

Financial Review

Background. The accounts for the financial year ending December 2018 have been prepared on a Receipts and Payments basis. This is unchanged from previous years. A full financial statement forms part of this report as do the notes following this review.

Income. Total receipts on unrestricted (and designated) funds were £48,600. £45,200 was received for restricted funds of which £16,400 was from investment income, £25,300 of grant money and the remainder from individual generous donations and gift aid. Most of the grant money was for the tower repair project which was successfully completed during 2018.

We ran a successful stewardship campaign at the end of 2017 and as a result planning giving in 2018 was significantly (25%) up from 2017. There was also a modest (11%) increase in the cash collected at services throughout the year. Unfortunately, delays in the processing of gift aid claims in CDBoF meant that we didn't receive all the gift aid due on these the donations (see note 2 to the accounts below). Other donations and legacies were down by about 15% from 2017

Net receipts from special service fees was down by some 20% from that which we received during 2017. Our fund-raising efforts in 2018 added a useful £2,300 to our general funds.

Overall therefore, excluding grants, at £67,700 our total receipts were down by about 2.5% from 2017. However, it is important to highlight the difference between regular giving and donations (up) and other church activities (down) which reverses a trend from previous years.

Expenditure. By careful control of day to day expenses, at £50,000, our total expenditure excluding exceptional items was up by just 1% from 2017 despite our Parish Share – something out of our control - increasing by some 3.5%. At £24,750 the Parish Share represents just a little under 50% of our annual expenditure.

As planned, and as specified in the 2014 quinquennial report, we completed the major repairs to the church tower. Based on the original budget we had been promised grants for about 40% of the cost with the rest coming from our own funds. In the end, the project was about £12,000 (ex VAT) under budget. All the grants were paid as promised so our own spending on the project was reduced by that amount.

Summary. At the beginning of the year, our total funds stood at £253,500. At the end of the year, this figure is £220,800. This fund balance is at original cost value; the fund value at market price is £374,000 (2017: £448,300).

Most of this money is held in restricted funds – down because of the spend on the tower repairs. So it is more helpful to split out the “general” unrestricted funds because this represents the day to day running of the Church. The surplus at the end of 2017 was £1,500. At the end of 2018 we made a modest surplus of £3,900. According to our reserve and surplus policy 70% (£2,700) will be retained and added to our fabric fund; 20% (£800) will be distributed to local charities.

The Future. The general decline in our regular income was identified during 2017 and towards the end of the year we ran a stewardship campaign which resulted in many generous donations and pledges to increase monthly giving. We saw the results of this in 2018. However, unless we can grow the congregation, other sources of income – additional service fees and fund raising – will

increasingly remain an essential part of funding for the church in the future. The PCC must also continue to monitor day to day expenditure to ensure it remains in line with income.

On that basis, I have prepared a budget for 2019 which shows a modest surplus in the general fund at the end of the year.

Work to St Nicholas Church, the organ and the Mission Church has already been identified and this has been included in the 2019 budget. Conservation work to our beautiful stained-glass windows has been scheduled for 2020. A new quinquennial inspection will be carried out during 2019 and this may identify some new repairs. As shown in the financial statement, even after this year's major tower repairs the Church still has substantial reserves available for future repairs to both the Church and the Mission Hall.

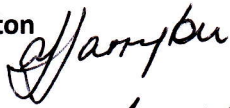
Overall therefore, I am comfortable that the balance between income and expenditure will allow the PCC to meet its obligations with regard to the Diocese, its pastoral and ecumenical objectives, and the future care of the fabric of St Nicholas Church.

Signed:

Mr Tony Farrington

Treasurer


Dated:


18 March 2019

Revd David Commander

Rector

Dated:


18th March 2019

Notes to the financial statement for the year ending December 2018

1 Accounting policies

The financial statements of the PCC have been prepared in accordance with the Church Accounting Regulations on a Receipts and Payments basis.

2 Reserves

The PCC reserves policy is to retain an amount equal to approximately 3 months' normal expenditure which it believes is sufficient to manage any unforeseen expense or sudden drop in income. This policy was agreed in January 2016 and the full amount of £12,000 has been set aside in a specific fund designated for this purpose. The PCC will continue to review this simple formula for calculating the value of the reserves fund.

Delays in the processing of gift aid claims by CBDof during 2018 meant that we didn't receive all the tax refund money that was expected (tax refunds for September to October were not received). This would have had a disproportionate effect on the surplus for both this and next year. The reserve fund was used to smooth our results for 2018 by transferring an equivalent amount to the general fund. The reserve fund will be topped up as soon as the gift aid money is received.

2 Surplus

The PCC has agreed a policy on how to distribute surplus funds: 10% will be retained in the general fund, 70% will be added to the designated fabric fund and the remaining 20% should support the Church's pastoral, social or ecumenical objectives.

3 Funds

Endowment funds are funds where the capital must be retained and only the income arising from the investment may be used for the purpose for which the endowment was established. The income may be restricted or unrestricted depending on the original endowment. In our case for example, income from the MMF Capital fund can only be used for maintaining the fabric of the Church.

Restricted funds are funds where the money may only be expended on the specific purpose for which the money was given. This money may be i) the original donation, ii) income arising from investing this donation or iii) income from an endowment fund if the original endowment stated the income was restricted. Appropriate expenses have been met from restricted funds before utilising unrestricted funds

Unrestricted funds are general funds which can be used for PCC ordinary day to day expenses. The PCC may designate certain money for a specific purpose (such as the flower fund) but this money may be undesignated, at any time, at the discretion of the PCC.

A full description of the source and application of our various funds can be found in a separate document.

4 Recognition of income and expenses.

All income is recognised at the time it is received and credited to one of our bank accounts or investment funds. This includes normal collections, grants, donations and interest or other investment income. Tax refunds from gift aid are recognised when received.

All expenses are accounted for when they are actually paid, and it is the PCC's policy to pay all due accounts promptly, usually within two weeks of a valid invoice or other request for payment. Our single biggest expense - the Parish Share - is paid and accounted for in ten monthly instalments. A small discount is received because we pay this way. Our cash reserves are such that from 2019 we will pay the Parish Share in two equal instalments attracting a bigger discount.

5 Investments

Investments are valued in the accounts at original cost value; however, the market value at the last day of December is shown as well.

6 Fixed Assets

The Mission Church in Back Road remains the PCC's single most valuable asset.

**Independent Examiner's Report to the members/trustees of
St. Nicholas Church, Sandhurst, Parochial Church Council**

I report on the accounts for the year ended 31st December 2018 which are set out attached

Respective responsibilities of the Trustees and Independent Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to

- examine the accounts under section 145 of the Charities Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that, in any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated:

10/31/2019

Mr David Rogers

3 / 4, Fairview cottages, Back Road,
Sandhurst, Kent, TN18 5JT

St Nicholas Church, Sandhurst

Financial Statement for the year ending 31st December 2018

Receipts and Payments Accounts

	Un- restricted	Designated	Restricted	Endowment fund	Total 2018	Total 2017
Receipts						
Voluntary Receipts						
Planned giving	20,532	-	79	-	20,611	16,341
Collections at services	6,057	-	-	-	6,057	5,427
All Other giving/voluntary receipts	3,161	412	2,980	-	6,553	7,774
Gift Aid recovered	4,827	25	270	-	5,122	6,463
	34,577	437	3,328	-	38,343	36,004
Church Activities						
Activities for generating funds	1,856	435	-	-	2,291	5,124
Investment income	41	-	16,390	-	16,431	16,184
Church Activities	10,474	-	150	-	10,624	12,180
	12,371	435	16,540	-	29,346	33,488
Total receipts excl grants	46,948	873	19,868	-	67,689	69,492
Grants	-	793	25,284	-	26,077	10,963
Total Receipts	46,948	1,666	45,152	-	93,766	80,455
Payments						
Church Activities						
Parish Share	24,751	-	-	-	24,751	23,893
Clergy and staffing costs	2,120	-	-	-	2,120	1,890
Church Running Expenses	17,562	637	4,924	-	23,123	21,966
Mission Giving and Donations	-	-	-	-	-	1,647
	44,433	637	4,924	-	49,993	49,396
Cost of generating funds	780	380	-	-	1,161	1,074
Total payemnts excl mjpr repairs	45,213	1,017	4,924	-	51,154	50,470
Major repairs/building works	-	17,867	57,445	-	75,312	7,299
Total Payments	45,213	18,885	62,369	-	126,466	57,769
Excess of Receipts over payment	1,735	(17,219)	(17,217)	-	(32,701)	22,686

St Nicholas Church, Sandhurst

Financial Statement for the year ending 31st December 2018

Cash at Bank and in hand at 1st January	253,547
Add Total Receipts (as above)	<u>93,766</u>
	347,313
Less Total Payments (as above)	<u>126,466</u>
Cash at Bank and in hand at 31st December	<u><u>220,847</u></u>

Statement of Assets and Liabilities

	Un- restricted	Designated	Restricted	Endowment fund	Balance at Dec 31st
Cash Funds at Banks					
NatWest Fabric Account	-	-	-	-	-
NatWest General Account	1,015	-	-	-	1,015
CAF Bank Cash	1,677	-	-	-	1,677
CAF Bank Gold	1,114	3,550	35,642	-	40,306
CAF Fabric Projects	-	-	-	-	-
Petty Cash	65	-	-	-	65
	<u>3,870</u>	<u>3,550</u>	<u>35,642</u>	<u>-</u>	<u>43,062</u>
Deposit accounts with CCLA					
CBF Fabric deposit account	-	-	24,566	-	24,566
CBF General deposit accounts	-	6,374	-	-	6,374
	<u>-</u>	<u>6,374</u>	<u>24,566</u>	<u>-</u>	<u>30,940</u>
Investments (at cost price)					
Schroders Equity Income	-	-	84,300	-	84,300
M&G Charibond	-	-	30,000	32,500	62,500
Robert Catt Trust	-	-	-	44	44
	<u>-</u>	<u>-</u>	<u>114,300</u>	<u>32,544</u>	<u>146,844</u>
	<u><u>3,870</u></u>	<u><u>9,924</u></u>	<u><u>174,509</u></u>	<u><u>32,544</u></u>	<u><u>220,847</u></u>

Other Assets and Liabilities

	Dec 31st 2018	Dec 31st 2017
Other Assets		
Income tax recoverable	1,055	976
Money Received not yet banked	411	587
	<u>1,466</u>	<u>1,563</u>
Investments (at Market Price 31st December)		
Schroders Equity Income	95,506	111,549
M&G Charibond	203,733	230,015
Robert Catt Trust	711	720
	<u>299,950</u>	<u>342,284</u>
Other Liabilities		
Cheques issues not yet banked	42	250
Church Audio system	-	1,500
	<u>42</u>	<u>1,750</u>

St Nicholas Church, Sandhurst

Financial Statement for the year ending 31st December 2018

Analysis of Unrestricted and Restricted funds

	Balance at Jan 1st	Receipts	Payments	Transfers between funds	Balance at Dec 31st
Unrestricted Funds					
General Accumulated funds	1,512	46,948	45,213	634	3,881
Designated Funds					
Minister's Discretionary	167	-	207	133	93
Flower Fund	482	848	810	-	520
PCC Mision Fund	-	-	-	300	300
PCC Fabric Fund	13,904	818	17,867	1,050	(2,095)
PCC General Reserves Fund	13,500	-	-	(2,404)	11,096
	29,565	48,614	64,098	(287)	13,794
Restricted Funds					
Mission Appeal	221	-	-	-	221
Church Yard	2,208	860	1,666	-	1,402
Jubilee Crisis	303	-	-	-	303
Duncan Macnab Fabric fund	-	98	-	358	456
Robert Catt Trust Acc Inc	180	24	-	(70)	134
MMF Acc Inc	51,505	16,448	26,813	-	41,140
OSH Sale	51,990	-	-	-	51,990
OSH Sale Acc Inc	21,437	6,872	-	-	28,309
Rectory Sale	42,059	-	-	-	42,059
Rectory Sale Acc Inc	1,159	2,496	1,706	-	1,948
Jenny Watts fund	5,149	2	-	-	5,151
Tower repairs	15,077	15,951	29,634	-	1,394
Hilden/Goldsmith fee advance	150	150	300	-	-
Harrison (Gate)	-	2,250	2,250	-	-
	191,438	45,152	62,369	287	174,509
Endowment Funds					
MMF capital fund	32,500	-	-	-	32,500
Robert Catt Trust	44	-	-	-	44
	32,544	-	-	-	32,544
	253,547	93,766	126,466	-	220,847

St Nicholas Church, Sandhurst

Financial Statement for the year ending 31st December 2018

Further Analysis of Receipts and Payments

	Un- restricted	Designated	Restricted	Endowment fund	Total 2018	Total 2017
Receipts						
Activities for Generating funds						
Fund Raising events and activities	1,856	435	-	-	2,291	5,124
Other Income	-	-	-	-	-	-
	1,856	435	-	-	2,291	5,124
Investment Income						
Schroders Equity Income	-	-	4,919	-	4,919	5,351
M&G Charifund	-	-	11,302	-	11,302	10,694
Canterbury DBoF Funds	-	-	24	-	24	23
Interest	41	-	144	-	186	115
	41	-	16,390	-	16,431	16,184
Church Activities						
Fees for weddings and funerals	5,171	-	-	-	5,171	6,694
Magazine Subscriptions	1,659	-	-	-	1,659	1,710
Magazine advertising	2,110	-	-	-	2,110	2,236
Mission Church Hire	1,435	-	-	-	1,435	1,315
	-	-	-	-	-	-
Misc income	99	-	150	-	249	224
	10,474	-	150	-	10,624	12,180
Payments						
Church Running Expenses						
Repairs and Maintenance	-	-	4,624	-	4,624	1,830
Utility Costs	2,573	-	-	-	2,573	2,442
Insurance	2,215	-	-	-	2,215	2,111
Cost of services (incl Music)	2,151	-	-	-	2,151	2,033
Magazine printing and postage	2,844	-	-	-	2,844	2,604
Quinquennial work and fees	-	-	-	-	-	-
Mission Church Refurbishment	-	-	-	-	-	-
Other Expenses	7,780	637	300	-	8,717	10,947
	17,562	637	4,924	-	23,123	21,966