
**ST PAUL'S CHURCH, SALISBURY
THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH
OF FISHERTON ANGER (ST PAUL), SALISBURY**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

ST PAUL'S CHURCH SALISBURY

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ST PAUL'S CHURCH SALISBURY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

1. Objectives and Activities, Achievement and Performance

The Parochial Church Council Powers Measure 1956 (as amended) and church representation rules state that the objects of the PCC are to promote in the ecclesiastical parish the whole mission of the church. As an organisation we believe this is encapsulated in our mission to be a place of "Encountering God, Equipping God's people and Extending God's Kingdom".

a. Encountering God

St Paul's provides a wide range of opportunities for people to encounter God through worship, teaching and small group activities.

Our Sunday services provide a focal point for collective worship and teaching. The 10.30am service includes five children's groups and two youth groups. Teaching topics included The Creed, the letter to the Ephesians, Practical Faith. Average attendance at these services was 327 people. The evening service, which during the course of the year has changed from taking place at 6.30pm to 7pm, has included teaching on Contradictions - Exploring the Complexity of God, the love of Christ and "The Thin Place". Average attendance at these services was 112 people. All of these services are open to all members of the public and we regularly welcome guests to the service. The congregation is drawn mainly from the City of Salisbury but some members travel from other parts of South Wiltshire and North Dorset.

Throughout the year the church also provided many other opportunities for people to encounter God. We celebrated Pentecost Sunday with "Pentecost in the Park" an open air service in Queen Elizabeth Gardens followed by a picnic. During the service the Bishop of Ramsbury carried out baptisms and reaffirmations of baptismal vows for 15 people in the River Nadder and ten people were confirmed. The church also hosted a village at the New Wine summer conference which was attended by over forty people. Easter Services were attended by 642 people and Christmas Eve/Day services by 954.

It is hard to proportion many items of expenditure reported in the Statement of Financial Activities between the three aspects of the church's mission because some of them (for example costs related to buildings and staffing) will contribute to all three areas. However items such as 'Church Services', 'Conferences and Events' and some of expenditure under 'Youth' and 'Children's Work' directly relate to these activities.

b. Equipping His People

195 people are members of one of the twenty small groups which meet regularly for Bible study, prayer and pastoral support. A wide variety of additional weekly events take place for young people, women, toddlers and their parents and parents of primary school children. This year we have seen the development of our work with 20s and 30s into a weekly life group, the growth of the SP2 Life Group where 25 people now attend a form of church which they find accessible and the launching of a new Bible study for women on Wednesday mornings. Through these groups the church is able to offer more personal support and teaching to people relevant to the situation they are in.

In addition, around 100 people regularly attend 'Oasis' – our weekly meeting for women, whose membership is made up from those who worship regularly at St Paul's, and those from other local churches.

The Church has continued to invest in developing our Children and Young People this year, with the appointment of a full time Children's Pastor in September 2016 fulfilling the vision of increasing this role from a part-time to a full time post. This post has been supported by a Children's Intern volunteering with the church for a year whose support costs are paid for by the PCC. We are already seeing the fruit of this in the development of regular after school activities for older children, and an expansion of work with Sarum St Paul's School. We are also supporting a student youth worker who will be placed with the church for four years while he completes his degree in youth ministry.

ST PAUL'S CHURCH SALISBURY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

The Church regularly runs the 'Christianity Explored' and 'Discipleship Explored' courses which are particularly valuable for new Christians. Throughout the year, we produce material and host specific events to enable members to discover, explore and grow in their faith. These cover all ages and stages of life.

St Paul's Church continues to support the work of Sarum St Paul's School in a number of ways: -

- i. The PCC appoints the Foundation Governors for the School.
- ii. Members of the Church Staff Team take Acts of Collective Worship on a weekly basis and participate in an annual RE Encounter Day.
- iii. The school visits the church, for the School Leavers' Service in July and the Christmas Production in December. In addition individual classes also visit the church to explore Christian worship with the guidance of church staff as part of their RE syllabus.

Items of expenditure under 'Adult Ministry' and some items in 'Youth' and 'Children's Ministry' are directly associated with this area of mission.

c. Extending His Kingdom

The year has seen the continued growth of the Church's work in the community, much of it based in the SP2 Community Centre which has completed its third year of operation. A team of two paid staff and forty volunteers operate the coffee shop for six days a week. This has become an important part of life for many of the socially isolated in our local community and we have seen several community members become part of the volunteer team, providing them with opportunities to develop skills and confidence. The coffee shop currently does not generate income over and above its running costs however a significant growth this year in income from venue hire has reduced the cost to the PCC of operating the Centre to less than £7,000. If in the future the SP2 community centre generates any income over and above the running costs then that will be invested in the continuing commitment to serve the local community through the activities of St Paul's.

The Church also employs a Community Pastor, much of whose work is based in SP2. As part of her work she has been successful in attracting a number of grants to meet the needs of people with whom the church is in contact. This year over £15,000 has been secured to purchase electrical goods, carpets and similar items for those in need within the community. During this year this post has become full-time, increasing our impact on the wider community. These include a weekly community drop in run jointly with the CAP Centre which is regularly attended by around 20 people and provides support on a wide range of issues from benefits to healthy eating. The Safe Haven group for women who have experienced abuse or violence continues to meet and has increased its spiritual element this year. The group has seen a growth in numbers with up to 20 women attending the meetings. Two funded Art Therapy courses ran with demonstrable improvements for the fifteen women attending.

Another significant development in community ministry has been the introduction of the CAP Release course which helps people facing life controlling issues such as addiction. The course has had a very positive impact on the lives of all of those who participated, and they have continued meeting together after the course has finished to support each other and study the Bible. A second course is now under way.

The Christians Against Poverty Debt Centre completed its second full year of operation and has already seen over 65 clients, of whom 6 have become debt free and 6 have become Christians. The debt centre is operated by St Paul's under a franchise agreement with CAP UK and is a restricted fund within our accounts to recognise funds given for this specific purpose by individual donors and other churches who partner with us in this work both financially and through providing volunteers. Over the last year St Paul's has also provided financial education to 30 people in schools and community groups through the CAP Money course.

ST PAUL'S CHURCH SALISBURY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

In 2016 St Paul's continued its tradition of using its strong volunteer base to carry out projects in the community. On each of our three 'Big Saturdays' over 100 Church members carried out projects such as decorating rooms and clearing gardens for vulnerable members of the community referred either by the Church's community team or statutory agencies. The church's relationship with external agencies continues to improve, with the probation service using the SP2 Community Centre as their base for supporting low-risk offenders in Salisbury, and our Community Pastor developing strong links with local GPs, Police and charities such as the Trussell Trust and Alabare.

Our introductory courses (Alpha and Christianity Explored) enabled around 30 people to explore and respond to the claims of the Christian faith.

The missionary heart of St. Paul's church means that regularly there are a number of individual members of the church who sense God calling them to mission. It is currently St Paul's Church policy that 12.5% of the giving to the Church be allocated to "mission-related" causes and this amounted to over £50,000 in 2016.

The St Paul's Mission Support Committee (MSC) handles "mission-related" issues on behalf of the Rector and the PCC and its current membership is - John Stephenson (Chair), Jacqui Gillan, Felicity Leaky, Liz Pollard, Lizi Nicholls, Tony Tyers, Miles and Liz Thomas and Nick and Petra Randall.

The MSC supports three groups of individuals:

- i. Mission Partners – The MSC will usually provide partial financial support to individuals over a fixed period of time, normally three years. It also arranges prayer support, logistical support and fellowship from St. Paul's Church and its members through dedicated support groups.
- ii. Associate Mission Partners - From time-to-time the MSC receives approaches from individuals who do not require funding from the MSC, but would value prayer support, logistical support and fellowship from St. Paul's Church and its members. The MSC arranges this type of support for these individuals, as it would for Mission Partners.
- iii. Short Term Placements – The MSC provides financial support, prayer support and limited technical support to individuals on short term assignments, normally for less than 12 months. The MSC also has a small fund to help all the above groups of individuals who have urgent, specific and short-term pastoral needs. It also gives money to local, national and international mission organisations

MISSION PARTNERS

- John Baxter-Brown – Working with the World Evangelical Alliance Theological Commission as Secretary of Ecumenical Affairs and Senior Consultant on Evangelism.
- Deborah and Sandro Cruz – pioneering arts ministry at YWAM Harpenden.
- Rachel (Fishy) Haddock – working in Jinja, Uganda with YWAM as part of the TORCH programme (Together Restoring Community Hope).
- Jamie Kaye – working with Frontiers in High Wycombe in ministry to Muslims.
- Julia and Zanio Kragulj – working to reform child care systems in Sarajevo through Hope and Homes for Children.
- Leanne and Steve Roast - serving with the Eden Network in Gorton, Manchester. Gorton, one of the most deprived areas of Manchester, arranging music workshops and mentoring in schools and friendship evangelism.
- Jess Regnart – working with Freedom in Christ Ministries

ST PAUL'S CHURCH SALISBURY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

ASSOCIATE MISSION PARTNERS

- Claire Price – working at the Broadwell Community Hospital at Fatehpur, India
- Jane and Chris Reynard – working in the Pilsdon Community in Dorset
- Nigel and Molly Watts – working with Precept Ministries in the UK and Europe
- Andrew and Cilla Robertson – working with CRESS (Christian Relief and Education in South Sudan)

FINANCIAL SUPPORT

In 2016, the PCC, through MSC, gave £33,200 to support our Mission Partners, £5,075 to support short term placements, £1,511 for urgent pastoral needs and £6,000 to support the Bridge Project working in schools in Salisbury. In addition payments of £7,500 were made at the start of the 2017 financial year to mission organisations, ensuring that we exceeded our target of donating 12.5% of giving to mission-related activities.

In addition members of the church continue to sponsor 80 children in Ghana through the charity Compassion, this sponsorship amounts to £24,000 per year.

Items of expenditure listed under 'Community Ministry', 'CAP Centre' and 'Mission Grants' are particularly relevant to this aspect of the church's mission.

2. Financial Review

a. Overview

The year saw a fall in income from donations and legacies from £589,177 in 2015, to £543,122. Alongside income from church activities such as venue hire, trading at SP2 Coffee and income from conferences and events produced a total income £636,914. The costs of operating the church rose to £681,151 compared to £648,641. However this includes a planned investment from accrued reserves of £60,000 in refurbishing the Church Centre. Increased revenue from venue hire at the SP2 Community Centre and a reduction in operating costs due to some staff posts being vacant for part of the year and not running a Church Weekend meant that the church general fund saw an operating surplus of £15,763.

The CAP Debt Centre fund received gifts of £35,991 including tax recovered and the Enlarging the Tent Project has received gifts of £4,025 including tax recovered, during the year.

Mission support remained at a high level and, when individual specified donations are taken into account, St Paul's outward giving and individual support was well above the target of 12.5% of total giving.

We remain very aware that every pound given to the ministry of the Church is a pound that could have been spent on something else by the giver. We take nothing for granted and are grateful for the faithful generosity of church members.

b. Reserves Policy

In establishing a Reserves Policy, the PCC agreed that:-

- Free reserves are defined as the net current assets held by the General Fund.
- To ensure that sufficient funds are available to cover the fluctuations in income and expenditure, the General Fund Reserve target should cover 3 months running costs for the following year; for 2017 the target figure is £125,200

ST PAUL'S CHURCH SALISBURY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

As at 31 December 2016 the Free Reserves stood at approximately £80,912, a reduction of £81,648, reflecting the planned investment in extending the life of the Church Centre, and a transfer from unrestricted to restricted funds, which has been made to correct an historic understatement of the value of the ETT fund in previous years' accounts.

c. The Future

The trustees therefore have no uncertainties about the charity's ability to continue as a going concern. We are thankful to God for considerable strength in depth across a wide range of ministries, and we continue to commit ourselves to being a biblically based church serving Salisbury and the region.

3. Structure, Governance and Management

a. Structure and Governance

The governing document for the PCC is the Parochial Church Council Powers Measure 1956 (as amended) and it has been a registered charity since 2009 having previously been exempted from registration.

The role of the PCC (whose Members are also Trustees for the purposes of Charity Law) is to cooperate with the Rector in promoting the whole mission of the church, which is summarised in the mission statement above. The PCC gather for:-

- evening meetings, arranged strategically through the year
- prayer breakfasts on a Saturday morning

The membership of the PCC includes the clergy licensed within the parish, the church wardens who are elected annually by the Parochial Church Meeting, members of deanery and other synods and members who are elected for a three year term of office by the Annual Parochial Church Meeting. Certain members of staff also attend PCC meetings but are not voting members.

b. Management and Staffing

St Paul's continues to follow a policy of recruiting paid staff onto the Team in the following situations:-

1. Where the ministry is so vital that it demands the continuity that only paid staff can provide.
2. The necessary skills required are not present in the congregation.
3. The size of a particular ministry is larger than could reasonably be expected from a volunteer.

Most staff positions fulfill more than one of these criteria. Recruiting staff is an ongoing challenge to the Church because of the costs of employment and the scarcity of people of the right calibre willing to move to Salisbury.

The Church Staff Team has undergone several changes during the year:-

- In January 2016 Paul Kingsley-Smith joined the staff team as Worship Pastor.
- In March 2016 Charlotte Dickinson replaced Lucy Duffy as SP2 & Hospitality Manager.
- In September 2016 Debbie Boyt joined the team as Children's Pastor. For the first part of the year Kim Ryalls (the Rector's wife) has been acting as interim children's worker as an external contractor.
- In August 2016 Jon Langford left the church staff to set up a new church in Cornwall. Kerry Badger's role was developed in response to this to the full time post of Community Pastor.

ST PAUL'S CHURCH SALISBURY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

- Also in September 2016 Kate Milne replaced Heather Goldthorp as Finance Officer.
- Josh Watson completed his time with the church in the role of Youth and Worship Intern and his employed post as Supervisor of the SP2 Coffee Shop for one day a week. He has remained a member of the team as a student youth worker based at the church.
- Callum Hill joined the team as Children's Work intern and is employed as a supervisor in the SP2 Coffee Shop for one day a week.
- In November 2016 Lucinda Holbrook joined the staff team as a part-time Administrative Assistant.

The Church body expresses its huge thanks to all the staff team for their dedicated service and example during the last year.

The church's key management personnel for the purposes of FRS102 are the pastoral leadership team. This is made up of the Rector (who is not an employee of the PCC), Director of Operations, Youth Pastor, Children's Pastor, Worship Pastor and Children's Pastor. Their pay, alongside that of all employees of the PCC is set by the PCC's remuneration committee consisting of the Rector, Churchwardens and Treasurer. The committee draws on its members' experience in both the charity and commercial sectors to salaries which reflect the value of work which is carried out and which will enable well qualified candidates to be able to take up posts. No member of staff is paid less than the Living Wage Foundation real living wage. Each year pay is reviewed in line with nationally published data on the cost of living and national salary trends. The total of employee benefits received by Key Management Personnel is £117,536 (including employer pension contributions). Rev Ali Etheridge is an ex-officio member of the PCC as a member of the clergy licensed to the parish. He is remunerated only for his work as Youth Pastor and the total of employee benefits he receives is £30,416 (including employer pension contributions).

4. Reference and Administrative Details

a. Name and registration number

The registered name of the charity is The Parochial Church Council of the Ecclesiastical Parish of Fisherton Anger (St Paul), Salisbury. However the charity is usually known simply as "St Paul's, Salisbury".

The charity's registration number is: 1132168

b. Registered Office

St Paul's Church
Fisherton Street
Salisbury
SP2 7QW

Telephone: 01722 334005

Website: www.stpaulssalisbury.org

c. Trustees

Clergy:

Rev. Craig Ryalls (Rector), Rev. Ali Etheridge (Youth Pastor and Pioneer Minister)

ST PAUL'S CHURCH SALISBURY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

Churchwardens:

Bill Graham and John Stephenson

Other elected members:

Jonathan Andrew (elected April 2016), Andrew Argyle, John Baxter-Brown, Liz Beadle, Pippa Bracegirdle, Richard Chitty, Andy Ferguson, Rachel Gordon, Sally Kaye, Liz Liversage (resigned April 2016), Rhona McKeown (resigned April 2016), Kate Nash, Lizi Nicholls, Becky Partridge (elected April 2016), Sharon Pettit, Liz Pollard, Richard Saint (resigned April 2016), Chris Scott, Jane Storey, Denise Turner, Dave Massey (elected April 2016).

Co-opted Member:

Paul Ellis

d. Office Holders

Treasurer- Paul Ellis.

Staff in attendance at PCC: Jon Langford, and Nick Baker (PCC Secretary)

The following members of the PCC represent the parish on the Deanery Synod: Richard Chitty, Sally Kaye, Liz Pollard, John Baxter-Brown (elected April 2016) and John Stephenson.

At the start of 2016 the foundation governors of Sarum St Paul's School were Rev. Craig Ryalls (Rector – ex officio), Doug Imeson, Bill Atkinson, Sarah Colyer, Alyson Taylor, Linda Shearer and Brian Meardon, all from St Paul's Church and Jane Franchi from St Francis' Church, Salisbury (Chair of Governors). During the year Linda Shearer and Brian Meardon resigned and were replaced by Gill Hunter and Kim Ryalls.

e. Standing Committee of the PCC

Church Law requires the PCC to have a Standing Committee, and it has power to transact the business of the PCC between its meetings, subject to any directions given by the Council.

Clergy: Rev. Craig Ryalls (Chairman), Rev Ali Etheridge

Appointed members: Andy Ferguson, Bill Graham, Kate Nash, John Stephenson and Paul Ellis.

Staff members in attendance: Jon Langford, Nick Baker (Secretary to the Committee).

f. The Electoral Roll 2016

The Electoral Roll at 31st December 2016 stood at 330 names, a decrease of 3 on the last year. 15 people were removed and 12 new names added.

g. Risk Management Statement

Consideration has been given to the major risks to which St Paul's Church is exposed, and these are identified as: -

- Health and Safety of staff and members of the public
- Fire caused by electrical failure, heating system malfunction or lightning strike
- IT breakdown and irretrievable loss of data
- Security of Assets
- Employment issues
- Child and vulnerable adult safeguarding

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

These have been reviewed and systems have been designed to mitigate those risks.

h. Statement of Responsibilities of Members of the PCC

All Members of the PCC are Trustees of St Paul's Church and, as Trustees, are responsible for preparing the PCC's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (FRS102).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

j. Bankers

CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent, ME19 4JQ.
Lloyds Bank Plc, 38 Blue Boar Row, Salisbury SP1 1DA

k. Solicitors

Anthony Collins LLP, 134 Edmund Street, Birmingham, B3 2ES

l. Independent Examiners

Clifford Fry & Co LLP, St Mary's House, Netherhampton, Salisbury, Wiltshire, SP2 8PU

On behalf of the PCC

ST PAUL'S CHURCH SALISBURY

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ST PAUL'S CHURCH SALISBURY

I report on the financial statements of the charity for the year ended 31 December 2016 which are set out on pages 10 to 24.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The charity's Trustees are responsible for the preparation of the financial statements, and they consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales..

It is my responsibility to:

- examine the financial statements under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- 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 Trustees 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 comply with the accounting requirements of the 2011 Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:

Dated:

Simon Allenby ACA

St Mary's House, Netherhampton, Salisbury, SP2 8PU

ST PAUL'S CHURCH SALISBURY

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENSES ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	491,140	51,982	-	543,122	589,177
Charitable activities	3	49,750	-	-	49,750	65,711
Other trading activities:						
Letting income	4	43,596	-	-	43,596	24,415
Investments	5	446	-	-	446	459
TOTAL INCOME AND ENDOWMENTS		584,932	51,982	-	636,914	679,762
EXPENDITURE ON:						
Costs of raising funds:						
Letting expenses	4	33,967	-	-	33,967	31,873
Charitable activities	6	534,262	112,922	-	647,184	616,768
TOTAL EXPENDITURE		568,229	112,922	-	681,151	648,641
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		16,703	(60,940)	-	(44,237)	31,121
Transfers between Funds	17	(122,293)	122,293	-	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(105,590)	61,353	-	(44,237)	31,121
RECONCILIATION OF FUNDS:						
Total funds brought forward		410,768	283,399	3,882	698,049	666,928
TOTAL FUNDS CARRIED FORWARD		305,178	344,752	3,882	653,812	698,049

All activities relate to continuing operations.

The notes on pages 13 to 24 form part of these financial statements.

ST PAUL'S CHURCH SALISBURY

BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		616,058		642,431
CURRENT ASSETS					
Stocks	13	1,148		1,871	
Debtors	14	33,281		20,338	
Cash at bank and in hand		137,891		190,920	
			172,320	213,129	
CREDITORS: amounts falling due within one year	15	(22,442)		(29,803)	
NET CURRENT ASSETS			149,878		183,326
TOTAL ASSETS LESS CURRENT LIABILITIES			765,936		825,757
CREDITORS: amounts falling due after more than one year	16		(112,124)		(127,708)
NET ASSETS			653,812		698,049
CHARITY FUNDS					
Endowment funds	17		3,882		3,882
Restricted funds	17		344,752		283,399
Unrestricted funds	17		305,178		410,768
TOTAL FUNDS			653,812		698,049

The financial statements were approved by the Trustees on behalf, by:

and signed on their

The notes on pages 13 to 24 form part of these financial statements.

ST PAUL'S CHURCH SALISBURY

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	<u>(46,732)</u>	<u>35,403</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(6,297)</u>	<u>(12,365)</u>
Net cash used in investing activities		<u>(6,297)</u>	<u>(12,365)</u>
Change in cash and cash equivalents in the year		(53,029)	23,038
Cash and cash equivalents brought forward		<u>190,920</u>	<u>167,882</u>
Cash and cash equivalents carried forward	20	<u><u>137,891</u></u>	<u><u>190,920</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

St Paul's Church Salisbury constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs 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.

Endowment funds are a type of restricted fund which the Trustees must retain for the benefit of the charity and not spend. If it is 'permanent' if the PCC is prohibited from spending any of the capital or 'expendable' if the PCC is empowered to spend the related capital at its discretion. The Church Acre Trust is a permanent endowment. By law endowment funds must be administered separately from income funds.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% straight line
General equipment	-	20% straight line
Computer equipment	-	33% straight line
Car park improvements	-	10% straight line

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.13 Tax Status

The charity is not liable for corporation tax as trading income falls below the relevant threshold and is also below the VAT threshold, which means it does not charge VAT, but is also unable to reclaim VAT on purchases.

ST PAUL'S CHURCH SALISBURY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tax efficient planned giving	334,575	-	334,575	368,302
Other planned giving	51,661	-	51,661	50,724
Collections at services	16,450	-	16,450	15,486
Gifts for mission	-	1,409	1,409	7,841
Gifts for building project (ETT)	-	3,230	3,230	8,750
Gifts for CAP	-	31,203	31,203	23,422
Gifts for community	-	430	430	2,316
Gifts for ministry	-	379	379	530
Other gifts	-	-	-	1,799
Tax recovered - general giving	85,203	-	85,203	93,248
Tax recovered - community	-	-	-	434
Tax recovered - other giving	-	106	106	1,446
Tax recovered - Building project (ETT)	-	795	795	963
Tax recovered - CAP centre	-	4,788	4,788	4,256
Grants - mission	-	-	-	200
Grants - CAP centre	-	-	-	1,650
Grants - community	-	9,642	9,642	7,710
Other income	3,251	-	3,251	100
	<u>491,140</u>	<u>51,982</u>	<u>543,122</u>	<u>589,177</u>

In 2015, of the total income from donations and legacies, £529,279 was to unrestricted funds and £59,898 was to restricted funds.

3. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES BY TYPE OF INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Community work receipts	2,868	-	2,868	2,534
SP2 coffee shop sales	28,408	-	28,408	29,035
Statutory fee received	1,480	-	1,480	686
Youth work	10,085	-	10,085	14,608
Children's work	1,179	-	1,179	523
Adult ministry	2,960	-	2,960	5,888
Conferences and events	2,370	-	2,370	12,437
Other fees received	400	-	400	-
	<u>49,750</u>	<u>-</u>	<u>49,750</u>	<u>65,711</u>

In 2015, of the total income from church activities, £65,711 was to unrestricted funds and £ NIL was to restricted funds.

ST PAUL'S CHURCH SALISBURY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. LETTINGS INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Charity letting income				
Church, church centre and SP2	43,596	-	43,596	24,415
	<u>43,596</u>	<u>-</u>	<u>43,596</u>	<u>24,415</u>
Charity letting expenses				
Charity letting expenses	33,967	-	33,967	31,873
	<u>33,967</u>	<u>-</u>	<u>33,967</u>	<u>31,873</u>
Net income/(expenditure) from lettings income	<u>9,629</u>	<u>-</u>	<u>9,629</u>	<u>(7,458)</u>

Charity letting expenses relate to a share of the salaries, repairs and maintenance, insurance and utilities costs of SP2, the church centre and the church. The salary share for 2016 was £21,065 (2015 - £20,200).

In 2015, of the total letting income, £24,415 was to unrestricted funds and of the total letting expenses, £31,873 was to unrestricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	446	-	446	459
	<u>446</u>	<u>-</u>	<u>446</u>	<u>459</u>

In 2015, of the total investment income, £ 331 was to unrestricted funds, £ 109 was to restricted funds and £19 was to endowment funds.

ST PAUL'S CHURCH SALISBURY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (see note 7 and 8)

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
All mission giving and grants	-	56,960	-	56,960	68,119
Church activities	407,665	28,496	-	436,161	449,770
Church running costs	67,270	27,466	-	94,736	95,113
Development projects	59,327	-	-	59,327	3,766
	<u>534,262</u>	<u>112,922</u>	<u>-</u>	<u>647,184</u>	<u>616,768</u>

In 2015, of the total expenditure, £509,962 was expenditure from unrestricted funds and £106,806 was expenditure from restricted funds.

7. CHURCH ACTIVITIES AND CHURCH RUNNING COSTS

	Church activities £	Church running costs £	Total 2016 £	Total 2015 £
Depreciation (restricted funds)	-	27,466	27,466	26,578
CAP centre (restricted funds)	28,496	-	28,496	8,004
Parish share	88,382	-	88,382	90,300
Staff costs (note 4 and 11)	249,422	-	249,422	285,627
Community ministry	23,387	-	23,387	17,957
Youth work	14,505	-	14,505	16,124
Children's work	3,309	-	3,309	2,463
Adult ministry	2,770	-	2,770	8,563
Conferences and events	4,716	-	4,716	11,192
Staff expenses and training	12,763	-	12,763	6,684
Church services	8,411	-	8,411	5,973
Insurance	-	5,027	5,027	4,823
Administration	-	21,811	21,811	16,125
Repairs and maintenance	-	19,394	19,394	20,803
Utilities and rates	-	10,565	10,565	12,462
Mortgage interest	-	3,251	3,251	3,466
Depreciation	-	5,204	5,204	5,280
Professional fees	-	2,018	2,018	2,319
Bad debt	-	-	-	140
	<u>436,161</u>	<u>94,736</u>	<u>530,897</u>	<u>544,883</u>

Expenditure on youth work includes a wide range of activity that is funded by the participants or their parents and the net cost to the church of the youth ministry (excluding staffing and overheads) was £4,452.

ST PAUL'S CHURCH SALISBURY

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

8. ALL MISSION GIVING AND GRANTS

	Restricted funds 2016 £	Total 2016 £	<i>Total 2015 £</i>
Mission allocated giving	47,267	47,267	49,930
Mission specified giving	-	-	8,897
Community specified grants	9,693	9,693	9,092
Mission specified grants	-	-	200
	<u>56,960</u>	<u>56,960</u>	<u>68,119</u>

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	<i>2015 £</i>
Depreciation of tangible fixed assets:		
- owned by the charity	<u>32,670</u>	<u>31,858</u>

10. AUDITORS' REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £ 720 (2015 - £ 748), and accountancy services of £ 720(2015 - £ 750).

11. STAFF COSTS

The average number of persons employed by the charity during the year was as follows:

2016 No.	<i>2015 No.</i>
15	<i>15</i>

No employee received remuneration amounting to more than £60,000 in either year.

ST PAUL'S CHURCH SALISBURY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Analysis of staff costs

	2016 £	2015 £
Salaries and wages	245,734	264,307
Social security costs	15,796	19,114
Pension costs	13,284	15,299
Related expenses	12,210	7,107
Total	<u>287,024</u>	<u>305,827</u>

The above costs are included within letting expenses (note 4), staff costs (note 7) and CAP centre costs (note 7).

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Equipment £	Car park improvements £	Total £
Cost					
At 1 January 2016	525,000	94,771	43,658	42,581	706,010
Additions	-	1,427	4,870	-	6,297
At 31 December 2016	<u>525,000</u>	<u>96,198</u>	<u>48,528</u>	<u>42,581</u>	<u>712,307</u>
Depreciation					
At 1 January 2016	-	38,279	19,611	5,689	63,579
Charge for the year	-	17,654	10,758	4,258	32,670
At 31 December 2016	<u>-</u>	<u>55,933</u>	<u>30,369</u>	<u>9,947</u>	<u>96,249</u>
Net book value					
At 31 December 2016	<u>525,000</u>	<u>40,265</u>	<u>18,159</u>	<u>32,634</u>	<u>616,058</u>
At 31 December 2015	<u>525,000</u>	<u>56,492</u>	<u>24,047</u>	<u>36,892</u>	<u>642,431</u>

The freehold property is in respect of the Church Centre (located on the same site as the Church) and 159 - 161 Fisherton Street (SP2). The value of the Church Centre has been estimated on an "in use" basis. The new purpose-built property built on the site of 159 - 161 Fisherton Street known as SP2 was re-valued at £340,000 in October 2013.

13. STOCKS

	2016 £	2015 £
Goods for resale	<u>1,148</u>	<u>1,871</u>

ST PAUL'S CHURCH SALISBURY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

14. DEBTORS

	2016 £	2015 £
Other debtors	7,878	3,836
Prepayments and accrued income	8,664	8,326
Tax recoverable	16,739	8,176
	<u>33,281</u>	<u>20,338</u>

15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other loans	10,560	10,536
Other creditors	11,882	19,267
	<u>22,442</u>	<u>29,803</u>

Other loans is an interest free loan, and is secured against the Church Centre.

16. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Other loans	112,124	127,708

The loan is an interest free loan and is repayable over a period of 13 years. It was used to repay the mortgage with Triodos Bank and is secured against the Church Centre.

ST PAUL'S CHURCH SALISBURY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
Designated funds					
Building reserve	23,608	-	-	(23,608)	-
General funds					
General fund	387,160	584,932	(568,229)	(98,685)	305,178
Total Unrestricted funds	410,768	584,932	(568,229)	(122,293)	305,178
Endowment funds					
Church Acre Trust	3,882	-	-	-	3,882
Restricted funds					
Mission Fund	10,224	1,788	(47,267)	50,336	15,081
Community Fund	2,340	10,178	(9,693)	-	2,825
CAP Centre Fund	39,078	35,991	(28,496)	-	46,573
Building Project (ETT)	231,757	4,025	(27,466)	71,957	280,273
	283,399	51,982	(112,922)	122,293	344,752
Total of funds	698,049	636,914	(681,151)	-	653,812

General Fund - this is the main fund of the PCC and there is no restriction on its use.

Building Reserve - this reserve was established to ensure that funds were available for the maintenance or development of St Paul's Church and the PCC's freehold and leasehold buildings.

Mission Fund - this fund receives a tithe of 12.5% of voluntary income (excluding Gift Aid tax recovery) together with gifts for specified mission beneficiaries. The detailed allocation of the total of non-specified gifts is recommended by the Mission Support Committee and approved by the PCC.

Enlarging the Tent Project - this fund was established to finance the cost of this four phase project. The current figures principally relate to phase two; provision of children, youth and community facilities and commencement of phase three; church refurbishment.

Church Acre Trust - this Trust (established circa 1790) holds freehold land on which houses have been built, and as a consequence, a small ground rent is payable by each occupant. Periodically a freehold is sold and the proceeds added to the capital held by the Trust. The terms of the Trust require that the income (i.e. deposit interest and ground rents) be used for Church repairs.

CAP centre fund - this includes a proportion of the annual grant agreed by the PCC for the CAP Centre and the salary costs pro rata.

ST PAUL'S CHURCH SALISBURY

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Tangible fixed assets	224,266	391,792	-	616,058	642,431
Current assets	91,264	77,174	3,882	172,320	213,129
Creditors due within one year	(10,352)	(12,090)	-	(22,442)	(29,803)
Creditors due in more than one year	-	(112,124)	-	(112,124)	(127,708)
	<u>305,178</u>	<u>344,752</u>	<u>3,882</u>	<u>653,812</u>	<u>698,049</u>

ST PAUL'S CHURCH SALISBURY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(44,237)	31,121
Adjustment for:		
Depreciation charges	32,670	31,858
(Increase)/decrease in stocks	723	91
(Increase)/decrease in debtors	(12,943)	(2,934)
Increase/(decrease) in creditors	(22,945)	(24,733)
Net cash (used in)/provided by operating activities	(46,732)	35,403

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	137,891	190,920
Total	137,891	190,920

21. RELATED PARTY TRANSACTIONS

Payments totalling £6,400 (2015 - £1,500) were made to Mrs Kim Ryalls (Rector's wife) up until August 2016, for children's work services as an independent contractor on an interim basis while the church was recruiting for the vacant post of Children's Pastor.