THE PARISH CHURCH OF ST MARY

SHORTLANDS, KENT

ANNUAL REPORT

and

FINANCIAL STATEMENTS

of the

PARISH CHURCH COUNCIL

for the year ended 31st December 2017

Incumbent:	Rev Morag Finch
Churchwardens:	Mr Adolph Williams Mrs Coreen Corbin
Secretary:	Miss J Rambridge
Treasurer:	Mr T M Dawson
Independent Examiner:	Dr J P Hemsley

ST MARY'S SHORTLANDS PAROCHIAL CHURCH COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st December 2017

All figures in £'s

	Note	Unrestricted Funds	Restricted Funds	Total 2017	*Total 2016*
INCOME AND ENDOWMENTS					
Voluntary income	2(a)	124,271	0	124,271	*130,804*
Activities for generating funds	2(b)	14,844	0	14,844	*15,613*
Income from investments	2(c)	3,418	338	3,756	*3,593*
Income from Church activities	2(d)	46,553	0	46,553	*43,062*
TOTAL INCOME		189,086	338	189,425	*193,072*
EXPENDITURE					
Church Activities	3(a)	180,938	360	181,298	*185,751*
Raising Funds	3(b)	132	0	132	*143*
TOTAL EXPENDITURE		181,070	360	181,430	*185,894*
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		8,016	(22)	7,995	*7,178*
NET GAIN ON INVESTMENTS		9,284		9,284	*9,831*
NET INCOME/(EXPENDITURE)		17,301	(22)	17,279	*17,009*
TRANSFER BETWEEN FUNDS		(12,360)	12,360		
NET MOVEMENT IN FUNDS		4,941	12,338	17,279	*17,009*
BALANCES BROUGHT FORWARD		94,009	106,354	200,363	*183,355*
BALANCES CARRIED FORWARD		98,950	118,692	217,642	*200,364*

BALANCE SHEET AS AT 31ST DECEMBER 2006

	Note	2017	2016
FIXED ASSETS			
Tangible fixed assets	6(a)	750,000	750,000
Investment assets	6(b)	107,747	95,057
		857,747	845,057
CURRENT ASSETS			
Debtors	7	4,110	1,000
Short term deposits:			
Diocese of Rochester		120,315	107,973
Cash at bank and in hand		30,596	46,018
		155,021	154,991
LIABILITIES			
Creditors: - Amounts fall due within one year	8	(45,126)	(49,685)
NET CURRENT ASSETS		109,895	105,306
TOTAL NET ASSETS		967,642	950,363
FUNDS			
Unrestricted - General	10	86,686	81,245
Unrestricted - Development fund	10	12,264	12,764
Restricted - Church revaluation reserve	10	75,072	68,856
Restricted - Hall revaluation reserve	10	43,621	37,499
		217,642	200,363
Restricted - Hall valuation reserve		750,000	750,000
TOTAL FUNDS		967,642	950,363

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

The Reverend Morag Finch (Chairman)

Tim Dawson (Honorary Treasurer)

The notes numbered one to eight on the following pages form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2017

1. ACCOUNTING POLICIES

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the regulations "true and fair view" provisions, it is also the first year that they have been prepared under FRS102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP(FRS102))

2. ASSETS

Consecrated property
Consecrated and beneficed property is excluded from the accounts by Section 10(2)(a) and (c) of the Charities Act 2011.

Movable Church furnishings
Movable church furnishings held by the Incumbent and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted as inalienable property unless consecrated. All expenditure incurred during the year on movable church furnishings, whether maintenance or improvement, is separately disclosed and usually written-off as expenditure in the accounts. Any exceptions to this policy are fully disclosed.

Other Property
SORP 102 was introduced in 2016 and allows three different bases for valuing fixed assets. We have opted to include the Church Hall in the accounts at its valuation on the introduction of SORP 102, in 2016. The Church Hall is therefore included in the accounts at its value on 1 January 2016. This represents the insurance value in 2006. No depreciation will be charged as any charge would be offset by an increase in the value of the Hall.

Other fixtures, fittings and office equipment
Individual assets purchased with a cost greater than £1,000 will normally be capitalised and depreciated over their useful lives. During the year no such purchases were made. All repairs are written off in the year the work is completed.

Investments
Investments are carried at their market value and the un-realised gain or loss is reflected in the statement of financial activities.

Short term Deposits
These are cash held with with the Diocese or the bank.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2017

3. FUNDS

Unrestricted Funds
These represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for use for any purposes by the PCC.

Restricted Funds
These represent the funds that may only be used for specific purposes. Details of the restricted funds held and the relevant restriction are shown in the notes to the accounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2017

2. INCOME AND ENDOWMENTS

		Unrestricted Funds	Restricted Funds	Total 2017	*Total 2016*
2(a)	*Voluntary Income*				
	Planned Giving				
	- Gift Aid donations	69,965		69,965	*93,178*
	- Income tax recoverable	24,223		24,223	*22,968*
	Collections	3,415		3,415	*2,840*
	Donations	2,051	0	2,051	*5,729*
	Legacies	1,000		1,000	*3,200*
	Sundry income	3,617		3,617	*2,889*
		124,271	0	124,271	*130,804*
2(b)	*Activities for generating funds*				
	Span advertising	6,900		6,900	*4,344*
	Parish Picnic and Christmas Fayre	0		0	*2,835*
	Rent on Church House Flat	7,944		7,944	*8,434*
		14,844		14,844	*15,613*
2(c)	*Income from investments*				
	Dividends on CCLA Investments	3,406		3,406	*3,291*
	Interest on Funds held at the Diocese	13	338	351	*302*
		3,418	338	3,756	*3,593*
2(d)	*Income from Church activities*				
	Fees for weddings and funerals	7,413		7,413	*7,411*
	Hall lettings	39,140		39,140	*35,651*
		46,553		46,553	*43,062*
	TOTAL INCOME	189,086	338	189,425	*193,072*

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2017

3. EXPENDITURE

	Unrestricted Funds	Restricted Funds	Total 2017	*Total 2016*
3(a) *Church Activities*				
Missionary and charity giving				
- Home	4,322	260	4,582	*4,985*
- Overseas	1,100	100	1,200	*1,274*
	5,422	360	5,782	*6,259*
Parish share	74,700		74,700	*75,400*
Other Ministry costs	6,480		6,480	*5,334*
Church running and maintenance costs	32,457		32,457	*35,344*
Repairs and Maintenance	12,768		12,768	*22,790*
Grounds	377		377	*1,344*
Church development	7,354		7,354	-
Expenditure on Span	3,012		3,012	*3,336*
Organist, choir and music	8,357		8,357	*9,763*
Administrator's direct costs	29,314		29,314	*25,248*
Bank charges	697		697	*933*
Other sundry expenses				
	180,938	360	181,298	*185,751*
3(b) *Raising Funds*				
Stewardship expenses	132		132	*143*
	132		132	*143*
TOTAL RESOURCES EXPENDED	181,070	360	181,430	*185,894*

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2017

4. STAFF COSTS

	2017	2016
Wages and salaries	34,708	33,561
Average number of employees	5	5

During the year the Church staff comprised: a Director of Music, an Organist, Administrators in the Church Office, a Youth Worker and cleaners. Payments to visiting clergy are also made and included in staff costs.
The clergy are paid by the Diocese and their emoluments are therefore not included in this disclosure.
All staff are part time.

5. RELATED PARTIES

Rev Morag Finch, Rev Jane Peters and Sally Aldred were all members of the PCC during the year. They did not receive any payments or reimbursement of expenses, during the year, in connection with their role on the PCC.

No other payments or expenses were paid to any other PCC member, persons closely related to them or related parties in connection with their role on the PCC.

6. FIXED ASSETS FOR USE BY THE PCC

6(a) *Tangible fixed assets*

	2017	2,016
Church Hall	750,000	750,000
Gross and Net Book Value	750,000	750,000

The Hall is included in the accounts at its valuation in 2006. The current insurance vanlue is £2.5 million. We have chosen not to revalue the property as allowed under SORP 102.

6(b) *Investments*

CCLA Investment Account	107,747	95,057

The Church investments are held in CCLA Church of England Investment Fund. No purchases or sales have taken place during the year. Any dividends are automatically reinvested in the fund.

7. DEBTORS

	2017	2016
Debtors	4,110	1,000
	4,110	1,000

8. LIABILITIES

	2,017	2,016
Outstanding donations	4,943	4,789
Outstanding Creditors	5,753	16,485
Retention and provisions	34,430	28,411
	45,126	49,685

9. FUNDS

Certain funds have been designated for: the Church Maintenance Reserve, the Hall Maintenance Reserve and the Development Fund Reserve. The maintenance reserves are maintained to cover the costs associated with the Quinquenial inspection of the Church. The Development Fund Reserve is maintained to meet initial costs associated with the possible redevelopment of the Church premises.

10. SUMMARY OF FUNDS MOVEMENTS

	Unrestricted Funds	Development Fund	Church Maintenance Reserve	Hall Maintenance Reserve	*Total*
Balance at 1st January 2017	81,245	12,764	68,856	37,499	*200,363*
Income	8,016	0	216	122	*8,355*
Expenditure			(360)		*(360)*
Investment gains	9,284				*9,284*
Transfer between funds	(11,860)	(500)	6360	6000	*0*
Balance at 31st December 2017	86,686	12,264	75,072	43,621	*217,642*

11. SUMMARY OF ASSETS BY FUND

	Unrestricted Funds	Development Fund	Church Maintenance Reserve	Hall Maintenance Reserve	*Total*
Fixed Assets	97,106				*97,106*
Current Assets	34,706	12,264	75,072	43,621	*165,662*
Current Liabilities	(45,126)				*(45,126)*
	86,686	12,264	75,072	43,621	*217,642*

12. CONTINGENT LIABILITY

In 2010, improvements were carried out to the patio area out side the Church Hall to provide improved facilities for the Pre School. Whilst undertaking these improvements, a problem with the Church Hall floor was discovered. It was necessary for this problem to be rectified before the improvements to the patio area could be completed. The London Borough of Bromley agreed to pay for the improvements and additionally agreed to pay for the repairs. The London Borough of Bromley agreed to pay for these improvements and repairs as it improved the Pre School facilities in the Borough. As a condition of The London Borough of Bromley paying for these improvements and repairs they require that a Pre School should continue to run in the Church Hall. If the PCC ceases to run a Pre School then the PCC becomes liable to repay The London Borough of Bromley for these improvements and repairs. The gross liability is £47,000 but this will decline to zero on a pro rata basis over the 7 years ending 2017. Should the PCC decide to cease operating a Pre School from the Church Hall the London Borough of Bromley would assist the PCC in finding an alternative operator for the Pre School to help mitigate the liability.