



**St Nicholas Church**  
SEVENOAKS

**Annual Reports  
plus  
Trustees' Report and  
Accounts  
for year ending  
31 December 2019**

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## The Vision Statement of St Nicholas, Sevenoaks

**EXPLORE GOD'S WORD**

**EQUIP GOD'S PEOPLE**

**EXPLAIN GOD'S GOSPEL**

as Christ's ambassadors in order to build a Christ-like,  
loving, prayerful, gospel-minded community

### Verse for 2020:

'I keep asking that the God of our Lord Jesus Christ, the glorious Father, may give you the Spirit of wisdom and revelation, so that you may know him better.'" Ephesians 1:17

Dear Brother & Sisters in Christ,

It is customary for the Annual Report and Accounts to be presented to you at the APCM, a time when we look back to the year just gone and look forward to the year ahead. This year, our APCM was planned for 21 April - but as we were all in lockdown it has been postponed to the end of September. This is the report which would usually be presented at the APCM.

In the following pages, you will find the annual reports which we are required to include with the Trustees' report. Please remember that they were written pre-lockdown and are in relation to 2019.

In the April Prayer Diary, we included updates and reports from all of our various ministries and groups and I trust you enjoyed reading them at that time. Please do remember to continue to pray for each of them. If you would like to revisit those reports, you can access them via this link. ([Click here](#))

I thought it might also be helpful to give you an update on our current financial position, see page 9 of this report.

If you have questions on our financial situation or any of the individual reports in this document, please do not hesitate to get in touch. In the first instance, email Sue Stimson, the Operations Director, and she will direct your query to the appropriate person for a response. Email her on [sue.stimson@stnicholas-sevenoaks.org](mailto:sue.stimson@stnicholas-sevenoaks.org)

2019 was a challenging year in terms of our finances and as a result, the PCC commissioned the Truscott Report so that we had an opportunity to reconsider our vision, structures and staffing. Given that the report was only presented to the PCC at the end of March 2020 it would have been very difficult to have provided any thoughtful response by an April APCM. However, given that the APCM is likely to be at the end of September, we are now hopeful that there can be a full presentation at the APCM highlighting the way in which the Lord seems to be leading us forwards as we grapple with our various challenges. I trust that you will continue to pray for the PCC and for the Truscott Implementation Group as we prayerfully consider important recommendations.

2020 has also brought with it many challenges linked with the coronavirus pandemic. Clearly this has had an enormous impact on the way in which we have operated as a church family across all our congregations. Positively, it has assisted us in helping us to recognise our key priorities but, as I write, there is considerable uncertainty about the way ahead. It may well be that as lockdown gradually eases, we will see a gradual return to the church building itself, but we will almost certainly wish to combine physical services with online material which can continue to enable us to gather round God's Word and to be encouraged in our walk with Christ in these coming days. Again, please pray for the staff and PCC as we proceed during these coming days.

Amid everything, I trust that our verse for 2020, Ephesians 1:17, will continue to resonate. May it be that our chief focus is to know Christ better, so that we will not only be sustained but that we might also be a vibrant witness to Christ within Sevenoaks.

Warmly in Christ

Angus MacLeay  
Rector



## Churchwardens' Report 2019/20

During the course of 2019 we continued work started in 2018, looking at our effectiveness in every area of ministry in which the church family is involved. Our strategy – which can be summarised as ‘seeking to make disciple-making disciples’ - has seen the development, under Gavin McGrath’s leadership, of the very effective 2020 vision. Our prayer is that as 2020 unfolds this will bear much fruit. However at the time of writing these initiatives are on hold as we experience the impact of Covid-19. The church family has responded to the challenge of isolation with many initiatives to ensure that even though separate, the community of believers is still supporting one another, and seeking to reach out to others. Online services and prayer meetings have been very well attended.



This report is mainly concerned with life before covid-19 however. As 2019 unfolded we had to face the challenge of straightened finances. In part this was anticipated, as it was inevitable that the formation of the Sevenoaks Gospel Trust (SGT) in 2018 would lead some to reconsider their giving to the General Fund. We feel that the objects of the SGT are closely aligned with those of St Nicholas, so this in itself would not have been a concern. However the redirection of some giving to SGT was not the only financial headwind we had to address. It came at a time when our General Fund giving had already been in steady decline for some years.

The sale of 23 Beach Road to the SGT (with a commitment from the trustees to allow our continued use of the property on very favourable terms) provided a short-term solution to the challenge of setting a budget for the year ahead, but we felt that there were issues which underpinned the decline in giving, that we needed to be examine more carefully.



It is clear that even during times of economic uncertainty, the church family continues to be blessed by a relatively high level of prosperity compared to the rest of the country. Our straightened circumstances therefore seemed to us to be a warning of an underlying problem of the heart, rather than a simple matter of numbers. We felt that we needed to try to understand why our church family feels unable to support the work of ministry through St Nicholas, as generously as it once did. The involvement of John Truscott, who is familiar with St Nicholas through his years of involvement as a Patronage Trustee of St Nicholas, would, we believe, help us to consider how to identify the root causes of any diminished confidence that the church family may have in the church’s ministry, and help us reassess our vision for St Nicholas in the decade ahead.

John has now delivered his report, and it challenges us in a number of areas. It contains recommendations about our leadership model, concerning staffing and about challenging members of the church family to grow, serve and give. The PCC will need to take some time to work through the Report carefully to develop plans to address the issues highlighted by John, before presenting the Report and the PCC’s response to the church family. But we feel that even at this early stage, our involvement in John’s fact-finding process has been tremendously helpful. We are confident that, underpinned by your prayers, Angus and we

(the wardens) will be able to work with the PCC to reinvigorate the leadership of St Nicholas. Please pray that we will have much wisdom as we seek to encourage staff and one another to further God's work here in Sevenoaks.

Thank you for your continued support and prayers for the work at St Nicholas.

**Justin Greig and Ian Nash**

**Churchwardens April 2020**

### **Safeguarding Report 2019/20**

St Nicholas Church continues to take Child Protection and the Protection of Vulnerable Adults with the utmost seriousness. The PCC last year endorsed the Safeguarding Guidelines of the Diocese of Rochester (see <http://www.rochester.anglican.org/content/pages/documents/1517914927.pdf>) as policy.

The policy is summarised this way:

Safeguarding means the action the Church takes to promote a safer culture. This means we will promote the welfare of children, young people and adults, work to prevent abuse from occurring, seek to protect those that are at risk of being abused and respond well to those that have been abused. We will take care to identify where a person may present a risk to others and offer support to them whilst taking steps to mitigate such risks.

In practice here at St Nicholas Church, this policy means:

- The Rev Dr Gavin McGrath as the **Parish Safeguarding Officer (PSO)**. This role is accountable, in the first instance, to the Rector and, then, to the Archdeacon of Tonbridge and the Diocese of Rochester Safeguarding Team.
- Conducting all appropriate and necessary **Disclosure and Barring Service (DBS)** checks. All DBS management and storage (in line with current GDPR regulations) is supervised by Sue Stimson. This includes Clergy and Senior Staff, Wardens, PCC members, and those working with Children and Young People as well as those engaged in what is called regulated activities with vulnerable adults. The definition of regulated activities is complicated but available here: <https://www.ddc.uk.net/help-advice/what-is-regulated-activity/>
- Practicing **safe recruiting** as specified by the Diocese of Rochester and St Nicholas PCC for all involved in work/ministry with Children and Youth and those engaged in regulated activities with vulnerable adults.
- Promoting regular and required **Safeguarding Awareness and Practice Training** either available from the Diocese of Rochester or *38:10* (Formerly CCPAS)

Sadly, as some will know, over the past year there were public accusations and subsequent actions taken against prominent conservative Evangelical leaders concerning what is called (but not universally accepted) 'spiritual abuse'. These allegations are heart-breaking, even more so the affects upon the known survivors. Whatever else these sad reports mean and imply; it alerts us all to the importance of godly behaviour and relationships – about which safeguarding is concerned.

Since the 2019 Annual Church Meeting:

- |                         |  |
|-------------------------|--|
| January 2019 to present | <p>Safeguarding Inventory of all current Clergy and Senior Staff Safeguarding Training. A formal inventory submitted to the Diocese July 2019</p> <p>Recording the DBS compliance of all current PCC members (including Wardens) and the compliance for all Safeguarding Certificate Level(s). A formal record and inventory submitted to the Diocese by July 2019</p> |
| October 2019            | Gavin McGrath presented an evening seminar entitled 'Creating a Safe Church Culture'   |
| February 2020           | Gavin McGrath and Matt Taylor attended a Diocesan gathering to consider Clergy Abuse in the Church   |
| May 2021                | A number of staff members and Church members will attend a day conference at All Souls, Langham Place <i>The Church As a Refuge</i> at which Dr Diane Langberg will be plenary speaker (postponed from May 2020).  |



**Rev Gavin McGrath - Feb 2020**

### **Deanery Synod - 2019**

The past year has been an unusual one for Sevenoaks Deanery Synod with no less than three Area Deans in place at one time or another and only one Synod meeting occurring.

In March, the Rev Martin Booth retired as Vicar of St Mary's Riverhead and was succeeded by the Rev Christopher Smith, who was Rector of St Botolph's, Chevening. However, after only a few months in post, the latter accepted a living at Marlborough. For several months there was no Area Dean in post until the Rev Michael Gentry was appointed in November.

While Rev Gentry will continue to live at Langton Green, he has been appointed as an additional member of the staff at St Mary's Westerham.

Brigadier Ian Dobbie continues as the Deanery Lay Chairman and St Nicholas has five lay members in addition to all its clergy.

The sole Synod meeting took place in February at which presentations occurred from the Bible Society and Porchlight, a charity which provides support for homeless people and people

sleeping rough in Kent.

The year ended with the imminent retirement of the Vicar of St Mary's Kippington and vacancies for incumbents at St Luke's Sevenoaks and St Mary's Riverhead. This is significant as these three parishes will form the new West Sevenoaks Team Ministry.

The other major event in the Deanery which is planned for 2020 is a visit to the Deanery in November by the Bishop of Rochester.



**Brig Ian Dobbie Feb 2020**

### **Buildings & Maintenance Committee: Fabric Report 2019**

This year, the committee has changed its name, but not its membership. It is now the "Buildings and Maintenance Committee" which we hope more accurately reflects its role.

Various repairs have been carried out to keep the church weathertight. This has included a new roof for the north porch, upkeep and redecoration in the lightwells and repairs to the church roof. New storage racks have been fitted in the prayer chapel and the south-west undercroft storeroom to help keep these areas more tidy and accessible. We have ongoing plans to replace the church boilers (following a lengthy period of problems), repair and upgrade the emergency lighting system and improve the ceiling lighting in the church offices, some of the corridors and the kitchen downstairs. Considerable repairs have also been required on the lift motor and its associate systems.

Outside, the Commonwealth War Graves Committee have affixed a plaque to the railings at the entry of the new churchyard, some tree work has been carried out and the Town Council is petitioning for a faculty to clean up the war memorial by the High Street and restore some of the names which have faded on the stonework.

At the Rectory, the Diocese have completed repairs to the north boundary wall.

At 23 Beech Road, repair works to the roof, guttering and chimney stack were completed and we were grateful for volunteers from the committee who carried out some painting. This property is currently in the process of being sold to Sevenoaks Gospel Trust, who will be undertaking some refurbishment work. Both flats will continue to be managed by the committee and be available for staff and ministry associate housing. The insulation work at 26 Woodside Road was completed and some repairs highlighted by the recent diocesan quinquennial report were tackled at 4 Braeside Close. Minor repairs and maintenance have also been carried out at 40 South Park.

We remain very grateful for all the work put in by the members of the Buildings and Maintenance Committee, our ministry associate Dan Boshoff and a host of volunteers who look after the church flowers, clean the brass and undertake many other tasks with love to

care for our buildings, their surroundings and their contents. In particular, we appreciate the several new teams of volunteers who have stepped up since last September to take on a great number of the cleaning and maintenance tasks formerly carried out by our ministry associates.



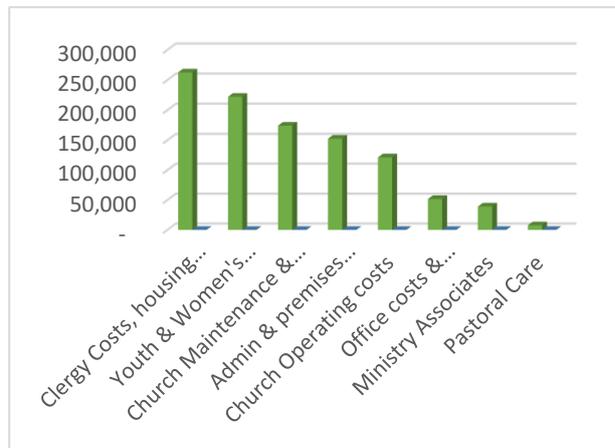
**Martin Levett Feb 2020**

**Current Finance update (end June 2020)**

Thank you to everyone who continues to support St Nicholas financially.

**Budget for 2020:**

Total predicted expenditure  
£1,031,454



**Expenditure to end June:**

Budgeted £408,735 (40% of total)

Actual spend £362,014 (89% of budget - less expenditure in lockdown months)

Total predicted income (giving and other) £676,000 (predicted in year deficit of £355,454)

**Income to end June:**

Budgeted £321,000 (50% of total)

Actual income £396,590 (62% of total – income higher than expected)

Comparing the regular income with the number of adults attending all services, our giving equates to less than £60 per month per giver. This needs to increase substantially if we are to be able to fulfil all the gospel work we want to undertake.

if you are not yet giving to the work of the gospel through St Nicholas or would like to increase your giving, may we encourage you to consider doing so. See the giving page on our website ([click here](#)) for more details or contact Helen Leigh our Giving Administrator ([email Helen here](#)).



Also, please support St Nicholas when shopping online: we have a charity nomination at [www.smile.amazon.co.uk](http://www.smile.amazon.co.uk) - St Nicholas Church Sevenoaks. We receive a donation each time you shop there.



# **St Nicholas Church**

SEVENOAKS

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**TRUSTEES' ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**for the year ended 31 December 2019**

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## TRUSTEES' ANNUAL REPORT for the year ended 31 December 2019

The Parochial Church Council of the Ecclesiastical Parish of St Nicholas, Sevenoaks (PCC) present their report and accounts for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with Church Accounting Regulations 2006, the Charities Act 2011 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **Objectives and activities**

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

Our primary object is the promotion of the Gospel of Our Lord Jesus Christ.

The PCC with the vision of the church family have adopted the following Mission and Vision Statement to express its objectives, help guide its decision-making and allocate resources to activities which will support and help to fulfil its objectives. The statement is set out below:

### **St Nicholas' Summary Mission Statement**

One aim: to see God the Father, Son and Holy Spirit honoured

Two essentials: the Bible and prayer

One central task: to make disciples of Jesus Christ

### **A Vision Statement for St Nicholas**

Launched in 2014, our vision statement is to:

- **EXPLORE** GOD'S WORD
- **EQUIP** GOD'S PEOPLE
- **EXPLAIN** GOD'S GOSPEL

as Christ's ambassadors in order to build a Christ-like, loving, prayerful, gospel-minded community

The main objectives for the year were to bring glory to God by ensuring that His word continued to be faithfully preached to all congregations at St Nicholas and at 4o'clock Church and Grace Church which meet at Lady Boswell's School; to help members of the church family grow in Christian knowledge and maturity; to provide teaching in God's word to the children and young people in the church family; to reach out to the wider community in Sevenoaks, in the nation and around the world to proclaim the gospel and to provide practical support demonstrating our love for our neighbours near and far.

The specific activities carried out in 2019 in pursuit of the Mission Statement are described in the Annual Reports which accompany these financial statements and are also published on our website. These activities involve members of our staff team and the voluntary contribution of time, amounting to several hundred hours per week, by many members of the church family in teaching, provision of pastoral care and a very wide range of other supporting activities.

The church's policies for grant-making are implemented by the Mission committee. The committee meets regularly during the year to allocate gifts made to the mission fund to support missionaries, mission and relief agencies in both the UK and worldwide.

## Achievements and Performance

### ***Church attendance***

As at December 31 2019, there were 482 on the Electoral Roll (2018: 710). The roll was completely renewed in April 2019 and numbers usually fall in the renewal year. The estimated average attendance on a 'normal' Sunday for all congregations in 2019, based on counts made on the first three Sundays in October, was 670 (down from 722 in 2018). These figures include adults and children.

### ***The Church and Undercroft***

The church and undercroft, which houses our bookroom as well as a suite of meeting rooms, are used extensively each day and most evenings by a mixture of church events and public bookings.

### ***Young People's Work***

In addition to our Sunday groups, there are a number of weekday events for children and young people meeting both on and off site.

### ***Mission and Evangelism***

Mission activity is at the heart of St Nicholas. We provide significant support to a number of mission partners including many who have gone out from our church family. These include individuals and families serving in South Africa, Ethiopia, Thailand, Malaysia, Singapore, Finland, Hungary, and Italy – these are detailed in Note 16 to the Accounts.

## Financial Review

### **Overview**

The church's operations and activities are separated into funds that are either restricted (with limitations as to how income can be spent) or unrestricted (the PCC has discretion with respect to expenditure). However, in the financial accounts these funds are frequently consolidated.

### **Unrestricted Funds**

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

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

**The Strategic Fund** is used for special unbudgeted items.

**The Beech Rd Fund** is the entity which reflects the PCC's interest in the property on Beech Rd, Sevenoaks.

### **Restricted Funds**

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

**Associate Rector House Fund (ARH).** This was established in 2010 with the sole purpose of collecting gifts for the purchase of a house and for the payment of costs associated with the purchase of such a property. It has regular income and has received the proceeds from the St Nicholas Parish Hall Trust (PHT). The PHT was a separate charity that had contributed all of its income to St Nicholas. In 2011 the fund purchased a house for £795,000.

**Curate's House Fund.** This fund reflects the PCC's interest in the church's house in South Park.

**The Endowment Fund** has its own assets, and its income is used to fund the upkeep of the graves.

**The Equipment Fund** is used to fund the refurbishment of church equipment

### **Unrestricted – General Fund**

The voluntary income in 2019, including gift aid, was £658,221 (2018: £815,037).

Total Resources used in the GF directly relating to work for the Church for 2019 were £881,579 (2018: £891,392).

We are very thankful for all gifts large and small for the work of the Gospel in Sevenoaks. With resource spending generally increasing against a decline in giving for the fourth year, the PCC agreed in July 2019, to sell 23/23A Beech Road to Sevenoaks Gospel Trust to improve GF finances and reserves, and to undertake a Strategic Review, which should ensure that the GF commitments are in line with income and other sources of funding.

#### **Unrestricted - Strategic Reserve**

The Reserve Policy, adopted November 2008, included the provision of a designated fund called the Strategic Reserve. This reserve would enable advantage to be taken of new opportunities ahead of building a new income stream to sustain them. In 2013 £50,000 was lent to the Associate Rector House Fund (ARH).

#### **Restricted – Mission Fund**

The amount that was distributed to our mission partners in 2019 was £213,702 (2018: £205,364). The amount is the continuing support of individuals and societies to whom we have distributed for several years. A list of these is at the end of the accounts.

#### **Restricted - Building Fund**

There were no transactions and this fund has a zero balance.

#### **Restricted - Associate Rector House Fund (ARH)**

The purchase of a house for £795,000 was completed in March 2011. This was funded by gifts, interest free loans and proceeds from the Parish Hall Trust and a £60,000 mortgage. Current funding at 31 December 2019 was via a mortgage of £125,986 and a loan from the strategic fund of £50,000 and gifts from the church family.

The house is held in a custodial trust by the Diocese, as is our South Park property, and all economic benefit will accrue to St Nicholas.

#### **Restricted – Endowment**

The investments in this fund are all part of the General, Churchyard and Graves endowment. This is a restricted fund where money has been given to the church with the specific instructions that only the interest earned from the money can be spent. They are permanent endowments which require income to be spent on the churchyard, graves, or the general purposes of the PCC. The income and expenditure in 2019 was £1,132.

### **The Year Ahead**

#### **General Fund**

A key challenge for the church family will be to continue to broaden our giving base to enable us to balance income and expenditures and support the continued growth in activities particularly those directed towards children and young people in recent years.

#### **Mission Fund**

The Mission Fund has always been grateful for the provision of funds to support our mission expenditure. We prayerfully trust that God will meet the needs in the coming year through the generous giving of the church family. Only two Mission Partners have moved during the year. Julia Cameron is now working with the Evangelical Fellowship in the Anglican Communion and Chris Wigram has retired from ECM. News has also been received that the Shepherds will be leaving Uganda to take up appointments in Niger after language training.

### **Reserves Policy**

The Reserves Policy is to maintain a level of reserves in the General Fund and the Mission Fund equivalent to three months normal expenditure. Other designated funds are held to provide adequate reserves against periodic replacement or major renovation of assets. This includes making provision for the costs of repairs to the church buildings arising from quinquennial reviews. In 2008, it was agreed to set up a Strategic Reserve which would enable advantage to be taken of new opportunities, in advance of the building of a new income stream to sustain them; in the intervening years it has proved necessary to utilise the initial reserve for various purposes and it now needs to be replenished.

### **Statement of the Responsibilities of the Trustees of the Parochial Church Council**

The Trustees of the PCC are responsible for preparing the report of the PCC and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees of the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of that charity for that period. In preparing these financial statements the Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Observe the methods and principles in the Charities SORP;
- c) Make judgements and accounting estimates that are reasonable and prudent;
- d) State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the church will continue in operation.

The Trustees of the PCC are responsible for maintaining proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the church, and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

So far as the Trustees of the PCC are aware:

- (a) there is no relevant audit information of which the Auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as Trustees of the PCC in order to make themselves aware of any relevant audit information and to establish that the Council's Auditors are aware of that information.

### **Risk Policies**

Throughout the year the PCC, through the work of its committees, the Churchwardens and designated members of the staff team continued with their systematic risk assessment in Financial, Reputational, Statutory/Legal and Operational areas, as required by the Diocese. Parish Safeguarding Officer, Rev Dr Gavin McGrath and our Parish Lead Recruiter, Mrs Sue Stimson, have continued to ensure that we strictly adhere to all relevant safeguarding legislation. Close attention is also paid to the implementation of policies in regard to health and safety and to compliance with disability discrimination legislation.

### **Post year end matters**

The Principal Risk in 2020 has been dealing with the Covid 19 pandemic. This has meant streaming services and other activities; some members of the church family have had their employment effected, which might impact financial giving in 2020 and the consequential impact on the sustainability of certain activities. Furthermore, it

is recognised that returning to St Nicholas and Lady Boswell’s School will present significant challenges and risk management issues as we seek to be compliant with all Health and Safety requirements.

**Key Challenge**

The FSG initiated a review of the financial position at St Nicholas in light of declining giving. A review was undertaken by John Truscott, who is both a trustee of St Nicholas and experienced consultant in church management. Rather than focus on the symptoms he sensibly stepped back to initially look at the “cause” of the problem. There has been a wide consensus that the report and its recommendations reflect the current position within St Nicholas. A key challenge and consequent risk confronting St Nicholas is the successful implementation of the recommendations of the Report.

**Staff Change**

Since the year end The Rev Thomas Nash has been appointed vicar of St John’s Tunbridge Wells. He will be leaving at the end of June 2020. We are very grateful for all he and Clare have contributed to Grace Church and 40’Clock Church over the last six years. They will be missed and we wish them every blessing in their future ministry.

**Structure, Governance and Management**

**Registered Charity**

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

**Location**

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

**Membership**

Members of the PCC are either ex officio or elected at the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules.

During the year the following served as members of the PCC:

Incumbent:	The Revd Canon Angus MacLeay #*+	Chairman
Churchwardens:	Mr Ian Nash	Vice Chairman
	Mr Justin Greig	
Clergy:	The Revd Dr Gavin McGrath+	
	The Revd Thomas Nash *	
	The Revd Matt Taylor	
Representatives on the Deanery Synod	Brig. Ian Dobbie #*	
	Mr Anthony Jennings*^	
	Mr David McIlroy	(To July 2019)
	Mr Haydn Cooper	

Mr Mark Walkington

Mr Peter Scott ^

Elected Members:

Mrs Alice Beckett (To Sept 2019)

Mrs Christine Brindley

Mr Andrew Coates (To April 2019)

Mr John Collett

Mr Adelbert Jennings

Mr Ian Leigh Treasurer

Mrs Sarah Mackenzie

Mr Gerald O'Brien\*

Mrs Marion Russell

Mr Ben Stone

Mr Henry Warde

Mr Chris Webb

Mr Stephen Wehrle^

Invited attendees:

Miss Andrea Trevenna

Miss Cara Smith

Miss Hannah Blake

Mr John Khnana

Mrs Sue Stimson

# also a member of General Synod

\* also a representative of Diocesan Synod

+ also a representative of Deanery Synod

^ also a Deputy Churchwarden

PCC Secretary

Mrs Katie David

*(not a member of the PCC)*

The APCM was held on 23 April 2019

**Auditors**

Norman Cox & Ashby  
Chartered Accountants and Statutory Auditor  
Grosvenor Lodge  
72 Grosvenor Road  
Tunbridge Wells  
Kent TN1 2AZ

**Bankers**

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

**Legal Advisors**

Cripps  
12 Mount Ephraim Road  
Tunbridge Wells  
Kent TN1 1EG

**PCC**

The PCC is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure 1956 as amended and the Church Representation Rules. The PCC was formerly an excepted charity and was registered as a charity from 21 November 2009.

PCC members are responsible for making decisions on all matters of general concern and importance to the Parish, including deciding on how the funds of the PCC are to be spent.

**Recruitment induction and training of PCC members**

Recruitment to membership of the PCC, whether by election or 'ex officio' appointment, is carried out in accordance with the Church Representation Rules. PCC members do not receive formal induction training but, where necessary, are introduced to their responsibilities. The Churchwardens, and others with specific responsibilities for matters requiring specialist knowledge, are able to attend training courses offered by the Diocese or appropriate external bodies. Reading matter on relevant topics is disseminated to PCC members.

**Committees**

The PCC operates through a number of committees, listed below, which meet between full meetings of the PCC, under an approved Scheme of Delegation which lays down their responsibilities and authority.

*Standing Committee*

This committee is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

*Finance Strategy Committee**Buildings & Maintenance Committee**Mission Committee**Employment and Remuneration Committee**Creation Care Committee**Fellowship Fund Committee*

*Risk Management Committee.*

### **Public Benefit**

The PCC is aware of its legal duty to have regard to the public benefit guidance and to report on the charity's compliance with the public benefit obligation. In this regard the PCC is totally committed to enable anyone to worship at St Nicholas, Grace Church or 4 O'Clock Church services together with any of our activities taking place throughout the week. Our services and worship seek to encourage members of the church family to live out their faith as part of the local community and further afield. We seek to achieve this through worship, prayer and the faithful teaching from God's word to support in people learning about the Gospel, coming to faith in the Lord Jesus Christ and growing in their knowledge of scripture. With this aim the PCC has adopted the objectives and activities as noted on page 1 of this report.

Approved by the Parochial Church Council on 8<sup>th</sup> July 2020 and signed on its behalf by

Rev Canon Angus MacLeay

Chairman

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 December 2019**

	2019 £	2018 £
TOTAL INCOME (on continuing operations)	958,777	1,132,862
TOTAL EXPENDITURE (on continuing operations)	1,102,124	1,101,860
<b>(EXPENDITURE) / NET INCOME FOR THE YEAR</b>	<b><u>(143,347)</u></b>	<b><u>31,002</u></b>

**STATEMENT OF RECOGNISED GAINS AND LOSSES**  
**for the year ended 31 December 2019**

	2019 £	2018 £
Net (expenditure)/income for the year	(143,347)	31,002
Gain /(Loss) on revaluation of - Investment assets	6,047	(496)
Total recognised (loss)/gain relating to the year	<b><u>(137,300)</u></b>	<b><u>30,506</u></b>

**SPLIT OF NET (EXPENDITURE) / INCOME BY FUND**  
**(before transfers between funds)**

	2019 £	2018 £
<b>Unrestricted Funds</b>		
General Fund	(130,071)	22,194
Strategic Fund	-	-
Fabric Fund	-	-
	<b><u>(130,071)</u></b>	<b><u>22,194</u></b>
<b>Restricted Funds</b>		
Mission Fund	(14,756)	5,236
Building Fund	-	-
Equipment Fund	-	(4,000)
Associate Rector's House Fund	1,480	7,572
	<b><u>(13,276)</u></b>	<b><u>8,808</u></b>
<b>Total for all funds</b>	<b><u>(143,347)</u></b>	<b><u>31,002</u></b>

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, SEVENOAKS**

For the year ended 31 December 2019

### **Opinion**

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of St. Nicholas, Sevenoaks, (the "Charity") for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis of Opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- the trustees of the PCC's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees of the PCC have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other Information**

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

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS SEVENOAKS**

For the year ended 31 December 2019 (Continued)

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

We have nothing to report in this regard.

### **Matters on which we are required to Report by Exception**

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

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

### **Responsibilities of Trustees of the Parochial Church Council**

As explained more fully in the trustees of the PCC Responsibilities Statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

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

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA's (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS SEVENOAKS**

For the year ended 31 December 2019 (Continued)

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

### **Use of our report**

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

NICHOLAS GOWER-SMITH FCA (Senior Statutory Auditor)  
for and on behalf of Norman Cox & Ashby  
Chartered Accountants and Statutory Auditor

Grosvenor Lodge  
72 Grosvenor Road  
Tunbridge Wells  
Kent TN1 2AZ

08 July 2020

Norman Cox & Ashby is eligible to act as an auditor in the terms of section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2019**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £	Total funds 2018 £
<b>INCOME</b>						
Voluntary income	2(a)	658,221	205,678	-	863,899	1,032,903
Activities for generating funds	2(b)	30,480	-	-	30,480	36,305
Income from investments and deposits	2(c)	2,898	459	1,132	4,489	2,907
Income from church activities	2(d)	59,909	-	-	59,909	60,747
<b>TOTAL INCOME</b>		<b>751,508</b>	<b>206,137</b>	<b>1,132</b>	<b>958,777</b>	<b>1,132,862</b>
<b>EXPENDITURE</b>						
Church activities						
Missionary and charitable giving	3(a)	1,615	213,702	-	215,317	206,696
Directly relating to the work of the church	3(b)	855,019	5,711	1,132	861,862	868,646
Fund-raising trading costs	3(c)	24,945	-	-	24,945	26,518
<b>TOTAL EXPENDITURE</b>		<b>881,579</b>	<b>219,413</b>	<b>1,132</b>	<b>1,102,124</b>	<b>1,101,860</b>
<b>NET (EXPENDITURE)/INCOME BEFORE INVESTMENT GAINS</b>		<b>(130,071)</b>	<b>(13,276)</b>		<b>(143,347)</b>	<b>31,002</b>
<b>NET GAIN / (LOSS) ON INVESTMENT</b>	7			<b>6,047</b>	<b>6,047</b>	<b>(496)</b>
<b>NET (EXPENDITURE)/INCOME</b>		<b>(130,071)</b>	<b>(13,276)</b>	<b>6,047</b>	<b>(137,300)</b>	<b>30,506</b>
<b>TRANSFER BETWEEN FUNDS</b>		-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(130,071)</b>	<b>(13,276)</b>	<b>6,047</b>	<b>(137,300)</b>	<b>30,506</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>1,115,277</b>	<b>1,517,517</b>	<b>32,817</b>	<b>2,665,611</b>	<b>2,635,105</b>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER 2019</b>	15	<b>985,206</b>	<b>1,504,241</b>	<b>38,864</b>	<b>2,528,311</b>	<b>2,665,611</b>

**BALANCE SHEET at 31 December 2019**

	<u>Notes</u>	<u>2019</u>		<u>2018</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible	6		2,020,000		2,020,000
Investments	7		38,864		32,817
			<u>2,058,864</u>		<u>2,052,817</u>
<b>CURRENT ASSETS</b>					
Stock		17,026		15,392	
Debtors	8	108,716		60,530	
Short term deposits	9	358,809		408,809	
Bank balances and cash	9	225,416		399,320	
		<u>709,967</u>		<u>884,051</u>	
<b>LIABILITIES</b>					
<b>Creditors- Amount falling due within one year</b>	10	<u>(123,129)</u>		<u>(144,992)</u>	
<b>NET CURRENT ASSETS</b>			586,838		739,059
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,645,702</u>		<u>2,791,876</u>
<b>LIABILITIES:</b>					
<b>Creditors - Amount falling due after one year</b>	11		(117,391)		(126,265)
<b>TOTAL NET ASSETS</b>			<u><u>2,528,311</u></u>		<u><u>2,665,611</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
Unrestricted	12		985,206		1,115,277
Restricted	13		1,504,241		1,517,517
Endowment	14		38,864		32,817
			<u><u>2,528,311</u></u>		<u><u>2,665,611</u></u>

Approved by the Parochial Church Council on 8<sup>th</sup> July 2020 and signed on its behalf by:

..... **Ian Leigh**  
**Treasurer**

..... **Angus MacLeay**  
**Chairman, Parochial Church Council**

## **CASH FLOW STATEMENT at 31 December 2019**

	<b>2019</b>	<b>2018</b>
	£	£
Cash (absorbed)/generated from operations	(189,852)	90,797
Investing activities:		
Interest received	4,489	2,907
Interest paid	(5,069)	(2,684)
Repayment of loans	<u>(33,472)</u>	<u>(8,154)</u>
Net cash absorbed from investing activities	<u>(34,052)</u>	<u>(7,931)</u>
Net (decrease)/increase in cash and cash equivalents	(223,904)	82,866
Cash and cash equivalents at beginning of year	808,129	725,263
Cash and cash equivalents at end of year	<u><u>584,225</u></u>	<u><u>808,129</u></u>
Cash at Bank and in Hand	225,416	399,320
Notice deposits	<u>358,809</u>	<u>408,809</u>
	<u><u>584,225</u></u>	<u><u>808,129</u></u>
Cash generated from operations:		
(Deficit)/Surplus for the year	(137,300)	30,506
Adjustments for:		
Fair value loss/(gain) on investments	(6,047)	496
Depreciation	-	4,000
Finance costs	5,069	2,684
Interest received	(4,489)	(2,907)
Movement in working capital:		
(Increase) in stocks	(1,634)	(1,731)
(Increase)/Decrease in debtors	(48,186)	51,218
Increase in creditors	2,735	6,531
	<u><u>(189,852)</u></u>	<u><u>90,797</u></u>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

### 1. ACCOUNTING POLICIES

#### **a. Basis of Preparation and Assessment of Going Concern**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with 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 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The church constitutes a public benefit entity as defined by FRS 102.

The members of the PCC consider that there are no material uncertainties about the church's ability to continue as a going concern.

#### **b. Funds**

**Unrestricted** funds (see note 12) represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. These include funds designated for a particular purpose by the PCC and are:

- **General Fund:** this is the main fund, which is used for supporting mission within the Sevenoaks area and covers clergy and staff costs, youth work and other outreach/support activities, and the day to day running and administration of the church. It also includes the activities of the book and coffee shop, plus various houseparties and evangelical events.
- **Strategic Reserve:** this reserve is to enable advantage to be taken of new opportunities, in advance of the building of a new income stream to sustain them.
- **Fabric Fund:** this is used for large capital items and major refurbishment work to the church and other properties. Such work mainly arises from quinquennial inspections, and the aim is to build up sufficient funds over a five-year period to cover the costs arising from such inspections.
- **Beech Road Property Fund:** this represents the current value of the property at 23, Beech Road that was bequeathed to St. Nicholas in 1988.

**Restricted** funds (see note 13) represent sums which have been restricted by the donor for a particular purpose. Restricted funds are:

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

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**

- **Curate's House Fund:** this represents the current value of the property at 40, South Park that was acquired by the PCC in 1989 from proceeds of the sale of a previous property and funds raised specifically to acquire the new property.
- **Building fund:** this fund was originally set up in 1990 to raise funds for 'Building for the Gospel' which resulted in the reordering of the church and the construction of the undercroft. The remaining funds were held for the building of the exit road and car park extension and have been spent. This fund has a zero balance
- **Equipment fund:** this fund was set up to purchase a new sound desk and other specific items of equipment.
- **ARH fund:** this fund was set up to purchase and maintain a new house for the person occupying the post of Associate Rector.

An **endowment** fund is a restricted fund where money has been given to the church with the specific instructions that only the interest earned from the money can be spent or an asset donated to be retained for continuing use by the church. The General, Churchyard and Graves endowment (see note 14) comprises 4 funds. These are permanent endowments which require income to be spent on the churchyard, graves or the general purposes of the PCC.

**c. Income recognition**

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations are recognised when they have been communicated or received in writing with notification of both the amount and settlement date. Income tax recoverable on Gift Aid donations is recognised when claimable.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator or executor of the estate has communicated in writing both the amount and settlement date.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

Rental income from the letting of church premises is accounted for when earned. Parochial fees due to the PCC for weddings, funerals, and other events are accounted for on an event-by-event basis. Sales of books and magazines from the church bookstall are accounted for at point of sale.

**d. Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the church to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**

Grants payable are payments made to third parties in the furtherance of the charitable objects of the church. In the case of an unconditional grant offer, this is accrued once approved. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued for when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the church. The expenditure on charitable activities includes supporting mission and mission-related activity, mainly outside the parish, allocated at the discretion of the Mission Committee.

Costs directly relating to the work of the church are for promoting the primary object, the promotion of the Gospel of Our Lord Jesus Christ, mainly within Sevenoaks. The Diocesan Quota or Parish Share is accounted for when payable, the amount being determined by the PCC.

The costs of raising funds consist of resources used to fund the bookstall and coffee shop cost of goods sold.

**e. Tangible Fixed assets and depreciation**

*i. Consecrated land and buildings and movable church furnishings.*

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

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

*ii. Other land and buildings.*

Other land and buildings held on behalf of the PCC for its own purposes are included at market value. Properties are generally revalued professionally every 5 years. The last professional valuation was conducted at 31 January 2014. Gains and losses are included in the Statement of Financial Activities. Depreciation on properties has not been provided for in these accounts as any charge is considered to be not material, on the basis that the asset either has a very long useful life, or a residual value based on its current value, which is not materially different from its carrying value. Should we be mentioning valuation of Beech Road during 2019 in anticipation of the sale?

*iii. Fixtures, fittings and office equipment.*

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

*iv. Impairment*

Provision will be made should any annual impairment review of fixed assets indicate that a permanent diminution in value has occurred.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**

**f. Fixed asset investments**

Investments are initially recognised at transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

**g. Realised and unrealised gains and losses**

All gains and losses are taken to the statement of financial activities as they arise. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value.

**h. Current assets**

Amounts owing to the PCC at 31 December 2019 in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectible. Short-term deposits include cash held on deposit either with CBF Church of England Funds, the Rochester Diocesan Board of Finance or at NatWest Bank.

Stock is valued at the lower of cost and net realisable value.

**i. Pensions policy**

St Nicholas Church PCC participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

**Pension Builder Scheme**

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

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

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

St Nicholas PCC is also registered with OPRA and supports staff if they prefer to take out Stakeholder Pensions by matching any contributions to a maximum of 7.5% of salary and these are accounted for on the basis of contributions payable in the year. The PCC therefore has no liability for final pensions provision for its staff.

**j. Deferred income**

Income received for a future year will be included as an incoming resource in the year to which it relates.

**k. Contingent liabilities**

A contingent liability is identified and disclosed when either a possible but uncertain obligation, or a present obligation that is not recognised because a transfer of economic benefit to settle the possible obligation is not probable, or the amount of the obligation cannot be estimated reliably.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**
**2 INCOME**

	<u>Unrestricted</u> <u>funds*</u> £	<u>Mission</u> £	<u>Restricted funds</u>		<u>Equipment</u> £	<u>Endowm't</u> <u>funds</u> £	<u>Total</u> <u>2019</u> £	<u>Total</u> <u>2018</u> £
			<u>Building</u> £	<u>ARH</u> £				
<b>[a] Voluntary Income</b>								
Planned giving:								
Tax recoverable	109,962	132,709	-	3,960		-	246,631	141,006
Gift Aid	437,429	34,256	-	991		-	472,676	599,089
Other tax-inclusive giving	73,069	17,171	-	120		-	90,360	132,829
Cash collections	15,099	555	-	-		-	15,654	13,346
Grants	-	-	-	-		-	-	-
Legacies	-	5,000	-	-		-	5,000	102,610
Other donations	22,662	8,876	-	2,040		-	33,578	44,023
	<b>658,221</b>	<b>198,567</b>	<b>-</b>	<b>7,111</b>	<b>-</b>		<b>863,899</b>	<b>1,032,903</b>
<b>[b] Activities for generating funds</b>								
Trading	<b>30,480</b>	-	-	-	-		<b>30,480</b>	<b>36,305</b>
<b>[c] Income from investments and deposits</b>								
Dividends and interest	<b>2,898</b>	<b>459</b>	-	-		<b>1,132</b>	<b>4,489</b>	<b>2,907</b>
<b>[d] Income from church activities</b>								
Fees & hire income	24,141	-	-	-		-	24,141	16,945
Contributions to houseparties	22,780	-	-	-		-	22,780	19,765
Contributions to outreach events	12,988	-	-	-		-	12,988	24,037
Other income	-	-	-	-		-	-	-
	<b>59,909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>59,909</b>	<b>60,747</b>
<b>TOTAL INCOME</b>	<b>751,508</b>	<b>199,026</b>	<b>-</b>	<b>7,111</b>	<b>-</b>	<b>1,132</b>	<b>958,777</b>	<b>1,132,862</b>

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**
**3 EXPENDITURE**

	Unrestricted funds £	Mission £	Restricted funds Building £	ARH	Equipment £	Endow'm't funds £	2019 £	2018 £
<b>(a) Church Activities</b>								
<b><i>Missionary and charitable giving</i></b>								
Missionary societies (note 4)	-	213,702	-	-	-	-	213,702	205,364
Relief & development agencies	-	-	-	-	-	-	-	37
Home missions/UK based agencies	1,615	-	-	-	-	-	1,615	1,295
<b>Total Missionary and charitable</b>	<b>1,615</b>	<b>213,702</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,317</b>	<b>206,696</b>
<b>(b) Directly relating to the work of the Church</b>								
<b><i>Ministry</i></b>								
Clergy Stipends & Salary	-	-	-	-	-	-	-	-
Diocesan Quota	185,642	-	-	-	-	-	185,642	209,000
Clergy expenses	7,768	-	-	-	-	-	7,768	7,917
Clergy housing	23,124	-	-	562	-	-	23,686	24,480
Mortgage Interest	-	-	-	5,069	-	-	5,069	5,389
	<b>216,534</b>	<b>-</b>	<b>-</b>	<b>5,631</b>	<b>-</b>	<b>-</b>	<b>222,165</b>	<b>246,786</b>
<b><i>Support costs</i></b>								
Training	14,520	80	-	-	-	-	14,600	7,076
Support Ministries	213,066	-	-	-	-	-	213,066	179,796
Apprentices	29,702	-	-	-	-	-	29,702	55,972
Pastoral Care	573	-	-	-	-	-	573	6,531
	<b>257,861</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257,941</b>	<b>249,375</b>
Church - running expenses	56,657	-	-	-	-	1,132	57,789	57,881
Church maintenance	14,131	-	-	-	-	-	14,131	14,022
Fabric repair	29,632	-	-	-	-	-	29,632	23,010
Fabric repair - car park	10,340	-	-	-	-	-	10,340	4,981
Furniture and fittings	-	-	-	-	-	-	-	156
Beech Road costs	13,376	-	-	-	-	-	13,376	4,285
Depreciation	-	-	-	-	-	-	-	4,000
Houseparties	-	-	-	-	-	-	-	28,585
Services & Outreach	15,127	-	-	-	-	-	15,127	17,391
Outreach events	37,430	-	-	-	-	-	37,430	21,038
Church plant	20,380	-	-	-	-	-	20,380	24,300
Salaries	146,235	-	-	-	-	-	146,235	130,969
Technical Support	17,070	-	-	-	-	-	17,070	16,737
Printing and stationery	2,751	-	-	-	-	-	2,751	4,027
Office expenses	6,060	-	-	-	-	-	6,060	6,417
	<b>369,189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,132</b>	<b>370,321</b>	<b>357,799</b>
<b><i>Other expenditure</i></b>								
PCC costs	355	-	-	-	-	-	355	777
Audit fee	6,365	-	-	-	-	-	6,365	5,220
Bank charges and loan interest	2,688	-	-	-	-	-	2,688	2,684
Professional fees	1,703	-	-	-	-	-	1,703	2,770
Other - sundry	324	-	-	-	-	-	324	3,235
	<b>11,435</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,435</b>	<b>14,686</b>
<b>Total directly relating to the work of the Church</b>	<b>855,019</b>	<b>80</b>	<b>-</b>	<b>5,631</b>	<b>-</b>	<b>1,132</b>	<b>861,862</b>	<b>868,646</b>
<b>(c) Fund-raising trading costs</b>								
Trading purchases and costs	<b>24,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,945</b>	<b>26,518</b>
<b>TOTAL EXPENDITURE</b>	<b>881,579</b>	<b>213,782</b>	<b>-</b>	<b>5,631</b>	<b>-</b>	<b>1,132</b>	<b>1,102,124</b>	<b>1,101,860</b>

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**

<b>4. NET MOVEMENT IN FUNDS</b>	<u>2019</u>	<u>2018</u>
Stated after charging the following:	£	£
Audit Fees (including VAT)	5,525	6,365
Staff costs (see note 5)	350,586	320,605
Depreciation	<u>0</u>	<u>0</u>

<b>5. STAFF COSTS</b>	<u>2019</u>	<u>2018</u>
Salaries and Wages	310,250	286,175
Social Security costs	<u>25,388</u>	<u>21,169</u>
	<b>335,638</b>	<b>307,344</b>
Pension costs	<u>14,948</u>	<u>13,261</u>
	<b>350,586</b>	<b>320,605</b>

The total number of PCC employees as at 31 December 2019, calculated in a full time equivalent basis, was 12 (2018: 11). No employee received emoluments in excess of £60,000

**6. TANGIBLE FIXED ASSETS**

	<u>Freehold Land and Buildings</u>	<u>Office Equipment</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
	£	£	£	£
Cost or valuation:				
At 1 January 2019	2,020,000	24,411	43,910	2,088,321
At 31 December 2019	<u>2,020,000</u>	<u>24,411</u>	<u>43,910</u>	<u>2,088,321</u>
At 1 January 2019	-	24,411	43,910	68,321
Charge for year	-	-	-	-
At 31 December 2019	<u>-</u>	<u>24,411</u>	<u>43,910</u>	<u>68,321</u>
Net book value:				
At 31 December 2019	<u>2,020,000</u>	-	-	<u>2,020,000</u>
At 31 December 2018	<u>2,020,000</u>	-	-	<u>2,020,000</u>

The freehold land and buildings at the year end comprise the Curate's house located at 40 South Park, 23 Beech Road, which is held in trust by the Rector and Churchwardens for such purposes as the Rector and the PCC shall decide. 26 Woodside Road was purchased in March 2011 for £795,000 and is held in a restricted fund. All properties were revalued by Ibbett Mosely in Jan 2014

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**

**7. INVESTMENTS**

	<u>Endowment Funds</u> £
Market value:	
At 1 January 2018	33,313
Loss on revaluation	(496)
At 1 January 2019	32,817
Gain on revaluation	6,047
At 31 December 2019	<u><b>38,864</b></u>

The historical cost of the investments is £1,394. All the investments are with the Central Board of Finance of the Church of England and are in the United Kingdom. These investments cannot be realised for the reasons stated in Note 1c.

	<u>Unrestricted funds</u> £	<u>Restricted funds</u> £	<u>Endowment funds</u> £	<u>2019 Total</u> £	<u>2018 Total</u> £
<b>8. DEBTORS</b>					
Tax recoveries	41,074	12,422	-	53,496	10,530
Prepayments	5,220	-	-	5,220	-
Sundry debtors	50,000	-	-	50,000	50,000
	<u><b>96,294</b></u>	<u><b>12,422</b></u>	<u><b>-</b></u>	<u><b>108,716</b></u>	<u><b>60,530</b></u>

<b>9. BANK</b>					
Short term deposits	308,809	50,000	-	358,809	408,809
Bank balances and cash	177,610	47,806	-	225,416	399,320
	<u><b>486,419</b></u>	<u><b>97,806</b></u>	<u><b>-</b></u>	<u><b>584,225</b></u>	<u><b>808,129</b></u>

**10. LIABILITIES: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

Deferred income			-	-	7,500
Accruals	64,534		-	64,534	54,298
Sundry creditors		50,000	-	50,000	50,002
Mortgage		8,595		8,595	8,192
Interest free loans				-	25,000
	<u><b>64,534</b></u>	<u><b>58,595</b></u>	<u><b>-</b></u>	<u><b>123,129</b></u>	<u><b>144,992</b></u>

<b>Deferred income</b>	<u>2019</u> £	<u>2018</u> £
Balance brought forward at 1st January 2018	7,500	7,500
Released during the year	(7,500)	(7,500)
Amounts deferred during the year	-	7,500
Balance carried forward at 31st December 2018	<u><b>-</b></u>	<u><b>7,500</b></u>

**11. LIABILITIES: AMOUNTS FALLING  
DUE AFTER ONE YEAR**

17 year mortgage	117,391	117,391	126,265
	<u><b>-</b></u>	<u><b>117,391</b></u>	<u><b>126,265</b></u>

The Mortgage is secured by a first legal charge over the property at 26 Woodside Rd Sevenoaks

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**
**12. UNRESTRICTED FUNDS**

	<u>01-Jan-19</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Unrealised</u> <u>Gains</u>	<u>31-Dec-19</u>
	£	£	£	£	£	£
<b>General fund</b>	303,673	751,508	(881,579)		-	173,602
<b>Designated Funds</b>						
Fabric fund	261,604	-	-		-	261,604
Strategic Reserve	100,000	-	-		-	100,000
Beech Road property fund (note 6)	450,000	-	-		-	450,000
<b>TOTAL</b>	<b>1,115,277</b>	<b>751,508</b>	<b>(881,579)</b>			<b>985,206</b>

**13. RESTRICTED FUNDS**

	<u>01-Jan-19</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Unrealised</u> <u>Gains</u>	<u>31-Dec-19</u>
	£	£	£	£	£	£
Mission fund	96,278	199,026	(213,782)		-	81,522
Curate's house fund (note 6)	625,000	-	-		-	625,000
Associate Rector's House	796,239	7,111	(5,631)		-	797,719
Equipment	-	-	-		-	-
<b>TOTAL</b>	<b>1,517,517</b>	<b>206,137</b>	<b>(219,413)</b>			<b>1,504,241</b>

**14. ENDOWMENT FUNDS**

	<u>01-Jan-19</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Unrealised</u> <u>Gains</u>	<u>31-Dec-19</u>
	£	£	£	£	£	£
General, Churchyard & Graves	32,817	1,132	(1,132)		6,047	38,864
<b>TOTAL</b>	<b>32,817</b>	<b>1,132</b>	<b>(1,132)</b>		<b>6,047</b>	<b>38,864</b>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 December 2019 are represented by:	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Endowment</u> <u>Funds</u>	<u>Total</u> <u>Funds</u>
	£	£	£	£
Tangible fixed assets	450,000	1,570,000	-	2,020,000
Investments			38,864	38,864
Current assets	599,738	110,228	-	709,967
Current liabilities	(64,534)	(58,595)	-	(123,129)
Long term liabilities	-	(117,391)	-	(117,391)
<b>Total Net Assets</b>	<b>985,204</b>	<b>1,504,242</b>	<b>38,864</b>	<b>2,528,310</b>

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**
**16. SUMMARY OF GRANTS PAYABLE**

		<b><u>2019</u></b>	<b><u>2018</u></b>
A Rocha International		-	1,000
A Rocha UK		500	1,500
AIM	North Karamoja Dio Ambulance Repair	-	500
AIM	Paul and Helen Shepherd	8,160	8,000
AMiE		500	500
Anglican Mainstream		1,100	1,100
C of E Evangelical Council		1,000	-
Christian Books Worldwide	Ben Dean	-	4,000
Christian Unions Ireland	Mark Ellis	14,000	6,000
Christianity Explored		2,000	2,000
Christians in Sport		-	1,000
Crosslinks	Anna Poor	16,800	13,000
Crosslinks	Ben and Naomi Dean	-	5,000
Crosslinks	Hazel Maunsell	16,000	16,141
Crosslinks	Jamie Read	1,150	800
Crosslinks	Mark Oden	16,557	17,117
Diocese of Rochester	Diocese of Kondoa (Tanzania)	2,000	2,000
ECM International	Chris Wigram	3,000	3,000
EFAC	Julia Cameron	6,000	3,000
EFAC	Theological & Ministry Conference	1,000	-
Emmanuel Bristol	Ian Taylor	1,250	400
Fowey Anchor Church		2,000	-
GAFCON		7,000	7,000
Global Connections	Julia Cameron	-	3,000
Japan Christian Link	IT Appeal	2,000	-
Japan Christian Link	Selvan Anketell	8,000	8,000
Langham Trust		2,000	2,000
London City Mission		5,000	-
Newcastle University CU	Mission	200	-
Oak Hill College	Daniel Halpin	1,250	-
OMF	Beverlea Parkhill	17,000	17,000
OMF	General	250	50
OMF	Kathryn Bowen	16,000	16,000
OMF	Mekong Reunion	-	350
OMF	StJohn & Ellie Perry	24,000	24,000
OMF	Tony Waghorn	3,000	2,750
Oxtrad	Bicycles South Sudan	1,200	-
Oxtrad	Bishop Nazir Ali	5,250	5,000
Penny Trust	Pete Portal	1,000	1,000
Proclamation Trust	Sophie-Ann Rebettes	1,090	-
Proclamation Trust	General	2,000	2,000
RZIM	Sam Allberry	1,000	-
Sevenoaks Area Youth Trust		6,000	6,000
Sevenoaks Counselling		-	625
SIM	Emma Brewster	8,000	8,000
St Gabriels	Alan McKinnel	-	4,000
Stewardship	SAGE - Peter Redmayne	2,200	-
Stewardship	Sunao Glass	-	2,000
Stewardship	Susannah Bratby	-	800
Tear Fund	Connected Church	245	5,527
The Faith Mission		2,000	-
Trinity School		5,000	-
Union School of Theology	Ian Taylor	-	4,204
		<u>213,702</u>	<u>205,364</u>

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019 (Continued)**

**17. TRANSACTIONS WITH MEMBERS OF THE PCC AND CONNECTED PERSONS**

The stipends/salaries and expenses of the clergy, who are all PCC members, are shown in note 3 (b). Transactions with other (non-clergy) members of the PCC and connected persons were as follows: none

**18. FINANCIAL COMMITMENTS**

At 31 December 2019, the PCC has no financial commitments.

**19. POST BALANCE SHEET EVENT**

In March 2020, the PCC exchanged contracts and completed on the sale of two flats it owned for a combined sum of £410,000. An agreement has been made for them to be leased back for a contractual term of five years at an annual rent of £14,880.