

**The Parish of St Paul Howell Hill
Financial Statements for the year ended
31 December 2018**

The Parish of St Paul Howell Hill

Financial Statements for the year ended 31 December 2018

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The Parish of St Paul Howell Hill

Trustees' Report for the year ended 31 December 2018

Reference and administrative information

Full name of PCC: The Parochial Church Council of the Ecclesiastical Parish of Howell Hill (*Working name:* St Paul Howell Hill PCC). From 1st January 2018 to 30th June 2018 the full name of the PCC was The Parochial Church Council of the Ecclesiastical Parish of Howell Hill with Burgh Heath (*Working name:* St Paul Howell Hill with St Mary Burgh Heath PCC)

Address: 15 Northey Avenue, Cheam, Surrey SM2 7HS

Charity registration number: 1128212 (registered 24th February 2009)

Names of all the members of the PCC who have served in the period from 1 January 2018 to the date of this report are as follows:

- Clergy:**
- Rev Martin Wainwright (Vicar)
 - Rev Paul Dever (Associate Vicar)
 - Rev Sally Thomas
 - Rev David Senior
 - Rev Fiona Ellingham (until 30th June 2018)
- Church Wardens:**
- Sheila Harris
 - Melissa Wynn (until 25 April 2018)
 - Steven McLeod (from 25 April 2018)
 - David Phillips, Deputy Warden St Mary's Burgh Heath (until 30th June 2018)
 - Richard Hawkins, Deputy Warden St Mary's Burgh Heath (until 30th June 2018)
- Diocese Member:**
- Vanessa Cope (until 30th June 2018)
- Deanery Synod Members:**
- Ruth Sharma (until April 2018)
 - Margaret Hobbs
 - Leslie King
 - Elizabeth Randall (appointed 25th April 2018, Stockwell from 15th September 2018)
 - Hilary Latham (until 30th June 2018)
 - Simon Morrison (until 30th June 2018)
- PCC Members:**
- Neil Ambler (until April 2018)
 - Sue Glanville (until April 2018)
 - Judy Parnall (until 30th June 2018)
 - Simon Clark (appointed April 2016)
 - Jan Ganney (appointed April 2016)
 - Adam Hansen (appointed April 2016)
 - Mark Goodman (appointed April 2017)
 - Nick Lipscomb (appointed April 2017)
 - Mervyn Woolffsohn (appointed April 2017)
 - Hannah Woolridge (appointed April 2017)
 - David Wright (appointed April 2017)
 - Rob Baldry (appointed April 2018)
 - Monica Cockram (appointed April 2018)
 - Matthew Jeffery (appointed April 2018)
 - Julia Marsh (appointed April 2018)
 - Steven Russell (appointed April 2018)
- Co-options:**
- Alistair Fraser (Treasurer) (until 25th April 2018)
 - John Woolley (Chair of Finance Team)
 - Jeremy Randall (Treasurer) (from 14th May 2018).

The PCC's bankers are NatWest Bank plc of St Nicholas Centre, Sutton, Surrey, SM1 1NW and CAF Bank Limited of 25 King's Hill Avenue, West Malling, Kent, ME19 4JQ

The PCC's auditors are Kingston Smith LLP of Betchworth House, 57 - 65 Station Road, Redhill, Surrey, RH1 1DL.

The day to day management of the affairs of the church is delegated to the Staff Team under the control of the Vicar. The Vicar and Staff Team are supported by and report into St Paul's Management Team (StPMT) and the PCC.

The members of the staff team are:

Vicar:	Rev Martin Wainwright
Associate Vicar:	Rev Paul Dever
Pastoral Minister:	Rev Ken Hobbs
Curate & Minister for Discipleship and Prayer:	Rev Sally Thomas
Curate	Rev David Senior
Youth Pastor:	Sean Skinner
Trainee Children's Pastor:	Naomi Simms
Young Families Minister:	Keren Hillman
Operations Manager:	Emma Randall (February to October 2018)
	Chris White (July to December 2018)
Parish Administrator:	Ann McIntyre
Executive Assistant:	Lisa Gyngell
HUB Manager:	Emma Paxton-Browne
	(Maternity leave from Dec 2018)
	Lucy Bahiti
	(Maternity Leave Cover Dec 2018 to Sept 19)
Financial Controller:	Tina Guilbert (contractor)
CAP Centre Manager	Clare Brown
Church Manager	Chris White (from January 2019)

Structure, governance and management

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC was registered with the charity commission on 24 February 2009, under charity number 1128212. Previously, the PCC was exempted from registering with the Charity Commission.

The appointment of PCC members is governed by and set out in the Church Representation Rules.

The PCC is made up of elected, ex officio and co-opted members. Elected members are elected by the Annual Parochial Church Meeting, and serve for a period of 3 years. Elected members are eligible for re-election after 3 years, but may only serve for a maximum of 6 consecutive years. Other church members may be co-opted to the PCC, primarily to cover particular areas of expertise that are deemed necessary for the functioning of the PCC e.g. Finance, Premises.

PCC members are provided with guidance on the role of trustees. In addition PCC Members receive a document detailing their responsibilities as members of the PCC and receive ongoing guidance as necessary.

The frequency of PCC meetings is 4 times a year where the PCC oversees the strategic direction of the Parish and approves policy and budgets. Operational management of St Paul's is delegated to a specific team appointed by PCC, with a further management group for Little Fishes, which is a Pre-School owned by the PCC. St Paul's Management Teams meets at least 8 times during the year. Little Fishes Management Group meets at least once each school term.

Names of the current members of the management teams are as follows:

St Paul's Management Team (StPMT):

Rev Martin Wainwright
Rev Paul Dever
Sheila Harris

Steven McLeod
Rob Baldry
Jan Ganney
Mark Goodman
John Woolley
Chris White

Little Fishes Management Group (LFMG)

Alison Carr (Chair)
Tony Butler (Treasurer)
Pernilla Blunden (Secretary)
Hannah Wright
Keren Hillman
Mike Harrison (to April 2018)
Lynne Hansen (from April 2018)
Elizabeth Hume (to April 2018)
Jill Morrison (from April 2018)
Sue Wharton

In addition to the 2 management teams PCC delegated a number of matters to specific teams. The permanent teams are:

- Finance Team
- Permissions Team
- Remuneration Group

Other teams are formed from time to time by the PCC to address specific issues.

Risk Management

The PCC reports that it has given consideration to the risks faced by the church. The major risks that the church is exposed to relate to people, including safeguarding of children and vulnerable adults. The PCC has formal controls in place, working with the Diocese of Guildford, to manage these risks. Other main risks relate to financial matters, compliance with legal and statutory requirements and the activities of the church. The PCC has policies and procedures in place to manage all of these risks.

Public benefit

The PCC are aware of the Charity Commission's guidance on public benefit in "The advancement of religion for the Public Benefit" and have had regard to it in their administration of the church.

The PCC believes that by promoting the Christian faith it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual development, both for existing church members and for anyone who wishes to benefit from what the church offers; and
- promoting Christian values, and service by members of the church in and to their communities, to the benefit of individuals and society as a whole.

Objectives and activities

The Parish is part of the Diocese of Guildford, and in the Deanery of Epsom.

The Parish's local objectives and activities are summarized in the following paragraphs.

At St Paul's the phrase **connect transform serve** guides us in our call to be disciples of Jesus Christ in the 21st century. During this last year, it has been great to see God working in these areas. Here are a few of the highlights:

connect It has been exciting to see The Hub continue to grow as a key part of our community, with friendships being made within our church community and our local community.

transform We have been learning to live a life of discipleship together by embracing a multi-faceted understanding of following Jesus Christ through *Life Streams*.

serve Leading St Paul's is a team effort. We wanted to particularly thank those who have partnered with us this year. Each week up to 80 of you work in teams to enable our Sunday worship; each week there are a wide range of activities from Toddlers to Seniors, all requiring teams to facilitate our calling to serve our community. We also want to thank the Staff, PCC, Management Team and Wardens who have helped us to discern the path for St Paul's in this past year.

Finally we would also like to thank Sheila Harris who is stepping down as Warden after six years, for her dedication in this role and her service to our community. Her wisdom has been particularly appreciated during some difficult decisions we have had to make.

During 2018 we undertook a review of how our support arrangements are organised, and we would like to thank Emma Randall for her work on this review. Following this we have appointed Chris White as Church Manager, and Toby Aherne as Caretaker.

2018 was also a year of financial challenge – in May / June we conducted the “Big Conversation”, setting out our financial position, notably the impact of the loss of several large donors, and how this looked against our likely costs looking forward. This culminated in Challenge Sunday, and we are very grateful for the generous response from the congregation, and in addition to enabling us to commit to our new staffing structure going forward, enabled us to meet some significant unplanned premises costs in 2018 (replacement of fire alarms and emergency lighting).

Looking ahead, we face a number of challenges including:

- Living out our faith confidently in an increasingly hostile secular society
- Understanding our calling to engage in mission both individually and as a church
- continuing to respond to the financial challenges facing us as a church.

A more detailed report on these activities can be found on the Church's website at the following link <https://www.saintpauls.co.uk/Publisher/File.aspx?ID=225637>

Use of volunteers

The PCC is very reliant on volunteers to carry out all of its activities. However, it is not possible to place any monetary value on the contribution made by volunteers.

Financial Review

The PCC's accounts for 2018 comprise a number of funds – the General Fund and a number of other specific funds relating to particular activities and projects.

On 1 July 2018, St Paul's Howell Hill became a “separate, stand alone” parish with the implementation of the Parochial Measure giving effect to formation of a new Parish of “Nork with Burgh Heath”, of which St Mary's was one partner. These changes mean that the accounts for 2018 are not directly comparable with those for 2017, as they include the transactions relating both to St Paul's Howell Hill and to St Mary's Burgh Heath until 30 June 2018, and those for St Paul's Howell Hill only thereafter. The accounts also include as an exceptional item the payment to the new parish of funds given specifically for the purposes of St Mary's Burgh Heath, both in 2018 and in earlier years – these totalled £85,990. Other than the property 19 Ballards Green (see next paragraph), the year-end balance sheet reflects the assets and liabilities of St Paul's Howell Hill only.

As part of the implementation of the Parochial Measure, the property 19 Ballards Green was transferred to the “Nork with Burgh Heath” parish. This transfer was not completed during 2018, and hence the property remains on the balance sheet of St Paul's Howell Hill at 31 December 2018. The property transfer was completed on 26 February 2019.

The detailed figures for 2018 in this Trustees Report include the position for St Paul's Howell Hill only. In view of the implementation of the Parochial Measure, and its impact on comparability, 2017 figures are not included.

General Fund

The General Fund produced an overall surplus for the year of £99,080. As agreed by the PCC at its meeting on 10 December 2018, a transfer of 50% of the surplus (£49,000) was made to the Repairs and Renewals fund at the end of the year. This is intended to meet the anticipated costs of renewing the hall boilers (which is likely to be required in the next few years), and also other larger non-routine maintenance requirements. The balance of the surplus is to be held in the General Fund to offset the shortfall of income in the 2019 budget.

Giving in the year 2018 (including tax recoveries of £123,845) amounted to £776,929. This was 13.5% ahead of the budget for the year, and reflects significant amount of one-off donations (£66,000) given following the "Big Conversation" and Challenge Sunday in May / June 2018.

General Fund expenditure overall was £747,684. This was £19,100 (2.5%) more than budgeted. This expenditure includes the costs of renewing the fire alarms and emergency lighting which required replacement urgently as they no longer met current standards.

The balance on the General Fund at the end of 2018 amounted to £181,575 of which £34,062 is represented by fixed assets. This means that in terms of free reserves, the General Fund amounts to £147,513 which represents between 2 and 3 months of budgeted General Fund expenditure in 2019.

Grant and Donations

There were specific gifts of £11,250 received for grants and donations outside of the parish in 2018 (£1,100 in 2017).

Grants of £125,342 were made to partner and other agencies in 2018.

Reserves policy

Day to day running costs of the parish are generally met from current income (donations), and therefore the PCC does not hold significant free reserves. The PCC policy is to hold free reserves of at least £50,000. As noted above, current free reserves are £147,513.

Grant making policy

The PCC has set up a sub-committee to co-ordinate its grants to home and overseas mission. This sub-committee proposes a strategy for grant-making each year which is formally approved by the PCC.

Policy for key management personnel remuneration

Key management personnel are deemed to be the vicar, associate vicar and the Church Manager (new post from January 2019). The vicar and associate vicar are clergy licensed by the Bishop of Guildford and are paid in accordance with the stipends rates in place for Church of England clergy. Both are paid directly by the Church Commissioners, administered by the Diocese of Guildford. The vicar's stipend is covered by the parish share paid to the Diocese of Guildford, and the PCC directly re-imburses the Diocese in respect of the stipend payments for the associate vicar. The Church Manager's remuneration has been set to be at a similar level to that of the associate vicar, but reflecting that unlike the associate vicar, there is no house provided. The Church Manager is paid by the Church directly.

Plans for future periods

The PCC, Management Teams and Staff Team regularly review the activities and programmes in place to seek to ensure the stated aims and objectives are met.

Responsibilities of the PCC

The PCC is responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England & Wales requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the church and of the incoming resources and application of resources of the church for that period. In preparing these financial statements, the PCC is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

- 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 church will continue in business.

The PCC is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the church and enable them to ensure that the financial statements comply with the Charities Act 2011, the Church Accounting Regulations 2006 and the Accounting by Charities Statement of Recommended Practice. The PCC is also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Kingston Smith LLP were re-appointed as auditors by the PCC on 14 May 2018.

On behalf of the PCC



Steven McLeod
Church Warden

Date: 11 March 2019

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PCC OF ST PAUL'S HOWELL HILL

Opinion

We have audited the financial statements of the PCC of St Paul's Howell Hill for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2018, 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 Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for 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 charitable company 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 ISAs (UK) require us to report to you where:

- the PCC members' use of the going concern basis of accounting in the preparation of the statements is not appropriate; or
- the PCC members' 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 PCC members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the PCC Member's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of PCC members

As explained more fully in the PCC member's responsibilities statement set out on page 5, the PCC members 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 PCC members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to 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 ISAs (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the PCC members.
- Conclude on the appropriateness of the PCC members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists events or conditions that may cast significant doubt on the charity's ability to continue as a related to going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the members of the PCC, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the PCC members 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 any party other than the charity and PCC members as a body, for our audit work, for this report, or for the opinion we have formed.

Kingston Smith LLP

Ian Matthews (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Date: 12 March 2019

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The Parish of St Paul Howell Hill

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2018

	Note	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
				2018 £	2017 £
Income and endowments					
<i>Donations and legacies</i>	2(a)	850,436	17,391	867,827	856,897
<i>Other trading activities</i>	2(b)	22,325	4,333	26,658	23,859
<i>Investments</i>	2(c)	242	17	259	63
		873,003	21,741	894,744	880,819
<i>Charitable activities</i>	2(d)	56,049	70,032	126,081	112,262
Total operating income		929,052	91,773	1,020,825	993,081
Expenditure					
<i>Charitable activities</i>	3	919,814	171,381	1,091,195	1,262,473
Total operating expenditure		919,814	171,381	1,091,195	1,262,473
Net operating (expenditure)/income		9,238	(79,608)	(70,370)	(269,392)
Gross transfers between funds		15,457	(15,457)	-	-
Net movement in funds		24,695	(95,065)	(70,370)	(269,392)
Funds brought forward at 1 January		335,743	1,320,678	1,656,421	1,925,813
Funds carried forward at 31 December		360,438	1,225,613	1,586,051	1,656,421

The Parish of St Paul Howell Hill

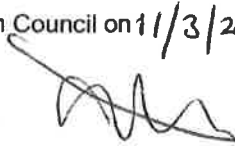
BALANCE SHEET AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
<i>Tangible fixed assets</i>	5	1,356,703	1,428,948
CURRENT ASSETS			
<i>Stock</i>		558	1,006
<i>Debtors</i>	6	21,013	47,053
<i>Short term deposits</i>	7	270,753	239,770
<i>Cash at bank and in hand</i>	7	2,024	2,882
LIABILITIES: amounts falling due within one year	8	65,000	63,238
NET CURRENT ASSETS		229,348	227,473
TOTAL ASSETS LESS CURRENT LIABILITIES		1,586,051	1,656,421
NET ASSETS		<u>1,586,051</u>	<u>1,656,421</u>
FUNDS			
	9,10		
<i>Unrestricted</i>		360,438	335,743
<i>Restricted</i>		1,225,613	1,320,678
		<u>1,586,051</u>	<u>1,656,421</u>

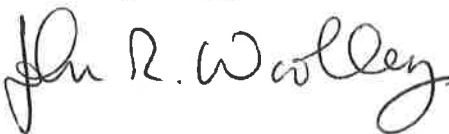
The notes on pages 13 to 21 form part of these accounts

Approved by the Parochial Church Council on 11/3/2019 and signed on its behalf by:

Steven McLeod - Church Warden



John Woolley - Chair of Finance



The Parish of St Paul Howell Hill

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018 £	2017 £
Cashflows from operating activities		
<i>Net cash provided by operating activities</i>	37,080	(184,839)
Cashflows from investing activities		
<i>Interest receivable</i>	259	63
<i>Investment in property, plant and equipment</i>	(7,214)	(68,641)
<i>Net cash used in investing activities</i>	<u>(6,955)</u>	<u>(68,578)</u>
<i>Change in cash and cash equivalents in the reporting period</i>	30,125	(253,417)
Cash and cash equivalents at the beginning of the reporting period	242,652	496,069
Cash and cash equivalents at the end of the reporting period	<u>272,777</u>	<u>242,652</u>
Classified on the Balance Sheet as:		
<i>Short term deposits</i>	270,753	239,770
<i>Cash at bank and in hand</i>	2,024	2,882
	<u>272,777</u>	<u>242,652</u>
Reconciliation of net (expenditure)/ income to net cash flow from operating activities		
<i>Net (expenditure)/ income for the reporting period (as per the statement of financial activities)</i>	(70,370)	(269,392)
Adjustments for:		
<i>Non-cash donations</i>	-	-
<i>Depreciation</i>	78,771	72,938
<i>Interest receivable</i>	(259)	(63)
<i>Decrease/ (increase) in stock</i>	448	2,160
<i>Decrease/ (increase) in debtors</i>	26,040	(1,494)
<i>Increase/ (decrease) in creditors</i>	1,761	11,012
<i>Loss on disposal of fixed assets</i>	688	-
<i>Net cash provided by operating activities</i>	<u>37,080</u>	<u>(184,839)</u>

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with the applicable accounting standards and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The 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 have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on a going concern basis. The trustees do not consider there to be any material uncertainties about the Charity's ability to continue as a Going Concern.

The charity meets the definition of a public benefit entity under FRS 102.

Funds

Unrestricted funds 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.

The purpose of any restricted fund is noted in the accounts.

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

Incoming resources

Voluntary income and capital sources

- Collections are recognised when received by or on behalf of the PCC, except where specifically designated to a particular period by the donor.
- Amounts receivable under Gift Aid are recognised only when received.
- Income tax recoverable on Gift Aid donations is recognised when the donation is recognised.
- Legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is probable.

Other income

Rental income from the letting of church premises is accounted for when the rental is due.

Income from investments

Interest entitlements are accounted for as they accrue.

Government grants

Government grants are recognised when the PCC is notified of entitlement, and all conditions have been satisfied.

Notes to the Financial Statements (continued)
For the year ended 31 December 2018

1 ACCOUNTING POLICIES (continued)

Resources used

Expenditure is recognised when incurred. Expenditure which cannot be attributed directly to a charitable activity (support costs, which are mainly office staff and related costs) are apportioned on a time spent basis.

Grants

Grants are accounted for when paid.

Activities directly relating to the work of the Church

The Diocesan parish share is accounted for when payable.

Lease rentals

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pension costs

Contributions to pension schemes on behalf of staff members are accounted for when paid.

Fixed Assets

Consecrated land and buildings and moveable church furnishings

Consecrated and beneficial property is excluded from the accounts in accordance with s.10(2) 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 an inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off.

Other land and buildings

Other land and buildings held on behalf of the PCC for its own purpose is valued at cost. Depreciation is provided to write off the cost of buildings on a straight line basis over 50 years.

Other fixtures, fittings and office equipment

Equipment used within the church premises is depreciated on a straight line basis over 4 years. Fixtures and furniture are depreciated over 10 years.

Current Assets

Stocks of books are included at the lower of cost and net realisable value.

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less any provision for amounts that may prove uncollectible.

Cash and cash equivalents include cash at banks and in hand and in short term deposits with a maturity date of three months or less.

Tax Status

As a charity, the PCC is exempt from paying Corporation Tax, but does have to pay Value Added Tax.

Financial Instruments

Debtors and Creditors receivable or payable within one year of the reporting date are carried at their transaction price.

The Parish of St Paul Howell Hill

Notes to the Financial Statements (continued)
For the year ended 31 December 2018

2 INCOME FROM:

	Unrestricted Funds £	Restricted Funds £	TOTAL 2018 £	Unrestricted Funds £	Restricted Funds £	TOTAL 2017 £
2(a) <i>Donations and legacies</i>						
Planned giving: Gift Aid	534,660	-	534,660	535,138	-	535,138
Income tax recoverable on Gift Aid	133,665	-	133,665	136,284	-	136,284
Other giving and donations	161,127	17,391	178,518	179,270	5,205	184,475
Legacies	20,984	-	20,984	1,000	-	1,000
	850,436	17,391	867,827	851,692	5,205	856,897
2(b) <i>Other trading activities</i>						
Rental income	22,325	3,043	25,368	21,887	-	21,887
Other income	-	1,290	1,290	-	1,972	1,972
	22,325	4,333	26,658	21,887	1,972	23,859
2(c) <i>Investments</i>						
Bank interest	242	17	259	50	13	63
2(d) <i>Charitable activities</i>						
Occasional offices	-	-	-	-	-	-
Little Fishes Fees	-	64,819	64,819	-	62,143	62,143
Courses, events and activities	56,049	5,213	61,262	46,467	3,652	50,119
Bookstall	-	-	-	-	-	-
	56,049	70,032	126,081	46,467	65,795	112,262
TOTAL INCOME	929,052	91,773	1,020,825	920,096	72,985	993,081

Included within Little Fishes fees is £38,053 (2017: £34,225) of government grant income in relation to nursery fees.

The Parish of St Paul Howell Hill

Notes to the Financial Statements (continued)
For the year ended 31 December 2018

3 EXPENDITURE ON:

	Unrestricted Funds £	Restricted Funds £	TOTAL 2018 £	Unrestricted Funds £	Restricted Funds £	TOTAL 2017 £
<i>Charitable Activities</i>						
Grants made in furtherance of the PCC's objectives						
Partners and other agencies	151,086	-	151,086	197,126	7,100	204,226
Other grants	50,878	35,114	85,992	-	-	-
	201,964	35,114	237,078	197,126	7,100	204,226
Ministry costs						
Staff costs	159,667	-	159,667	212,316	-	212,316
Children and Youth work	5,014	-	5,014	9,127	-	9,127
Parish share	180,750	-	180,750	183,338	-	183,338
Other ministry costs	26,153	15,721	41,874	41,010	-	41,010
Events and activities	58,136	2,681	60,817	50,812	-	50,812
	429,720	18,402	448,122	496,603	-	496,603
Church running costs						
Heat, Light, Rates and Insurance	27,161	-	27,161	28,485	-	28,485
Cleaning and servicing	22,800	-	22,800	22,099	-	22,099
Maintenance, equipment and IT costs	94,956	-	94,956	71,003	-	71,003
Hub development costs	5,238	-	5,238	185,337	-	185,337
Hub running costs	3,140	-	3,140	-	-	-
Meeting Place running expenses	4,910	-	4,910	10,134	-	10,134
Depreciation	35,223	43,548	78,771	23,025	49,913	72,938
	193,428	43,548	236,976	340,083	49,913	389,996
Support costs						
Staff costs	71,938	4,119	76,057	69,105	9,833	78,938
Telephone	2,648	-	2,648	3,654	-	3,654
Printing & Stationery	7,146	-	7,146	8,837	-	8,837
Professional costs	5,709	-	5,709	2,692	-	2,692
Audit fee	6,000	-	6,000	7,422	-	7,422
Bank charges	1,260	-	1,260	1,410	-	1,410
Other costs	-	-	-	-	-	-
	94,701	4,119	98,820	93,120	9,833	102,953
Little Fishes costs						
Staff costs	-	66,500	66,500	-	63,589	63,589
Other costs	-	3,698	3,698	-	5,106	5,106
	-	70,198	70,198	-	68,695	68,695
Bookstall purchases	-	-	-	-	-	-
TOTAL EXPENDITURE	919,814	171,381	1,091,195	1,126,932	135,541	1,262,473

50% of support costs (£49,410 (2017: £51,447)) relate to Ministry costs and 50% (£49,409 (2017: £351,447)) relate to Church running costs.

Included within support costs are governance costs of £6,000 (2017: £7,422).

The Parish of St Paul Howell Hill

Notes to the Financial Statements (continued)
For the year ended 31 December 2018

4 STAFF COSTS

	2018	2017
	£	£
Salaries	275,205	308,244
Social security costs	12,720	21,065
Pension costs	22,899	21,416
	<u>310,824</u>	<u>350,725</u>

The above staff costs include the stipend of the vicar. His stipend is paid by the Church Commissioners, and the church pays for this stipend through the parish share system. The vicar is included in the staff numbers analysis below.

During the year the PCC employed an average of 9 (2017: 9) staff members carrying out ministry roles and 3 (2017: 4) staff members carrying out administration roles. 12 (2017: 11) members of staff were employed to run the Little Fishes pre-school.

During the year no employees received emoluments of more than £60,000 (2017: none).

Key management personnel include the Trustees, the vicar, the associate vicar, the church manager and the Minister for St Mary's. Total amounts paid to the Diocese in respect of key management personnel was £92,508 (2017: £117,062). No remuneration was received by Trustees during the year (2017: £nil) and no expenses were reimbursed to them (2017: £nil).

The PCC is very reliant on volunteers to carry out all its activities. However, it is not possible to place any monetary value on the contribution of volunteers.

5 FIXED ASSETS FOR USE BY THE PCC

		Property	Fixtures	Equipment	Total
		£	£	£	£
GROSS BOOK VALUE	At 1 January 2018	1,220,575	452,821	144,882	1,818,278
	Additions	-	-	7,214	7,214
	Disposals	-	(49,634)	(53,811)	(103,445)
	At 31 December 2018	<u>1,220,575</u>	<u>403,187</u>	<u>98,285</u>	<u>1,722,047</u>
DEPRECIATION	At 1 January 2018	87,995	206,389	94,946	389,330
	Charge for the year	24,408	37,730	16,633	78,771
	Depreciation eliminated on disposal	-	(48,946)	(53,811)	(102,757)
	At 31 December 2018	<u>112,403</u>	<u>195,173</u>	<u>57,768</u>	<u>365,344</u>
NET BOOK VALUE	At 31 December 2018	<u>1,108,172</u>	<u>208,014</u>	<u>40,517</u>	<u>1,356,703</u>
	At 31 December 2017	<u>1,132,580</u>	<u>246,432</u>	<u>49,936</u>	<u>1,428,948</u>

Property comprises 18 Nonsuch Walk, 19 Northey Avenue and 19 Ballards Green. The properties at 19 Northey Avenue and 19 Ballards Green were donated to the PCC by the St Paul's Howell Hill Charitable Trust during 2016. They have been included in the financial statements at market value at the date of transfer.

6 DEBTORS

	2018	2017
	£	£
Income tax recoverable	8,733	8,373
Prepayments and other debtors	12,280	38,680
	<u>21,013</u>	<u>47,053</u>

Other debtors are financial instruments and are measured at present value.

7 ANALYSIS OF CASH AND SHORT TERM DEPOSITS

	Cash		On Short Term Deposit	
	2018	2017	2018	2017
	£	£	£	£
General Fund account	100	100	246,606	212,226
Bookshop Fund account	-	-	-	-
Petty cash	-	105	-	-
Little Fishes	1,402	2,196	24,147	27,544
Spartans Fund	522	481	-	-
	<u>2,024</u>	<u>2,882</u>	<u>270,753</u>	<u>239,770</u>

8 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other creditors and accruals	65,000	63,238
	<u>65,000</u>	<u>63,238</u>

All creditors are financial instruments and are measured at present value.

9 FUND DETAILS

UNRESTRICTED FUNDS

	General Fund	Activity Fund	Support for partners and other agencies	Repairs and maintenance	Strategic Development Fund	Total
	£	£	£	£	£	£
Balance at 1 January 2017	166,086	481	36,338	25,780	313,894	542,579
Surplus/(Deficit) for the year	27,885	-	(3,663)	(14,669)	(216,389)	(206,836)
Transfer between funds	(32,956)	-	(17,724)	12,000	38,680	-
Balance at 31 December 2017 and 1 January 2018	161,015	481	14,951	23,111	136,185	335,743
Surplus/(Deficit) for the year	57,752	-	(2,276)	(20,280)	(25,958)	9,238
Transfer between funds	(33,585)	42	-	49,000	-	15,457
Balance at 31 December 2018	185,182	523	12,675	51,831	110,227	360,438

RESTRICTED FUNDS

	Support for partners and other agencies	Property Fund	Social Fund	Various St Mary's Funds (see below)	Jubilee Fund	Little Fishes	Total
	£	£	£	£	£	£	£
Balance at 1 January 2018	12,414	1,132,580	1,205	38,038	114,831	21,610	1,320,678
(Deficit) surplus for the year	(25)	(24,408)	-	(34,995)	(19,140)	(1,040)	(79,608)
Transfer between funds	(12,414)	-	-	(3,043)	-	-	(15,457)
Balance at 31 December 2018	(25)	1,108,172	1,205	-	95,691	20,570	1,225,613

	St Mary's 2020 Vision Fund	St Mary's Operations Manager Fund	St Mary's Discretionary Fund	St Mary's Children and Young Families Worker Fund	St Mary's Fit for Mission	Total
	£	£	£	£	£	£
Balance at 1 January 2018	8,000	2,924	1,070	-	26,044	38,038
(Deficit) surplus for the year	(8,000)	(2,924)	(1,070)	-	(23,001)	(34,995)
Transfer between funds	-	-	-	-	(3,043)	(3,043)
Balance at 31 December 2018	-	-	-	-	-	-

9 FUND DETAILS (continued)

Designated Funds

Church Activity Fund

This fund represents amounts set aside for specific future activities of the church.

Support for Partner and other agencies

Prior to 2015, 30% of unrestricted giving to the General Fund plus tax recoveries was transferred to a separate designated fund to fund grants and donations to partners and other agencies. From 1 January 2015 these grants and donations have been made directly from the General Fund.

Repairs and Maintenance Fund

This fund represents amounts set aside for future repairs and maintenance. £49,000 has been transferred into the fund to meet the anticipated costs of renewing the hall boilers and also other larger non-routine maintenance requirements.

Strategic Development Fund

This fund has been created from a legacy received and will be used for the strategic development of the parish.

Restricted Funds

Support for Partners and other agencies

This fund reflects giving by members of the congregation to support partners and other agencies.

Property Fund

In 2016 the properties at 19 Northey Avenue, Cheam, and 19 Ballards Green, Burgh Heath were donated to the PCC by the St Paul's Howell Hill Charitable Trust. These properties are restricted to the use for housing staff members of the PCC for a five year period. During 2017 19 Ballards Green was vacated, and the trustees of the St Paul's Howell Hill Charitable Trust have agreed that the property can be rented out on a commercial basis with the rental income restricted to the paying of costs for staff members at St Mary's. The balance of the Property Fund reflects amounts given for the purchase of 18 Nonsuch Walk.

Social Fund

This represents amounts given to support the poor and needy.

St Paul's Jubilee Fund

This represents money given to upgrade the fabric and equipment of the church.

Little Fishes Fund

This represents the cumulative funds relating to the running of the Little Fishes Pre-School.

St Mary's Vision 2020 Fund

This represents money given to support projects in advancement of the St Mary's 2020 vision. From 30 June 2018 St Paul's Howell Hill became a separate parish and the fund has been paid to St Mary's.

St Mary's Operations Manager Fund

This represents amounts given to support the costs of an operations manager at St Mary's. As above, the fund has been paid to St Mary's.

St Mary's Children and Young Families Worker Fund

This represents amounts given to support the costs of a children's and young families worker at St Mary's. As above, the fund has been paid to St Mary's.

St Mary's Fit for Mission Fund

This represents amounts given to support the development of the mission at St Mary's. As above, the fund has been paid to St Mary's.

St Mary's Discretionary Fund

This represents amounts available to provide for the poor and needy. As above, the fund has been paid to St Mary's.

10 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
Tangible fixed assets	152,840	1,203,863	1,356,703	161,537	1,247,411	1,428,948
Stock	558	-	558	1,006	-	1,006
Debtors	21,013	-	21,013	47,053	-	47,053
Short term deposits	249,003	21,750	270,753	165,603	73,267	239,770
Cash at bank and in hand	2,024	-	2,024	2,882	-	2,882
Creditors: amounts due in less than one year	(65,000)	-	(65,000)	(63,238)	-	(63,238)
Fund balance	360,438	1,225,613	1,586,051	335,743	1,320,678	1,656,421

11 COMMITMENTS

The PCC was committed to total payments under operating leases as follows:

	2018	2018	2017	2017
	Property	Equipment	Property	Equipment
	£	£	£	£
Expiring in less than 1 year	-	1,813	6,600	1,788
Expiring in 2-3 years	-	3,626	-	-
Expiring in 4-5 years	-	2,720	-	-

During the year £5,521 (2017: £8,388) was incurred in relation to these leases.

12 GRANTS AND DONATIONS

		Grants and donations		Total	2017
		Unrestricted	Restricted	£	£
		£	£		
Partners					
David & Georgina Gray (Wycliffe Bible Translators)	global	22,600	-	22,600	22,600
Crosslinks Training Pastors	global	2,245	-	2,245	4,315
Keith & Rosie Ketchum (Mission Aviation Fellowship)	global	18,300	-	18,300	18,300
Hazel Maunsell (Crosslinks)	global	3,700	-	3,700	5,662
Sally & Yagya Singh (5.14)	global	3,000	-	3,000	5,850
Pat Blanchard (CMS)	global	9,500	-	9,500	9,500
Allstair & Juliet Curry (OMF International)	global	-	-	-	10,238
Stephen Fraser (UCCF)	national	5,000	-	5,000	5,500
Keith Butler (International Fellowship of Evangelical Students)	global	-	-	-	5,800
Barnabas Outreach Trust	global	1,200	-	1,200	5,000
St Stephens Uganda	global	1,000	-	1,000	-
Organisations					
Christian Solidarity Worldwide	global	2,500	-	2,500	2,500
Open Doors	global	2,500	-	2,500	2,500
Eiam	global	4,000	-	4,000	4,000
Foundation for Relief & Reconciliation in Middle East	global	2,500	-	2,500	2,500
CPAS	national	-	-	-	2,500
hope4malawi	global	2,500	-	2,500	15,000
Mechanics for Africa	global	2,500	-	2,500	2,500
UCCF	national	2,500	-	2,500	2,500
Christians in Sport	national	2,500	-	2,500	2,500
Tear Fund	global	-	-	-	5,000
Prison Fellowship	national	5,000	-	5,000	7,200
Windle International	global	-	-	-	12,500
Church Pastoral Aid Society	global	2,500	-	2,500	-
Mombassa Support	global	3,250	-	3,250	-
Local mission					
Sutton Community Works	local	6,500	-	6,500	3,000
Sutton Schools' Christian Workers Trust	local	3,500	-	3,500	3,850
CAP centre	local	22,987	-	22,987	22,128
Sutton School Pastors	local	-	-	-	4,500
Café church	local	210	-	210	288
Hub costs	local	13,445	-	13,445	7,456
Downview Sycamore Project	local	-	-	-	3,000
Short Term Missions		5,429	-	5,429	5,801
Mission expenses		220	-	220	238
TOTAL		151,086	-	151,086	204,226

All donations and grants are paid to the relevant institution. No grants are paid to individuals.

13 RELATED PARTY TRANSACTIONS

Little Fishes Playgroup was merged into the PCC on 1 January 2013. Janice Wright and Sue Wharton, who were PCC members during the year are employed by the PCC as part of Little Fishes. The Charity Commission have given permission for this arrangement.

Mark Goodman is a trustee of hope4malawi and also a PCC member. A donation was given to hope4malawi as shown in note 12.

The donation shown in note 12 above to Christians in Sport is in relation to Mike Harris. Sheila Harris, Mike's mother, is a PCC member.

Stephen Fraser is a mission partner, with payments including UCCF as noted in note 12. Alistair Fraiser, Stephen's father, was a PCC member during the year.

The Guildford Diocesan Board of Finance Limited acts as custodian trustee in respect of the three properties beneficially owned by the PCC (see note 9 for details). The PCC paid parish share to the Guildford Diocesan Board of Finance Limited amounting to £180,750 (2017: £183,338). The parish share includes an amount in respect of the stipend of the vicar.

14 Post Balance Sheet Event

As part of the implementation of the Parochial Measure, the property 19 Ballards Green was to be transferred to the "Nork with Burgh Heath" parish. This transfer was not completed during 2018, and hence the property remains on the balance sheet of St Paul's Howell Hill at 31 December 2018. The property transfer was completed on 26 February 2019.