

**St Stephen's Church, Canterbury**

**Annual report and financial statements  
of the Parochial Church Council**

**for the year ended 31 December 2023**

Registered charity no: 249972 (under CDBF)

**Annual report and financial statements  
for the year ended 31 December 2023**

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**Officers and advisers**

**Rector**

Rev K Maddy (retired 31 October 2023)

**Interim Priest in Charge**

Rev Dr D Vannerley

**Churchwardens**

Mr S Barker  
Miss S Hagger

**Hon Treasurer**

Miss A F Knight

**Bank**

CAF Bank  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

**Independent examiner**

P Barton FCA

## Annual report

### Structure, governance and management

The PCC is the controlling body of the parish with the Rector as Chairman. The Finance and General Purposes committee considers all major matters and makes recommendations to the PCC before a final decision is made. Other committees are delegated the day to day management of specific areas of parish life. Any queries should be addressed to the Priest in Charge.

The PCC members who served during the year, and to the date of this report, were:

Rev K Maddy, Rector (Chairman)	Miss A Knight (Treasurer)	Dr P Knight (ex-officio)
Mr P Brown (Vice-Chairman)	Mrs J Baker	Mr J Taylor
Mr S Barker (Organist and Churchwarden)	Miss E Dixon	Mrs S Waters (ex-officio)
Miss S Hagger (Churchwarden)	Mrs A Doe	Mr D Wood (app 16/4/23)
Mr R Mathews (Secretary)	Mrs B Jackson	

Rev K Maddy, Rector, retired on 31 October 2023.

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

### Objectives and activities

St Stephen's Church is a parish church within the Church of England.

### Financial review of 2023

It is pleasing to see that church activities have returned to normal levels post-pandemic and church hall income almost reached 2019 levels. There have also been more events held by the Friends of St Stephens Church bringing in more funds for the fabric of the church building. However, we are experiencing rising costs and a lack of manpower to take on extra fund-raising activities which hamper our efforts to reduce our annual deficit so we still need to look for other ways of generating income including using our existing assets in new ways.

The deficit for 2023 was £22,788 and a large part of this is due to an increase of over £12,000 in the parish share. Despite Diocesan efforts to reduce the share across the Diocese in 2022, overhead costs have increased sharply and the contribution from the Archbishop's School was cut in 2023. The sharing of the post of Rector with the Archbishop's School chaplaincy will not continue in future, meaning that the parish is also supporting the full costs of ministry at present. Following Kevin Maddy's retirement, David Vannerley has been appointed as interim priest in charge for a period not expected to exceed 26 months. In the meantime, suitable Diocesan posts which could be shared with a future Rector are being sought. The parish share is now 92% of our income which is clearly not sustainable. The 2022 parish share was paid off in October but debt due to the Diocese had grown to £68,392 by the end of 2023. Some action will clearly need to be taken but efforts to deal with the Diocese are not producing results at present.

We are grateful to our regular donors who continue to support the church financially. The final results of the stewardship campaign and the transfer to the Parish Giving scheme which took effect in the early part of the year show that planned giving has increased by nearly 11% which is a good result in the current economic climate. However, there is still work to do as we need to encourage regular review of planned giving, especially in a period of uncertainty following the retirement of Kevin Maddy. We are now having to make our own Gift Aid claims where tax-efficient donations do not go through Parish Giving.

We were fortunate to receive two legacies in 2023, one unrestricted and one restricted. Gas and electricity costs are rising as we come to the end of our fixed term contracts. Ongoing maintenance has been carried out in the church and church hall and our quinquennial inspection has not indicated major repairs are required but small concerns will be addressed over the coming months.

**Annual report continued**

Restricted and designated funds are held in deposit accounts in order to earn regular interest. These funds bear less risk and make it simpler to spend small amounts as and when required. We continue to plan improvements to allow the church building to be used more, including by the wider community, although this depends on the appropriate planning consents and funding being available.

**Church Hall**

The hall is a valuable resource in the local area being available for many community groups and usage has been improving but there is still availability that could be utilised. Other options for using or letting the church hall to bring in more income are being considered and the committee room has been let more regularly during 2023. More maintenance work has been carried out during 2023 and the options for reducing energy usage are being considered.

**Friends**

The Friends of St Stephen's exists to raise funds for the fabric of the building and the Friends are building up reserves to contribute to future quinquennial repairs and plan to assist with repair and maintenance required for the stained glass windows as soon as a repair plan is completed and contractors are appointed.

**Reserves policy**

Restricted income is spent as soon as practical on the purpose for which it is intended by the donor. Restricted funds already in existence for the fabric of the church and churchyard in particular will be maintained until there is a need to use such funds on projects which cannot be funded via third parties. See note 9 for details of the funds.

Designated funds were established some years ago for specific purposes. St Stephen's does not currently have sufficient unrestricted income to designate more funds for specific purposes.

Unrestricted reserves should be maintained at a level of around £18,000 although this is not currently possible. This would cover approximately 3 months of the parish share.

**Risk management**

The PCC is not currently required to carry out a general risk assessment or to put in place systems to mitigate all potential risks. However, the PCC considers individual risks as soon as any potential issues are drawn to their attention and policies are in place to address a number of specific risks. The PCC will consider the need to undertake a full risk assessment. A child protection policy is already in place and the PCC works with the Disclosure and Barring Service to ensure that all individuals working with children have been properly assessed. A risk assessment in relation to the buildings was carried out for the church and the church hall and improvements made as appropriate. A copy of the risk assessment is available for users of the buildings if required.

On behalf of the PCC:

Miss A Knight  
Hon Treasurer

**Independent examiners' report  
to the PCC of St Stephen's Church**

I report to the PCC on my examination on the accounts of the PCC for the year ended 31 December 2023, as set out on pages 6 to 12.

**Responsibilities and basis of report**

As members of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act") and the Church Accounting Regulations 2006.

I report in respect of my examination of the PCC accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act, and also those found in Church guidance, 2017 edition.

**Independent examiner's statement**

I have completed my examination. I can confirm that no 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 PCC 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.

Peter Barton FCA  
15 April 2024

**Statement of financial activities  
for the year ended 31 December 2023**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Voluntary income	1	<b>60,939</b>	-	<b>10,755</b>	<b>71,694</b>	52,644
Activities for generating funds	2	<b>14,903</b>	-	<b>2,565</b>	<b>17,468</b>	15,621
Investment income	3	<b>17</b>	<b>58</b>	<b>1,075</b>	<b>1,150</b>	295
Church activities	4	<b>3,974</b>	-	-	<b>3,974</b>	1,299
Other incoming resources	5	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
<b>Total</b>		<b><u>79,833</u></b>	<b><u>58</u></b>	<b><u>14,395</u></b>	<b><u>94,286</u></b>	<b><u>71,859</u></b>
<b>Expenditure on:</b>						
Raising funds		-	-	-	-	-
Church activities	6	<b><u>102,621</u></b>	<u>-</u>	<b><u>550</u></b>	<b><u>103,171</u></b>	<b><u>91,315</u></b>
<b>Total</b>		<b><u>102,621</u></b>	<u>-</u>	<b><u>550</u></b>	<b><u>103,171</u></b>	<b><u>91,315</u></b>
<b>Net income/(expenditure)</b>		<b>(22,788)</b>	<b>58</b>	<b>13,845</b>	<b>(8,885)</b>	(19,456)
<b>Transfers between funds</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<b>(22,788)</b>	<b>58</b>	<b>13,845</b>	<b>(8,885)</b>	(19,456)
Balance brought forward at 1/1/23		<b><u>(41,032)</u></b>	<b><u>185,822</u></b>	<b><u>96,137</u></b>	<b><u>240,927</u></b>	<b><u>260,383</u></b>
<b>Balance carried forward at 31/12/23</b>		<b><u>(63,820)</u></b>	<b><u>185,880</u></b>	<b><u>109,982</u></b>	<b><u>232,042</u></b>	<b><u>240,927</u></b>

**Balance sheet  
as at 31 December 2023**

	Note	2023 £	£	2022 £	£
<b>Fixed Assets</b>					
Church Hall and fittings			<b>184,000</b>		184,000
<b>Current assets</b>					
Debtors and prepayments		<b>4,855</b>		1,010	
Bank and deposit accounts:					
Restricted		<b>92,503</b>		81,288	
Designated		<b>1,880</b>		1,822	
Unrestricted		<b>5,066</b>		5,900	
Friends of St Stephen's		<b>17,447</b>		14,849	
Petty cash		-		135	
		<b>121,751</b>		<b>105,004</b>	
<b>Creditors: amounts falling due within one year</b>					
Creditors and accruals		<b>73,709</b>		<b>48,077</b>	
			<b>48,042</b>		<b>56,927</b>
<b>Net assets</b>			<b>232,042</b>		<b>240,927</b>
<b>Represented by parish funds:</b>					
Unrestricted reserves	9		<b>(63,820)</b>		(41,032)
Designated reserves – church hall	9		<b>184,000</b>		184,000
Designated reserves	9		<b>1,880</b>		1,822
Restricted reserves	9		<b>109,982</b>		96,137
			<b>232,042</b>		<b>240,927</b>

The accounts were approved by the Parochial Church Council on 11 April 2024 and signed on its behalf by:

**P Brown**  
PCC Vice-Chairman

**Miss A Knight**  
Hon Treasurer

The notes on pages 8 to 12 form part of the accounts



## Principal accounting policies

### Basis of preparation

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' "true and fair" provisions, together with FRS102 (2016) as the applicable accounting standards and the 2019 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP(FRS102)).

The financial statements have been prepared under the historical cost convention. 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 their main affiliation to another body, nor those that are informal gatherings of church members.

### Funds

General or unrestricted 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.

Designated funds have been set aside by the PCC for a specific purpose.

Restricted funds represent (a) income from funds which may be expended only on those restricted objects provided in the terms of the original gift, and (b) 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 PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on an average balance basis.

### Incoming resources

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. All other income is recognised when it is receivable, probable, can be reliably measured and any conditions have been met. Income is accounted for on a gross basis.

### Resources expended

Expenses, including the parish share, are accounted for when there is a legal or constructive obligation to make a payment to a third party, the transfer is probable and the amount can be reliably measured. Charitable donations are accounted for when committed by the PCC. All other expenditure is recognised when it is incurred and accounted for gross.

### Fixed assets

The church hall is valued by the PCC on the basis of the fire insurance reinstatement value. The hall was last revalued in 1998.

The following assets are not recognised nor valued in the balance sheet:

- The church building held on behalf of the PCC.
- Movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal.
- Other fixtures, fittings and office equipment where the PCC is free to dispose of such assets without a faculty.

**Notes to the accounts  
for the year ended 31 December 2023**

**1. Voluntary income**

	Unrestricted	Designated	Restricted	Total 2023	Total 2022
	£	£	£	£	£
Planned giving	37,831	-	-	37,831	34,082
Tax reclaimed	8,036	-	-	8,036	8,602
Cash collections	2,977	-	-	2,977	2,919
Sundry donations	7,095	-	-	7,095	5,646
Legacies	5,000	-	10,000	15,000	1,000
Restricted donations	-	-	400	400	20
Friends membership	-	-	190	190	205
Friends donations	-	-	165	165	170
	<u>60,939</u>	=	<u>10,755</u>	<u>71,694</u>	<u>52,644</u>

In 2022, £52,249 of voluntary income was unrestricted and £395 was restricted.

**2. Activities for generating funds**

	Unrestricted	Designated	Restricted	Total 2023	Total 2022
	£	£	£	£	£
Church hall	10,651	-	-	10,651	9,356
Friends fundraising events	-	-	2,565	2,565	484
Printing	16	-	-	16	73
Coffee fund	3,110	-	-	3,110	3,398
Bike ride	136	-	-	136	180
Use of church	449	-	-	449	1,040
Music	-	-	-	-	-
Acorn project	-	-	-	-	259
200 club	320	-	-	320	490
Sundry income	221	-	-	221	341
	<u>14,903</u>	=	<u>2,565</u>	<u>17,468</u>	<u>15,621</u>

In 2022, £14,848 of income from generating funds was unrestricted and £773 was restricted.

**3. Investment income**

	Unrestricted	Designated	Restricted	Total 2023	Total 2022
	£	£	£	£	£
Bank interest	17	-	-	17	6
Interest on restricted funds	-	-	1,075	1,075	265
Interest on designated funds	-	58	-	58	24
	<u>17</u>	<u>58</u>	<u>1,075</u>	<u>1,150</u>	<u>295</u>

## Notes to the accounts for the year ended 31 December 2023

### 4. Income from church activities

	Unrestricted £	Designated £	Restricted £	Total 2023 £	Total 2022 £
PCC fees	3,651	-	-	3,651	1,137
Parish functions	<u>323</u>	=	=	<u>323</u>	<u>162</u>
	<u>3,974</u>	=	=	<u>3,974</u>	<u>1,299</u>

In 2022, all income from church activities was unrestricted.

### 5. Other incoming resources

	Unrestricted £	Designated £	Restricted £	Total 2023 £	Total 2022 £
Church of England heating grant	-	-	-	-	2,000
Job retention Scheme grant	=	=	=	=	-
	=	=	=	=	<u>2,000</u>

### 6. Expenditure on church activities

	Unrestricted £	Designated £	Restricted £	Total 2023 £	Total 2022 £
Parish share	73,361	-	-	73,361	61,331
Clergy expenses	9	-	-	9	141
Ministry	279	-	-	279	73
Social committee & function costs	-	-	-	-	-
Electricity	903	-	-	903	638
Gas	2,545	-	-	2,545	910
Maintenance	4,401	-	260	4,661	9,028
Insurance	4,920	-	-	4,920	4,812
Flowers	-	-	-	-	90
Water	75	-	-	75	60
Choir and music expenses	1,054	-	-	1,054	1,300
Organist salary and fees	6,103	-	-	6,103	5,172
Church hall running costs	7,022	-	-	7,022	5,433
Charitable donations	313	-	-	313	495
Printing and stationery	-	-	-	-	-
Copier hire	90	-	-	90	142
Administration expenses	326	-	-	326	111
Telephone and internet	1,066	-	-	1,066	1,400
Bank charges	154	-	-	154	179
Friends' expenditure	-	=	290	<u>290</u>	-
	<u>102,621</u>	=	<u>550</u>	<u>103,171</u>	<u>91,315</u>

In 2022, £85,694 of expenditure on church activities was unrestricted and £5,621 was restricted.

## Notes to the accounts for the year ended 31 December 2023

### 7. Staff and related parties

There were 2 staff on the payroll during the year (2022: 2) of these, Stephen Barker, is also a member of the PCC. Salary costs paid to him as organist and choirmaster, including wedding fees, amounted to £6,103 (2022: £5,172). No other members of the PCC receive remuneration.

### 8. Charitable donations

During the year, the parish has made donations to a number of local and national charities and emergency appeals. Some of the money has been raised from special collections, in order to respond to a particular need, or from special services and donations at funerals. The PCC would also like to acknowledge the efforts made by many people to raise money for others. There are further fundraising activities carried out either by the church or by groups using the church premises where money raised is passed directly to the charity so it is not possible to quantify the total funds distributed.

Similarly, many individuals freely give time and resources to support the work of the church which cannot be quantified. The PCC is sincerely grateful for all contributions made in whatever form they take.

### 9. Parish funds

	Balance at 1 Jan 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 Dec 2023 £
<b>Restricted funds</b>					
Churchyard fund	7,587	10,246	80	-	17,753
Fabric fund	72,036	1,176	180	-	73,032
Organ and music fund	<u>1,665</u>	<u>53</u>	<u>-</u>	<u>-</u>	<u>1,718</u>
	81,288	11,475	260	-	92,503
Friends' of St Stephen's church	<u>14,849</u>	<u>2,920</u>	<u>290</u>	<u>-</u>	<u>17,479</u>
	<b><u>96,137</u></b>	<b><u>14,395</u></b>	<b><u>550</u></b>	<b><u>-</u></b>	<b><u>109,982</u></b>
<b>Designated funds</b>					
Church hall (at valuation)	184,000	-	-	-	184,000
Discretionary fund	<u>1,822</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>1,880</u>
	<b><u>185,822</u></b>	<b><u>58</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>185,880</u></b>
<b>Unrestricted funds</b>	<b><u>(41,032)</u></b>	<b><u>79,833</u></b>	<b><u>102,621</u></b>	<b><u>-</u></b>	<b><u>(63,820)</u></b>
<b>Total funds</b>	<b><u>240,927</u></b>	<b><u>94,286</u></b>	<b><u>103,171</u></b>	<b><u>=</u></b>	<b><u>232,042</u></b>

**Notes to the accounts  
for the year ended 31 December 2023**

**10. Analysis of net assets by fund**

Assets and liabilities held by the PCC are analysed as follows:

	Unrestricted £	Designated £	Restricted £	Total 2023 £	Total 2022 £
Church hall and fittings	-	184,000	-	184,000	184,000
Restricted investments	-	-	92,503	92,503	81,288
Designated investments	-	1,880	-	1,880	1,822
Debtors and prepayments	4,823	-	32	4,855	1,010
Cash at bank and in hand	5,066	-	17,447	22,513	20,884
	<u>9,889</u>	<u>185,880</u>	<u>109,982</u>	<u>305,751</u>	289,004
Creditors and accruals	<u>(73,709)</u>	-	-	<u>(73,709)</u>	(48,007)
Total net assets	<u>(63,820)</u>	<u>185,880</u>	<u>109,982</u>	<u>232,042</u>	<u>240,927</u>

**Detailed accounts****1. Church Hall**

	<b>2023</b>		2022	
	£	£	£	£
<b>Income</b>				
Income from hall lettings		<b>9,893</b>		9,356
Income from committee room lettings		<u>758</u>		<u>-</u>
		<b>10,651</b>		9,356
 <b>Expenditure</b>				
Caretaker's wages	<b>2,675</b>		2,522	
Cleaning	<b>547</b>		531	
Gas and electricity	<b>1,590</b>		897	
Water	<b>368</b>		341	
Repairs	<b>1,683</b>		990	
Sundry	<b><u>159</u></b>		<u>152</u>	
		<b><u>7,022</u></b>		<u>5,433</u>
 Net surplus for the year		<b><u>3,629</u></b>		<u>3,923</u>

**Detailed accounts****2. Friends of St Stephen's Church**

	<b>2023</b>		2022	
	£	£	£	£
<b>Income</b>				
Membership	<b>190</b>		205	
Donations	<b>165</b>		170	
Sales	-		143	
Fundraising	-		146	
Income from events	<u><b>2,565</b></u>		<u>484</u>	
Total income		<b>2,920</b>		1,148
<b>Expenditure</b>				
Events expenses	<b>290</b>		-	
Goods for resale	-		-	
Administrative expenses	<u>-</u>		<u>-</u>	
		<u>-</u>		<u>-</u>
Net surplus for the year		<b>2,630</b>		1,148
Restoration expenditure		-		-
Reserves brought forward		<u><b>14,849</b></u>		<u>13,701</u>
Reserves carried forward		<u><b>17,479</b></u>		<u>14,849</u>