

St Stephen's Church, Canterbury

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

for the year ended 31 December 2025

Registered charity no: 249972 (under CDBF)

**Annual report and financial statements
for the year ended 31 December 2025**

	Page
Officers and advisers	2
Annual report	3
Independent examiners' report	5
Statement of financial activities	6
Balance sheet	7
Principal accounting policies	8
Notes to the accounts	9
Detailed accounts:	
Church hall	13
Friends of St Stephen's Church	14

Officers and advisers

Rector

In vacancy

Interim Priest in Charge

Rev Dr D Vannerley

Churchwardens

Mr S Barker
Miss S Hagger

Hon Treasurer

Miss A F Knight

Bank

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

Independent examiner

P Barton

Annual report

Structure, governance and management

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

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

Rev D Vannerley (Interim Priest in Charge)	Miss A Knight (Treasurer)	Dr N Kemp (res.10/2/26)
Mr P Brown (Vice-Chairman)	Mrs J Baker	Dr P Knight (ex-officio)
Mr S Barker (Organist and Churchwarden)	Miss E Dixon	Rev S Pickersgill (ex-officio)
Miss S Hagger (Churchwarden)	Mrs A Doe	Mr D Wood
Mr R Mathews (Secretary)	Mrs B Jackson	Dr V Field
		Mr J McLean

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

Objectives and activities

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

Financial review of 2025

It was hoped that we would be welcoming a new Rector in 2025 but, despite advertising twice so far, it has not been possible to fill the vacancy for a 0.5 post. Rev David Vannerley was expected to have to step down as Interim Priest in Charge in March 2025 but adjustments have been made to allow him to continue supporting the parish for the time being for which we are very grateful.

The Interim Priest in Charge post is a 0.2 post which has reduced the parish share charge for the year. We did, however, only just manage to pay the reduced amounts in the year. We have discussed stewardship at various points during the year and the congregation has been made aware that we need to increase our regular income in order to meet the increased costs of a 0.5 post should we be able to appoint a new Rector. The PCC have confirmed that they are happy to continue supporting a 0.5 post while recognising the additional financial pressures that this will bring.

Following the efforts of the parish to raise additional funds in advent 2024, we made big inroads into arrears of parish share because the Diocese wrote off an equivalent sum to the extra amounts we were able to raise. We were further rewarded in 2025 by an additional write off of a further 50% of the extra contributions made. This was financed by Diocesan funds and leaves arrears of just over £8,000.

The unrestricted funds show a surplus of £11,220, the majority of which is the extra contribution from the Diocese to reduce share arrears. Voluntary income remained relatively flat again in the last year. Our card machine has been in regular operation for the last year and it is encouraging to see the engagement with this new method of giving to the church. There has also been greater take up of the Parish Giving Scheme which helps recover the gift aid more quickly.

There has been more expenditure on maintenance in 2025. This included replacing the noticeboard at the churchyard entrance, repairs to the wall of the french drain round the building as well as preparing to deal with the damp issues in the Manwood chapel and improving churchyard paths. Unfortunately we experienced another flooding event in the summer due to excessive rainfall and blocked drains in the road. This damaged the boiler pumps which were replaced by our insurers. There are increased risks of flooding as a result of climate change and we are taking this seriously to prevent further damage to the church building and the fixtures and fittings within it. We have been working with the council to address the issues outside the church boundary and are taking appropriate actions ourselves to mitigate the risks by dispersing flood water and keeping it away from the church building.

Annual report continued

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

Church Hall

The hall is a valuable resource in the local area being available for many community groups and the surplus income helps to support the mission of the church. Usage levels are improving but there are still further opportunities to use the hall more and in different ways, including the use of the committee room. In 2025, repairs were required to the gas heaters and the drains, the print room is also in the course of being decorated and improved for parish use. The options for reducing energy usage including grant funding are being reviewed.

Friends

The Friends of St Stephen's exists to raise funds for the fabric of the building. The Friends have been working hard to raise funds towards the quinquennial repair plan and particularly to assist with repair and maintenance required for the stained glass windows. Some additional funding has been secured from the Friends of Kent Churches which will allow the first phase of the work to be started in 2026.

Reserves policy

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

Designated funds set aside for specific purposes have largely been used. St Stephen's does not currently have sufficient unrestricted income to designate more funds.

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

Risk management

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

On behalf of the PCC:

Miss A Knight
Hon Treasurer

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

I report to the PCC on my examination on the accounts of the PCC for the year ended 31 December 2025, as set out on pages 6 to 12.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

Peter Barton
16 April 2026

**Statement of financial activities
for the year ended 31 December 2025**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income and endowments from:						
Voluntary income	1	59,975	-	290	60,265	69,042
Activities for generating funds	2	16,955	-	2,489	19,444	18,624
Investment income	3	24	19	1,878	1,921	2,300
Church activities	4	2,053	-	-	2,053	5,391
Other incoming resources	5	<u>10,500</u>	<u>-</u>	<u>-</u>	<u>10,500</u>	<u>21,000</u>
Total		<u>89,507</u>	<u>19</u>	<u>4,657</u>	<u>94,183</u>	<u>116,357</u>
Expenditure on:						
Raising funds		-	-	-	-	-
Church activities	6	<u>78,287</u>	<u>-</u>	<u>7,097</u>	<u>85,384</u>	<u>76,427</u>
Total		<u>78,287</u>	<u>-</u>	<u>7,097</u>	<u>85,384</u>	<u>76,427</u>
Net income/(expenditure)		11,220	19	(2,440)	8,799	39,930
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		11,220	19	(2,440)	8,799	39,930
Balance brought forward at 1/1/25		<u>(17,178)</u>	<u>184,030</u>	<u>112,946</u>	<u>279,798</u>	<u>239,868</u>
Balance carried forward at 31/12/25		<u>(5,958)</u>	<u>184,049</u>	<u>110,506</u>	<u>288,597</u>	<u>279,798</u>

**Balance sheet
as at 31 December 2025**

	Note	£	2025 £	£	2024 £
Fixed Assets					
Church Hall and fittings			184,000		184,000
Current assets					
Debtors and prepayments		4,669		11,602	
Bank and deposit accounts:					
Restricted		91,610		93,443	
Designated		49		30	
Unrestricted		4,742		2,669	
Friends of St Stephen's		<u>22,256</u>		<u>19,503</u>	
		<u>123,326</u>		<u>127,247</u>	
Creditors: amounts falling due within one year					
Creditors and accruals		<u>18,729</u>		<u>31,449</u>	
			<u>104,597</u>		<u>95,798</u>
Net assets			<u>288,597</u>		<u>279,798</u>
Represented by parish funds:					
Unrestricted reserves	9		(5,958)		(17,178)
Designated reserves – church hall	9		184,000		184,000
Designated reserves	9		49		30
Restricted reserves	9		<u>110,506</u>		<u>112,946</u>
			<u>288,597</u>		<u>279,798</u>

The accounts were approved by the Parochial Church Council on 9 April 2026 and signed on its behalf by:

P Brown
PCC Vice-Chairman

Miss A Knight
Hon Treasurer

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

Principal accounting policies

Basis of preparation

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

The financial statements have been prepared under the historical cost convention. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

Funds

General or unrestricted funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application to the general purposes of the PCC.

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

Restricted funds represent (a) income from funds which may be expended only on those restricted objects provided in the terms of the original gift, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on an average balance basis.

Incoming resources

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

Resources expended

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

Fixed assets

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

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

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

Notes to the accounts for the year ended 31 December 2025

1. Voluntary income

	Unrestricted	Designated	Restricted	Total 2025	Total 2024
	£	£	£	£	£
Planned giving	37,551	-	-	37,551	37,841
Tax reclaimed	9,478	-	-	9,478	8,255
Cash collections	2,355	-	-	2,355	2,660
Sundry donations	9,591	-	-	9,591	3,645
Legacies	1,000	-	-	1,000	-
Restricted donations	-	-	-	-	1,550
Advent appeal	-	-	-	-	14,721
Friends membership	-	-	140	140	170
Friends donations	-	-	150	150	200
	<u>59,975</u>	=	<u>290</u>	<u>60,265</u>	<u>69,042</u>

In 2024, £66,872 of voluntary income was unrestricted and £2,170 was restricted.

2. Activities for generating funds

	Unrestricted	Designated	Restricted	Total 2025	Total 2024
	£	£	£	£	£
Church hall	12,416	-	-	12,416	11,480
Friends fundraising events	-	-	2,489	2,489	1,654
Coffee fund	3,979	-	-	3,979	4,347
Bike ride	103	-	-	103	171
Use of church	-	-	-	-	25
Music	-	-	-	-	-
Christmas tree festival	380	-	-	380	480
Sundry income	77	-	-	77	467
	<u>16,955</u>	=	<u>2,489</u>	<u>19,444</u>	<u>18,624</u>

In 2024, £16,970 of income from generating funds was unrestricted and £1,654 was restricted.

3. Investment income

	Unrestricted	Designated	Restricted	Total 2025	Total 2024
	£	£	£	£	£
Bank interest	24	-	-	24	24
Interest on restricted funds	-	-	1,878	1,878	2,176
Interest on designated funds	-	19	-	19	100
	<u>24</u>	<u>19</u>	<u>1,878</u>	<u>1,921</u>	<u>2,300</u>

Notes to the accounts for the year ended 31 December 2025

4. Income from church activities

	Unrestricted £	Designated £	Restricted £	Total 2025 £	Total 2024 £
PCC fees	1,569	-	-	1,569	3,364
Ministry costs recoverable	-	-	-	-	1,552
Parish functions	<u>484</u>	=	=	<u>484</u>	<u>475</u>
	<u>2,053</u>	=	=	<u>2,053</u>	<u>5,391</u>

In 2024, all income from church activities was unrestricted.

5. Other incoming resources

	Unrestricted £	Designated £	Restricted £	Total 2025 £	Total 2024 £
Diocese of Canterbury grant	<u>10,500</u>	=	=	<u>10,500</u>	<u>21,000</u>

6. Expenditure on church activities

	Unrestricted £	Designated £	Restricted £	Total 2025 £	Total 2024 £
Parish share	47,405	-	-	47,405	45,531
Clergy expenses	22	-	-	22	56
Ministry	347	-	-	347	1,941
Social committee & function costs	-	-	-	-	46
Electricity	1,320	-	-	1,320	1,047
Gas	2,606	-	-	2,606	3,739
Maintenance	4,051	-	7,071	11,122	3,831
Insurance	5,206	-	-	5,206	5,042
Flowers	-	-	-	-	-
Water	111	-	-	111	102
Choir and music expenses	1,387	-	-	1,387	1,228
Organist salary and fees	5,952	-	-	5,952	5,482
Church hall running costs	8,222	-	-	8,222	6,149
Charitable donations	600	-	-	600	1,075
Printing and stationery	-	-	-	-	-
Copier hire	-	-	-	-	86
Administration expenses	122	-	-	122	301
Telephone and internet	613	-	-	613	576
Bank charges	323	-	26	349	195
Friends' expenditure	-	=	=	-	-
	<u>78,287</u>	=	<u>7,097</u>	<u>85,384</u>	<u>76,427</u>

In 2024, £73,391 of expenditure on church activities was unrestricted and £3,036 was restricted.

Notes to the accounts for the year ended 31 December 2025

7. Staff and related parties

There were 2 staff on the payroll during the year (2024: 2) of these, Stephen Barker, is also a member of the PCC. Salary costs paid to him as organist and choirmaster, including wedding fees, amounted to £5,952 (2024: £5,482). No other members of the PCC receive remuneration.

8. Charitable donations

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

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

9. Parish funds

	Balance at 1 Jan 2025 £	Income £	Expenditure £	Transfers £	Balance at 31 Dec 2025 £
Restricted funds					
Churchyard fund	17,343	836	1,720	-	16,459
Fabric fund	74,291	960	5,351	-	69,900
Organ and music fund	<u>1,809</u>	<u>82</u>	<u>-</u>	=	<u>1,891</u>
	93,443	1,878	7,071	-	88,250
Friends' of St Stephen's church	<u>19,503</u>	<u>2,779</u>	<u>26</u>	=	<u>22,256</u>
	<u>112,946</u>	<u>4,657</u>	<u>7,097</u>	=	<u>110,506</u>
Designated funds					
Church hall (at valuation)	184,000	-	-	-	184,000
Discretionary fund	<u>30</u>	<u>19</u>	-	=	<u>49</u>
	<u>184,030</u>	<u>19</u>	-	=	<u>184,049</u>
Unrestricted funds	<u>(17,178)</u>	<u>89,507</u>	<u>78,287</u>	=	<u>(5,958)</u>
Total funds	<u>279,798</u>	<u>94,183</u>	<u>85,384</u>	=	<u>288,597</u>

**Notes to the accounts
for the year ended 31 December 2025**

10. Analysis of net assets by fund

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

	Unrestricted £	Designated £	Restricted £	Total 2025 £	Total 2024 £
Church hall and fittings	-	184,000	-	184,000	184,000
Restricted investments	-	-	91,610	91,610	93,443
Designated investments	-	49	-	49	30
Debtors and prepayments	4,669	-	-	4,669	11,602
Cash at bank and in hand	<u>4,742</u>	-	<u>22,256</u>	<u>26,998</u>	<u>22,172</u>
	9,411	184,049	113,866	307,326	311,247
Creditors and accruals	<u>(15,369)</u>	-	<u>(3,360)</u>	<u>(18,729)</u>	<u>(31,449)</u>
Total net assets	<u>(5,958)</u>	<u>184,049</u>	<u>110,506</u>	<u>288,597</u>	<u>279,798</u>

Detailed accounts

1. Church Hall

	2025 £	£	2024 £	£
Income				
Income from hall lettings	10,569			9,660
Income from committee room lettings	<u>1,847</u>			<u>1,820</u>
	12,416			11,480
Expenditure				
Caretaker's wages	3,125		2,908	
Cleaning	537		525	
Electricity	1,223		1,603	
Gas	330		295	
Water	416		292	
Repairs	2,459		394	
Sundry	<u>132</u>		<u>132</u>	
		<u>8,222</u>		<u>6,149</u>
Net surplus for the year		<u>4,194</u>		<u>5,331</u>

Detailed accounts

2. Friends of St Stephen's Church

	2025		2024	
	£	£	£	£
Income				
Membership	140		170	
Donations	150		200	
Sales	-		-	
Fundraising	-		-	
Income from events	<u>2,489</u>		<u>1,654</u>	
Total income		2,779		2,024
Expenditure				
Events expenses	-		-	
Goods for resale	-		-	
Bank charges	26		-	
Administrative expenses	<u>-</u>		<u>-</u>	
		<u>26</u>		<u>-</u>
Net surplus for the year		2,753		2,024
Restoration expenditure		-		-
Reserves brought forward		<u>19,503</u>		<u>17,479</u>
Reserves carried forward		<u>22,256</u>		<u>19,503</u>