

## **From the Churchwardens**

2018 was another year of activity within St. Michael's. We were lucky that Catherine Wilson was still with us during the first half of the year and we, along with all parishioners, were sorry to say farewell to her in June when she left to take up her first position as vicar of 3 Parishes in Bedfordshire. It is a busy benefice here and Alex has had to return to looking after it on his own and I know how grateful he is for all the assistance he has received from everyone.

In 2018 in particular, we could not have survived without the enormous amount of unseen help from so many parishioners. The Churchyard is very well maintained, the Altar and the presentation of the sacraments, the servers and crucifers, the reading of the lessons rota, the flower arrangers and of course the all important coffee. All are well organised and we are very grateful for all the work this entails, and our thanks go to all those carrying out these many tasks.

Our Church is looking in great order. We are delighted to have the musical input from the excellent bell ringing team, the choir and the organists all of whom played their part during the year. We also rely on many people undertaking the role of sidesman during Sunday services, Weddings, Funerals and Baptisms. All time consuming, but the welcome they provide is essential. This year we had 6 Weddings 11 Funerals and 7 Baptisms all demanding a lot of time and effort from many.

The village Bonfire night was yet again a great success. The committee organised this annual event extremely well and thousands of people flocked into the Village to watch the floats and the fireworks, eating and drinking around the Minnis. A nice contribution was raised for the Church and our thanks to Tony Richter for chairing this event.

In April/May we instigated a Stewardship campaign. This was well organised by Tony Lush and the result was successful. We could always do with more funding but this highlighted our needs and was generally well received.

A few events were organised, the Bonfire evening as mentioned above and a concert of somewhat highbrow Ave Marias entertained us in March. The annual Safari supper, which is not a Church event but we do benefit from the proceeds was once again held in June with new organisers, Lyndsay and Giles Hardwick taking over from Barbara Marchant after her many years at the helm. Alex arranged for the harvest festival to take place in a local farmyard with a barn dance to follow and this was really well attended and a great success.

During the year we were lucky enough to have received three significant donations. Gill Clarke very kindly gave us a new and much needed Lectionary which she presented in memory of her late husband. The Bonham Miller family donated the new carpet which is the splendid blue one in the chancel and around the altar in memory of Yvonne Bonham Miller. Finally, we received a very generous legacy from Arthur Austen. We are so grateful for all these gifts.

The Christmas period was well supported and record numbers attended the services over the 3 days of Christmas and all were welcomed by the magnificent star on the Church tower which was there for the first time. A lot of thanks to those involved with this project,

It is also very helpful to have Tanya Ling in the office in Biddenden. She is highly efficient and supports Alex as well as undertaking the unenviable task of writing the minutes for both Biddenden and Smarden PCC meetings. Our new treasurer, Ewa, not only gave birth to her second boy but managed to keep up with the finances of the Church and we are very grateful to them both.

We have a busy year ahead and once again we could not cope without the amazing support of many parishioners.

Thank you all of you.

Edward Demery & Tom Hay

**THE PAROCHIAL CHURCH COUNCIL OF ST. MICHAEL THE ARCHANGEL,  
SMARDEN  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**Administration**

**THE PAROCHIAL CHURCH COUNCIL OF ST. MICHAEL THE ARCHANGEL, SMARDEN**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

<b>Incumbent</b>	The Rev. Alex Bienfait
<b>PCC Members</b>	See page 6 for details
<b>Governing document</b>	Parochial Church Council powers measure (1956) as amended and church representation rules.
<b>Bankers</b>	Lloyds Bank 81 High Street Ashford Kent TN24 8SS
<b>Independent Examiner</b>	Stephen Crowe

## PCC Members Report

The PCC Members present their report and financial statements of the PCC for the year ended 31 December 2018. The PCC Members have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 as amended by Bulletin 1.

The Parochial Church Council (PCC) is a charity excepted from registration with the Charity Commission.

## Aims and Purposes

Smarden PCC has the responsibility of co-operating with the Incumbent, in promoting in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

## Objectives and Activities

The PCC is committed to drawing as many people as possible into worship at our church, and to working together with individuals and organisations in the community for the common good and furtherance of our common goals and values. The PCC maintains an overview of worship, outreach, ministry and mission.

The PCC objectives and activities are guided by our Church plan. A revision of this plan took place at the end of 2018.

Our Church first and foremost seeks to be a community of Christian Action.

Our Vision:

We will grow a Church that is open to all

We will develop and display confidence as Christians

We will seek to serve the community

Our Mission:

To provide a warm welcome

To support each other in our spiritual growth

To be visible, capable and available as Christian helpers in our community

To encourage the spiritual development of young people

## Public benefit statement

The PCC Members confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities, in particular the specific guidance on charities for the advancement of religion.

## Structure, Governance and Management

St Michael the Archangel is situated in Cage Lane, Smarden. It is in a Benefice with All Saints Biddenden and part of a Group Ministry with the parishes of Bethersden, High Halden and Woodchurch, within the Diocese of Canterbury, Church of England.

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

PCC members are:

*Priest in Charge*

The Rev. Alex Bienfait

*Assistant Curate*

The Rev. Catherine Wilson (to June 2018)

*Churchwardens*

Mr Edward Demery

Mr Thomas Hay

*Secretary to PCC*

Mrs Tanya Ling

*Representative to the Deanery Synod*

None

*Elected Members*

Mrs Vivienne Rose

From April 2007, re-elected  
2010, 2013, 2016, 2017, 2018

(3rd year, 4th term)

Mr John Lowings

From 18 May 2010, re-elected  
2013, 2016, 2017, resigned  
April 2018 (3rd year, 3<sup>rd</sup> term)

Mr Anthony Lush

From 29 April 2014, elected  
5 April 2017, 2018

(2nd term, 2nd year)

Mrs Ruth Papworth

Co-opted 18 May 2016, elected  
April 2017, resigned 18 March  
2018

	Mr Michael Barkway	(2nd year, 1st term) Co-opted 12 June 2017, elected 24 April 2018 (2nd year, 1 <sup>st</sup> term)
	Mrs Ewa Loffstadt	Co-opted 4 September 2017. elected 24 April 2018 (2nd year, 1 <sup>st</sup> term)
	Mr Stuart Tucker	Co-opted 9 July 2018
<i>PCC Employees</i>	Tanya Ling Bob Barnes Mark Wilson	

During 2018, the PCC met on 10 occasions, and 2 times in conjunction with Biddenden PCC. Attendance was 82%

#### **PCC business - main topics covered:**

##### **Combined PCCs**

- Benefice, Group Ministry and Deanery matters
- Safeguarding
- Stewardship in 2018
- GDPR data protection, and the newly drafted privacy and data policy
- New Church Plan for 2019

##### **Smarden PCC**

- Deanery matters
- Maintenance of church fabric
- Churchyard maintenance and improvement
- Health & Safety
- Mission Plan
- Worship patterns
- Pastoral care
- Child and Vulnerable Adult Protection Policy
- Parish Safeguarding Policy
- Finance, Budgets,
- Charitable giving
- Fund-raising and social events
- Stewardship
- Parish Magazine
- Smarden Primary School
- FOSSC

#### **PCC Members' Responsibilities**

The PCC Members are responsible for preparing the PCC Members' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the PCC Members 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 incoming resources and application of resources of the charity for that period. In preparing these financial statements, the PCC Members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The PCC Members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (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 and other irregularities.

## **Achievements and Performance**

### **Church attendance**

There were 71 parishioners on the Church Electoral Roll for 2018 ( 72 in 2017, 71 in 2016, 73 in 2015 and 67 in 2014). The average weekly attendance is 29 but this number increased at festivals. During 2018 there were 7 baptisms, 6 weddings and 11 funerals.

Ministry is led by the **Rev'd Alexander Bienfait**, Priest in Charge. We also enjoy the valued support of the **Rev'd Pearl Anderson**, a retired priest living in Headcorn. Up to July 2018 we had the ministry of **Rev'd Catherine Wilson**, part time stipendiary Assistant Curate, who was appointed June 2014. In July 2018 Catherine moved to the Diocese of St. Albans to take up a full time title post. In July 2018 we were also sad that **John Lowings** moved from Smarden village, John was part of the benefice Lay Worship team helping to lead services of Morning Worship in Biddenden on the 3<sup>rd</sup> Sunday of the month, but also took part in preaching at other services.

### **Administration**

The Benefice office operates from a 20m<sup>2</sup> timber cabin constructed in December 2014, located in the front garden of Biddenden Rectory. The cabin, which was financed jointly by the Diocese and the Benefice, provides a separate work base for the part-time Benefice Administrator Tanya Ling, Alex Bienfait, and a Benefice meeting venue.

We are in the process of implementing our GDPR policy. All computer records are password protected. All paper records are stored in locked offices.

### **Our Church Plan (Mission Plan)**

The PCC's main priorities for 2018 were:

- Continued support for Active Church
- Develop Fair Trade Status
- To continue to develop and support lay preaching

### **The service and rota planning team**

A service and rota planning team formed of licensed ministers, representatives of the PCC and choir and the organist meets about four times year. It's principle task, to plan and review the worship rota.

### **Worship**

We aim to offer a range of worship to suit different ages and preferences for worship. The scope of worship includes BCP Mattins on the first Sunday of the month, Common Worship (CW) Parish Eucharist on the second and fourth Sundays (with a Nave Altar on the second Sunday), BCP Communion on the third Sunday and BCP Evensong on the second Sunday. Active Church, our "Messy Church", takes place on the third Sunday.

**Active Church** (launched in April 2012) is a monthly "Messy Church" style of service that takes place in Smarden. Sessions start with activities, all of which are designed to link in with the theme of the day. Everybody comes together at the end, for a summary and retelling of the main theme/story. The average congregation is 15-20 adults, and 15-20 children, drawn from both Biddenden and Smarden.

During 2018 Alex initiated a new experimental monthly outdoor service or gathering called **Walk Church**. Walk church might be described as a kind of ramblers' church. Gatherings take place over a relatively wide geographic area, within the Diocese of Canterbury. It has a core congregation, numbers who come range from 20 to 6, about a third at anyone time are not involved in any other worship.

### **Smarden School**

The Church continues to maintain close links with Smarden School; Alex taking a fortnightly assemblies, the other weeks covered by Zion Chapel. Children come to church for special events and festivals, and is always a pleasure to welcome them, the staff, and the parents who support these events.

### **Children and Vulnerable Adults' Protection - Safeguarding**

This PCC takes seriously the responsibility to protect children and vulnerable adults. Diocesan guidelines on the protection for both are strictly followed. Each year the PCC adopts the Safeguarding Policy and ensures it is prominently displayed in the church along with other statutory notices of important contact numbers. These also appear on the church website alongside copies of the safeguarding statement and policies.

Training: During 2018 a number of people completed online safeguarding training. The Church of England has now produced two online training courses, C0 and, C1. The people who are expected to undertake this training have been notified and once the training is complete, the Safeguarding Officer updates the parish safeguarding training file. This file is kept electronically and is password protected.

Disclosure and Barring Service checks are carried out on everyone who is in a position of responsibility according to Diocesan guidelines. The diocese updates the PDO as to when checks need to be renewed. The renewal of all disclosures issued 5 years ago is now complete. There are currently no outstanding disclosures to be processed.

If you would like any more information relating to our policies please contact the person/ people below: Our Child Protection Officer is Sian Newman. Our Parish Disclosure Officer is Julie Lupton.

## **Music and choir**

Organist duties at St Michael's are led by Bob Barnes, with Mark Wilson covering one Sunday a month. Jane Whiteley (All Saints Biddenden) is a very welcome proficient back-up on the few occasions when Bob or Mark are not available.

A small choir lead help lead music in worship. There are eight regular choir members over the two churches, with family members and others helping out during academic holidays and for special occasions. As far as possible the choirs combine to support the monthly sung evensong in both churches, also mattins at St Michael's on the first Sunday each month. Thanks are due to the eight stalwarts who have turned out throughout the year to lead the singing at most of the Sunday Common Worship services, Mattins, and Evensong.

With the combined resources of Smarden and Biddenden, helped by family members (special thanks to Emma Courtness) they can muster enough singers to perform moderately challenging anthems at Christmas and Easter. However fielding a choir of at least six choristers for weddings and funerals has been problematic.

Choir practices take place weekly on most Friday evenings at 1900 in Biddenden and once a month in Smarden. Anyone interested in joining us is most welcome to come along. The PCC would like to thank both Bob Barnes and his team for all their hard work this year.

## **Learning**

Within the Benefice we have had a number of study groups have operated through the year. In Smarden an afternoon group, hosted by Ruth and David Papworth, drew together 5-6 people. The group looked at filmed lectures, and studied Luther and the history of the Bible. Sadly the group was not able to continue following Ruth and David's move from the village.

A Home Study Group, based in Biddenden has met twice monthly throughout the year on Wednesday evenings from 8-10pm. Numbers have remained constant with 13 people attending regularly. We generally follow a series of Bible studies on a particular book or theme. During Lent we share the leadership of the chosen 6 week course, often based on a film, and our group forms the backbone of the Lent Group with a few welcome additions. This group is led by Julie Lupton and Martin Giles (Study group facilitators)

## **Collaboration: Other Churches and the Community**

The Benefice of Biddenden and Smarden is part of a Group ministry which also includes the parishes of Bethersden, High Halden and Woodchurch. When there is a 5<sup>th</sup> Sunday in the month we hold a group service and encourage the congregations to worship together, visiting a different parish within the group each month.

In 2018, as in previous years, a Marriage Preparation Morning was organised to which all couples getting married in any of the Group churches are invited.

There is warm collaboration with Zion Baptist Church in Smarden. We worked together on a number of events including Palm Sunday, Carols with Cranbrook Band, and assemblies in Smarden School. Smarden and Biddenden churches are members of Churches Together in Tenterden and District, and contribute to the food collections taken to Ashford Foodbank.

## **Deanery**

St. Michael the Archangel, Smarden is part of the Romney and Tenterden Deanery. Deanery Synod representatives vote at Deanery Synod meetings, and also vote to elect representatives to General Synod of the Church of England. Currently the parish does not have a Deanery Synod Representative.

Diocesan Synod has sent on a motion to the General Synod of the Church of England, a motion originally proposed by Smarden PCC and passed by the Deanery Synod. The motion seeks a change to the church representation rules, to enable non communicant, electoral roll members to be elected to the PCC, and calls for the design of the Electoral Roll application form to be overhauled.

## **Repairs and maintenance (Fabric)**

During 2018 we were very lucky not to have had any major actions referring to the fabric of the Church. In nearly every instance we are grateful to have FOOSC behind us to support us financially as and when required.

A Quinquennial inspection was carried out in April 2016 and all the requirements were completed during 2017. This left no major tasks required in 2018. However, inevitably, a few maintenance jobs were required as follows:

- High level roofing repairs. Here we are grateful for the work carried out by Lester Millen and for the funding of these by FOOSC
- A pipe in the church supplying the water to the heating system required some rather expensive repair, which underlined the fact that the system itself will need updating in the near future. FOOSC again came to the rescue.
- The new lighting system is working brilliantly but we did need the occasional visit by the installers, CES, to look at a couple of problems with flickering lights and other small but necessary problems.
- The entrance porch required Lester Millen again and this time it was for minor plastering repairs.
- A system to ensure that the bells are always in the right position was installed to prevent any serious future problem.

Fortunately, there were no other major problems that loomed during the year and for the future the heating requirements are being looked at in detail.



## **Churchyard**

As usual at this time of year it is appropriate to thank the churchyard volunteers who keep the churchyard looking tidy and well trimmed through their efforts in the summer. There are around 30 volunteers who do the various jobs to keep the grass and flowerbeds, hedges and paths tidy and we thank them all for their time. There two current vacancies in the jobs to fill, one - looking after the flower bed by the main path coming in from the Flying Horse (the Gardeners kindly prune & dead head) so this is looking after the bed itself, second a mowing patch vacancy next to the river bank. As you may know garden tools, mower and petrol are provided but we hope some public-spirited parishioners might wish to come forward and help. If so please contact one of us. The mowing patch should take around 45 minutes to look after.

The PCC is grateful to Brian Bristow and Marcus Palmer who coordinate the upkeep and care of the churchyard.

A map, and system to locate individual graves is now available online via our website. This is due to careful dedicated hard work of Heather Bradshaw who has recorded and create a map, and index. This page draws international interest.

## **Parish Magazine**

The magazine was published every month throughout 2018 with 420 copies printed each month. 380 magazines were delivered to subscribing households by 18 volunteer distributors, 15 copies were placed for sale in the Church, 6 in the Flying Horse, 10 in the butcher's shop and 6 in the Pluckley farm shop.

There were 44 local businesses (this number varied slightly through the year) that paid for adverts in the magazine and together with the 50p charge and the annual subscriptions, the magazine made a 'profit'.

The volunteer magazine team:-

Editor: Tony Lush who also deals with the distribution  
Secretary: Alan Hipkiss who puts the magazine together and prepares it for publishing  
Advertising Manager: Jane Hanson who deals with all advertisers and charges each one for placing an advert in the Magazine  
Distributors: The 18 who distribute the magazine

The magazine is now printed by Grammar Printers Limited, Maidstone. The PCC is very grateful to Alan Hipkiss who puts together and compiles the magazine.

## **Church Opening times**

The PCC maintains a policy of keeping the Church open during daylight hours for private prayer, and are particularly grateful to Bob and Jan Barnes who open and close the church.

## **St. Michaels Guild**

We held 5 lent lunches in 2018, not the usual 6 as the "Beast from the East" caused one to be cancelled. However, attendance was good at the remaining 5 and we raised a good sum for Pilgrims Hospice. Once again we are indebted to those who lend their houses and make the delicious soup.

The Women's World Day of Prayer was well supported and we held a Bring and Buy coffee morning in June.

The Guild organised the cleaning, repair and rehangng of the three sets of blue curtains in the church during the summer months. This also entailed replacing lost rings, cleaning the brass and ensuring the pulling mechanisms worked more smoothly. The 20 brass cleaning ladies have done a great job throughout the year. Due to retirements and people moving away we have 2 spaces to fill on the rota.

We are also looking for a new recruit for Sacristan. We would love to show you how the rewarding job is done. The Guild pays for the laundering of the large altar cloth but the small items are washed by us.

The pew cushion group continues to meet fortnightly. There are 43 large and 2 small cushions in the church.

Silk dupion is the chosen material for the new altar frontal. Work is due to start shortly. The plan is to have the set ready for our patronal festival in September.

In December we held a Coffee Morning. We expected the torrential rain and high winds to keep people at home but we were very well supported. We raised an astounding £581. The PCC is grateful to Vivienne Rose who manages the work of the Guild.

## **St Michael's Church Flower Arrangers**

Our group decorated the church each week coming together for Easter, Harvest and Christmas as well as six weddings and a Thanksgiving service for Olivia Mason.

Easter lilies continue to be popular with around twenty blooms being given in memory of a loved one.

The group made Christmas door wreaths which were sold in aid of the flower fund.

I would welcome anyone who would like to join us; no special skill is needed, just a love of flowers and our beautiful church. Thank you to Pat Palmer and her team for all their hard work.

## **Tower Captain's report**

For a change, it's nice to be able to report some good new, as we've recruited two new members – Bryan Harris and Simon Edwards. We managed to ring for most Sunday services, but have still had to cancel ringing on a few occasions when we've only had three or four ringers. We rang for all special services including 5 weddings and Janet Woodward's funeral. We also did some sponsored ringing during the year (details under quarter peals). Practice nights of late have improved. We've regularly had 6 to 8 ringers attend and have attempted some different and more difficult methods. We continue to rely on our regular visitors to make our practice nights worthwhile. I believe our standard of ringing is improving. I hope all members of our band are

still enjoying ringing and making progress in different ways. Natasha and Bob are continuing to improve and are attempting more minor methods such as Plain Bob Minor, St Clements and Single Oxford.

We rang 7 quarter peals during the year:- 18th February 11th March	1260 Multi-Doubles 1260 Plain Bob Minor	To celebrate the 100th birthday of David Sloman. In memory of Ed Phyll (Sheila's mother), who died on 29th January. Also rang in memory of Bob Overy of Lamberhurst, who taught the ringer of the 4th (Richard Bourne).
28th April	1260 Multi-Doubles (7m)	To celebrate to 100th birthday of Eve Lester.
23rd June	1260 Single Oxford Bob Minor	To mark the opening of Smarden Open Gardens.
11th November	1260 Multi-Doubles	To mark the centenary of the end of WW1.
11th November	Rounds and Call Changes	Ringling Remembers. First service ringing by Bryan Harris who was recruited as a result of this campaign.
5th December 21st December	1260 St Clements Bob Minor 1260 Plain Bob Minor	Practice Night. To celebrate The Mowatt's Golden Wedding.

The PCC would like to thank Tim Munt and his team for all their work.

### **Risk factors**

The PCC Members have assessed the major risks to which the PCC is exposed, and are satisfied that systems are in place to mitigate exposure to them. The PCC Members continue to review and monitor the systems for managing the major strategic, business and operational risks which the PCC faces.

The main risk to the PCC is the ability to adapt our forms of worship to suit our Church's changing needs – including connecting outside the church buildings. To mitigate this risk, we will need to encourage young people to participate through serving, choir, collection-carrying, reading and even leading services.

### **Financial Review**

Our financial aim is to maintain an annual surplus of income over expenditure so that we can build up funds to further the mission and aims of the Church. Income for the year amounted to £69,807 (2017: £55,409), expenditure for the year amounted to £60,602 (2017: £54,417) and our investments decreased by £386 (2017: increased by: £2,088). The above movements resulted in net income for the year of £8,819 (2017: £2,080). However, this includes a generous legacy of £14,456.65 from Arthur Austen for which we are very grateful. Without the legacy, which is restricted, income was similar to last year and the result would have been net expenditure of £5,638.

Expenditure continued to be kept under control and the increase was due in large part to the one-off restoration costs as well as a significant donation to the Apollos Trust (£2000) covering the 2017 and 2018 commitments.

We use the COIF Charities Deposit Fund to hold most of our unrestricted funds that may be required at relatively short notice. The Deposit Fund offers immediate access and pays interest at rates marginally higher than those generally available from commercial banks. Funds that are unlikely to be needed in the short term are invested in the CBF Church of England Investment Fund; this Fund is invested predominantly in equities and aims at achieving income and capital growth over a long term. The value of our CBF investment increased by 1.9%. A detailed budget prepared for 2019 indicates a deficit.

### **Reserves Policy**

It is PCC policy to maintain a balance on unrestricted funds (if possible), which equates to approximately three months' unrestricted payments amounting to £13,503 (2017: £12,405), to cover emergency situations that may arise from time to time. Unrestricted funds at 31 December 2018 were £39,002 (2017: £44,494).

Restricted funds at 31 December 2018 amounted to £14,680 (2017: £369) and in major part related to legacy received by the Church from late Mr Austen.

### **Plans for the future**

The focus for 2019 will be considering the appropriate and effective use of the generous legacy that we have been left and to continue to look for ways of increasing income while managing expenses.

### **Pay policy for key management personnel**

The PCC Members comprise the key management personnel of the charity in charge of directing and controlling, running and operating the PCC on a day to day basis. All PCC Members give of their time freely and no trustee received remuneration in the year.



In approving the PCC Members' Annual Report in our capacity as PCC Members.

Signed on behalf of the PCC

Thomas Hay  
Churchwarden

Date: .....

**Independent Examiners Report**

This report on the financial statements of the PCC for the year ended 31 December 2018, which are set out on pages 7 to 14, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and section 144 of the Charities Act 2011 ("the Act").

**Respective responsibilities of trustees and examiner**

The PCC members are responsible for the preparation of the accounts. The PCC members consider that an audit is not required for this year under section 144(2) of the Act and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under charity law and is eligible for independent examination, it is my responsibility to:

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

**Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the PCC 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 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 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**

Your attention is drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2018.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- 1) 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 accounts which accord with the accounting records, and comply with the accounting requirements of the Act. have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Date: .....

## Statement of Financial Activities Year Ended 31 December 2018

	Notes	2018			2017
		Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		£	£	£	£
<b>INCOME FROM:</b>					
Donations and legacies	2a	34,357	20,905	55,262	35,918
Investment Income	2b	906	-	906	802
Income from charitable and ancillary trading	2c	10,420	-	10,420	9,155
Other trading income	2d	3,219	-	3,219	9,534
<b>Total Income</b>		<b>48,902</b>	<b>20,905</b>	<b>69,807</b>	<b>55,409</b>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
Raising funds		-	-	-	790
Parish Share		29,388	-	29,388	28,811
Mission and charities		3,914	190	4,104	885
Other ordinary running costs		20,121	4,801	24,722	22,877
One off restoration costs		-	1,803	1,803	2,274
Provision for doubtful debt		585	-	585	-
<b>Total expenditure</b>	3	<b>54,008</b>	<b>6,594</b>	<b>60,602</b>	<b>55,417</b>
<b>NET INCOME AND MOVEMENT IN FUNDS BEFORE GAINS ON INVESTMENTS</b>		<b>(5,106)</b>	<b>14,311</b>	<b>9,205</b>	<b>(8)</b>
Unrealised gain /loss on investments	7	(386)	-	(386)	2,088
<b>NET INCOME BEFORE TRANSFERS</b>		<b>(5,492)</b>	<b>14,311</b>	<b>8,819</b>	<b>2,080</b>
Transfer between funds		-	-	-	-
<b>NET MOVEMENTS IN FUNDS</b>		<b>(5,492)</b>	<b>14,311</b>	<b>8,819</b>	<b>2,080</b>
<b>Reconciliation of funds:</b>					
Balances brought forward at 1 January 2018		44,494	369	44,863	42,783
<b>BALANCES CARRIED FORWARD AT 31 DECEMBER 2018</b>		<b>39,002</b>	<b>14,680</b>	<b>53,682</b>	<b>44,863</b>

## Balance Sheet As At 31 December 2018

	Notes	2018			2017
		Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	7	26,271	-	26,271	25,790
		<u>26,271</u>	<u>-</u>	<u>26,271</u>	<u>25,790</u>
<b>CURRENT ASSETS</b>					
Debtors	8	4,060	-	4,060	5,764
Bank and cash balances		14,770	14,680	29,450	22,569
		<u>18,830</u>	<u>14,680</u>	<u>33,510</u>	<u>28,333</u>
<b>CREDITORS: amounts falling due within one year</b>	9	6,099	-	6,099	9,260
		<u>6,099</u>	<u>-</u>	<u>6,099</u>	<u>9,260</u>
<b>NET CURRENT ASSETS</b>		12,731	14,680	27,411	19,073
<b>NET ASSETS</b>		<u>39,002</u>	<u>14,680</u>	<u>53,682</u>	<u>44,863</u>
<b>PARISH FUNDS</b>					
<b>Unrestricted</b>					
General Fund		39,002	-	39,002	44,494
<b>Restricted</b>					
Donations and Legacies	10	-	14,457	14,457	369
Churchyard upkeep		-	223	223	
		<u>39,002</u>	<u>14,680</u>	<u>53,682</u>	<u>44,863</u>

Approved by the Parochial Church Council on ..... 2019 and signed on its behalf by:

.....

**Thomas Hay, Chairman**

# Notes to the Financial Statements For the Year Ending 31 December 2018

## 1 ACCOUNTING POLICIES

### 1.1 General information and basis of preparation

The Parochial Church Council of St. Michael the Archangel, Smarden is a charity excepted from registration in England and Wales. The address of the registered office is given in the charity information on page 4 of these financial statements. The nature of the charity's operations and principal activities are committed to drawing as many people as possible into worship at our church, and to working together with individuals and organisations in the community for the common good and furtherance of our common goals and values. The PCC maintains an overview of worship, outreach, ministry and mission.

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

The accounts (financial statements) have been prepared in accordance with the Church Accounting Regulations 2006 together with 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 as amended by Bulletin 1 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of church members. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### 1.2 Funds accounting

Unrestricted Funds represent funds of the PCC that are not subject to restrictions regarding their use. In particular these consist of the General Fund which is used for the day to day purposes of the PCC and that part of the Legacy Fund which is not restricted by the terms of individual wills.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restriction arises when specified by the donor or when funds are raised for particular restricted purposes.

### 1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, any performance conditions attached to the item of income have been met and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

- Voluntary income including donations, collections and gifts is included in full in the Statement of Financial Activities when receivable
- Investment income and dividends are included when receivable
- Planned giving receivable under Gift Aid is recognised only when received. Recovery of tax is recognised to the extent necessary to match with the related income from Gift Aid
- Grants and legacies to the PCC are recognised only when received or when the amounts have been notified to the PCC.

### 1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

### 1.5 Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

## 1.6 Fixed assets

### **Consecrated Land and Buildings and Moveable Church Furnishings**

Consecrated and beneficed property is excluded from the accounts by s10 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 beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

Tangible fixed assets are depreciated at rates calculated to write down the cost to residual value over their useful lives:

-	Furniture, fixtures and equipment	20% straight line
-	Kitchen and toilet	10% Straight line

Assets below £500 are not capitalised.

## 1.7 Investments

Quoted investments are valued at market value at the end of each year. Unquoted investments are stated at cost less impairment. Gains and losses on the revaluation and disposal of investments are reflected in the Statement of Financial Activities.

## 1.8 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

## 1.9 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

## 1.10 Going concern

The financial statements have been prepared on a going concern basis as the PCC members believe that no material uncertainties exist. The PCC members have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

## 1.11 Judgements and key sources of estimation uncertainty.

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the property, plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

## Notes to the Financial Statements For the Year Ending 31 December 2018

2 Income from:	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
<b>a. Donations and legacies</b>				
Gift Aid	20,597	-	20,597	20,871
Income tax recoverable	5,149	-	5,149	5,118
Other Donations	2,855	20,715	23,370	5,208
Collections at services	5,958	190	6,146	4,721
	<b>34,357</b>	<b>20,905</b>	<b>55,262</b>	<b>35,918</b>
<b>b. Dividends and interest</b>	908	-	906	802
<b>c. Charitable and Ancillary Income</b>				
Parish magazine	5,043	-	5,043	5,750
Fees for weddings and funerals	5,377	-	5,377	3,405
	<b>10,420</b>	<b>-</b>	<b>10,420</b>	<b>9,155</b>
<b>d. Other trading income</b>				
Fundraising	2,019	-	2,019	8,334
Fees for broadband mast	1,200	-	1,200	1,200
	<b>3,219</b>	<b>-</b>	<b>3,219</b>	<b>9,534</b>
<b>Total income</b>	<b>48,902</b>	<b>20,905</b>	<b>69,807</b>	<b>55,409</b>
<b>3 Analysis of expenditure</b>			2018	2017
	Direct Costs £	Support Costs £	Total £	Total £
<b>Cost of raising funds</b>	-	-	-	790
<b>Cost of charitable activities</b>				
Parish Share	29,388	-	29,388	28,811
Missions and charities	3,914	190	4,104	865
<b>Other ordinary running costs</b>				
Contribution to Joint Benefice	7,200	-	7,200	7,200
Parish magazine	3,966	-	3,966	3,821
Canterbury DBF fees	2,826	-	2,826	1,336
Church running costs	4,828	3,447	8,075	8,008
Maintenance of buildings and fabric	890	1,008	1,898	687
Churchyard upkeep	611	146	757	399
Miscellaneous expenses	-	-	-	1,228
	<b>20,121</b>	<b>4,601</b>	<b>24,722</b>	<b>22,677</b>
Provision for doubtful debt	585	-	585	-
<b>One off restoration costs</b>				
Carpeting	-	-	-	1,992
Gates and railings	-	-	-	282
Heating pipework repairs	-	1,017	1,017	-
Replacement tenor clapper	-	786	786	-
	<b>-</b>	<b>1,803</b>	<b>1,803</b>	<b>2,274</b>
<b>Total expenditure</b>	<b>54,008</b>	<b>6,594</b>	<b>60,602</b>	<b>55,417</b>



<b>Investments</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Market value at 1 January 2018	25,790	22,929
Additions	867	773
Deductions	-	-
Unrealised gain / loss	(386)	2,088
Market value at 31 December 2018	<u>26,271</u>	<u>25,790</u>
National Savings Bond	-	-
CBF Church of England Investment Fund Units	<u>26,271</u>	<u>25,790</u>
	<u>26,271</u>	<u>25,790</u>
Historical cost:		
National Savings Income Bond	-	-
CBF Church of England Investment Units	<u>13,681</u>	<u>12,814</u>
	13,681	12,814

<b>8 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Tax refund due	1,476	3,141
Provision for doubtful debt	(585)	-
Other debtors	<u>3,169</u>	<u>2,623</u>
	4,060	5,764

#### **Staff Costs**

The average number of employees during the year was nil (2017: nil).

#### **PCC Members' and key management personnel remuneration and expenses**

PCC members received no remuneration during the year (2017: None).

No expenses were reimbursed relating to general day to day running costs such as postage and meeting expenses (2017: nil).

The PCC members consider the board of PCC members as the key management personnel of the charity in charge of directing and controlling, running and operating the PCC on a day to day basis. As detailed above, no PCC members received remuneration during the period.

#### **Independent Examination fee**

The charge for the year in respect of Independent examiner's fee amounts to £Nil (2017: £Nil).