

**Cheltenham Minster with St Matthew Parochial Church Council
Cheltenham**

Annual report and unaudited financial statements

for the year ended 31 December 2016

Registered Charity number: 1131805

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Cheltenham Minster
with St Matthew Parochial Church Council, Cheltenham

Cheltenham Minster with St Matthew is situated in central Cheltenham. The parish is part of the Diocese of Gloucester within the Church of England. The correspondence address is 44 Clarence Street, Cheltenham, Gloucestershire, GL50 3PL. The Parochial Church Council is a registered charity – Charity number 1131805. PCC members who have served from 1 January 2016 until the date this report was approved are:

Rector	Rev Dr Tudor Griffiths	Chair
Associate Minister	Rev Patrick Wheaton	(non-voting)
Pastoral Minister	Rev Clare Dyson	(non-voting)
Youth Worker	Matt Brown Annie Phillips	(non-voting) to August 2016 (non-voting) from December 2016
Wardens	Paul Collacott Charlotte Jamieson	Lay Vice Chair
Treasurer	Michael Barrett	elected April 2016 (2 nd term)
Parish Giving	Andy Ponting	elected April 2016 (3 rd term)
Secretary	Gill Sage	(non-voting) from March 2011
Minute Taker	Carolyn Roberts	(non-voting) from April 2011
General Synod	William Belcher	
Diocesan Synod	Chris Chadwick	
Deanery Synod	Chris Chadwick Ken Syme David Evans Jenni Philpott	(also Electoral Roll Officer)
Vulnerable Adults Officer	Margaret Failes	elected April 2016 (3 rd term)
Children's Policy Officer	Stephen Ayland	elected April 2014 (3 rd term)
PCC Member	Alastair Beevers Carol Allen Andrew Jack Michael Bishop Richard Cook Karen Davie Anna Harvey Bobbie Johns Peter Ormerod Rod Pellereau Ian Perry Eric Porter Clare Salisbury Anna Sanders Holly Seward Godfrey Tarling Steve Thomas Rachel Wadsworth David Warren	elected April 2014 (1 st term) to April 2016 elected April 2016 (1 st term) elected April 2016 (1 st term) elected April 2016 (2 nd term) elected April 2016 (2 nd term) elected April 2016 (1 st term) to August 2016 elected April 2014 (1 st term) elected April 2014 (2 nd term) elected April 2014 (3 rd term) elected April 2014 (2 nd term) elected April 2014 (3 rd term) elected April 2015 (2 nd term) elected April 2014 (2 nd term) elected April 2014 (1 st term) to April 2016 elected April 2016 (1 st term) elected April 2015 (3 rd term) elected April 2014 (1 st term) to April 2016 elected April 2014 (1 st term) co-opted May 2016

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The Rector, Churchwardens and Synod members are all ex-officio members of the PCC. In addition, there are a total of 21 directly elected members who serve a 3 year term before re-election but there is no restriction on the number of terms a member may serve. Members may stand down during their 3 year term and, in this event, vacancies are not always taken up. The PCC can also co-opt additional members, who must stand for re-election at the Annual Parochial Church Meeting or stand down.

Readers	Diane Bruckland Moir Johnson (emerita) Rod Pellereau Robert Sutton Rachel Tarling Eric Porter
Administrative office	Church Office 44 Clarence Street Cheltenham Gloucestershire GL50 3PL
Independent Examiners	Randall & Payne LLP Chartered Accountants Chargrove House Shurdington Cheltenham Gloucestershire GL51 4GA
Bankers	HSBC Bank plc 2 The Promenade Cheltenham Gloucestershire GL50 1LR

**Cheltenham Minster
with St Matthew Parochial Church Council, Cheltenham**

**Trustees' Annual Report
For the year ended 31 December 2016**

Structure, Governance and Management

The Parochial Church Council is a corporate body, established by the Church of England that operates under the Parochial Church Council Powers Measure. The method of appointment of PCC members is set out in the Church Representation Rules. The Council was registered with the Charity Commission in September 2009, Registered Charity number 1131805. Council members are elected by the church membership from the body of church members and can therefore be expected to be already familiar with the issues concerning the life of the church at the time of election. No formal induction process is undertaken other than through the provision of recent Minutes and papers. New council members can also expect to be made familiar with issues verbally. Together with existing members they will be made aware of their responsibilities on a regular basis by the Council Secretary. The Council has responsibility for a wide range of matters affecting the parish and relies on the expertise of many church members for advice. In areas where appropriate expertise is not immediately available professional advice, or if appropriate training for a member of church staff, will be sought. Members of staff attend regular training courses and follow church publications and other sources to maintain an up to date knowledge of the relevant issues. The major risks to which the Council is exposed are reviewed regularly by the PCC and its sub committees to ensure that the charity complies with best practice. This includes those that might have a financial impact, which are closely monitored by the Standing and Finance Committee. Systems and procedures designed to manage those risks have been or will be established. The Council is kept informed of the processes and procedures, which are brought to their attention. The Council meets approximately every two months, and Standing and Finance Committee meets in the intervening months or whenever special issues arise that give need for additional meeting. Members of the Council are encouraged to attend one of the Committees (Standing and Finance or Buildings and Fabric Committees) or Working groups. The work of these bodies is reviewed at the Council meetings and notes and minutes of their meetings are available to members.

Key Management Pay Policy

All responsibility for managing the charity rests with the PCC members and there are no key management personnel with delegated authority or budget responsibilities.

Objectives and Activities

The role of the Council is to work with the clergy and church staff to promote the whole mission of our church. The objective of this is to see people come to faith in Jesus, grow in their discipleship and worship, and to be encouraged, equipped and trained for using their gifts in the service of Jesus Christ. When planning the activities for the year the Council has considered the Charity Commission's guidance on public benefit and, in particular, we seek to enable people to live out their faith as part of our parish community.

In addition the Council has maintenance responsibilities for the Minster (St Mary's) and St Matthew's churches and associated properties.

The following report summarises the activities, aims and achievements of the Minster and St Matthew's under a number of relevant headings.

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Achievements for the Year

Rector's Report

This is not the report that I had been expecting to write a couple of months ago, but since then much has happened to shape my future that has inevitable consequences and challenges for the church family of the Minster and St Matthew's. St Luke's will also be in vacancy when I leave.

Our overarching vision remains *Following Jesus Christ and sharing his hope*, and over the last year we have been engaged in unpacking this further with our Ministry Review. This has been happily paralleled by a similar process in the whole of Gloucester Diocese resulting in the LIFE vision that we have gladly adopted into our own Ministry Review:

- L – Leadership
- I – Imagination
- F – Faith
- E – Engagement.

This LIFE Vision was never intended to be a straitjacket imposed from above, but it is a liberating framework for us all. We are responsible, under the Holy Spirit's leading, to work out what it means here. Our Ministry Review outlined five commitments, the first of which is affirmation of the LIFE Vision. The other four commitments are:

- Outreach and serving the community
- Working with children and young people
- Discipleship that is Biblically rooted and expressed in daily life
- Prayer.

In practice this is working out in a number of ways:

- Changes in our Sunday worship at St Matthew's
- Dan Button working with our small groups
- A review of our prayer life, which has already brought us a 24 hours of prayer.

Clearly there is much more to be done, but our Ministry Review was never intended to be a quick fix, and the LIFE Vision is intended to encourage us for five years. I am very aware that shortly there will be a need to provide a Parish Profile to assist with the appointment of my successor; I believe that the work we have done on the Ministry Review will provide a solid basis for this Profile.

We need to acknowledge and thank Matt for his work with young people. In his place we have welcomed Annie as our Youth Minister. Our congratulations go to Andy Hall on the successful completion of his curacy training. He is soon to be licensed as an Assistant Priest with responsibilities in the Minster. In practice this will make little difference; but in ministry terms Andy will be on a par with Clare and Patrick. It has been good to see Clare now restored to health and capacity. We are grateful to Jayne for stepping up to help with both pastoral work and young people in addition to her customary work that she tackles with terrific energy. We are grateful to Patrick for his delegated work in St Luke's as well as looking after our 6.30 and central small groups and our interns. While I have taken on some more responsibility in West Cheltenham, we have welcomed Dan Button to our midst; he has helped enormously with our small groups. We owe a great deal to our office team under the committed leadership of Andy Sawers; I am particularly grateful to Gill Sage, especially for all that she does to support my work as PA. So much goes on behind the scenes.

During my Sabbatical it is the Wardens who hold responsibility for the leadership of the church, delegated by me. Then clearly when I leave they will continue to hold this responsibility. They are leaders among the very many volunteers who are the lifeblood of the church body here. We use the word *volunteer* especially with regard to all who contribute to the visible life of our church family in so many ways. They are exercising discipleship or what it means *to follow Jesus Christ* in this particular context. But there are also many who exercise their discipleship at home, in places of work and leisure and myriads of ways that

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are never or rarely seen by others. We need reminders that it is not the institution of the church that matters but the work of God's Kingdom. Occasionally the two intersect, thankfully.

Writing this report within weeks of moving on has made me stop and consider what is important in ministry. It is not great talent or strategies; nor is it right processes and communication; nor is it hard work – it is a heart that loves Jesus and carries the still centre of peace with God into the turmoil of a 21st century day. May God, and by his grace may you, forgive me for my failings and not following this through as I should. And I shall pray for you.

The 'Echo' has asked me for my list of top memories that I will take with me from Cheltenham – not easy, but this is what I have given – arranged alphabetically:

- Abseiling down Eagle Tower – to raise over £2000 for the Mayor's Charities
- Being able to help some brothers and sisters grow in confidence and in ministry and service
- Christian Arts Festival – being a part of setting this up and introducing the first Big Sing
- Christmas morning at St Matthew's – worship and great fun
- Governor at Pittville School – such a joy to receive *Good* from OFSTED and to be engaged with the SEND Department
- Making friends with homeless people on the streets of the town
- Minster Christmas Merriment
- Minster-making service with Bishop Michael – fulfilling a vision and providing a great foundation for civic ministry
- Prayer in the Minster, particularly silent prayer in the Prayer Chapel
- Students working on a creative design project in the Minster, reminding us what the place is for
- Theological discussions in St Matthew's
- Visiting Loughborough to see the new bells cast for the Minster and the privilege of coming close to pray on the factory floor.

The Lord be with you. **Tudor**

St Luke's APCM Report

Jesus said that 'by this all men will know that you are my disciples, if you love one another.' Much might be made of St Luke's being a volunteer church, but the root of such volunteerism is our identity as a family of Jesus' disciples, filled with love for each other. At St Luke's everybody is involved, and everybody plays a part because of their love for each other - we could list that in relation to Sunday involvement such as music, children and youth ministry, stewarding, leading and preaching, coffee making and such like. Would you believe 26 budding baristas came forward after a recent request? But that love extends beyond Sundays. At the monthly Coffee Mornings love is seen in the conversation and welcome provided to those around during the daytime. At the ever popular 'Toddlers!' love is seen in the creation of a family for those who come along, and in the relationships between helpers. Love is seen in the lifts provided for those who would otherwise be unable to make it to church, and the extraordinary amount of pastoral care that takes place behind the scenes. Love is the root of a healthy church.

This year St Luke's has committed itself to be 'rooted and built up in Jesus Christ' (Colossians 2.6-7), acknowledging that the cornerstone of our church family is a community who have expressed their faith in Jesus Christ by holding a smaller church together. Now we look to Jesus to make our roots deeper, and build us up through growth. Principally we have seen this in our Sunday teaching and Short Courses. Together we have devoted ourselves to Mark's gospel seeing Jesus as the King who must die. The 'Prayer Course' in the Autumn drew many together and challenged us about our prayerfulness. Although we are still making our minds up about the two trendy young presenters.

We have also strived to be built up through taking Christ into the community. Our witness through Roundabout, Summer Cream Tea, the Riding Lights Christmas performance and such like have been at the

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forefront of this.

The year 2016 should equally leave us 'overflowing with thankfulness' to our good and gracious God. We have seen more people of all ages gathering to worship with us on a Sunday morning. Included in this has been the reestablishment of ministry both to children (4-11) and young people (11-18). Particular mention should be made in that regard to the vitality of the 8am fellowship. We celebrate a financial surplus at the end of the year, through God's grace and wise stewardship.

How are we looking forward into 2017? Through continued deepening roots and building up. Roots in prayerfulness. Roots in the Bible. Building up Sunday fellowship amongst all ages. Building up our connections with St John's, the YMCA, Thirlestaine Care Home and Cheltenham Hospital. And at some point tackling our physical building itself. The Lord is showing us shoots of growth and structures to build upon in all those areas. But those details will be part of next year's report.

Patrick Wheaton

Financial Review

During 2016 there was a surplus of £133,302 (2015: deficit of £34,349) before gains on revaluation of investment assets of £4,180 (2015: gains of £504). The Council is very grateful for the financial support of church members, who have again been particularly generous in responding to special appeals. This is of particular significance this year, as the overall surplus mentioned above is due largely to major contributions to the Minster Bell Fund, without which the accounts would have continued to show a deficit. There have also been ongoing efforts to keep costs down, and the Council has continued to monitor the financial situation to ensure that the longer term needs and objectives of the Church can be met.

Total receipts were £525,621 (2015: £386,977) and are detailed in the financial statements. This is a higher amount than in recent years, mainly due to the Minster bell project, to which £162,305 (2015: £1,445) has been donated during the year. At the same time, there has been a small reduction in the level of unrestricted voluntary income, but costs and expenses have been held down, resulting in a small surplus of £2,367 for the year. This surplus on the General Fund has only been achieved by the contribution of two exceptional amounts, a bequest of £10,000 (see Note 2) and £10,000 from a Section 106 Planning Agreement with Pegasus Life, who are developing the site behind St Matthew's Church (see Note 3). Without these two items, and allowing for an adjustment of £1,040 for professional fees associated with the Section 106 Agreement, the General Fund would have shown a deficit of £16,593 for the year.

Total payments on unrestricted funds in the year were £338,760 (2015: £364,042). The decrease in payments is due to an overall reduction in costs. The principal items of expenditure were £122,854 (2015: £133,316) on staff costs and related expenses and £133,116 (2015: £125,600) on Parish Share and Mutual Support, which we pay to the Gloucester Diocesan Board of Finance to enable it to provide the salary, pensions and housing for the Rector, Tudor Griffiths, and Associate Minister, Patrick Wheaton as well as other support services.

Investment policy

The PCC uses the funds it has been given to further its aims and objectives taking note of any restrictions where these have been donated for a specific purpose. It is not PCC policy to build up a cash reserve for its own sake. It maintains a cash flow balance and holds the remainder of its cash funds in savings accounts that bear interest on this investment. In the past the PCC has invested in property at Chester House that has generated some rental income. In the course of 2016, the property became functional as a dwelling for our youth worker, and subsequently the PCC took the decision to sell this property to allow it to use the income generated to support its aims and objectives.

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Plans for future periods

An appeal fund was established in 2016 for the replacement of the Minster bells. The total required for the replacement has been raised and these funds are included in the 2016 accounts. Work is currently underway in preparation for the instalment of the bells in 2017 at which time the invoices associated with this will be paid.

During the impending interregnum period the Church Wardens and the PCC will call on volunteers to assist in the running of the church. It is not envisioned that additional staff will be recruited and it is unlikely that there will be a substantial financial impact on the PCC funds

Reserves policy

It has been Council policy to maintain a balance on unrestricted funds, exclusive of fixed assets and designated legacy funds, which equates to at least two months' unrestricted payments. As a result of continuing annual deficits, these funds have become depleted, and the Council recognises that this policy has been breached. Free reserves at 31 December 2016 were showing a balance of £4,920. The Council has recognised the seriousness of this position and is taking measures to ensure that compliance with this policy will be restored. In the first instance a decision was taken to sell the Chester House property and the sale was completed in April 2017. A number of steps have been taken to decrease the deficit through increasing giving and decreasing expenditure. This will be monitored carefully with a view to developing a five year plan that will be inextricably linked with our ministry review.

Restricted Funds at 31 December 2016 totalled £176,929. These are amounts that have been given with specific projects in mind and are detailed in Note 15 to the financial statements.

Statement of Council members' responsibilities

Charity law requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Parochial Church Council at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements the Council members are 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 departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parochial Church Council will continue to function.

The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Parochial Church Council and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Parochial Church Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiners

The members recommend that Randall & Payne LLP remain in office until further notice.

This report was approved by the Council members on 20th March 2017, and signed on their behalf by

Revd Canon Dr Tudor Griffiths
Chairman

**Independent examiner's report on the unaudited financial statements to the Council members of
Cheltenham Minster with St Matthew Parochial Church Council**

I report on the unaudited financial statements of the Parochial Church Council for the year ended 31 December 2016.

Respective responsibilities of Council members and examiner

The charity's trustees are responsible for the preparation of the accounts. 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;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Council members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the 2011 Act.
- 2) have not been met; or
to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

R W Stokes FCCA

For and behalf of

RANDALL & PAYNE LLP

Chargrove House

Shurdington

Cheltenham

Gloucestershire

GL51 4GA Date:

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Statement of financial activities
For the year ended 31 December 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income from:					
Donations and legacies	2	307,203	184,494	491,697	343,144
Activities for generating funds	3	18,210	-	18,210	7,495
Investments	4	6,898	-	6,898	9,386
Church activities	5	8,816	-	8,816	26,952
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		341,127	184,494	525,621	386,977
		<hr/>	<hr/>	<hr/>	<hr/>
Church activities:					
Youth Work	6	(38,993)	(2,258)	(41,251)	(49,136)
Outreach	6	(1,039)	(4,879)	(5,918)	(5,549)
Mission Partners and Appeals	6	(24,872)	(8,125)	(32,997)	(36,952)
Ministry Costs	6	(273,856)	(38,297)	(312,153)	(329,689)
		<hr/>	<hr/>	<hr/>	<hr/>
Total (expenditure)		(338,760)	(53,559)	(392,319)	(421,326)
		<hr/>	<hr/>	<hr/>	<hr/>
Net gains on investments	10	-	4,180	4,180	504
		<hr/>	<hr/>	<hr/>	<hr/>
Net income / (expenditure)		2,367	135,115	137,482	(33,845)
Total funds brought forward		198,096	41,814	239,910	273,755
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	14, 15	200,463	176,929	377,392	239,910
		<hr/>	<hr/>	<hr/>	<hr/>

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Balance sheet
as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	9	195,543	201,881
Investments	10	43,204	39,024
		<hr/>	<hr/>
		238,747	240,905
Current assets			
Debtors	11	93,632	13,504
Cash at bank and in hand		86,790	21,400
		<hr/>	<hr/>
		180,422	34,904
Creditors: amounts falling due within one year	12	(41,777)	(35,899)
		<hr/>	<hr/>
Net current assets / (liabilities)		138,645	(995)
		<hr/>	<hr/>
Net assets	13	377,392	239,910
		<hr/>	<hr/>
Funds			
Unrestricted funds	14	200,463	198,096
Restricted funds	15	176,929	41,814
		<hr/>	<hr/>
		377,392	239,910
		<hr/>	<hr/>

The financial statements were approved by Cheltenham Minster with St Matthew Parochial Church Council on 20th March 2017, and signed on its behalf by

Paul Collacott
Churchwarden

Charlotte Jamieson
Churchwarden

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Statement of cash flows
For the year ended 31 December 2016

	Note	2016	2015
		£	£
Cash provided by/(used by) operating activities	20	58,492	(4,008)
		-----	-----
Cash flows from investing activities			
Interest, dividend income and rents		6,898	9,386
Proceeds from sale of investments		-	90
Purchase of tangible fixed assets		-	(6,532)
		-----	-----
Cash provided by investing activities		6,898	2,944
		-----	-----
Increase/(decrease) in cash and cash equivalents during the year		65,390	(1,064)
Cash and cash equivalents at the beginning of the year		21,400	22,464
		-----	-----
Cash and cash equivalents at the end of the year		86,790	21,400
		=====	=====

Notes to the financial statements
For the year ended 31 December 2016

1. Accounting policies

1.1. Accounting convention

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, it is also the first year they have been prepared under FRS102(2016) as the applicable accounting standards and the 2016 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 except for the valuation of investments, which are shown at market value, and on a Going Concern basis.

Reconciliation with Generally Accepted Accounting Practice: In preparing the accounts, the trustees have concluded that no restatement of liabilities or assets was required when considering applying the accounting policies required by FRS 102 and the Charities SORP FRS 102. Comparatives have been restated where required in the SOFA and accompanying notes in accordance with the legislation - see Note 19 for details.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.2. 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the church for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.3. Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received and the amount of the income capable of reliable measurement.

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the PCC where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers has not been included.

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under Gift Aid is recognised only when received.

Notes to the financial statements
For the year ended 31 December 2016

1.3. Incoming resources (continued)

Income Tax recoverable on Gift Aid donations is recognised when the income is recognised.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is reasonably certain. The PCC's policy is to include legacies of less than £5,000 in annual income. Legacies of at least £5,000 are kept in a separate fund, together with any interest arising on them, to be used for one-off expenditure at the PCC's discretion.

Interest is accounted for when receivable. Any tax recoverable on such income is recognised in the same accounting year.

The PCC is not registered for VAT.

Rental income from the letting of church premises is recognised when the rental is due.

1.4. Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the financial categories of resources expended in the statement of financial activities.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

1.5. Fixed assets

Consecrated and beneficed property of any kind is excluded from the financial statements by S10.(2)(a) and (c) of the Charities Act 2011.

Moveable church furnishings held by the Rector and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. They are listed in the church's inventory which can be inspected at any reasonable time. For inalienable property acquired prior to 1999 there is insufficient cost information available and therefore such assets are not included in the financial statements. There were no acquisitions of inalienable property in this financial year.

Fixtures, and office equipment - depreciation on owned assets is provided using the reducing balance method using a rate of 25% per annum except for the Communion Furniture where a rate of 5% is used. These rates are calculated to write off the assets over their useful economic lives. All assets costing more than £900 are capitalised.

In accordance with accounting practice, the leasehold property is included in the balance sheet at its open market value. The surplus or deficit on revaluation is transferred to the revaluation reserve. Leasehold properties are not amortised where the unexpired term is over twenty years. The PCC consider that this policy, which represents a departure from statutory accounting principles, is necessary in order that the financial statements may give a true and fair view.

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Notes to the financial statements
For the year ended 31 December 2016

1.6. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term. The title of the lease remains with the lessor and the equipment is replaced every 3 years whilst the economic life of such equipment is normally 10 years.

1.7. Investments

Fixed asset investments are stated at open market value.

1.8. Pensions

The charity makes contributions to a multi-employer defined benefit scheme for the benefit of a senior employee. The scheme is treated as a defined contribution scheme for the purposes of these accounts as the charity takes advantage of small entity reporting exemptions.

1.9 Financial instruments

The PCC only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

1.10 Going concern

The council members have reviewed the ongoing future of the PCC and consider that there are plans in place to continue the PCC's operation. There are no material uncertainties that may cast significant doubt on the PCC's ability to continue as a going concern.

2. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Regular planned giving	215,164	-	215,164	227,597
Tax recoverable	54,508	2,883	57,391	57,457
Service collections	6,824	-	6,824	7,321
Other giving	19,630	147,519	167,149	35,658
Other gifts and appeals	-	8,492	8,492	13,111
Grants receivable - (Note 7)	1,077	17,600	18,677	1,500
Legacies	10,000	8,000	18,000	500
	<hr/>	<hr/>	<hr/>	<hr/>
	307,203	184,494	491,697	343,144
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the voluntary income, £309,789 was in relation to unrestricted funds and £33,355 to restricted funds.

Cheltenham Minster
with St Matthew Parochial Church Council, Cheltenham

Notes to the financial statements
For the year ended 31 December 2016

3. Activities for generating funds
Unrestricted funds

	2016 Total £	2015 Total £
Room hire	8,210	7,495
Section 106 Agreement - Pegasus Life	10,000	-
	<u>18,210</u>	<u>7,495</u>

4. Income from investments
Unrestricted funds

	2016 Total £	2015 Total £
Chester House - rents receivable	5,539	7,800
Dividends and interest received	1,359	1,586
	<u>6,898</u>	<u>9,386</u>

5. Church Activities
Unrestricted funds

	2016 Total £	2015 Total £
Houseparty	-	18,940
Bookstall and tapes	247	1,079
Fees for weddings/funerals	4,299	2,220
Special events	1,546	2,535
Other giving	2,724	2,178
	<u>8,816</u>	<u>26,952</u>

Cheltenham Minster
with St Matthew Parochial Church Council, Cheltenham

Notes to the financial statements
For the year ended 31 December 2016

6. Church activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Youth and Children's Work				
Staff costs	37,344	-	37,344	43,628
Other costs	1,649	2,258	3,907	5,508
	<u>38,993</u>	<u>2,258</u>	<u>41,251</u>	<u>49,136</u>
Outreach and fundraising				
Outreach	1,039	4,258	5,297	5,549
Minster Bell Appeal Fund expenses	-	621	621	-
	<u>1,039</u>	<u>4,879</u>	<u>5,918</u>	<u>5,549</u>
Mission Partners and Appeals				
Mission partners	24,872	7,595	32,467	34,754
Other appeals	-	530	530	2,198
	<u>24,872</u>	<u>8,125</u>	<u>32,997</u>	<u>36,952</u>
Ministry Costs				
Parish share	133,116	-	133,116	125,600
Staff costs	56,512	28,998	85,510	89,688
Church building costs	51,870	8,499	60,369	59,252
Minster bell repairs	-	800	800	-
Church service costs	2,914	-	2,914	2,782
Special events and courses	2,346	-	2,346	22,434
General administration	11,527	-	11,527	13,512
Other church property expenses	4,531	-	4,531	4,020
Computer systems and maintenance	182	-	182	494
Independent Examination fee	3,480	-	3,480	3,480
Professional fees	1,040	-	1,040	-
Depreciation	6,338	-	6,338	8,427
	<u>273,856</u>	<u>38,297</u>	<u>312,153</u>	<u>329,689</u>
Total	<u>338,760</u>	<u>53,559</u>	<u>392,319</u>	<u>421,326</u>

In 2015, of the Church Activities expenditure, £364,042 was in relation to unrestricted funds and £57,284 to restricted funds.

Cheltenham Minster
with St Matthew Parochial Church Council, Cheltenham

Notes to the financial statements
For the year ended 31 December 2016

7. Grants receivable

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Sylvanus Lysons Charity	-	-	-	1,500
Listed Places of Worship - VAT Grant	1,077	-	1,077	-
Friends of Cheltenham Minster	-	3,500	3,500	-
Rownlands Trust	-	5,000	5,000	-
Allchurches Trust	-	4,600	4,600	-
Charles Irving Charitable Trust	-	1,000	1,000	-
Langtree Trust	-	500	500	-
Gloucestershire Historic Churches Trust	-	3,000	3,000	-
	<u>1,077</u>	<u>17,600</u>	<u>18,677</u>	<u>1,500</u>

In 2015, of the Grants receivable, £Nil was in relation to unrestricted funds and £1,500 to restricted funds.

The PCC received parochial fees totalling £7,302 (£4,069 – 2015) in the year. Of this, £3,003 (£1,849 – 2015) was made up of statutory fees due to the PCC as prepared by the Archbishops' Council under the Ecclesiastical Fees Measure 1966. The statutory fees have been passed on in full to the Gloucester Diocesan Board of Finance and do not appear in the above financial statements. The remaining £4,299 (£2,220 – 2015) make up the charges as fixed by the PCC for extras such as bells, music and flowers.

8. Staff costs

The average number of full-time equivalent employees, who were all engaged on Church activities, during the year, was 4.8 (2015: 5.0)

No employee earned more than £60,000 in the year (2015 - None).

Employment costs

	2016 Total £	2015 Total £
Gross salaries	100,869	104,262
Social security costs	3,164	4,743
Other pension costs - defined contribution scheme	9,231	9,048
	<u>113,264</u>	<u>118,053</u>

Cheltenham Minster
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Notes to the financial statements
For the year ended 31 December 2016

The key management personnel of the charity comprises the PCC members. The total employee benefits of the key management personnel are set out below:

	2016	2015
	Total	Total
	£	£
Expenses reimbursed to 3 members of the clergy during the year were as follows:		
Travel	1,517	1,833
Telephone	1,268	1,552
Books and periodicals	243	517
Hospitality and other expenses	2,380	3,992
	<hr/>	<hr/>
	5,408	7,894
	<hr/> <hr/>	<hr/> <hr/>

Transactions with PCC members and other related parties

With the exception of the clergy expenses disclosed above, no reimbursement of expenses was paid or is payable to any Parochial Church Council member or to any person or persons known to be connected with any of them.

9. Tangible fixed assets

	Leasehold	Fixtures and	
	Property	Office	
	£	Equipment	Total
	£	£	£
Cost or valuation			
At 1 January 2016	175,000	219,684	394,684
	<hr/>	<hr/>	<hr/>
At 31 December 2016	175,000	219,684	394,684
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2016	-	192,803	192,803
Charge for the year	-	6,338	6,338
	<hr/>	<hr/>	<hr/>
At 31 December 2016	-	199,141	199,141
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 December 2016	175,000	20,543	195,543
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2015	175,000	26,881	201,881
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The leasehold property, known as Chester House, was valued by using the guidance of one of the members of the Parochial Church Council, who is a Fellow of the Royal Institution of Chartered Surveyors, at Open Market Value on 31 December 2016.

Cheltenham Minster
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Notes to the financial statements
For the year ended 31 December 2016

10. Fixed asset investments

	Listed Investments £
Cost or valuation	
At 1 January 2016	39,024
Revaluation	4,180

At 31 December 2016	43,204
	=====

11. Debtors

	2016 Total £	2015 Total £
Other debtors	26,864	4,350
Income Tax recoverable	5,504	6,582
Prepayments	61,264	2,572
	-----	-----
	93,632	13,504
	=====	=====

12. Creditors: amounts falling due within one year

	2016 Total £	2015 Total £
Other creditors	30,554	27,416
Accruals	11,223	8,483
	-----	-----
	41,777	35,899
	=====	=====

Notes to the financial statements
For the year ended 31 December 2016

13. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	195,543	-	195,543
Investments	-	43,204	43,204
Current assets	25,803	154,619	180,422
Current liabilities	(20,883)	(20,894)	(41,777)
	<u>200,463</u>	<u>176,929</u>	<u>377,392</u>
At 31 December 2016			

14. Unrestricted funds

	1 st Jan16 £	Incoming resources £	Resources expended £	Gain on Reval'n £	31 st Dec 16 £
General	(3,785)	341,127	(332,422)	-	4,920
Designated - fixed asset fund	201,881	-	(6,338)	-	195,543
	<u>198,096</u>	<u>341,127</u>	<u>(338,760)</u>	<u>-</u>	<u>200,463</u>

15. Restricted funds

	1 st Jan 16 £	Incoming resources £	Resources expended £	Gain on Reval'n £	31 st Dec 16 £
Funds for benefit of St Mary's	7,359	1,140	(8,499)	-	-
Relief of Sickness and Distress	23,451	-	(26,118)	4,180	1,513
Town Centre ministry	4,833	-	-	-	4,833
Bell fund	2,445	162,305	(1,421)	-	163,329
Tear Fund Aruna Oasis	66	-	-	-	66
Bibles	1,475	1,695	-	-	3,170
Interns	-	5,340	(3,507)	-	1,833
Targeted giving	-	6,873	(6,873)	-	-
Appeals	-	7,141	(7,141)	-	-
CAMEO (Thursday Club)	1,928	-	-	-	1,928
Glos. Churches Together	257	-	-	-	257
	<u>41,814</u>	<u>184,494</u>	<u>(53,559)</u>	<u>4,180</u>	<u>176,929</u>

Notes to the financial statements
For the year ended 31 December 2016

Appeals

Special collections were taken at church services etc. and paid out as follows:

	2016
	£
Christmas Appeal 2015 received in 2016	765
Christmas Appeal 2016	4,943
Family Purse (Haiti Appeal)	1,433
	<hr/>
	7,141
	<hr/>

16. Transfers between funds

It is the PCC's policy to transfer funds from designated legacy funds and any other designated funds to meet any deficit in the general fund. Additionally, transfers are made from the relevant fund to the designated fund for fixed assets in respect of purchases of fixed assets in the year. In the current year, purchases of equipment amounted to £Nil (2015 - £6,532).

The committee of CAMEO, which meets for the benefit of the elderly and infirm, collected a surplus of £650 during the year, and agreed to donate this to the church in return for the regular use of its facilities. CAMEO's predecessor organisation, Thursday Club, ceased operations in 2014, and donated its remaining funds of £1,928 for use in connection with the elderly. This balance has been retained as a restricted fund.

17. Capital commitments

The PCC has committed to spend £264,143 on replacing bells at the Minster at 31 December 2016 (2015: Nil).

18. Obligations under operating leases

At 31st December 2016 the Charity had annual commitments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Expiry date		
Within 1 year	708	708
Between 2 - 5 years	708	1,416
	<hr/>	<hr/>

Notes to the financial statements

For the year ended 31 December 2016

19. Prior period comparative SOFA restated following transition to FRS102

It is the first year the Charity has presented its financial statements under FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 December 2015 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, the wording of a number of accounting policies has changed to comply with those standards, the policies applied under the Charity's previous accounting framework are not materially different from FRS 102 and have not impacted on funds or net income/expenditure.

The leasehold property known as Chester House was sold early in 2017 for a value not materially different from that shown in Note 9. For this reason, no restatement was disclosed in the year of transition.

However, adjustments have been made to comparative disclosures in relation to the allocation of income and expenditure in the SOFA, and the following consolidated statement of financial activities represents the restated 2015 accounts:

Statement of financial activities

For the year ended 31 December 2015

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Income from:			
Donations and legacies	309,789	33,355	343,144
Activities for generating funds	7,495	-	7,495
Investments	9,386	-	9,386
Church activities	26,952	-	26,952
	-----	-----	-----
Total Income	353,622	33,355	386,977
	-----	-----	-----
Church activities:			
Youth Work	(46,236)	(2,900)	(49,136)
Outreach	(4,361)	(1,188)	(5,549)
Mission Partners and Appeals	(24,606)	(12,346)	(36,952)
Ministry Costs	(288,839)	(40,850)	(329,689)
	-----	-----	-----
Total (expenditure)	(364,042)	(57,284)	(421,326)
	-----	-----	-----
	(10,420)	(23,929)	(34,349)
Transfers between funds	585	(585)	-
	-----	-----	-----
	(9,835)	(24,514)	(34,349)
Net gains on investments	-	504	504
	-----	-----	-----
Net (expenditure)	(9,835)	(24,010)	(33,845)
Total funds brought forward	207,931	65,824	273,755
	-----	-----	-----
Total funds carried forward	198,096	41,814	239,910
	=====	=====	=====

Notes to the financial statements
For the year ended 31 December 2016

20. Reconciliation of net income to net cash flow from operating activities

	2016	2015
	£	£
Net income/(expenditure)	137,482	(33,845)
Add back depreciation	6,338	8,427
Deduct/add (gain)/loss on investments	(4,180)	(504)
Deduct investment income	(6,898)	(9,386)
(increase)/decrease in debtors	(80,128)	41,073
increase/(decrease) in creditors	5,878	(9,773)
	-----	-----
Net cash provided by/(used by) operating activities	58,492	(4,008)
	=====	=====