

# ST MARY'S CHURCH HADLOW

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

Year Ended 31 December 2020

Incumbent: The Reverend Paul White

Churchwardens: Michael Payne, John Speed

Independent Examiner: David Stephens B.A., F.C.C.A.

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## ADMINISTRATIVE INFORMATION

St Mary's Church is situated in Church Street, Hadlow, Kent. It is part of the deanery of Paddock Wood and the diocese of Rochester. The ecclesiastical parish includes the villages of Hadlow and Golden Green. The correspondence address is The Vicarage, Maidstone Road, Hadlow, Kent TN11 0DJ.

The Parochial Church Council (PCC) is a corporate body established by the Church of England, and was registered as a charity in December 2016 under the title "The Parochial Church Council of the Ecclesiastical Parish of St. Mary, Hadlow (St. Mary's, Hadlow)", Charity Number 1170577. The Trustees are the PCC members. The PCC operates under the Parochial Church Council Powers Measure.

Members of the PCC are either ex-officio or elected by the Annual Parochial Church Meeting in accordance with the Church Representation Rules. PCC members for 2020 are listed below.

PCC members normally serve for three years, and this is shown in brackets, together with the year of election; members may stand for re-election. Churchwardens are elected each year. One PCC member resigned in July; five stood down at the APCM on 25 October 2020, of whom three were re-elected, together with six new members.

Incumbent and Chairman	The Reverend Paul White
Curate	The Reverend Nicola Harvey (to September 2020)

Churchwardens	Barbara Smith (2015 – 2020)
	John Speed (2020 – 2021)
	Michael Payne (2019 – 2021)

### Elected Deanery Synod Representatives

Francis Griffiths	(2017 – 2020)
Val Newell	(2017 – 2020, re-elected 2020 – 2023)
Kelly Parsons	(2017 – 2020)

### Elected PCC Members

Nicola Canham	(2018 – 2021)
Melissa Crawshay-Williams	(2020 – 2023)
Kirsty Finch	(2017 – 2020, re-elected 2020 – 2023)
Jack Good	(2019 – 2020)
Jenny Hopkins	(2017 – 2020, re-elected 2020 – 2023)
Richard Hopkinson	(2020 – 2023)
Lee Kirk	(2020 – 2023)
Janice Massy	(2020 – 2023)
Martin Massy	(2020 – 2023)
Julia Miles	(2018 – 2021)
Steve Newell	(2020 – 2023)
Katerina Plucknett-Nixon	(2017 – 2020, re-elected 2020 – 2023)
Rachel Packham	(2017 – 2020; resigned July 2020)
Lisa Porritt	(2019 – 2022)
Mark Totty	(2017 – 2020)

Honorary Treasurer	Martin Massy (2019 to date)
PCC Secretary	Martin Massy (2018 to date)

## **PCC STRUCTURE; MANAGEMENT AND GOVERNANCE**

The PCC comprises the “officials” of the parish (Incumbent, Curate, Churchwardens, Treasurer, Secretary), three elected representatives to the Deanery Synod plus nominally 12 members elected to represent the interests of church members.

The PCC operates through regular, bi-monthly meetings of the full PCC and committees that meet regularly throughout the year and report to full PCC meetings. The committees always have at least one PCC member, but also depend largely on the help of other members of the congregation. PCC members are strongly encouraged to join one of the committees. Reports by the Convenors of these committees, giving fuller details of their activities during the year, can be found in the separate APCM booklet.

### **Standing Committee**

The only committee required by law, it comprises the Incumbent, Curate, Treasurer, Churchwardens, Secretary and two nominated representatives of the PCC. The standing committee meets in between full PCC meetings and has power to transact the business of the PCC.

### **Education Committee**

Initiates and organises educational activities and experiences aimed at enabling all members of the congregation (a) to live as Christians within a Christian community, and (b) to articulate and defend their faith confidently. Particular importance is given to young people.

### **Fabric Committee**

Supports the churchwardens in the discharge of their legal responsibilities relating to the maintenance and insurance of church fabric and in respect of any necessary faculty applications. Monitors the condition of the church and churchyard and arranges repairs and works as necessary; liaises with the civil parish council on the maintenance of the closed churchyard as required and similarly with the relevant diocesan committees.

### **Finance Committee**

Supports the Treasurer in the preparation of the annual budget, monitors financial progress throughout the year, including gift aided giving, and advises the PCC on the best use of the parish's financial resources.

### **Outreach and Fundraising Committee**

This committee oversees the fund-raising events and activities held during the year. It initiates and organises outreach activities to foster a closer relationship between the church and the parish as a whole, to express the church's sense of social responsibility in the community and to take the lead in promoting the evangelistic mission of the church.

### **World Mission Committee**

Provides a forum for liaison with organisations supported by the parish, for example Delhi Brotherhood and the Kibakwe link, and promotes fund raising for them. Raises awareness in the congregation of issues relating to the Anglican Communion and the worldwide church and makes recommendations to the PCC on charities to be supported, e.g., through special collections.



## OBJECTIVES AND ACTIVITIES

The objectives of the PCC are set out in The Parochial Church Council (Powers) Measure 1956, which defines the functions and powers of a PCC. Under the amended Measure, the principal function of the PCC is “promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical.”

St Mary's PCC therefore shares with the Incumbent the responsibility for:

- (a) the promotion of the whole mission of the church – pastoral, evangelistic, social and ecumenical - within the ecclesiastical parish of Hadlow,
- (b) the efficient administration of the parish and its funds. The PCC is responsible for funding the maintenance and repair of the parish church.

The PCC has considered the Charity Commission guidance on public benefit and believes the guidelines have been met as the activities of the church are open to the public at large and are for public benefit.

## ACHIEVEMENTS AND PERFORMANCE

### Church Attendance 2020

The Electoral Roll was revised in 2020, recording 135 church members, eight fewer than 2019. We would like to record our thanks to David Lear for once again acting as Electoral Roll Officer.

Owing to the coronavirus pandemic, most services were held online, making attendance numbers unrepresentative (see Review of the Year below).

### Review of the Year

**GOVERNANCE:** The full PCC met in person twice during the year (January and March), with a further four meetings held online to maintain good governance, in accordance with Charity Commission guidance. The Standing Committee met once in person and four times online. There were no meetings in August. The 2020 Annual Parochial Church Meeting took place in church (with additional participation online) after the Sunday service on 25 October.

The PCC has five committees – Education, Fabric, Finance, Outreach and Fund-Raising, and World Mission – which report to the PCC. Reports from the PCC committees form part of the separate APCM booklet.

**SAFEGUARDING:** The safeguarding of children and vulnerable adults is a high priority, and the PCC complies with its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to House of Bishops' guidance on safeguarding children and vulnerable adults). To date, 65 volunteers have completed the national Basic Safeguarding Awareness course (Co), of whom 45 have also completed the next level, the Safeguarding Foundation course (C1). Our Safeguarding Officer, Barbara Smith, moved away in November and was replaced at the November meeting of the PCC by Cathy Brill. Cathy also agreed to be co-opted as a member of the PCC. Safeguarding is a standing item on the PCC agenda; no issues were reported during the year.

**WORSHIP:** Worship in 2020 was disrupted by government restrictions imposed to help control the Covid-19 pandemic. The church was closed completely from 17 March. It reopened for public worship on 1 September, but then closed again during the second lockdown, between 8 November and 6 December. St.Mary's has, however, been open on Wednesday mornings since 15 June for private prayer and for the food bank.

Weekday worship has benefited from services being online, with Morning Prayer and evening Compline attracting many more participants than would normally be expected in person. The Sunday service broadcast via Zoom typically has around 50-60 people, with "Sunday coffee" after the service – bring your own coffee! -- enabling people to chat.

We were pleased that two weddings could take place in October, although in a more limited fashion than usual.

A suitably socially-distanced choir – directed by Francis Griffiths – sang at Midnight Mass and on Christmas Day, giving much joy to all. A Service of Nine Lessons and Carols on the preceding Sunday took place online, however, with broadcast carols and live readings by members of the community.

Our vicar, the Rev'd Paul White, had a sabbatical from 1 March to the end of May, leaving our curate, the Rev'd Nicky Harvey, in charge. Nicky then had the misfortune to have to steer the church's response to the first lockdown, during which she initiated online services on Sundays

and weekdays, which have since become a regular feature. She also ministered tirelessly to people in the community, e.g., through the food bank.

Unsurprisingly given the circumstances, Paul's sabbatical did not work out as planned, with trips to Africa to work with Mission Aviation Fellowship being cancelled owing to the coronavirus. Paul took up the reins again on 1 June.

We said goodbye to Nicky as curate at the Harvest Festival service on 29 September; she was instituted as vicar of Marden in Kent in October. We thank her for all she did to serve St. Mary's and the community and wish her and her family well.

Our choir director, Antony Le Fleming, retired formally in June. We were eventually able to arrange a proper farewell at the Sunday service on 6 December. Antony brought out the best in the choir, raising standards and musicality and introducing a wide variety of new and sometimes challenging pieces. We miss him and his wife, Naomi, and the music, and look forward to the time when normal service can resume.

**COMMUNITY:** Restrictions to deal with the pandemic meant we were unable to carry out many of our usual activities. However, St.Mary's continues to run the food bank to support local families – it is open every week – and we are very grateful to the many people who continue to donate food and money. We would particularly like to thank the Tonbridge Rotary Club for a very generous donation of £950. Social media enable us to promote the food bank via the Hadlow Community Facebook page, which draws in donors as well as reaching out to those who need it.

The Hospital Car Service provides a valuable service to the community and has also operated throughout the pandemic. Chaplaincy to Hadlow College also continued, together with Rev'd Sharon, with online Remembrance Sunday and Christmas services, and a video for freshers' week.

Many regular outreach activities for the local community – Coffee Pots and Tiny Tots, Who Let The Dads Out, Saturday Coffee (previously called Market Stall), Café Plus, Friends Together, Messy Church, Chaplaincy at Hadlow Primary School, and Holiday At Home – closed down after the start of the first lockdown in March and have not yet resumed.

A planned trip to visit our link parish in Kibakwe, Tanzania, had to be cancelled, but we hope to visit again, probably in 2022, and have been collecting funds to provide solar lighting and water filters. We were, however, able to help our friends at the Delhi Brotherhood Society in Delhi, India, which St. Mary's has supported for over 30 years. The DBS has lost income from an American charity caused by a change in policy of the Indian government. It also had to cope with the effects of the pandemic, helping to feed many people who lost their jobs as a result of the country-wide lockdown. Thanks to faithful supporters and the generous response to an appeal to church members we were able to send £2,694.

**THANKS:** We welcomed John Speed at the APCM to take over as churchwarden from Barbara Smith, whom we thank for her many contributions to St.Mary's, including as churchwarden and Safeguarding Officer.

We thank all members of the Ministry team. We are blessed by the continuing support and kindness of Rev'd Christopher Miles, who is always ready to help by presiding and preaching or carrying out practical maintenance tasks.

St.Mary's flourishes under the leadership of Rev'd Paul, who encourages and inspires our spiritual growth and mission. Every PCC meeting begins and ends in prayer and our faith underpins all we do.

Martin Massy (PCC Secretary)

## Financial Review

Unsurprisingly, the 2020 financial results for St Mary's were significantly affected by the pandemic. The overall result was actually a surplus for unrestricted funds of £4,305 (cf £720 surplus in 2019 and a deficit of £7,012 in 2018), but this must be seen in the light of the reduction in St Mary's contribution to the Diocese of Rochester, which is meant to cover the cost of ministry (clergy stipends, etc.), provision of diocesan services and mission in the diocese. The £43,200 paid during 2020 is £16,636 short of the amount requested (indicative offer) and only a little more than the cost of ministry. Had we paid the full amount, we would have had a deficit of over £12,000.

The use of unrestricted funds, as the name suggests, is unrestricted; the use of restricted funds is restricted to the purposes of the fund (see Notes 2.2 and 11). By definition, expenditure from restricted funds should not exceed income. This financial review concerns unrestricted funds; the Statement of Financial Activities on p.11 and the Notes to the accounts provide detail about the restricted funds. Total unrestricted income in 2020 was £69,812, 27% lower than in 2019 (£95,230).

Voluntary giving fell by £9,231 compared with 2019, but we are very grateful to the many loyal church members who continued to support the church as income from other sources also fell. Income from weddings and funerals in 2020 was £2,140 compared with £7,955 in 2019, as we implemented rules to remit statutory fees to the Diocesan Board of Finance and fewer weddings were able to take place. Fund-raising events ceased after the start of the first lockdown in March because of government restrictions to minimise the spread of Covid-19. As a result, income from such events was only £1,324 compared with £8,764 in 2019, a drop of 85%.

Unrestricted expenditure also fell, however, by 31%, to £65,507 (cf £94,510 in 2019) as a result of (i) a 21% reduction in the amount paid to the diocese from £55,008 to £43,200 (see above), (ii) the retirement of our organist/choir director at the end of February, and (iii) a reduction in the hours worked by the parish administrator.

The balance of unrestricted funds at the end of 2020 is £15,001, equivalent to 2.6 months of 2020 income and therefore below the desired level of reserves (see below), plus £31,729 in restricted funds (see the Balance Sheet on p.12).

## Reserves Policy

The PCC has previously established a policy for a level of reserves ideally to be held where unrestricted funds not committed or invested in tangible fixed assets (i.e. 'free reserves') should equate to a sum between three and six months of normal annual expenditure. With reserves of that size, it would be possible for the PCC to continue current activities for a limited period in the event of a significant drop in funds – thereby providing time for the PCC to consider what alternative sources of funding were available and/or to consider how activities could reasonably be altered. The PCC has not been in a position to achieve this level of reserves for some years.

The PCC aims to review the reserves policy annually and to take steps aimed at increasing the free reserves to the level indicated by the review.

## Risk Management

There are a number of risks to which the PCC is exposed at any time in respect of (a) safeguarding (b) health and safety (c) buildings insurance and other issues. The PCC continues to assess risk through regular review and takes appropriate steps to deal with or lessen any risks that come to light.

In respect of safeguarding, the PCC complies with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 to have due regard to House of Bishops' guidance on



safeguarding children and vulnerable adults. A volunteer acts as Safeguarding Officer and monitors the level of safeguarding training needed and undertaken and acts as point of contact for any safeguarding issues.

Risk assessments are carried out for new activities and as required, e.g., for church reopening during the pandemic. Recommendations made to mitigate risks identified by each risk assessment are then implemented.

## PCC Responsibilities

Individual members of the PCC are charitable trustees and have a duty to comply with charity law. St Mary's is registered with the Charity Commission (Number 1170577); the charity is known as 'The Parochial Church Council of the Ecclesiastical Parish of St Mary, Hadlow' or 'St.Mary's, Hadlow' for short.

Each year, at the first meeting after the APCM, each member of the PCC signs a document to record their understanding of their responsibilities.

Charity law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and its financial activities for that period.

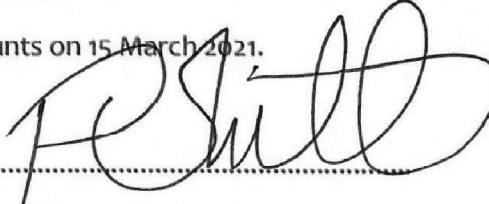
In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The PCC adopted this Report and Accounts on 15 March 2021.

Signed on behalf of the PCC



.....

Rev'd Paul White, Chairman

## INDEPENDENT EXAMINER'S REPORT TO THE PCC OF ST MARY'S CHURCH HADLOW FOR THE YEAR ENDED 31 DECEMBER 2020

This Report on the financial statements of The Parochial Church Council of the Ecclesiastical Parish of St.Mary, Hadlow (PCC of St.Mary's, Hadlow, charity number 1170577) for the year ended 31 December 2020, as set out on the following pages, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and S145 of the Charities Act 2011 ("the Act").

### Respective Responsibilities of Trustees and Examiner

As the members of the PCC you are responsible for the preparation of the financial statements; you consider that the audit requirement of the Regulations and S145 of the Act does not apply. It is my responsibility to issue this Report on those financial statements in accordance with the terms of the Regulations.

### Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission under S145 of the Act, and to be found in the Church guidance, 2006 edition. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the financial statements and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

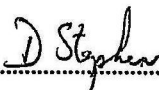
### Independent Examiner's Statement

In connection with my examination I confirm that no material matters have come to my attention:

- i. which give me cause to believe that in any material respect the requirements
  - to keep accounting records in accordance with section 130 of the Act; and
  - to prepare financial statements that accord with the accounting records and comply with the requirements of the Act and the Regulations,have not been met;

or

- ii. to which, in my opinion, attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

 ..... Dated: 16 March 2021

David Stephens BA, FCCA,

Chartered Certified Accountant

13 Newlands Road

Tunbridge Wells

Kent TN4 9AS

## STATEMENT OF FINANCIAL ACTIVITIES, 1 JAN 2020 TO 31 DEC 2020

01-Jan-19 - 31-Dec-19		Activity Incoming Resources	01-Jan-20 – 31-Dec-20		
All Funds £	Notes		Unrestricted Funds £	Restricted Funds £	Total Funds £
71,793	2.1	Voluntary Giving	62,562	-	62,562
12,477	2.2	Special Donations/Collections	2,087	11,241	13,328
8,863	2.3	Income from Church Activities	2,364	-	2,364
9,157	2.4	Net Income from Fund Raising Events	1,324	-	1,324
1,297	2.5	Income from Investments	-	694	694
1,144	2.6	Other Ordinary Income	1,435	-	1,435
1,780	2.7	Fees for Choir/Organist/Bells/Verger	40	-	40
<b>106,511</b>		<b>Total Incoming resources</b>	<b>69,812</b>	<b>11,935</b>	<b>81,747</b>
		<b>Resources Expended</b>			
2,989	3.1	Away Giving and Special Collections	150	3,168	3,318
174	3.2	Training Education and Support	105	-	105
79,012	3.3	Church Activities	54,880	107	54,987
11,031	3.4	Management and Admin	8,504	-	8,504
7,323	3.5	Church Repair and Maintenance	1,828	5,784	7,612
1,780	2.7	Fees paid to Choir/Organ/Bells	40	-	40
<b>102,309</b>		<b>Total Resources Used</b>	<b>65,507</b>	<b>9,059</b>	<b>74,566</b>
4,202	10	NET RESOURCES BEFORE TRANSFERS	4,305	2,876	7,181
-	10	Transfers between Funds	-	-	-
4,202		NET MOVEMENT IN FUNDS	4,305	2,876	7,181
35,347	10	Fund Balances B/Fwd 01 Jan 2020	10,696	28,853	39,549
<b>39,549</b>	12	<b>FUND BALANCES C/FWD 31 DEC 2020</b>	<b>15,001</b>	<b>31,729</b>	<b>46,730</b>

**BALANCE SHEET AT 31 DECEMBER 2020**

31-Dec-19			31-Dec-20	31-Dec-20	31-Dec-20
£	Note		£	£	£
<b>ASSETS AND LIABILITIES</b>					
<b>Investments</b>					
6,671	9	CBF Investment Fund			7,130
<b><u>CURRENT ASSETS</u></b>					
<b>Debtors</b>					
16,884	4	Debtors		14,604	
<b>Diocesan Church Repair Fund</b>					
12,623	6	Church Repair Fund Savings Acc	9,853		
<b>Cash At Bank and In Hand</b>					
3,168		General Current Account	759		
2,647		FWO Current Account	7,857		
513	8	Young People's Work Current A/C	1,053		
4,858	7	Capital Reserve Account	7,071		
-		Rochester Diocese Deposit A/C	-		
110		Petty Cash in Hand	110		
23,919		<b>Total Cash at Bank and In Hand</b>		<b>26,703</b>	
40,803		<b>Total Current Assets</b>		<b>41,307</b>	
<b><u>CURRENT LIABILITIES</u></b>					
<b>Creditors Due Within One Year</b>					
(7,925)	5	Sundry creditors		(1,707)	
32,878		<b>NET CURRENT ASSETS/LIABILITIES</b>			<b>39,600</b>
39,549		<b>TOTAL ASSETS LESS CURRENT</b>			<b>46,730</b>
<b>REPRESENTED BY FUNDS</b>					
<b>Unrestricted Funds</b>					
9,609	10	General Church Fund		13,254	
1,087		Young People's Work		1,747	
10,696		<b>Total Unrestricted Funds</b>			<b>15,001</b>
<b>Restricted Funds</b>					
2,096	11	Away Giving (Restricted)		2,002	
341		Choir Fund		235	
6,671		Chancel Emergency Fund		7,130	
266		Church Repair Fund		265	
16,276		Church Improvements		17,276	
822		Beacon		822	
583		Kibakwe		1,900	
-		Young People's Work		-	
1,798		Delhi Brotherhood		487	
-		Food Bank		1,612	
28,853		<b>Total Restricted Funds</b>			<b>31,729</b>
39,549		<b>TOTAL FUNDS</b>			<b>46,730</b>
<b>(See notes on following pages)</b>					

The PCC approved these accounts on 15 March 2021.

Signed on behalf of the PCC

Rev'd Paul White, Chairman

Martin Massy, Hon. Treasurer



## Notes to the Accounts and the Accounting Policies for the year ended 31 December 2020

### 1. Accounting Policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Charities Act 2011.

The financial statements have been prepared under the historical cost convention, except for investment assets, which are shown at market value. All figures are stated in pounds sterling (£).

#### 1.1 Funds

General Funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application for the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

The purpose of restricted funds is as defined by the fund. All donations made to the fund must be used for the purposes of the fund.

The accounts include all transactions, assets and liabilities for which the PCC is liable in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

#### 1.2 Incoming Resources

Incoming resources are accounted for depending on their category as follows:

##### ***Voluntary Income and Capital Resources***

Collections are recognised when received by the PCC, which is when they are paid in to the bank.

Gift Aid receivable under planned giving arrangements is recognised when the income to which it relates is received.

Grants and legacies are accounted for as soon as the PCC is notified of its legal entitlement and the amount due.

Sales of books, magazines or any other items are accounted for gross.

##### ***Other Ordinary Income***

Income from the letting of the Upper Room is recognised when the rental is due.

##### ***Income from Investments***

Dividends and interest are accounted for when receivable.

##### ***Gains and Losses on Investments***

Realised gains and losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

#### 1.3 Resources Expended

##### ***Grants***

Grants and donations are accounted for when paid over, or when awarded if that award creates a binding obligation on the PCC.

##### ***Activities relating to the Work of the Church***

The Parish Offer paid to the diocese of Rochester is accounted for when payable. Any share unpaid at 31 December is provided for as an operational (though not a legal) liability and as a creditor in the balance sheet.

## 1.4 Fixed Assets

### **Consecrated Land and Buildings and Moveable Church Furnishings**

Consecrated and beneficed property is excluded from the Accounts by s.96(2)(a) of the Charities Act 1993. 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 as this is regarded by the PCC to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable Church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

## 1.5 Other Fixtures, Fittings and Equipment

Items with a purchase price of £2,000 or less are written off when the asset is acquired. Other equipment is depreciated on a straight-line basis over four years.

## 1.6 Investments

Investments are valued at market value at 31 December.

## 1.7 Current Assets

Amounts owing to the PCC at 31 December are shown as debtors, less reasonable provision for amounts that may be uncollectable. Short-term deposits include cash held with Diocesan Board of Finance, Church of England Funds or at the Bank.

## 2. Incoming Resources

### 2.1 Voluntary Income

Total unrestricted voluntary income is shown in the Table below, with comparative figures for 2019. YPW Fund donations are now included in unrestricted funds (see Note 8).

<b>Unrestricted Voluntary Income</b>	<b>2019 (£)</b>	<b>2020 (£)</b>
Cash Collections	5,098	2,146
Planned Giving	48,445	45,579
Gift Aid Recovered	15,271	12,321
Sundry Donations	1,887	1,807
YPW Fund Donations	540	540
Church Wall Boxes	477	169
<b>TOTALS</b>	<b>71,718</b>	<b>62,562</b>

### 2.2 Special Collections, Donations and Away Giving

£6,548 for church improvements comprises £5,548 in respect of an insurance claim for the repair of a chancel window following a break-in in August 2019 and a donation of £1,000 for church maintenance. £3,795 was raised by special collections for external giving from restricted funds, as shown in the Table below with comparative figures for 2019.

<b>Special Collections/Donations</b>	<b>2019 (£)</b>	<b>2020 (£)</b>
Children's Society	1,105	-
Delhi Brotherhood Society	1,381	1,141
Kibakwe Link	1,061	1,065
Food Bank	-	1,589
<b>TOTALS</b>	<b>3,547</b>	<b>3,795</b>

The total raised for the Kibakwe Link in 2020 includes Lent Collections specifically for the purchase of solar panels plus suitable lighting to be powered by those panels for certain community buildings, e.g. the girls' dormitory at the school in Kibakwe. Gift Aid related to donations for Kibakwe are not included.

Donations from special collections at Services, Carols in the Square, etc. for other charities we normally support –The Community Storehouse, Paddock Wood; the Royal British Legion; Mission Aviation Fellowship

– could not take place during 2020. The PCC was unable to provide funds from general income in 2020 for grants to other charities.

The overall total funds raised for Away Giving to various charities and overseas projects by St Mary's in 2020 was £3,795 (£5,238 in 2019).

### **2.3 Income from Church activities**

Total income from church activities was £2,364 in 2020. It includes the income from events which are part of the Church's usual activities, but which are not intended to be fund-raising, or even necessarily to pay for themselves. Gross receipts from the sale of, or contributions received towards, refreshments, and from Outreach events was £181 (cf £908 in 2019). Income from fees for weddings and funerals was £2,140 (£7,955 in 2019).

### **2.4 Fund-Raising Activities**

Income from fund-raising activities is presented net of costs. As already noted, fund-raising events stopped after the start of the first lockdown in March 2020, and raised only £1,324 compared with £9,157 in 2019 (£8,764 unrestricted, £393 for Link to Hope and Mission Aviation Fellowship charities.).

### **2.5 Income from Investments**

Income from investments includes the unrealised gain in the value of investments held in the CBF investment fund at 31 December 2020 (£459) and interest on bank deposits (£235).

### **2.6 Other Ordinary Income**

Other sources of income comprised hire of the Upper Room (£337), down from £625 in 2019, and reclaimed VAT (£1,098), making a total of £1,435 for 2020 (2019 £1,144).

### **2.7 Fees for Choir, Organist, Bells and Verger**

This category reflects fees that the church receives on behalf of, and then pays on to, those providing music, bells, etc at weddings, funerals and other 'special' services; no margin is added that would be credited to the PCC.

## **3. Resources Expended**

### **3.1 Away Giving and Special Collections**

This category consists of money raised by special collections or events (restricted) and donations from general (unrestricted) funds.

### **3.2 Training, Education and Support**

£105 (£174 in 2019) was spent on choir books and educational resources.

### **3.3 Church Activities**

The largest component of expenditure on church activities is the parish contribution to the diocese at £43,200. Utilities (gas, electricity, water, and waste water) and insurance added to £5,708, and vicarage expenses for water and council tax amounted to £3,468. General church and other expenses amounted to £2,654, which included £1,098 for VAT payable on the stairlift but subsequently reclaimed (see Note 2.6).

### **3.4 Management and administration**

Administration costs amounted to £8,504 as set out in the Table below (£11,009 in 2019)

Printing, stationery and computer expenses	£3,779
Postage/phone	£642
Secretarial honorarium	£3,260
Envelope scheme	£93
Independent examination fees	£730

### 3.5 Church Repair and Maintenance

General repairs and maintenance are paid from General Funds. Church maintenance during 2020 includes maintenance of the organ and piano (£808), and inspections of fire protection, repairs and cleaning of the Church roofs, gullies and gutters, and annual subscription for collection of 'garden waste' (£1,020). Repair of a chancel window, carried out by Clifford Durant, cost £5,784, which was subject to an insurance claim. Total £7,612 compares with £7,323 for 2019.

### 3.6 Investments

Having sold the Hall and King investments funds during the early part of 2015, only the Chancel Emergency Fund investment remains. Full details of the investment funds are shown in Note 9 on page 17.

### 3.7 Staff Costs

Salary of £3,260 was paid for secretarial work (see Note 3.4) (2019: £5,720). Salary totalling £392 was paid for Choir Director (2019: £4,915).

No employee received more than £60,000. No pension schemes were involved (see Note 13 on page 18).

### 3.8 Trustees

No Trustee received remuneration as trustee. Trustees are reimbursed for expenses incurred on behalf of the PCC. Janice Massy, wife of Martin Massy, who is a PCC member and Treasurer, received £3,260 for her role as Parish Administrator. Mrs. Massy was elected to the PCC in October; the Charity Commission has confirmed that because she was employed before becoming a trustee then the payment is not a benefit arising from the trusteeship. The PCC is aware of the conflict of interest, and neither Mr. Massy nor Mrs. Massy participates in her salary review. Mrs. Massy's hours worked, which are the basis for her remuneration, are approved in writing by the vicar, the Rev'd Paul White.

## 4. Debtors and Prepayments

Tax recoverable is Gift Aid. Prepaid insurance relates to a three-year warranty extension for the stairlift, which was installed at the end of 2019.

	31-Dec-19 (£)	31-Dec-20 (£)
Tax recoverable	12,384	13,434
Grant	4,500	-
Donations	-	570
Prepaid Insurance	-	600
<b>TOTALS</b>	<b>16,884</b>	<b>14,604</b>

## 5. Creditors

Statutory fees relate to the fees due to the DBF for weddings and funerals.

	31-Dec-19 (£)	31-Dec-20 (£)
General Church Expenses	4,856	1,074
Special Collections/Away Giving	624	-
Church Improvements	2,445	-
Statutory Fees	-	633
<b>TOTALS</b>	<b>7,925</b>	<b>1,707</b>

## 6. Church Repair Savings Account

This is a savings account with the Diocese, which is maintained to assist meeting the cost of repairs arising from a Quinquennial inspection. A transfer of £3,000 to the general account was made at the beginning of the year to help with cash flow; this will be transferred back when funds allow. Dividends and interest of £230 on the funds in this account were received in 2020 (£231 in 2019).



## 7. Capital Reserve Account

This is a savings account at NatWest bank for funds to be used for major capital building projects. The balance at 31 December 2020 was £7,071.

## 8. Young People's Work (YPW) and Beacon Funds

The YPW fund is "designated"; the Beacon fund is "restricted", being designed to track expenditure from a Bishop's Fund for Mission grant received some years ago. The Beacon Fund was previously known as the Lighthouse 2 Project Fund (L2P). Regular specific monthly donations continue to be made to support work with Young People.

## 9. Trust Funds

### *The CBF Investment Fund – Income Shares*

As mentioned in Item 3.6 Investments above, the PCC decided to sell all its portfolio of King Fund and Hall Fund shares in 2015. The only investment fund now remaining is the Chancel Emergency Fund (see note 11 below). The gain in value is shown in the Table below.

Fund Name	No. of shares	Value at	Value at	Gain/(Loss) (£)
		31 Dec 2019 (£)	31 Dec 2020 (£)	
Chancel Fund	348	6,671	7,130	459

The Chancel investment is a permanent endowment restricted fund which came about from section 31 of the Tithe Act 1936. The income from this trust is intended "to provide for insurance on the structure, to cover the cost of reinstatement if destroyed and to pay for repairs to the Chancel". Under certain conditions the PCC may spend the endowment as well as the income from it, but only for the purpose for which it was initially intended. The fund is included in the accounts at the current market value.

## 10. Summary of Unrestricted and Designated Funds

Designated funds are unrestricted funds that the trustees have set aside for a particular purpose. Such funds can be undesignated or re-designated.

	General Church Fund (£)	Young People's Work (£)	Total
Balance at 1 Jan 2020	9,609	1,087	10,696
Movements in Funds	3,645	660	4,305
Transfers	-	-	-
<b>Balance at 31 Dec 2020</b>	<b>13,254</b>	<b>1,747</b>	<b>15,001</b>

**11. Summary of Restricted Funds**

	Away Giving (Restricted) (£)	Beacon (£)	Choir Fund (£)	Church Repair Fund (£)	Church Improvement Fund (£)	Chancel Emergency Fund (£)	Delhi Brotherhood (£)	Kibakwe (£)	Food Bank (£)	Total (£)
Balance at 1 Jan 2020	2,096	822	341	266	16,276	6,671	1,798	583	-	28,853
Incoming Resources	380	-	-	5,783	1,000	-	1,383	1,317	1,612	11,475
Outgoing Resources	(474)	-	(106)	(5,784)	-	-	(2,694)	-	-	(9,058)
Increase/(Decrease) in value, investments	-	-	-	-	-	459	-	-	-	459
Transfer from/(to) Unrestricted Reserves	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 Dec 2020</b>	<b>2,002</b>	<b>822</b>	<b>235</b>	<b>265</b>	<b>17,276</b>	<b>7,130</b>	<b>487</b>	<b>1,900</b>	<b>1,612</b>	<b>31,729</b>

**12. Summary of Assets by Fund**

Asset	Unrestricted and Designated Funds (£)	Restricted Funds (£)	Total Funds (£)
Investments	-	7,130	7,130
Current Assets	16,708	24,599	41,307
Current Liabilities	(1,707)	-	(1,707)
<b>Totals</b>	<b>15,001</b>	<b>31,729</b>	<b>46,730</b>

**13. Pension Act 2008**

During the year 2018, the PCC complied with its responsibilities under the provisions of the Pension Act 2008 to inform its part-time employees (i.e. the Parish Administrator and the Choir Director) of their right to ask to join a workplace pension scheme which, under the abovementioned statute, the PCC would be obliged (a) to facilitate if those employees so requested, and under certain circumstances (b) to contribute to the pension scheme on their behalf (this is now a legal obligation applying to all UK employers, even where the employer has only one employee). The basis under which the PCC is obliged to make this offer was explained to the PCC's employees in a detailed letter in September 2018. The Government's Pension Regulator was informed, as required under the Act, to confirm the PCC's compliance with the requirements of the Act.

Neither employee (one of whom resigned during the year) has opted to pursue this opportunity, and the above position remained unchanged in 2020. A statutory re-declaration of compliance with the Act was lodged with the Pensions Regulator in August 2020.

**14. PCC as a 'going concern'**

The basis of the PCC being a "going concern" is not in doubt. St Mary's is a thriving and innovative church supported by a larger than average electoral roll for the size of its community.

The church building is in a sound condition, and a 'Friends' organisation is planned to assist with capital projects.

**15. Income and Expenditure Accounts**

These are shown on the following pages for both Unrestricted and Restricted Funds.

**UNRESTRICTED FUNDS – INCOME**

	UNRESTRICTED FUNDS			
	2019		2020	
	£	£	£	£
<b>INCOME FROM :</b>				
<b>VOLUNTARY GIVING</b>				
Cash Collections	5,098		2,146	
Planned Giving	48,445		45,579	
Tax Reclaim	15,271		12,321	
Sundry Donations	1,887		1,807	
YPW Donations	540		540	
Wall Boxes	477		169	
Choir Fund Donations	-	71,718	-	62,562
<b>SPECIAL COLLECTIONS</b>		2,961		2,087
<b>CHURCH ACTIVITIES</b>				
Outreach	908		181	
Funerals	3,620		833	
Weddings	4,335		1,307	
Other Fees	-	8,863	43	2,364
<b>FUND RAISING</b>		8,764		1,324
<b>INVESTMENTS</b>				
Bank Interest	-	-	-	-
<b>OTHER INCOME</b>				
Upper Room - Letting	625		337	
Sundries	519	1,144	1,098	1,435
<b>CHOIR/ORGANIST/BELLS/VERGER</b>		1,780		40
<b>TOTAL INCOME</b>		95,230		69,812
<b>TOTAL EXPENDITURE (from SOFA)</b>		94,510		65,507
<b>SURPLUS/(DEFICIT)</b>		720		4,305
<b>TRANSFERS TO/FROM:</b>				
Restricted Funds		-		-
<b>TOTAL SURPLUS/(DEFICIT)</b>		720		4,305

**UNRESTRICTED FUNDS – EXPENDITURE**

	UNRESTRICTED FUNDS			
	2019		2020	
EXPENDITURE ON :	£	£	£	£
<b>AWAY GIVING</b>				
Various Charities		290		-
<b>TRAINING AND EDUCATION</b>				
Sunday Clubs and Young People	-		-	
Adult	-		-	
Books and Resources	174	174	105	105
<b>CHURCH ACTIVITIES</b>				
Visiting Clergy	-		-	
Diocesan Offer	55,008		43,200	
YPW and Beacon	135		-	
Clergy Expenses	705		371	
Vicarage Expenses	3,469		3,468	
Sacristy	914		229	
Insurance	3,164		3,253	
Gas/Electric/Water	3,899		2,455	
Upper Room Expenses	333		-	
Choir Director/Organists	4,915		392	
Outreach & Social Events	619		-	
General Church Expenses	773	73,934	1,662	55,030
<b>ADMINISTRATION</b>				
Printing, Stationery, Copier	4,106		3,779	
Professional & Legal Fees	700		730	
Gift Aid Envelopes	92		93	
Post/Phone/Fax	391		642	
Secretarial Honorarium	5,720	11,009	3,260	8,504
<b>MAINTENANCE</b>				
Church General	6,009		1,020	
Organ/Piano	1,314	7,323	808	1,828
<b>CHOIR/ORGANIST/BELLS/VERGER</b>		1,780		40
<b>TOTAL EXPENDITURE</b>		94,510		65,507



## RESTRICTED FUNDS – INCOME & EXPENDITURE

	RESTRICTED FUNDS			
	2019		2020	
	£	£	£	£
<b>INCOME FROM :</b>				
<b>SPECIAL DONATIONS/COLLECTIONS</b>				
Delhi Brotherhood	1,381		1,141	
Christian Aid	-		-	
Children's Society	1,105		-	
Kibakwe Link	1,061		1,065	
Food Bank	-		1,589	
Choir	246			
Church Improvements	4,500		6,548	
Others	1,298	9,591	898	11,241
<b>FUND RAISING</b>		393		-
<b>INVESTMENT INCOME</b>				
Chancel Fund	1,297		694	
Church Repair Fund	-	1,297	-	694
<b>TOTAL INCOME</b>		11,281		11,935
<b>EXPENDITURE</b>				
<b>AWAY GIVING SPECIAL COLLECTIONS</b>				
Christian Aid	-		-	
Children's Society	957		-	
Delhi Brotherhood	82		2,694	
Kibakwe Link	-		-	
Other Special Collections	1,660	2,699	474	3,168
<b>CHURCH ACTIVITIES</b>				
Choir Books/Activities	188		-	
Church Improvements	4,890		5,784	
Other Activities	22	5,100	107	5,891
<b>TOTAL EXPENDITURE</b>		7,799		9,059
<b>SURPLUS/(DEFICIT)</b>		3,482		2,876
<b>TRANSFERS TO/FROM:</b>				
Church Repair Fund, General Fund		-		-
<b>TOTAL SURPLUS/(DEFICIT)</b>		3,482		2,876