

## Independent Examiner's Report to the PCC of St Mary's Church, Leigh

This report on the financial statements of the PCC for the year ended 31 December 2016, which are set out on pages 4 to 10, is in respect of an examination carried in accordance with s.145 of the Charities Act 2011 ('the Act').

### **Respective responsibilities of the examiner**

As the members of the PCC you are responsible for the preparation of the financial statements; you consider that the audit requirement of the Act does not apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Act.

### **Basis of this report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners under section 145(5)(b) of the Act. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the financial statements 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 I do not express an audit opinion on the view given by the accounts.

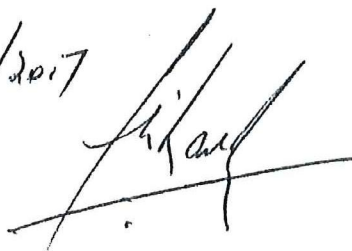
### **Independent examiner's statement**

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

- (1) which gives reasonable cause to believe that, in any material respect, the requirements (a) to keep accounting records in accordance with Act and (b) to prepare accounts which accord with the accounting records and comply with the requirements of the 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.

M Rice  
41 Penshurst Road  
Leigh  
[insert date]

28/2/2017



<b>12. FIXED ASSETS</b>	During 2016, there were no changes in the unit holding of the investments as detailed below.		
<b>(a) Tangible Assets</b>			
Since the Gerner Rooms are constructed on consecrated land as a physical addition to the Church building, they are not considered to be a parish asset. The Church complex is insured with the Ecclesiastical Insurance Group for £5.1m.			
<b>(b) Investments</b>			
M & G Charfund - a 'fixed interest fund' managed by M & G Securities specifically for use by charities managing their own funds	12,796	197,253	183,479
M & G Charibond - an equity investment fund managed by M & G Securities specifically for use by charities managing their own funds	55,664	70,972	67,927
CBF Investment Fund - a highly diversified fund incorporating both equities and bonds managed by the Central Board of Finance of the Church of England	9,822	148,473	132,085
CBF Fixed Interest Fund - specializing in fixed interest investments primarily UK government and corporate bonds managed by the CBF of the Church of England	15,622	26,384	25,095
CBF Property Fund - specialising in commercial and industrial equities and managed by the Central Board of Finance of the Church of England	55,263	72,262	74,520
CBF Global Equity Fund - a wide ranging investment fund incorporating equities around the world managed by the Central Board of Finance of the Church of England	28,485	49,721	43,717
<b>TOTAL INVESTMENTS</b>		<b>565,065</b>	<b>526,823</b>

<b>13. DEBTORS</b>	£
HMRC (estimated Gift Aid rebate receivable)	10,959.00
Leigh Parish Council (grant for magazine)	0.00
Outstanding 2015 advertising fees	0.00
Sundry debtors	2,669.00
<b>TOTAL</b>	<b>13,618.00</b>

<b>14. LIABILITIES</b>	£
Away Giving	0.00
Sundry Creditors	1,401.00
	<b>1,401.00</b>

<b>15. FUNDS</b>	<b>Unrestricted</b>	<b>Designated</b>		<b>Reserved</b>
	<b>General Fund</b>	<b>Memorial Wall</b>	<b>Church Repair</b>	<b>Friends of St. Mary's</b>
Balance as at 1st January 2016	562,688	12,037	7,588	3,313
Net Incoming/Outgoing	-18,719	1,074	0	1,600
Transfers (see below)	-2,400	0	2,400	0
Investment Gains	38,242	0	0	0
Balance as at 31st December 2016	579,791	13,111	9,988	4,913
As in previous years, the sum of £2,400 was transferred to the Church Repair Fund to address works which might arise from future Quinquennial Inspections				

<b>10. CHARITABLE DONATIONS</b>		<b>2016</b>	<b>2015</b>
The PCC maintains a policy of giving a minimum of 10% of its donated income (excluding restricted income) to missions and charities, with particular emphasis given to those which operate from a Christian base.			
<b>Overseas Missionary Societies</b>			
International Justice Mission		0	1,400
<b>Overseas Relief and Development Agencies</b>			
Living Water - Nepal disaster		0	500
Oloip Maasai Organization		0	500
Gambia Project		1,700	1,400
<b>Home Missions &amp; other Church Organisations</b>			
West Kent Debt Advisory		0	1,400
Friends of Rochester Cathedral		10	10
Friends of Kent Churches		10	10
The Bible Society		50	
<b>Secular Charitable Organisations</b>			
Tunbridge Wells Street Teams		1,700	0
The Bridge Trust		1,700	0
Tunbridge Wells Foodbank		0	60
<b>TOTAL</b>		<b>5,170</b>	<b>5,280</b>
In addition to the PCC's allocation to Away Giving, £486 (£620 in 2015) was donated to the Earl Halg Fund, being the cash collection on Remembrance Sunday.			
<b>11. PAYMENTS TO PCC MEMBERS AND RELATED PARTIES</b>			
Members of the PCC may act as agents of the PCC and make minor routine purchases or incur expenditure on its behalf for which they are reimbursed. During 2016 this amounted to £1,706 (£2,279 in 2015). The PCC ensures that all transactions with related parties are kept "at arm's length" and relate to the activity of the Church.			
The only payments to parties related to members of the PCC for services rendered were to Mrs. Margaret Doggett in the sum of £140 (£353 in 2015) for her work as the the Vicar's part-time secretary.			

	2016	2015
<b>4. GRANTS</b>		
Crandall Trust (for youth work)	1,300	1,300
Leigh Parish Council (for Leigh Directory)	300	300
	<b>1,600</b>	<b>1,600</b>
<b>5. STAFF COSTS</b>		
Net Salary, National Insurance and Pension contributions	23,023	22,616
Expenses and training costs	2,101	1,463
	<b>25,124</b>	<b>24,069</b>
<b>6. MINISTRY COSTS</b>		
Diocesan Share (including Stipend)	50,385	48,100
Incumbent Expenses	2,514	2,152
Vicarage Expenses	3,634	3,526
Visiting Clergy	334	176
	<b>56,867</b>	<b>54,034</b>
<b>7. FUND RAISING</b>		
Summer Fete	1,075	3,263
Festivals (Tenebrae and Harvest Supper)	61	87
Superstars	115	0
Sponsored Bike Ride (Friends of Kent Churches)	126	89
Coffee Stop	150	350
Penshurst Car Parking	579	669
Other	0	27
	<b>2,906</b>	<b>4,475</b>
<b>8. MAGAZINE AND THIRD PARTY PRINTING</b>		
Sales Revenue	2,141	2,232
Advertising Revenue	4,009	6,373
Third Party Printing Income	11,752	11,294
<b>Total Income</b>	<b>17,902</b>	<b>18,899</b>
<b>less: Production and Distribution Expenses</b>	<b>(7,784)</b>	<b>(6,750)</b>
	<b>10,118</b>	<b>12,149</b>
<b>9. MAJOR REPAIRS</b>		
Costs of obtaining small plot of land adjacent to churchyard	0	740
Refurbishment of Ganner rooms	1,228	0
	<b>1,228</b>	<b>740</b>

**Notes on Financial Statements for the year ended 31 December 2016**

	Notes	Unrestricted Fund (General)	Designated Funds (Memorial Wall) (Church Repair)	Reserved Fund (Friends of St. Mary's)	TOTAL FUNDS	
					2016	2015
<b>2. INCOMING RESOURCES</b>						
<b>2(a) Voluntary Income</b>						
Planned Giving: Gift Aided		28,008			28,008	29,065
CAF		3,108			3,108	3,434
Other		842			842	1,057
Collections		6,038			6,038	5,901
Sundry donations: Gift Aided		569		1,800	2,168	4,570
Other		840			840	1,258
Income Tax Recoverable		9,446		400	9,846	9,198
Grants	4	1,600			1,600	1,600
Legacies		2,000			2,000	0
<b>2(b) Activities for generating funds</b>						
Printing Income	8	11,752			11,752	11,204
Magazine (sales and advertising)	8	8,150			8,150	7,605
Fund raising - social events	7	2,906			2,906	4,475
Memorial Wall			1,074		1,074	1,539
<b>2(c) Income from investments</b>		23,368			23,368	24,752
<b>2(d) Income from church activities</b>						
Fees		5,662			5,662	5,180
<b>TOTAL INCOMING RESOURCES</b>		<b>102,287</b>	<b>1,074</b>	<b>2,000</b>	<b>105,361</b>	<b>110,928</b>
<b>3. RESOURCES EXPENDED</b>						
<b>3(a) Church activities</b>						
Mission giving and donations	10	5,170			5,170	5,280
Ministry costs	6	58,887			58,887	64,034
Youth and Families Ministry	5	25,124			25,124	24,089
Other training costs		0			0	120
Church running and maintenance		12,914			12,914	13,881
Major repairs	9	1,228			1,228	740
Depreciation of printer		1,950			1,950	1,950
Churchyard upkeep		5,427		400	5,827	2,907
Ganner Room		553			553	116
<b>3(b) Generation of voluntary income</b>						
Stewardship costs		0			0	0
<b>3(c) Fundraising costs</b>						
Magazine and printing costs	8	7,784			7,784	6,750
<b>3(d) Other resources expended</b>						
PCC secretarial costs		1,820			1,820	1,700
Other miscellaneous admin. costs		2,169			2,169	1,864
<b>TOTAL RESOURCES EXPENDED</b>		<b>121,008</b>	<b>0</b>	<b>400</b>	<b>121,408</b>	<b>113,411</b>

## **Notes to the Financial Statements for the year ended 31 December 2016**

### **1. ACCOUNTING POLICIES**

The financial statements of the PCC have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standard and the SORP 2005. They have been prepared under the historical cost convention except for the valuation of investment assets, the values of which have been calculated using selling prices at the end of the year, in accordance with Diocesan accounting policy. 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. All accounts are shown to the nearest pound, which may give rise to rounding errors in summation.

#### ***Funds***

*Unrestricted funds* are general funds which can be used for ordinary purposes, as the PCC chooses.

*Designated funds* are unrestricted funds set aside by the PCC for specific purposes. Funds so designated may be re-designated by the PCC as designation does not restrict the use of these funds. There are two designated funds:

*The Memorial Wall Fund* is for the periodic extension, modification and maintenance of the Memorial Wall on the northern boundary of the churchyard.

*The Church Repair Fund* is held by the Diocese on behalf of the PCC. It is part of a larger fund comprising contributions from most parishes in the Diocese to cover the costs of work arising from the Quinquennial inspection. Parishes may withdraw their deposits from the Fund at any time for whatever purpose.

*Restricted funds* represent (a) money received from trusts and endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants raised for a specific object. The funds may only be expended on the specific objects for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. The PCC does not invest separately for each fund and interest is apportioned to individual funds on the average balance basis.

*The Genner Trust* holds the unspent balance of Winifred Genner's bequest; this is technically a restricted fund which, at Miss Genner's request, may be spent only for the general purposes of St Mary's Church, Leigh. In 2012 PCC decided, with the written support of the Diocese, to merge this fund with the General Fund.

*The Friends of St. Mary's Fund* was established late in 2013 to hold donations given by those in the village who choose not to worship in the church or to engage in its spiritual life, but value the church's presence in the community.

*Endowment funds* are funds, the capital of which must be maintained. The PCC no longer has any Endowment Fund.

#### ***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 on invested income are accounted for when due. Realised gains and losses are accounted for on revaluation of investments each year on 31 December. Trading income is recognised when it is invoiced. Funds raised by the annual fete and other social activities are accounted for net since the costs involved are not material. All income and costs relating to the production of the magazine are accounted for gross.

#### ***Resources Expended***

Grants and donations are accounted for when paid over or, where an award creates a binding or constructive obligation on the PCC, when awarded. All other expenditure is generally recognised when it is incurred and is accounted for gross (except where the amounts are not material).

#### ***Fixed Assets and Depreciation***

Consecrated and beneficed property is not included in the accounts in accordance with s.96(2) of the Charities Act 1993. Moveable church furnishings, which are held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal, are inalienable property and are listed in the church's inventory which is available for inspection. All expenditure incurred during the year on consecrated or beneficed property, whether maintenance or improvements, is written off. Individual items purchased for £5,000 or less are written off in the period in which the asset is acquired. The only item which exceeds this value is the printer equipment which was purchased in 2014 and which will be written down in equal instalments over a period of four years, starting in 2014.

**Statement of Financial Activities (SOFA) for the year ended 31 December 2016**

	Notes	Unrestricted Fund (General)	Designated Funds (Memorial Wall) (Church Repair)	Reserved Fund (Friends of St. Mary's)	TOTAL FUNDS	
					2016	2015
<b>INCOMING RESOURCES</b>						
Voluntary income	2(a)	52,449		2,000	54,449	56,081
Activities for generating income	2(b)	20,808	1,074		21,882	24,913
Income from investments	2(c)	23,368			23,368	24,752
Income from church activities	2(d)	5,662			5,662	5,180
Other incoming resources	2(e)	0			0	0
<b>TOTAL INCOMING RESOURCES</b>		102,287	1,074	2,000	105,361	110,926
<b>RESOURCES EXPENDED</b>						
Church activities	3(a)	109,233		400	109,633	103,097
Cost of generating voluntary income	3(b)	0			0	0
Fundraising costs	3(c)	7,784			7,784	6,750
Other resources expended	3(d)	3,989			3,989	3,564
<b>TOTAL RESOURCES EXPENDED</b>		121,006	0	400	121,406	113,411
<b>NET INCOMING RESOURCES BEFORE OTHER GAINS AND LOSSES</b>		-18,719	1,074	1,600	-16,045	-2,485
<b>GAINS/LOSSES ON INVESTMENT ASSETS</b>						
- realised		0			0	0
- unrealised		38,242			38,242	2,586
<b>TRANSFERS BETWEEN FUNDS</b>		-2,400	2,400	0	0	0
<b>NET MOVEMENT IN FUNDS</b>		17,123	3,474	1,600	22,197	101
<b>Balances b/f: 1 January 2016</b>		562,668	19,625	3,313	585,606	585,505
<b>Balances c/f: 31 December 2016</b>		579,791	23,099	4,913	607,803	585,606

# Balance Sheet as at 31st December 2016

	Notes	2016		2015	
		£	£	£	£
<b>FIXED ASSETS</b>					
Land & Buildings	12	0			
Fixtures, fittings and equipment		1,950		3900	
Investments	12	565,065		526,823	
			567,015		530,723
<b>CURRENT ASSETS</b>					
Stock		1,393		609	
Debtors	13	13,618		11,919	
Central Board of Finance Deposit Account		12,000		25,000	
Church Repair Fund (Rochester Diocese)		9,988		7,588	
Current Account (Santander Bank)		5,190		14,988	
		42,189		60,104	
<b>LIABILITIES</b>					
Creditors (amounts falling due within one year)	14	1,401		5,221	
<b>NET CURRENT ASSETS</b>			40,788		54,883
			607,803		585,606
Creditors (amounts falling due after one year)			0		0
<b>TOTAL NET ASSETS</b>			607,803		585,606
<b>FUNDS</b>					
<b>Unrestricted funds</b>					
General Fund	15	579,791		562,668	
Memorial Wall Fund	15	13,111		12,037	
Church Repair Fund	15	9,988		7,588	
			602,890		582,293
<b>Restricted Funds</b>					
Friends of St. Mary's	15		4,913		3,313
<b>TOTAL FUNDS</b>			607,803		585,606
Approved on behalf of the PCC					
Rev. Lionel Kevils, Vicar					
Graham Cook FCA, Treasurer					

The Church fete was blighted by poor weather but still raised just under £2000.

The magazine has continued to provide a wide coverage of village activities and topical information and is welcomed by a readership beyond the recognised church membership. The church printing unit undertakes the printing of the Hildenborough, Fordcombe and Barnehurst church magazines as well as weekly pew sheets for Brasted church. There has been a steady growth in the number of one-off jobs undertaken and the resulting income more than covers the cost of producing the Leigh magazine and makes a significant contribution to church funds. The PCC is immensely grateful to the team of dedicated volunteers who undertake this work.

### ***Financial Review***

The balance sheet shows net assets amounting to £607,803. Most of which are invested in a range of funds which are regularly monitored by a small group who receive informal market advice from the managers of the charitable funds used.

Income for the year was 5% less than in 2015. This is due to small decreases in income from planned giving, sundry donations and the Summer Fete, only partially offset by a legacy received (nil in 2015). With this in mind, due consideration will be given by the PCC to a refreshed Stewardship campaign for 2018. Expenditure has increased by 7% compared with 2015. This is due to the increased Parish Share (for Vicar's Stipend and share of Diocese costs) made to the Diocese, increased employment costs in relation to pension auto-enrolment, increased churchyard upkeep costs in respect of the wildflower triangle and the redecoration of the Genner Rooms. There was, therefore, a deficit on the 'operating' account of £16,000. However, a significant appreciation in the holding value of the our investments has also brought an (unrealized) gain for the year of £38,000 into account. This means that the net movement in funds for the year is an improvement of £22,000 compared with 2015.

As in recent years, we remain indebted to the loyal services of our two vergers, Mike Doggett and Julie Porter, both of whom have graciously offered to forego their due payments this year.

We continue with no permanent organist to provide musical accompaniment for our services but have agreements with three local organists who play for our services on a regular rota basis. We are also grateful to Roy and Jenny Etherton who continue to lead the music at our Family Praise services. We also have the facility for taped music on occasions where this sharing arrangement fails us and, whilst this reduces our flexibility, it is extremely effective when it needs to be used.

Our financial position continues to be sound, but reliant on our investments appreciating significantly on an annual basis in order to not erode resources year on year. As stated above, there was an operating deficit for 2016 which is not expected to improve in 2017 due to ongoing increases in costs. Therefore, we have to mindful of the sustainability of this position from a medium to long term perspective, particularly in relation to any major expenditure which might threaten/deplete this capital resource.

### ***Reserves Policy***

It is the policy of this church to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to three years unrestricted expenditure. It should be noted that the income generated from capital reserves forms an essential element of the church's annually budgeted revenue which is currently difficult to match from other sources of income.

### ***Thank you***

We remain immensely grateful to all those who contribute to the upkeep of our Church, and givers old and new.

**Llone Kavis, Vicar**

### **Objectives and activities**

St. Mary's PCC has the responsibility of co-operating with the Vicar to promote the whole mission of the Church in the ecclesiastical parish - pastoral, evangelistic, social and ecumenical. It is responsible for the maintenance of the Church of St. Mary the Virgin, Leigh, the attached Genner Rooms and the surrounding churchyard.

### **Church membership and attendance**

	<b>2016</b>	<b>2015</b>
Number on electoral roll	104	110
- number on roll not resident in parish	20	24
Usual Sunday attendance - adults	68	69
- under the age of 16	11	10
Easter attendance	140	199
Christmas attendance	511	508
Baptisms	10	6
Weddings/ blessings	4	1
Funerals in church	5	4

### **Review of the year**

The full PCC met formally six times during the year. The attendance record of PCC Members was 84% (85% in 2015). The Standing Committee met between each meeting of the PCC to conduct routine business. Mrs. Lisa Srotyr continued to be a great asset to the PCC in her capacity as Secretary, a role for which she is remunerated on a monthly basis.

The PCC revised its strategic objectives to reflect Jesus's Great Commission (Matthew 28 v10) 'Go therefore and make disciples of all nations' as follows:

- (i) To bring others to Christ through outreach in the community;
- (ii) To continue to develop the youth programme;
- (iii) To gain greater commitment from all church members to give time voluntarily to helping the community and God's work in the village.

Our vision for the parish is still centred on the five primary qualities which it is hoped will be reflected in all the work we undertake in the village.

**Welcoming - Supportive - Loving - Generous - Ambitious**

and the accompanying strap-line:

**We Serve the Lord God Almighty.**

David Bennie's work with Craft Zone provides an excellent outreach to our younger villagers (and their parents) and Tot Zone which is now well established to further this work among younger families. It is pleasing to note that some of the younger families attend our regular Sunday services.

Services have broadly followed the established pattern. The monthly Family Services (2<sup>nd</sup> and 4<sup>th</sup> Sundays) continue to provide a popular contrast to other more formal liturgies. The midweek 'services' in the Jessica Hall for mothers and young children have been well attended. The 'Service on the Green' was again held in early September and proved popular with a wide range of attendees.

The four remaining House Groups continue to meet on a regular basis and provide their members with the opportunity to explore deeper aspects of their faith together with a fifth group now meeting on Thursday mornings between 10.30am and 11.30am.

A new pumping system has been installed in the cellar which works efficiently.

Given the impending change in ownership of Hall Place, an approach was made to the current owners for the acquisition of a small extension to the churchyard. We are pleased to report that a small area to the north of the churchyard has been kindly donated to the church and arrangements are in hand for the integration of this land. We are grateful to Chris Court for giving his services in the transaction of this land.

## St. Mary's Church, Leigh - Annual Report 2016

### Administrative Information

St. Mary's Church and the surrounding churchyard are situated in a prominent position overlooking the village green and school. It is accessed via paths from both Hildenborough Road and The High Street. It is part of the Tonbridge Deanery and the Diocese of Rochester. Its correspondence address is The Vicarage, The Green, Leigh, Tonbridge, Kent TN11 8QJ.

Members of the Parochial Church Council are either *ex-officio*, elected by the Annual Parochial Church Meeting (APCM) or co-opted in accordance with the Church Representation Rules. Since 1 January 2014 until the date this report was approved, the following have served as members of the PCC.

<i>Vicar (ex officio):</i>	The Revd. Lionel Kevis (Chairman)
<i>Churchwardens (ex officio):</i>	Mr. Andrew McClintock Mr. Tim O'Neill
<i>Ex officio:</i>	Miss Jane Withers (Reader)
<i>Deanery Synod (ex-officio):</i> <i>(To serve until APCM 2017)</i>	Mr. Michael Doggett Mrs. Julie Porter
<i>(to serve until APCM 2017):</i>	Mr. David Sellicks
<i>(to serve until APCM 2018):</i>	Mr. Graham Cook (Treasurer) Mr. Richard Nevard Mr. Ian Vincent
<i>(to serve until APCM 2019):</i>	Mrs Julie Baggott Mr Geoff Dalby Mr Kelly Wheble
<i>Co-opted Members:</i>	Mrs Susan Hyde Mr James Irving

The Youth and Families Minister, Mr. David Bennie, was invited to attend all meetings of the PCC. Mrs. Lisa Srotyr also attended meetings of the PCC and the Standing Committee in her capacity of PCC Secretary. Both Mr. Bennie and Mrs. Srotyr retired from meetings when matters relating to their employment were discussed.

### Structure, governance and management

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and, as a result, are entitled to vote at the APCM and stand for election to the PCC.

The PCC has a Standing Committee, which is empowered to transact the normal business of the PCC between its meetings, subject to any directions given by the Council. The Standing Committee comprises the Vicar, the Churchwardens, and up to two other members of the PCC (currently, Mr. G. Dalby).

An Away Giving Committee, led by Rachel Glenny, meets on an ad hoc basis to consider and recommend which missions, relief agencies and other charities outside the parish should receive financial support (see note 10 to the accounts) from this parish.

**St. Mary's Church, Leigh**

**Annual Report  
and  
Financial Statements  
of the  
Parochial Church Council**

**for the year ended 31 December 2016**

***Approved by the PCC at its meeting on 13 March 2017***

**Incumbent:**

**The Revd. Lionel Kevis  
The Vicarage  
Leigh**

**Bank:**

**Santander Bank  
Bootle  
Merseyside**

**Independent Examiner:**

**Mr. Michael Rice  
41 Penshurst Road  
Leigh**

**Registered Charity No. 1133968**