

**PAROCHIAL CHURCH COUNCIL OF HOLY
SEPULCHRE CAMBRIDGE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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Charity Number
1133975

Principal Address

St Andrew the Great Church
St Andrews Street
Cambridge
CB2 3AX

Principal Bankers

Barclays Bank plc
9/11 St Andrews Street
Cambridge
CB2 3AA

CAF Bank Limited
West Mallory
ME19 4TA

Auditors

Chater Allan LLP
4a Newmarket Road
CB5 8DT

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
PAROCHIAL CHURCH COUNCIL'S ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Background

Holy Sepulchre's PCC has the responsibility of co-operating with the vicar, the Revd Alasdair Paine, in promoting in Cambridge the whole mission of the church, pastoral, evangelistic, and ecumenical. It also has maintenance responsibilities for St Andrew the Great Church, Holy Sepulchre Church (the Round Church), 1 Pretoria Road, 64 St Albans Road and 64a St Albans Road.

Until 19 December 2016, Holy Sepulchre PCC had a close relationship with the Gospel Ministry Support Trust (formerly the St Andrew the Great Ministry Support Trust, charity number 1098977). Until the Trust Deed was changed on 19 December 2016, the PCC appointed all of the Trustees of the Ministry Support Trust, so for these financial statements, the Ministry Support Trust is accounted for as a subsidiary of the PCC.

Membership

Members of the PCC are either ex-officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules.

During the year and the time at which these accounts were approved the following served as members of the PCC:

Vicar: The Revd Alasdair Paine (Chairman)

Associate Vicars: The Revd Nathan Buttery (To Dec 2016)
The Revd Charles Newcombe

Curate: The Revd Richard Alldritt

Wardens: Mr Matthew Byatt
Dr Piyush Jani

Representative on the General Synod:
Mrs Helen Lamb

Representative on the Diocesan Synod:
Mrs Sarah Robinson

Representatives on the Deanery Synod:
Dr Christina Hay
Prof Peter Robinson (PCC Vice-Chairman & Treasurer)
Dr Stephen Walley (PCC Secretary)
Miss Sarah Wylson

<i>Elected Members</i> Dr Ugochukwu Akuwidike	Mr Richard Hunt
Mr James Hay	Mrs Ruth Oakley (from April 2016)
Mr Christopher Townsend	Mrs Katie Pawlett (from April 2016)
Mr Julian Brandon-Jones (to April 2016)	Mr Michael Trend (from April 2016)
Mr Martin Brown	Dr Simon Tustin
Dr Christopher Catherwood (to April 2016)	Dr Simon Wadsley
Mrs Sue Davies-Scourfield (to April 2016)	Dr Anna Young (from April 2016)
Dr Jürgen Harter (to April 2016)	

Committees

The PCC operates through a number of committees, which meet between full meetings of the PCC.

Finance and Standing Committee:

This committee, required by law, has the power to transact the business of the PCC between its meetings, subject to any directions given by the PCC. It also oversees the general financial aspects of the work of the church by monitoring income and expenditure, budgeting and coordinating the annual Gift Day.

Property Committee:

Attends to matters concerning the stewardship of all buildings used by the church.

World Mission Group (WMG):

Coordinates the use of a budget provided by the PCC for the support of mission work outside the UK.

UK Mission Group (UKMG):

Coordinates the use of a budget provided by the PCC for the support of mission work in the UK.

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Church Attendance

The electoral roll at the 2016 APCM showed 474 names, an increase of 14 on the total at the 2015 APCM, when the list was totally revised. The average attendance on a normal Sunday during 2016 was 787 (2015- 829).

Volunteers

The PCC and church staff encourage church members to serve in an appropriate area of church life and ministry. Approximately 180 people served in this way during 2016 and 2015.

Financial Review of the Year

The principal funding sources are through regular giving, collections at services, one off donations and a Gift Day. The Gift Day income was directed towards Open Doors (a donation of £37,068 was made) and general church funds. The major expenditure of the church is on staff costs, staff housing costs, the Parish Share, grants made by the World Mission Group, and grants made by the UK Mission Group. In addition, £37,168 was spent on refurbishing the toilets at St Andrew the Great from the Restoration Fund.

Policy on Reserves

The Holy Sepulchre's PCC does not aim to build up significant free reserves, rather it aims to spend the large majority of income received each year on gospel purposes. All of the unrestricted reserves, not already invested in functional properties, are designated for specific purposes. Free reserves at 31 December 2016 are £83,405. Total reserves at 31 December 2016 are £793,427 of which £2,200 are restricted.

The Contingency Fund represents a legacy from a previous vicar of the church, and a £5,500 legacy received in May 2014. This fund is used to underwrite new initiatives and help cashflow when necessary.

The Ministry Fund was set up from the residue of the bequest from the estate of Margaret Welch for the funding of gospel initiatives as authorised by the PCC.

The Restoration Fund is used to hold money set aside for restoration and repairs of St Andrew the Great and Round Church buildings. For some years the PCC has placed the £17,500 rent received from Cambridge Christian Heritage into this fund. The fund has been used in the year for the refurbishment of the toilets at St Andrew the Great.

The Vicar's Discretionary Fund was set up during 2012 as a restricted fund for discretionary payments authorised by the Vicar and Wardens to people in need.

Induction and training of Trustees

Members of the PCC are the Charity Trustees for Holy Sepulchre Church. All members are sent an annual reminder of their responsibilities, with specific reference to the Charity Commission advice on duties of a Trustee and on financial management. They are also offered training at seminars run by local legal firms.

Remuneration of staff

A Remuneration Committee consisting of the Chairman of the Finance & Standing Committee, the Treasurer and a further PCC member with personnel experience determines employment packages for recommendation to the Finance & Standing Committee. Stipends for pastoral staff are linked to the Ely Diocesan rates for Church of England clergy and stipends for administrative staff are linked to the University of Cambridge salary scales.

Public Benefit

The Holy Sepulchre's PCC has considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In particular the PCC try to enable ordinary people to live out their faith as part of the local community through:

- Worship and prayer; learning about the gospel; and developing their knowledge and trust in Jesus.
- Provision of pastoral care for people living in the local community
- Missionary and outreach work.

Risk Management

The major risks to which Holy Sepulchre's PCC is exposed have been identified and reviewed, and systems have been established to manage those risks.

Plans for Future Periods

The Holy Sepulchre's PCC intends to continue its main aim of promoting the gospel in Cambridge.

On behalf of the PCC

Revd Alasdair Paine

Date:

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE

STATEMENT OF THE COUNCIL'S RESPONSIBILITIES

The Parochial Church Council is responsible for the preparation of the annual financial statements and for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the PCC. It is also responsible for safeguarding the assets of the PCC and thereby taking reasonable steps to ensure the prevention and detection of fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL

We have audited the financial statements for the Parochial Church Council of Holy Sepulchre Cambridge for the year ended 31 December 2016 which comprise of the group and parent Statement of Financial Activities and the group and parent Balance Sheet and the related notes on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the PCC's members, as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the members those matters that we are required to state to them in an audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and the PCC's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Council and Auditors

As stated above the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An Audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the PCC's circumstances and have been consistently applied and adequately disclosed; the reasonableness of accounting estimates made by the PCC members; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view, of the state of the group and parent charity's affairs as at 31 December 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on Which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Parochial Church Council's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Chater Allan LLP
Chartered Accountants & Registered Auditors
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

Chater Allan LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date:

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
PARENT STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income from:						
Donations and legacies	2(a)	775,571	-	106,044	881,615	881,908
Charitable Activities	2(c)	114,524	22,200	21,000	157,724	158,961
Investments	2(b)	434	-	-	434	452
Other	2(d)	1,035	-	-	1,035	1,825
Total Income		<u>891,564</u>	<u>22,200</u>	<u>127,044</u>	<u>1,040,808</u>	<u>1,043,146</u>
Expenditure on:						
Charitable Activities	3	889,604	42,212	136,288	1,068,104	981,019
Total Expenditure		<u>889,604</u>	<u>42,212</u>	<u>136,288</u>	<u>1,068,104</u>	<u>981,019</u>
Net Income/(expenditure)		<u>1,960</u>	<u>(20,012)</u>	<u>(9,244)</u>	<u>(27,296)</u>	<u>62,127</u>
Transfer Between Funds:		(10,119)	-	10,119	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	17	3,000	-	-	3,000	43,000
Net Movement in Funds		<u>(5,159)</u>	<u>(20,012)</u>	<u>875</u>	<u>(24,296)</u>	<u>105,127</u>
Reconciliation of funds:						
Total funds brought forward		585,800	230,598	1,325	817,723	712,596
Total funds carried forward		<u>580,641</u>	<u>210,586</u>	<u>2,200</u>	<u>793,427</u>	<u>817,723</u>

Income and expenditure is derived solely from continuing operations

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Total StAG Funds £	StAG Ministry Support Trust £	Consolidated Total 2016 £	Consolidated Total 2015 £
Income from:					
Donations and legacies	2(a)	881,615	60,194	929,809 *	952,924
Charitable Activities	2(c)	157,724	49	157,773	159,013
Investments	2(b)	434	-	434	452
Other	2(d)	1,035		1,035	1,825
Total Income		<u>1,040,808</u>	<u>60,243</u>	<u>1,089,051</u>	<u>1,114,214</u>
Expenditure on:					
Charitable Activities	3	1,068,104	59,330	1,115,434 *	1,039,220
Total Expenditure		<u>1,068,104</u>	<u>59,330</u>	<u>1,115,434</u>	<u>1,039,220</u>
Net Income/(expenditure)		<u>(27,296)</u>	<u>913</u>	<u>(26,383)</u>	<u>74,994</u>
Other recognised gains/(losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	3,000		3,000	43,000
Net Movement in Funds		<u>(24,296)</u>	<u>913</u>	<u>(23,383)</u>	<u>117,994</u>
Reconciliation of funds:					
Total funds brought forward		817,723	61,903	879,626	761,632
Total funds carried forward		<u><u>793,427</u></u>	<u><u>62,816</u></u>	<u><u>856,243</u></u>	<u><u>879,626</u></u>

Income and expenditure is derived solely from continuing operations

*The total funds include consolidation adjustments and are not, therefore, a simple cast of the columns on this page.

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
PARENT BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016		2015	
		£	£	£	£
FIXED ASSETS:					
Tangible Fixed Assets	7		497,236		505,497
CURRENT ASSETS:					
Stock	8	3,482		5,915	
Debtors	9a	64,180		98,288	
Short Term Deposits		235,965		209,740	
Cash at Bank and In Hand		43,633		54,280	
		<u>347,260</u>		<u>368,223</u>	
LIABILITIES:					
Creditors: Amounts falling due within one year	10a	<u>31,069</u>		<u>30,997</u>	
NET CURRENT ASSETS			<u>316,191</u>		<u>337,226</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>813,427</u>		<u>842,723</u>
PENSION PROVISION	17		(20,000)		(25,000)
NET ASSETS			<u><u>793,427</u></u>		<u><u>817,723</u></u>
THE FUNDS OF THE CHARITY:					
Unrestricted Funds	12		580,641		585,800
Designated Funds	13		<u>210,586</u>		<u>230,598</u>
			791,227		816,398
Restricted Funds	14		2,200		1,325
TOTAL CHARITY FUNDS			<u><u>793,427</u></u>		<u><u>817,723</u></u>

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

Revd Alasdair Paine (Chairman)

Prof Peter Robinson (Vice-Chairman & Treasurer)

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
GROUP BALANCE SHEET
AS AT 31 DECEMBER 2016

		2016		2015	
	Note	£	£	£	£
FIXED ASSETS:					
Tangible Fixed Assets	7		497,236		505,497
CURRENT ASSETS:					
Stock	8	3,482		5,915	
Debtors	9	66,703		105,526	
Short Term Deposits		235,965		209,740	
Cash at Bank and In Hand		<u>104,401</u>		<u>109,364</u>	
		410,551		430,545	
LIABILITIES:					
Creditors: Amounts falling due within one year	10	<u>31,544</u>		<u>31,415</u>	
NET CURRENT ASSETS			<u>379,007</u>		<u>399,129</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			876,243		904,626
PENSION PROVISION	17		(20,000)		(25,000)
TOTAL NET ASSETS			<u><u>856,243</u></u>		<u><u>879,626</u></u>
THE FUNDS OF THE CHARITY:					
Unrestricted Funds	12		580,641		585,800
Designated Funds	13		<u>210,586</u>		<u>230,598</u>
			791,227		816,398
Restricted Funds	14		65,016		63,228
TOTAL CHARITY FUNDS			<u><u>856,243</u></u>		<u><u>879,626</u></u>

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

Revd Alasdair Paine (Chairman)

Prof Peter Robinson (Vice-Chairman & Treasurer)

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Cash used in operating activities	1	20,829	70,173
Cash flows from investing activities:			
Dividends, interest and rents from investments		434	452
Net cash provided by/(used in) investing activities		<u>434</u>	<u>452</u>
Change in cash and cash equivalents in the reporting period	2	21,263	70,625
Cash and cash equivalents at the beginning of the reporting period		319,104	248,479
Cash and cash equivalents at the end of the reporting period		<u>340,366</u>	<u>319,104</u>

Notes to Consolidated Cash flow statement

1. Reconciliation of net income for the year to net cash flow from operating activities

	2016 £	2015 £
Net movement in funds	(23,383)	117,994
Adjustments for:		
Depreciation charges	8,261	9,039
Dividends, interest and rents from investments	(434)	(452)
Decrease/(Increase) in stocks	2,433	(72)
Decrease/(Increase) in debtors	38,823	27,595
Increase (decrease) in creditors	(4,871)	(83,932)
Net cash inflow (outflow) from operating activities	<u>20,829</u>	<u>70,173</u>

2. Analysis of cash and cash equivalents

	At 1 January 2016 £	Cash flow £	At 31 December 2016 £
Cash at bank and in hand	109,364	(4,962)	104,401
Short term deposits	209,740	26,225	235,965
	<u>319,104</u>	<u>21,263</u>	<u>340,366</u>

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 STATEMENT OF ACCOUNTING POLICIES

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, together with applicable accounting standards and the Charities SORP (FRS 102). The financial statements comprise the accounts of the PCC and the Gospel Ministry Support Trust (formerly the St Andrew the Great Ministry Support Trust) (charity no 1098977) which until 19 December 2016 was under the control of the PCC for accounts purposes, because the PCC had the power to appoint its trustees.

The financial statements have been prepared under the historical cost convention except for the valuation of 1 Pretoria Road, as explained in Note 7 below.

The PCC constitutes a public benefit entity as defined by FRS 102

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted. The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

Restricted funds represent amounts given to the PCC where the donor has specified that the funds are spent on a particular purpose.

Income

Voluntary income

Collections are recognised when received by the PCC.

Gift Aid donations are administered directly by the Church and the Gift Aid is recognised as income at the same time that the donation is recognised as income, which is when the donation is received.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the ultimate receipt is virtually certain, and the monetary value can be measured reliably.

Amounts charged and raised at church events, such as money for food provided, and sale of books and magazines at the church bookstall, are recognised as income. Associated expenditure is recognised separately under Resources Expended.

Gifts in kind

Gifts in kind are accounted for at a reasonable estimate of their value at the time of gift to the PCC, if material and feasible, or else at the amount actually realised from their disposal.

Rental income

Rental income from the letting of church premises is recognised when the rent is due in accordance with the arrangement, lease or licence.

Income from investments

Dividends and interest are accounted for when receivable.

Expenditure

Liabilities

Liabilities are recognised as soon as the legal or constructive obligation arises.

Grants payable

These are recognised in the accounts when a commitment has been made externally and there are no pre-conditions still to be met for entitlement to the grant which remain within the control of the PCC.

Activities directly relating to the work of the Church

The diocesan quota or Ministry share is accounted for when payable. Any quota unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

Governance costs

These include the costs of the preparation and audit of the statutory accounts and the cost of any legal advice to trustees on governance or constitutional matters.

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Fixed Assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by Section 10(2) (a) and (c) of the Charities Act 2011. No value is placed on moveable church furnishings held by the church wardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or benefice buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

Capitalisation of tangible fixed assets

Tangible fixed assets are capitalised if they will be used for more than one year and cost over £500.

Depreciation of tangible fixed assets

Depreciation is provided on all fixed assets on a straight line basis calculated to write off the cost over their expected useful lives, as follows:

Fixtures and fittings	5 - 10 years straight line
Computer equipment	3 years straight line

No depreciation is provided on buildings due to their high residual value.

Leasing and Hire Purchase Commitments

Assets held under finance leases are capitalised at the present value of the minimum lease payments and are depreciated over the shorter of the lease term and the useful life of the asset concerned. Interest is recognised in the Statement of Financial Activities over the period of the lease so as to produce a constant periodic rate of charge on the balance of the capital repayments outstanding.

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over the useful life of the asset concerned. The interest element of the rental obligations is recognised in the Statement of Financial Activities so as to produce a constant periodic rate of charge on the balance of the capital repayments outstanding.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Stock

Stock is books and magazines held for sale on the Church bookstall. It is valued at the lower of cost or net realisable value.

Debtors

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

Creditors and provisions

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

Going Concern

The Trustees have a reasonable expectation that the PCC and the group have adequate resources to continue in operational existence for the foreseeable future and the PCC is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Pension Costs

One member of staff is a member of the Church of England Funded Pension Scheme, a defined benefits scheme.

Contributions payable to this scheme, less deficit recovery payments, are charged to the Income and Expenditure account so as to spread the cost of the pension over the employee's expected working life. The pension charge is calculated on the basis of actuarial advice. These contributions are invested separately from the church's assets. Under Section 28 of FRS 102 provision is made for agreed deficit recovery payments.

Taxation

The PCC is a charity and as such is not liable to taxation.

Volunteers

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Transition to FRS 102

On 31 December 2014 the date of transition to FRS 102 a pension deficit recovery provision of £73,000 was included. At 31 December 2015 a pension provision of £28,000 was included and at 31 December 2016 a pension provision of £23,000 was included. In the year ended 31 December 2015 the net income was increased by £2,000 and the net movement in funds was increased by £45,000.

2 INCOME - PARENT

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2016 £	2015 £
(a) Donations and legacies					
Standing Orders	461,883	-	-	461,883	435,910
Tax Reclaimed	127,161	-	-	127,161	138,801
Collections	31,091	-	-	31,091	24,956
Gifts	40,881	-	3,000	43,881	77,329
Gift Day	60,555	-	-	60,555	69,994
Gifts in kind	54,000	-	-	54,000	45,000
Staff Support	-	-	103,044	103,044	89,918
	<u>775,571</u>	<u>-</u>	<u>106,044</u>	<u>881,615</u>	<u>881,908</u>
(b) Investments					
Bank Interest	434	-	-	434	452
	<u>434</u>	<u>-</u>	<u>-</u>	<u>434</u>	<u>452</u>
(c) Charitable activities					
Church Activities:					
Church Life	34,625	-	-	34,625	38,912
Events	31,570	-	-	31,570	29,623
All Saints Garden	13,050	-	-	13,050	13,050
Property Letting	26,850	22,200	21,000	70,050	67,986
Bookstall	5,157	-	-	5,157	6,658
Fees, Royalties and other Honorariums	2,844	-	-	2,844	2,647
Administration	428	-	-	428	85
	<u>114,524</u>	<u>22,200</u>	<u>21,000</u>	<u>157,724</u>	<u>158,961</u>
(d) Other					
StAG Room Hire	1,035	-	-	1,035	1,825
	<u>1,035</u>	<u>-</u>	<u>-</u>	<u>1,035</u>	<u>1,825</u>
Total	<u>891,564</u>	<u>22,200</u>	<u>127,044</u>	<u>1,040,808</u>	<u>1,043,146</u>

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
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3 EXPENDITURE ON:

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2016 £	2015 £
Charitable activities					
(a) Grants					
UK Mission (note 17)	41,944	-	-	41,944	42,550
World Mission (note 17)	42,706	-	-	42,706	44,064
Charitable Giving	41,568	-	12,244	53,812	50,978
	<u>126,218</u>	<u>-</u>	<u>12,244</u>	<u>138,462</u>	<u>137,592</u>
(b) Direct Costs					
Parish Share	129,662	-	-	129,662	127,772
Students' Curate	34,913	-	-	34,913	35,056
Associate Pastor (Hub)	25,213	-	-	25,213	24,830
Associate Vicar (Hub)	32,982	-	-	32,982	31,450
Church Manager	39,737	-	-	39,737	35,858
International Workers	39,118	-	-	39,118	35,225
Student Workers	2,874	-	124,044	126,918	114,766
Women's Worker	11,170	-	-	11,170	10,418
Youth Worker	25,486	-	-	25,486	18,656
Church Administrator and Secretary	24,213	-	-	24,213	22,718
Pension provision interest cost	1,000	-	-	1,000	2,000
Staff Expenses	21,854	-	-	21,854	16,563
Church Life	81,641	-	-	81,641	80,143
Events	32,775	-	-	32,775	31,292
Bookstall, Church Magazine and Tracts	10,165	-	-	10,165	7,891
Church Utilities and Church Maintenance	49,873	42,212	-	92,085	59,604
Depreciation	8,261	-	-	8,261	9,039
Rent in kind	54,000	-	-	54,000	45,000
Staff Housing Costs	105,602	-	-	105,602	101,411
	<u>730,539</u>	<u>42,212</u>	<u>124,044</u>	<u>896,795</u>	<u>809,692</u>
(c) Support Costs					
Administration	13,005	-	-	13,005	9,920
Printing	15,977	-	-	15,977	18,887
Bank Charges	265	-	-	265	188
(d) Governance	<u>3,600</u>	<u>-</u>	<u>-</u>	<u>3,600</u>	<u>4,740</u>
	<u>32,847</u>	<u>-</u>	<u>-</u>	<u>32,847</u>	<u>33,735</u>
Total	<u>889,604</u>	<u>42,212</u>	<u>136,288</u>	<u>1,068,104</u>	<u>981,019</u>

3d Governance

Audit	3,600	-	-	3,600	3,640
Accountancy	-	-	-	-	1,100
	<u>3,600</u>	<u>-</u>	<u>-</u>	<u>3,600</u>	<u>4,740</u>

4 TOTAL EXPENDITURE - PARENT

	Staff Costs £	Depreciation £	Other Costs £	Total 2016 £	Total 2015 £
Charitable Activities:					
Grants	-	-	138,462	138,462	137,592
Church Activities Direct	312,598	8,261	575,936	896,795	811,692
Church Activities Support	-	-	32,847	32,847	33,735
	<u>312,598</u>	<u>8,261</u>	<u>747,245</u>	<u>1,068,104</u>	<u>983,019</u>

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
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5 STAFF COSTS - PARENT

	2016	2015
	£	£
Wages and Salaries	270,649	237,780
Social Security Costs	18,457	15,837
Pension Costs	23,492	9,744
	<u>312,598</u>	<u>263,361</u>

During the year the PCC employed staff as shown in note 3.

	2016	2015
	14	13

The average number of staff during the year was:

The Jesus Lane Trust provides a grant towards the stipends of the student workers at St Andrew the Great. The Jesus Lane Trust is a charity established to support Christian Gospel work amongst students in Cambridge.

No employee earned more than £60,000 in the year.

During the year, Revd Richard Alldritt received a salary of £23,599 for his role as Students' Curate and Rev Charles Newcombe received a salary of £24,786 for his role as Associate Vicar (Hub). By virtue of these roles, both are ex officio members of the PCC. Mrs Sarah Robinson received remuneration of £9,858 for her role as Women's Worker. The Deanery Synod elected her to the Diocesan Synod and consequently she is an ex officio member of the PCC.

During the year 5 (2015 - 5) trustees, in their capacity as employees of the PCC or the Diocese of Ely, were reimbursed for expenses incurred for mileage and hospitality of £2,876 (2015 - £2,247).

During the year remuneration received by key management personnel totalled £110,631.

6 PENSION COSTS - PARENT

The PCC operates a defined contribution pension scheme for all directly employed members of staff. The assets of the scheme are held separately from those of the PCC in an independently administered fund. The pension cost charge represents contributions payable by the PCC to the fund and amounted to £17,261 (2015: £7,465). At the year end outstanding pension contributions of £2,122 existed.

7 FIXED ASSETS FOR USE BY THE PCC - GROUP AND PARENT

Tangible Fixed Assets		Freehold Land and Buildings	Fixtures & Fittings	Total
		£	£	£
Gross Book Value	As at 1 January 2016	534,511	207,413	741,924
	As at 31 December 2016	<u>534,511</u>	<u>207,413</u>	<u>741,924</u>
Depreciation	As at 1 January 2016	42,585	193,842	236,427
	Charge for year	-	8,261	8,261
	As at 31 December 2016	<u>42,585</u>	<u>202,103</u>	<u>244,688</u>
Net Book Value	As at 31 December 2016	<u>491,926</u>	<u>5,310</u>	<u>497,236</u>
Net Book Value	As at 31 December 2015	<u>491,926</u>	<u>13,571</u>	<u>505,497</u>

The freehold land and buildings comprise the houses located at 1 Pretoria Road, 64 St Albans Road and 64A St Albans Road. The gross value of 1 Pretoria Road is that estimated for the property when it was let in 1997, and is considered a fair estimate of the value in use of the property. Under FRS 102 section 35.10 (c) the fair value is treated as deemed cost.

The historical cost of 1 Pretoria Road was £6,000.

The fixed assets of the PCC are all used for charitable purposes.

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
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8 STOCK - GROUP AND PARENT

	2016	2015
	£	£
Books for Re-sale	3,482	5,915

9 DEBTORS - GROUP

	2016	2015
	£	£
Other debtors	14,190	20,271
Tax Recoverable	40,519	73,564
Prepayments and Accrued Income	11,994	11,691
	<u>66,703</u>	<u>105,526</u>

9a DEBTORS - PARENT

	2016	2015
	£	£
Other debtors	11,667	13,033
Tax Recoverable	40,519	73,564
Prepayments and Accrued Income	11,994	11,691
	<u>64,180</u>	<u>98,288</u>

10 CREDITORS: amounts falling due within one year - GROUP

	2016	2015
	£	£
Accruals and Deferred Income	19,035	21,174
Tax and other social security costs	5,705	5,485
Other creditors	3,804	1,756
Pension deficit reduction provision	3,000	3,000
	<u>31,544</u>	<u>31,415</u>

10a CREDITORS: amounts falling due within one year - PARENT

	2016	2015
	£	£
Accruals and Deferred Income	19,035	21,174
Tax and other social security costs	5,705	5,485
Other creditors	3,329	1,338
Pension deficit reduction provision	3,000	3,000
	<u>31,069</u>	<u>30,997</u>

11 OPERATING LEASE COMMITMENTS - GROUP AND PARENT

At 31 December 2016 the charity had total commitments under non cancellable operating leases due to expire in five years:

Land and buildings	2016	2015
	£	£
	30,226	22,585
	<u>30,226</u>	<u>22,585</u>

At 31 December 2016 the charity had total commitments under non cancellable operating leases due to expire in one year:

Office Equipment	2016	2015
	£	£
	3,808	9,140

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
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12 UNRESTRICTED FUNDS - PARENT

	Revaluation Reserve £	PCC General £	Total £
Balance at 1 January 2016	194,000	391,800	585,800
Incoming Resources	-	891,564	891,564
Resources Expended	-	(889,604)	(889,604)
Actuarial gains/(losses) on defined benefit pension schemes	-	3,000	3,000
Transfer to Restricted Fund	-	(10,119)	(10,119)
Balance at 31 December 2016	<u>194,000</u>	<u>386,641</u>	<u>580,641</u>

13 DESIGNATED FUNDS - PARENT

	Ministry Fund £	Contingency Fund £	Restoration Fund £	Total £
Balance at 1 January 2016	47,000	15,357	168,241	230,598
Incoming Resources	-	-	22,200	22,200
Charitable Expenditure	-	-	(42,212)	(42,212)
Balance at 31 December 2016	<u>47,000</u>	<u>15,357</u>	<u>148,229</u>	<u>210,586</u>

Contingency Fund

Fund represents a legacy from a previous vicar of the Church and a legacy received in May 2014 and is considered as a contingency.

Restoration Fund

Fund set-aside for restoration and repairs of any Church buildings.

Ministry Fund

Fund set aside for the funding of gospel initiatives as authorised by the PCC.

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

14 RESTRICTED FUNDS - GROUP AND PARENT

	PCC General Fund £	Vicar's Discretionary Fund £	Total StAG Funds £	StAG Ministry Support Trust £	Consolidated Restricted Funds £
Balance at 1 January 2016	1,325	-	1,325	61,903	63,228
Voluntary Income	106,044	-	106,044	60,243	166,287
Charitable Activity Income	21,000	-	21,000	-	21,000
Charitable Expenditure	(126,169)	(10,119)	(136,288)	(59,330)	(195,618)
Transfer from Unrestricted PCC General Fund	-	10,119	10,119	-	10,119
Balance at 31 December 2016	<u>2,200</u>	<u>-</u>	<u>2,200</u>	<u>62,816</u>	<u>65,016</u>

PCC General Fund

The PCC General Fund consists of a number of separate funds summarised below:

Specific Gifts Fund

Gifts to the church which are nominated for a specific recipient.

Jesus Lane Trust Fund

Gifts to the Church from the Jesus Lane Trust which are specifically for use in paying the salaries of the student workers.

Vicar's Discretionary Fund

These are discretionary payments to persons in need and covered by a transfer from unrestricted funds.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed Assets	497,236	-	-	497,236
Net Current Assets	83,405	210,586	65,016	359,007
Fund Balance	<u>580,641</u>	<u>210,586</u>	<u>65,016</u>	<u>856,243</u>

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
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16 ANALYSIS OF GRANTS - PARENT

All grants with a value greater than £100 are recorded in the tables below. External giving is directed on behalf of the PCC by the World Mission and UK Mission groups, which have been allocated budgets of £40,000 each.

World Mission Group

	£
Alicia Burgess	2,100
B & J	2,000
D & A	4,200
J & Y	4,200
James Poole	2,100
Jonathan & Rachel Vaughan	4,200
Jonathan Spencer	2,100
Luke Wisley	200
Kathleen Spence	4,200
Mongolian Union Bible Society	2,100
Myrto Theocharous	4,200
Nerena Nethercoat	4,200
Sunao Honda	1,300
Tomas Uher	4,200
Mission Sunday speakers and visitors	1,406
	<u>42,706</u>

Gift Day 2016

Open Doors	<u>37,068</u>
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Other

GAFCON	1,500
St Neots Evangelical Church for Cambourne	3,000
	<u>4,500</u>

UK Mission Group

	£
Cherry Cheung	500
Christian Graduate Society	100
Emmanuel Church Hastings	750
Helen Hambling	500
Jack Robinson	500
Jonathan Carter	2,000
Julia Snodgrass	500
Morvern Cox	1,250
Niv Lobo	1,250
Sarah Gales	500
St Nicholas Church Tooting	6,000
St Philemon's Church Toxteth	4,500
Simon Adcock	500
Susan Marriott	383
Terrington St Clement	12,000
Trinity Church York	2,000
True Freedom Trust	500
Wellfield Church	6,000
Will Zong	<u>1,250</u>
	40,983
Book tokens provided to Ordinands (£100 each)	<u>900</u>
	<u>41,883</u>

The total value of grants over £50 given to institutions during the year was	75,518
The total value of grants over £50 given to individuals during the year was	50,639
	<u>126,157</u>

17 PENSION PROVISION

One member of staff is a member of the Church of England Funded Pension Scheme.

	2016 £	2015 £
Balance as at 1st January	28,000	73,000
Deficit contributions paid	(3,000)	(4,000)
Interest cost	1,000	2,000
Remaining change to the balance sheet liability (SOFA)	(3,000)	(43,000)
Balance as at 31 December	<u>23,000</u>	<u>28,000</u>
Due in less than one year	3,000	3,000
Due in more than one year	<u>20,000</u>	<u>25,000</u>

The charity has entered into deficit recovery plans in respect of the Church of England Funded Pension Scheme, see note 18.

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
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18 PENSION PROVISIONS

Holy Sepulchre PCC (Cambridge) participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which hold the assets of the schemes separately from those of the Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2015. The 2012 valuation revealed a deficit of £236m, based on assets of £1,038m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of :
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6%p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for future improvements in mortality rates from 2003 in line with the CMI 2015 core projections, with a long term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contribution payable (as a percentage of pensionable stipends) are as set out in the table below. Contributions since 2015 are shown for reference:

	January 2015 to December 2017	January 2018 to December 2025
% of pensionable stipends		
Deficit repair contributions	14.1%	11.9%

As at December 2014 and December 2015, the deficit repair contributions payable under the recovery plan in force were 14.1% of pensionable stipends until December 2025.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2016	2015
Balance sheet liability at 1 January	28,000	73,000
Deficit contributions paid	(3,000)	(4,000)
Interest cost (recognised in SoFA)	1,000	2,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(3,000)	(43,000)
Balance sheet liability at 31 December	<u>23,000</u>	<u>28,000</u>

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2016	December 2015	December 2014
Discount rate	1.5% pa	2.5% pa	2.3% pa
Price inflation	3.1% pa	2.4% pa	2.7% pa
Increase to total pensionable payroll	1.6% pa	0.9% pa	1.2% pa

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

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
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19 STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31st DECEMBER 2015
PARENT

	Unrestricted Funds			Total
	Unrestricted Funds	Designated Funds	Restricted Funds	2015
	£	£	£	£
	as restated	as restated	as restated	as restated
Income from:				
Donations and legacies	750,190	-	131,718	881,908
Charitable Activities	118,825	20,536	19,600	158,961
Investments	452	-	-	452
Other	1,825	-	-	1,825
Total Income	871,292	20,536	151,318	1,043,146
Expenditure on:				
Charitable Activities	815,649	7,324	158,046	981,019
Total Expenditure	815,649	7,324	158,046	981,019
Net Income/(expenditure)	55,643	13,212	(6,728)	62,127
Transfer Between Funds:	(7,578)	-	7,578	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit pension schemes	43,000	-	-	43,000
Net Movement in Funds	91,065	13,212	850	105,127
Reconciliation of funds:				
Total funds brought forward	494,735	217,386	475	712,596
Total funds carried forward	585,800	230,598	1,325	817,723

20 RELATED PARTY TRANSACTIONS

There were no related party transactions except those mentioned in note 5.