

holy|trinity|richmond

a church with an open door

reaching out with God's love and power
helping one another live for Jesus

ANNUAL REPORT and FINANCIAL STATEMENTS

of the

PAROCHIAL CHURCH COUNCIL

of

Holy Trinity and Christ Church, Richmond, Surrey

for the year ended

31 DECEMBER 2017



LIVE FOR JESUS

Charity Registration Number 1129640

**Parochial Church Council of
Holy Trinity & Christ Church, Richmond**

Address	Holy Trinity Church Centre Sheen Park Richmond Surrey TW9 1UP
Web address	www.htrichmond.org.uk
Churchwardens	Mr Mark Lambert Mr David Ewart
Treasurer	Mr Mark Johnston, ACA
Principal Bankers	National Westminster Bank plc 22 George Street Richmond TW9 1JW
Independent Examiner	Mr John Helm ACA Simply Churches Limited 17 Heathville Road London N19 3AL
Registered Charity	The Parochial Church Council of the Ecclesiastical Parish of Holy Trinity and Christ Church, Richmond, Surrey
Charity Registration Number	1129640
Charity Commission website	www.charitycommission.gov.uk

**Parochial Church Council of
Holy Trinity & Christ Church, Richmond**

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Annual Report of the Parochial Church Council
for the year ended 31 December 2017

Introduction

The Parochial Church Council (PCC) of Holy Trinity and Christ Church Richmond submits its report and the financial statements of the PCC for the year ended 31 December 2017. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2015 (FRS102)) and the Financial Reporting Standard 102.

Administrative information

Holy Trinity is situated on Sheen Park, Richmond, Surrey. It is an Anglican (Church of England) Church which is part of the Kingston Episcopal Area of the Diocese of Southwark. The correspondence address is:

The Parish Office, Holy Trinity Church Centre, Sheen Park, Richmond, Surrey, TW9 1UP

Under the terms of Section 3 of the Parochial Church Council (Powers) Measure 1956 the PCC is a body corporate and as of 15 May 2009 has been a charity registered with the Charity Commission as required by the Charities Act 2011.

Structure, governance and management

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. All regular Church attendees are encouraged to register to be on the Electoral Roll and stand for election to the PCC. The most recent APCM was held on 30 April 2017, referred to below as APCM 2017. During the period from 1 January 2017 to 29 April 2018, the following served as members of the PCC:

<i>Vicar:</i>	Trevor Patterson *** Position vacant ****	Chairman, Standing Committee
<i>Curate:</i>	Alwyn Webb	Standing Committee
<i>Wardens:</i>	David Ewart Mark Lambert	Standing Committee PCC Lay Vice Chair, Standing Committee
<i>Representatives on the Deanery Synod:</i>	Mark Anderson * Karin Boyton Annita James * Judy Mathieson ** Sue Reed James Thornton **	
<i>Elected members:</i>	Kate Bertaut ** Karen Block Barnaby Chapman Penny Cox William Edwards * Liz Green * Mark Johnston Sara Kandiah ** Smriti Prasad-Halls Claude Scott Catherin Tidmarsh	Treasurer, Standing Committee
<i>Also in attendance:</i>	Keith Nurse	Operations Manager & PCC Secretary

* to APCM 2017

** from APCM 2017

*** to October 2017 (See note below)

**** from October 2017

Any member of the Church who is on the Electoral Roll can be nominated for election to the PCC in accordance with the Church Representation Rules. Normally a balance of new and established members is elected each year, and if necessary members are co-opted where they have a particular expertise. There are a number of established sub-committees and groups which meet between the full meetings of the PCC. These include:

- o the Standing Committee, which has power to transact business of the PCC between its meetings, subject to any directions given and within financial limits set by the PCC, and which oversees the financial direction of the church by monitoring income and expenditure;
- o the Mission Group, which oversees the church's mission involvement, and ensures that recommendations on giving are in accordance with the mission support policy;
- o the Buildings Committee, which is responsible for all matters relating to health and safety, maintenance and general upkeep of Holy Trinity Church Centre;
- o a number of other groups which have responsibility for various aspects of the church's pastoral work and other activities, and which report to the PCC on a periodic basis;
- o Key Management Personnel - those in charge of directing, controlling, running and operating the PCC (the Charity) on a day to day basis - are the members of the Standing Committee; they are the Vicar (Trevor Patterson, (until October 2017)), two Churchwardens (Mark Lambert and David Ewart), Treasurer (Mark Johnston) and Curate (Alwyn Webb) together with the Operations Manager (Keith Nurse) who, although not a member of the Standing Committee, attends its meetings. The only PCC employee to be considered a key manager is the Operations Manager.

Induction & Training

The induction process for any church member newly-appointed to the PCC currently comprises briefing by the Operations Manager (Secretary of the PCC) and receipt of copies of the minutes from the most recent meeting. The PCC Secretary also provides a copy of the most recent financial statements, and guidelines on the obligations of PCC members (the Charity Commission's guidance 'The Essential Trustee'). The PCC is committed to maintaining high standards of governance and financial management in accordance with current developments in church and charity regulation and good practice, and to this end aspires to provide training opportunities to PCC members as appropriate.

Risk Management

The PCC continues to consider and discuss the key risks facing the church, the controls in place to mitigate them and any action required. The PCC continues to review and develop the strategic direction of the church, and considers how its exposure to risk changes as a result. Members of the PCC are aware of the potential risks (both financial and otherwise) that might occur either in the church or in the Church Centre. They have taken appropriate action to control and minimise these risks.

Objectives

Holy Trinity and Christ Church PCC, Richmond has responsibility for co-operating with the Vicar, in promoting in the parish the whole mission of the church, evangelistic, pastoral, social and ecumenical. Holy Trinity is a church with an open door, reaching out with God's love and power and helping one another live for Jesus. The PCC also has maintenance responsibilities for Holy Trinity Church Centre.

The PCC met six times during 2017. The issues it covered included the following:

- o our church's vision, including priorities for 2017, their financial consequences and plans for the longer term;
- o the condition and security of our church premises, including the need for repair work (especially to the main church roof, other roofs and stonework) and the possibility of refreshment and further development of our premises and site;
- o further developing ministry within and beyond our church community;
- o managing finances, including both in-year monitoring and budgeting for the coming year;
- o filling gaps in the suite of policies and procedures that need to be in place to ensure good governance and operating practices;
- o the appointment of new paid staff team members and interns;
- o a variety of other pastoral and practical issues affecting the life of the Church

Vicar

Our Vicar, Trevor Patterson, died suddenly and unexpectedly in October 2017, aged only 57. His Thanksgiving Service was attended by around 600 people, and was testimony to the huge impact of his life and ministry, not only through over 19 years at Holy Trinity but also in the local and wider community and overseas. His death was a devastating blow for our church, but there is a clear determination to press on with the ministry and mission that he inspired and led. The formal process for appointing a new Vicar began early in 2018.

Staff Team

A key factor in progressing the ministry and mission of the church is having a significant Staff Team that takes responsibility for particular aspects of this work, under the direction of the Vicar. Many of the Team also regularly preach at and lead Services, and all are actively involved across the life of the church. Some of their roles are full time and others part time, with not all being employees of the PCC:

- o A Curate, Alwyn Webb, a member of Strategy Group and with responsibility for Men's Ministry. He also has significant involvement with pastoral work;

- o A Licensed Lay Minister, Kate Patterson, a member of Strategy Group and with responsibility for Women's Ministry and Life Groups (with Trevor Patterson);
- o An Ordinand, Mark Anderson, who trained at St Mellitus College until June 2017 and had Holy Trinity as his placement
- o A Pastoral Team Leader, Sheen Marx, who also carries out a significant amount of pastoral work and particularly supports the Wednesday Service community;
- o A Worship Pastor, Nico Marais, responsible for leading the team of musicians and singers involved in Sunday Services, and also for developing prayer and worship across the whole of church life;
- o A Youth and Children's Minister, Georges Kesrouani, responsible for leading youth and children's work across the church and with particular responsibility for young people from School Year 7 and upwards;
- o A Children's Worker, Sue Jackson, responsible for work with pre-school children and their parents, and with children up to School Year 6;
- o An Operations Manager, Keith Nurse, a member of Strategy Group and with responsibility for strategic issues and managing the business of PCC, Standing Committee and Strategy Group. He also acts as HR Manager;
- o A Church Administrator, Joao Tavares, responsible for administration and running a very busy Office, including serving members of the public on Hall bookings and a wide range of other matters;
- o A Worship Intern (Txaila Meyer until July 2017 and Hannah Helm from September 2017) and a Youth Intern (Abbie Robertson until July 2017), supporting ministry while receiving external and on the job training. Their appointment stemmed from the PCC's commitment to have interns to help with ministry;
- o A Community Outreach Worker, Ellie Hughes, who leads Riverbank Trust, a charity birthed through Holy Trinity and still closely associated with it, working to support vulnerable single mums and their families.

Public Benefit and activities in 2017

The PCC has given due regard to the Charity Commission's guidance on public benefit:

- o Sunday morning and evening Worship Services, and a more traditional Wednesday morning Service more suited to the needs of our older members;
- o Children's groups on Sunday mornings during the Service;
- o Refresh, a weekly Monday morning group for parents and pre-school children, meeting with a vision for friendship and community;
- o Who Let The Dads Out?, a monthly Saturday morning group for Dads / male carers and children aged up to 8, with bouncy castles, toys and crafts for children, and bacon sandwiches and coffee for grown ups;
- o Glow, a fortnightly Friday evening group for children, attracting many from the local area;
- o Collide, a weekly Wednesday evening youth group focusing on community and discipleship;
- o The Alpha Course, run twice a year in 2017 (on Thursday evenings in the spring and autumn), providing an introduction to the Christian life;
- o Life Groups, for Bible study, prayer, encouragement and mission, meeting weekly or fortnightly in homes in and beyond the parish. They include a Friday morning group for women and a Tuesday afternoon group for generally older people;
- o Special days and evenings designed to equip leaders specifically and church members generally to lead and serve others within and beyond the life of the church. Strategy Group members also took part in a Church Growth Learning Community event (four two-day sessions in 2016 and 2017) designed to help churches grow;
- o Clubs, groups, learning support and pastoral care at Holy Trinity School and Christ's School;
- o A wide variety of informal weekly and monthly gatherings for prayer and worship;
- o A wide variety of social activities designed to help build community among existing church members and encourage newcomers to feel more a part of the church;
- o Working alongside other churches through street outreach, prayer and worship gatherings, and weekly meetings of leaders;
- o On-going financial support to local and overseas mission partners, including
 - Kick London (providing sport and life skills, underpinned by Christian values);
 - Wycliffe Bible Translators (Sarah Casson, formerly based at Shalom University in Bunia, DR Congo but studying in the UK during 2017);
 - Joe & Denny Fleming (Interserve; working as biochemists in Vellore, India until summer 2017);
 - Karis Kids (a Christian charity based in Kampala, Uganda, supporting orphaned children). A group also visited Karis Kids and our link church of St Peter's Wandegeya during the year to offer encouragement and ministry;
 - Riverbank Trust (supporting vulnerable single mothers and their families in the Richmond area);
 - Richmond Street Pastors (late night practical care for people on the streets of the town);
 - Urban Action Fund, helping churches to plant, especially in the inner city;
 - Open Doors, serving persecuted Christians and churches across the world
- o Trevor Patterson continued to serve as Area Dean of Richmond and Barnes Deanery. This significant role saw him providing pastoral support to other clergy, and working with others on organisational and management issues in the Area. This involved a significant time commitment which required other Staff Team members to take on additional responsibilities that he would previously have covered;
- o A group from Holy Trinity attended the annual Holy Trinity Brompton Network Churches' Focus Christian holiday / conference week (for adults and children) in the summer. Our link with the Network enriches our ministry in other ways, for example by providing training in church growth to Strategy Group members, and through advice and practical support on further church planting. Trevor and Kate Patterson also benefitted from and contributed to events specifically for church leaders;

- o A Spring weekend away for men and an Autumn home-based weekend event for women, for encouragement, study, prayer and building community;
- o A February weekend away for young people, several of whom also attended Soul Survivor, a national youth event held in the summer;
- o A Community Outreach Worker and her team, closely linked to Holy Trinity Church, provided practical and spiritual support to vulnerable single mothers and their families through Riverbank Trust, in both the wider community and particularly through local schools;
- o Clergy, other Staff Team members and members of the congregation
 - undertook pastoral care through visits to the sick, bereaved, those to be baptised and those to be married;
 - took an active role in many aspects of Sunday and Wednesday Services;
 - carried out a vast range of tasks and activities behind the scenes that contributed to the smooth running of what is now a significantly-sized charity;
 - served as governors of our church schools, mentored pupils and helped with assemblies and other activities;
 - served locally through the ministry of Kick London;
 - served as Street Pastors in Richmond Town Centre;
 - were encouraged to take an active and serving role in their local community
- o We also run periodic marriage and parenting courses for the benefit of the local community as well as church members.

The Church Council recognises that so much of what takes place in the life of our church would not happen without the visionary, prayerful and selfless leadership provided by our leadership team, who inspire and give direction to what we do week by week. This is a demanding role, and on behalf of the whole congregation the Council would like to extend its heartfelt thanks to them for their work. Our church is an inspiring and supportive place to be as we journey together in our faith, and as we aim to be a church with an open door, reaching out with God's love and power, and helping one another live for Jesus.

We are working towards having a new Vicar in post in the autumn of 2018, following an appointment process laid down by the Church of England. In the meantime PCC and Standing Committee continue to meet, chaired by Mark Lambert in his role as Lay Vice Chair. Our Curate and Operations Manager meet weekly to discuss church matters of immediate concern, and to take any necessary action to ensure the smooth running of the church, keeping our Wardens informed. Our Staff Team members continue to lead significant areas of ministry, working alongside volunteer church leaders and helpers, aiming to maintain our groups and activities as fully as possible. It is customary during an interregnum not to make decisions that significantly affect the direction of a church or its ministry, and we have adopted this approach.

Church Attendance & Community Services

There were 163 parishioners on the Church Electoral Roll as at 31 December 2017, of whom 50 were resident within the parish. The average weekly church attendance, counted during the October 2017 Congregational Count and including those who attended at least one Service during the week, was 190 (135 adults and 55 children and young people)

	2017	2016
Community Services		
Marriages	0	2
Baptisms	5	3
Funeral and Thanksgiving Services at the church	1	6
Funerals at the Cemetery Chapel	4	3
Cremation Services	1	6

Funerals at the church mostly take place nowadays where a member of the congregation dies. Baptisms include adults as well as children.

Financial review

Total income (including restricted giving) was £24,811 higher than in 2016 (a 5.86% increase), with the increase being primarily in planned and one off giving, together with donations for the new Building Project.

Of the PCC's total income 89% (2016: 87%) comes directly from voluntary giving, primarily from church members - mostly as tax-efficient planned or one-off giving (Give As You Earn or Gift Aid donations). Without this level of giving the church could not support the current and planned level of activities.

Unrestricted Funds - Gross Income for the year increased by 1.7% to £391,129 while Expenditure increased by 2.9% to £381,626, resulting in Net Income of £9,503 (2016 £13,673), before the transfer from reserves.

Voluntary Income (encompassing planned and unplanned giving, and the associated tax reclaim) increased by 2.5% in the year (from £331,356 to £339,671) .

Our Parish Support Fund contribution which is a payment to the Diocese of Southwark, (to cover the payroll and pension costs of the Vicar , Curate and the cost of the Vicarage), increased (following a decision by the PCC), year on year by 2.9% to £111,400 (2016 £108,250). The Parish Support Fund is based on principles of proportionality, informed generosity, and an aspiration and encouragement to parishes to become self-financing

Restricted Funds - During 2017 the PCC received a £1,000 one off donation towards the costs of a prospective church plant, a £500 donation towards equipment for Who Let the Dads Out and £11,613 towards the costs of the proposed building project.

Overall - The Statement of Financial Activities reflects overall net income for the year of £20,851. This primarily reflects the surplus on restricted funds.

Outlook - 2018 promises to be another challenging year, with a continuing high level of activity and increasing costs. The PCC is budgeting for a break even in the Unrestricted General Fund in the year.

As noted elsewhere, we are committed to addressing the remedial repairs required to the church roof and general stonework (to this end £10,000 was transferred to the Building Fund at the end of 2017).

Reserves policy

The PCC continues to work to raise awareness of the funding requirements and encourage our congregation to respond accordingly. In the mean time we carry Free Reserves of £61,215 (see table below) from 2017 to help cover any future deficit.

It is PCC policy to budget for our expenditure needs according to the amount of voluntary giving that the church expects to receive during the year. The PCC has examined the requirements for "free reserves", i.e. those unrestricted funds not invested in tangible fixed assets or set aside for known future commitments. The PCC considers that, as all income is used to further the ministry of the church, it is appropriate to keep free reserves, represented by the General Fund, at a minimum.

The PCC is of the opinion that proactive upfront fund raising and the provision for known future commitments provides sufficient flexibility to cover any temporary shortfalls in incoming resources and will allow the church to cope with and respond to unforeseen emergencies whilst specific action plans are implemented if required.

	2017	2016
	£	£
Total reserves	594,238	573,386
Less: restricted funds	(398,001)	(387,006)
Less: designated funds	(144,999)	(140,399)
Free reserves	51,238	45,982

Investments policy

Surplus funds are invested with the CCLA - CBF Church of England Deposit Fund which continues to offer security but very modest market rate of interest.

Grant making policy

On-going Outreach: The PCC's policy is to increase the outreach budget annually in support of local and overseas mission partners, subject to other commitments to invest in the growth of the church. This represents a long term commitment to several organisations.

Gift Day: The PCC decided that all of the Gift Day voluntary income, including the associated tax reclaims, should be given to the work of organisations separate from the PCC. This provides significant one-off support to a number of organisations.

Other: Alongside these commitments, the PCC supports ministry across the Diocese through the Parish Support Fund, and by providing free office and meeting room space to Kick London and Riverbank Trust. Outside the church accounts, church members provide support to Karis Kids' families of well over £15,000 a year. Outreach, Gift Day and these additional initiatives together total support of over £100,000 a year.

Plans For Future periods

The PCC's short to medium term strategy is to make progress in the following areas:

- o Building a Team where everyone serves actively, refreshing our Life Groups, and equipping our members to reach out to others.
- o The repairs to the church roof and other parts of the church and church centre structure and plant which are showing increasing signs of the need for such repairs, together with refreshing and further development to support existing and future needs, referred to as "the Building Project".
- o Continuing to plan for the process of a future church plant.

Clearly the PCC will need to review its strategy in consultation with the new Vicar when appointed

PCC Responsibilities in relation to the Financial Statements

The PCC is responsible for all parish finance, its management and control, including the appointment of a treasurer. While it may delegate some of its duties, this does not remove its legal responsibilities. Charity law requires the PCC as trustees of the Church to prepare an annual report and financial statements for each financial year that give a true and fair view of the Church's financial activities during the year and of its financial position at the end of the year. The PCC is also required to ensure that these are subjected to an annual independent examination or audit (as appropriate) and to present these to the Annual Parochial Church Meeting in accordance with the Church Representation Rules. In preparing these financial statements, the PCC is required to:

- o Select suitable accounting policies and then apply them consistently;
- o Make judgements and estimates that are reasonable and prudent;
- o 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
- o Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The PCC is responsible for keeping proper accounting records which 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 and applicable accounting standards. They are 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.

These accounts were approved by the PCC on 19th March 2018.

The attached accounts on pages 10 to 22 were adopted by the Annual Parochial Church Meeting on 29th April 2018.

.....

Lay Vice Chair of the PCC, for the PCC

Independent Examiner's Report to the Parochial Church Council

I report on the accounts of the PCC for the year ended 31st December 2017 set out on pages 11 to 22.

This report is made solely to the PCC in accordance with section 145 of the Charities Act 2011 (the Act). My independent examination has been undertaken so that I might state to the PCC those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by the law, I do not accept responsibility to anyone other than the PCC for my independent examination, for this report, or the opinions I have formed. The PCC's gross income exceeds £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.

Respective Responsibilities of the PCC and the Examiner

As the trustee of the Parish's property, the PCC is responsible for the preparation of the accounts. The PCC considers that an audit is not required for this year (under section 144(2) of the Charities Act 2011) and that an independent examination is needed.

It is my responsibility to:

- o Examine the accounts (under section 145 of the Act);
- o Follow the procedures laid down in the General Direction given by the Charity Commission (under section 145(5)(b) of the Act); and

- o To state whether particular matters have come to my attention.

Basis of my Report

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the PCC concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

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

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

Mr John Helm ACA
Simply Churches Limited
17 Heathville Road
London N19 3AL

Date 23 April 2018

Statement of Financial Activities
For the Year Ended 31st December 2017

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2017	Unrestricted Funds	Restricted Funds	Total Funds 2016
		£	£	£	£	£	£
Income from:	2						
Donations and Legacies		339,671	56,757	396,428	331,356	38,613	369,969
Charitable activities		14,979	0	14,979	15,845	0	15,845
Other trading activities		34,427	0	34,427	34,499	0	34,499
Investments		438	0	438	748	2	750
Other		1,613	0	1,613	2,011	0	2,011
Total income		391,129	56,757	447,885	384,459	38,615	423,074
Expenditure on:							
Charitable activities	4,5&6	381,626	45,408	427,034	370,786	40,555	411,342
Total Expenditure		381,626	45,408	427,034	370,786	40,555	411,342
Net gains/(losses) on investments		0	0	0	0	0	0
Net Income/(Expenditure)		9,503	11,348	20,851	13,673	(1,940)	11,732
Transfers between funds		353	(353)	0	0	0	0
Other recognised gains and losses		0	0	0	0	0	0
Net movement in funds		9,856	10,995	20,851	13,673	(1,940)	11,732
Total funds brought forward	10&11	186,381	387,006	573,386	172,708	388,946	561,654
Total funds carried forward	10&11	196,237	398,001	594,238	186,381	387,006	573,386

The notes on pages 13 to 22 form part of these financial statements.

Balance Sheet
As at 31st December 2017

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Fixed Assets</u>					
Tangible Fixed Assets	6	0	375,000	375,000	375,000
<u>Current Assets</u>					
Debtors	7	16,432	0	16,432	13,509
Cash at bank on deposit		127,535	20,000	147,535	147,102
Cash at bank and in hand		58,453	3,001	61,454	41,643
		202,420	23,001	225,421	202,254
<u>Creditors: Amounts falling due within one year</u>					
	8	(6,183)	0	(6,183)	(3,867)
Net Current Assets		196,237	23,001	219,238	198,386
Net Assets		196,237	398,001	594,238	573,386
<u>Parish Funds</u>					
Unrestricted	9	196,237	0	196,237	186,381
Restricted	10	0	398,001	398,001	387,006
Total Funds		196,237	398,001	594,238	573,386

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

.....

Mark Lambert, ACA, Churchwarden and
Lay Vice Chair of the PCC

.....

Mark Johnston, ACA, Treasurer

19th March 2018

The notes on pages 13 to 22 form part of these financial statements.

Notes to the financial statements for the year ended 31st December 2017

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis Of Accounting

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting except for the revaluation of freehold land and buildings which are shown at market value.

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

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

Going Concern

There are no material uncertainties about the PCC's ability to continue as a going concern and accordingly the accounts have been drawn up on a going concern basis.

Income recognition

Voluntary income and donations (including legacies) are accounted for once the Charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Income from the recovery of tax on gift aided donations is accounted for in the period to which the relevant donation is received. Grant income is recognised on a receivable basis.

The income from trading activities includes rental income from the letting of church premises and freehold land and buildings which is accounted for when earned. It is shown gross, with the associated costs included in fundraising costs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. Longer term liabilities are discounted to present value.

Expenditure included in Raising Funds includes amounts incurred in obtaining grants and other donations and property maintenance costs.

Charitable expenditure includes those costs in fulfilling the PCC's principal objects, as outlined in the Report of the PCC. These include grants made, governance costs and an apportionment of support costs. Governance costs comprise all costs involving the public accountability of the PCC and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

The PCC is not registered for VAT and accordingly expenditure includes VAT incurred where appropriate.

The PCC contributes to certain employees' personal pension plans. These are defined contribution schemes, the assets of which are held separately from those of the PCC. The cost in the accounts is the amount of contributions paid and payable during the year.

Rentals under operating leases are charged as incurred over the term of the lease.

Tangible Fixed Assets

Consecrated Property and Moveable Church Furnishings

Consecrated land and benefice property such as the church building and vicarage is excluded from the accounts in accordance with s10 of the Charities Act 2011. Moveable church contents are held by the vicar and churchwardens on special trust for the PCC and require a faculty for disposal, and are accounted as inalienable property unless consecrated. All expenditure incurred on consecrated or benefice buildings and moveable church furnishings, whether maintenance or improvement, is expensed within the Statement of Financial Activities.

Leasehold buildings

The leasehold property was originally capitalised at cost. It is the church's policy to revalue the property on a 3 yearly basis. A revaluation took place as at 31 December 2017 and the next revaluation will take place on 31 December 2020. The PCC as trustees do not believe that the charging of annual depreciation on the revalued amount would add to the better understanding of the financial position of the PCC and accordingly no depreciation has been charged.

Other Fixtures, Fittings & Office Equipment

Historically the cost of furniture, fittings and equipment has been expensed.

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the PCC has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Fund accounting

The funds held by the PCC are either:

Unrestricted general funds - these are funds which can be used in accordance with the PCC objects at the discretion of the PCC, or:

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the PCC.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

A brief description of the different types of funds held by the church are detailed in notes 9 & 10. Where appropriate, the PCC will set up a designated fund in anticipation of future commitments and a transfer is made from the General Fund. Where the prospective commitments crystallise transfers are made from the designated fund to the General Fund.

2. Income

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Donations and legacies				
Planned Giving	201,792	0	201,792	196,594
One-off Giving	95,054	13,113	108,167	94,966
Tax on Planned and One-off Giving	41,491	419	41,910	39,899
Collections at services	1,334	0	1,334	1,398
Gift Day (including tax refund)	0	41,146	41,146	35,646
Missionary Collections	0	330	330	389
Grants received	0	0	0	0
Discretionary Fund	0	1,749	1,749	1,078
	339,671	56,757	396,428	369,969
Other trading activities				
Church Centre - Rental Income	34,427	0	34,427	34,499
	34,427	0	34,427	34,499
Charitable activities				
Church Clubs - Subs/contributions	1,497	0	1,497	1,677
Fees (net)	117	0	117	1,193
Other Activities (gross income from Church activities)	13,365	0	13,365	12,975
	14,979	0	14,979	15,845
Investments				
Bank deposit interest	438	0	438	750
Other				
Insurance Claims	550	0	550	0
Sundries	1,063	0	1,063	2,011
	1,613	0	1,613	2,011
Total income	391,129	56,757	447,885	423,074

3. Expenditure on Charitable Activities

	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Missionary and charitable giving					
Outreach	4	18,315	0	18,315	15,900
Gift Day	4	0	37,646	37,646	38,999
Missionary Collections	4	0	330	330	389
Discretionary Fund (grants made)	4	0	6,432	6,432	1,167
		18,315	44,408	62,723	56,455
Ministry costs					
Staff costs	5	89,095	0	89,095	95,666
Parish Support Fund		111,400	0	111,400	108,250
Deanery Synod costs		106	0	106	152
Clergy/Staff :					
Intern expenses		8,295	0	8,295	6,005
Expenses		934	0	934	1,332
Housing		8,748	0	8,748	13,357
Conferences & training		955	0	955	1,259
		219,533	0	219,533	226,021
Church life					
Youth Work (gross)		7,051	0	7,051	2,022
Children's Work		4,704	0	4,704	4,869
HT School - leaver Bibles		120	0	120	283
Expenses		16,708	0	16,708	10,209
Alpha courses (gross)		4,210	0	4,210	3,989
Men's/Women's events (gross)		4,706	1,000	5,706	6,774
Group conferences & Trips (including Focus) (gross)		8,359	0	8,359	9,176
		45,859	1,000	46,859	37,322
Property costs					
Utilities		8,828	0	8,828	9,815
Insurance		4,841	0	4,841	4,723
Cleaning		14,929	0	14,929	3,349
General		7,635	0	7,635	6,267
Repairs		2,437	0	2,437	994
		38,670	0	38,670	25,148
Administration & Support					
Staff costs	5	47,913	0	47,913	52,462
Office Expenses		7,082	0	7,082	8,212
Finance Administration Expenses		2,453	0	2,453	2,319
Website		939	0	939	1,948
Sundries		22	0	22	625
		58,409	0	58,409	65,566
Governance Costs					
Independent Examination		840	0	840	828
		840	0	840	828
Total Cost of Charitable Activities		381,626	45,408	427,034	411,342

4. Missionary & Charitable Giving

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Giving to organisations:				
Wycliffe (Sarah Casson working in Bunia, DR Congo, with SIL International translating The Bible)	4,250	0	4,250	4,250
Karis Kids, support for orphaned children in Kampala, Uganda.	2,950	0	2,950	2,950
Riverbank Trust is a Christian Ministry which seeks to love and support vulnerable and isolated single mums and their families in the community	2,725	0	2,725	2,500
Kick London - a charity that aims to "Transform young people's lives with God's Love through sport", combining sport and life skills, underpinned by Christian values.	1,725	0	1,725	1,500
Street Pastors, Richmond (late night practical care for people on the streets of the town)	1,400	0	1,400	1,400
Interserve - Jo & Denny Fleming, Christian Medical College in Vellore, India	1,000	0	1,000	1,000
Urban Action Trust	1,000	0	1,000	1,000
Open Doors (Mission for persecuted Christians)	1,000	0	1,000	300
Philo Trust - (Just One mission 2017)	500	0	500	0
Support for Mission Trips by Church Members	1,600	0	1,600	0
Support for work at Christian Medical College in Vellore, India	90	0	90	0
Donation to Aitken Christian Services	75	0	75	0
The Vine Teeside (Central London Vineyard Grace Church)	0	0	0	1,000
Gift Day:				
Riverbank Trust	0	9,412	9,412	7,095
Karis Kids, Kampala, Uganda	0	9,412	9,412	7,095
LVA Trust	0	9,412	9,412	0
Tearfund	0	4,706	4,706	0
Leprosy Mission	0	4,706	4,706	0
Shalom University DR Congo	0	0	0	7,118
Kick London	0	0	0	7,095
Eurovangelism (Transform Europe Now)	0	0	0	7,095
St Peters Church, Kampala, Uganda, building project (funded from the 2017	0	0	0	3,500
Other Outreach/Mission giving:				
Discretionary Fund (Grants made)	0	6,432	6,432	1,167
Bishop's Lent Call	0	87	87	200
Children's Society (Christmas Service)	0	83	83	100
South London Church Fund (collection at Confirmation Service)	0	90	90	0
Church Mission Society (CMS)	0	70	70	0
Tearfund	0	0	0	89
	18,315	44,408	62,723	56,455

More information on the regular recipients of our giving can be found in the section on Public Benefit and activities in 2017 on page 6

5. Trustee and Staff Costs

Trustee Remuneration and Expenses

None of the members of the PCC was remunerated or reimbursed for their expenses in their capacity as PCC members.

Staff Costs	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Salaries and wages (including allowances)	128,375	0	128,375	139,805
Social security costs	8,562	0	8,562	8,204
<u>Less</u> Employer's Allowance	(3,000)	0	(3,000)	(3,000)
Employers Pension Costs	3,072	0	3,072	3,159
	<u>137,009</u>	<u>0</u>	<u>137,009</u>	<u>148,168</u>

As at 31 December 2017 the PCC employed 7 staff (31 December 2016: 9). Most members of staff are part time, equating to about 4.66 full time equivalents (2016 5.69).

In April 2015 the PCC introduced a defined contribution pension arrangement for staff it employs. The arrangements meet the requirements of Workplace Pensions, which the government has been introducing in stages since October 2012. The PCC was obliged to have its arrangements in place by 1 August 2016, but decided to introduce them earlier. The PCC matches employee contributions up to a certain level, and the arrangements are slightly more generous than the statutory requirement. The PCC is using The People's Pension as its pension provider.

Key Management Personnel. No member of the Standing Committee received any expenses in this or their role as PCC members, although the Clergy members receive expenses as set out in the Diocese of Southwark's guidance. Salaries and Wages include payments totalling £16,775 (£16,500: 2016) to Keith Nurse, our Operations Manager & PCC Secretary (based on 0.56 Full time equivalent of a senior Staff team member).

No employee received remuneration in excess of £60,000 (2016: none)

6. Tangible Fixed Assets

	Leasehold Buildings £
Cost	
At 1 January 2017	309,950
Additions	<u>0</u>
At 31 December 2017	<u><u>309,950</u></u>
Impairment	
At 1 January 2017	0
Movement	<u>0</u>
At 31 December 2017	<u><u>0</u></u>
Revaluation	
At 1 January 2017	65,050
Movement	<u>0</u>
At 31 December 2017	<u><u>65,050</u></u>
Net book value	
At 1 January 2017	<u><u>375,000</u></u>
At 31 December 2017	<u><u>375,000</u></u>

Ownership of the leasehold property is vested in the PCC and title deeds are held by the Diocesan Board of Finance as custodian trustees. Based on the prevailing market value of similar properties in the same development the PCC estimated the residual value of the leasehold building, which is a 2 bed top floor flat, at 31 December 2017 to be £375,000 (£375,000 - 2014).

Holy Trinity Church Centre, including the building complex attached to the church, is the base for all administrative and community activities carried out by the PCC. The clergy and staff offices are also located in the Church Centre.

7. Debtors	2017	2016
	£	£
Income tax recoverable	6,170	4,917
Other debtors	2,417	3,057
Prepayments and accrued income	<u>7,845</u>	<u>5,534</u>
	<u>16,432</u>	<u>13,509</u>

8. Creditors - amounts due within one year

	2017 £	2016 £
Taxation and social security	1,190	900
Accruals	4,993	3,008
	6,183	3,907

9. Unrestricted Fund

	As at 01-Jan-17 £	Income £	Expenditure £	Transfers £	As at 31-Dec-17 £
General Fund	45,982	391,129	(381,626)	(4,247)	51,238
Designated Funds:					
Building Fund	133,359	0	0	10,000	143,359
Mission Fund	2,040	0	0	(400)	1,640
Intern Support Fund	5,000	0	0	(5,000)	0
	186,381	391,129	(381,626)	353	196,237

Designated building fund: This fund was set up to allow for periodic repair and maintenance work to the fabric of the Church and Church Centre. Following the 2005 Quinquennial Review the PCC decided to put aside a sum each year to help cover the likely cost of replacing the main roof. The 2015 Quinquennial Review confirmed the need to carry out work on our main roof, guttering and stonework within the next five years, and we will schedule this alongside other refurbishment work and further development of our building.

Designated Mission Fund: This fund was set up to support Church members gain experience of mission work overseas.

Intern Support Fund: This fund was established in 2015 to help fund the future employment of intern(s) to assist with youth and other work of the Church. The PCC agreed to transfer £10,000 to this fund in 2015, with the aim of supporting the intern programme which started September 2016, the balance of this fund was applied in 2017.

10. Restricted Funds

	As at 01-Jan-17 £	Income £	Expenditure £	Transfers £	As at 31-Dec-17 £
Youth & Children's Minister's Housing Fund	375,000	0	0	0	375,000
Gooderham Memorial Fund	353	0	0	(353)	0
Discretionary Fund	9,819	2,168	(6,432)	0	5,555
Church Plant Fund	4,000	1,000	0	0	5,000
Mission Collections	0	331	(331)	0	0
Gift Day Fund	(2,666)	41,146	(37,645)	0	835
Who Let the Dads Out Fund	500	500	(1,000)	0	0
Building Fund (Restricted)	0	11,613	0	0	11,613
Total	387,006	56,757	(45,408)	(353)	398,001

Youth & Children's Minister's Housing Fund: Was created In 2007 as the result of a fund raising campaign, the Sparrow Project, with a view to purchasing a residential property for the Youth & Children's Minister. The purchase was funded by a mix of one off donations, donations made over a number of years and some interest free loans. The leasehold flat, purchased on 3 August 2007, is conveniently located near to the Church. By December 2012 all loans were repaid. In accordance with our Accounting Policy, any adjustment to the carrying value of the PCC's leasehold property as a result of the tri-annual impairment review is shown as a recognised gain or loss against this Fund.

Gooderham Memorial Fund: The Joseph and Marguerite Ethel Gooderham Memorial Trust Fund, was a charity (number 312458) with the PCC as the trustee. The Charity's objective was to award an annual prize to the pupil at the Day Schools attached to Holy Trinity Church, for written work. Any residual income to Day School and Sunday School. The PCC now provides gifts to all Holy Trinity School leavers from general funds, and, with the required consent from the Charity Commission's, the Charity has been closed and the balance transferred to the PCC.

Discretionary Fund: The Discretionary Fund is managed confidentially, in cases of hardship within the congregation and the local community, by the Vicar (until his untimely death), one of the Wardens (currently Mark Lambert) and Keith Nurse (Operations Manager). It is currently administered by Keith Nurse, Operations Manager. The figures included in the accounts include the value of loans made by the fund and yet to be repaid.

Church Plant Fund: During 2017, an additional £1,000 was received towards the next Church Plant proposed by the Church.

Gift Day Fund: This represents the balance of funds collected by the Gift Day collection, over and above the amounts given to the various recipients of the collection. The opening deficit had been caused by a payment of £3,500 made to St Peters Church, Kampala, Uganda, building project. This has now been funded by the 2017 Gift Day collection.

Who Let the Dad Outs Fund (WLTD0): this fund is made up of donations received for the provision of equipment for the monthly WLTD0 event held in the Church as this equipment has now been purchased the funds have been used to part fund this.

Building Fund: this fund has been created from contributions received towards the costs of funding a new building project (including over £1,000 raised at a concert held at Holy Trinity in January 2017)

11. Operating Lease Commitments

The total future minimum lease payments under non-cancellable operating leases payable are set out below

	2017 £	2016 £
Not later than one year	720	720
Later than one year and not later than five years	1,440	2,160
	<u>2,160</u>	<u>2,880</u>

12. Related Parties

Salaries and Wages include payments totalling £ 6,595 (£6,394: 2016) to Kate Patterson, our Accredited Lay Minister (based on 0.24 Full time equivalent of a senior Staff team member). Kate is the widow of our late Vicar and Chair of the PCC (until October 2017).

Holy Trinity Richmond continues to support Riverbank Trust through regular donations of £2,725 (2016 £2,500) and a one off Gift Day payment of £9,412 (2016 £7,095). Trevor Patterson, our late Vicar, and Mark Johnston, our Treasurer, were/ are Trustees of Riverbank Trust, and Karen Block, a PCC member, is employed by the Trust.

Holy Trinity Richmond supported Kick London with regular donations of £1,725 (2016 £1,500). Our Curate, Alwyn Webb, who is a member of the PCC is a trustee of Kick London. We also supported the Leprosy Mission with a one off "Gift Day" payment of £4,706 (2016 £nil). Sara Kandiah, a PCC member, is employed by the Mission.

In total the members of the PCC donated £45,719 (2016: £45,304) to the PCC for the work of the Church during the period they were members of the PCC, net of any tax reclaims. The Operations Manager and PCC Secretary, who is also a member of the congregation, made regular donations to the PCC during the year.

The expenses of 22 (2016: 19) members of the PCC (and their relatives) amounting to £14,410 (2016: £13,842) in relation to travel, housing, and training incurred on church business, were met by the PCC during the year. The main items of expenditure were the cost of housing or housing allowance provided to Clergy and Ordinands, plus expenses paid in accordance with the Diocese of Southwark's guidance for clergy.