

**INDEPENDENT EXAMINER'S REPORT
TO THE PCC OF ST MARY'S CHURCH HADLOW FOR THE YEAR ENDED
31 DECEMBER 2013**

This Report on the financial statements of the PCC for the year ended 31 December 2013 which is set out on pages 6 to 14 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 no matter has come to my attention:

- (i) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the Act; and
 - to prepare financial statements, which 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 order to enable a proper understanding of the accounts to be reached.

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Dated: 2014

David Stephens BA FCCA
Chartered Certified Accountant
13 Newlands Road
Tunbridge Wells
Kent
TN4 9AS

STATEMENT OF FINANCIAL ACTIVITIES 01 JANUARY 2013 TO 31 DECEMBER 2013

01 Jan 12 - 31 Dec 12		01 Jan 13 - 31 Dec 13			
All Funds		Unrestricted Funds	Restricted Funds	All Funds	
Incoming Resources					
89,863	notes 2.1	Voluntary income	81,929	1,040	82,969
22,730	2.2	Special donations and collections	2,104	15,576	17,680
7,071	2.3	Income from church activities	7,692		7,692
4,509	2.4	Activities for generating funds	4,862		4,862
525	2.5	Income from investments	4	516	520
1,876	2.6	Other incoming resources	1,433		1,433
2,760	2.7	Fees for choir/organist etc.	2,820		2,820
129,334		Total Incoming Resources	100,844	17,132	117,976
Resources Expended					
13,267	3.1	Away giving, special collections	3,000	6,507	9,507
187	3.2	Training, education & support	264		264
96,073		Church activities	83,646	(431)	83,215
469		Fund raising costs	445		445
213		Generating voluntary income	197		197
570	3.3	Governance costs	600		600
7,596	3.3	General management & admin	7,624		7,624
4,415	3.4	Church repair & maintenance	2,588		2,588
2,760	2.7	Fees paid to choir/organ etc	2,664		2,664
116,285		Total Resources Used	101,028	6,076	107,104
3,784		NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	(184)	11,056	10,872
992	3.5	Unrealised (loss)/Surplus on revaluation		1,284	1,284
-		Transfer to/from Funds	(1,800)	1,800	-
4,776		NET MOVEMENT IN FUNDS	(1,984)	14,140	12,156
21,435		Fund Balances Bt Fwd 01 Jan 13	7,765	18,447	26,212
26,211		FUND BALANCES CARRIED FORWARD 31 DEC 13	5,781	32,587	38,368

The notes on pages 8 – 11 form part of these accounts

BALANCE SHEET AT 31 DECEMBER 2013

31 Dec 12

31 Dec 13

Assets and Liabilities

notes

FIXED ASSETS

Investment

<u>10,988</u>	7	CBF Investment Fund	<u>12,272</u>
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CURRENT ASSETS

Debtors

5,029	4	Debtors	5,548
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Diocesan Church Repair Fund

4,547	5	Church Repair Fund Savings Acc	16,555
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Cash At Bank and In Hand

(809)	General Current Account	(1,006)
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944	FWO Current Account	700
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9,611	General Reserve Account	8,572
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178	Young People's Work Current A/C	8
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39	Rochester Diocese Deposit A/C	39
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<u>300</u>	Petty Cash in Hand	<u>300</u>
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<u>10,263</u>	Total Cash at Bank and In Hand	<u>8,613</u>
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19,839	Total Current Assets	42,988
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CURRENT LIABILITIES

Creditors Due Within One Year

(4,616)	6	Sundry creditors	(4,620)
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NET CURRENT ASSETS/(LIABILITIES)

15,223	Total assets less current liabilities	38,368
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26,211

TOTAL NET ASSETS

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REPRESENTED BY FUNDS

Unrestricted Funds

7,765	General Church Fund	5,781
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Restricted Funds

797	Away Giving (Restricted)	1,159
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1,136	Choir Fund	648
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3,949	Chancel Emergency Fund	4,411
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13,289	Church Repair Fund	16,426
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7,621	Young People's Work	9,402
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<u>(8,346)</u>	Church Improvements	<u>541</u>
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<u>18,446</u>	Total Restricted Funds	<u>32,587</u>
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<u>26,211</u>	TOTAL FUNDS	<u>38,368</u>
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The notes on pages 8 – 11 form part of these accounts

The PCC approved these accounts on 2014

Signed on behalf of the PCC

(CHAIRMAN)

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(TREASURER)

St Mary's Church Hadlow
Notes to the Accounts and the Accounting Policies
for the year ended 31 December 2013

1 . Accounting Policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the SORP 2005.

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 noted.

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.

Planned giving receivable under Gift Aid arrangements is recognised when the income to which they relate 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 for 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

Parish Share 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 £2000 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 CBF Church of England Funds or at the Bank.

2. Incoming Resources

Voluntary Income

Total unrestricted voluntary giving decreased this year by £6,714. The total income from planned giving for our general funds decreased by £5,979, while cash collections increased by £559. Income tax recoverable on the General Fund decreased by £225

2.2 Special Collections, Donations and Away Giving

Our main external giving from restricted funds was funded by special collections as follows:

Children's Society	£1412
Delhi Brotherhood	£ 998
Christian Aid	£ 550

Kibakwe Link

£1,093 has been raised by special collections such as services in The Square. This will go towards parish work in Kibakwe, Tanzania. Donations of £900 were made and disbursed during the year from these special collections.

A further £2,647 was donated to 7 charities and Pastoral Care in the Church. These donations represent special collections at services and other sundry donations. An additional £3000 was set aside from general income and fund raising and distributed to 11 charities. The total of £9,507 Away Giving is £3,760 lower than the previous year.

Donations of £636 were given to the choir.

2.3 Income from Church activities

This includes the income from events which are part of the church's usual activity, but which are not intended to be fund-raising, or even to pay for themselves. They include the gross receipts from the sale of, or contributions received towards, refreshments, and from outreach events. They amounted to £168. The remaining £7,524 relates to fees for weddings and funerals, excluding those charges which must be passed on to others.

2.4 Activities for Generating Funds

The Boot Fair and Street Fair raised £1,662 nett.

Market Stall raised a total of £2,013.

Other income came from sale of Christmas cards, the bookstall and Men's and Women's breakfasts..

2.5 Income from Investments

Interest on bank deposits was £4

Income from investments in restricted funds relates to interest of £207 and dividends of £308.

2.6 Other Incoming Resources

Donations and rent paid for the use of the Upper Room amounted to £790.

Sundry income was £643.

2.7 Fees for Choir, Organist, Bells etc.

This category reflects those fees which the church receives on behalf of, and then pays on to, those providing music etc at weddings, funerals and other 'special' services.

3. Resources Expended

3.1 Away Giving and Special Collections.

This category consists of funds the PCC set aside from ordinary income (designated) and money raised by special collections or events (restricted).

3.2 Training and Education

£769 was spent on books and educational resources.

3.3 Generating Voluntary Income, Governance Costs and Management and Administration

Generation of voluntary income relates to the envelope scheme, governance costs to the independent examination of the accounts. General management and administration refers to stationery, postage and copying, computer expenses and the secretarial honorarium.

3.4 Church Repair and Maintenance

General repairs and maintenance are paid from General Funds. This category includes maintenance of the organ and piano.

3.5 Investments

There was an increase of £1,284 in the value of Investments in Restricted Funds.

4. Debtors and Prepayments

	31 Dec 12	31 Dec 13
Tax recoverable	4842	5359
Other debtors	187	189
TOTALS	5029	5548

5. Church Repair Savings Account

This is a savings account with the diocese to which we added £1800 in 2013. We earned interest of £235 on the funds in this account. Generally these funds are restricted to meeting the cost of the quinquennial inspection repairs. Dividends of £263 were received from the Diocesan Tithe Chancel Fund.

6. Creditors

	31 Dec 12	31 Dec 13
Sundry Church Expenses	1634	1926
Special Collections/Away Giving	2412	2094
Independent Examination	570	600
TOTALS	4616	4620

7. Trust Funds

The CBF Investment Fund – Income Shares

The value at 31 December 2013 is shown below.

		VALUE AT 31 DEC 2012	REVALUATION GAIN	VALUE AT 31 DEC 2013
Former King Fund	16 Shares	182	21	203
Former Hall Fund	604 Shares	6856	801	7657
Chancel Fund	348 Shares	3950	462	4412
Total Value		10988	1,284	12272

A Tithe Chancel Fund has existed since the Tithe Act of 1936 and is reserved for repair and maintenance of the chancel in special circumstances. It is included in the accounts at the current market value.

8. Summary of Unrestricted Funds

	General Church Fund	Church Repair Fund	Total
Balance at 01 Jan 2013	7765	-	7765
Movements in Funds for year	(184)	(1800)	(1984)
Transfers	(1800)	1800	-
Balance at 31 Dec 2013	5781	-	5781

9. Summary of Restricted Funds

	Away Giving (Restricted)	Young People's Work	Choir Fund	Church Repair Fund	Church Improvement	Chancel Emergency Fund	Total
Balance at 01 Jan 13	797	7621	1136	13289	(8346)	3949	18446
Incoming Resources	6868	2960	636	516	6153	-	17133
Outgoing Resources	(6507)	(1179)	(1124)	-	2734	-	(6076)
Increase in value, investments	-	-	-	822	-	462	1284
Transfer from Unrestricted Reserves	-	-	-	1800	-	-	1800
Adjustment	1	-	-	(1)	-	-	-
TRANSFERS							
Balance at 31 Dec 13	1159	9402	648	16426	541	4411	32587

10. Detailed Income and Expenditure Accounts

These are shown on pages 12 – 14 for both Unrestricted and Restricted Funds

ST. MARYS HADLOW CHURCH ACCOUNTS 2013

UNRESTRICTED FUNDS

	2012		2013	
	£	£	£	£
<u>INCOME FROM:</u>				
<u>VOLUNTARY GIVING</u>				
Cash Collections	3,716		4,275	
Planned Giving	65,312		59,333	
Tax Reclaim	14,545		14,320	
Sundry Donations	5,070	88,643	4,001	81,929
<u>SPECIAL DONATIONS</u>				
Sundry Items	3,733		810	
Leaving Present	1,065	4,798	1,294	2,104
<u>CHURCH ACTIVITIES</u>				
Outreach	407		168	
Social Events	408			
Funerals	3,438		3,422	
Weddings	2,818	7,071	4,102	7,692
<u>FUND RAISING</u>				
Market Stalls	1,444		2,013	
Boot Sales / Fetes	2,538		2,107	
Other	116	4,098	742	4,862
<u>INVESTMENTS</u>				
Interest		27		4
<u>OTHER INCOME</u>				
Upper Room - Letting	630		790	
Sundries	1,246	1,876	643	1,433
<u>CHOIR/ORGANIST/BELLRINGERS</u>		2,760		2,820
<u>TOTAL INCOME</u>		109,273		100,844
<u>EXPENDITURE</u>				
<u>TOTAL EXPENDITURE</u>		96,857		101,028
(As Listed)				
<u>SURPLUS / (DEFICIT)</u>		12,416		(184)
<u>TRANSFERS TO:</u>				
Restricted Funds		(1,800)		(1,800)
<u>TOTAL SURPLUS/(DEFICIT)</u>		10,616		(1,984)

ST. MARYS HADLOW CHURCH ACCOUNTS 2013

EXPENDITURE ON

	2012		2013	
	£	£	£	£
<u>AWAY GIVING & SPECIAL COLL.</u>				
Various Charities		3,000		3,000
<u>TRAINING, EDUCATION, SUPPORT</u>				
Sunday Club & Young People			264	
Adult				
Books and Resources	187	187		264
<u>CHURCH ACTIVITIES</u>				
Visiting Clergy	104		20	
Stipend, Pension & N.I. Contributions	27,960		30,411	
Clergy Expenses	446			
Vicarage Expenses	3,293		6,241	
Parish Share	23,800		25,600	
Subscriptions	90		10	
Sacristy	301		467	
Insurance	3,319		3,282	
Gas/Electric/Water	6,670		8,525	
Upper Room Expenses	1,621		445	
Choir Director/Organists	5,667		3,780	
Outreach & Social Events	856		1,665	
Cost of Curate	1,813		1,043	
Leaving Present	1,100		1,417	
General Church Expenses	1,390	78,430	740	83646
<u>FUND RAISING</u>				
Boot Sales / Fetes / Draw				
Other Fund Raising		469		445
<u>ADMINISTRATION</u>				
Printing & Stationery	1,986		3,144	
Professional & Legal	570		600	
Gift Aid Envelopes	213		197	
Post/Phone/Fax	667		320	
Secretarial/Honorarium	4,160	7,596	4,160	8,421
<u>MAINTENANCE</u>				
Church General	3,905		1,623	
Organ / Piano	510	4,415	965	2,588
<u>CHOIR/ORGANIST/BELLRINGERS</u>		2,760		2,664
		96,857		101,028

ST. MARYS HADLOW CHURCH ACCOUNTS 2013

RESTRICTED FUNDS

	2012		2013	
	£	£	£	£
<u>INCOME FROM:</u>				
<u>SPECIAL DONATIONS/COLLECTIONS</u>				
Delhi Brotherhood	1,185		998	
Christian Aid	1,747		550	
Childrens Society	1,459		1,412	
Others	6,479	10,870	3,908	6,868
Young Peoples Fund	2,278		2,960	
Choir	349		636	
Vision 2006 / Boiler	6,066	8,693	6,152	9,748
<u>CHURCH ACTIVITIES</u>		19,563		16,616
<u>FUND RAISING EVENTS</u>				
Choir				
<u>INVESTMENT INCOME</u>				
Chancel Fund				
Church Repair Fund	498	498		516
<u>TOTAL INCOME</u>		20,061		17,132
<u>EXPENDITURE</u>				
<u>AWAY GIVING</u>				
Christian Aid	1,747		550	
Childrens Society	1,459		1,412	
Delhi Brotherhood	1,234		998	
Special Collections	5,827	10,267	3,547	6,507
<u>CHURCH ACTIVITIES</u>				
Young Peoples Fund	1,500		1,179	
Choir Books/Activities	522		1,124	
Vision 2006 / Boiler	16,404	18,426	(2,734)	(431)
<u>CHURCH REPAIRS/MAINTENANCE</u>				
Quinquennial Etc				
<u>INVESTMENT MOVEMENTS</u>				
Chancel Fund	(356)		(462)	
Church Repair Fund	(636)	(992)	(822)	(1,284)
<u>TOTAL EXPENDITURE</u>		27,701		4,792
<u>SURPLUS / (DEFICIT)</u>		(7,640)		12,340
Adjustment				
<u>TRANSFERS IN</u>				
Vicars Discretionary Fund				
Church Repair Fund	1,800	1,800		1,800
<u>TOTAL SURPLUS/(DEFICIT)</u>		(5,840)		14,140