

Charity number: 1132854



**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ST. NICHOLAS, SEVENOAKS**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

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THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are the members of the Parochial Church Council of the Ecclesiastical Parish of St Nicholas, Sevenoaks ("the PCC") present their annual report together with the financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and in accordance with the governing document, the Charities Act 2011, the Church Accounting Regulations 2006, and the requirements 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 Republic of Ireland (FRS 102)" (effective 1 January 2019) - (Charities SORP (FRS 102)).

Objectives and Vision Statement

The PCC has the responsibility of co-operating with the incumbent, the Revd Canon Angus MacLeay, in promoting the whole mission of the Church, pastoral, evangelistic, social and ecumenical, in the ecclesiastical parish and beyond.

The PCC, with the St Nicholas Church family has adopted the following Vision Statement to express its objectives, help guide its decision-making and allocate resources to activities which will support and help to fulfil its objectives.

ST NICHOLAS' VISION STATEMENT

To know Jesus and make Him known locally and globally and so we prayerfully and lovingly proclaim Him in order to Reach, Nurture, Equip and Send for His glory.

Based on this vision statement, the main objectives for the year were to bring glory to God by ensuring that His word continued to be faithfully preached to all congregations at St Nicholas Church; to help members of the Church family grow in Christian knowledge and maturity; to provide teaching in God's word to the children and young people in the Church family; to reach out to the wider community in Sevenoaks, in the nation and around the world to proclaim the Gospel of our Lord Jesus Christ and to provide practical support demonstrating our love for our neighbours near and far. We are still emerging from the Covid pandemic which undeniably affected us in various ways. We also need to recognise that quite a few families and individuals have not returned to the worshipping community. Attitudes and willingness to serve have also changed in recent years, therefore, there is still an element of the need to rebuild and restore our congregations. We continue to be committed to our vision by praying and working through our objectives with the help of the publication of John Truscott's report in 2020, accessing what is best delivered congregationally and what is best worked on as "one church".

We operate in the context of what is happening within the Church of England and especially in relation to 'Living in Love and Faith'. We need to recognise that decisions made either nationally or even at a diocesan level could have a significant effect on how we operate in the future.

One of our distinctives as a whole church family is that our three main morning congregations each have many families with plenty of children in our various children's ministries. We are also privileged to have an evening congregation involving young people in our Contact group. As we look to the future, we will especially want to develop this 'next generation' aspect of ministry, though we will want to do so in a genuinely multi-generational way, where young and old interact and serve each other. We must ensure that our Vision really does embrace every age group. Having said that, every age group will have an interest in seeking to build the church for the future and therefore each age group will want to welcome a focus on building for the next generation and seeing our ministries amongst children and young people thrive in every way.

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Long- and short-term objectives

As we come to the constituent parts of our Vision it has been helpfully stated that a Vision needs to be articulated in terms of what we want to see and is expressed in what we are praying for. So, what should our Vision encompass for the next three to five years? What do we want to see? What should we be praying for?

- **We long to see stronger foundations / deeper roots (nurture)**

Stronger foundations, or deeper roots, come through the means of grace i.e. through the Bible, prayer, fellowship and the breaking of bread (Acts 2:42) and these things will be particularly delivered at the congregational level but supported by whole-church initiatives.

Through the Bible having greater traction in our lives: a much greater use of daily Bible reading notes for adults, young people and children.

Through a significant increase in the regular attendance at monthly prayer gatherings and in believers being involved in prayer triplets as a sign of our dependence on the Lord.

Through a deeper commitment to one another and to the Lord with a higher proportion of believers committed to nurture groups and people attending Sunday gatherings more frequently.

- **We long to see warmer engagement (broader outreach) (reach)**

Warmer engagement with Christ happens as we embrace the grace and truth of Christ. Much outreach will spring from individual relationships, but these may also be supported and encouraged by various other initiatives at both congregational and whole-church level. Christianity Explored and Hope Explored courses are particularly helpful tools that can be delivered at the whole-church level.

Through believers having greater confidence to make a difference in their workplaces, neighbourhoods and the local area by being able to articulate and defend their faith within an increasingly hostile culture.

Through new people and families being actively welcomed into the life of our different congregations as a priority for the whole church family.

Through the clear articulation of the message of Christ at regular Christianity Explored and Hope Explored courses throughout the year.

- **We long to see wholehearted service / equipped leaders (equip)**

Though some equipping can be done at a personal level and other aspects are best delivered through "on the job" training, there may well be a particular role for whole-church training initiatives to assist each of the different congregations.

As a significant number of people are trained up to lead in our children's and youth ministries, where we are currently particularly stretched.

As a new generation of leaders are equipped to serve across the church family so that we can resource leadership roles in the coming year.

As Christians are better equipped to face the challenges posed within our culture through providing them with the appropriate resources and training, to enable them to articulate the Christian position.

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- **We long to see effective partnership to make a wider impact (send)**

Though there may be aspects of this that can be delivered at congregational level, any major initiatives almost certainly need to be done at a whole-church level and would require support from right across the whole church family.

Through developing a regular programme for those about to go to university, we aim to see our young people being equipped to stand for Christ as they prepare to leave Sevenoaks to pursue further education.

Through the development of a new congregation or church plant / graft within the wider Sevenoaks area in order to gather people and families not currently connected to any church.

Activities

Specific activities carried out in 2022 in pursuit of these objectives are described in the Annual Report which accompanies these financial statements and can also be found on our website. (<https://www.stnicholas-sevenoaks.org/>). These activities include live streaming of services, daytime bible study meetings, providing English lessons and care for Ukrainian refugees, toddler groups, children and youth groups, evangelism events and many more to reach those in our parish and beyond.

The presentation, monitoring and review of these objectives are directed by the Strategic Planning Group (SPG) and through wider church feedback which will lead to formal resolutions for the PCC to vote and implement using the funds currently ring fenced during the period 2023-2027.

Church activities (*links to Vision in brackets*)

- Each Sunday we offer 5 regular services: 4 in the church building and 1 in Lady Boswell's Primary School. The early service at 8am is a spoken Holy Communion Service. The other three morning services include worship, music, teaching, children & young people's groups. The evening service includes our youth group. Holy communion is offered at these services on a monthly basis. Since the beginning of the pandemic, the four main services are livestreamed each week. (Nurture / Equip / Reach)
- On the first Sunday of the month and on alternate Wednesdays, we offer a service in two local care homes, including music, worship, prayer and teaching. (Nurture / Reach)
- Nurture groups, where people study the Bible together and share fellowship and support, meet across the week in a variety of locations and are arranged via the specific congregations. (Nurture / Equip)
- We run a Bumps & Babies group for those expecting / who have children up to 12 months old and we are looking to start a toddler group. (Nurture / Reach)
- We deliver assemblies in all of our local schools, both primary and secondary, and are involved in school worship councils and RS delivery. (Reach)
- Our teenagers meet mid-week and on Sundays for both study and fun, sharing meals, games and outings. The highlight of their year is the summer houseparties when they spend time together away from Sevenoaks. (Nurture / Equip / Send)
- For our more mature members, we offer weekly fellowship groups for our ladies and study sessions/ regular lunches for the men. (Nurture / Equip)
- Welcoming refugees is important to us and we offer English conversation practice and structured English language classes. One of our Sunday morning services shows a live Ukrainian translation. (Nurture / Reach)
- Throughout the year, we offer courses open to anyone where there is an opportunity to explore the Christian faith together with a variety of evangelistic events to share the gospel. (Equip / Reach)
- Teaching and training is delivered in small groups. (Equip)
- Weddings and wedding preparation, Funerals and Baptisms are carried out for the church family and those in the local community. (Nurture / Reach)
- Social events are organised regularly to encourage people to have fellowship, get to know one another and to support one another. (Nurture)

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Missionary activity (links to Vision in brackets)

- Mission activity is at the heart of St Nicholas. We provide significant support to a number of mission partners including many who have gone out from our Church family. (Reach / Send)
- Members of the Mission Committee maintain regular contact with those mission partners and receive regular updates of the work they are doing. This is shared with the church family by means of prayer letters and video updates etc. Many of the mission partners are linked to one of the congregational nurture groups for prayer and practical support.
- When in the UK, mission partners visit us and give updates in Sunday services or at monthly prayer meetings.
- The Mission Committee meets quarterly to consider requests for financial support and allocates mission grants accordingly.

Achievements and performance

The Christian faith is a relationship with God and one another, we are called by Jesus to 'love the Lord your God with all your heart, with all your soul and with all your mind'. And to: 'Love your neighbour as yourself'. (Mark 22 v37-39). So, in 2022 we were delighted to be able to restart all our services in person, along with our nurture groups, be able to host evangelist events and see our church attendance regrow.

The estimated average attendance in 2022, based on counts made on the first three Sundays in October, was 662 (670 in 2019) no counts were made in 2020 or 2021 due to the pandemic. These figures include adults and children. As at 31 December 2022 there were 567 on the Electoral Roll (2021: 583). The roll was renewed in April 2019.

This year we worked with the Rochester Good Stewards Trust (RGST) to fund a Youth Worker in Wilmington. We supported All Saints Preston to help facilitate the long-term integration of Ukrainian refugees into the local community, many of whom are now connected with All Saints' ministry. We were also able to celebrate an event marking 900 years of the St Nicholas church building being in Sevenoaks – this celebration allowed us to reach the whole of Sevenoaks. It was held in conjunction with the Sevenoaks Historical Society with a walk through the ages exhibition – exploring Sevenoaks through the lives of 13 people who lived in the parish during this time. On the Sunday we invited people from the parish to join us for a civic service, food and children's games. Since the pandemic, we have continued to offer live streaming of all our services with an average of 52 people tuning in per week during 2022. Alongside the 662 attending in person, it was encouraging to note the total number engaging with our services each week has grown due to the offer of live streaming. Use of the Church and Undercroft, which houses our book room as well as a suite of meeting rooms, also increased throughout 2022, by a mixture of Church events and public bookings. We also continue to provide grants to our overseas missionaries and are excited to hear stories of those coming to faith through God's work through them.

Future and ongoing plans

The key challenge for the Church family and leadership is to continue to broaden and increase our giving and serving teams. Many of the roles within the life of the church are filled by volunteers and in order to continue our vision of making Jesus known locally and globally, we are relying on God's Holy Spirit to be working powerfully in all those who attend, work or are supported by the Church.

Mission Fund

We prayerfully trust that God will meet the needs in the coming year through the generous giving of the Church family. During the year the Shepherds commenced their assignment in West Africa, Joshua Yates began training at Oak Hill College, Susanna Bratby joined the Thetford Team Ministry and Philip Glass prepared to start training for ministry in Japan. While Sophie-Ann Rebettes finished working with Crossteach, to join the staff team at St Nicholas Church, Mark Ellis left Christian Unions Ireland to take up a post as Pastor at Christ Church Newcastle, Beverlea Parkhill moved on from her role with OMF and Anna Poor ended her placement with Crosslinks to be a full-time mum. The Mission Fund has always been grateful for the provision of funds to support our mission expenditure.

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Staff changes

In January 2023 we welcomed Sophie-Ann Rebbettes as the new Children & Families' Minister, taking over the role over from Cara Smith who stepped down during the year. We also welcomed two trainees onto our newly established Timothy Scheme in September 2022. Jonny van Es joined the Ordained Ministry stream and Anna Dallaire joined the Youth Ministry stream. In March 2022 our long serving Facilities Manager, Martin Levett, retired after more than 22 years of service and the role has now been filled by Nick Hammerton who joined the staff on a part time basis in November 2022. We are very grateful for the years of service from Martin and Cara, they will be missed, and we pray they will continue to serve the Lord in the years ahead. We are equally pleased that their roles have now been filled and that our third Timothy Scheme trainee, on the Children's Ministry stream, will be starting in Sept 2023.

Grant making policy

Mission activity is at the heart of St Nicholas. We provide significant support to several mission partners including many who have gone out from our Church family. These include individuals and families who have served in South Africa, Uganda, Thailand, Malaysia, Hungary, Ireland and Italy – these are detailed in the Appendix to the Accounts.

The Church's policies provide for the making of grants to organisations whose activities are an integral part of the overall vision of St Nicholas Church as previously set out. As well as proclaiming the gospel in and around our own church environment, we seek ways of furthering Christ's mission through various mission initiatives worldwide, in the UK and in the Sevenoaks community. We enjoy strong links with several mission partners. Grants are awarded to organisations and church members working in Christian mission. The task of deciding how to distribute grants for external mission giving is delegated to the Missionary Committee.

Grants are awarded to organisations and church members working in mission after an evaluation of each case. All giving follows the Church's mission aim to be wholeheartedly involved in carrying out the Great Commission of the Lord Jesus. Reaching out to God's world with the good news about Jesus Christ, in line with our vision to know Jesus and make him known, locally and globally.

Public Benefit statement

The PCC is aware of its legal duty to have regard to the public benefit guidance and to report on the charity's compliance with the public benefit obligation. In this regard the PCC is totally committed to enable anyone to worship at St Nicholas' services together with any of our activities taking place throughout the week. Our services and worship seek to encourage members of the Church family to live out their faith as part of the local community and further afield. We seek to achieve this through worship, prayer and the faithful teaching from God's word to support in people learning about the Gospel, coming to faith in the Lord Jesus Christ and growing in their knowledge of scripture. With this aim the PCC has adopted the objectives and activities described above.

Financial review

Funds held by St Nicholas PCC

The Church's operations and activities are separated into funds that are either restricted (with limitations as to how income can be spent) or unrestricted (the PCC has discretion with respect to expenditure). These funds are explained below.

Total income received for 2022 was comparable to 2021 and the number of givers remaining consistent through the two years. Most of the church family give by standing order, but we do maintain a pattern of one-off givers who give up to 15% of the unrestricted funds. Total income across all funds for 2022 was £1,222,537 (2021: £1,226,566).

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The expenditure was also in line with 2021 as originally stated but is expected to increase by 10% in 2023 due to the high inflation levels. Total expenditure before prior year adjustments or gains/ losses on investments for 2022 was £1,276,999 (2021: £1,224,508). The 2021 expenditure figures have been restated to £1,074,508 to exclude provisions as the expenditure for the roof repairs and quinquennial reserves were not committed as at the balance sheet date.

The repairs for the south aisle roof are expected to take place within a year, note 15 within the accounts shows the amount kept within the Fabric fund to cover these future costs. The Balance Sheet shows Tangible assets of £1,442,837 (2021: £1,256,714). This increase is mainly due to the revaluation by the PCC of the properties at 40 South Park and 12 Hurst Way (£58,281 was spent on refurbishing 12 Hurst way in 2022). The revalued amounts were £833,000 and £600,000 respectively. As giving to the PCC was consistent with the expenditure in 2022 and the properties held on behalf of the PCC increased in value during the year, Total Net Assets increased to £3,070,584 (2021: as restated £2,948,648) and cash reserves remain strong, to be used in line with our vision.

Further details and the break down by fund can be seen below and in financial statements.

Unrestricted Funds:

The General Fund (GF) is used for the day to day running of the Church. This includes collecting donations earmarked for general use, and the payment of all salaries and general running expenses. This is the main operating entity of the Church.

The Fabric Fund is a savings reserve for large scale capital improvements and quinquennial expenditure for the St Nicholas Church building and grounds. It receives transfers from the GF, usually on an annual basis and incurs expenditure as needs arise.

The Vision Fund this fund was set up in 2021 with the specific aim of Reaching, Nurturing, Equipping & Sending God's people to proclaim the gospel for His glory. Striving towards our vision as detailed above is one of the key objectives of the PCC and this fund was set up to provide for any specific costs required to help achieve the vision. The plan is that this fund will be used in full by the end of 2027. Further fundraising may be needed as new resolutions are voted upon by the PCC.

The Strategic Fund is used to enable the PCC to take on new opportunities ahead of building a new income stream to sustain them. The fund has been used to provide money towards ministry housing and the use of this fund will be determined by the FSG during 2023 and used by the end of 2025.

Restricted Funds:

Associate Rector House Fund (ARH). This fund was established in 2010 with the sole purpose of collecting gifts for the purchase of a house and for the payment of costs associated with the purchase of such a property. It received regular income until 2022 and received the proceeds from the St Nicholas Parish Hall Trust (PHT). Having sold the property held in the 'Associate Rector's House Fund' during 2021, part of the proceeds of sale were used to buy 12 Hurst Way with the remaining funds held in cash. During the year the property was refurbished, and the planning permission process to extend the property has commenced. The property is held in a custodial trust by the Diocese, all economic benefit will accrue to St Nicholas PCC.

It is proposed that the PCC will seek legal advice and will consult with the Charity Commission regarding renaming the fund, while respecting its restricted status.

Mission Fund (MF). This fund collects all donations earmarked for mission activity and allocates expenditure. Income can only be spent on mission activity and there are no operating overheads or ongoing financial commitments. Only income pledged or received in this fund is spent for these purposes.

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Curate's House Fund. This fund reflects the PCC's interest in the Church's house in South Park. The property is held in a custodial trust by the Diocese, all economic benefit will accrue to St Nicholas PCC.

The Endowment Fund has its own assets, and its income is used to fund the upkeep of the graves. The investments in this fund are all part of the General, Churchyard and Graves endowment. This is a restricted fund where money has been given to the Church with the specific instructions that only the income earned from the money can be spent. They are permanent endowments which require income to be spent on the Churchyard, graves, or the general purposes of the PCC. The Endowments are held by the Rochester Diocesan Society and Board of Finance as custodian trustee.

2022 Overview:

Unrestricted – General Fund

The voluntary income received in 2022, including gift aid and grants, was £955,402 (2021: £973,408).

Total resources used in the General Fund directly relating to work for the Church for 2022 were £1,008,658 (2021: £1,008,145). We are very thankful for all gifts large and small for the Gospel work of St Nicholas in Sevenoaks.

Unrestricted - The Fabric Fund

£65,630 was spent on works required by the 2021 quinquennial report and included painting of the aisles within the Church, roof and masonry repairs, restoration and conservation of a stained-glass window and removal of rotten timber beams in the bell chamber. A transfer of £74,011 was made to the fund leaving a balance of £232,680 (2021: £224,299) to pay for the replacement of the south aisle roof, savings towards the 2026 quinquennial inspection, major works to repair the clock faces and savings towards replacing/repairing the church organ.

Unrestricted - Strategic Reserve

There was no movement in the fund in the year and the balance remains at £100,000 (2021: £100,000).

Unrestricted – Vision Fund

£120,000 was transferred to this fund in 2021 which is expected to be spent on the aims as defined on page 2 and potentially used for setting up a new Church plant over the coming years.

Restricted - Associate Rector House Fund (ARH)

The fund holds the value of 12 Hurst Way £600,000 (2021: £551,000) and cash reserves of £343,906. Total £943,906 (2021: £953,187). £58,291 was used to refurbish and maintain the property in 2022.

Restricted - Curate's House Fund

The fund holds the value of 40 South Park. The property was revalued in the year to £833,000 (2021: £700,000).

Restricted – Mission Fund

The amount that was distributed to our mission partners in 2022 was £208,359 (2021: £211,312). The amount is for the continuing support of individuals and societies to whom we have supported for several years. A list of these grants is shown in the Appendix to the accounts.

Restricted – Endowment

The income and expenditure in 2022 was £1,249 (2021: £1,208).

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Investment policy

All funds are either held or invested in low risk short- term deposits, bank accounts, endowments and properties.

Our short-term deposits are held within the CBF Church of England Deposit Fund and managed by CCLA Investment Management Ltd. The Fund is an actively managed, diversified portfolio of assets designed to help protect both present and future beneficiaries from the effects of inflation. CCLA supports the Church of England's Ethical Investment Advisory Group (EIAG).

EIAG policies are available at www.churchofengland.org/about/leadership-andgovernance/ethical-investment-advisory-group/policies-andreviews. The PCC along with the FSG monitor the risk of these funds and are satisfied they meet the PCC risk, sustainability and ethical standards.

Reserves Policy

The charity's total reserves were £3,070,584 (2021: as restated £2,948,648). The Reserves Policy is to maintain a level of reserves in the General Fund at least equivalent to three months' normal expenditure. Following the sale of Beech Road in 2020 for £410,000 reserves in the general fund increased above the three-month normal expenditure amount. The PCC have therefore transferred an extra £100,000 to the Fabric Reserve to bring forward the replacement of the south aisle roof and also set up a Vision Fund with an initial transfer of £120,000 to be used during the next few years. On behalf of the PCC, the FSG will continue to monitor cash reserves and will review the reserves policy in 2023. At the end of 2022 the PCC held free reserves (being the balance on the General Fund less tangible fixed assets) of £704,508. This is £368,289 more than the £336,219 required by the policy.

Principal risks and uncertainties

Throughout the year the PCC, through the work of its committees – particularly the Risk Management Committee - the Churchwardens and designated members of the staff team continued with their systematic risk assessment in Financial, Reputational, Statutory/Legal, Environmental, People, IT and Operational areas, as required by the Diocese. Parish Safeguarding Officer, Emma Tibbitts and our Parish Lead Recruiter, Mrs Sue Stimson, have continued to ensure that we adhere to all relevant safeguarding legislation. Close attention is also paid to the implementation of policies regarding health and safety and to compliance with disability discrimination legislation.

The management of risk is of paramount importance to the decision-making of the Rector, the PCC and all risk owners and to the necessary plans and strategies by which the church will achieve its objectives. The PCC maintains an on-going review of risks to the objectives of the church, through the regular discussion of risk issues in its Risk Management sub-committee, the discussion and analysis of risks recorded in the risk register, by the ownership of and accountability for risks by nominated risk owners and by risk issues being included in the day-to-day decision-making and event-planning processes.

The main risk issues identified in the risk register comprise the following:

- Lack of income to pay operational expenses and mission commitments;
- Health & safety hazards to church members and visitors;
- Loss or compromise of electronic data and/or hacking;
- Lack of welfare of word ministry and office employees; and
- Safeguarding.

These risks are managed and mitigated by:

- Regular analysis of income and expenditure by the Operations Director and Treasurer and reports to the PCC;
- Clear Health & Safety policies and processes, regular training and risk assessments;

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- Use of a dedicated document and email management system;
- Oversight and monitoring of pastoral care of word ministry and office employees by the Employment and Remuneration sub-committee; and
- Regular communication and awareness briefings and independent external audit – Report by 31:8 in January 2023.

As a result, the PCC is satisfied that all reasonable steps are being taken to manage the risks to the objectives of the church.

Structure, governance, and management

Registered Charity

The Parochial Church Council of the Ecclesiastical Parish of St Nicholas, Sevenoaks was registered on 21 November 2009 with the Charity Commission, number 1132854.

Location

St Nicholas Church is situated at Rectory Lane, Sevenoaks. It is part of the Diocese of Rochester within the Church of England. The correspondence address is St Nicholas Church, Rectory Lane, Sevenoaks, Kent, TN13 1JA. The activities of the Church take place principally at this location but also at other suitable venues in and around Sevenoaks.

Parochial Church Council (PCC)

The PCC is a corporate body established by the Church of England who have agreed with the Charity Commission that for the purposes of agreeing the governing documents, PCCs are governed by two pieces of legislation: The Parochial Church Council (Powers) Measure 1956 as amended and the Church Representation Rules. The PCC Powers Measures defines the principal purpose of the PCC as promoting in the parish the whole mission of the Church. The PCC was formerly an excepted charity and was registered as a charity from 21 November 2009. PCC members are responsible for making decisions on all matters of general concern and importance to the Parish, including deciding on how the funds of the PCC are to be spent.

Recruitment, induction and training of PCC members

Recruitment to membership of the PCC, whether by election or 'ex officio' appointment, is carried out in accordance with the Church Representation Rules. New PCC members receive induction training to ensure they are aware of their responsibilities. The Churchwardens, and others with specific responsibilities for matters requiring specialist knowledge, are able to attend training courses offered by the Diocese or appropriate external bodies. Reading matter on relevant topics is disseminated to PCC members.

Committees

The PCC operates through several committees, listed below, which meet between full meetings of the PCC, under an approved Scheme of Delegation which with the terms of reference for each committee lays down their responsibilities and authority.

Standing Committee	(This committee 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 Council).
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Strategic Planning Group
Finance Strategy Group
Buildings & Maintenance Committee
Mission Committee
Employment and Remuneration Committee
Fellowship Fund Committee
Risk Management Committee

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Reference and administrative information

Membership

Members of the PCC are either ex officio or elected at the Annual Parochial Church Meeting ("APCM") in accordance with the Church Representation Rules. During the year the following served as members of the PCC:

Incumbent:	The Revd Canon Angus MacLeay+	Chairman
Churchwardens:	Mrs Christine Brindley Mr Justin Greig Mr Robert von Kaufmann Mr Giles Witchell	(to 17 May 2022) (to 17 May 2022) (from 17 May 2022) (from 17 May 2022)
Clergy:	The Revd Matthew Taylor*+ The Revd Nicholas Ross (Curate) The Revd James Read +	
Representatives on the Deanery Synod:	Mr Chris Barton Mr Andrew Coates Brig. Ian Dobbie * Mr Anthony Jennings Mr Peter Scott Mr Gerald O'Brien*	
Elected Members:	Mr Mark Brennan Mrs Carol Carpenter Mr John Collett Mr Stefano Duranti Mr Peter Harlow Mrs Isabel Hodgson Mrs Sarah Mackenzie Mrs Renate Moerdijk Mr Mark Walkington	(Treasurer) (from 17 May 2022)
Invited attendees:	Mr John Khnana Mrs Sue Stimson	
Key:	# also a member of General Synod * also a representative of Diocesan Synod + also a representative of Deanery Synod	
PCC Secretary:	Mrs Helen Crusher (not a member of the PCC)	(from March 2022)

The APCM was held on 17 May 2022.

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Auditor

Lindeyer Francis Ferguson Limited
Chartered Accountants and Statutory Auditors
North House
198 High Street
Tonbridge
Kent TN9 1BE

Bankers

National Westminster Bank plc
67 High Street
Sevenoaks
Kent TN13 1LA

Legal Advisors

Edward Connor Solicitors
10 The Point
Market Harborough
Leicestershire LE16 7QU

Auditors

Our auditors Norman Cox & Ashby retired their business on 31 December 2022 and our new auditors, Lindeyer Francis Ferguson Limited, were appointed on 6 February 2023.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales required the trustees to prepare financial statements 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 applicable of resources of the charity for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP (FRS 102);
- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

TRUSTEES' REPORT *FOR THE YEAR ENDED 31 DECEMBER 2022*

Approved by the Parochial Church Council on 3 May 2023 and signed on its behalf by:

Revd Canon Angus MacLeay
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of St. Nicholas, Sevenoaks (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

FOR THE YEAR ENDED 31 DECEMBER 2022

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applying to the charity and the procedures that management adopt to ensure compliance, and have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified: the Charities Act 2011, the Charities SORP FRS102 and the Church Accounting Regulations 2006.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charity's operations including regulations relating to safeguarding of vulnerable people and children and GDPR.

Having reviewed the laws and regulations applicable to the charity, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

FOR THE YEAR ENDED 31 DECEMBER 2022

- Assigned an engagement team to the audit with particular familiarity in dealing with charity and not-for-profit organisations.
- Obtained and reviewed internal policies and procedures and external guidance.
- Made enquiries of the Board of Trustees, reviewed meeting minutes, and reviewed compliance with policies.
- Checked that relevant staff have DBS checks in place.
- Reviewed the completeness and accuracy of associated disclosures made in the financial statements.

We assessed the susceptibility of the charity's financial statements to material misstatement and fraud, and in doing so we:

- Assessed the systems and controls in place, and whether any weaknesses were identified which could suggest or allow fraud.
- Considered how fraud might occur, and considered whether management have incentives and opportunities to manipulate the financial results (including overriding controls).
- Evaluated management's assessment of risk of fraud and whether they are aware of any actual or suspected fraud.
- Identified key risks of fraud as revenue recognition and cut-off, payments of grants to overseas organisations, the revaluation of the freehold land and buildings, and management override of controls.
- Designed and performed audit procedures to obtain sufficient appropriate audit evidence including reviewing and challenging accounting estimates, including the valuation of freehold properties, performing substantive testing on income and grant payments.

The audit has been planned and performed in such a way as to best identify risks of material misstatement, however the inherent limitations of audit procedures means that there remains a risk that material misstatements may not be identified. In particular we are aware of the inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, due for example, to override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A S Healey FCA CTA DChA (Senior Statutory Auditor)
for and on behalf of
Lindeyer Francis Ferguson Limited
Chartered Accountants
Statutory Auditor

Date: 9 May 2023

198 High Street
Tonbridge
Kent TN9 1BE

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total Funds 2022 £	<i>As restated</i> Total Funds 2021 £
	Note					
Income from:						
Donations and legacies	4	955,402	210,582	-	1,165,984	1,176,916
Charitable activities	5	48,918	-	-	48,918	47,435
Investments - interest		5,957	429	1,249	7,635	2,215
Total income		1,010,277	211,011	1,249	1,222,537	1,226,566
Expenditure on:						
Raising funds	7	10,772	-	-	10,772	7,914
Charitable activities	8	997,886	267,092	1,249	1,266,227	1,066,594
Total expenditure		1,008,658	267,092	1,249	1,276,999	1,074,508
Net (losses) / gains on investments	13	-	-	(5,602)	(5,602)	5,955
Net income / (expenditure)		1,619	(56,081)	(5,602)	(60,064)	158,013
Transfers between funds		-	-	-	-	-
Gains on revaluation of fixed assets	12	-	182,000	-	182,000	-
Net movement in funds		1,619	125,919	(5,602)	121,936	158,013
Reconciliation of funds:						
Total funds brought forward:						
As originally stated		915,406	1,735,656	47,586	2,698,648	2,690,635
Prior period adjustment	20	250,000	-	-	250,000	100,000
As restated		1,165,406	1,735,656	47,586	2,948,648	2,790,635
Total funds carried forward	16	1,167,025	1,861,575	41,984	3,070,584	2,948,648

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

BALANCE SHEET AS AT 31 DECEMBER 2022

		£	2022 £	£	As restated 2021 £
	Note				
Fixed assets					
Tangible assets	12		1,442,837		1,256,714
Investments	13		41,984		47,586
			<u>1,484,821</u>		<u>1,304,300</u>
Current assets					
Stock		8,019		7,819	
Debtors	14	54,973		64,660	
Short-term deposits		358,809		358,809	
Cash at bank and in hand		1,206,530		1,243,069	
		<u>1,628,331</u>		<u>1,674,357</u>	
Creditors: amounts falling due within one year	15	(42,568)		(30,009)	
Net current assets			1,585,763		1,644,348
Total net assets			<u>3,070,584</u>		<u>2,948,648</u>
Charity funds					
Unrestricted funds			1,167,025		1,165,406
Restricted funds			1,861,575		1,735,656
Endowment funds			41,984		47,586
Total funds	16		<u>3,070,584</u>		<u>2,948,648</u>

The financial statements were approved by the Parochial Church Council on 3 May 2023 and signed on their behalf by:

Mr John Collett
Treasurer

Revd Canon Angus MacLeay
Chairman

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	As restated 2021
		£	£
	Note		
Cash flows from operating activities:			
Net cash (used in) / provided by operating activities	A	(34,449)	96,969
Cash flows from investing activities:			
Interest received		7,635	2,215
Acquisition of tangible fixed assets		(9,725)	(551,000)
Net cash used in investing activities		(2,090)	(548,785)
Change in cash and cash equivalents		(36,539)	(451,816)
Cash and cash equivalents at the beginning of the year			
Short-term deposits		358,809	358,809
Cash at bank and in hand		1,243,069	1,694,885
		1,601,878	2,053,694
Cash and cash equivalents at the end of the year			
Short-term deposits		358,809	358,809
Cash at bank and in hand		1,206,530	1,243,069
		1,565,339	1,601,878
A. Reconciliation of net income to net cash flow used in operating activities			
		2022	2021
		£	£
Net (expenditure) / income for the year		(60,064)	158,013
<i>As per the Statement of Financial Activities</i>			
Adjustments for:			
Net (gains) / losses on investments		5,602	(5,955)
Depreciation		5,602	2,857
Interest received		(7,635)	(2,215)
(Increase) / decrease in stocks		(200)	1,744
Decrease / (increase) in debtors		9,687	(8,775)
Increase / (decrease) in creditors		12,559	(48,700)
		25,615	(61,044)
Net cash (used in) / provided by operating activities		(34,449)	96,969

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Status

The Parochial Church Council Of The Ecclesiastical Parish Of St. Nicholas, Sevenoaks ("the Church") is a body corporate under the terms of the Parochial Church Council Powers Measure 1956 and a charity subject to the Charities Act 2011 (registered number: 1132854).

2 Accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 which are informal gatherings of Church members.

The Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The members of the PCC consider that there are no material uncertainties about the Church's ability to continue as a going concern and therefore the going concern basis of accounting has been adopted.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

2.2 Income

Income is recognised when the Church has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably.

For donations, this is usually on receipt. For grants, this is on receipt of a written agreement or offer unless there are terms and conditions outside the Church's control, or time-related conditions which limit the recognition of income.

For legacies, the "probable" criterion is considered met once there has been a grant of probate, the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy, and any conditions attached to the legacy are either within the Church's control or have been met.

Income from Church activities or fundraising event is recognised when the activity or event takes place. Sale of goods is accounted for at the point of sale.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies continued

2.3 Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably.

Expenditure has been classified under headings that aggregate all costs related to the category and includes VAT. Grants received for VAT under the Listed Places of Worship Grants Scheme are accounted for as income using the recognition criteria described above.

Grants payable are recognised as liabilities when communicated in writing to the recipient, except where the offer is conditional and fulfilment of the conditions is not considered probable, or where meeting the conditions is not within the control of the recipient. In these circumstances, the grant is recognised when the conditions have been met. Commitments for performance related grants are recognised to the extent that the performance related criteria are met. The expenditure on charitable activities includes supporting mission and mission-related activity, mainly outside the parish, allocated at the discretion of the Mission Committee.

Direct costs are allocated to the activity to which they relate. Where direct costs such as staff costs are shared between more than one activity, they are apportioned between the activities.

Support costs are allocated to the cost of raising funds based on the ratio of the direct costs of raising funds compared to total direct costs, in order to reflect usage.

No support costs have been allocated to the Missionary activity on the basis that the activity is delivered almost entirely by volunteers and the activity makes minimal use of the church premises and other overheads, and therefore any allocation would be immaterial.

The majority of support costs are therefore incurred in order to facilitate the delivery of Church activities.

Governance costs are those costs incurred in connection with the administration of the Church and the compliance with constitutional and statutory requirements.

2.4 Fund accounting

Unrestricted funds can be used for the charitable objectives at the discretion of the PCC. Unrestricted funds included designated funds which have been set aside by the PCC for specific purposes.

Restricted funds arise when the donor specifies a purpose narrower than the general charitable objects of the Church, or when funds are raised for such a purpose.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies continued

2.5 Tangible fixed assets

(i) Consecrated land and buildings and movable Church furnishings

Consecrated and beneficed property is excluded from the accounts by section 10(2) to (4) of the Charities Act 2011.

No value is placed on moveable Church furnishings held by the Churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable Church furnishings whether on maintenance or improvement is written off as expenditure in the statement of financial activities.

(ii) Other land and buildings

The Church has adopted a policy of revaluation in respect of its freehold property. Professional valuations are conducted on a regular basis, with reviews carried out by the PCC in intervening years to assess whether fair value materially differs from the carrying value at the balance sheet date. Revaluation changes are recognised in the statement of financial activities.

Depreciation is not provided on freehold land. In respect of freehold buildings, the PCC considers that any charge would not be material given the long useful life, high residual value, and frequent revaluation adjustments.

(iii) Fixtures, fittings and office equipment

Equipment used within the Church premises is depreciated on a straight-line basis over 4 years. Individual items of equipment with a purchase price of less than £2,000 are written off in the period in which the asset is acquired.

(iv) Impairment

If the PCC identifies indicators of impairment, a review is undertaken and appropriate provision made for any permanent diminution in value.

2.6 Investments

Fixed asset investments are initially recognised at their transaction cost and are subsequently measured at fair value at each reporting date, with changes in fair value recognised in the statement of financial activities.

2.7 Financial instruments

Financial instruments other than investments qualify as basic financial instruments. Short-term debtors and creditors are measured at the settlement value less provision for any impairment. Any losses from impairment are recognised in the statement of financial activities.

Long-term funding commitments are discounted when the discounting is considered to be material.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies continued

2.8 Pensions

The Church participates in the Pension Builder Scheme section of the Church Workers Pension Fund (CWPF) for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers. It has a section known as Pension Builder 2014 which is described below.

Pension Builder 2014 Scheme

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022. For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, St Nicholas Church PCC could become responsible for paying a share of that employer's pension liabilities.

St Nicholas PCC is also registered with OPRA, for non clergy word ministry staff, it pays 15% of basic gross salary to their pension provider and for administration staff matches their pension contributions up to a maximum of 7.5% of basic gross salary, these are accounted for on the basis of contributions payable in the year. The PCC therefore has no liability for final pensions provision for its staff.

3 Judgements and key sources of estimation uncertainty

In the application of the Church's accounting policies, the PCC are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The key accounting estimate having a significant risk of causing a material adjustment to the carrying amount of assets and liabilities is the valuation of freehold property. Due to the value of the assets held and the policy of revaluation in place, even small percentage changes in value could have a material impact on the financial statements. The PCC mitigate this risk by commissioning valuations on a regular basis from suitably qualified independent advisers, and reviewing available evidence such as comparable sales and property price indices in the intervening years.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4 Income from donations and legacies

	2022 £	2021 £
Donations eligible for Gift aid	658,992	666,703
Gift Aid recovered	162,759	166,061
Other donations	327,805	322,349
Cash collections	5,428	3,072
Grants	10,000	12,500
Legacies	1,000	5,000
Government grants	-	1,231
	<u>1,165,984</u>	<u>1,176,916</u>

In the preceding period, restricted income from donations and legacies was £202,277.

5 Income from charitable activities

	2022 £	2021 £
Fees and hire income	16,043	27,820
Book shop sales	14,712	12,126
Contributions to houseparties	13,767	6,270
Contributions to outreach events	4,396	1,219
	<u>48,918</u>	<u>47,435</u>

6 Income from investments - interest

In the preceding period, restricted income from investments was £666 and £1,208 was in relation to the endowment fund.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7 Expenditure on raising funds

		2022 £	2021 £
Staff costs: Raising funds		6,915	5,528
Support costs allocated	9	3,857	2,386
		<u>10,772</u>	<u>7,914</u>

8 Expenditure on charitable activities

	Missionary 2022 £	Church activities 2022 £	Total 2022 £	Total 2021 £
Staff costs: Direct	-	219,118	219,118	229,705
Other direct costs:			-	
Trading purchases and expenses	-	14,957	14,957	12,981
Diocesan quota	-	210,894	210,894	178,735
Clergy expenses	-	7,881	7,881	13,017
Clergy housing	-	84,756	84,756	58,165
Houseparties	-	16,710	16,710	4,598
Services and outreach	-	29,885	29,885	19,477
Outreach events	-	16,161	16,161	1,439
Grants payable:			-	
Missionary societies	208,359	-	208,359	211,312
Home missions / UK agencies	4,145	-	4,145	15,640
Support costs allocated	9	453,361	453,361	321,525
	<u>212,504</u>	<u>1,053,723</u>	<u>1,266,227</u>	<u>1,066,594</u>

In the preceding period, expenditure of £215,155 was applied to restricted funds and expenditure of £1,208 was applied to the endowment fund.

Please refer to the Appendix for full details of missionary grants payable.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs

	2022 £	2021 £
Staff costs: Administration	134,276	112,453
Training	12,532	4,875
Ministry trainees	10,062	23,330
Pastoral care	1,502	2,582
Church running expenses	54,282	57,469
Church maintenance	17,340	7,651
Capital and quinquennial works	60,565	34,767
Fabric and special projects	62,491	2,249
Beech Road property costs	30,853	13,831
Depreciation	5,602	2,857
Technical support	23,752	21,973
Printing and stationery	3,786	3,994
Office expenses	9,172	8,095
Sundry expenses	6,997	16,795
Bank charges	2,869	2,555
Governance costs:		
PCC expenses	403	500
Audit fees	9,550	5,520
Professional fees	11,184	2,415
	<u>457,218</u>	<u>323,911</u>

10 Net movement in funds

	2022 £	2021 £
This is stated after charging:		
Audit fees	9,550	5,520
Depreciation	5,602	2,857
Operating lease rentals	26,880	26,880
	<u>41,032</u>	<u>35,257</u>

11 Staff costs

	2022 £	2021 £
Staff costs comprise:		
Gross salaries	293,346	291,789
Employer's NIC	23,006	22,969
Employer's pension contributions	15,040	14,726
Expenses and housing costs	28,917	18,202
	<u>360,309</u>	<u>347,686</u>

The average number of PCC employees during the year, calculated on a full-time equivalent basis, was 11 (2021: 11). No employee received emoluments in excess of £60,000.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

	Freehold property £	Office equipment £	Fixtures & fittings £	Total £
Cost or valuation:				
At 1 January 2022	1,251,000	35,539	43,910	1,330,449
Additions	-	9,725	-	9,725
Disposals	-	(3,617)	-	(3,617)
Revaluations	182,000	-	-	182,000
	<u>1,433,000</u>	<u>41,647</u>	<u>43,910</u>	<u>1,518,557</u>
Depreciation:				
At 1 January 2022	-	29,825	43,910	73,735
Charge for the year	-	5,602	-	5,602
Eliminated on disposal	-	(3,617)	-	(3,617)
	<u>-</u>	<u>31,810</u>	<u>43,910</u>	<u>75,720</u>
Net book value:				
At 31 December 2022	<u>1,433,000</u>	<u>9,837</u>	<u>-</u>	<u>1,442,837</u>
At 31 December 2021	<u>1,251,000</u>	<u>5,714</u>	<u>-</u>	<u>1,256,714</u>

The freehold land and buildings comprise a property located at 40 South Park and a property located at 12 Hurst Way, both in Sevenoaks, Kent. The historic cost is £711,000 (2021: £711,000). The last professional revaluation was conducted in February 2021 by an independent Chartered Surveyor on the assumption of vacant possession and there being no serious structural issues or adverse restrictions on title. A structural survey was not conducted. For the year ended 31 December 2022 the PCC conducted a desktop valuation on the basis of available data including previous valuations, repair and maintenance works to the properties, comparable sales and land registry data and identified a material change in value which has been reflected in these financial statements.

13 Investments

	2022 £	2021 £
At 1 January 2022	47,586	41,631
Unrealised change in market value	(5,602)	5,955
At 31 December 2022	<u>41,984</u>	<u>47,586</u>

The historical cost of the investments is £1,394. All the investments are with the Central Board of Finance of the Church of England and are in the United Kingdom. These investments are the asset of the permanent endowment fund.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14 Debtors

	2022 £	2021 £
Gift Aid receivable	47,089	56,552
Prepayments	1,129	8,108
Other debtors	6,755	-
	<u>54,973</u>	<u>64,660</u>

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	36,380	30,009
Tax and social security	6,188	-
	<u>42,568</u>	<u>30,009</u>

16 Statement of movement in funds

	Brought forward £	Net movement £	Transfers £	Carried forward £
Current period - 2022				
Unrestricted funds:				
General fund (as restated)	721,107	67,249	(74,011)	714,345
Designated funds:				
Fabric fund	224,299	(65,630)	74,011	232,680
Strategic reserve	100,000	-	-	100,000
Vision fund	120,000	-	-	120,000
Total unrestricted funds	<u>1,165,406</u>	<u>1,619</u>	<u>-</u>	<u>1,167,025</u>
Restricted funds:				
Mission fund	82,469	2,200	-	84,669
Curate's House fund	700,000	133,000	-	833,000
Associate Rector's House fund	953,187	(9,281)	-	943,906
Total restricted funds	<u>1,735,656</u>	<u>125,919</u>	<u>-</u>	<u>1,861,575</u>
Endowment funds:				
General, churchyard & graves	47,586	(5,602)	-	41,984
Total funds	<u>2,948,648</u>	<u>121,936</u>	<u>-</u>	<u>3,070,584</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16 Statement of movement in funds continued

	Brought forward £	Net movement £	Transfers £	Carried forward £
<i>Preceding period - 2021</i>				
Unrestricted funds:				
General fund (as restated)	728,366	189,971	(197,230)	721,107
Designated funds:				
Fabric fund	100,000	(25,701)	150,000	224,299
Strategic reserve	100,000	-	-	100,000
Vision fund	-	-	120,000	120,000
Total unrestricted funds	928,366	164,270	72,770	1,165,406
Restricted funds:				
Mission fund	91,830	(9,361)	-	82,469
Curate's House fund	700,000	-	-	700,000
Associate Rector's House fund	1,028,808	(2,851)	(72,770)	953,187
Total restricted funds	1,820,638	(12,212)	(72,770)	1,735,656
Endowment funds:				
General, churchyard & graves	41,631	5,955	-	47,586
Total funds	2,790,635	158,013	-	2,948,648

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16 Statement of movement in funds continued

Net movement comprises:

	Income £	Expenditure £	Gains / (losses) £	Total £
<i>Current period - 2022</i>				
Unrestricted funds:				
General fund (as restated)	1,010,277	(943,028)	-	67,249
Designated funds:				
Fabric fund	-	(65,630)	-	(65,630)
Strategic reserve	-	-	-	-
Vision fund	-	-	-	-
Total unrestricted funds	1,010,277	(1,008,658)	-	1,619
Restricted funds:				
Mission fund	211,001	(208,801)	-	2,200
Curate's House fund	-	-	133,000	133,000
Associate Rector's House fund	10	(58,291)	49,000	(9,281)
Total restricted funds	211,011	(267,092)	182,000	125,919
Endowment funds:				
General, churchyard & graves	1,249	(1,249)	(5,602)	(5,602)
Total funds	1,222,537	(1,276,999)	176,398	121,936

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16 Statement of movement in funds continued

	Income £	Expenditure £	Gains / (losses) £	Total £
<i>Preceding period - 2021</i>				
Unrestricted funds:				
General fund (as restated)	1,022,415	(832,444)	-	189,971
Designated funds:				
Fabric fund	-	(25,701)	-	(25,701)
Strategic reserve	-	-	-	-
Vision fund	-	-	-	-
Total unrestricted funds	1,022,415	(858,145)	-	164,270
Restricted funds:				
Mission fund	202,213	(211,574)	-	(9,361)
Curate's House fund	-	-	-	-
Associate Rector's House fund	730	(3,581)	-	(2,851)
Total restricted funds	202,943	(215,155)	-	(12,212)
Endowment funds:				
General, churchyard & graves	1,208	(1,208)	5,955	5,955
Total funds	1,226,566	(1,074,508)	5,955	158,013

Details of material funds are as follows:

Fabric fund

This fund is used for large capital items and major refurbishment work to the Church and its grounds. Such work mainly arises from quinquennial inspections, and the aim is to build up sufficient funds over a five-year period to cover the costs arising from such inspections.

Strategic reserve

This fund is used to enable the PCC to take on new opportunities ahead of building a new income stream to sustain them. The fund has been used to provide money towards ministry housing and the use of this fund will be determined by the FSG during 2023 and used by the end of 2025.

Vision fund

This fund was set up in 2021 with the specific aim to consider how the church can better reach, nurture, equip & send God's people to proclaim the gospel for His glory. Striving towards our vision as detailed further in our Trustee report is one of the key objectives of the PCC and this fund was set up to facilitate against any costs required to help achieve the vision. The plan is that this fund will be used in full by the end of 2027. Further fundraising may be needed as new resolutions are voted upon by the PCC.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16 Statement of movement in funds continued

Mission fund

This fund is specifically for supporting mission and mission-related activity, mainly outside the parish. Gifts to the fund are allocated at the discretion of the Mission Committee unless the donor expresses a wish that their gift be given to a particular missionary or mission activity.

Curate's House fund

This represents the current value of the property at 40 South Park that was acquired by the PCC in 1989 from proceeds of the sale of a previous property and funds raised specifically to acquire the new property.

Associate Rector's House fund

This fund was set up to purchase a house for the person occupying the post of Associate Rector.

Endowment fund

This represent a permanent endowment given to the Church with the specific instructions that only the income earned from the money can be spent, or an asset donated to be retained, for continuing use by the Church. There are four separate funds which require income to be spent on the Churchyard, graves or the general purposes of the PCC.

17 Analysis of net assets between funds

	Unrestricted £	Restricted £	Endowment £	Total £
<i>Current period - 2022</i>				
Tangible assets	9,837	1,433,000	-	1,442,837
Investments	-	-	41,984	41,984
Net current assets	1,157,188	428,575	-	1,585,763
	<u>1,167,025</u>	<u>1,861,575</u>	<u>41,984</u>	<u>3,070,584</u>
	Unrestricted £	Restricted £	Endowment £	Total £
<i>Preceding period - 2021</i>				
Tangible assets	5,714	1,251,000	-	1,256,714
Investments	-	-	47,586	47,586
Net current assets	1,159,692	484,656	-	1,644,348
	<u>1,165,406</u>	<u>1,735,656</u>	<u>47,586</u>	<u>2,948,648</u>

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18 Operating lease commitments

At 31 December 2022 the Church was committed to future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Land and buildings:		
Due within one year	26,880	26,880
In two to five years	24,660	51,540
	<u>51,540</u>	<u>78,420</u>

19 Related party transactions

The key management personnel of the charity are considered to be the incumbent, the Churchwardens and the Operations Director.

The total amount of employee benefits received by key management personnel during the year, including Employer's National Insurance and pension, was £52,643 (2021: £49,634).

In the current period and in the prior period no trustees received reimbursement for expenses.

Neither the trustees, nor any person connected with them, received any remuneration or benefits in respect of their role as a trustee in the current nor preceding period.

During the year, 24 members of the PCC and their close family (2021: 26), donated £165,162 (2021: £138,696) to the PCC, of which £31,288 (2021: £29,043) were restricted donations.

During the year, a total of £12,000 (2021: £6,000) was paid in rent under lease entered into in July 2021 with William Grieg, the son of Justin Grieg, who was a member of the PCC until 17 May 2022. The lease agreement relates to accommodation at 18 The Green for ministry housing. No balances were due at the balance sheet date (2021: £Nil).

During the year, a total of £112,186 (2021: £57,951) was paid to Planned Premises Management, a business owned by a close family relative of a member of key management personnel, in relation to repair and maintenance work. No balances were due at the balance sheet date (2021: £Nil).

20 Prior period adjustment

During the preparation of the financial statements for the year ended 31 December 2022, it was identified that in prior periods, accruals had been made for planned works including those recommended as a result of the quinquennial reviews. At the balance sheet date there was no legal or constructive obligation to complete the works and no contracts had been entered into. Adjustment was therefore made to remove the accruals.

The effect on the prior period was to increase opening unrestricted funds by £100,000 and to increase the unrestricted net income and net movement in funds by £150,000. In the current period, opening unrestricted funds have therefore increased by £250,000.

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS

APPENDIX: GRANTS PAYABLE (MISSIONARY FUND) FOR THE YEAR ENDED 31 DECEMBER 2022

		2022 £	2021 £
A Passion for Life		-	5,000
A Rocha International		1,520	1,020
A Rocha UK		1,520	1,020
AIM	Hannah Jackson	8,196	6,510
AIM	Paul and Helen Shepherd	12,748	12,312
All Saints Preston	Ukrainian Refugees	5,000	-
AMiE		500	500
Anglican Mainstream		1,100	1,100
ANiE		5,000	5,000
C of E Evangelical Council		1,000	1,000
Christian Unions Ireland	Mark Ellis	8,000	16,000
Christianity Explored		2,000	2,000
Church by the Bay	Ben Petersen	5,000	2,500
Cross Teach Trust	Sophie-Ann Rebettes	5,000	5,000
Crosslinks	Anna Poor	16,800	16,800
Crosslinks	Jamie Read	-	2,000
Crosslinks	Mark Oden	16,115	16,000
Diocese of Rochester	Diocese of Kondoa (Tanzania)	2,000	2,000
ECM International	Chris Wigram	1,500	1,500
EFAC	Julia Cameron	6,000	6,000
Gafcon UK		2,000	2,000
Growing Hope	Janet Phythian	360	-
Janet Phythian		400	-
Japan Christian Link	Philip & Sunny Glass	4,000	-
Japan Christian Link	Selvan Anketell	8,400	8,400
Langham Trust		2,000	2,000
London City Mission		5,000	5,000
Oak Hill College	Daniel Halpin	-	1,250
Oak Hill College	Joshua Yates	5,000	-
OMF	Beverlea Parkhill	8,800	17,600
OMF	Kathryn Bowen	17,600	17,600
OMF	StJohn Perry	28,400	-
OMF	StJohn & Ellie Perry	-	26,900
OMF	Tony Waghorn	3,300	3,300
Oxtrad	Bishop Nazir Ali	-	5,000
Penny Trust	Pete Portal	1,000	1,000
Proclamation Trust		2,000	2,000
Sevenoaks Area Youth Trust		6,000	6,000
SIM	Emma Brewster	8,000	8,000
Tearfund		100	-
The Faith Mission	Arabella Paul	2,000	2,000
Thetford Team Ministry	Susanna Bratby	5,000	-
		<u>208,359</u>	<u>211,312</u>