

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL  
PARISH OF ST BARNABAS KENSINGTON

Diocese of London

Charity Registration Number: 1133985

Report & Accounts

31 December 2018

# **ST BARNABAS, KENSINGTON**

## **Report and Financial Statements 2018 Contents**

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# ST BARNABAS, KENSINGTON

## Legal and Administrative Information For the year ended 31 December 2018

### Charity Name

The Parochial Church Council of the Ecclesiastical Parish of St Barnabas Kensington. The Parish was established in 1858 and is a charity which was formally registered with the Charity Commission on 2 February 2010. The registration number is 1133985.

### Principal Address

St Barnabas Church, 23 Addison Road, London W14 8LH

### Members of the PCC

The PCC who served during the year and who were serving at the date of this report were:

<b>Vicar</b>	Reverend Andy Buckler	From June 2017
<b>Associate Vicar</b>	Reverend H Miller	From July 2017
<b>Curate</b>	Reverend Jean-Luc Sergent	From September 2017
<b>Church Wardens</b>	Don Christian	(elected APCM 2018)
	Leah Haynes	(elected APCM 2018)
<b>Elected Lay Representatives</b>	Don Christian	(retired APCM 2018)
	Yinka Adiko	(retired APCM 2018)
	Ikwu Amaka	(re-elected APCM 2018)
	Samy Mansour	(elected APCM 2018)
	Rosemary Caudwell	(elected APCM 2018)
	Nicola Shannon	(elected APCM 2015)
	Aaron Sim, Treasurer	(retired APCM 2018)
	Naheed Amaka, Treasurer	(elected APCM 2018)
	Chloe Slinger	(retired APCM 2018)
	Daphne Towry-Coker	(elected APCM 2018)
	Mara Williams	(re-elected APCM 2016)
	Claire Wilkinson	(elected APCM 2017)
<b>Lay Representatives to the Deanery Synod</b>	Gill Dandy	(re-elected APCM 2017)
	Nicola Shannon	(elected APCM 2017)
<b>PCC Representative on the School Board of Governors</b>	Rachel Edmondson	(elected APCM 2018)

### Salaried Personnel in Attendance

<b>Operations Manager</b>	Pippa Fernee	(until September 2018)
<b>Operations Manager</b>	Chloe Slinger	(from September 2018)
<b>Senior Administrator</b>	Lina Lavruvianec	PCC Secretary (to May 2018)
<b>PA to the Vicar</b>	Ruth Beck	PCC Secretary (from May 2018)

### Key Management Personnel

<b>Director of Prayer and Pastoral Care</b>	Pippa Fernee
<b>Director of Worship</b>	Gilbert Chellembrun
<b>Director of Operations</b>	Chloe Slinger

### Professional Advisers and Agents

<b>Bankers</b>	NatWest Bank plc	Kensington, Royal Garden Branch, 55 Kensington High Street, London W8 5ZG
<b>Independent Examiner</b>	Jacob Cavenagh & Skeet	5 Robin Hood Lane, Sutton, Surrey SM1 2SW
<b>Quinquennial Inspector</b>	Robert Shaw Architects	32 Foster Road, Chiswick, London W4 4NY

# **ST BARNABAS, KENSINGTON**

## **Report of the Parochial Church Council For the year ended 31 December 2018**

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The Parochial Church Council of the Ecclesiastical Parish of St Barnabas Kensington ("PCC") submits its report and the financial statements of the PCC for the year ended 31 December 2018. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2015 (FRS102)) and the Financial Reporting Standard 102. The legal and administrative information set out earlier in this document forms part of this report.

The PCC co-operates with the incumbent in promoting the whole mission of the Church within its Parish and beyond. It also has responsibility for the non-stipendiary staff and the maintenance of St Barnabas Church, the Vicarage and the clergy houses at 17 Devonport Road and 87 Blythe Road. In essence the PCC is a consultative body that represents the views of the congregation as well as its own. It should communicate, where appropriate, any decisions of the PCC or its committees to the church; oversee and advise in the financial affairs of the church; pray and champion the vision for the church.

### **1. Structure, Governance & Management**

#### **1.1 The Governing Document**

Parochial Church Council Powers Measure (1956) as amended and Church Representation Rules.

#### **1.2 Trustees**

The PCC is a body corporate with perpetual succession. The PCC meets approximately 6 times per annum to discuss a full range of matters relating to finance, fabric, general administration and responsibility for keeping of the Electoral Roll. Members of the PCC are either *ex officio* or elected by the Annual Parochial Church Meeting (APCM) or in attendance in accordance with the Church Representation Rules.

The Induction process for any individual newly-appointed to the PCC comprises an initial meeting with the Vicar and receipt of copies of:

- the most recent financial statements
- the Charity Commission's guidance 'The Essential Trustee'
- the booklet 'Trusteeship: An Introduction for PCC Members', produced jointly by the Charity Commission and the Archbishops' Council
- attending the Kensington Episcopal Area induction for new church officers

#### **1.3 Standing Committee**

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the PCC.

Rev. Andy Buckler (Vicar); Rev. H Miller (Associate Vicar); Naheed Amiaka (Treasurer); Chloe Slinger (Director of Operations); Don Christian (Church Warden); Leah Haynes (Church Warden)

#### **1.4 Church Attendance**

The electoral roll is completely reviewed and revised once every six years and it is currently being updated. In 2018 the electoral roll stood at 236.

#### **1.5 Risk Management**

The PCC's primary concern and objective is the disciplining of individuals for the glory of God. Whilst it is the PCC's policy to trust wholly in the Lord that He will work out His purpose to this end, the church also acknowledges that it has a responsibility, both as individual Members and as a body of Members, for the identification and proper management of risks faced by the PCC in achieving its primary aim. The PCC has therefore assessed the major risks to which the PCC is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The PCC believes that, by monitoring reserve levels, by ensuring that controls exist over key financial systems, and by examining the operational risks faced by the church, it has established effective systems and procedures to mitigate those risks.

#### **1.6 Safeguarding**

The Safeguarding Statement as proposed by the London Diocesan Fund was agreed and adopted by the PCC on 14th May 2018. Nicola Shannon was appointed as Church Safeguarding Officer (CSO) and Leah Haynes was appointed as Children's Champion.

## **ST BARNABAS, KENSINGTON**

### **Report of the Parochial Church Council For the year ended 31 December 2018**

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## **2. Objectives, Activities & Strategies**

### **2.1 Objective**

Promoting in the ecclesiastical parish the whole mission of the Church.

### **2.2 Activities**

The PCC has given due regard to the Charity Commissions' guidance on public benefit. To this end the PCC organises the following activities in order to enable ordinary people to live out their faith as part of our parish community:

- worship and prayer
- learning about the Gospel, and its engagement with the insights and values of contemporary society, and its dialogue with those of other faiths, or none; and informing the resolve to live according to 'the mind of Christ' (1 Corinthians 2)
- provision of pastoral care for people living in the parish
- support for outreach and works of compassion

## **3. Review of the Year**

### **Children's and Youth Ministry**

In January, we relaunched the children's ministry with a new structure and renewed team led by Kate and Charlie Hill, under the name 'WildLife'. This relaunch has provided fresh impetus to our children's work which now offers 5 different groups: Fireflies (0-2 years), Little Lions (3 years - reception), Octopus (school years 1-5), Iguana (school years 6-9) and Fruit Bat (school years 10-13). The Youth work led by Simon Lilley has focused on Youth Alpha which was run between Jan and March 2018.

### **Weekend Away**

In February the weekend away in Windsor brought together 170 adults and children, along with our visiting speaker John Irvine. It was a wonderful opportunity to celebrate God's faithfulness in the past and to look ahead in faith to the next stage of the church's life. It was also the opportunity to relaunch the network of small groups as 'Hubs', and to prepare for the launch of French Connect.

### **Services**

**The 9am Service** remains a more reflective, traditional service of communion with songs and hymns played on the organ. Numbers have continued to grow and average between 40-50 people attending.

**The 10.30am Service** is a lively, family-focussed service. Worship is led by the band and children are welcome at Children's Church (WildLife). There have been a number of guest preachers/speakers as well as providing opportunity for developing service leaders from within the congregation. This service remains steady in numbers despite the constant number of people moving away from the area. We continue to have a significant international element to the membership.

**The 7pm Service** is a more relaxed service with an emphasis on worship, teaching, ministry and healing prayer. This service continues to grow, with an average of 35 by the end of 2018.

### **French Connect**

A highlight of 2018 was the launch on 29th April of French Connect, a 5pm service in French, aimed at non churched French speakers in London. It is led by Revd Jean-Luc Sergent, curate, together with a team of 20 which had gradually been built up over the previous months. French Connect has also begun organising cultural events in the church as a means of creating community and creating a link with the church. These events (World Cup Final, Wine Tasting, Raclette...) draw 100-150 people each time.

**Baptisms, Weddings, Funerals.** In 2018 we celebrated four adult and two child baptisms. There were two funerals and one wedding.

**Midweek "Kingdom Come" Prayer Evenings and CAYA Worship Evenings** happen monthly. Midweek prayer groups meet on Wednesday mornings and on a Thursday evening. The weekly prayer meetings have a small but committed team of attendees.

## **ST BARNABAS, KENSINGTON**

### **Report of the Parochial Church Council For the year ended 31 December 2018**

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#### **Staff**

There have been numerous staff changes this year. Pippa Fernee changed roles in September 2018 and took up the position of Director of Prayer and Pastoral Care. Chloe Slinger took over as Director of Operations in September 2018. Thelma Pritchard ended her role in June 2018 and from August Lina Lavruvianec took over the role of both Office Manager and Bookkeeper. Simon Williams has changed roles and is now the Production Manager. Simon Lilley has become our new Buildings and Facilities Manager. Ruth Beck took on the role of PA to the Vicar in June 2018. In July, we said goodbye to Jack Ellison as worship leader and in September 2018 we welcomed Gilbert Chellembrom as the new Worship Pastor.

#### **Outreach**

**The Alpha Course.** We ran a small Alpha Hub in March-May 2018, and a larger Alpha Course in English, French and Farsi in the autumn of 2018 using the Alpha film series.

**"Sticky Fingers".** The Thursday morning mums and toddlers group continues to thrive. "Family fun days" and other social events have been organised. The leadership team has been renewed and the number of attendees is on the increase. Plans are underway to expand to a Tuesday morning Soft Play session in the church from Jan 2019.

**St Barnabas and St Philip's School.** The school continues to thrive, with an 'Outstanding' SIAMS report in March 2018. Connections with both St Barnabas and St Philip's parishes are growing. During 2018, we hosted 3 school services in St Barnabas, and the vicar and curate regularly lead full school assembly. In April 2018, on completion of her term as PCC representative to the governors, Mara Williams was succeeded by Rachel Edmondson.

**Glass Doors.** From the end of January to early April 2018 (about 10 weeks) St Barnabas again hosted the night shelter project as part of their second circuit of local churches. There is always a good number of church members who volunteer to help with this.

**Earls Court Community Project.** We continue to retain links with ECCP and although the project no longer holds its Coffee Bar on the church premises, the ECCP Counselling Team regularly use our facilities for counselling appointments.

**North Kensington.** We continue to have active links with St Francis Dalgano Way, but since it became a new site of HTB in 2018, the PCC agreed from 2019 to transfer financial support to St Helen's North Kensington as a way of encouraging their ministry.

#### **Pastoral Care and Community Building**

Pastoral care has been reinforced through regular visits, and training in prayer ministry. Hubs give the greatest opportunity for fellowship, study and mutual support. Following the church weekend in February, a number of new midweek Hubs have begun. 'Freedom Prayer' appointments are available using the model we have developed from 'Transforming Life'.

Some members of the church went to the summer conferences at New Wine and HTB's Focus.

#### **Overseas**

Support has continued for a variety of missions throughout the year. A review by the Missions Team of mission support and strategy is planned for 2019.

#### **Property & Plant**

In 2018 the main church building did not need any significant expenditure, other than the costs associated with repair of the sump in August and repair to the boiler for the crypt rooms in November.

The PCC is also responsible for two clergy properties, Devonport Road which houses Revd. Jean-Luc Sergent and Blythe Road, which accommodates Revd. H Miller and his family. Devonport Road has been light on maintenance this year, due to being significantly refurbished in 2017. Blythe Road has also needed little in the way of maintenance.

#### **Website & Planning Centre**

The website is updated/maintained on a weekly basis by church staff. The Planning Centre provides a database of church membership and is used for the increasing number of registrations for events. It is also used for check-ins on a Sunday for children's ministry.

## ST BARNABAS, KENSINGTON

### Report of the Parochial Church Council For the year ended 31 December 2018

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#### 4. Financial Review

##### 4.1 Financial Activity and Financial Position

The PCC's main sources of funding are the free will offerings of church members, rental income from residential properties and lettings income from the hiring out the church buildings.

The Statement of Financial Activities and Balance Sheet can be found on pages 9 and 10 respectively. The Church's reserves increased by £77,920 during the year (2017: decreased by £21,915). The balance sheet shows total net assets of £792,770 (2017: £714,850). Cash balances increased by £39,941 (2017: decreased by £18,934).

Included in total funds are amounts totalling £66,489 (2017: £7,823) which are restricted. These balances have either been raised for, and their use restricted to, specific purposes, or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 11 to the accounts together with an analysis of movements in the year.

Income for the year amounted to £627,134 (2017: £495,612). Expenditure in 2018 was £549,214 (2017: £517,527). The largest element of expenditure was direct staff costs, which amounted to £164,864 (2017: £141,330). We have continued to give to our mission partners and other Christian charities and individuals. In 2018 we gave £19,036 (2017 £25,487) and contributed £107,043 (2017: £103,603) to the Diocesan Common Fund.

##### 4.2 Reserves Policy

The PCC has examined the requirements for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets. The PCC considers that, given the nature of the church's work, free reserves should be equivalent to approximately 6 months' routine general fund expenditure, plus committed future expenditure on other projects, where funds permit. The PCC is of the opinion that this provides sufficient flexibility to cover temporary shortfalls in income will allow the church to cope and respond to unforeseen emergencies whilst specific action plans are implemented. At 31 December 2018 the church had net free reserves of £32,253 (2017: £14,841) as follows:

	2018 £	2017 £
<b>Total reserves</b>	<b>792,770</b>	<b>714,850</b>
Less: restricted funds	(66,489)	(7,823)
Less: fixed assets	(1,507,599)	(1,505,757)
Add: long term loans on residential & church properties	160,000	160,000
Add: provision for liabilities	653,571	653,571
<b>Free reserves</b>	<b>32,253</b>	<b>14,841</b>
<b>Free reserves requirement:</b>		
6 month's budgeted routine expenditure	<b>250,000</b>	<b>235,000</b>

The PCC is aware that free reserves are considerably below the free reserves requirement. This is a position which has persisted for several years. The PCC is seeking to build up reserves in such a way that minimises the impact of the current operations of the church. To this end the PCC has made a standing commitment to budget for successive annual minimum surpluses of approximately £20,000 (based on conservative income projections at the start of each calendar year). This process is expected to carry on for the next five to ten years.

##### 4.3 Investment Policy

Funds in excess of immediate working capital requirement are placed in a bank deposit account.

## ST BARNABAS, KENSINGTON

### Report of the Parochial Church Council For the year ended 31 December 2018

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#### 5. Plans for Future

Future plans of action focus on realising the mission of St Barnabas as articulated in our vision statement:

St Barnabas is called to be a kingdom community

- **welcoming** in Jesus' name,
- **growing together** in discipleship,
- **stepping out** in God's mission to all nations.

**As we look ahead, we will be continuing to invest in the five priority areas** of action that had been identified in 2017: 1) developing an operational process for welcoming and integrating new people into church life; 2) reinforcing work amongst children and youth through WildLife; 3) developing the small group network of Hubs with a threefold purpose: pastoral, discipling, mission; 4) identifying and training leaders within the church and for wider service and mission; 5) reaching out to French speakers in London through French Connect.

In addition to this, we recognise that **"all nations"** are on our doorstep and so we want to give a high priority to developing projects reaching out and connecting with the **local community**: 1) Weekly Soft Play for children aged 0-3 from Jan 2019; 2) a music school "Barnabas Music Academy"; 3) regular cultural events linked with French Connect.

Through these and other activities we are aiming to enable members of the church to be **ambassadors** of God's kingdom, particularly through developing a culture of invitation and welcome.

We are also looking to develop a role as a **resource church** for the renewing and reviving of historic denominations in Europe.

#### 6. Responsibilities of Trustees for the Financial Statements

The PCC is responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Charity law in England and Wales requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the PCC and of the income and application of income of the charity for that period.

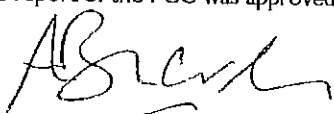
In preparing those financial statements, the PCC is required to:

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

The PCC is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables 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 governing document. The PCC is 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. The PCC is responsible for the maintenance and integrity of the charity and financial information included in the charity's website.

#### 7. Approval

The report of the PCC was approved by the PCC on 25 March 2019 and signed on its behalf by:



Revd. Andy Buckler  
Chairman



## **ST BARNABAS, KENSINGTON**

### **Report of the Independent Examiner to the Parochial Church Council of St Barnabas, Kensington**

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#### **Independent examiner's report to the trustees of St Barnabas' Parochial Church Council**

I report to the charity trustees on my examination of the accounts of the St Barnabas' Parochial Church Council (the Church) for the year ended 31 December 2018 set out on pages 9 to 19.

#### **Responsibilities and basis of report**

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts as carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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

Since the Church's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Church as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**M R Hickson FCA CTA**  
Chartered Accountant

5 Robin Hood Lane  
Sutton  
Surrey SM1 2SW

Date: 10/04/2019

# ST BARNABAS, KENSINGTON

## Statement of Financial Activities (including income and expenditure account) For the year ended 31 December 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total 2017 £
<b>Income from:</b>							
Donations and legacies	2	430,336	105,740	536,076	383,697	16,615	400,312
Charitable activities		2,175	-	2,175	482	123	605
Other trading activities		88,828	-	88,828	94,689	-	94,689
Investments		55	-	55	6	-	6
<b>Total Income</b>		<b>521,394</b>	<b>105,740</b>	<b>627,134</b>	<b>478,874</b>	<b>16,738</b>	<b>495,612</b>
<b>Expenditure on:</b>							
Raising funds	3	30,770	13,028	43,798	48,003	-	48,003
Charitable activities	4	471,370	34,046	505,416	451,044	18,480	469,524
<b>Total Expenditure</b>		<b>502,140</b>	<b>47,074</b>	<b>549,214</b>	<b>499,047</b>	<b>18,480</b>	<b>517,527</b>
<b>Net(Expenditure)/Income</b>	5	<b>19,254</b>	<b>58,666</b>	<b>77,920</b>	<b>(20,173)</b>	<b>(1,742)</b>	<b>(21,915)</b>
Transfers between funds		-	-	-	(1,265)	1,265	-
<b>Net movement in funds</b>		<b>19,254</b>	<b>58,666</b>	<b>77,920</b>	<b>(21,438)</b>	<b>(477)</b>	<b>(21,915)</b>
Total funds brought forward		707,027	7,823	714,850	728,465	8,300	736,765
<b>Total funds carried forward</b>		<b>726,281</b>	<b>66,489</b>	<b>792,770</b>	<b>707,027</b>	<b>7,823</b>	<b>714,850</b>

# ST BARNABAS, KENSINGTON

## Balance Sheet

As at 31 December 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total 2017 £
<b>Fixed Assets</b>							
Tangible Assets	6	1,507,599	-	1,507,599	1,505,757	-	1,505,757
<b>Current Assets</b>							
Stock		653	-	653	623	-	623
Debtors	7	55,397	-	55,397	14,718	-	14,718
Cash At Bank And In Hand		14,391	66,489	80,880	33,116	7,813	40,939
		70,441	66,489	136,930	48,457	7,823	56,280
<b>Creditors - Amounts Falling Due Within One Year</b>	8	38,188	-	38,188	33,616	-	33,616
<b>Net Current Assets</b>		32,253	66,489	98,742	14,841	7,823	22,664
<b>Creditors - Amounts Falling Due After More Than One Year</b>	9	160,000	-	160,000	160,000	-	160,000
<b>Provisions for liabilities</b>	10	653,571	-	653,571	653,571	-	653,571
<b>Net Assets</b>		<u>726,281</u>	<u>66,489</u>	<u>792,770</u>	<u>707,027</u>	<u>7,823</u>	<u>714,850</u>
<b>Represented By:</b>							
Restricted Funds	11	-	66,489	66,489	-	7,823	7,823
Unrestricted Income Funds		726,281	-	726,281	707,027	-	707,027
<b>Total Funds</b>		<u>726,281</u>	<u>66,489</u>	<u>792,770</u>	<u>707,027</u>	<u>7,823</u>	<u>714,850</u>

The financial statements were approved by the PCC on 25 March 2019 and signed on its behalf by:

  
Don Christian  
Church Warden

## **I. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### **Basis of accounting**

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting except for the revaluation of freehold land and buildings which are shown at market value. The charity prepares its financial statements in pounds Sterling, rounding to the nearest £.

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 an affiliation to another body or those that are informal gatherings of church members.

The PCC meets the definition of a public benefit entity under FRS 102.

### **Going Concern**

There are no material uncertainties about the charity's ability to continue and accordingly the accounts have been drawn up on a going concern basis.

### **Income recognition**

Voluntary income and donations (including legacies) are accounted for once the PCC has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Income from the recovery of tax on gift aided donations is accounted for in the period to which the relevant donation is received. Grant income is recognised on a receivable basis.

The income from trading activities includes rental income from the letting of church premises and freehold land and buildings which is accounted for when earned. It is shown gross, with the associated costs included in fundraising costs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. Longer term liabilities are discounted to present value. The PCC is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Expenditure included in Raising Funds includes amounts incurred in obtaining grants and other donations and property maintenance costs.

Charitable expenditure includes those costs in fulfilling the PCC's principal objects, as outlined in the Report of the PCC. These include grants payable, governance costs and an apportionment of support costs.

- Grants payable are payments made to third parties in furtherance of the PCC's objects. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the PCC.
- Governance costs comprise all costs involving the public accountability of the PCC and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees.

## **I. Accounting Policies (continued)**

The PCC contributes to certain employees' personal pension plans. These are defined contribution schemes, the assets of which are held separately from those of the charity. The cost in the accounts is the amount of contributions paid and payable during the year.

Rentals under operating leases are charged as incurred over the term of the lease.

### **Tangible Fixed Assets**

#### *Consecrated Property and Moveable Church Furnishings*

Consecrated land and benefice property such as the church building and vicarage is excluded from the accounts in accordance with s10 of the Charities Act 2011. Moveable church contents are held by the vicar and churchwardens on special trust for the PCC and require a faculty for disposal are accounted as inalienable property unless consecrated. All expenditure incurred on consecrated or benefice buildings and moveable church furnishings, whether maintenance or improvement, is expensed within the Statement of Financial Activities.

#### *Freehold Land & Buildings*

Freehold land and buildings are stated at market value. Freehold land and buildings are not depreciated as depreciation would be immaterial.

#### *Other Fixtures, Fittings & Office Equipment*

The cost of other furniture, fittings and equipment, less any expected residual value, is depreciated on a straight line basis over the effective useful life of the asset, which has been estimated as follows:

Computer and Softplay equipment: 3 years  
Other equipment: 5 years

### **Stock**

Stock of books is included at the lower of purchase cost and net realisable value with reference to current prices.

### **Debtors**

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

### **Cash at bank and in hand**

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

### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

### **Borrowings**

The PCC has three categories of borrowings:

- Concessional loans, which are recognised at the amount received and adjusted as necessary for any impairment
- Basic financial instruments, which are initially recognised at the amount received (for example, the amount borrowed less any arrangement fee) and subsequently measured at amortised cost using the effective interest rate method
- Other financial instruments, which are recognised at fair value

### **Fund accounting**

The funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

## 2. Income

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
Donations & legacies				
Offerings and donations	358,807	74,686	433,493	335,826
Income tax reclaimed	71,529	9,575	81,104	62,588
Legacies	-	-	-	-
Grants	-	21,479	21,479	1,898
	<b>430,336</b>	<b>105,740</b>	<b>536,076</b>	<b>400,312</b>
Charitable activities				
Sticky Fingers	2,175	-	2,175	482
Fee income (net)	-	-	-	123
	<b>2,175</b>	<b>-</b>	<b>2,175</b>	<b>605</b>
Other trading activities				
Lettings income – residential	12,580	-	12,580	17,540
Lettings income – Howard Hall & church	62,382	-	62,382	65,844
Outings and other parish events	13,302	-	13,302	10,529
Other	564	-	564	776
	<b>88,828</b>	<b>-</b>	<b>88,828</b>	<b>94,689</b>
Investments				
Bank Interest	55	-	55	6
<b>Total</b>	<b>521,394</b>	<b>105,740</b>	<b>627,134</b>	<b>495,612</b>

## 3. Expenditure on Raising Funds

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
Residential church property costs - upkeep	12,163	2,064	14,227	15,710
Residential church property costs - Interest	14,999	9,997	24,996	29,677
Bank & collecting agent fees	2,213	-	2,213	1,453
Sticky Fingers	1,395	967	2,362	1,163
	<b>30,770</b>	<b>13,028</b>	<b>43,798</b>	<b>48,003</b>

#### 4. Expenditure on Charitable Activities

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
Provision of clergy				
Common Fund	107,043	-	107,043	103,603
Other	19,150	19,150	38,300	21,023
	<b>126,193</b>	<b>19,150</b>	<b>145,343</b>	<b>124,626</b>
Church Life & Outreach				
Gross salaries	37,623	4,000	41,623	23,939
Employer's National Insurance	1,942	-	1,942	1,125
Upkeep of services	3,356	-	3,356	2,295
French Connect	-	6,914	6,914	-
Organist	3,885	-	3,885	4,175
Children/youth	7,082	-	7,082	2,426
Events	32,769	-	32,769	-
Women	-	-	-	242
Other ministries	6,294	-	6,294	15,597
Catering & hospitality	6,641	-	6,641	9,931
Gifts and grants (see note 4b below)	16,587	2,449	19,036	25,487
	<b>116,179</b>	<b>13,363</b>	<b>129,542</b>	<b>85,217</b>
Provision of Office & Support				
Gross salaries	67,336	-	67,336	68,260
Employer's National Insurance (net of NI Emp All)	4,262	-	4,262	4,073
Pension contributions	7,812	-	7,812	6,399
Insurance	-	-	-	2,362
Staff expenses other	11,216	-	11,216	8,098
Volunteer expenses	-	-	-	-
Printing, postage & stationery	1,960	-	1,960	1,852
Photocopying	4,515	-	4,515	3,027
Accountancy, payroll & recruitment	2,510	-	2,510	1,365
Technology – IT (communications, phones, software)	9,226	-	9,226	7,953
Technology – IT Support	5,040	-	5,040	4,950
Technology – sound & video	5,677	-	5,677	11,254
Publicity and website design	4,560	-	4,560	2,267
Depreciation	3,653	1,533	5,186	4,698
Other	1,799	-	1,799	4,080
	<b>129,566</b>	<b>1,533</b>	<b>131,099</b>	<b>130,638</b>
Provision of Buildings and Facilities				
Gross salaries	40,064	-	40,064	34,062
Employer's National Insurance	1,825	-	1,825	1,110
Heat, light & water	13,387	-	13,387	8,222
Insurance	9,710	-	9,710	9,177
Repairs & maintenance & H&S & Diocesan Interest	23,297	-	23,297	65,421
Cleaning & waste	6,685	-	6,685	7,451
	<b>94,968</b>	<b>-</b>	<b>94,968</b>	<b>125,443</b>
Governance costs				
Independent Examination fee	4,464	-	4,464	3,600
	<b>4,464</b>	<b>-</b>	<b>4,464</b>	<b>3,600</b>
<b>Total expenditure – charitable activities</b>	<b>471,370</b>	<b>34,046</b>	<b>505,416</b>	<b>469,524</b>

#### 4a. Expenditure - Employee Emoluments

In addition to the many volunteers who give their time to the church, there were 8 (2017: 8) employees whose costs are included within each of the main cost categories of "Expenditure – Charitable Activities" (note 4 above). Their aggregate emoluments were as follows:

	2018 £	2017 £
Gross salaries	149,023	126,261
Employer's National Insurance (net of SMP and Employer's Allowance)	8,030	6,308
Pension costs	7,811	8,761
	<b>164,864</b>	<b>141,330</b>

These figures exclude the amounts paid to the Diocese for the incumbent and the curates, who are funded through the Common Fund. No employee (2017: nil) received emoluments in excess of £60,000 during the year. The number of staff for whom pension contributions were made during the year was 10 (2017: 3).

#### 4b. Expenditure – Missionary & Charitable Giving

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
Giving to organisations				
M Saunderson - annual grant	-	-	-	800
- support for student in Peru	-	-	-	3,000
Earls Court Community Project/Youth with a Mission	750	-	750	750
Sugandh - annual grant	3,000	-	3,000	3,000
Glass Door	750	-	750	1,020
St Francis Church, Dalgarno way	500	-	500	2,000
Rahab	1,000	-	1,000	1,000
International Justice Mission	5,000	-	5,000	5,375
Love Russia	500	-	500	-
School leavers' Bibles	556	-	556	637
	<b>12,056</b>	<b>-</b>	<b>12,056</b>	<b>17,582</b>
Giving to individuals				
S&S Mansour	4,000	-	4,000	4,000
Other gifts over £1,000 each	-	-	-	1,550
Other gifts under £1,000 each	531	2,449	2,980	2,355
	<b>4,531</b>	<b>2,449</b>	<b>6,980</b>	<b>7,905</b>
	<b>16,587</b>	<b>2,449</b>	<b>19,036</b>	<b>25,487</b>



## 5. Net Income/(Expenditure)

This is stated after charging:

Operating lease rentals  
Depreciation  
Independent examination fee

2018	2017
£	£
1,371	1,371
5,185	4,698
4,464	3,600

## 6. Tangible Fixed Assets

	Freehold land & building £	Fixtures, fittings & equipment £	Total £
<b>Cost/Fair Value</b>			
At 1 January 2018	1,500,000	69,330	1,569,330
Additions	-	7,027	7,027
Disposals	-	-	-
At 31 December 2018	1,500,000	76,357	1,576,357
<b>Depreciation</b>			
At 1 January 2018	-	63,573	63,573
Charge for Year	-	5,185	5,185
Disposals	-	-	-
At 31 December 2018	-	68,758	68,758
<b>Net Book Value</b>			
At 31 December 2018	1,500,000	7,599	1,507,599
At 31 December 2017	1,500,000	5,757	1,505,757

All of the fixed assets are used for charitable purposes.

The freehold land and buildings comprise:

- 87 Blythe Road which was let on a commercial basis until March 2015 and then became home to the Revd H Miller, Associate Vicar, and his family. The property is held under trust by the London Diocesan Fund. Under this Declaration, should the property be sold, the Church would receive 46.43% and the London Diocese Fund and the Church Commissioners would receive a total of 53.57% of the net proceeds less the outstanding loans of £150,000 (see note 10). The property was valued in March 2019 by Kineleigh, Folkhard & Hayward, a local estate agent, on the basis of the estimated value in the prevailing market conditions.
- 17 Devonport Road, part of which is currently being let on a commercial basis. The property is held under trust by the London Diocesan Fund. Under this Declaration, should the property be sold, the Church Commissioners would receive 100% of the net proceeds. The property is not capitalised in these accounts.

## 7. Debtors

	2018 £	2017 £
Prepayments	27,047	14,399
Income tax recoverable	26,760	-
Lettings receivable	-	-
Other debtors	1,590	319
	<b>55,397</b>	<b>14,718</b>

## 8. Creditors - Amounts Falling Due Within One Year

	2018 £	2017 £
Creditors for goods and services	15,412	10,553
Accruals	19,700	4,957
Other creditors including taxation and social security	2,576	2,606
Rent deposit held	-	15,000
Other creditors	500	500
	<b>38,188</b>	<b>33,616</b>

## 9. Creditors - Amounts Falling Due After More Than One Year

	2018 £	2017 £
Loan – private (87 Blythe Road)	10,000	10,000
Loan – London Diocesan Fund (87 Blythe Road)	50,000	50,000
Loan – Church Commissioners (87 Blythe Road)	100,000	100,000
	<b>160,000</b>	<b>160,000</b>

The £10,000 interest-free loan from a member of the congregation is repayable upon the sale of the property, unless earlier by mutual agreement. This is a concessionary loan and stated at the amount of the original transaction.

The £50,000 secured value linked loan from the London Diocesan Fund is an interest-bearing loan repayable upon the sale of the Blythe Road property. The interest rate is 6.45%. The PCC consider that the fair value of this loan at the balance sheet date is £50,000.

The £100,000 secured value linked loan from the Church Commissioners is an interest-bearing loan repayable upon the sale of the Blythe Road property. The interest rate is 1% above the Central Board of Finance deposit accounts rate. This loan is a basic financial instrument and is accounted for using the effective interest rate method.

## 10. Provisions for liabilities

London Diocesan Fund & Church Commissioners (87 Blythe Road)

2018 £	2017 £
<b>653,571</b>	<b>653,571</b>

The provision is calculated as 53.57% (see note 6) of £1,500,000, the stated value of the property at 87 Blythe Road, less the amount of value linked loans outstanding on the property (£150,000).

## 11. Restricted Funds

	At 1 January 2018 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	At 31 December 2018 £
Organ restoration fund	7,212	-	-	-	-	7,212
Vicar & Churchwardens fund	611	763	942	-	-	432
Nominated gifts (to individuals)	-	1,507	1,507	-	-	-
Nominated gifts (French Connect)	-	39,079	38,125	-	-	954
Nominated gifts (Thanksgiving)	-	64,391	6,500	-	-	57,891
<b>Total</b>	<b>7,823</b>	<b>105,740</b>	<b>47,074</b>	<b>-</b>	<b>-</b>	<b>66,489</b>

	At 1 January 2017 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	At 31 December 2017 £
Organ restoration fund	7,212	-	-	-	-	7,212
Vicar & Churchwardens fund	1,088	123	1,850	1,250	-	611
Nominated gifts (to individuals)	-	-	-	-	-	-
Nominated gifts (French Connect)	-	-	-	-	-	-
Nominated gifts	-	16,615	16,630	15	-	-
<b>Total</b>	<b>8,300</b>	<b>16,738</b>	<b>18,480</b>	<b>1,265</b>	<b>-</b>	<b>7,823</b>

**Organ Restoration Fund** represents funds received for the purpose of providing for organ repairs and restoration work.

**Vicar & Churchwardens Fund** is a discretionary fund primarily for the purpose of enabling the Vicar to make grants to individuals in need. It is funded mainly by fees from wedding, funeral and banns of marriage.

## 12. Operating Lease Commitments

The total future minimum lease payments under non-cancellable operating leases are payable:

Not later than one year

Later than one year and not later than five years

2018	2017
£	£
1,371	1,371
342	1,599
<u>1,713</u>	<u>2,970</u>

## 13. Related Party Transactions and Balances

The following payments to PCC members, their spouses and other related parties, are required to be disclosed in these accounts:

- There were no payments to PCC members or their relatives during the year.
- The total remuneration paid to Key Management Personnel for the year was £50,715 (2017: 56,606).
- The Revd H Miller, associate vicar and ex officio member of the PCC, was provided with housing accommodation rent free for the better performance of his duties.

No PCC member expenses have been incurred or paid.