members of staff and volunteers is undertaken by the Office Manager within the parameters agreed by Standing Committee. Day to day financial decisions are made by members of staff within budgets approved by the PCC. There is a formal sub-committee structure accountable to the PCC as follows:

Standing Committee:

This is the only committee required by law. It has the power to transact the business of the PCC between its meetings, subject to any directions given by the Church Council. The Incumbent, Churchwardens, Honorary Treasurer, Associate Vicar, Curate and one elected member, currently Lizzie Worthen, make up this committee.

Worship Leaders Meeting:

This group attends to matters relating to preaching, praying, and music on Sundays and during other midweek services.

Children's Action Group:

This group oversees the leadership, teaching, support and provision of outreach and teaching to children in the Church and parish.

Pastoral Action Group:

This group attends to the way in which members of the congregation are disciplined in their faith and coordinates pastoral support for the congregation, volunteers and staff.

Mission Partners Group:

This group coordinates the church's financial support to its Mission Partners based locally, within the UK and abroad.

Premises Oversight Group:

This group oversees planning for and contracting of significant developments on the church site. General repairs and maintenance of property and equipment are undertaken by the Caretaker under the supervision and direction of the Office Manager.

Administration Oversight Group:

This group oversees administration and personnel matters within the church.

Safeguarding Committee:

The Safeguarding Committee meets regularly to consider all safeguarding issues relating to staff and voluntary workers, their training and registration, including the oversight of all those involved in work with children, young people and vulnerable adults.

Details of the individuals who serve on these groups are available from the Church Office on request.

Risk Management:

The PCC has adopted a policy of continuing consideration and review of the major risks which impact on the activities of the church. A food safety policy, a protection policy relating to children, vulnerable adults and the elderly, and a set of financial procedures for monitoring and controlling monetary transactions are in place. In view of the cash and other donations received by the PCC, the requirements of the Gift Aid tax reclamation scheme and the audit trail requirements of Charities legislation, the financial procedures for handling all donations are regularly reviewed. It is considered that these procedures contain the required elements of establishing a record of the sums transacted at the earliest opportunity, segregation of duties, detailed audit trails and evidenced authorisation and control over these areas of activity. The confidentiality of individuals takes a high priority in the accounting records.

Annual Report for the year ended 31 December 2016

Risk Management (continued)

Health and Safety risk assessments for general church activities are in place and staff have received training in completing and implementing risk assessments relating to regular and one-off events. Fire safety risk assessments have been completed and recorded as directed in legislation and regular checks are made on equipment and buildings. Risk assessments are revisited and revised as necessary every six months. An independent Health and Safety Audit was conducted in November 2014 and necessary steps were taken to follow suggested guidelines as a result of the findings.

The staff and PCC regularly review existing controls to deal with all risks. A Health and Safety manual is in place. Steps have been taken to ensure that the PCC complies fully with the requirements of the Disclosure and Barring Service checks. On matters of employment, every member of staff receives an outline job description and a statement of the main terms, an employee handbook which includes particulars of the detailed terms and conditions of employment, together with details of the disciplinary, grievance and capability procedures approved by the PCC. It is the intention that policies are introduced to cover other risks as they are identified. Public and products liability insurance cover of £5,000,000 and employer's liability cover of £10,000,000 are maintained with the Ecclesiastical Insurance Office. The consecrated and beneficed buildings and contents of the Church are insured with the Ecclesiastical Insurance Office for £5,243,404 and £208,000 respectively, a total replacement cost of £5,451,404. A full Risk Management Report and review was completed by Ecclesiastical in November 2014 and the next review will be in 2019.

Employment Policy:

The PCC is an equal opportunities employer. Where appropriate, salaried posts are advertised internally and externally before interviews are held. Salaries are set at rates appropriate to the job description and the PCC has adopted a policy to link staff pay to the Canterbury Diocese pay scales. The PCC has complied with the requirements of auto enrolment legislation and has replaced its existing Friends Provident group personal pension plan with a qualifying workplace pension with 'Smart Pensions'. A contribution of 3% of basic gross salary continues to be paid by the PCC for all employees who have not exercised their option to 'opt out'. The employer contribution is subject to annual review but the PCC has agreed to guarantee a minimum of 3% of gross salary per annum. Where employees wish to make a personal contribution to their scheme, appropriate arrangements are made.

Objectives

Our vision as a church continues to be one in which we seek more fully to 'Proclaim the Good News of Jesus Christ through word and action'.

Activities

Church Activities

The main Church activities, including worship and teaching services, prayer meetings, courses and fellowship groups, continued throughout the year. Community events took place including the annual Community BBQ on the green at Oxford Road in Wincheap, a 'Family Fun Day' in the Church grounds, a Christmas family film and 'Carols on the Green' each of which was attended by many members of the local community. The Children's 'Holiday Club' was busy in the summer and various children's and youth groups continue to run.

Breakfast Blessings' took place twice in 2016 during which those passing by the Church were given a small breakfast in a bag and an invitation to join the Alpha course which ran twice during the year.

Other activities include 'Bumble Bees', the parent, carer and toddler group, 'Hotspot', a themed monthly opportunity for people to meet for coffee and a chat and 'The Link', a monthly opportunity to do craft work and puzzles with coffee and a chat continue to meet each month. Both the twice monthly 'Men's Prayer Breakfast' and the monthly 'Women's Prayer Breakfast' have continued to develop. A student programme offering many events has continued with teaching evenings, Sunday lunch and social events being well supported. The group aimed at those in their 20s and 30s called 'The Tap' has continued to meet. The 'Connections' group ministry with seniors has continued with its monthly meetings, away days and Christmas Dinner. 'Acts', which provides meals and services to those in need, has reached out to many families, both church members and other people in the parish.

Annual Report for the year ended 31 December 2016

Activities (continued)

Church Activities (continued)

Members of the Church are involved in many inter-church projects including: Street Pastors which, in conjunction with the police and local authorities, engages with people on the streets of Canterbury at night; Healing on the Streets, which is well established on Saturday mornings in Canterbury city centre; Prospects, which provides a monthly time of worship and teaching for those with learning disabilities; and Canterbury Food Bank, a Christian-led initiative which provides emergency food parcels to individuals in financial crisis in the Canterbury City Council district. The Church again hosted the Catching Lives winter shelter once each week during the coldest winter months to provide a night shelter for street homeless in the City. Gifts of food for the Canterbury Food Bank are collected at the Church.

Volunteers

At the heart of much of the work of the Church there is a huge foundation of generous support, hard work and love which is supplied voluntarily by members of the congregation. This is often expressed in long hours spent serving in groups, in social action work, welcoming, stewarding, leading children's and youth groups, prayer meetings, training programmes and other areas of service. A huge 'thank you' is extended to all those who serve so willingly to make these events possible and for being the 'Church Life' of St Mary Bredin.

Grants and donations policy

The PCC can choose to make grants directly in accordance with the general aims of the Church. The PCC has delegated to the Mission Partners Action Group responsibility for making grants with 10% of the unrestricted planned giving and collections at services, excluding the related Gift Aid sums reclaimed. The incumbent and Churchwardens, have been delegated to approve grants from the Family Relief Fund. The Standing Committee makes decisions relating to giving to individuals and organisations with whom it has established a partnership (Partnership Giving).

Achievements and performance

The PCC is a public benefit entity. The Church Life Report, which will be available at the AGM or through the Church Office, provides details of the achievements and performance during 2016. This report details how the PCC has due regard to Charity Commission guidance on Public Benefit.

Church Attendance and Electoral Roll

There are 259 parishioners on the Electoral Roll (2015: 261). During 2016 the Electoral Roll was revised with 27 people being removed and 25 people added. The average weekly attendance counted during October was 275 individuals over the age of 16 years (2015: 281 adults) and 35 young people under the age of 16 (2015: 46 young people).

Financial Review of 2016

Total receipts accounted for in the year were £443,012 of which £24,184 was restricted to specified purposes reflected in the restricted funds used to meet the costs of those purposes. Most of the restricted donations were directed to the Property Development Fund into which members of the congregation continue to contribute to paying down the Kingdom Bank mortgage that helped to finance the redevelopment and extension of the Church building, and to specific mission support, including the education project in Juba, South Sudan.

£431,041 was spent to provide the Christian ministry of St Mary Bredin Church in 2016, including £15,547 paid out of restricted funds. This sum includes the payment of £93,003 for the Diocesan Parish Share which provides for the stipends, housing and training of the Incumbent and Curate amongst other things. It is the policy of the PCC to commit for mission grant purposes 10% of unrestricted planned giving and collections at services, excluding the related Gift Aid sums reclaimed. In 2016 this policy provided £30,599 for use locally, elsewhere in the UK and abroad. Adding restricted donations received for mission payment purposes and partnership giving, a total of £48,405 was allocated to be paid in grants in respect of the year.

The PCC has no discretion as to the purpose to which restricted funding is put. Unrestricted funds are available to the PCC as it considers appropriate to meet costs, including overheads, the Diocesan Parish Share and payroll costs, and to support the various activities, ministries and mission partners with whom the Church is engaged.

Annual Report for the year ended 31 December 2016

Financial Review of 2016 (continued)

Unrestricted voluntary giving of £378,922 is an increase of £77,918 on that received in 2015. Without this generous giving, the PCC would be unable to fund recruitment of an Associate Vicar and the activities of the Church in the way it was able to do in 2016. There was no Gift Day Appeal in either 2016 or 2015.

£15,547 was paid out of restricted funds during the year. A summary of these payments is disclosed in Note 9 to the Financial Statements.

In 2016, total Staff costs increased by £4,138. The Parish Share of £93,003, a significant part of annual costs saw a 4% increase in 2016 over the sum due for 2015 and there will be a further increase in this payment in 2017. Total unrestricted costs in 2016 include depreciation of £22,284. A surplus for 2016 on unrestricted funds of £3,334 is reported (2015: a deficit of £8,115).

Fund Reports

A full list of the funds managed by the PCC is set out in Note 9 to the financial statements which summarises the movement in each fund balance during the 2016 financial year. The Fixed Asset Fund represents the written down value of the land and buildings owned by the PCC and held in Trust on its behalf by the Diocese, less the outstanding mortgage loan balances included in liabilities. The balance of the Property Development Fund consists of donations of £11,634 received from members of the congregation during the year, the balance of £52,272 donated in earlier financial periods for the Church redevelopment less a repayment of the mortgage amounting to £50,000.

Borrowing

The mortgage taken out in 2008 to contribute to funding the church extension and improvements was reduced by £4,443 by regular monthly payments and by £50,000 from the restricted fund donations for the purpose. The balance of this mortgage loan at the year end was £82,841.

During the year, two mortgage loans in the total sum of £327,600 were taken out to contribute to funding the purchase of a residential property for the Associate Vicar and his family. These mortgages were reduced during the year by the sum of £4,098 by regular monthly payments. The balance of these mortgage loans at the year end was £323,502.

Reserves and Investment Policies

It is the policy of the PCC, particularly in view of having a number of staff on permanent contracts of employment, to follow Charity Commission guidelines and maintain at least the equivalent of 3 months unrestricted expenditure in available cash resources to cover unexpected situations that could lead to a cash flow problem. That criterion is currently met and, whilst there is a surplus beyond that at the end of the 2016 financial year, it is anticipated that the surplus may be utilised during 2017.

At the end of the financial year the PCC held £50,000 (2015: £150,000) on Market Linked Deposits subject to 3 months' notice with Lloyds Bank with whom it also maintains two current accounts. At the end of the financial year the PCC also held balances with The Church of England Deposit Fund including the restricted flower investment fund, income from which is used for the provision of flowers in the church.

Plans for future periods

The objectives of the PCC continue to be to work and serve in the parish and the City of Canterbury in order to 'Proclaim the Good News of Jesus Christ through word and action'.

Annual Report for the year ended 31 December 2016

Statement of responsibilities of the PCC members

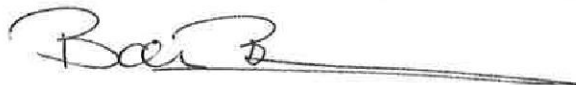
The PCC members are responsible for ensuring that the Annual Report and the financial statements are prepared in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The PCC members are responsible for ensuring that proper accounting records are kept that 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

At the date of signing these reports and financial statements, the PCC considers that there are no material financial uncertainties about the PCC's ability to continue to operate.



Rev Barney de Berry (Incumbent)

Dated: 20 March 2017

Independent Examiner's Report to The Parochial Church Council of

The Ecclesiastical Parish of St Mary Bredin, Canterbury

I report on the accounts of the charity for the year ended 31 December 2016, which are set out on pages 8 to 19.

Respective responsibilities of trustees and examiner

The members of the PCC are responsible for the preparation of the accounts. The members of the PCC consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') and that an independent examination is needed. The PCC's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of the Independent Examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**Mark Laughton FCCA
Independent Examiner**

**Burgess Hodgson LLP
Camburgh House
27 New Dover Road
Canterbury
Kent CT1 3DN**

Dated: 20 March 2017

Statement of Financial Activities

For the year ending 31 December 2016

Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
2 INCOMING RESOURCES					
Incoming resources from generated funds					
2(a) Voluntary income	378,922	23,633	-	402,555	327,005
2(b) Activities for generating funds	29,369	-	-	29,369	29,679
2(c) Income from investments	1,237	551	-	1,788	1,352
Incoming resources from charitable activities					
2(d) Church activities	9,300	-	-	9,300	27,011
2(e) Other incoming resources	-	-	-	-	-
TOTAL INCOMING RESOURCES	418,828	24,184	-	443,012	385,047
3 RESOURCES EXPENDED					
Cost of generating funds					
3(a) Cost of generation of voluntary income	-	-	-	-	-
3(b) Fund-raising costs	15,452	-	-	15,452	14,365
Charitable activities					
3(c) Church activities	398,387	15,547	-	413,934	374,542
3(d) Governance costs	1,655	-	-	1,655	1,709
TOTAL RESOURCES EXPENDED	415,494	15,547	-	431,041	390,616
NET INCOMING RESOURCES BEFORE TRANSFERS	3,334	8,637	-	11,971	(5,569)
9 Gross transfers between funds	50,000	(50,000)	-	-	-
NET (OUTGOING)/ INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES	53,334	(41,363)	-	11,971	(5,569)
Other recognised gains/losses					
Gains/(Losses) on revaluation of investments	-	-	1,889	1,889	228
NET MOVEMENT IN FUNDS	53,334	(41,363)	1,889	13,860	(5,341)
Reconciliation of funds					
Balances brought forward 1 January 2016	475,994	64,657	17,013	557,664	563,005
Balances carried forward 31 December 2016	529,328	23,294	18,902	571,524	557,664


Balance sheet**As at 31 December 2016**

Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2016 £	Total 2015 £
FIXED ASSETS					
5(a) Tangible	814,470	-	-	814,470	458,153
5(b) Investments	-	-	18,902	18,902	17,013
	814,470	-	18,902	833,372	475,166
CURRENT ASSETS					
6 Debtors	34,262	-	-	34,262	15,576
Short term deposits	30,000	20,000	-	50,000	150,000
Cash at bank and in hand	74,527	3,294	-	77,821	60,990
	138,789	23,294	-	162,083	226,566
LIABILITIES					
7 Creditors - amounts falling due in one year	30,226	-	-	30,226	10,884
<i>Net current assets</i>	108,563	23,294	-	131,857	215,682
<i>Total assets less current liabilities</i>	923,033	23,294	18,902	965,229	690,848
7 Creditors - amounts falling after one year	393,705	-	-	393,705	133,184
TOTAL NET ASSETS	529,328	23,294	18,902	571,524	557,664
PARISH FUNDS					
9 Funds	529,328	23,294	18,902	571,524	557,664

Approved by the Parochial Church Council on 20 March 2017 and signed on its behalf by :



Simon Webster (Honorary Treasurer)



Rev Barney de Berry (Incumbent)

Notes to the financial statements**For the year ending 31 December 2016****1. Accounting policies****a) Accounting convention**

The financial statements have been prepared in accordance with the Church Accounting regulations 2006 together with the Financial Reporting Standard applicable in the UK and Ireland (FRS102) and the Charities SORP (FRS102). The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. The financial statements 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.

b) Transition to FRS102

This is the first accounting period in which the PCC has adopted FRS102. The PCC transitioned to FRS102 with effect from 1 January 2015.

c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the PCC to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for incoming resources and resources expended during the year. The nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements relating to the expected life of fixed assets reported and the depreciation charges calculated are considered to have the most significant effect on the amounts recognised in the financial statements.

d) Incoming resources

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Dividends and interest are accounted for when receivable. Income relating to premises lettings is recognised when each letting is completed. All other income is recognised when it is receivable. All incoming resources are accounted for gross.

e) Resources expended

Grants and donations are accounted for when awarded if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when due. All other expenditure including attributable VAT is generally recognised when it is incurred and is accounted for gross.

Direct payroll costs are allocated to the appropriate activity. Support payroll costs and other support costs are allocated to activities on the basis of estimated time spent on that particular activity.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the PCC and include the Independent Examiner's fee and costs linked to the strategic management of the PCC.

f) Financial instruments

The PCC has only financial assets and financial 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.

Notes to the financial statements**For the year ending 31 December 2016****1 Accounting policies****g) Tangible fixed assets**

Consecrated and benefice property is not included in the accounts in accordance with section 10 (2)(a) of the Charities Act 2011.

Movable church furnishings held by the incumbent and churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property, listed in the church's inventory, which can be inspected on request at any reasonable time.

Individual assets or relevant groups of assets with a purchase price of more than £1,000 are depreciated on a straight-line basis. Furniture is depreciated over 5 years and technology equipment (including audio/visual, computers and printers) is depreciated over 3 years.

Buildings and building improvements, specifically the Church Centre, Kendall Hall and Associate Vicar's House, are depreciated over 50 years from the date of completion or acquisition. The additional work carried out on Kendall Hall in 2004 is depreciated over 15 years from 1 January 2005. Other assets are depreciated over a period between 10 and 15 years.

h) Investments

Investments held as fixed assets are revalued at the balance sheet date. Realised and unrealised gains and losses on investments are taken to the Statement of Financial Activities.

i) Funds

Endowment Funds are funds, the capital element of which must be maintained; only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established.

Restricted Funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may be expended only on the specific object for which they were given. Any balance remaining unspent at the end of each year is required to be carried forward as a balance on that fund. It is not normal practice for the PCC to invest separately for each fund. Interest generated by holding these funds is very small and no allocation of interest received is made to restricted funds.

Designated Funds are funds set aside by decision at a PCC meeting out of unrestricted general funds for specific future purposes or projects.

Unrestricted Funds are general funds which can be used for normal church activities for which the PCC is responsible.

j) Pension costs

The PCC contributes to a defined contribution pension scheme for permanent employees. Contributions to this scheme are charged to the Statement of Financial Activities in the period in which they are paid.

k) Taxation

As a registered charity the PCC is exempt from corporation tax.

Notes to the financial statements

For the year ending 31 December 2016

2. INCOMING RESOURCES	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
2(a) Voluntary income					
Planned giving:					
Gift Aid donations	243,342	14,750	-	258,092	216,820
Tax recoverable	60,836	3,688	-	64,524	54,205
Other	48,655	90	-	48,745	26,317
Collections at services (open plate)	13,987	666	-	14,653	15,231
Tax recoverable for unidentified giving	2,000	-	-	2,000	1,250
Collections at groups (open plate)	3,063	-	-	3,063	4,044
Gift days:					
Gift Aid donations	-	-	-	-	-
Tax recoverable	-	-	-	-	-
Other	-	-	-	-	-
Donations, appeals, etc.:					
Gift Aid donations	-	2,344	-	2,344	1,195
Tax recoverable	-	586	-	586	299
Other	5,039	1,509	-	6,548	7,912
Gift Aid repayments	-	-	-	-	(268)
Legacies	2,000	-	-	2,000	-
	378,922	23,633	-	402,555	327,005
2(b) Activities for generating funds					
Church property lettings (for non-church purposes)	28,404	-	-	28,404	28,594
Fund-raising events	-	-	-	-	-
Other	965	-	-	965	1,085
	29,369	-	-	29,369	29,679
2(c) Income from investments					
Dividends	40	551	-	591	660
Interest	1,197	-	-	1,197	692
	1,237	551	-	1,788	1,352
2(d) Income from church activities					
Church property lettings (for church purposes)	475	-	-	475	1,125
Fees for weddings and funerals	2,753	-	-	2,753	3,930
Fees for courses and events	6,072	-	-	6,072	21,956
	9,300	-	-	9,300	27,011
2(e) Other incoming resources					
Gain on sale of fixed assets	-	-	-	-	-
Total incoming resources	418,828	24,184	-	443,012	385,047

Notes to the financial statements

For the year ending 31 December 2016

3. RESOURCES EXPENDED	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
3(a) Generation of voluntary income Costs of appeals, grants, etc.	-	-	-	-	-
3(b) Fund-raising costs Attributable to church property lettings	15,452	-	-	15,452	14,365
Cost of fund raising events	-	-	-	-	-
	15,452	-	-	15,452	14,365
3(c) Charitable activities Total Missionary and Charitable giving	33,899	14,506	-	48,405	47,081
Ministry: Diocesan parish share	93,003	-	-	93,003	89,426
Other ministry costs	22,790	437	-	23,227	2,556
Incumbent expenses	13,605	-	-	13,605	14,437
Parsonage houses	8,577	-	-	8,577	-
Music	14,192	-	-	14,192	13,887
Pastoral	2,828	-	-	2,828	4,379
Youth and children	47,034	-	-	47,034	47,828
Students	1,228	-	-	1,228	1,756
Church running	51,525	604	-	52,129	38,254
Church maintenance and repairs	8,964	-	-	8,964	10,026
Upkeep of services	756	-	-	756	1,087
Upkeep of churchyard	1,916	-	-	1,916	1,709
Cost of courses and events	3,007	-	-	3,007	21,105
Cost of group meetings	9,083	-	-	9,083	5,467
Training costs	4,245	-	-	4,245	9,232
Church Hall and Centre running costs and repairs	47,880	-	-	47,880	42,616
Finance charges	11,571	-	-	11,571	4,581
Depreciation charges on: Furnishings and equipment	2,974	-	-	2,974	4,180
Church Hall and Church improvements	19,310	-	-	19,310	14,935
	398,387	15,547	-	413,934	374,542
3(d) Governance costs Staff costs	482	-	-	482	568
Independent Examiner's fees	1,080	-	-	1,080	1,044
Adjustment re prior year fees	8	-	-	8	-
Professional fees	-	-	-	-	-
Support costs	85	-	-	85	97
	1,655	-	-	1,655	1,709
TOTAL RESOURCES EXPENDED	415,494	15,547	-	431,041	390,616

Included in the Resources Expended, Fund Raising and Charitable Activities costs, disclosed in Notes 3(b) and 3(c) above are wages and support costs allocated on the basis of the proportion of time that members of staff spend being involved in the various areas of activity. The balance of the total costs for each category of expense which is shown above represents direct costs incurred during the year. Further analysis of some of the activity headings above is shown in Note 3 (continued) on Page 14.

Notes to the financial statements

For the year ending 31 December 2016

3. RESOURCES EXPENDED (continued)

Allocation of wages and support costs	Direct Payroll £	Support Payroll £	Total Payroll £	Other Support costs £	Direct costs £	Total Allocated Costs £
Attributable to church property lettings	10,072	2,024	12,096	2,097	1,259	15,452
Other Ministry costs	-	-	-	-	22,790	22,790
Incumbent activities	-	7,712	7,712	1,337	4,556	13,605
Music	8,587	1,180	9,767	1,693	2,732	14,192
Pastoral	-	2,410	2,410	418	-	2,828
Youth and Children	33,174	2,939	36,113	6,260	4,661	47,034
Students	-	-	-	-	1,228	1,228
Training costs	-	1,205	1,205	209	2,831	4,245
Church running	7,769	27,999	35,768	6,200	9,557	51,525
Church maintenance and repairs	4,803	1,355	6,158	1,067	1,739	8,964
Upkeep of services	120	10	130	22	604	756
Cost of group meetings	-	-	-	-	9,083	9,083
Church Hall/Centre	11,083	1,865	12,948	2,244	32,688	47,880
Governance	-	483	483	84	1,088	1,655
	75,608	49,182	124,790	21,631	94,816	241,237

Other support costs included above:

	Total 2016 £	Total 2015 £
Printing, postage and stationery	5,129	5,965
Telephone	1,351	1,505
Website and IT costs	8,980	8,824
Recruitment and staff training	2,279	652
Repairs and maintenance	1,587	2,914
Payroll services	597	509
Travelling	228	314
Canteen	-	22
Other costs mainly related to leaving gifts for members of staff	1,480	-
	21,631	20,705

Notes to the financial statements

For the year ending 31 December 2016

4. STAFF COSTS

	Total 2016 £	Total 2015 £
4(a) Wages and salaries		
Wages and salaries	117,066	112,937
Employers National Insurance	4,387	4,507
Pension costs	3,337	3,208
	<hr/>	<hr/>
	124,790	120,652
	<hr/>	<hr/>

The average number of employees including temporary staff during the year, calculated on the basis of full time equivalents, was as follows:

	2016 Number	2015 Number
Church Hall/Centre	1	1
Youth and children	1	2
Administration and management	4	3
	<hr/>	<hr/>
	6	6
	<hr/>	<hr/>

The full time equivalent information represents 8 (2015: 9) paid members of staff, some of whom work full time and some part time. Volunteers who serve in church activities and ministries are not included in these statistics.

During the year the PCC contributed to the defined contribution pension scheme £3,337 (2015 - £3,208) on behalf of employees who have opted in to the scheme. Of these contributions no amounts remained outstanding at the year end (2015 - £Nil).

The incumbent, associate vicar and curate are remunerated by the Diocese. Part of the Diocesan parish share disclosed above contributes towards these costs.

No member of staff earned over £60,000 during the year (2015: None).

4(b) Payments to PCC Members

No member of the PCC received remuneration or benefits in respect of their services as members of the PCC during the year (2015: None). No PCC members were reimbursed expenses during the year other than for operating costs incurred on behalf of the PCC (2015: £Nil).

During the year £2,570 (2015: £2,740) was paid for IT services to Iain Nicholson, IT Contractor, husband of PCC member Marian Nicholson. The fees charged by Iain Nicholson are at a discounted rate.

Use of the Family Fund is at the discretion of the incumbent and churchwardens. No payments were made out of the Family Fund in 2016 to individuals related to PCC members (2015: £Nil).

Notes to the financial statements

For the year ending 31 December 2016

5. FIXED ASSETS

(a) Tangible	Buildings £	Furniture & Equipment £	Total £
Cost:			
At 1 January 2016	644,681	172,778	817,459
Additions at cost	378,601	-	378,601
Disposals	-	-	-
At 31 December 2016	1,023,282	172,778	1,196,060
Depreciation			
At 1 January 2016	194,683	164,623	359,306
Accumulated depreciation on disposals	-	-	-
Charge for the year	19,310	2,974	22,284
At 31 December 2016	213,993	167,597	381,590
Net book value			
At 31 December 2016	809,289	5,181	814,470
At 31 December 2015	449,998	8,155	458,153

At the beginning of the year the buildings comprised the Church Centre, Kendall Hall, and the land on which the Kendall Hall stands together with the cost of improvements to those properties. During the year, the PCC purchased residential accommodation for the Associate Vicar and made some improvements to this property.

The PCC holds in trust for the Diocese of Canterbury, the Church building and land on which the Church building, the gardens, the car park, the Link and Church Centre stand. The PCC is responsible for the maintenance of the grounds and fabric of these premises.

The residential accommodation purchased for the Associate Vicar is held by The Canterbury Diocesan Board of Finance as custodian trustee for the PCC. The PCC is responsible for maintenance of the grounds and fabric of this property and also for the council tax and water charges.

(b) Investments	£
Market value 1 January 2016	17,013
Revaluation gain/(loss)	1,889
Market value at 31 December 2016	18,902

The investment consists of 1,257 income shares in the CBF Church of England Investment Fund.

6. DEBTORS	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
Gift Aid tax recoverable	11,597	-	-	11,597	10,008
Debtors	3,589	-	-	3,589	145
Accrued income	88	-	-	88	252
Prepayments	18,988	-	-	18,988	5,171
	34,262	-	-	34,262	15,576

Notes to the financial statements

For the year ending 31 December 2016

7. LIABILITIES	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
Creditors - amounts falling due in one year					
Trade Creditors	2,379	-	-	2,379	1,503
Other Creditors	480	-	-	480	850
Loans (see below)	12,638	-	-	12,638	4,100
Deferred Income	9,243	-	-	9,243	-
Accruals	5,486	-	-	5,486	4,431
	<u>30,226</u>	<u>-</u>	<u>-</u>	<u>30,226</u>	<u>10,884</u>
Creditors - amounts falling after one year					
Loans					
Kingdom Bank Limited					
Church renovation	82,841	-	-	82,841	137,284
Residential accommodation	323,502	-	-	323,502	-
				-	
Included in amounts falling due within one year	(12,638)	-	-	(12,638)	(4,100)
	<u>393,705</u>	<u>-</u>	<u>-</u>	<u>393,705</u>	<u>133,184</u>

A Kingdom Bank Limited loan to finance part of the church premises renovation is repayable over thirty years from 2008. Interest is charged at 2.5% over bank base rate, and the loan is secured over freehold property consisting of the Kendall Hall and gardens owned by the PCC. A single sum of £50,000 was paid off this loan during the year together with £4,443 from the regular monthly repayments. At the year end date the balance of the loan amounted to £82,841

During the year, two new mortgages totalling £327,600 were provided by The Kingdom Bank Limited repayable over 25 years to enable the purchase of a house for the Associate Vicar. Interest on these loans is charged at 3.5% over bank base rate and the loans are secured partly over the freehold property of the house and partly over the freehold property consisting of the Kendall Hall and gardens. Both properties offered as security for the loans are owned by the PCC. During the year, £4,098 of the loans was repaid from the regular monthly repayments. At the year end date the balance of the loans amounted to £323,502.

8. Financial Instruments

Assets:	2016	2015
Cash and bank balances	127,821	210,990
Debtors	<u>3,589</u>	<u>145</u>
	<u>131,410</u>	<u>211,135</u>
Liabilities:		
Mortgage loans (Note 7)	406,343	137,284
Accruals	<u>5,486</u>	<u>4,431</u>
	<u>411,829</u>	<u>141,715</u>

The mortgage loans are in the form of secured loans with a variable interest rate. The risk facing the PCC is that interest rates will rise as the UK economic situation changes. The PCC considers that any increase in interest rate will be covered by increasing gifts or by reducing overheads to ensure that the PCC maintains its reserves policy.

Notes to the financial statements

For the year ending 31 December 2016

9. PARISH FUNDS	Balance at 1 Jan 2016	Incoming Resources	Resources Expended	Transfers	Revaluation Gains	Balance at 31 Dec 2016
Unrestricted Funds:						
General funds	105,125	418,828	(396,184)	(31,387)	-	96,382
Designated funds :						
Fixed Asset Fund	320,869	-	(19,310)	101,387	-	402,946
General Reserve Fund	50,000	-	-	(20,000)	-	30,000
Cantercare	-	-	-	-	-	-
	475,994	418,828	(415,494)	50,000	-	529,328
	Balance at 1 Jan 2016	Incoming Resources	Resources Expended	Capital Repayment	Revaluation Gains	Balance at 31 Dec 2016
Restricted Funds:						
Children	-	-	-	-	-	-
Youth	-	-	-	-	-	-
Flowers Revenue	383	656	(604)	-	-	435
Mission Specified	(15)	7,963	(7,760)	-	-	188
Family Relief	881	375	(233)	-	-	1,023
Property						
Development	52,272	11,634	-	(50,000)	-	13,906
Vietnam	-	-	-	-	-	-
SMB Groups	-	-	-	-	-	-
Uganda Field Trip	-	-	-	-	-	-
Student & Young						
Adult Events	-	-	-	-	-	-
Regalia &						
Artefacts	-	-	-	-	-	-
Pastoral	3,791	-	(437)	-	-	3,354
South Sudan - Juba	7,345	3,556	(6,513)	-	-	4,388
	64,657	24,184	(15,547)	(50,000)	-	23,294
Endowment						
Flower fund	17,013	-	-	-	1,889	18,902
Total funds	557,664	443,012	(431,041)	-	1,889	571,524

The £50,000 mortgage loan repayment out of a restricted fund is reflected as a transfer between funds as the mortgage loan is an unrestricted fund liability.

Designated Funds:

Fixed Asset Fund

The fixed asset fund represents the net book value of property fixed assets less any secured loans. The transfer relates to adjustment for fixed asset additions and the mortgage repaid during the year.

Cantercare

A fund to receive donations pledged to Cantercare to sponsor a room. Out of funds received, the church provides gifts and pastoral care to the resident of the room with this fund.

Notes to the financial statements

For the year ending 31 December 2016

9. PARISH FUNDS (continued)

Restricted Funds:

Children

A fund to receive donations to support ministry to children.

Youth

A fund to receive donations to support ministry to young people.

Flowers Revenue

A fund to receive the interest from the Flower Endowment Fund. This is used to support the provision of flowers in the church.

Mission Specified

These funds are received from donors who specify the mission partner to whom the funds are to be given over the course of the financial year.

Family Relief

A fund available to the incumbent and churchwardens to provide support to members of the church family who experience financially difficult times.

Property Development

A fund containing money given for building projects and repayment of the associated mortgage loan. During the year, the sum of £50,000 was paid out of this fund to repay part of the loan to fund the Church redevelopment.

Vietnam

A fund to support our mission partner in Vietnam. This fund was closed during 2015.

SMB Groups

A fund to receive donations by SMB groups for mission partners.

Uganda Field Trip

A fund to receive donations to support a team which went to work with Jenga in Uganda in 2015.

Student & Young Adult Events

A fund to receive donations towards young people's activity in the church.

Regalia & Artefacts

A fund to receive donations to purchase religious regalia and artefacts.

Pastoral

A fund to receive donations to support the pastoral activities of the church.

South Sudan - Juba

A fund to receive donations to support education work in Juba, South Sudan.

10. FINANCIAL COMMITMENTS

There are no Financial Commitments at 31 December 2016 (2015: None).

11. EVENTS BEING CONSIDERED SUBSEQUENT TO THE YEAR END

The general condition of the Kendall Hall premises is causing some concern and significant repair costs may need to be met in the next 3 years.

The sound desk in the Church is now 11 years old and the projector is nearing the end of its useful life. Consideration will need to be given in the near future to replacing these items of equipment at an estimated cost of £12,000.

The office photocopier / printer / scanner is an old model for which components are not now produced. The machine is in frequent need of repair. A replacement machine is being considered at a cost estimated to be about £6,000.