

**MERTON  
PRIORY**  
CHRISTCHURCH  
HOLY TRINITY  
+ ST. JOHN'S +  
**TEAM  
MINISTRY**

**The Parochial Church Council of the  
Ecclesiastical Parish of Merton Priory**

Registered Charity Number: 1134253

**Diocese of Southwark  
Merton Deanery**

**Annual Report and Financial Statements**

**31 December 2018**

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

Annual Report and Financial Statements for the year ended 31 December 2018

---

| <b>CONTENTS</b>  |   | <b>Page</b> |
|--|---|-------------|
| <b>Annual Report of the Parochial Church Council (PCC)</b> |   |             |
| 1  | Aim and purposes                                | 3           |
| 2  | Objectives and activities                       | 3           |
| 3  | Achievements and performance                    | 4           |
| 4  | Future plans                                    | 11          |
| 5  | Financial review                                | 12          |
| 6  | Reserves policy                                 | 13          |
| 7  | Investment policy                               | 13          |
| 8  | Volunteers                                      | 13          |
| 9  | Structure, governance and management            | 14          |
| 10   | Key management personnel                        | 14          |
| 11   | Administrative information                      | 15          |
| 12   | Statement of responsibilities of the PCC        | 17          |
| 13   | Independent examiner                            | 17          |
|  | <b>Independent Examiner's Report to the PCC</b> | <b>18</b>   |
|  | <b>Statement of Financial Activities</b>        | <b>19</b>   |
|  | <b>Balance Sheet</b>                            | <b>20</b>   |
|  | <b>Notes to the Financial Statements</b>        | <b>21</b>   |

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

The Parochial Church Council of the Ecclesiastical Parish of Merton Priory (“PCC”) submits its report and the financial statements of the PCC for the year ended 31 December 2018. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015 (FRS102)) and the Financial Reporting Standard 102.

### 1 Aim and purposes

Merton Priory Parochial Church Council (PCC) has the responsibility of co-operating with the Team Rector, the Revd Chris Palmer (to July 2018), and the Team Vicar, the Revd Alison Judge, in promoting in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

The PCC is also specifically responsible for the maintenance of the fabric of the three churches of Christ Church, Colliers Wood; Holy Trinity and St Peter, South Wimbledon; St John the Divine, Merton, along with the two separate church halls of Christ Church and St John the Divine.

### 2 Objectives and activities

The PCC is committed to promoting the Gospel of Jesus Christ according to the doctrines and practices of the Church of England; the PCC seeks by encouraging co-operation between clergy, lay members of our congregation, and the wider community to undertake the whole mission of the church, pastoral, evangelistic, social, and ecumenical. We are guided by our vision statement, agreed in 2011 and reaffirmed in 2018 as part of our Mission Action Planning:

*“In Merton Priory Team Ministry, we aim to be a community:*

***Faithful to God***

***Sharing with those in need***

***Caring for one another***

*We know we don’t always get it right but we seek God’s grace to fulfil his mission.”*

When planning the activities for the year, the Team Rector, Team Vicar and PCC have in mind the Charity Commission’s guidance on public benefit, and especially the guidance to charities for the advancement of religion. In particular we make it possible for people to live out their faith as part of our parish community through:

- Regular worship and prayer open to all: developing knowledge of and trust in God and learning about the Gospel;
- Provision of sacred spaces for personal prayer and contemplation;
- Provision of pastoral care and sacramental ministry for people living within the parish;
- Teaching the Christian faith through sermons, courses, and small groups;
- Preparing people for baptism, first communion and confirmation;
- Leading Collective Worship, assemblies, and classes in church and community schools;
- Provision of activities with a Christian ethos for young people;
- Provision of social and community events and groups which strengthen outreach and fellowship;
- Fostering relationships with other organisations and churches in our parish and Borough and cooperating with them in promoting social cohesion and meeting human need;
- Ministering to those who seek marriages and funerals, before, during, and after these events;
- Supporting other charities in the UK and overseas and building active links with these.

To facilitate this work, we maintain the fabric of the three churches and two separate church halls.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

### 3 Achievements and performance

In 2018 we concluded our three-year Mission Action Plan (MAP) for 2015-17 that had been agreed in December 2014. Work on formulating a new plan was slightly delayed for various reasons; however, on 24 February 2018 we held an Away Day in the Chaplaincy Centre at Roehampton University for all DCC and PCC members of all three churches. On the basis of the work done that day the PCC agreed a new MAP for 2018-20. Below is an outline of the work we plan to undertake in the next three years.

| Mission Action Plan             |   |  |   |
|---------------------------------|---|--|---|
| <b>Whole parish Objectives</b>  | Help people grow in their Christian Journey: an ongoing programme of Christian nurture  | Promote positive change by being fully involved with Merton Citizens.                                  | Become 'one body in Christ': deepening commitment through good communication. |
| <b>Christ Church Objectives</b> | <b>Christ Church is Open:</b><br>To open up Christ Church as a centre of welcome and hospitality for our community.<br>To provide a safe place for prayer, reflection and Christian practice.           |  |   |
| <b>Holy Trinity Objectives</b>  | Move from welcoming to inviting:<br>Encourage people to be more confident in sharing faith.   | Move from welcoming to inviting:<br>Become a more inclusive community and deepen care for one another. |   |
| <b>St John's Objectives</b>     | <b>Outreach and Welcome:</b><br>To become visible and known in our community; to build and strengthen the congregation and support the community, with people using our church as a community resource. |  |   |

In drawing up our new MAP we have been mindful of our Vision Statement quoted above, of the Five Marks of Mission as agreed by the Church of England (see below), and of the need to build on and strengthen existing projects. We have also committed to doing a few things well rather than taking on too much and failing.

#### The Five Marks of Mission

- To proclaim the Good News of the Kingdom
- To teach, baptise and nurture new believers
- To respond to human need by loving service
- To seek to transform unjust structures of society, to challenge violence of every kind and to pursue peace and reconciliation
- To strive to safeguard the integrity of creation and sustain and renew the life of the earth

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 3 Achievements and performance (continued)

#### *Faithful to God*

##### **MAP objectives:**

- *To help people grow in their Christian Journey; an ongoing programme of Christian nurture*
- *Moving from welcoming to inviting: encouraging people to be more confident in sharing faith*
- *To open up Christ Church as a safe place for prayer, reflection and Christian practice*
- *Outreach and welcome: to become visible and known in our community*

As Christians our first commitment is to God – and all our other vocations find their place within this commitment. Our principal expression of our faithfulness to God is in worship and prayer, the goal and end of all human existence.

The PCC has a wide range of acts of worship each week, including at least one *Eucharist* at each of the three churches on Sunday; regular *Team Sunday evening worship* based at Holy Trinity providing a quiet and more contemplative environment; the *Early Service* at Holy Trinity for children under six and their carers; weekday Morning and Evening Prayer and Eucharists; a weekly Monday evening *Finding Sanctuary* service at St John the Divine; and weekly *meditation group* at Christ Church linked with the World Community for Christian Meditation.

Sunday worship in all three churches includes provision for children, sometimes through *Junior Church* groups, and sometimes at *All-Age worship* in which children actively participate. The *Early Service* at Holy Trinity, for under 6s and their carers, has continued to grow in numbers, often with over 100 adults and children, and the leadership team of eight people has given several people a chance to cut their teeth in preparing and leading worship. Holy Trinity has established a regular pattern of offering *healing ministry* during All-Age Eucharists twice a year, and a large number of people come for prayer or anointing on these occasions.

During 2018 our congregations worshipped together on Sunday morning on three occasions, including a Eucharist during which the Annual Parochial Church Meeting took place, a farewell service in July for our Team Rector, the Revd Chris Palmer, and a service to admit children to communion in November. In April the Revd Canon Duncan Swan was licensed as Associate Priest by the Archdeacon of Lambeth at a joyful Team evening service. In addition, we had joint services for other Holy Days, including during Holy Week; our theme was *Finding Grace* and included finding healing, finding engagement and finding community.

We again engaged in the Church of England's Week of Prayer, *Thy Kingdom Come*, leading up to Pentecost, prayer tents were erected at Holy Trinity and Christ Church with resources for the public to use, daily services, and opening the churches at advertised times for people to come and pray.

*First Communion* ran at St John the Divine in September and October with 17 young people following the course and being admitted to Holy Communion in November.

##### ***Help people grow in the Christian Journey: an ongoing programme of Christian nurture***

Our adult Confirmation preparation has changed in line with our new MAP, candidates are invited to undertake four of The Pilgrim Course modules: Turning to Christ, The Lord's Prayer, either The Commandments or The Beatitudes and finally The Eucharist. This takes place over four terms prior to Confirmation, one candidate embarked on this programme in September 2018.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 3 Achievements and performance (continued)

#### *Faithful to God (continued)*

Our worship is sustained by the contributions of servers, sacristans, musicians, readers, intercessors, welcomers, children's group leaders, and those who decorate the churches and provide refreshments. We actively seek to include a large number of people in these roles and encourage them to see these as a practical offering of praise to God.

We welcomed many people to worship in our churches for special days and festivals, as well as for baptisms, marriages and funerals. Over 1,000 people attended special Christmas services (carol services, crib services, and Christmas Eucharists). In addition to our own services, we played host to school services for Harvest, Christmas, Easter, and 'Leavers'. The average Sunday attendance during 2018 was 197 adults and 73 children; these figures include baptism services and have been reduced by an estimated amount to remove repeat attendances. We welcomed 49 people into the fellowship of the church through baptism, 17 were admitted to Communion before Confirmation during the year.

#### *Sharing with those in need*

##### **MAP objectives:**

- *Promote positive change by being fully involved with Merton Citizens*
- *Christ Church is open as a centre of welcome and hospitality for our community*
- *Outreach and welcome for people to use our churches as a community resource*

Our churches exist for all those who live in our parish and any others who can find solace or belonging in them. 'Those in need' is not restricted to those in pastoral or material extremity but to every human being's need for fellowship and love. It is in knowing our need that we discover God's grace.

We have various groups for young children and carers. Our Toddler groups, *Colliwobbles* at Christ Church and *T3 (Trinity, Tots & Toys)* at Holy Trinity, reach not only parents but also those who work as nannies and au pairs in our neighbourhood. *Colliwobbles* re-launched in January 2018 under the care of Daniela until Easter and in September moved from the hall into the church where it continues to prove very popular. *Coffee, Cake, and Chat*, a social occasion held at Holy Trinity on a Friday once a month, attracted people from our three churches and those with no previous connection with the parish. We again played an active part in the *Merton Nightshelter Project*; both Christ Church and Holy Trinity are venues for this, and 80 volunteers gave generous time to the project through our churches, a larger number than in previous years.

Christ Church has continued its link with *Christian Care Merton*, a local charity based in Mitcham, that provides practical support to families in need; *South London Refugee Association (SLRA)*, one of Holy Trinity's partner projects, continued to hold a drop-in centre on Wednesdays at Holy Trinity until September 2018. Even though they no longer use our building, we hope in the coming years to deepen our relationship with SLRA as a recipient of tithe money.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 3 Achievements and performance (continued)

#### *Sharing with those in need (continued)*

*Merton Citizens* is part of our new MAP. This is a community organising alliance of different organisations that work together to champion positive change and social justice in our neighbourhood. Over 100 members of our parish have been involved, either contributing financially, attending meetings or joining working groups. Two people undertook the South London Citizens two-day training in community organising in 2018/19. As a parish we continue to pay our subscription of £1,330 to Merton Citizens. The Founding Assembly held at St Mark's Academy, Mitcham, was very well attended. The two main projects of "Foster better mental health provision" and "Affordable housing" are progressing, and work on "Welcoming refugees" and a "Cleaner environment" remain on the agenda. In October we raised awareness of mental health issues with a display for Mental Health Awareness month.

We contribute to ministry in the *schools* of our parish. The PCC appoints six foundation governors at Holy Trinity School and two at The Priory School, and members of our congregations also serve as governors appointed by Southwark Diocesan Board of Education. The Team Rector is ex officio governor of these schools. The clergy led regular worship in these schools and welcomed them for visits to church for worship and education. These included 'Schools Sunday' in September, when staff, governors and pupils of both church schools attended the Parish Eucharist at Holy Trinity, and Holy Trinity School Eucharists which take place in church or school once a term. We are also in close contact with community schools in our parish. The Revd Chris Palmer visited and conducted assemblies each half term in Pelham School until he left the parish. The Revd Alison Judge has established good relationships with Merton Abbey School and visits regularly, taking assemblies two to three times a term. It was good to see members of Singlegate Primary School again join with many others for the Community Carol Service in December.

We communicate with those who live in our parish through regular door-to-door leaflets before Christmas and Easter, through our websites and through flyers distributed in schools and other community places. Christ Church launched a new website. Both Facebook and Twitter pages have been effective in communicating our message and comply with the Social Media Policy, but we also recognise that word of mouth is the most potent way in which people learn about our parish and we are delighted to see congregation members invite friends to worship or social events.

2018 was the third year of contributing to the diocese through the *Parish Support Fund*. We met the commitment we made for the year, and in planning our payment for 2019 we have made a small increase in contribution from the team. During the year we have also given to a number of charities, both through planned donations and special collections (see note 3.2 on page 26).

We know that mutual care and support is the hall-mark of a truly Christian community. In this way we embody God's love in our life together.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 3 Achievements and performance (continued)

#### *Sharing with those in need (continued)*

Various groups exist to promote fellowship and learning. We have continued to hold *Messy Church*, on the morning of each second Saturday of the month at St John the Divine; we have a group of regular participants enjoying craft, celebration, and food around a biblical theme. A *home group* meets regularly and *Friday Group* re-started at Holy Trinity during Lent 2018 and has continued to meet throughout the year. Both of these groups are led by lay members. A *prayer group* at Christ Church meets each Wednesday afternoon. *God in the Pub* is a monthly discussion of issues of faith and life on a Sunday evening. During *Lent* members of our congregations spoke about their faith in a personal way in the popular Lent Talks. Four Lent groups met more regularly for study offering a range of times, venues, and materials, and in all 40 people participated in these; they culminated in a joyful service to celebrate Lent groups and talks on Palm Sunday evening. It was not possible to hold an *Easter Story Holiday Club* this year as Holy Week was not during the school holidays but we plan to have one in 2019. There is also fellowship around bell ringing (several new ringers have joined the team), in February we had a celebratory weekend at St John's for the inauguration of four new bells, bringing the peal up to ten; an Open Church Weekend with beer festival, a special Messy Celebration, organ recital by Irene Clugston (organist at Christ Church and St John the Divine) and a piano recital by Jeremy Roberts concluded with a special Evening Team service with the Archdeacon preaching.

There have been many other occasions for fellowship: shared meals, concerts, and more. These have sometimes been occasions for raising money for charity or the parish and have often been chances for those unfamiliar with worship to participate in an accessible way. A *Beer Festival* at St John's brought Morris dancers, musicians, and many visitors, and raised money for fabric projects. A *Mexican Fiesta* evening provided laughs, food and fellowship to brighten the last days of winter before Lent started. There was a summer *garden party* at Holy Trinity, to celebrate our patronal festival, and *Harvest meals* at both Holy Trinity and Christ Church. Holy Trinity *Christmas Fair* drew a large number of people into church, and a candlelit *Christmas Market* at Christ Church, was again successful in raising money and attracting the community of Colliers Wood. The parish pantomime returned after a year's break in January 2018 with MP3 putting on four performances of Jack and the Beanstalk and raising money for the charity Refuge at the same time.

Members of the ministry team visit and lead regular Communion Services in Care Homes in the Parish and take communion at home to those unable to get to worship. During the year Holy Trinity established a team of seven people – mostly lay people – to exercise this ministry, working in pairs. We visit the sick at home and in hospital and offer pastoral care to those who have been bereaved. During the year the clergy conducted 15 funerals, of which five were held in our churches; amongst those who died – during the year or in early 2019 – were sometime worshippers in our parish, Pauline Robinson, Marian Heal, Keith Allen, Ann Foster; we shall miss them all. At All Souls tide we invited those who are bereaved to two memorial services, at which we gave thanks and prayed for those who have died.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 3 Achievements and performance (continued)

#### *Sharing with those in need (continued)*

Aware that care for one another extends to having proper procedures in place for protecting people, the PCC continues to promote cooperation between Parish Safeguarding Officers in implementing our safeguarding action plan, has considered *Safeguarding* at PCC meetings, and has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 to have due regard to House of Bishops' guidance on safeguarding children and vulnerable adults. Our *Health and Safety* Officers have worked together to share good practice, drawn up action plans for each church to ensure that we are fully compliant with our Health and Safety policy, and reported findings to the PCC.

The combined electoral roll for the parish was 400 (Christ Church 71, Holy Trinity 283, St John the Divine 46) at the time of the APCM in April 2018; this number does not include children or the many people with a more fringe relationship with our churches. We also maintain congregational lists of all our contacts, which comply with data protection legislation; we are mindful of the requirements of GDPR (General Data Protection Regulations), which came into force in May 2018.

#### **Personnel**

We benefit from the ministry of licensed ministers, lay and ordained. Until he moved on from the parish, the Revd Chris Palmer was chaplain of 18F Wimbledon squadron of the RAF Air Cadets Association, a Vocations Adviser for the diocese, and Bishop of Southwark's Adviser for Spiritual Formation; all in addition to his parish ministry. Chris was with us until July when he moved to Exeter to become Canon Chancellor of Exeter Cathedral. The Revd Alison Judge, Team Vicar, continues to be responsible for Christ Church and St John the Divine and has taken on more team wide responsibilities in the vacancy. The Revd Belemo Alagoa, Assistant Priest, continues to work three days a week across the team and Nick Mayhew-Smith, Reader, and Joy Lyons, SPA, continue to support the work of the ordained clergy in their roles which we value greatly. We were delighted to welcome Revd Canon Duncan Swan as Associate Priest in April. Duncan works for Southwark Diocese as Deaneries Development Advisor. Gilly McCarthy, our Parish Administrator, left in April and we were extremely sorry to see her go after seven years' brilliant service. In July we welcomed Tonia Christensen as our new Administrator working in the Parish Office; she covers the room bookings and multiple administrative tasks for Holy Trinity and provides administrative support for Christ Church and St John the Divine; it is great to have Tonia on board.

The DCCs set rates of pay for employees in accordance with the skills and responsibilities of their roles and with the aim of recruiting and retaining high quality staff; we continue to abide by the commitment made in 2014 to pay no one less than the London Living Wage, as set by the Living Wage Foundation, which was £10.20 / hour at the beginning of 2018, rising to £10.55 / hour from the beginning of 2019. The PCC has indicated a wish to become accredited as a Living Wage Employer.

We are very aware that officers and those in licensed or paid roles are only a small part of the ministry of all God's people and give thanks to God for the many volunteers who contribute to our worship and ministry.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 3 Achievements and performance (continued)

#### *Caring for one another*

##### **MAP objective:**

- *Becoming 'one body in Christ' through deepening commitment and good communication*
- *Becoming a more inclusive community*

As a Team with three churches each hosting and committed to many activities, and offering many opportunities to our congregations and communities, we realise the challenge of good and clear communications to enable us to make the best use of our resources and to maximise our outreach. Through updating our websites and social media contacts, through work on our internal communications we hope to become more fully 'one body in Christ'.

#### **Use of Church Buildings**

The PCC has responsibility for the three sites where the churches are situated.

**Christ Church:** This consists of a church building and a hall building on the same site but not physically connected. The church building is much used by the local community for concerts and community events. The DCC's desire to have a small Nursery School using the church hall Monday – Fridays remains a work in progress. But moves have already been made to move certain activities into the church space. We had a quinquennial inspection in December 2018.

**Holy Trinity & St Peter:** Within one building, Holy Trinity church has a main worship area, clergy vestry, St Peter's Chapel, committee room, kitchen, church hall, St Cecilia Room; and an area of the church is set aside for quiet prayer. The church is widely used by outside agencies and the DCC has a licence under faculty to allow London Together Korean Church to use the worship area on Sunday afternoons. A quinquennial inspection in December 2016 revealed a number of works that need undertaking. In addition, the DCC has identified four projects – refurbishing the kitchen; creating a downstairs chapel; redecorating the church interior; repairing the stained-glass window in the East end – that it wishes to accomplish in the coming years. During 2018 the church has been increasingly used by hirers for concerts and meetings, and even though the South London Refugee Association stopped using Holy Trinity as a venue for its drop-in centre in September, Merton Mencap have expanded to run a café from the church for a second day a week. The Polka Theatre, leaseholders of Holy Trinity's former hall, plans a major redevelopment of their premises; most of the additional work is on their freehold property but we remain actively engaged in liaising with them about this. During 2018 a faculty was granted that enables the Polka Theatre to be leased further land from the church to use as a garden space.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

Annual Report of the PCC for the year ended 31 December 2018

---

## 3 Achievements and performance (continued)

### *Use of Church Buildings (continued)*

**St John the Divine:** This comprises a church building, lovingly restored some years ago, and a hall building. These are located on separate sites, the hall being on the other side of the road from the church. The proposed redevelopment of High Path estate, which may incorporate the site of the Church Hall, continues to be much discussed, the proposals to develop a new Church Hall are currently at a standstill: there are no final proposals. This year saw the completion of the Bells Project with a final four bells installed in February. New noticeboards were erected at each end of the church drive. Our quinquennial inspection was completed with no major renovations required. Unfortunately, shortly after the inspection dry rot was discovered in the passage to the vestry. The work to eradicate this has been carried out.

Our churches have not been open to the community as much as we would wish because of concerns about theft and vandalism. But, with Christ Church now open for Evening Prayer each weekday and Holy Trinity staffed during weekday mornings, there are times when people can come to talk and pray. The PCC is keen that the facilities are used by the community as much as possible and therefore allows for the hiring of the buildings by community groups at a reduced or no cost basis. This is also supplemented by hiring to private groups on more commercial terms.

## 4 Future Plans

2018 saw the departure of the Revd Chris Palmer as Team Rector so that the second half of the year was very much involved in plans for the recruitment of a new Rector. A new Parish Profile was written and the post advertised. It was disappointing that despite a number of applicants we are still in a vacancy and are hoping that having re-advertised the post we shall be able to appoint in due course.

With our new MAP in place there is much work to be done bedding in the new projects. In addition, Holy Trinity chose three new partner projects (Joshua Orphan and Community Care, South London Refugee Association and Merton Faith in Action) for the coming three years and are working to establish strong relationships with them. Christ Church plans to finalise a lease agreement with a Nursery School. St John the Divine is working to generate more community use of its hall and church building.

We are aware that this represents only a small part of the work of our churches, much of which is ongoing and based on a regular round of prayer, fellowship and outreach. We have not tried here to describe these regular activities that continue from year to year – but acknowledge that they occupy much of our energy and bear fruit in deepening relationships with God and one another.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 5 Financial Review

Total income for the year increased by £45,807 (16%) to £341,331 (2017: £295,524) as set out in the accompanying financial statements on pages 21-38. Of this total, £19,035 was restricted income.

Total unrestricted donations and legacies were £247,904 which was a 30% increase from the previous year's figure of £189,794. This was almost entirely due to generous legacies of £41,000 received during 2018. Unrestricted planned giving from parishioners raised £122,268 in 2018 compared with £122,904 in 2017, showing very little variation year on year.

In addition to planned giving by the three congregations, income is raised from fundraising events, generous gifts for specific appeals, and income from the hire and use of all the churches' facilities. Gift Aid from tax efficient giving totalled £38,618 (2017: £37,702).

Total expenditure for the year increased by 4% to £336,744 (2017: £325,197), largely due to significant expenditure of restricted funds. Unrestricted expenditure also rose by 4% to £299,619 (2017: £289,119).

A major area of expenditure is the PCC's contribution of £161,195 (2017: £155,397) to the Diocesan Parish Support Fund, which pays for our parish clergy and other diocesan resources, as well as a contribution to poorer parishes. We are pleased to be able to continue to support other parishes even though we were without a Team Rector ourselves for half of the year. The Team as a whole happily contributed £22,728 (2017: £20,568) to mission giving and donations, and Holy Trinity transferred its annual charitable tithe for 2018 (£18,500) to a designated fund which will be distributed in 2019.

In summary, the surplus for the parish on Unrestricted Funds was £22,677, with an overall surplus of £4,587, both before unrealised losses on investments which totalled £2,078.

A staff pension scheme with the Church Workers Pension Fund was introduced on 1 January 2015, which was well before the PCC's workplace pensions staging date of 1 June 2016. It is available to all employees regardless of salary level and the PCC contributes 4% of gross salary provided the employee also contributes a minimum of 4%. The PCC has agreed to increase contributions to 5% for both employees and employer from 1 April 2019.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 6 Reserves Policy

The PCC has examined the requirements for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets. During 2013 the PCC decided that, given the nature of Merton Priory Team Ministry's work, free reserves should be increased to be equivalent to approximately six months' routine general fund expenditure (previously three months), plus committed future expenditure on other projects, where funds permit. This is held to smooth out fluctuations in cash flow and to meet emergencies. At 31 December 2018, the PCC had net free reserves of £232,926 (2017: £212,298) as outlined below, which meets the total free reserves requirement of £174,304 (2017: £184,659). The PCC is aware that net free reserves are currently in excess of the total free reserves requirement. Further details on capital commitments are shown in Note 10 on page 38.

|  | 2018           | 2017     |
|--|----------------|----------|
|  | £              | £        |
| <b>Total reserves</b>  | 305,925        | 303,416  |
| Less: restricted funds   | (25,466)       | (43,556) |
| Less: endowment funds  | (27,765)       | (27,936) |
| Less: unrestricted tangible fixed assets<br>used in the continuing work of the PCC | (19,768)       | (19,626) |
|  | <hr/>          | <hr/>    |
| <b>Net free reserves</b>   | <b>232,926</b> | 212,298  |
|  | <hr/>          | <hr/>    |
| <b>Free reserves requirement:</b>  |                |          |
| Six months' routine expenditure  | 149,810        | 144,559  |
| Anticipated cost of capital works  | 24,494         | 40,100   |
|  | <hr/>          | <hr/>    |
| <b>Total free reserves requirement</b>   | <b>174,304</b> | 184,659  |
|  | <hr/>          | <hr/>    |

### 7 Investment Policy

Funds not immediately required for working capital are partly placed on short term deposit and partly invested in longer-term investment funds. The PCC currently uses the CCLA Church of England Deposit Fund, Charities Aid Foundation investment funds and M&G Charity Funds. The PCC expects to do some work in the near future on drawing up a formal investment policy.

### 8 Volunteers

During the months of vacancy much has fallen on the shoulders of lay members of the congregation at Holy Trinity, in particular. Kerry Porritt and Richard Blades as Churchwardens at Holy Trinity have been exemplary in their care and administration of the church at this time.

We would like to thank all the volunteers who work so tirelessly on our behalf to make our churches the lively and vibrant communities they are. As well as those in licensed lay roles, we particularly want to mention all those who work behind the scenes and in the more invisible areas of our church life.

# **THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY**

## **Annual Report of the PCC for the year ended 31 December 2018**

---

### **9 Structure, governance and management**

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and is a Registered Charity.

The method of appointment of PCC members is set out in the Church Representation Rules. The PCC consists of 18 elected members, six from Christ Church, six from Holy Trinity and six from St John the Divine, plus the team clergy. During the past year the PCC has met six times. These meetings take place in each of the three churches; an opportunity for us to meet in each church.

A range of issues are discussed during PCC meetings, including considering ministry needs, parish communications and planning for key events in the parish, as well as hearing reports from the individual churches and having oversight of the Mission Action Plans for all three churches. The PCC is responsible for appointing foundation governors to the governing body of Holy Trinity and Priory schools and also has authority for finance across the parish.

The PCC Standing Committee, which consists of the Team Rector, Team Vicar, six churchwardens, secretary and treasurer, has met twice. This group has set the agenda for the PCC meetings and ensured its smooth running. In addition, the PCC Business Committee – team clergy, treasurer and secretary – has met to make certain that all aspects of church business are covered.

The PCC complies with diocesan requirements with regard to safeguarding policies and risk assessment. It also complies with statutory requirements with regard to employment, access and health and safety.

### **10 Key management personnel**

Key management personnel are those in charge of directing, controlling, running and operating the charity on a day to day basis. For Merton Priory Team Ministry, these are all the members of the PCC and the three DCCs (District Church Councils).

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 11 Administrative information

#### Parish details

Full name of the Charity: The Parochial Church Council of the Ecclesiastical Parish of Merton Priory

Registered Charity Number: 1134253

Diocese & Deanery: Southwark Diocese, Merton Deanery

Address: Holy Trinity Church, 234 The Broadway, London SW19 1SB

Telephone: 020 8542 1388

Website: [www.mertonprioryteam.org.uk](http://www.mertonprioryteam.org.uk)

Parish Clergy: Revd Chris Palmer, Team Rector *(to 8 July 2018)*  
Revd Alison Judge, Team Vicar  
Revd Belemo Alagoa, Assistant Priest  
Revd Canon Duncan Swan, Associate Priest *(from 22 April 2018)*

Lay Ministers: Nick Mayhew-Smith, Reader  
Joy Lyons, Southwark Pastoral Auxiliary  
Ann Fahy, Southwark Pastoral Auxiliary *(to 22 March 2018)*  
Siggy Osman, Reader (PTO) *(to 8 March 2018)*

Churchwardens: Desmond Davies & Alison Fletcher Rogers, Christ Church  
Kerry Porritt & Richard Blades, Holy Trinity & St Peter  
Ann Roberts & Jean Parker, St John the Divine

Principal Bankers: *Merton Priory PCC, Christ Church and Holy Trinity & St Peter:*  
CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ  
*St John the Divine:*  
NatWest plc, Morden Branch, 4 Crown Lane, Morden, Surrey SM4 5BN

Independent Examiner: John Helm ACA  
Simply Churches Ltd  
17 Heathville Road  
Crouch End  
London N19 3AL

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### Parochial Church Council Members from January 2018 to the date this report was signed:

|   |   |   |
|---|---|---|
| <b>Parish Clergy:</b>                     | Revd Chris Palmer, Chair <i>(to 8 July 2018)</i><br>Revd Alison Judge<br>Revd Belemo Alagoa<br>Revd Canon Duncan Swan <i>(from 22 April 2018)</i>   |   |
| <b>Churchwardens:</b>                     | Desmond Davies<br>Alison Fletcher Rogers<br>Kerry Porritt, Lay Chair<br>Richard Blades<br>Ann Roberts<br>Jean Parker  | Christ Church<br>Christ Church<br>Holy Trinity & St Peter<br>Holy Trinity & St Peter<br>St John the Divine<br>St John the Divine  |
| <b>Representatives on Diocesan Synod:</b> | Liz Holder, PCC Treasurer<br>Susan Shriver <i>(to 31 July 2018)</i><br>Frances Germain-Powell <i>(to 31 July 2018)</i>  | Merton Deanery<br>Merton Deanery<br>Merton Deanery  |
| <b>Representatives on Deanery Synod:</b>  | Michael Brunt<br>Jane Savill<br>Martin Lyons<br>Frances Germain-Powell<br>Ann Newson<br>Eva Parker  | Christ Church<br>Christ Church<br>Holy Trinity & St Peter<br>Holy Trinity & St Peter<br>St John the Divine<br>St John the Divine  |
| <b>PCC Members:</b>                       | Emma Fraser, PCC Secretary<br>Joanne Powell<br>Daisy Tate<br>John Eades <i>(to 29 April 2018)</i><br>Colette de Carlini <i>(from 29 April 2018)</i><br>Marie Reid <i>(to 29 April 2018)</i><br>Vacancy <i>(from 29 April 2018)</i><br>Vacancy | Christ Church<br>Christ Church<br>Holy Trinity & St Peter<br>Holy Trinity & St Peter<br>Holy Trinity & St Peter<br>St John the Divine<br>St John the Divine<br>St John the Divine |

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Annual Report of the PCC for the year ended 31 December 2018

---

### 12 Statement of responsibilities of the Parochial Church Council

Law applicable to Parochial Church Councils in England & Wales requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the PCC and of its incoming resources and application of resources for that period. In preparing the financial statements, the PCC is required to:

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

### 13 Independent Examiner

As the income of the Parochial Church Council falls below the audit threshold of £1m, the PCC has elected to have an independent examination rather than an audit of the financial statements. The role of Independent Examiner is a personal appointment and this has been carried out by John Helm. Mr Helm has indicated his willingness to continue in this role and accordingly a resolution will be submitted to the forthcoming Annual Parochial Church Meeting to re-appoint him as the PCC's Independent Examiner for 2019.

Approved by the PCC on 3 April 2019 and signed on its behalf:

*Kerry Porritt*

**Dr Kerry Porritt**  
**PCC Lay Chair**

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Independent Examiner's Report to the members of the Parochial Church Council

---

I report on the accounts for the year ended 31 December 2018 which are set out on pages 19 to 38. The charity'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 Trustees and Independent Examiner

The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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 Commissioners section 145(5)(b) of the 2011 Act; and
- 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.

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 a full 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 church 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.

*John Helm*

**John Helm ACA**  
Simply Churches Ltd  
17 Heathville Road  
Crouch End  
London N19 3AL

Dated: 3 April 2019

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Statement of Financial Activities for the year ended 31 December 2018

|   | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | TOTAL<br>2018<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>2017<br>£ |
|---|------|----------------------------|--------------------------|-------------------------|--------------------|----------------------------|--------------------------|-------------------------|--------------------|
| <b>INCOME &amp; ENDOWMENTS FROM:</b>                    |      |                            |                          |                         |                    |                            |                          |                         |                    |
| Donations and legacies                                  | 2.1  | 247,904                    | 17,452                   | -                       | 265,356            | 189,794                    | 26,941                   | -                       | 216,735            |
| Raising funds   | 2.2  | 9,295                      | 1,136                    | -                       | 10,431             | 6,987                      | 1,599                    | -                       | 8,586              |
| Investment income                                       | 2.3  | 2,096                      | 447                      | -                       | 2,543              | 2,260                      | 415                      | -                       | 2,675              |
| Church activities                                       | 2.4  | 60,810                     | -                        | -                       | 60,810             | 67,528                     | -                        | -                       | 67,528             |
| Other income  | 2.5  | 2,191                      | -                        | -                       | 2,191              | -                          | -                        | -                       | -                  |
| <b>TOTAL</b>  |      | <b>322,296</b>             | <b>19,035</b>            | <b>-</b>                | <b>341,331</b>     | <b>266,569</b>             | <b>28,955</b>            | <b>-</b>                | <b>295,524</b>     |
| <b>EXPENDITURE ON:</b>                                  |      |                            |                          |                         |                    |                            |                          |                         |                    |
| Church activities                                       | 3.1  | 281,759                    | 30,452                   | -                       | 312,211            | 271,182                    | 30,470                   | 37                      | 301,689            |
| Mission giving & donations                              | 3.2  | 16,791                     | 5,937                    | -                       | 22,728             | 15,574                     | 4,994                    | -                       | 20,568             |
| Costs of raising funds                                  | 3.3  | 1,069                      | 736                      | -                       | 1,805              | 2,363                      | 577                      | -                       | 2,940              |
| <b>TOTAL</b>  |      | <b>299,619</b>             | <b>37,125</b>            | <b>-</b>                | <b>336,744</b>     | <b>289,119</b>             | <b>36,041</b>            | <b>37</b>               | <b>325,197</b>     |
| <b>NET INCOME/(EXPENDITURE)</b>                         |      | <b>22,677</b>              | <b>(18,090)</b>          | <b>-</b>                | <b>4,587</b>       | <b>(22,550)</b>            | <b>(7,086)</b>           | <b>(37)</b>             | <b>(29,673)</b>    |
| Net (losses)/gains on investments                       | 5.2  | (1,907)                    | -                        | (171)                   | (2,078)            | (405)                      | -                        | 922                     | 517                |
| Transfers between funds                                 | 8    | -                          | -                        | -                       | -                  | -                          | -                        | -                       | -                  |
| <b>NET MOVEMENT IN FUNDS</b>                            |      | <b>20,770</b>              | <b>(18,090)</b>          | <b>(171)</b>            | <b>2,509</b>       | <b>(22,955)</b>            | <b>(7,086)</b>           | <b>885</b>              | <b>(29,156)</b>    |
| <b>Reconciliation of funds:</b>                         |      |                            |                          |                         |                    |                            |                          |                         |                    |
| Totals funds brought forward 1 January 2018             |      | 231,924                    | 43,556                   | 27,936                  | 303,416            | 254,879                    | 50,642                   | 27,051                  | 332,572            |
| <b>TOTAL FUNDS CARRIED FORWARD<br/>31 DECEMBER 2018</b> |      | <b>252,694</b>             | <b>25,446</b>            | <b>27,765</b>           | <b>305,925</b>     | <b>231,924</b>             | <b>43,556</b>            | <b>27,936</b>           | <b>303,416</b>     |

The notes on pages 21-38 form part of these financial statements.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Balance Sheet as at 31 December 2018

|  | Note | Unrestricted Funds<br>£ | Restricted Funds<br>£ | Endowment Funds<br>£ | Total 2018<br>£       | Total 2017<br>£ |
|--|------|-------------------------|-----------------------|----------------------|-----------------------|-----------------|
| <b>FIXED ASSETS</b>                            |      |                         |                       |                      |                       |                 |
| Tangible fixed assets                          | 5.1  | 19,768                  | -                     | -                    | <b>19,768</b>         | 19,626          |
| Investments                                    | 5.2  | 41,061                  | -                     | 11,277               | <b>52,338</b>         | 74,350          |
|  |      | <u>60,829</u>           | <u>-</u>              | <u>11,277</u>        | <u><b>72,106</b></u>  | <u>93,976</u>   |
| <b>CURRENT ASSETS</b>                          |      |                         |                       |                      |                       |                 |
| Debtors  | 6    | 25,567                  | 1,456                 | -                    | <b>27,023</b>         | 21,631          |
| Cash at bank and in hand                       |      | 181,593                 | 24,219                | 16,488               | <b>222,300</b>        | 201,777         |
|  |      | <u>207,160</u>          | <u>25,675</u>         | <u>16,488</u>        | <u><b>249,323</b></u> | <u>223,408</u>  |
| <b>CURRENT LIABILITIES</b>                     |      |                         |                       |                      |                       |                 |
| Creditors: amounts falling due within one year | 7    | (15,295)                | (209)                 | -                    | <b>(15,504)</b>       | (13,968)        |
| <b>NET CURRENT ASSETS</b>                      |      |                         |                       |                      |                       |                 |
|  |      | <u>191,865</u>          | <u>25,466</u>         | <u>16,488</u>        | <u><b>233,819</b></u> | <u>209,440</u>  |
| <b>TOTAL NET ASSETS</b>                        |      |                         |                       |                      |                       |                 |
|  |      | <u>252,694</u>          | <u>25,466</u>         | <u>27,765</u>        | <u><b>305,925</b></u> | <u>303,416</u>  |
| <b>PARISH FUNDS</b>                            |      |                         |                       |                      |                       |                 |
| 8  |      |                         |                       |                      |                       |                 |
| Unrestricted Funds:                            |      |                         |                       |                      |                       |                 |
| - PCC General Fund                             |      | 1,000                   | -                     | -                    | <b>1,000</b>          | 1,000           |
| - Designated Funds (general)                   |      | 94,470                  | -                     | -                    | <b>94,470</b>         | 121,525         |
| - Designated Funds (specific)                  |      | 157,224                 | -                     | -                    | <b>157,224</b>        | 109,399         |
| Restricted Funds                               |      | -                       | 25,466                | -                    | <b>25,466</b>         | 43,556          |
| Endowment Funds                                |      | -                       | -                     | 27,765               | <b>27,765</b>         | 27,936          |
|  |      | <u>252,694</u>          | <u>25,466</u>         | <u>27,765</u>        | <u><b>305,925</b></u> | <u>303,416</u>  |
| <b>TOTAL PARISH FUNDS</b>                      |      |                         |                       |                      |                       |                 |

The financial statements were approved by the PCC and authorised for issue on 3 April 2019 and signed on its behalf by:

*Kerry Porritt*

*Liz Holder*

**Dr Kerry Porritt**  
Lay Chair

**Liz Holder FMAAT**  
PCC Treasurer

The notes on pages 21-38 form part of these financial statements.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

---

### I ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation or 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 investment assets, which are shown at market value.

The Parochial Church Council of Merton Priory was formed in May 2009 from the amalgamation of three separate parishes: Christ Church, Colliers Wood; Holy Trinity & St Peter, South Wimbledon; St John the Divine, Merton. These financial statements incorporate the income and expenditure, assets and liabilities of the combined parish, including comparative figures for the previous year. The finances of the three individual churches are maintained separately and are therefore accounted for as designated funds.

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.

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

#### **Going Concern**

There are no material uncertainties about the charity'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 PCC 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. All income is accounted for gross apart from parochial fees for weddings and funerals, which are accounted for net of fees payable to the diocese.

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

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.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

---

### I ACCOUNTING POLICIES (continued)

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

Where applicable, expenditure included in Raising Funds includes amounts incurred in obtaining grants and other donations.

Expenditure on church activities includes those costs incurred to fulfil the PCC's principal objects, as outlined in the Report of the PCC. These include grants payable and governance costs. Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when due. 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 the independent examination and legal fees.

The PCC contributes to employees' pension plans with the Church Workers' Pension Fund (see Note 4.3).

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

#### **Tangible Fixed Assets**

*Consecrated and benefice property* of any kind is excluded from the financial statements by Section 10(2)(a) and (c) of the Charities Act 2011.

*Moveable church furnishings* are held by the team rector and churchwardens on special trust for the PCC. They are considered inalienable property and require a faculty for disposal. They are listed in the churches' inventories, which can be inspected (at any reasonable time). Items are capitalised at cost and depreciated over their useful economic life other than where insufficient cost information is available. Individual items of furnishings with a purchase price of £1,500 or less are written off when the asset is acquired.

*Equipment and Fixtures & Fittings* and such other functional equipment used on a continuing basis for the work of the PCC is depreciated on a straight-line basis over five years (equipment, currently none held) or ten years (fixtures and fittings). Individual items of equipment and fixtures & fittings with a purchase price of £1,500 or less are written off when the asset is acquired.

#### **Fixed Asset Investments**

Investments are valued at market value at 31 December.

#### **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 deposits with a withdrawal notice period of no more than 3 months.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

---

### I ACCOUNTING POLICIES (continued)

#### **Creditors**

Creditors are recognised where the charity 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 are recognised at their settlement amount.

#### **Borrowings**

The PCC currently has no borrowings.

#### **Fund accounting**

The funds held by the charity are either:

*Unrestricted general funds* that can be used for PCC ordinary purposes. These include funds designated for a particular purpose by the PCC. Apart from the PCC General Fund, all other unrestricted funds are designated to the three individual churches and are therefore reported as designated funds.

*Restricted funds* represent donations 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 *expendable endowment fund (Holy Trinity & St Peter)* was established following the receipt of a substantial legacy from a parishioner. The terms of the legacy are such that the capital can either be invested or expended in the furtherance of the church's ministry in the parish. It has therefore been accounted for as an expendable endowment. Income arising from the invested funds is credited to unrestricted incoming resources.

The *permanent endowment fund (St John the Divine)* was given for building a new church, with the income to be used on the fabric of the existing building.



# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

### 3 EXPENDITURE ON:

|   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| <b>3.1 Church activities</b>                    |                            |                          |                    |                    |
| <i>Church activities:</i>                       |                            |                          |                    |                    |
| Diocesan parish support fund                    | 161,195                    | -                        | <b>161,195</b>     | 155,397            |
| Salaries of parish staff                        | 38,326                     | -                        | <b>38,326</b>      | 38,896             |
| Clergy & assistant staff expenses               | 3,055                      | -                        | <b>3,055</b>       | 5,177              |
| <i>Church expenses:</i>                         |                            |                          |                    |                    |
| Mission & evangelism costs                      | 1,585                      | 273                      | <b>1,858</b>       | 2,395              |
| Education                                       | 1,375                      | 41                       | <b>1,416</b>       | 1,265              |
| Insurance                                       | 10,408                     | -                        | <b>10,408</b>      | 8,147              |
| Routine maintenance                             | 11,811                     | 17                       | <b>11,828</b>      | 10,906             |
| Parish office costs                             | 5,109                      | -                        | <b>5,109</b>       | 5,984              |
| Upkeep of services                              | 4,588                      | 193                      | <b>4,781</b>       | 5,922              |
| Upkeep of church gardens                        | 360                        | -                        | <b>360</b>         | 2,058              |
| Church cleaning – contractors & supplies        | 1,867                      | -                        | <b>1,867</b>       | 1,860              |
| Organ & piano tuning                            | 1,375                      | -                        | <b>1,375</b>       | 1,692              |
| Depreciation on tangible fixed assets           | 3,328                      | -                        | <b>3,328</b>       | 2,981              |
| Church utilities - electricity, gas & water     | 10,134                     | -                        | <b>10,134</b>      | 8,683              |
| Other church running expenses                   | 8,604                      | -                        | <b>8,604</b>       | 5,599              |
| <i>Costs of trading:</i>                        |                            |                          |                    |                    |
| Hall insurance                                  | 1,772                      | -                        | <b>1,772</b>       | 1,345              |
| Hall routine maintenance                        | 2,800                      | -                        | <b>2,800</b>       | 2,342              |
| Hall cleaning – contractors & supplies          | 2,041                      | -                        | <b>2,041</b>       | 2,019              |
| Hall utilities - electricity, gas & water       | 5,087                      | -                        | <b>5,087</b>       | 5,268              |
| Surveyor fees re Christ Church hall lease       | -                          | -                        | -                  | 900                |
| <i>Major capital expenditure:</i>               |                            |                          |                    |                    |
| Church bells (SJ)                               | -                          | 22,817                   | <b>22,817</b>      | 28,818             |
| Dry rot treatment in church roof (SJ)           | -                          | 6,083                    | <b>6,083</b>       | -                  |
| External noticeboards (SJ)                      | 3,358                      | 1,028                    | <b>4,386</b>       | -                  |
| Internal light repairs & entrance bollards (HT) | 2,431                      | -                        | <b>2,431</b>       | -                  |
| Repair & protect Lady Chapel window (SJ)        | 1,026                      | -                        | <b>1,026</b>       | -                  |
| Replacement heaters in St Cecilia Room (HT)     | -                          | -                        | -                  | 2,760              |
| Roof repairs (HT)                               | -                          | -                        | -                  | 1,840              |
| <b>TOTAL CHURCH ACTIVITIES</b>                  | <b>281,635</b>             | <b>30,452</b>            | <b>312,087</b>     | <b>302,254</b>     |

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

### 3 EXPENDITURE ON: (continued)

|  | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| <b>3.2 Mission giving and donations</b>            |                            |                          |                    |                    |
| <i>Church overseas &amp; missionary societies:</i> |                            |                          |                    |                    |
| Joshua Orphan & Community Care, Malawi             | 2,333                      | 100                      | 2,433              | 2,280              |
| Quicken Trust, Uganda                              | 1,750                      | -                        | 1,750              | -                  |
| USPG   | 1,750                      | -                        | 1,750              | -                  |
| Krasif Aid, Bulgaria                               | -                          | -                        | -                  | 2,280              |
| Tshwaranang HIV/AIDS Education Project             | -                          | -                        | -                  | 2,280              |
| Care 4 Calais                                      | -                          | -                        | -                  | 1,391              |
| <i>Relief and development agencies:</i>            |                            |                          |                    |                    |
| Christian Aid (excluding Christian Aid Week)       | -                          | 142                      | 142                | 147                |
| Other donations under £100                         | -                          | 8                        | 8                  | -                  |
| <i>Home mission &amp; church organisations:</i>    |                            |                          |                    |                    |
| Faith in Action – Merton Homelessness Project      | 2,393                      | 727                      | 3,120              | 2,320              |
| Christian Care Merton                              | -                          | 2,111                    | 2,111              | 2,355              |
| Wimbledon Food Bank                                | 1,750                      | -                        | 1,750              | -                  |
| Salvation Army                                     | 1,750                      | -                        | 1,750              | -                  |
| Children's Society                                 | 27                         | 525                      | 552                | 323                |
| Bishop of Southwark's Lent Appeal                  | -                          | 521                      | 521                | 573                |
| Merton Night Shelter                               | -                          | 483                      | 483                | 388                |
| Wimbledon Guild                                    | -                          | 145                      | 145                | -                  |
| Merton Street Pastors                              | -                          | -                        | -                  | 1,520              |
| Surrey Churches Preservation Trust                 | -                          | -                        | -                  | 185                |
| Other donations under £100                         | -                          | 90                       | 90                 | 52                 |
| <i>Secular charities:</i>                          |                            |                          |                    |                    |
| Refuge   | 2,375                      | -                        | 2,375              | -                  |
| South London Refugee Association                   | 2,333                      | -                        | 2,333              | -                  |
| Merton Citizens (part of Citizens UK)              | 330                        | 1,000                    | 1,330              | 1,330              |
| Anti-Slavery International                         | -                          | -                        | -                  | 1,520              |
| Polka Theatre                                      | -                          | -                        | -                  | 1,520              |
| Other donations under £100                         | -                          | 85                       | 85                 | 84                 |
| <i>Other charitable donations:</i>                 |                            |                          |                    |                    |
| Clergy discretionary payment to an individual      | -                          | -                        | -                  | 20                 |
| <b>TOTAL MISSION GIVING &amp; DONATIONS</b>        | <b>16,791</b>              | <b>5,937</b>             | <b>22,728</b>      | <b>20,568</b>      |

These figures for Mission Giving & Donations do not include gifts banked directly to charities for Christian Aid Week (£1,385) or cheques sent direct to the Bishop of Southwark's Lent Appeal. Children's Society boxes totalled £799 and £820 was raised at the Coffee Morning for Macmillan Cancer Support. The parish also makes significant contributions in kind, such as the substantial amount of food given each year to Wimbledon Foodbank.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

### 3 EXPENDITURE ON: (continued)

|                                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|-------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>3.3 Costs of raising funds</b>   |                            |                          |                    |                    |
| Costs of fundraising events         | 1,069                      | 736                      | <b>1,805</b>       | 2,040              |
| Costs of supporting regular giving  | 124                        | -                        | 124                | 335                |
|                                     | <hr/>                      | <hr/>                    | <hr/>              | <hr/>              |
| <b>TOTAL COSTS OF RAISING FUNDS</b> | <b>1,193</b>               | <b>736</b>               | <b>1,929</b>       | <b>2,375</b>       |
|                                     | <hr/>                      | <hr/>                    | <hr/>              | <hr/>              |
| <b>TOTAL EXPENDITURE</b>            | <b>299,619</b>             | <b>37,125</b>            | <b>336,744</b>     | <b>325,197</b>     |
|                                     | <hr/>                      | <hr/>                    | <hr/>              | <hr/>              |

### 4.1 STAFF COSTS

Included within expenditure on church activities (see note 3 above) are the following staff costs:

|   | Total<br>2018<br>£ | Total<br>2017<br>£ |
|---|--------------------|--------------------|
| Gross Salaries                            | <b>37,273</b>      | 37,797             |
| Employer National Insurance contributions | <b>1,198</b>       | 1,285              |
| Employment Allowance                      | <b>(1,198)</b>     | (1,285)            |
| Employer Pension contributions            | <b>1,053</b>       | 1,099              |
|   | <hr/>              | <hr/>              |
|   | <b>38,326</b>      | 38,896             |
|   | <hr/>              | <hr/>              |

These staff costs exclude the amounts paid to Southwark Diocese for the stipendiary clergy, who are funded through the Parish Support Fund. Employer's National Insurance is covered by the government's Employment Allowance. All staff are paid at least the London Living Wage. Information on the staff pension scheme is given in Note 4.3.

During the year the churches employed various part-time staff, as follows:

- Holy Trinity employed a Parish Administrator (2017: one), two job-share Directors of Music (2017: two job-share), and one Bookkeeper (2017: one).
- Christ Church and St John the Divine jointly employed an Organist/Music Leader (2017: one), and each church employed a Hall Cleaner (2017: one each).

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

---

### 4.2 RELATED PARTIES

Liz Holder, PCC Treasurer and member of the PCC, was paid £1,200 (2017: £1,200) for accountancy services relating to the preparation of the statutory financial statements. This payment was gift-aided back to the PCC.

Jane Savill, PCC member, is Chair and trustee of Christian Care Merton, to which the PCC donated £2,111 in 2018 (2017: £2,355).

Jeremy Roberts, related to Ann Roberts, member of the PCC, was paid £nil (£80 in 2017) for musician services at Christ Church.

The expenses of four (2017: four) members of the PCC/DCCs amounting to £978 (2017: £834, re-stated) in relation to travel, training and retreats were met by the PCC during the year.

Aggregated unrestricted donations from PCC members totalled £21,349 (2017: £17,507). Figures for 2018 include both regular giving and one-off donations to gift days held at two of the three churches.

### 4.3 STAFF PENSIONS

**Merton Priory PCC** participates in the Pension Builder Scheme (PB 2014) section of CWPF (Church Workers Pension Fund) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

#### **Pension Builder Scheme**

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA (Statement of Financial Activities) in the year are contributions payable (2018: £1,053; 2017: £1,099).

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

---

### 4.3 STAFF PENSIONS (continued)

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which would have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, **Merton Priory PCC** could become responsible for paying a share of that employer's pension liabilities.

## 5 FIXED ASSETS

### 5.1 Tangible Fixed Assets

|   |                            | <b>Fixtures<br/>&amp; Fittings<br/>£</b> |
|---|----------------------------|--|
| Cost                                      | At 1 January 2018          | 66,899                                   |
|   | Additions at cost          | 3,470                                    |
|   | <b>At 31 December 2018</b> | <b>70,369</b>                            |
| Depreciation                              | At 1 January 2018          | 47,273                                   |
|   | Charge for the year        | 3,328                                    |
|   | <b>At 31 December 2018</b> | <b>50,601</b>                            |
| <b>Net Book Value at 31 December 2018</b> |                            | <b>19,768</b>                            |
| Net Book Value at 31 December 2017        |                            | 19,626                                   |

#### *Moveable Church Furnishings:*

**None of the three churches** hold any moveable church furnishings purchased since 2001 which are capitalised and depreciated over their useful economic life (see *Accounting Policies*, page 22).

#### *Fixtures & Fittings:*

##### **Christ Church**

The church sound system was purchased in 2009 and is now fully depreciated.

##### **Holy Trinity**

The grand piano (purchased in 2002), original kitchen improvements (also 2002) and refurbishment of the reception area (2007) are all fully depreciated. The audio-visual system was installed in 2015 and will be depreciated over ten years within fixtures and fittings.

##### **St John the Divine**

A lighting control panel was purchased in 2018 and will be depreciated over ten years within fixtures and fittings.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY**

**Notes to the Financial Statements for the year ended 31 December 2018**

**5 FIXED ASSETS (continued)**

**5.2 Investments**

|   | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Endowment<br/>Funds<br/>£</b> | <b>Total<br/>2018<br/>£</b> | <b>Total<br/>2017<br/>£</b> |
|---|-------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Market value 1 January 2018   | 62,902                              | 11,448                           | <b>74,350</b>               | 53,770                      |
| Dividends reinvested  | 66                                  | -                                | <b>66</b>                   | 30,063                      |
| Sale proceeds of disposals  | (20,000)                            | -                                | <b>(20,000)</b>             | (10,000)                    |
| Unrealised (losses)/gains on revaluation                            | (1,907)                             | (171)                            | <b>(2,078)</b>              | 517                         |
|   | <hr/>                               | <hr/>                            | <hr/>                       | <hr/>                       |
| <b>Market value 31 December 2018</b>                                | <b>41,061</b>                       | <b>11,277</b>                    | <b>52,338</b>               | <b>74,350</b>               |
|   | <hr/>                               | <hr/>                            | <hr/>                       | <hr/>                       |
| <b>Market value represented by<br/>investments in:</b>              |                                     |                                  |                             |                             |
| CBF Investment Fund shares  | 1,997                               | 11,277                           | <b>13,274</b>               | 13,411                      |
| Charibond Charities Fixed Interest<br>Common Investment Fund shares | 29,064                              | -                                | <b>29,064</b>               | 50,939                      |
| Polka Theatre – interest in the freehold                            | 10,000                              | -                                | <b>10,000</b>               | 10,000                      |
|   | <hr/>                               | <hr/>                            | <hr/>                       | <hr/>                       |
|   | <b>41,061</b>                       | <b>11,277</b>                    | <b>52,338</b>               | <b>74,350</b>               |
|   | <hr/>                               | <hr/>                            | <hr/>                       | <hr/>                       |

CBF Investment Fund shares are held by:

**Christ Church:**

Trust Fund T0169, held by the Diocese of Southwark as custodian trustee, originated from the sale of a passageway in 1951 for £200. Funds are invested in 85.37 CBF Investment Fund shares with the dividend reinvested.

**St John the Divine:**

Trust Fund T0046 held by the Diocese of Southwark as custodian trustee. The fund was a permanent endowment (capital) for building a new church with the income to be used on the fabric of the existing building.

Charibond Charities Fixed Interest Common Investment Fund is held by **Holy Trinity**: original purchase price £27,734 for 24,426 units. A further 15,721 units were purchased in 2017, bringing the total holding to 40,147 units at 31 December 2017. In 2018, 16,350 units were sold, leaving a total investment of 23,797 shares at 31 December 2018. The unit trust invests in government and corporate fixed interest securities.

The Polka Theatre is held by **Holy Trinity**: a nominal figure of the PCC's interest in the freehold of the Polka Theatre (240 The Broadway, London SW19 1SB) which is subject to a long-term lease. This has not been the subject of an independent valuation.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF  
MERTON PRIORY**

**Notes to the Financial Statements for the year ended 31 December 2018**

**6 DEBTORS**

|                               | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>2018<br/>£</b> | <b>Total<br/>2017<br/>£</b> |
|-------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Gift Aid recoverable          | 18,508                              | 591                               | <b>19,099</b>               | 14,400                      |
| Accrued income                | 5,315                               | 865                               | <b>6,180</b>                | 5,415                       |
| Prepayments and other debtors | 1,744                               | -                                 | <b>1,744</b>                | 1,816                       |
|                               | <hr/>                               | <hr/>                             | <hr/>                       | <hr/>                       |
|                               | 25,567                              | 1,456                             | <b>27,023</b>               | 21,631                      |
|                               | <hr/>                               | <hr/>                             | <hr/>                       | <hr/>                       |

**7 CREDITORS**

**Amounts falling due within one year:**

|   | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>2018<br/>£</b> | <b>Total<br/>2017<br/>£</b> |
|---|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Accruals  | 10,920                              | 209                               | <b>11,129</b>               | 9,642                       |
| Payroll tax creditor                              | 1,877                               | -                                 | <b>1,877</b>                | 1,700                       |
| Pension creditor                                  | 104                                 | -                                 | <b>104</b>                  | 183                         |
| Other creditors and<br>income received in advance | 2,394                               | -                                 | <b>2,394</b>                | 2,443                       |
|   | <hr/>                               | <hr/>                             | <hr/>                       | <hr/>                       |
|   | 15,295                              | 209                               | <b>15,504</b>               | 13,968                      |
|   | <hr/>                               | <hr/>                             | <hr/>                       | <hr/>                       |

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF  
MERTON PRIORY**

**Notes to the Financial Statements for the year ended 31 December 2018**

**8 FUND ANALYSIS**

**8.1 Fund Summary**

|                                      | <b>Balance<br/>01/01/18</b> | <b>Income</b>  | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains &amp;<br/>Losses</b> | <b>Balance<br/>31/12/18</b> |
|--------------------------------------|-----------------------------|----------------|--------------------|------------------|-------------------------------|-----------------------------|
|                                      | £                           | £              | £                  | £                | £                             | £                           |
| <b>Unrestricted Funds</b>            |                             |                |                    |                  |                               |                             |
| PCC General Fund                     | 1,000                       | 4,510          | (4,510)            | -                | -                             | <b>1,000</b>                |
| <b>Designated Funds (General) *</b>  |                             |                |                    |                  |                               |                             |
| Christ Church                        | 8,543                       | 54,016         | (56,775)           | (646)            | (33)                          | <b>5,105</b>                |
| Holy Trinity                         | 52,258                      | 225,295        | (173,479)          | (61,396)         | (1,874)                       | <b>40,804</b>               |
| St John the Divine                   | 60,724                      | 37,909         | (46,949)           | (3,123)          | -                             | <b>48,561</b>               |
| <b>Designated Funds (Specific) *</b> |                             |                |                    |                  |                               |                             |
| PCC                                  | 558                         | -              | -                  | -                | -                             | <b>558</b>                  |
| Christ Church                        | 3,022                       | -              | (786)              | 646              | -                             | <b>2,882</b>                |
| Holy Trinity                         | 104,632                     | 566            | (16,773)           | 61,396           | -                             | <b>149,821</b>              |
| St John the Divine                   | 1,187                       | -              | (347)              | 3,123            | -                             | <b>3,963</b>                |
|                                      | <u>231,924</u>              | <u>322,296</u> | <u>(299,619)</u>   | <u>-</u>         | <u>(1,907)</u>                | <u><b>252,694</b></u>       |
| <b>Restricted Funds</b>              |                             |                |                    |                  |                               |                             |
| PCC                                  | 2,539                       | 100            | (140)              | -                | -                             | <b>2,499</b>                |
| Christ Church                        | 3,195                       | 1,683          | (2,100)            | -                | -                             | <b>2,778</b>                |
| Holy Trinity                         | 6,315                       | 8,289          | (4,472)            | -                | -                             | <b>10,132</b>               |
| St John the Divine                   | 31,507                      | 8,963          | (30,413)           | -                | -                             | <b>10,057</b>               |
|                                      | <u>43,556</u>               | <u>19,035</u>  | <u>(37,125)</u>    | <u>-</u>         | <u>-</u>                      | <u><b>25,466</b></u>        |
| <b>Endowment Funds</b>               |                             |                |                    |                  |                               |                             |
| Holy Trinity (expendable)            | 14,063                      | -              | -                  | -                | -                             | <b>14,063</b>               |
| St John the Divine (permanent)       | 13,873                      | -              | -                  | -                | (171)                         | <b>13,702</b>               |
|                                      | <u>27,936</u>               | <u>-</u>       | <u>-</u>           | <u>-</u>         | <u>(171)</u>                  | <u><b>27,765</b></u>        |
| <b>TOTAL FUNDS</b>                   | <u>303,416</u>              | <u>341,331</u> | <u>(336,744)</u>   | <u>-</u>         | <u>(2,078)</u>                | <u><b>305,925</b></u>       |

\* **Designated (General) Funds** are funds which have been designated by the **PCC** to each **DCC** for unrestricted purposes. **Designated (Specific) Funds** are funds which have been designated by each **DCC** for specific purposes.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

### 8.2 Individual Church Funds

#### 8.2.1 PCC

|                                    | Balance<br>01/01/18<br>£ | Income<br>£  | Expenditure<br>£ | Transfers<br>£ | Balance<br>31/12/18<br>£ |
|------------------------------------|--------------------------|--------------|------------------|----------------|--------------------------|
| <b>Unrestricted Fund</b>           | 1,000                    | 4,510        | (4,510)          | -              | <b>1,000</b>             |
| <b>Designated Funds (Specific)</b> |                          |              |                  |                |                          |
| MP3 Players                        | 558                      | -            | -                | -              | <b>558</b>               |
| <b>Restricted Funds</b>            |                          |              |                  |                |                          |
| Youth Work                         | 2,539                    | -            | (40)             | -              | <b>2,499</b>             |
| South London Church Fund           | -                        | 100          | (100)            | -              | -                        |
|                                    | <u>4,097</u>             | <u>4,610</u> | <u>(4,650)</u>   | <u>-</u>       | <u><b>4,057</b></u>      |

- *MP3 Players Fund*: in some years, the parish drama group stages a production where 50% of the surplus is kept by the PCC and 50% designated to help with the costs of future MP3 productions. No such production was held in 2018.
- *Youth Work*: this was originally the balance held by Morden Baptist Church when the Fusion Youth Group was transferred to the Merton Priory Team. The Fusion Youth Group no longer exists and Morden Baptist Church does not want the funds returned to them. The PCC decided in January 2018 that this fund could be used for any youth work across the three churches.
- *South London Church Fund* gave a grant of £100 towards the costs of Thy Kingdom Come 2018. It was used to buy two gazebos to be used as prayer stations for the event.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

### 8.2 Individual Church Funds (continued)

#### 8.2.2 Christ Church, Colliers Wood

|                                    | Balance<br>01/01/18<br>£ | Income<br>£   | Expenditure<br>£ | Transfers<br>£ | Gains &<br>Losses<br>£ | Balance<br>31/12/18<br>£ |
|------------------------------------|--------------------------|---------------|------------------|----------------|------------------------|--------------------------|
| <b>Designated Fund (General)</b>   | 8,543                    | 54,016        | (56,775)         | (646)          | (33)                   | <b>5,105</b>             |
| <b>Designated Funds (Specific)</b> |                          |               |                  |                |                        |                          |
| Hall & Church Repairs Fund         | 2,815                    | -             | (579)            | 646            | -                      | <b>2,882</b>             |
| Fixed Assets Fund                  | 207                      | -             | (207)            | -              | -                      | -                        |
| <b>Restricted Funds:</b>           |                          |               |                  |                |                        |                          |
| 150 <sup>th</sup> Anniversary Fund | 187                      | -             | -                | -              | -                      | <b>187</b>               |
| Hymn Book Fund                     | 295                      | -             | -                | -              | -                      | <b>295</b>               |
| Merton Night Shelter               | 1,111                    | 750           | (173)            | -              | -                      | <b>1,688</b>             |
| Mission & Charities:               |                          |               |                  |                |                        |                          |
| - Children's Society               | 317                      | 208           | (525)            | -              | -                      | -                        |
| - Christian Aid                    | 106                      | 5             | (106)            | -              | -                      | <b>5</b>                 |
| - Christian Care Merton            | 1,012                    | 525           | (1,011)          | -              | -                      | <b>526</b>               |
| - Other Charities                  | 167                      | 195           | (285)            | -              | -                      | <b>77</b>                |
|                                    | <u>14,760</u>            | <u>55,699</u> | <u>(59,661)</u>  | <u>-</u>       | <u>(33)</u>            | <u><b>10,765</b></u>     |

- *Hall & Church Repairs Fund*: this fund (previously the Colliwobbles Fund) initially represented income from the toddler playgroup and associated expenditure. Colliwobbles is a community group that started in Christ Church hall and has now moved into the church. The DCC has decided that it will be appropriate for this fund to be used for both hall and church repairs, and the fund has been renamed. Income from Colliwobbles is transferred from the general fund into this fund at the end of each year.

- *Fixed Assets Fund*: the remaining cost of tangible fixed assets, from where they are now depreciated.

- *150<sup>th</sup> Anniversary Fund*: in 2024, Christ Church will be 150 years old. This fund is to gather the proceeds, from appeals and fundraising, to be used for the enhancement of the building and projects within the local community.

- *Hymn Book Fund*: this was a specific appeal in 2012 for the purchase of new hymn books. Christ Church DCC will be reviewing what happens to the remaining balance.

- *Merton Night Shelter*: Christ Church is one of the locations for the night shelter for the homeless during the winter months and this fund represents incoming donations and outgoing expenses.

- *Mission & Charities*: restricted donations for charities.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF  
MERTON PRIORY**

**Notes to the Financial Statements for the year ended 31 December 2018**

**8.2 Individual Church Funds (continued)**

**8.2.3 Holy Trinity & St Peter, South Wimbledon**

|                                       | Balance<br>01/01/18<br>£ | Income<br>£    | Expenditure<br>£ | Transfers<br>£ | Gains &<br>Losses<br>£ | Balance<br>31/12/18<br>£ |
|---------------------------------------|--------------------------|----------------|------------------|----------------|------------------------|--------------------------|
| <b>Designated Fund (General)</b>      | 52,258                   | 225,295        | (173,479)        | (61,396)       | (1,874)                | <b>40,804</b>            |
| <b>Designated Funds (Specific)</b>    |                          |                |                  |                |                        |                          |
| Marian Esling Legacy (income)         | 70,613                   | 566            | -                | -              | -                      | <b>71,179</b>            |
| Annual Tithes                         | 14,000                   | -              | (13,999)         | 18,499         | -                      | <b>18,500</b>            |
| Special Projects Fund                 |                          | -              | -                | 42,897         | -                      | <b>42,897</b>            |
| Fixed Assets Fund                     | 19,419                   | -              | (2,774)          | -              | -                      | <b>16,645</b>            |
| Mission & Charities:                  |                          |                |                  |                |                        |                          |
| - Emergency Disasters Fund            | 600                      | -              | -                | -              | -                      | <b>600</b>               |
| <b>Restricted Funds</b>               |                          |                |                  |                |                        |                          |
| Kitchen Refurbishment                 | 1,727                    | 2,516          | (737)            | -              | -                      | <b>3,506</b>             |
| Merton Night Shelters                 | 472                      | 2,636          | (483)            | -              | -                      | <b>2,625</b>             |
| Mission & Charities:                  |                          |                |                  |                |                        |                          |
| - Faith in Action                     | 727                      | -              | (727)            | -              | -                      | -                        |
| - Bishop's Lent Call                  | 126                      | 208            | -                | -              | -                      | <b>334</b>               |
| - Joshua Orphan & Community Care      | 100                      | -              | (100)            | -              | -                      | -                        |
| - South London Refugee Assoc.         | 277                      | -              | -                | -              | -                      | <b>277</b>               |
| - South London Church Fund            | 47                       | -              | -                | -              | -                      | <b>47</b>                |
| - Care 4 Calais                       | 664                      | -              | -                | -              | -                      | <b>664</b>               |
| - Merton Citizens                     | 130                      | 975            | (1,000)          | -              | -                      | <b>105</b>               |
| - Wimbledon Guild                     | 145                      | -              | (145)            | -              | -                      | -                        |
| Flower Fund                           | 54                       | 185            | (90)             | -              | -                      | <b>149</b>               |
| Junior Church collections for charity | 663                      | 179            | -                | -              | -                      | <b>842</b>               |
| Other Restricted Donations            | 1,183                    | 1,590          | (1,190)          | -              | -                      | <b>1,583</b>             |
| <b>Expendable Endowment Fund</b>      |                          |                |                  |                |                        |                          |
| Marian Esling Legacy (capital)        | 14,063                   | -              | -                | -              | -                      | <b>14,063</b>            |
|                                       | <u>177,268</u>           | <u>234,150</u> | <u>(194,724)</u> | <u>-</u>       | <u>(1,874)</u>         | <u><b>214,820</b></u>    |

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

---

### 8.2 Individual Church Funds (continued)

#### 8.2.3 Holy Trinity & St Peter, South Wimbledon (continued)

- *Legacy Income*: the remaining interest on the Marian Esling Legacy Fund which is designated for capital projects.
- *Annual Tithes*: Holy Trinity gives away 10% of its unrestricted income, excluding fundraising and investment income, to charitable causes each year. The fund balance of £18,500 represents the tithe for 2018 and will be distributed in 2019.
- *Special Projects Fund*: following a generous legacy and a gift weekend, the DCC felt it was appropriate to put aside some of this money to be used at a later date on special projects around the church that would enhance the building, such as refurbishing the kitchen and relocating the chapel to make it more accessible.
- *Fixed Assets Fund*: the remaining cost of tangible fixed assets, from where they are now depreciated.
- *Emergency Disasters Fund*: in 2011, the DCC transferred £2,400 from general funds so that they could respond to future emergency disasters. To date the fund has been used to send money to Syria and to Nepal.
- *Kitchen Refurbishment*: the kitchen was last refurbished in 2002 and is looking very sad. Funds have begun to be raised for a new kitchen, which it is hoped will be completed in 2019.
- *Merton Night Shelter*: Holy Trinity is one of the locations for the night shelter for the homeless during the winter months and this fund represents incoming donations and outgoing expenses.
- *Junior Church collections*: regular Sunday collections by the children which are sent to a charity of their choice at the end of each year.
- *Other Restricted Donations*: the balance of £1,583 represents £83 for future development of the prayer corner and a £1,500 donation from the St Andrew's Society to repair the garden gate and refurbish the kitchen.
- *Legacy Capital*: the DCC, in consultation with the congregation, decided that 55% of the expendable endowment Marian Esling Legacy Fund would be given away to charitable organisations over a period of five years, the last year of which was 2013. The remaining 45% of the expendable endowment would be used for urgent capital projects in the church. In 2019, it is anticipated that the remaining £14,063 will be put towards 50% of the cost of the kitchen refurbishment, the remaining monies being raised from fundraising.

# THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF MERTON PRIORY

## Notes to the Financial Statements for the year ended 31 December 2018

### 8.2 Individual Church Funds (continued)

#### 8.2.4 St John the Divine, Merton

|   | Balance<br>01/01/18<br>£ | Income<br>£   | Expenditure<br>£ | Transfers<br>£ | Gains &<br>Losses<br>£ | Balance<br>31/12/18<br>£ |
|---|--------------------------|---------------|------------------|----------------|------------------------|--------------------------|
| <b>Designated Fund (General)</b>                                | 60,724                   | 37,909        | (46,949)         | (3,123)        | -                      | <b>48,561</b>            |
| <b>Designated Funds (Specific)</b>                              |                          |               |                  |                |                        |                          |
| Choir Fund  | 1,187                    | -             | -                | -              | -                      | <b>1,187</b>             |
| Fixed Assets Fund   | -                        | -             | (347)            | 3,123          | -                      | <b>2,776</b>             |
| <b>Restricted Funds</b>   |                          |               |                  |                |                        |                          |
| Bells Centenary Project   | 17,370                   | 8,125         | (22,816)         | -              | -                      | <b>2,679</b>             |
| Mission & Charities   | 8                        | 358           | (366)            | -              | -                      | -                        |
| Flower Fund   | 70                       | 33            | (103)            | -              | -                      | -                        |
| Other Restricted Donations                                      | 1,028                    | -             | (1,028)          | -              | -                      | -                        |
| Church Maintenance & Repairs<br>- Mackrell Trust (T0046/income) | 13,031                   | 447           | (6,100)          | -              | -                      | <b>7,378</b>             |
| <b>Permanent Endowment Fund</b>                                 |                          |               |                  |                |                        |                          |
| Mackrell Trust (T0046/capital)                                  | 13,873                   | -             | -                | -              | (171)                  | <b>13,702</b>            |
|   | <u>107,291</u>           | <u>46,872</u> | <u>(77,709)</u>  | <u>-</u>       | <u>(171)</u>           | <u><b>76,283</b></u>     |

- *Choir Fund*: income from weddings where the former choir sang and which was used for choir related expenses. St John the Divine DCC is aware that this fund needs to be reviewed now that the choir has been disbanded.
- *Fixed Assets Fund*: the remaining cost of tangible fixed assets, from where they are now depreciated.
- *Bells Centenary Project*: the fund represents donations from an appeal set up to enable the church to engage the community and raise money to install an 8-bell peal in time for the church centenary in 2014. This project was started in 2013 and a 6-bell peal was completed in 2014. A further four bells were installed early in 2018.
- *Church Maintenance & Repairs*: interest income from the Mackrell Trust (permanent endowment) that is restricted for use on the maintenance and repair of the church building.
- *Mission & Charities*: restricted donations for charities.
- *Mackrell Trust (T0046)*: an ancient permanent endowment for building a new church, held by the Diocese of Southwark as custodian trustee. The capital is not available for use but the interest may be used on the maintenance and repair of the church.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF  
MERTON PRIORY**

**Notes to the Financial Statements for the year ended 31 December 2018**

---

**9 OPERATING LEASE COMMITMENTS**

The total future minimum lease payments under non-cancellable operating leases are payable:

|   | <b>2018</b>  | <b>2017</b> |
|---|--------------|-------------|
|   | <b>£</b>     | <b>£</b>    |
| Not later than one year                           | <b>863</b>   | 863         |
| Later than one year and not later than five years | <b>1,151</b> | 2,015       |
|   | <hr/>        | <hr/>       |
|   | <b>2,014</b> | 2,878       |
|   | <hr/>        | <hr/>       |

**10 CAPITAL COMMITMENTS**

The PCC has the following capital commitments, which it expects to complete in the next year:

|   | <b>Expected<br/>Cost</b> | Unrestricted<br>Funds | Restricted<br>Funds | Endowment<br>Funds |
|---|--------------------------|-----------------------|---------------------|--------------------|
|   | <b>£</b>                 | <b>£</b>              | <b>£</b>            | <b>£</b>           |
| <b>Christ Church</b>                    |                          |                       |                     |                    |
| No capital works planned for 2019       | -                        | -                     | -                   | -                  |
| <b>Holy Trinity</b>                     |                          |                       |                     |                    |
| Kitchen refurbishment                   | <b>32,000</b>            | 14,494                | 3,506               | 14,000             |
| Quinquennial works from inspection 2016 | <b>10,000</b>            | 10,000                | -                   | -                  |
| <b>St John the Divine</b>               |                          |                       |                     |                    |
| No capital works planned for 2019       | -                        | -                     | -                   | -                  |
|   | <hr/>                    | <hr/>                 | <hr/>               | <hr/>              |
|   | <b>42,000</b>            | 24,494                | 3,506               | 14,000             |
|   | <hr/>                    | <hr/>                 | <hr/>               | <hr/>              |