

**Parochial Church Council of St Thomas' Church Kendal**

**Annual Report and Financial Statements**

**for the Year Ended**

**31 December 2016**

**Charity No: 1129872**

**Parochial Church Council of St Thomas' Church Kendal**

**Annual Report and Financial Statements**

**for the Year Ended 31 December 2016**

**Contents**

1-8	Annual Report
9	Statement of Parochial Church Council's Responsibilities
10	Independent Examiner's Report
11-12	Statement of Financial Activities
13	Balance Sheet
14-23	Notes to the Financial Statements

**Parochial Church Council of St Thomas' Church Kendal**

**Annual Report**

**for the Year Ended 31 December 2016**

Church Office: St Thomas' Church  
Stricklandgate  
Kendal  
Cumbria  
LA9 4QG

Incumbent: Revd George Briggs

Bankers: Yorkshire Bank plc  
7 Stricklandgate  
Kendal  
Cumbria  
LA9 4NB

Independent  
Examiner: Helen Holmes BSc FCA  
Stables Thompson & Briscoe  
Lowther House  
Kendal  
Cumbria  
LA9 4DX

Legal Advisors: Arnold Greenwood Solicitors  
8 & 10 Highgate  
Kendal  
Cumbria  
LA9 4SX

## Parochial Church Council of St Thomas' Church Kendal

### Annual Report

for the Year Ended 31 December 2016 (continued)

#### Administrative Information

St Thomas' Church is situated in the northern part of the Market town of Kendal. It is the Resource Church in the Lyth Valley Team and is part of the Diocese of Carlisle within the Church of England. The correspondence address is St Thomas' Church, Stricklandgate, Kendal, LA9 4QG.

The Parochial Church Council (PCC) has registered with the Charity Commission (charity number 1129872). There is one related trust, the St Thomas' (Kendal) Trust (registered charity number 514353) which holds and administers the curatage.

PCC members who have served from 1 January 2016 until the date this report was approved are:

Incumbent	The Revd George Briggs	(Chairman)
Curate	Rev Gavin Rushton	(from July 2016)
Wardens	Mr Clive Handley	(Vice Chairman)
	Mrs Christine Burgess	
Deanery Synod	Mrs Ann Baker	
Representatives	Mrs Beth Booker	
	Mrs Angie Carradus	(until December 2016)
	Mrs Barbara Handley	
	Mr John Parker	(until APCM 2016)
Elected Members	Mr Neil Carter	
	Mr Rob Funning	
	Mr Nick Gray	(from APCM 2016)
	Mrs Jane Higham	
	Mrs Pauline Kelly	
	Mr Andrew Kohn	(from APCM 2016)
	Mr Martin Lawson	
	Mrs Moyra Lee	
	Mr Julian Legat	
	Miss Jenny Ottewell	
	Mr Tim Ward	(until APCM 2016)
	Mr Tim Waddington	(from APCM 2016)

The Treasurer is Mr Kevin Cook.

#### Structure, governance and management

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

#### Objectives and activities

St Thomas' PCC has the responsibility of co-operating with the incumbent in promoting in the ecclesiastical parish and beyond the whole mission of the church, pastoral, evangelistic, social and ecumenical. It also has maintenance responsibilities for the church building complex of St Thomas' Church, Stricklandgate, Kendal, and the other buildings owned by St Thomas' Church.

# Parochial Church Council of St Thomas' Church Kendal

## Annual Report

for the Year Ended 31 December 2016 (continued)

### Vision, Mission and Strategy

Our purpose at St. Thomas' is  
to be the **FAMILY** of God in the **PRESENCE** of God,  
making a difference on our **FRONTLINES**

### THE LEADERSHIP TEAM comprises

Priest-in-charge	George Briggs	
Curate	Gavin Rushton	
Hon. Asst. Minister	Ray de Vial	
Hon. Asst. Minister	Bill Holliday	
Worship Pastor	Damian Scott	(until September 2016)
Prayer Co-ordinator	Shellie Briggs	
Youth Co-ordinator	Rob McLellan	
Children and Families Co-ordinator	Wendy Young	(from January 2016)

### THE STAFF TEAM comprises

Community Link Worker	Rod Redhead
Administrator	Jean Thorp
Administrator	Janet Sullivan
Cleaner	Jonathan Cook

### PUBLIC BENEFIT

When planning St Thomas' programme of activities for the year, the Priest in Charge and the PCC have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance to charities for the advancement of religion by:

- Offering people the opportunity to gather together for worship, prayer and teaching at our range of Sunday services as well as our mid-week service of Holy Communion followed by lunch.
- Providing pastoral care in a variety of ways e.g. Life groups, visiting the sick, supporting people and families with special needs (especially after the floods of the start of the year) and Cedars, providing fellowship for people of retirement age.
- Offering imaginative programmes of teaching to children, supplemented by Messy Church and the popular Holiday Club every year.
- Working with youth, with a weekly Encounter event, Youth Alpha and a summer camp at Soul Survivor.
- Resources to support the 20-30s including a weekly time of discussion and fellowship through a Freedom in Christ discipleship course.
- Providing a Toddler group on three mornings each week, one of which is held at the local community centre.
- Providing a weekly group for expectant mums and babies not yet toddling.
- Supporting young (and expectant) mums with a weekly Bible Study with a crèche available.
- Making the church and lounge available to uniformed organisations and available to hire to the wider community.

# Parochial Church Council of St Thomas' Church Kendal

## Annual Report

### for the Year Ended 31 December 2016 (continued)

- Promoting and supporting mission partnerships with churches, organisations and people whose primary objective is to proclaim Jesus Christ, Saviour and Lord and who show the faith, love and hope of Christ in action at home and abroad.
- Enabling discipleship and vision for every church member to be good news on their frontlines.

To facilitate this work it is important that we maintain the fabric of the Church of St Thomas' and the attached church lounge.

### Achievements and Performance

#### Church attendance

In 2016 there were 288 members on the Church Electoral Roll, 22% of who are resident within the parish. The average weekly attendance at services on Sundays, counted during October was 239 adults and 50 children.

The full PCC met nine times during the year with a good level of attendance. Groups met between meetings as appropriate and reported back to the PCC for discussion and decision. The key groups on the PCC are the Standing Committee, the Staffing Committee, the Building Committee and the Finance Committee. Special committees are formed if particular issues need some specific consideration before being presented to the full PCC body.

#### Review of the year

St Thomas' Kendal Parochial Church Council (PCC) has the responsibility of cooperating with the incumbent, the Reverend George Briggs, in promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is also responsible for the finances of the church, for maintaining the fabric of our Church building and our property at 79 High Garth, and for the employment of 6 staff (one house-for-duty) and in the latter part of the year a New Wine/NISCU Intern with our children, youth and schools work.

The PCC work with a Core Leadership Team (George Briggs, Shellie Briggs, Gavin Rushton, Wendy Young, Rob McLellan) gathered by the incumbent to work together and pray into strategy and direction, and to connect with the wider leadership of ministries across the church to encourage, oversee and equip them. The PCC has small groups working on Staffing, Finance and in the course of the year a Buildings committee was formed to focus our trustee responsibility in each of these areas and report to PCC with recommendations and any work requested from them.

At St Thomas's we have identified the following priorities for life together:

- The Family of God - A place to build healthy relationships, love one another well: support, challenge and encourage each other. To grow powerful people who are secure in their identity as a son or daughter of God.
- Living in the presence of God - Making a priority of personal encounter with God through prayer, worship, reading and studying scripture and by ministering to one another. To live in pursuit of knowing and experiencing who He is and who He says we are. Valuing the love and empowering presence of God and our relationship with Him.
- Making a difference on our front lines – we want everything that we do together in church to resource and equip us as we seek to represent Jesus in all that we do. We want to introduce people to Jesus and carry high expectations that God's desire is to transform and redeem lives and situations and work through us for His glory. We want to take risks as we live out our faith,

## **Parochial Church Council of St Thomas' Church Kendal**

### **Annual Report**

#### **for the Year Ended 31 December 2016 (continued)**

and develop a hunger to live a life of service to God and people whether it's church, Kendal, UK or the wider world.

This review of 2016 sets out briefly what it has meant for us to pursue these priorities and take hold of the opportunities for mission in our parish and beyond in the course of the year.

#### **Valuing God's presence:**

At the heart of our weekly and monthly gatherings for worship and prayer we seek to encounter God and celebrate the evidence of his empowering and transforming presence in daily life. Our teams for sung worship, leaders and preachers continue to place high value on listening and discerning what God the Holy Spirit is saying to encourage and shape the church.

Themes for our services and life groups have included "Life in Transition", "Hearts on Fire", "Holy Spirit", "Lasting Legacy", "Believers' Prayers", "Love like God". We also enjoyed the stimulation and inspiration of a church weekend hosting Pete and Kim Carter, leaders from Eastgate church in Kent, church members have gone in good number to New Wine, Keswick, and Soul Survivor through the summer months, to a New Wine Women's day, leadership training events and gatherings, conferences for youthwork and training around the issue of pornography.

In May we held a week of non-stop 24/7 prayer in response to the Archbishops' call to prayer "Thy Kingdom Come". The specific evangelistic focus of our prayer week expressed very well our desire to combine the pursuit of God's presence with the call to Mission. Other initiatives such as weekly "Treasure Hunting" have also emerged this year – as a group gather to pray for clues before going out into the Parish to seek the treasure (people) highlighted for prayer! Presence and encounter are core values for our children and youth work as well as our evangelism.

#### **Valuing one another:**

As a church God calls us to commit wholeheartedly to one another. The structures of fellowship and pastoral care across the church have been well led and well used, and a thorough review has begun to see how we can improve our access and connection to life together. A key feature of our pastoral structure is our cell groups and youth cells, and our expanding Cedars network and fellowship events for over-sixties. Groups gather weekly for carers, parents and pre-schoolers. Access to pastoral prayer and prayer ministry, particularly at services is well communicated and firmly established. Welcome teams and welcome teas provide a way in for newcomers to belong to a large family. Our journey together is full of reward, but it is not always an easy one – and our commitment to love one another well has been especially evident in the face of sickness, grief and tough circumstances.

Women's breakfasts, walking groups, a men's canoe trip in Scotland, a women's weekend in the Dales have been some of the opportunities to get together and connect with each other and journey with God.

#### **Valuing our frontlines:**

We use the language of frontlines to encourage and promote a mission mind set for our daily lives. Within the life of the church our frontlines include a great deal of activity within building, our popular toddler groups, and Bumps and Babes, Wednesday Communion with lunch afterwards – each enabled by a committed team and making opportunities for relationship, welcome and discipleship. Alpha and Start courses provided space to explore and discover faith. We connect with uniformed organisations at remembrance, our Half Term Holiday Club in the autumn welcomed on average 80 children daily and 170 with family and friends for our Heroes Celebration Evening! Our Christmas Carol Service and community choir drew people together to celebrate. We have welcomed 6 people for baptisms, and conducted 13 funerals with our community.

Within our parish community frontlines include the toddler group in Hallgarth, and good connections have continued through the weekly supermarket bus project, summer lunches provided to families including

## **Parochial Church Council of St Thomas' Church Kendal**

### **Annual Report**

#### **for the Year Ended 31 December 2016 (continued)**

those eligible for free school meals. In the life of St Thomas's School members of the church are Governors, active parents, and volunteer in support roles. We are welcomed twice weekly for assemblies including 'Open the Book', and have been invited to participate in teaching opportunities, set up prayer spaces for Easter and Christmas and host special services. We have continued to develop our well-established Messy Church congregation, making consistent contact with families in the course of the year and welcoming an average of 100 adults and children at our celebrations in the school hall. formation of partnership and community for mission here in Kendal and surrounding area. This drive across the whole of our county is framed by an ambitious Strategy for Outreach, which calls the church to connect with every member of the community with the love of God and opportunity of relationship with him through Jesus Christ – by 2020!

As we continue to pursue each of our values of Family, Presence and Frontline Mission – we can see how each informs and deepens the authenticity of the others, leading further into the life of Christ!

#### **Valuing Partnership**

We are committed to partnerships locally and regionally from winter night shelter, town centre chaplaincy in Kendal, and through the first half of the year flood recovery and resilience work in the aftermath of the December 2015 floods, work with NISCU in Queen Katherine Secondary School, particularly with the Christian Union. We also value active relationships with wider local and international partners in mission, our 16 connections partners receive prayer and financial support (10% of church income), and we have held Samara's aid appeals for refugees in the Middle East.

We continue to partner our sister church St Catherine's Crook and other local churches in the deployment of leaders and preachers for services. In line with the "God for All" Ecumenical strategy across the county, work continues and PCC have met twice for special workshops to explore and embrace the creation of ecumenical Mission Communities here in Kendal Deanery.

#### **Stewardship and Finance**

We are enormously thankful for the generosity of so many who give regularly to St Thomas to enable the church's many ministries and our life together.

We are committed to practicing generosity with all our resources and we remain committed to giving 10% of income to partners in mission, and gave an increased Parish Offer - the financial contribution we make to the work and mission of the whole church through the Diocese of Carlisle. Following the trend of increased giving through 2015 we had hoped and planned for continued increase in regular giving, but saw the giving remain level which resulted in a significant deficit for the year. In addition, there were two significant items of unbudgeted expenditure: a gift to flood affected sister churches in Kendal totalling £5,000, and back payment of pensions for our eligible staff who had previously had no pension scheme – meaning a one off cost of £10,000 to honour our commitment to them at the outset of their new scheme. Whilst there has been reserve to cover this shortfall of over £40,000, it is not a position we will be able to sustain.

#### **Valuing Leadership and Staffing**

PCC committed in 2015 to the appointments of Rob McLellan as Youth Work Coordinator and Wendy Young as Children and Families Work Coordinator (who began January 2016). These are excellent appointments and both posts have a strong strategic focus for developing work within our church life, and the outreach aspect in these areas of ministry. At the end of June, Rev Gavin Rushton and his family joined St Thomas' and St Catherine's where Gavin will serve as Curate. Their arrival and his leadership are a wonderful gift to us! In October our Readers: Neil Carter, Kevin Cook, Judith Cobban, David Sharp and Maureen Stevens were relicensed in a celebration service held at Carlisle Cathedral – we are grateful for their ministry within and beyond St Thomas'. Esther Hulme joined us in September as an Intern for the 2016/17 academic year. We have in Christine Burgess and Clive Handley excellent

# Parochial Church Council of St Thomas' Church Kendal

## Annual Report

### for the Year Ended 31 December 2016 (continued)

Church Wardens for whose seen and unseen service along with the wardens' team we are extremely thankful.

#### **Valuing Our Building**

Good stewardship of our building is a high priority for the PCC, work and upgrading equipment. St Thomas' is a flexible and extremely well used resource – we continue to be an attractive venue for the church's activities and outside bookings –including a giant moon installed as part of the Lakes Alive arts festival in Kendal over the August bank holiday - the footfall was significant! We are very thankful to all who care for the building – including our paid caretaker, Jonathan Cook and Nicholas Stainforth who volunteers as groundsman for St Thomas'.

#### **Risk review**

The PCC has assessed the major risks to which the church is exposed and is satisfied that systems and procedures are in place to mitigate such risks and the potential impact upon the church should any of those risks materialise.

#### **Financial review**

The PCC sustained a deficit of £40,530 for the year. Of this sum, £23,650 was in the budget approved by the PCC, but additional payments were made during the year in response to specific situations. These included payments totalling £5,000 to three nearby Churches to assist with flood relief work following Storm Desmond, and an Additional Voluntary Contribution of £9,780 into the Church Pension Scheme to recognise the commitment of long serving staff for whom no pension had been set up.

Total receipts on ordinary unrestricted funds were £241,964 and are detailed in the financial statements. The majority of this income comes from Church members by regular giving, together with the related Gift Aid.

Total payments on unrestricted funds were £284,904. This includes the Parish Offer of £85,683 which remains one of the largest outgoings providing for clergy costs as well as supporting mission and ministry elsewhere in the diocese. In addition £99,266 was spent directly by the church on staff costs whilst £29,857 was donated to missions and charities at home and overseas.

The wider work of the Church reaches out into the community, and includes Mums and Toddlers, Families, Youth Work, and Cedars to name but a few. A total of £83,348 was spent during the year (including staff costs) reaching out to the local community.

Receipts to the restricted fund totalled £17,602 whilst £15,326 was spent in the year. There was an overall gain on the value of the investments of £134.

#### **Legacy policy**

At St. Thomas' we welcome gifts in wills however large or small, and we promise to use such gifts to make a significant difference in the spread and proclamation of the Gospel of the Lord Jesus Christ in this community and elsewhere.

The PCC recommends that gifts in wills are unrestricted, so that the funds can be used for whatever purpose is currently needed to extend the mission and ministry of the church. As an alternative to the restricted gift a letter of wishes can be attached to a will, which the PCC will endeavour to honour.

Substantial legacies will be used for significant projects, capital projects or substantial repairs, such as:

- meeting the cost of repairs arising from the Quinquennial inspection.
- meeting the cost of a mission project such as the Alpha Course, Messy Church,
- underwriting or funding a new member of staff for a fixed period.

## **Parochial Church Council of St Thomas' Church Kendal**

### **Annual Report**

**for the Year Ended 31 December 2016 (continued)**

#### **Reserves policy**

The Finance Committee reviewed the policy on reserves and brought the matter to the PCC for discussion when the budget was approved. The aim is to maintain a reserve equivalent to one month's unrestricted payments to cover emergency situations that may arise from time to time. The balance of £28,160 on the General Bank Account together with the £82,472 in the Cumberland Building Society at the year end covered this target. The PCC will endeavour to ensure reserves are held in sufficiently liquid assets while surplus reserves will enable the PCC to underwrite future staffing appointments.

There is a balance of £13,258 in the restricted fund as detailed in note 9.

It is our policy to invest our surplus funds with the Cumberland Building Society.

#### **Trust holding property**

The church property is held by the trustees of a separate charity known as St Thomas's (Kendal) Trust. The current trustees of that charity are Christine Burgess, Tanya Bascombe and George Briggs.

Signed on behalf of the PCC:

**The Revd George Briggs**  
**Priest-in-Charge**  
**20<sup>th</sup> March 2017**

## **Parochial Church Council of St Thomas' Church Kendal**

### **Statement of Parochial Church Council's Responsibilities**

**for the Year Ended 31 December 2016**

The purpose of this statement is to distinguish the Parish Church Council's responsibilities for the accounts from those of the independent examiners as stated in their report.

Law applicable to Parochial Church Council in England & Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the Council's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Council should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Council will continue in operation.

The Council are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the church and which enable them to ascertain the financial position of the Council and which enable them to ensure that the financial statements comply with applicable law and regulations. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Parochial Church Council of St Thomas' Church Kendal**  
**Independent Examiner's Report to the Parochial Church Council**  
**for The Year Ended 31 December 2016**

This report on the financial statements of the Parochial Church Council ("PCC") for the year ended 31 December 2015, which comprise the Statement of Financial Activities, the Balance Sheet and related notes is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ('the Regulations') and s.145 of the Charities Act 2011 ('the 2011 Act').

**Respective responsibilities of the PCC and the examiner**

As members of the PCC you are responsible for the preparation of the financial statements; you consider that the audit requirement of the Regulations and s.144(2) of the 2011 Act does not apply and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales (ICAEW).

It is my responsibility to examine the accounts under section 145 of the 2011 Act; follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and to state whether particular matters have come to my attention.

**Basis of this report**

My examination was carried out in accordance with the General Directions given by the Charity Commission under s.145(5)(b) of the 2011 Act and to be found in the Church guidance, 2006 edition. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the financial statements and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no matter 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 2011 Act; and
  - to prepare financial statements, which accord with the accounting records and comply with the requirements of the 2011 Act and the Regulations 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.

**Helen Holmes BSc FCA**  
**Independent Examiner**  
**Stables Thompson & Briscoe**  
**Lowther House**  
**Kendal**  
**LA9 4DX**

**Parochial Church Council of St Thomas' Church Kendal**

**Statement of Financial Activities**

for the Year Ended 31 December 2016

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
<b>Income from:</b>					
Donations and legacies	2(a)	221,105	5,780	226,885	271,470
Church activities	2(b)	10,297	6,875	17,172	17,037
Other trading activities	2(c)	9,020	0	9,020	10,580
Investments	2(d)	1,542	0	1,542	674
Other	2(e)	0	4,947	4,947	996
<b>Total Income and endowments</b>		<u>241,964</u>	<u>17,602</u>	<u>259,566</u>	<u>300,757</u>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
Church activities	3(a)	273,011	15,326	288,337	263,831
Governance costs	3(b)	11,893	0	11,893	10,059
<b>Total Resources Expended</b>		<u>284,904</u>	<u>15,326</u>	<u>300,230</u>	<u>273,890</u>
<b>Gains on Investments</b>		<u>0</u>	<u>134</u>	<u>134</u>	<u>17</u>
<b>Net income/(expenditure)</b>		-42,940	2,410	-40,530	26,884
<b>Transfers between Funds</b>		<u>11,563</u>	<u>-11,563</u>	<u>0</u>	<u>-</u>
<b>Net Movement in Funds</b>		-31,377	-9,153	-40,530	26,884
<b>Funds Reconciliation:</b>					
<b>Balances brought forward at 1st January</b>		237,616	22,411	260,027	233,143
<b>Balances carried forward at 31st December 2016</b>		<u>206,239</u>	<u>13,258</u>	<u>219,497</u>	<u>260,027</u>

**Parochial Church Council of St Thomas' Church Kendal**

**Comparative Statement of Financial Activities**

**for the Year Ended 31 December 2015**

	<b>Notes</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
<b>Income from:</b>					
Donations and legacies	2(a)	266,570	4,900	271,470	242,355
Church activities	2(b)	8,973	8,064	17,037	17,463
Other trading activities	2(c)	10,580	0	10,580	9,241
Investments	2(d)	674	0	674	526
Other	2(e)	996	0	996	959
<b>Total Income and endowments</b>		<u>287,793</u>	<u>12,964</u>	<u>300,757</u>	<u>270,544</u>
<b>Expenditure on:</b>					
Raising funds	3(b)	0	0	0	1,365
<b>Charitable activities:</b>					
Church activities	3(a)	246,923	16,908	263,831	233,598
Governance costs	3(b)	10,059	0	10,059	10,859
<b>Total Resources Expended</b>		<u>256,982</u>	<u>16,908</u>	<u>273,890</u>	<u>245,822</u>
<b>Gains on Investments</b>		<u>0</u>	<u>17</u>	<u>17</u>	<u>246</u>
<b>Net income/expenditure</b>		30,811	-3,927	26,884	24,968
<b>Transfers between Funds</b>		<u>6,595</u>	<u>-6,595</u>	<u>0</u>	<u>-</u>
<b>Net Movement in Funds</b>		37,406	-10,522	26,884	24,968
<b>Funds Reconciliation</b>					
<b>Balances brought forward at 1st January</b>		200,210	32,933	233,143	208,175
<b>Balances carried forward at 31st December 2015</b>		<u>237,616</u>	<u>22,411</u>	<u>260,027</u>	<u>233,143</u>

**Parochial Church Council of St Thomas' Church Kendal**

**Balance Sheet**

**as at 31 December 2016**

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		£	£
<b>Fixed Assets</b>			
Tangible fixed assets	4	110,187	111,688
Investments at valuation	5	1,338	1,205
		<u>111,525</u>	<u>112,893</u>
<b>Current Assets</b>			
Debtors and prepayments	6	9,300	10,845
Short term deposits		82,073	113,030
Cash at Bank		29,631	34,481
		<u>121,004</u>	<u>158,356</u>
<b>Current Liabilities</b>			
Creditors due within one year	7	<u>-13,032</u>	<u>-11,222</u>
<b>Net Current Assets</b>		107,972	147,134
<b>Net Assets</b>		<u><u>219,497</u></u>	<u><u>260,027</u></u>
<b>Parish Funds</b>			
Unrestricted	8	206,239	237,616
Restricted	9	13,258	22,411
		<u><u>219,497</u></u>	<u><u>260,027</u></u>

Approved by the Parochial Church Council of the Parish Church of the St Thomas' Church Kendal on 20<sup>th</sup> March 2017 and signed on its behalf by:

**The Revd George Briggs**  
**Priest-in- Charge**

**Kevin Cook BSc FCA**  
**Honorary Treasurer**

The notes on pages 14 to 23 form part of these accounts.

# Parochial Church Council of St Thomas' Church Kendal

## Notes to the Financial Statements

for the Year Ended 31 December 2016

### 1. Accounting Policies

#### Basis of Accounting

The accounts are prepared under the historical cost convention, in accordance with the Church Accounting Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Charities Act 2011.

These financial statements are the first annual financial statements of the charity prepared in accordance with FRS 102. The first date at which FRS 102 was applied was 1 January 2016. The accounts prepared for the year ended 31 December 2015 were prepared in accordance with the previous financial reporting framework.

The accounts are presented in sterling and rounded to the nearest £.

The primary objective of the charity is to promote the gospel of our Lord Jesus Christ according to the doctrine and practice of the Church of England. The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about the charity's ability to continue as a going concern.

The church is a registered charity in England and Wales. The Trustees are the members of the PCC named on page 2. The registered office is St Thomas' Church, Stricklandgate, Kendal LA9 4QG.

#### Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by the Charities SORP FRS 102 the restatement of comparative items was required. There were no changes to the accounting policies of the charity as a result of the adoption of FRS 102.

#### Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application to the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds represent donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body or those that are informal gatherings of church members.

## **Parochial Church Council of St Thomas' Church Kendal**

### **Notes to the Financial Statements**

**for the Year Ended 31 December 2016 (continued)**

#### **Incoming Resources**

##### **Voluntary Income and Capital Sources**

- Collections are recognised when received by or on behalf of the PCC.
- Planned giving receivable under Gift Aid is recognised only when received.
- Income tax recoverable on Gift Aid donations is recognised when the income is recognised.
- Grants and 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 reasonably certain.
- Funds raised by events are accounted for gross.

##### **Other Income**

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

##### **Income from Investments**

Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue. Tax recoverable on such income is recognised in the same accounting year.

##### **Gains and Losses on Investments**

- Realised gains or losses are recognised when investments are sold.
- Unrealised gains or losses are accounted for on the valuation of investments at 31 December.

#### **Resources Expended**

##### **Grants**

Grants and donations are accounted for when paid over or when awarded if that award creates a binding obligation on the PCC.

##### **Activities Directly Relating to the Work of the Church**

The diocesan parish share is accounted for when due.

##### **Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

##### **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.

**Parochial Church Council of St Thomas' Church Kendal**

**Notes to the Financial Statements**

**for the Year Ended 31 December 2016 (continued)**

**Fixed Assets**

**Consecrated Property and Moveable Church Furnishings**

Consecrated and beneficed property of any kind is excluded from the accounts by the Charities SORP.

Movable church furnishings held by the vicar and churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. They are listed in the church's inventory which can be inspected at any reasonable time. Inalienable property has not been valued in the accounts.

**Freehold Land and Buildings**

Freehold buildings are depreciated on a straight line basis over 50 years. No depreciation is provided on freehold land.

**Church Equipment**

Equipment used within the church premises is depreciated on a straight line basis over 4 years. Equipment costing less than £500 has not been capitalised.

**Investments**

Investments are valued at market value at 31 December.

**Current Assets**

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

Short-term deposits include cash held on deposit with the CBF Church of England Funds, and at the Cumberland Building Society.

**Parochial Church Council of St Thomas' Church Kendal**

**Notes to the Financial Statements**

**for the Year Ended 31 December 2016 (continued)**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2 Income and endowments</b>				
<b>a) Donations and legacies</b>				
Planned giving	163,422		163,422	164,597
Loose collections	8,336		8,336	7,320
Legacies	0		0	30,000
Grants	0	5,780	5,780	8,076
Donations	12,160		12,160	21,030
Gift Aid Tax	37,187		37,187	40,447
	<u>221,105</u>	<u>5,780</u>	<u>226,885</u>	<u>271,470</u>
<b>b) Church Activities</b>				
Summer camp		2,885	2,885	4,481
One off events		1,395	1,395	631
Refresh weekend		427	427	0
PCC fees	1,573		1,573	1,514
Sundry income	8,724	2,168	10,892	10,411
	<u>10,297</u>	<u>6,875</u>	<u>17,172</u>	<u>17,037</u>
<b>c) Other trading activities</b>				
Lettings and catering	9,020		9,020	10,580
<b>d) Investment Income</b>				
Interest received	1,542		1,542	674
<b>e) Other Income</b>				
Rebuild Mexico/Toilet Twinning projects		4,947	4,947	0
Surplus on sale of property			0	816
Surplus on sale of investments			0	180
	<u>0</u>	<u>4,947</u>	<u>4,947</u>	<u>996</u>
<b>Total Income and endowments</b>	<u>241,964</u>	<u>17,602</u>	<u>259,566</u>	<u>300,757</u>

**Parochial Church Council of St Thomas' Church Kendal**

**Notes to the Financial Statements**

**for the Year Ended 31 December 2016 (continued)**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2016</b>	<b>Total 2015</b>
<b>3 Resources Expended</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>a) Church activities</b>				
Mission and charitable giving				
Overseas and home mission	24,574	1,383	25,957	22,876
Barchester Fund	4,000		4,000	4,000
Bursaries	1,640		1,640	0
Rebuild Mexico/Toilet				
Twinning		4,387	4,387	0
Vicars discretionary fund	636		636	40
Diocesan parish contribution	85,683		85,683	83,400
Childrens and family work				
Staff costs	20,062		20,062	0
Toddlers and DJs	1,862		1,862	1,679
Expenses	992		992	0
Youth work				
Staff costs	25,357		25,357	16,263
Equipment	1,110		1,110	909
Other expenses	288	185	473	77
Summer camp		7,001	7,001	6,930
Loan interest on house	0		0	556
Discipleship				
Working expenses of vicar	2,870		2,870	3,464
Other expenses	1,310		1,310	200
Refresh expenses		627	627	0
Evangelism				
Accommodation costs	863		863	1,149
Community outreach	977		977	2,084
Blessing the community	5,595		5,595	1,281
Fellowship				
Fellowship expenses	0	1,073	1,073	1,128
Worship				
Staff costs	9,054		9,054	17,885
Other expenses	3,600		3,600	0
Flowers and decorations	698		698	242
Expenses of one-off events		670	670	631
PCC fees to Diocese	743		743	954
Letting expenses	3,027		3,027	1,242
Parish resources	383		383	517
Support costs (see 3c)				
Administration costs	49,795		49,795	32,956
Building running costs	27,892		27,892	63,368
	<u>273,011</u>	<u>15,326</u>	<u>288,337</u>	<u>263,831</u>

**Parochial Church Council of St Thomas' Church Kendal**

**Notes to the Financial Statements**

**for the Year Ended 31 December 2016 (continued)**

	<b>Unrestricted Funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>	
<b>b) Governance Costs</b>				
Accounts staff costs	4,688	4,688	4,775	
Independent Examiners fee	1,672	1,672	1,596	
Support costs (see 3c)	<u>5,533</u>	<u>5,533</u>	<u>3,688</u>	
	<u><u>11,893</u></u>	<u><u>11,893</u></u>	<u><u>10,059</u></u>	
<b>c) Support Costs</b>				
Administration costs				
Staff pension scheme	15,918	15,918	0	
Staff recruitment	0	0	125	
Administration staff	18,755	18,755	19,101	
Training	2,289	2,289	964	
Printing and postage	174	174	161	
Photocopying	3,059	3,059	2,599	
Telephone	1,517	1,517	1,630	
Food and consumables	2,325	2,325	2,317	
Computer and website costs	1,094	1,094	1,306	
Subscriptions and reference materials	1,802	1,802	1,596	
Bank charges	0	0	70	
Office consumables	1,498	1,498	1,207	
Equipment rental	0	0	504	
Depreciation	6,897	6,897	5,306	
	<u>55,328</u>	<u>55,328</u>	<u>36,886</u>	
Building running costs				
Cleaner	5,430	5,430	5,324	
Electricity	4,075	4,075	3,747	
Gas	5,475	5,475	8,467	
Water	855	855	842	
Insurance	3,355	3,355	3,774	
Repairs and maintenance	6,233	6,233	39,115	
Cleaning supplies	1,323	1,323	953	
Depreciation	1,146	1,146	1,146	
	<u>27,892</u>	<u>27,892</u>	<u>63,368</u>	
<b>Allocation of support costs:</b>				
	<b>Church activities</b>	<b>Governance costs</b>	<b>Fund raising</b>	<b>Total 2016</b>
Administration costs	49,795	5,533	0	55,328
Building running costs	<u>27,892</u>			<u>27,892</u>
Total	<u><u>77,687</u></u>	<u><u>5,533</u></u>	<u><u>0</u></u>	<u><u>83,220</u></u>

Support costs have been allocated on a best estimate of the usage, both in nature and time

**Parochial Church Council of St Thomas' Church Kendal**

**Notes to the Financial Statements**

**for the Year Ended 31 December 2016 (continued)**

<b>d) Staff Costs</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	84,920	63,444
Staff recharged	-4,048	-4,055
Social security costs	5,431	3,932
Pension costs	<u>12,963</u>	<u>0</u>
	<u>99,266</u>	<u>63,321</u>

The average number of employees during the year was 6. (2015: 5). Of these, 2 were full time posts, 2 employees were on a job share, and the remaining 2 employees were part-time.

There were no employees whose emoluments exceeded £60,000.

During the year, the PCC established a contributory Pension Scheme for Employees which complied with the auto-enrolment provisions. All Employees were invited to join the scheme and make a contribution of 5% or 6%. The PCC matched these contributions.

In addition, the PCC made an Additional Voluntary Contribution for two members of staff who were engaged within the last two years, effectively back-dating the Employers Contribution to the start of their service. The PCC also made an Additional Voluntary Contribution to the remaining staff in part to recognise their commitment and past service but also to offer some compensation for the lack of a Pension Scheme since their employment commenced.

The total Additional Voluntary Contribution made by the PCC was £9,780.

No trustees received remuneration as an employee of the church during the year. (2015: 0).

Mr Rod and Mrs Muriel Redhead live rent free in the church's property at 79, High Garth, Kendal.

PCC members were reimbursed for travelling, subsistence and other expenses totalling £2,870 during the year. (2015: £3,464)

Key management personnel was the Vicar who is paid by the Diocese.

**Parochial Church Council of St Thomas' Church Kendal**

**Notes to the Financial Statements**

**for the Year Ended 31 December 2016 (continued)**

	<b>Freehold Land and Buildings £</b>	<b>Church Equipment £</b>	<b>Total £</b>
<b>4 Tangible Fixed Assets</b>			
<b>Cost</b>			
At 1 January 2016	114,588	140,802	255,390
Additions		6,542	6,542
Disposals			<u>0</u>
At 31 December 2016	<u>114,588</u>	<u>147,344</u>	<u>261,932</u>
<b>Depreciation</b>			
At 1 January 2016	16,043	127,659	143,702
Charge for the year	1,146	6,897	8,043
On disposals		0	<u>0</u>
At 31 December 2016	<u>17,189</u>	<u>134,556</u>	<u>151,745</u>
<b>Net Book Amount</b>			
At 1 January 2016	<u>98,545</u>	<u>13,143</u>	<u>111,688</u>
At 31 December 2016	<u>97,399</u>	<u>12,788</u>	<u>110,187</u>

The property is held in the names of the trustees of St Thomas's (Kendal) Trust.

All the assets are unrestricted and used for charitable purposes.

<b>5 Investments</b>	<b>Restricted Funds</b>	<b>Total 2016</b>
Market Value		
At 1 January 2016	1,205	1,205
Net unrealised gains/(losses) in year	<u>133</u>	<u>133</u>
At 31 December 2016	<u>1,338</u>	<u>1,338</u>
<b>Holdings as at 31 December 2016</b>		
CBF Investment Trust Income Units	<u>1,338</u>	<u>1,338</u>

**Parochial Church Council of St Thomas' Church Kendal**

**Notes to the Financial Statements**

**for the Year Ended 31 December 2016 (continued)**

		<b>2016</b>	<b>2015</b>
<b>6</b>		<b>£</b>	<b>£</b>
	<b>Debtors</b>		
a)	Gift Aid receivable	9,047	9,844
	Prepayments	253	435
	Other debtors	0	566
		<u>9,300</u>	<u>10,845</u>
	<b>Short term deposits</b>		
b)	Unrestricted	<u>82,073</u>	<u>113,031</u>
	<b>Cash at bank</b>		
c)	Restricted	1,471	9,205
	Unrestricted	<u>28,160</u>	<u>25,275</u>
		<u>29,631</u>	<u>34,480</u>

		<b>2016</b>	<b>2015</b>
<b>7</b>	<b>Liabilities falling due within one year</b>	<b>£</b>	<b>£</b>
	Deferred gift	0	2,500
	Independent Examiners fee	1,664	1,600
	Missionary and charitable giving	4,000	4,000
	PAYE and NIC	1,112	1,947
	Pension scheme	698	
	Sundry creditors and accrued expenses	5,558	1,175
		<u>13,032</u>	<u>11,222</u>

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
<b>8</b>	<b>£</b>	<b>£</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	110,187		110,187
Investments		1,338	1,338
Current assets	109,084	11,920	121,004
Current liabilities	<u>-13,032</u>		<u>-13,032</u>
Fund balance	<u>206,239</u>	<u>13,258</u>	<u>219,497</u>

**Parochial Church Council of St Thomas' Church Kendal**

**Notes to the Financial Statements**

**for the Year Ended 31 December 2016 (continued)**

<b>9 Restricted Funds</b>	<b>Building Fund £</b>	<b>Other Funds £</b>	<b>Total 2016 £</b>
Balance at 1 January 2016	0	22,411	22,411
Incoming resources		17,602	17,602
Resources expended		-15,326	-15,326
Investment gains		134	134
Transfers		-11,563	-11,563
Balance at 31 December 2016	<u>0</u>	<u>13,258</u>	<u>13,258</u>

The restricted funds of the PCC comprise the following:

- a) Several small funds set up to meet the requirements of donors supporting specific aspects of the church's mission and ministry. This includes a fund of £7,750 at the year end which is restricted towards the payment of a salary for the Youth Co-ordinator.
- b) The Building Fund which is currently not required, and was closed in 2015.

**10 Transfers between Funds**

	£
The transfer from restricted funds during the year comprised the following:	
Draw down of grant monies to pay Youth Work Co-ordinator	6,000
Restricted Grant monies received switched to General as spent	3,360
Grant for children's equipment transferred to General as spent	2,000
Sundry organisations dormant surpluses transferred	<u>403</u>
	11,763
Less payment from General Account for Refresh weekend	-200
Net transfer in the Statement of Financial Activities	<u><u>11,563</u></u>