

ST MARY'S CHURCH HADLOW

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

Year Ended 31 December 2018

Incumbent: The Reverend Paul White

Curate: The Reverend Nicola Harvey

Churchwardens: Martin Massy, Barbara Smith

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

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 2018 are listed below.

PCC members normally serve for three years, and this is shown in brackets, together with the year of election. Churchwardens are elected each year. At the APCM in April 2018, several members stood down, their term of office ending.

Incumbent and Chairman	The Reverend Paul White
Curate	The Reverend Nicola Harvey

Churchwardens	Martin Massy (2018) Barbara Smith (2018)
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Elected Deanery Synod Representatives	
Francis Griffiths	(re-elected 2017 – 2020)
Val Newell	(re-elected 2017 – 2020)
Kelly Parsons	(re-elected 2017 – 2020)

Elected PCC Members	
Kirsty Finch	(2017 – 2020)
David Gater	(2017 – 2020)
Judy Gater	(2017 – 2020)
Jenny Hopkins	(2017 – 2020)
Ellie Livett	(2017 – resigned 2018)
Katerina Nixon	(2017 – 2020)
Rachel Packham	(2017 – 2020)
Michael Payne	(2016 – 2019)
Mark Totty	(2017 – 2020)
Sharon Vanns	(2015 – 2018)
Annie Young	(2016 – 2019)

Honorary Treasurer	David Gater (from 2016)
PCC Secretary	Judy Gater (to summer 2018) Martin Massy (from November 2018)

STRUCTURE OF PCC; ITS MANAGEMENT AND GOVERNANCE

The PCC comprises the "officials" of the parish (Incumbent, Curate, Churchwardens, Treasurer, Secretary), three elected representatives to the Deanery Synod plus 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. 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.

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, churchyard and vicarage 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 ensures the best use of the parish's financial resources.

Outreach/Fundraising Committee

This committee oversees all the fund-raising events and activities held during the year. It initiates and organises outreach activities to foster a close 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 through away giving.

OBJECTIVES AND ACTIVITIES

St Mary's PCC 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.
- (c) 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 and are for public benefit.

ACHIEVEMENTS AND PERFORMANCE

Church Attendance 2018

The Electoral Roll was completely rewritten in 2013 and so was simply revised in 2018 by adding new members and adjusting for those who had died or moved away. The 2018 Roll numbered 183, of whom 125 were residents and 58 who lived outside the Parish.

The new 2019 Electoral Roll has been prepared from scratch. We lost 58 members who have died (6), moved away or left (20) or simply did not apply to enrol (32). We are pleased to welcome 18 new members, making a total of 143.

Average attendance at St Mary's in October (recorded for our Parish Return to the diocese) was 119 adults and children for our services on a Sunday. This reflects the positive impact of the Beacon and Messy Church services. Attendance is higher at festivals such as Christmas and Easter. There were also regular monthly services at Golden Green Mission Church, although attendance there is sparse.

Review of the year

It has been another active year for St. Mary's. In terms of governance, the PCC met eight times during the year, including a brief meeting after the APCM. The Standing Committee met three times. There were no meetings in August.

The PCC has five committees – Education, Fabric, Finance, Outreach and Fund-Raising, and World Mission – which report to the full PCC. The committees always have at least one PCC member but also depend on the help of other members of the congregation. Reports from the PCC committees form part of the separate APCM booklet.

Safeguarding of children and vulnerable adults is a high priority and we strictly follow the guidance and procedures issued by the diocese as laid down by the House of Bishops of the Church of England. Two CO training sessions were held in 2018 to supplement the online training that is available. Our Safeguarding Officer is Barbara Smith.

Another issue this year was implementation of the General Data Protection Regulations (GDPR), which came into force in May.

St. Mary's provides regular programmes for the local community through Coffee Pots and Tiny Tots, Who Let The Dads Out, Saturday Coffee (previously called Market Stall), Café Plus, the Paddock Wood Food Bank, Friends Together, the new Beacon and Messy Church initiatives and, this year, Holiday At Home. Charitable support includes particularly our friends in Kibakwe, Tanzania, the Delhi Brotherhood Society in Delhi, India, and the Children's Society.

We welcome the Beacon and Messy Church services bringing new and younger(!) people into church.

We were pleased to host many events that reach beyond the regular congregation, for which we must thank the Outreach and Fund-Raising committee for its brilliant ideas and organisation. As well as bringing people into the church and helping to knit our church community together, the events are an important part of our fund-raising activities. More in the APCM booklet.

We thank our choir and its director, Antony Le Fleming, for their contributions to the musical life of the church and to Sue Mason for her encouragement of youngsters working towards RSCM awards. We must also mention our thanks to the East Peckham Silver Band who put on concerts in church, which help raise money for St. Mary's, and play for Harvest and Carols in the Square.

Some other highlights in 2018 were the sponsored pilgrimage to Canterbury in February to raise funds to provide solar-powered lighting for a girls' school in Kibakwe. The 45-mile pilgrimage over three days concluded with a warm welcome at Canterbury Cathedral. The many snowdrops seen in churchyards en route encouraged us to plant our own; some have come through, and we hope they will multiply over coming years. 'Hadlow Remembers', in November, honoured the centenary of the Armistice ending the fighting of the First World War and also the formation of the Royal Air Force. 'Hadlow Remembers' captured the imagination of the village and further afield. The displays in church, including a stream of poppies from the WWI memorial window, featured nearly 3,000 individual knitted poppies. Hadlow Scouts and Brownies made poppies that lined the path to the West door and commemorated individual servicemen whose stories they had researched.

Among the many people who contribute to the life of the church and its mission in the community we thank Judy Gater for her service as PCC Secretary (she stepped down in the summer) and David Gater for his service as Treasurer (he will retire from the role at the 2019 APCM).

We thank all members of the Ministry team. We are blessed by the continuing support and kindness of Rev'd Christopher, who is always ready to help by presiding and preaching, running a well-established study group and 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. We are also thankful for the enthusiasm, ideas and inspiration of Rev'd Nicky, our curate.

Every PCC meeting begins and ends in prayer and our faith underpins all we do.

Martin Massy (PCC Secretary)

Financial Review

Total unrestricted funds receipts were £87,594 (cf £103,956 in 2017).

Total expenditure on the provision of Christian Ministry by the Rev'd Paul, the Rev'd Nicky and the congregation of St Mary's was £94,606 (cf £101,343 in 2017).

This expenditure included payment in the year by St Mary's of £55,000 to the Diocese of Rochester for clergy stipends, provision of diocesan services and mission in the diocese. The parish's contribution to the diocese in 2018 therefore equates to approx 62% of our unrestricted income in the year - (N.B. The latest available figures for 'parish share' contributions average 33% of unrestricted income in 2017 for parishes in the Rochester diocese; the national average in 2017 was 42%).

Thus, the overall result for St Mary's in 2018 was an overspend of £7,102 in the unrestricted category (cf the surplus of £2,613 in 2017), which meant that reserves had to be drawn on to prevent going into the red at the bank.'

Reserves Policy

The PCC has previously established a policy on the need for a level of reserves ideally to be held i.e. where the 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, i.e. in the range £30,000-£50,000. 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 be reasonably altered. The PCC has not been in a position for some years to achieve this level of reserves.

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 which come to light.

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

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.

St. Mary's Annual Report & Financial Statements

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, which give a true and fair view of the state of affairs of the charity and its financial activities for that period.

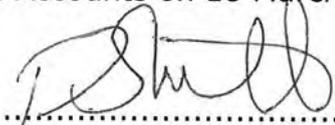
In preparing those financial statements the Trustees are required to:

- 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 of 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 18 March 2019.

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 2018

This Report on the financial statements of the PCC for the year ended 31 December 2018, which is 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.

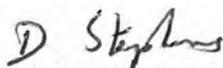
Independent Examiner's Statement

In connection with my examination 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.


..... Dated: 19 March2019

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

STATEMENT OF FINANCIAL ACTIVITIES, 1 JAN 2018 TO 31 DEC 2018

1-Jan-17 - 31-Dec-17		01-Jan-18 – 31-Dec-18			
All Funds £	Notes	Activity Incoming Resources	Unrestricted Funds £	Restricted Funds £	Total Funds £
81,107	2.1	Voluntary Giving	69,903	-	69,903
25,568	2.2	Special Donations/Collections	3,481	15,128	18,609
11,703	2.3	Income from Church Activities	9,675	-	9,675
7,058	2.4	Income from Fund Raising Events	2,688	-	2,688
665	2.5	Income from Investments	4	147	151
1,191	2.6	Other Ordinary Income	1,520	-	1,520
2,330	2.7	Fees for Choir/Organist/Bells	323	-	323
129,622		Total Incoming resources	87,594	15,275	102,869
		Resources Expended			
7,004	3.1	Away Giving and Special Collections	1,513	6,649	8,162
269	3.2	Training Education and Support	911	-	911
122,680		Church Activities	74,784	9,069	83,853
1,437		Fund Raising Events	150	-	150
11,701	3.3	Management and Admin	10,857	-	10,857
1,857	3.4	Church Repair and Maintenance	5,756	-	5,756
2,630	2.7	Fees paid to Choir/Organ/Bells	635	-	635
147,578		Total Resources Used	94,606	15,718	110,324
(17,956)	10	NET RESOURCES BEFORE TRANSFERS	(7,012)	(443)	(7,455)
-	10	Transfers between Funds	2,394	(2,394)	-
(17,956)		NET MOVEMENT IN FUNDS	(4,618)	(2,837)	(7,455)
60,758	10	Fund Balances B/Fwd 01 Jan 2018	14,594	28,208	42,802
42,802	12	FUND BALANCES C/FWD 31 DEC 2018	9,976	25,371	35,347

St. Mary's, Hadlow – Church Accounts

BALANCE SHEET AT 31 DECEMBER 2018

31-Dec-17			31-Dec-18
£	Notes	ASSETS AND LIABILITIES	£
		Investments	
5,705	9	CBF Investment Fund	5,620
		<u>CURRENT ASSETS</u>	
		Debtors	
4,467	4	Debtors	7,157
		Diocesan Church Repair Fund	
2,398	6	Church Repair Fund Savings Acc	12,391
		Cash At Bank and In Hand	
17,152		General Current Account	4,396
1,770		FWO Current Account	3
1,254	8	Young People's Work Current A/C	129
15,253	7	Capital Reserve Account	10,384
-		Rochester Diocese Deposit A/C	-
300		Petty Cash in Hand	300
38,127		Total Cash at Bank and In Hand	<u>27,603</u>
42,594		Total Current Assets	<u>34,760</u>
		CURRENT LIABILITIES	
		Creditors Due Within One Year	
(5,497)	5	Sundry creditors	<u>(5,033)</u>
37,097		NET CURRENT ASSETS/LIABILITIES	<u>29,727</u>
42,802		TOTAL ASSETS LESS CURRENT LIABILITIES	<u>35,347</u>
		REPRESENTED BY FUNDS	
		Unrestricted Funds	
13,150	10	General Church Fund	9,435
1,444		Young People's Work	541
14,594		Total Unrestricted Funds	<u>9,976</u>
		Restricted Funds	
2,196	11	Away Giving (Restricted)	2,030
-		Choir Fund	284
5,705		Chancel Emergency Fund	5,620
-		Church Repair Fund	35
18,425		Church Improvements	16,651
1,882		Lighthouse 2/Beacon	822
-		Kibakwe	(530)
-		Young People's Work	-
-		Delhi Brotherhood	459
28,208		Total Restricted Funds	<u>25,371</u>
42,802		TOTAL FUNDS	<u>35,347</u>

(See notes on following pages)

The PCC approved these accounts on 18 March 2019.

Signed on behalf of the PCC

.....
Rev Paul White, Chairman

.....
David Gater, Hon. Treasurer

NOTES TO THE ACCOUNTS AND THE ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2018

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 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.

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 Diocesan Offer (formerly 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

2.1 Voluntary Income

Total unrestricted voluntary income is shown in the Table below, with comparative figures for 2017. YPW Fund donations of are now included in unrestricted funds (see Note 8). Unrestricted voluntary income from the Church Wall Boxes was included in the 2018 figures.

Unrestricted Voluntary Income	2017 (£)	2018 (£)
Cash Collections	6,597	5,180
Planned Giving	54,597	48,791
Gift Aid Recovered	15,333	11,666
Sundry Donations	3,414	3,552
YPW Fund Donations	888	530
Church Wall Boxes	278	184
TOTALS	81,107	69,903

2.2 Special Collections, Donations and Away Giving

The main external giving from restricted funds was funded by special collections as shown in the Table below with comparative figures for 2017.

Special Collections/Donations	2017 (£)	2018 (£)
Children's Society	1,013	1,113
Delhi Brotherhood Society	930	432
Christian Aid	273	-
Kibakwe Link	2,146 *	3,602
Water Aid (Lent collections)	- *	-
TOTALS	4,362	5,147

St. Mary's, Hadlow – Church Accounts

* The total raised for the Kibakwe Link in 2018 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.

Other special collections of £1,094 (£1,677 in 2017) were donated to a number of charities for UK and Overseas work. These donations represent special collections at Services, Carols in the Square, and other sundry donations. The PCC was unable to identify funds from general income in 2018 to provide the 'normal' range of grants to other charities, due to diminished income in the year. However, in addition to the special collection/donations identified in the earlier table of this paragraph, collections were undertaken for the Paddock Wood Food Store (i.e. The Community Storehouse) (£640 in total), the Royal British Legion (at the time of the 100th anniversary of the end of WW1) (£389), and the Mission Aviation Fellowship (£65). In addition £2,000 was separately raised during the year by representatives of St Mary's via sponsorship relating to the Unlock Walk in London. This walk is an annual event to raise funds to support Christian churches of all denominations which are often deprived of adequate services and/or of diverse cultural backgrounds. Many parishes in the region are involved, and in 2018 the contribution made by St Mary's was the highest total raised by any parish (this sum involved is not, however, part of the parish's accounts)

The overall total funds raised for Away Giving to various charities and overseas projects by St Mary's in 2018 was £7,511 (£8,029 in 2017).

The bulk of the restricted funds was £9,584 (£19,156 in 2017) from grants, donations and VAT returns for the Tower Fund.

Donations of £15 (£64 in 2017) were received for the Choir Fund.

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, including concerts, of £2,737 (£990 in 2017), and Men's and Women's Breakfasts of £172 (£140 in 2017). Income of £6,853 (£10,000 in 2017) relates to fees for weddings and funerals.

2.4 Activities for Generating Funds

The Boot Fair raised £1,139 (£745 in 2017)

Market Stalls raised a total of £446 (£459 in 2017)

Beetle Drive raised £343

The Summer Variety Concert raised £362

The East Peckham Silver band Concert raised £216

Rebecca Hooper (Soprano) Concert raised £310`

The Christmas Tree Festival raised £704

The overall total from Fund Raising and Outreach Events in 2018 was £5,510 (£7,058 in 2017).

An organ recital by Antony le Fleming specifically for Choir Funds also raised £290.

2.5 Income from Investments

Interest on bank deposits was £10 (£1 in 2017).

Income from investments in unrestricted funds relates to interest of £4 (£192 in 2017).

2.6 Other Incoming Resources

Donations and rent paid for the use of the Upper Room amounted to £1,381 (£1,625 in 2017).

Sundry ordinary income was £323 (£1,858 in 2017).

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

£54 (£269 in 2017) 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 of £700 relate 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, general internal electrical work, and inspections, repairs and cleaning of the Church roofs, gullies and gutters.

3.5 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 – Trust Funds below.

3.6 Staff Costs

Salary of £6,197 was paid for secretarial work (2017: £5,243) due to 11 payments only in 2017 and 13 payments in 2018.

Salary and fees totalling £5,457 were paid for Choir Director/stand-in Organist fees (2017: £4,137).

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

3.7 Trustees

No Trustee received remuneration as trustee. Trustees were reimbursed for expenses incurred on behalf of the PCC.

4. Debtors and Prepayments

	31 Dec 2017	31 Dec 2018
Tax recoverable	4,367	6,333
Donations	100	824
TOTALS	4,467	7,157

5. Creditors

	31 Dec 2017	31 Dec 2018
General Church Expenses	1,860	4,382
Special Collections/Away Giving	3,637	651
TOTALS	5,497	5,033

6. Church Repair Savings Account

This is a savings account with the Diocese to which no additions were made in 2018 due to reduced income in the year. Dividends and interest of £223 were received in 2018 (£192 in 2017) on the funds in this account. Generally these funds are maintained to assist meeting the cost of the Quinquennial inspection repairs. During 2016 £15,000 was transferred from this fund to the Capital Reserve bank account to stabilise cash flow for the Tower restoration and associated works (completed in 2018). During 2018, £9770 of that £15,0000 was returned to the CRF which now stands at £12,391).

7. Capital Reserve Account

This is a savings account for funds to be used for major capital building projects.

As mentioned in Note 6 above, £15,000 was transferred from the Church Repair Savings account to the Capital Reserve account to meet short –term cash flow problems in 2016/17, with £9,770 being ultimately returned to the CRF in 2018.

8. Young People's Work Fund, YPW

During 2018 the PCC resolved to transfer a sum of £1,490 from this designated fund, with the approval of those still making donations to the YPW, in order to improve urgent cash flow requirements in the Church General Fund. Expenditure on work with Young People, particularly through the Beacon Service and Messy Church, continues to be met by regular specific monthly donations supplemented by a Bishop's Fund for Mission grant.

9. Trust Funds

The CBF Investment Fund – Income Shares

As was mentioned in Item 3.5 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 below table). The gain in value is shown in the Table below.

Fund Name	No. of shares	Value at 31 Dec 2017 (£)	Value at 31 Dec 2018 (£)	Gain/(Loss) (£)
Chancel Fund	348	5,705	5,620	(85)

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.

10. Summary of Unrestricted and Designated Funds

	General Church Fund	Away Giving Designated	Young People's Work	Total
Balance at 1 Jan 2018	13,150	Nil	1,444	14,594
Movements in Funds	(6,989)	(610)	587	(7,012)
Transfers	3,274	610	(1,490)	2,394
Balance at 31 Dec 2018	9,435	Nil	541	9,976

11. Summary of Restricted Funds

	Away Giving (Restrict)	Light House 2	Choir Fund	Church Repair Fund	Church Improve Fund	Chancel Emgncy Fund	Delhi Brotherhd	Kibakwe	Total
Balance at 1 Jan 2018	2,196	1,882	-	-	18,425	5,705	-	-	28,208
Incoming Resources	1,018	-	305	223	9,594	-	526	3,602	15,268
Outgoing Resources	(1,184)	(691)	(21)	(188)	(7,968)	-	(385)	(4,928)	(15,365)
Decrease in value, invstmnts	-	-	-	-	-	(85)	-	-	(85)
Transfer from/(to) Unrestrict Reserves	-	(369)	-	-	(3,400)	-	318	796	(2,655)
Transfers	-	-	-	-	-	-	-	-	-
Balance at 31 Dec 2018	2,030	822	284	35	16,651	5,620	459	(530)	25,371

12. Summary of Assets by Fund

Asset	Unrestricted and Designated Funds	Restricted Funds	Total Funds
Investments	-	5,620	5,620
Current Assets	14,506	20,254	34,760
Current Liabilities	(4,530)	(503)	(5,033)
Totals	9,976	25,371	35,347

13. Pension Act 2008

During the year 2017, the PCC complied with its responsibilities under the provisions of the Pension Act 2008 to inform its two 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 2017.

In the event neither employee has opted to pursue this opportunity, and the above position remained unchanged in 2018.

The Government's Pension Regulator organisation was informed, as required under the Act, in order to confirm the PCC's compliance with the requirements of the Act.

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 level of voluntary giving (plus gift aid where possible) from the congregation and others locally, fell in 2018 due to removal to other areas and, sadly, deaths. Nevertheless, the parish continues currently to provide an annual contribution to diocesan running costs which exceeds national and diocesan parish averages by a considerable margin.

St. Mary's, Hadlow – Church Accounts

The church building is in a sound condition, and it continues to be possible to give financial support to other appropriate charities. Further initiatives relating to the parish's own community area are in place and growing in terms of the support received.

13. Detailed Income and Expenditure Accounts

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

UNRESTRICTED FUNDS

UNRESTRICTED FUNDS

	2017		2018	
	£	£	£	£
INCOME FROM :				
VOLUNTARY GIVING				
Cash Collections	6,597		5,180	
Planned Giving	54,597		48,791	
Tax Reclaim	15,333		11,666	
Sundry Donations	3,414		3,552	
YPW Donations	888		530	
Wall Boxes	-		184	
Choir Fund Donations	64		-	
Tower Fund Collections	-	80,893	-	69,903
SPECIAL COLLECTIONS		-		3,481
CHURCH ACTIVITIES				
Outreach	1,130		2,822	
Funerals	5,349		4,740	
Weddings	4,651		2,113	
Lighthouse 2	-	11,130	-	9,675
FUND RAISING				
Market Stalls	459		446	
Boot Sales/Fetes	745		1,139	
Other Events	4,724	5,928	1,103	2,688
INVESTMENTS				
Bank Interest	192	192	4	4
OTHER INCOME				
Upper Room - Letting	1,625		1,381	
Sundries	1,858	3,483	139	1,520
CHOIR/ORGANIST/BELLS		2,330		323
TOTAL INCOME		103,956		87,594
TOTAL EXPENDITURE (from SOFA)		101,343		94,606
SURPLUS/(DEFICIT)		2,613		(7,012)
TRANSFERS TO/FROM:				
Restricted Funds		2,059		2,394
TOTAL SURPLUS/(DEFICIT)		4,672		(4,618)

UNRESTRICTED FUNDS

	UNRESTRICTED FUNDS			
	2017		2018	
EXPENDITURE ON :	£	£	£	£
AWAY GIVING				
Various Charities		2,000		1,513
TRAINING AND EDUCATION				
Sunday Clubs and Young People	11		20	
Adult	10		-	
Books and Resources	777	798	891	911
CHURCH ACTIVITIES				
Visiting Clergy	746		71	
Diocesan Offer	60,000		55,000	
YPW and Lighthouse	200		20	
Clergy Expenses	100		734	
Vicarage Expenses	2,754		3,029	
Sacristy	1,058		780	
Insurance	2,667		3,061	
Gas/Electric/Water	6,661		4,151	
Upper Room Expenses	1,453		1,189	
Choir Director/Organists	4,137		5,457	
Outreach & Social Events	1,401		719	
General Church Expenses	1,144	82,321	573	74,784
FUND RAISING				
Boot Sales/Fetes	36		150	
Other Events	-	36	-	150
ADMINISTRATION				
Printing, Stationery, Copier	5,357		3,405	
Professional & Legal Fees	635		700	
Gift Aid Envelopes	110		178	
Post/Phone/Fax	356		377	
Secretarial Honorarium	5,243	11,701	6,197	10,857
MAINTENANCE				
Church General	467		4,876	
Organ/Piano	1,390	1,857	880	5,756
CHOIR/ORGANIST/BELLS		2,630		635
TOTAL EXPENDITURE		101,343		94,606

RESTRICTED FUNDS

	RESTRICTED FUNDS			
	2017		2018	
INCOME FROM :	£	£	£	£
SPECIAL DONATIONS/COLLECTIONS				
Delhi Brotherhood	930		432	
Christian Aid	273		-	
Children's Society	1,013		1,113	
Kibakwe Link	2,146		3,602	
Choir	-		305	
Church Improvements, Tower Restoration	19,155		9,584	
Others	1,677	25,194	92	15,128
INVESTMENT INCOME				
Chancel Fund	472		147	
Church Repair Fund	-	472	-	147
TOTAL INCOME		25,666		15,275
EXPENDITURE				
AWAY GIVING SPECIAL COLLECTIONS				
Christian Aid	273		-	
Children's Society	1,013		1,337	
Delhi Brotherhood	930		384	
Kibakwe Link	872		4,928	
Other Special Collections	1,916	5,004	-	6,649
CHURCH ACTIVITIES				
Choir Books/Activities	-		21	
Church Improvements	41,231		8,157	
Other Activities	-	41,231	891	9,069
TOTAL EXPENDITURE		46,235		15,718
SURPLUS/(DEFICIT)		(20,569)		(443)
TRANSFERS TO/FROM:				
Church Repair Fund, General Fund		(2,059)		(2,394)
TOTAL SURPLUS/(DEFICIT)		(22,628)		(2,837)