

**The Parochial Church Council of the Ecclesiastical Parish
of Saint Mary Bredin, Canterbury**

Annual Report

For the year ended 31 December 2018

Charity Number 1137431

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Annual report and financial statements for the year ended 31 December 2018

Trustees and Advisers

Principal office: St. Mary Bredin Church
Church Office
59 Nunnery Fields
Canterbury, Kent CT1 3JN

Membership of the Parochial Church Council (PCC) and Charity Trustees:

Incumbent and ex officio Chairman: The Reverend Canon Barney de Berry
Vice-Chairman: Martin Collings (appointed April 2018)
Churchwardens: Martin Collings (re-elected April 2018)
Lizzie Worthen (elected April 2018)
Honorary PCC Secretary: Svenja Powell (re-appointed April 2018)
Honorary Treasurer: Simon Webster (co-opted April 2018)

Members of the PCC during 2018 were as follows:

Ex-officio members

The Reverend Canon Barney de Berry - Incumbent
The Reverend Craig Hunt - Associate Vicar
The Reverend Stephen Carter - Curate
Martin Collings
Marian Nicholson (retired April 2018)
Lizzie Worthen

Ex-officio members elected to Synod

Zac Bawtree (Deanery and Diocesan Synod)
Harry Macdonald (Deanery and Diocesan Synod)
Sam Locke (Diocesan Synod)
Margaret Griffin (Deanery Synod)
Charlotte Sleight (Deanery Synod)
Roger Thornington (Deanery Synod)
Alistair Bassett (Deanery Synod) PCC Student Rep.

Elected PCC members prior to the 2018 AGM:

Philip Lewis
Tom Gilbert
Rosemary Wade
Andrew Willmoth

Members elected at the 2018 AGM:

Chloe Baxter
Andy King
Rosemary Wade
Jacob Nicholson

Members who retired at the 2018 AGM

Graham Bough
Callum Elwood
Anne Ovenden
Lizzie Worthen

Members who joined during the year

Simon Webster - Co-opted in April 2018

Members who left during the year

Andrew Willmoth

Individuals attending PCC who have no vote in decision making

Svenja Powell - Honorary PCC Secretary

Bank:

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

Independent Examiner:

Mark Laughton FCCA
Burgess Hodgson LLP
Camburgh House
27 New Dover Road
Canterbury, Kent CT1 3DN

Annual Report for the year ended 31 December 2018

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.

Day to day operating management of the charity's activities is delegated by the PCC to the Standing Committee which 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 up to one elected member make up this committee.

The Parochial Church Council and Charity Trustees

The members of the PCC are Trustees of the charity and are responsible for ensuring compliance with legislation governing matters including health and safety, safeguarding, disability discrimination, employment and financial matters.

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. Those persons who were members of the PCC and Trustees are disclosed on Page 1 of the Annual Reports and Financial Statements.

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.

Public benefit

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

Achievements and performance

A brief outline of the activities undertaken by the organisation is set out below under the heading 'Activities'. These activities demonstrate the awareness of the PCC of the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. A 'Church Life Report' document, is made available at the Annual Parochial Church Meeting or through the Church Office which provides more full details of the achievements and performance of the Church during 2018.

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 fellowship groups, in outreach programmes, 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.

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'.

Church Attendance and Electoral Roll

There are 273 parishioners on the Electoral Roll (2017: 271). During 2018 the Electoral Roll was revised with 21 people being removed and 23 people added. The average weekly attendance counted during October 2018 was 230 individuals over the age of 16 years (2017: 290 adults) and 49 young people under the age of 16 (2017: 42 young people).

Annual Report for the year ended 31 December 2018**Activities**

The main Church activities, including worship and teaching services, prayer meetings, courses, fellowship groups and social action, 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.

Members of the Church are involved in many inter-church projects including: Street Pastors, Healing on the Streets, Stop The Traffik and Canterbury Food Bank. The Church operated a Make Lunch ministry and 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. The Church partners with the Christians Against Poverty Debt Centre and sponsors a 'debt coach'.

Financial Review of 2018

Total receipts accounted for in the year were £527,222 of which £52,352 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 Uganda Field Trip, to the Mission Specified funds and 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.

£521,975 was spent to provide the Christian ministry of St Mary Bredin Church in 2018, including £45,648 paid out of restricted funds. This sum includes the payment of £104,498 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 2018 this policy provided £33,777 for use locally, elsewhere in the UK and abroad. Adding restricted donations received for mission payment purposes and partnership giving, a total of £57,920 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.

Unrestricted voluntary giving totalling £432,795 is a reduction of £72,967 on that received in 2017. Without this generous giving, the PCC would have been unable to fund the activities of the Church in the way it was able to do in 2018 and to have the balance of reserves disclosed at the end of the year. There were two Gift Day Appeals in both 2018 and 2017.

£45,648 was paid out of restricted funds during the year. A summary of these payments is disclosed in Note 9 to the Financial Statements.

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'.

Reserves and Investment Policies

The PCC reviewed its Reserves Policy during the year. It is the policy of the PCC, particularly in view of having a number of staff on permanent contracts of employment, to maintain cash reserves of approximately £85,000 at any one time 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 2018 financial year, it is anticipated that the surplus may be utilised during 2019.

At the end of the financial year the PCC held £175,000 (2017: £50,000) on Market Linked Deposits subject to 3 months' notice with Lloyds Bank with whom it also maintains one current account. 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.

Annual Report for the year ended 31 December 2018

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 (Statement of Recommended Practice);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 are sufficient to 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 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: 18 March 2019

A handwritten signature in black ink, appearing to read 'Barney de Berry', followed by a long horizontal line extending to the right.

Independent Examiner's Report
for the year ended 31 December 2018

I report on the accounts of the charity for the year ended 31 December 2018, which are set out on pages 6 to 17.

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 charity's gross income exceeded £250k 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

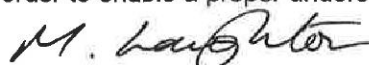
In connection with my examination, no matter has come to my attention:

(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: 18 March 2019

Statement of Financial Activities

For the year ending 31 December 2018

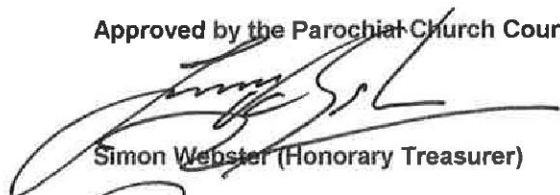
Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
2 INCOMING RESOURCES					
Incoming resources from generated funds					
2(a) Voluntary income	432,795	23,792	-	456,587	541,886
2(b) Activities for generating funds	30,474	-	-	30,474	31,418
2(c) Income from investments	777	683	-	1,460	1,000
Incoming resources from charitable activities					
2(d) Church activities	10,824	27,877	-	38,701	34,315
2(e) Other incoming resources	-	-	-	-	-
TOTAL INCOMING RESOURCES	474,870	52,352	-	527,222	608,619
3 RESOURCES EXPENDED					
Cost of generating funds					
3(a) Cost of generation of voluntary income	-	-	-	-	-
3(b) Fund-raising costs	18,174	-	-	18,174	18,746
Charitable activities					
3(c) Church activities	456,313	45,648	-	501,961	452,210
3(d) Governance costs	1,840	-	-	1,840	2,007
TOTAL RESOURCES EXPENDED	476,327	45,648	-	521,975	472,963
NET INCOMING RESOURCES BEFORE TRANSFERS	(1,457)	6,704	-	5,247	135,656
9 Gross transfers between funds	-	-	-	-	-
NET (OUTGOING)/ INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES	(1,457)	6,704	-	5,247	135,656
Other recognised gains/losses					
(Loss)/Gain on revaluation of investments	-	-	(309)	(309)	1,706
NET MOVEMENT IN FUNDS	(1,457)	6,704	(309)	4,938	137,362
Reconciliation of funds					
Balances brought forward 1 January 2018	663,505	24,773	20,608	708,886	571,524
Balances carried forward 31 December 2018	662,048	31,477	20,299	713,824	708,886

Balance sheet

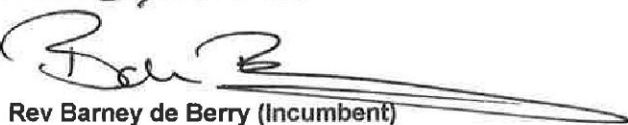
As at 31 December 2018

Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
FIXED ASSETS					
5(a) Tangible	784,402	-	-	784,402	797,763
5(b) Investments	-	-	20,299	20,299	20,608
	<hr/> 784,402	<hr/> -	<hr/> 20,299	<hr/> 804,701	<hr/> 818,371
CURRENT ASSETS					
6 Debtors	45,640	-	-	45,640	23,147
Short term deposits	175,000	-	-	175,000	50,000
Cash at bank and in hand	67,138	32,812	-	99,950	203,788
	<hr/> 287,778	<hr/> 32,812	<hr/> -	<hr/> 320,590	<hr/> 276,935
LIABILITIES					
7 Creditors - amounts falling due in one year	52,446	1,335	-	53,781	18,042
	<hr/> 235,332	<hr/> 31,477	<hr/> -	<hr/> 266,809	<hr/> 258,893
<i>Net current assets</i>					
	<hr/> 1,019,734	<hr/> 31,477	<hr/> 20,299	<hr/> 1,071,510	<hr/> 1,077,264
<i>Total assets less current liabilities</i>					
7 Creditors - amounts falling after one year	357,686	-	-	357,686	368,378
	<hr/> 662,048	<hr/> 31,477	<hr/> 20,299	<hr/> 713,824	<hr/> 708,886
TOTAL NET ASSETS					
PARISH FUNDS					
9 Funds	<hr/> 662,048	<hr/> 31,477	<hr/> 20,299	<hr/> 713,824	<hr/> 708,886

Approved by the Parochial Church Council on 18 March 2019 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 2018****1. Accounting policies****a) Statement of Compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

b) Basis of preparation

The financial statements have been prepared on the historical cost basis, 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 affiliation to another body, nor those that are informal gatherings of church members. The financial accounts are prepared in pounds sterling, which is the functional currency of the entity.

c) Going concern

There are no material uncertainties about the charity's ability to continue.

d) 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

e) 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 unless notification of the entitlement is not received in time for this to be processed. 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.

f) 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.

Notes to the financial statements

For the year ending 31 December 2018

1 Accounting policies (continued)

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 the residential property, 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.

l) **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 2018

2. INCOMING RESOURCES	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
2(a) Voluntary income					
Planned giving:					
Gift Aid donations	253,862	13,036	-	266,898	257,277
Tax recoverable	63,465	3,259	-	66,724	64,319
Other	55,413	-	-	55,413	47,081
Collections at services (open plate)	28,821	781	-	29,602	19,548
Tax recoverable for unidentified giving	2,000	-	-	2,000	1,500
Collections at groups (open plate)	2,817	-	-	2,817	3,218
Gift days:					
Gift Aid donations	7,145	-	-	7,145	15,540
Tax recoverable	1,786	-	-	1,786	3,885
Other	6,218	-	-	6,218	112,936
Donations, appeals, etc.:					
Gift Aid donations	-	4,041	-	4,041	2,920
Tax recoverable	-	1,010	-	1,010	730
Other	18	1,665	-	1,683	2,756
Gift Aid received re donation in the prior year	11,250	-	-	11,250	5,176
Legacies	-	-	-	-	5,000
	432,795	23,792	-	456,587	541,886
2(b) Activities for generating funds					
Church property lettings (for non-church purposes)	29,279	-	-	29,279	30,303
Fund-raising events	-	-	-	-	-
Other	1,195	-	-	1,195	1,115
	30,474	-	-	30,474	31,418
2(c) Income from investments					
Dividends	-	683	-	683	618
Interest	777	-	-	777	382
	777	683	-	1,460	1,000
2(d) Income from church activities					
Church property lettings (for church purposes)	2,345	-	-	2,345	718
Fees for weddings and funerals	2,484	-	-	2,484	3,027
Fees for courses and events	5,995	27,877	-	33,872	30,570
	10,824	27,877	-	38,701	34,315
2(e) Other incoming resources					
Gain on sale of fixed assets	-	-	-	-	-
Total incoming resources	474,870	52,352	-	527,222	608,619

Notes to the financial statements

For the year ending 31 December 2018

3. RESOURCES EXPENDED	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
3(a) Generation of voluntary income					
Costs of appeals, grants, etc.	-	-	-	-	-
3(b) Fund-raising costs					
Attributable to church property lettings	18,174	-	-	18,174	18,746
Cost of fund raising events	-	-	-	-	-
	18,174	-	-	18,174	18,746
3(c) Charitable activities					
Total Missionary and Charitable giving	49,122	8,798	-	57,920	49,656
Ministry: Diocesan parish share	104,498	-	-	104,498	98,583
Other ministry costs	42,191	531	-	42,722	44,466
Clergy support	19,055	-	-	19,055	15,170
Parsonage houses costs	1,867	-	-	1,867	2,550
Music ministry	15,014	-	-	15,014	9,087
Pastoral ministry	4,249	-	-	4,249	2,524
Youth and Children ministries	48,165	-	-	48,165	42,046
Students ministry	2,340	-	-	2,340	1,460
Church running	44,333	411	-	44,744	43,900
Church maintenance and repairs	11,310	-	-	11,310	12,038
Upkeep of services	57	-	-	57	116
Upkeep of churchyard	214	-	-	214	2,363
Cost of courses and events	2,555	30,879	-	33,434	23,431
Cost of group meetings	9,069	5,029	-	14,098	13,919
Discipleship Year costs	4,494	-	-	4,494	6,140
Church Hall and Centre					
running costs and repairs	54,028	-	-	54,028	42,683
Finance charges	15,189	-	-	15,189	14,747
Depreciation charges on:					
Furnishings and equipment	5,817	-	-	5,817	4,727
Church Hall and Church improvements	22,748	-	-	22,748	22,604
	456,313	45,648	-	501,961	452,210
3(d) Governance costs					
Staff costs	726	-	-	726	425
Independent Examiner's fees	982	-	-	982	1,495
Adjustment re prior year fees	8	-	-	8	8
Professional fees	-	-	-	-	-
Support costs	124	-	-	124	79
	1,840	-	-	1,840	2,007
TOTAL RESOURCES EXPENDED	476,327	45,648	-	521,975	472,963

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 12.

Notes to the financial statements

For the year ending 31 December 2018

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	10,548	3,898	14,446	2,469	1,259	18,174
Diocese re Associate Vicar and other ministry costs	-	-	-	-	42,191	42,191
Incumbent activities	-	13,482	13,482	2,304	3,269	19,055
Music	8,010	1,361	9,371	1,602	4,041	15,014
Pastoral	-	3,629	3,629	620	-	4,249
Youth and Children	33,212	2,999	36,211	6,189	5,765	48,165
Students	-	-	-	-	2,340	2,340
Discipleship Year costs	-	1,814	1,814	310	2,370	4,494
Church running	7,885	22,674	30,559	5,223	8,551	44,333
Church maintenance and repairs	5,628	1,898	7,526	1,286	2,498	11,310
Upkeep of services	-	-	-	-	57	57
Cost of group meetings	-	-	-	-	9,069	9,069
Church Hall/Centre	11,433	2,359	13,792	2,357	37,878	54,027
Governance	-	726	726	124	990	1,840
	76,716	54,840	131,556	22,484	120,278	274,318

Other support costs included above:

	Total 2018 £	Total 2017 £
Printing, postage and stationery	5,682	5,722
Telephone	1,353	1,405
Website and IT costs	8,333	8,393
Recruitment and staff training	3,969	1,977
Repairs and maintenance	2,113	2,984
Payroll services	798	587
Travelling	169	198
Canteen	-	-
Other costs mainly related to leaving gifts for members of staff	67	-
	22,484	21,266

Notes to the financial statements

For the year ending 31 December 2018

4. STAFF COSTS

	Total 2018 £	Total 2017 £
4(a) Wages and salaries		
Wages and salaries	123,358	107,210
Employers National Insurance	4,858	3,300
Pension costs	3,340	3,360
	<hr/>	<hr/>
	131,556	113,870
	<hr/>	<hr/>

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

	2018 Number	2017 Number
Church Hall/Centre	1	1
Youth and children	1	1
Administration and management	4	4
	<hr/>	<hr/>
	6	6
	<hr/>	<hr/>

The full time equivalent information represents 8 (2017: 8) 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 £3,340 (2017 - £3,360) on behalf of employees who have not opted-out of the scheme. Of these contributions no amounts remained outstanding at the year end (2017 - £Nil).

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

No member of staff earned over £60,000 during the year (2017: 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 (2017: None). No PCC members were reimbursed expenses during the year other than for operating costs incurred on behalf of the PCC (2017: £Nil).

During the time that Marian Nicholson was a member of PCC, £800 (2017: £2,400) was paid for IT services to her husband Iain Nicholson, IT Contractor. The fees charged by Iain Nicholson are at a discounted rate.

During the year, Alistair Basset was a member of PCC and he was paid £670 for undertaking work to support Church operations (2017: £Nil).

Use of the Family Fund is at the discretion of the incumbent and churchwardens. No payments were made out of the Family Fund in 2018 to individuals related to PCC members (2017: £Nil).

Notes to the financial statements

For the year ending 31 December 2018

5. FIXED ASSETS

	Buildings & Improvements	Furniture & Equipment	Total
	£	£	£
(a) Tangible			
Cost:			
At 1 January 2018	1,024,653	164,622	1,189,275
Additions at cost	7,078	8,126	15,204
Disposals	-	-	-
At 31 December 2018	1,031,731	172,748	1,204,479
Depreciation			
At 1 January 2018	236,597	154,915	391,512
Accumulated depreciation on disposals	-	-	-
Charge for the year	22,748	5,817	28,565
At 31 December 2018	259,345	160,732	420,077
Net book value			
At 31 December 2018	772,386	12,016	784,402
At 31 December 2017	788,056	9,707	797,763

The buildings comprise the cost of improvements to the Church building, the cost of the Link and Church Centre, the cost of Kendall Hall, the cost of land on which the Kendall Hall stands and the cost of residential accommodation for use by the Associate Vicar together with the cost of improvements to those properties. During the year, some minor improvements were made to the residential 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 use by 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 2018	20,608
Revaluation gain/(loss)	(309)
Market value at 31 December 2018	20,299

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 2018	Total 2017
	£	£	£	£	£
Gift Aid tax recoverable	26,775	-	-	26,775	13,087
Debtors	1,394	-	-	1,394	308
Accrued income	-	-	-	-	55
Prepayments	17,470	-	-	17,470	9,697
	45,640	-	-	45,640	23,147

Notes to the financial statements

For the year ending 31 December 2018

7. LIABILITIES	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
Creditors - amounts falling due in one year					
Trade Creditors	24,155	-	-	24,155	2,236
Other Creditors	600	-	-	600	655
Loans (see below)	10,300	-	-	10,300	10,038
Deferred Income	7,322	-	-	7,322	586
Accruals	10,069	1,335	-	11,404	4,527
	<u>52,446</u>	<u>1,335</u>	<u>-</u>	<u>53,781</u>	<u>18,042</u>
Creditors - amounts falling after one year					
Loans					
Kingdom Bank Limited					
Church renovation	60,981	-	-	60,981	63,162
Residential accommodation	307,005	-	-	307,005	315,254
Included in amounts falling due within one year	(10,300)	-	-	(10,300)	(10,038)
	<u>357,686</u>	<u>-</u>	<u>-</u>	<u>357,686</u>	<u>368,378</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. During the year £2,181 of this loan was repaid from regular monthly repayments. At the year end date the balance of the loan amounted to £60,981.

The two Kingdom Bank Limited loans to finance the residential accommodation are repayable over 25 years from 2016. 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, £8,249 of the loans was repaid from regular monthly repayments. At the year end date the balance of the loans amounted to £307,005.

8. Financial Instruments

Assets:	2018	2017
Cash and bank balances	274,950	253,788
Debtors and gift aid recoverable	28,169	13,395
	<u>303,119</u>	<u>267,183</u>
Liabilities:		
Mortgage loans (Note 7)	367,986	378,416
Creditors	24,755	2,891
	<u>392,741</u>	<u>381,307</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 2018

9. PARISH FUNDS	Balance at 1 Jan 2018	Incoming Resources	Resources Expended	Transfers	Revaluation Gains	Balance at 31 Dec 2018
Unrestricted Funds:						
General funds	140,102	474,870	(442,203)	(17,508)	-	155,261
Designated funds :						
Fixed Asset Fund	409,640	-	(22,748)	17,508	-	404,400
Property Reserve Fund	91,011	-	-	-	-	91,011
Cantercare	-	-	-	-	-	-
Unrestricted 2017 Gift Day	22,752	-	(11,376)	-	-	11,376
	663,505	474,870	(476,327)	-	-	662,048
	Balance at 1 Jan 2018	Incoming Resources	Resources Expended	Capital Repayment	Revaluation Gains	Balance at 31 Dec 2018
Restricted Funds:						
Children	-	-	-	-	-	-
Youth	-	-	-	-	-	-
Flowers Revenue	421	758	(411)	-	-	768
Mission Specified	714	11,392	(5,752)	-	-	6,354
Family Relief	208	250	(458)	-	-	-
Property Development	4,494	6,750	-	-	-	11,244
SMB Groups	-	2,663	(2,588)	-	-	75
Uganda Field Trip	1,100	29,779	(30,879)	-	-	-
Regalia & Artefacts	-	-	-	-	-	-
Pastoral	3,119	-	(531)	-	-	2,588
South Sudan - Juba	-	-	-	-	-	-
Mercy Ministries	14,717	760	(5,029)	-	-	10,448
	24,773	52,352	(45,648)	-	-	31,477
Endowment Funds:						
Flower fund	20,608	-	-	-	(309)	20,299
Total Parish Funds	708,886	527,222	(521,975)	-	(309)	713,824

No mortgage loan repayment out of the restricted fund was completed during the year but £13,000 was paid off the loan in February 2019. In the 2019 financial statements this will be 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.

Unrestricted 2017 Gift Day

In 2017 the PCC resolved to designate 10% of the 2017 Unrestricted Gift Day donations, excluding the Gift Aid recoverable, for each of Mission Giving in 2018 and the Mercy Ministries.

Notes to the financial statements**For the year ending 31 December 2018****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 £Nil (2017: £17,000) was paid out of this fund to repay part of the loan to fund the Church redevelopment.

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 will work with Jenga in Uganda during 2018.

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.

Mercy Ministries

A fund to receive donations to support the mercy ministries operated by the congregation: Christians Against Poverty, Make Lunch and Stop The Traffic.

10. FINANCIAL COMMITMENTS

There are no Financial Commitments at 31 December 2018 (2017: None).

11. EVENTS BEING CONSIDERED SUBSEQUENT TO THE YEAR END

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

A project to install solar panels on the church building to utilise solar power generation in contributing to minimise electricity costs is under consideration.

The PCC has designated £91,011 towards the costs of an extension to the Old Dover Road entrance to the Church premises and survey work has been commenced on this project. See Note 9 above.