

**PAROCHIAL CHURCH COUNCIL OF HOLY
SEPULCHRE CAMBRIDGE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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Charity Number
1133975

Principal Address

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

Principal Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

Auditors

Chater Allan LLP
4a Newmarket Road
CB5 8DT

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
PAROCHIAL CHURCH COUNCIL'S ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Background

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

Until 19 December 2016, Holy Sepulchre PCC had a close relationship with the Gospel Ministry Support Trust (formerly the St Andrew the Great Ministry Support Trust, charity number 1098977). Until the Trust Deed was changed on 19 December 2016, the PCC appointed all of the Trustees of the Ministry Support Trust. For these financial statements, the Ministry Support Trust is no longer accounted for as a subsidiary of the PCC.

Membership

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

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

Vicar: The Revd Alasdair Paine (Chairman)

Associate Vicars: The Revd Charlie Newcombe
The Revd Tom Hutchings (from May 2017)

Curate: The Revd Richard Aldritt (to March 2018)

Wardens: Mr Matthew Byatt
Dr Piyush Jani

Representative on the General Synod:
Mrs Helen Lamb

Representative on the Diocesan Synod:
Mrs Sarah Robinson

Representatives on the Deanery Synod:
Mrs Alice Gilbert (from April 2017)
Mrs Christina Hay
Dr Stephen Walley (PCC Secretary)
Prof Peter Robinson

<i>Elected Members:</i>	Dr Ugochukwu Akuwudike	Mr Richard Hunt (to April 2017)
	Mr James Hay	Mrs Ruth Oakley
	Mr Christopher Townsend	Mrs Katie Pawlett
	Mr Martin Brown	Mr Michael Trend
	Mr Tobias Gleed-Owen (from April 2017)	Dr Simon Tustin (to April 2017)
	Mrs Sarah Dingley (from April 2017)	Dr Simon Wadsley
	Mrs Sue Davies-Scourfield (from April 2017)	Dr Anna Young

Committees

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

Finance and Standing Committee:

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

Property Committee:

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

World Mission Group (WMG):

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

UK Mission Group (UKMG):

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

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
PAROCHIAL CHURCH COUNCIL'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Church Attendance

The electoral roll at the 2017 APCM showed 403 names, a decrease of 71 on the total at the 2016 APCM. The average attendance on a normal Sunday during 2017 was 763 (2016- 787).

Volunteers

The PCC and church staff encourage church members to serve in an appropriate area of church life and ministry. Approximately 180 people served in this way during 2017 and 2016.

Financial Review of the Year

The principal funding sources are through regular giving, collections at services, one off donations, Gift Day in October 2017 and the Jesus Lane Trust. The Gift Day income was directed towards Christ Church Huntingdon, a church plant starting in September 2018. The major expenditure of the church is on staff employment costs, staff housing costs, the Parish Share, grants made by the World Mission Group, grants made by the UK Mission Group, and running and maintenance of the church building and staff houses.

Policy on Reserves

The Holy Sepulchre's PCC does not aim to build up significant free reserves, rather it aims to spend the large majority of income received each year on gospel purposes. All of the unrestricted reserves, not already invested in functional properties, are designated for specific purposes. Total reserves at 31 December 2017 are £762,740 of which £43,605 are restricted.

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

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

The Restoration Fund is used to hold money set aside for restoration and repairs of St Andrew the Great and Round Church buildings. For some years the PCC has placed the £22,200 rent received from Cambridge Christian Heritage into this fund.

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

Induction and training of Trustees

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

Remuneration of staff

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

Public Benefit

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

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

Risk Management

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

Plans for Future Periods

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

On behalf of the PCC

Rev'd Alasdair Paine (Chairman)

Date:

25/4/18



PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE

RESPONSIBILITIES OF THE PAROCHIAL CHURCH COUNCIL MEMBERS

The Parochial Church Council (PCC) members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice).

The PCC members are required to prepare financial statements for each financial year that 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, including the net income and expenditure of the charity, for the year. In preparing these financial statements the PCC members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL

We have audited the financial statements for the Parochial Church Council of Holy Sepulchre Cambridge for the year ended 31 December 2017 which comprise of the Statement of Financial Activities and the Balance Sheet and the related notes on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and 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) (effective 1 January 2015) and the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

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

In our opinion the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2017 and of the PCC's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the PCC's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE

REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report.

Responsibilities of the Council Members

In preparing the financial statements, the trustees are responsible for assessing the PCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the PCC or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.



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

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

Date: 16 May 2018

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income from:						
Donations and legacies	2(a)	733,079	-	177,216	910,295	881,615
Charitable Activities	2(c)	110,329	22,200	14,000	146,529	157,724
Investments	2(b)	111	-	-	111	434
Other	2(d)	890	-	-	890	1,035
Total Income		<u>844,409</u>	<u>22,200</u>	<u>191,216</u>	<u>1,057,825</u>	<u>1,040,808</u>
Expenditure on:						
Charitable Activities	3	900,427	5,426	151,659	1,057,512	1,068,104
Total Expenditure		<u>900,427</u>	<u>5,426</u>	<u>151,659</u>	<u>1,057,512</u>	<u>1,068,104</u>
Net Income/(expenditure)		<u>(56,018)</u>	<u>16,774</u>	<u>39,557</u>	<u>313</u>	<u>(27,296)</u>
Transfer Between Funds:		(1,848)	-	1,848	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	17	(31,000)	-	-	(31,000)	3,000
Net Movement in Funds		<u>(88,866)</u>	<u>16,774</u>	<u>41,405</u>	<u>(30,687)</u>	<u>(24,296)</u>
Reconciliation of funds:						
Total funds brought forward		580,641	210,586	2,200	793,427	817,723
Total funds carried forward		<u>491,775</u>	<u>227,360</u>	<u>43,605</u>	<u>762,740</u>	<u>793,427</u>

Income and expenditure is derived solely from continuing operations

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS:					
Tangible Fixed Assets	7		504,607		497,236
CURRENT ASSETS:					
Stock	8	4,211		3,482	
Debtors	9	93,195		64,180	
Short Term Deposits		182,010		235,965	
Cash at Bank and In Hand		65,002		43,633	
		<u>344,418</u>		<u>347,260</u>	
LIABILITIES:					
Creditors: Amounts falling due within one year	10	44,285		31,069	
NET CURRENT ASSETS			<u>300,133</u>		<u>316,191</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>804,740</u>		<u>813,427</u>
PENSION PROVISION	17		(42,000)		(20,000)
NET ASSETS			<u><u>762,740</u></u>		<u><u>793,427</u></u>
THE FUNDS OF THE CHARITY:					
Unrestricted Funds	12		491,775		580,641
Designated Funds	13		<u>227,360</u>		<u>210,586</u>
			719,135		791,227
Restricted Funds	14		43,605		2,200
TOTAL CHARITY FUNDS			<u><u>762,740</u></u>		<u><u>793,427</u></u>

Approved by the Parochial Church Council on 19th March 2018 and signed on its behalf by:



Revd Alasdair Paine (Chairman)



Prof Peter Robinson (Vice-Chairman & Treasurer)

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Cash used in operating activities	1	(19,771)	15,144
Cash flows from investing activities:			
Dividends, interest and rents from investments		111	434
Purchase of tangible assets		(12,926)	-
Net cash provided by/(used in) investing activities		(12,815)	434
Change in cash and cash equivalents in the reporting period	2	(32,586)	15,578
Cash and cash equivalents at the beginning of the reporting period		279,598	264,020
Cash and cash equivalents at the end of the reporting period		247,012	279,598

Notes to Cash flow statement

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

	2017 £	2016 £
Net movement in funds	(30,687)	(24,296)
Adjustments for:		
Depreciation charges	5,555	8,261
Dividends, interest and rents from investments	(111)	(434)
Decrease/(Increase) in stocks	(729)	2,433
Decrease/(Increase) in debtors	(29,015)	34,108
Increase (decrease) in creditors	35,216	(4,928)
Net cash inflow (outflow) from operating activities	(19,771)	15,144

2. Analysis of cash and cash equivalents

	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	43,633	21,369	65,002
Short term deposits	235,965	(53,955)	182,010
	279,598	(32,586)	247,012

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1 STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, together with applicable accounting standards and the Charities SORP (FRS 102). The financial statements comprise the accounts of the PCC.

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

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

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

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

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

Income

Voluntary income

Collections are recognised when received by the PCC.

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

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

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

Gifts in kind

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

Rental income

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

Income from investments

Dividends and interest are accounted for when receivable.

Expenditure

Liabilities

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

Grants payable

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

Activities directly relating to the work of the Church

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

Governance costs

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

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Fixed Assets

Consecrated land and buildings and movable church furnishings

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

Capitalisation of tangible fixed assets

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

Depreciation of tangible fixed assets

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

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

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

Leasing and Hire Purchase Commitments

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

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

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

Stock

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

Debtors

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

Creditors and provisions

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

Going Concern

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

Pension Costs

Two members of staff are members of the Church of England Funded Pension Scheme, a defined benefits scheme. Contributions payable to this scheme, less deficit recovery payments, are charged to the Statement of Financial Activities account so as to spread the cost of the pension over the employee's expected working life. The pension charge is calculated on the basis of actuarial advice. These contributions are invested separately from the church's assets. Under Section 28 of FRS 102 provision is made for agreed deficit recovery payments.

Taxation

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

Volunteers

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

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

2 INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
				2017 £	2016 £
(a) Donations and legacies					
Standing Orders	473,830	-	-	473,830	461,883
Tax Reclaimed	118,995	-	-	118,995	127,161
Collections	26,297	-	-	26,297	31,091
Gifts	56,357	-	62,193	118,550	104,436
Gifts in kind	57,600	-	-	57,600	54,000
Staff Support	-	-	115,023	115,023	103,044
	<u>733,079</u>	<u>-</u>	<u>177,216</u>	<u>910,295</u>	<u>881,615</u>
(b) Investments					
Bank Interest	111	-	-	111	434
	<u>111</u>	<u>-</u>	<u>-</u>	<u>111</u>	<u>434</u>
(c) Charitable activities					
Church Activities:					
Church Life	33,598	-	-	33,598	34,625
Events	32,027	-	-	32,027	31,570
All Saints Garden	14,850	-	-	14,850	13,050
Property Letting	24,750	22,200	14,000	60,950	70,050
Bookstall	4,339	-	-	4,339	5,157
Fees, Royalties and other Honorariums	765	-	-	765	2,844
Administration	-	-	-	-	428
	<u>110,329</u>	<u>22,200</u>	<u>14,000</u>	<u>146,529</u>	<u>157,724</u>
(d) Other					
StAG Room Hire	890	-	-	890	1,035
	<u>890</u>	<u>-</u>	<u>-</u>	<u>890</u>	<u>1,035</u>
Total	<u>844,409</u>	<u>22,200</u>	<u>191,216</u>	<u>1,057,825</u>	<u>1,040,808</u>

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

3 EXPENDITURE ON:

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Charitable activities					
(a) Grants					
UK Mission (Note 16)	43,536	-	-	43,536	41,944
World Mission (Note 16)	41,014	-	-	41,014	42,706
Charitable Giving (Note 16)	9,150	-	22,635	31,785	53,812
	<u>93,700</u>	<u>-</u>	<u>22,635</u>	<u>116,335</u>	<u>138,462</u>
(b) Direct Costs					
Parish Share	116,488	-	-	116,488	129,662
Students' Curate	35,088	-	-	35,088	34,913
Hub Workers	65,417	-	-	65,417	58,195
Music Director	16,774	-	-	16,774	5,881
Church Management and Administration	64,353	-	-	64,353	63,950
International Workers	79,722	-	-	79,722	39,118
Student Workers	-	-	120,971	120,971	121,037
Women's Worker	17,081	-	-	17,081	11,170
Youth Worker	19,619	-	8,053	27,672	25,486
Pension provision interest cost	-	-	-	-	1,000
Staff Expenses	20,625	-	-	20,625	21,854
Church Life	74,563	-	-	74,563	81,641
Events	36,760	-	-	36,760	32,775
Bookstall, Church Magazine and Tracts	5,428	-	-	5,428	10,165
Church Utilities and Church Maintenance	44,565	5,426	-	49,991	92,085
Depreciation	5,555	-	-	5,555	8,261
Rent in kind	57,600	-	-	57,600	54,000
Staff Housing Costs	111,569	-	-	111,569	105,602
	<u>771,207</u>	<u>5,426</u>	<u>129,024</u>	<u>905,657</u>	<u>896,795</u>
(c) Support Costs					
Administration	14,038	-	-	14,038	13,005
Printing	16,715	-	-	16,715	15,977
Bank Charges	987	-	-	987	265
(d) Governance - Audit					
	<u>3,780</u>	<u>-</u>	<u>-</u>	<u>3,780</u>	<u>3,600</u>
	<u>35,520</u>	<u>-</u>	<u>-</u>	<u>35,520</u>	<u>32,847</u>
Total	<u>900,427</u>	<u>5,426</u>	<u>151,659</u>	<u>1,057,512</u>	<u>1,068,104</u>

4 TOTAL EXPENDITURE

	Staff Costs £	Depreciation £	Other Costs £	Total 2017 £	Total 2016 £
Charitable Activities:					
Grants	-	-	116,335	116,335	138,462
Church Activities Direct	376,377	5,555	523,725	905,657	896,795
Church Activities Support	-	-	35,520	35,520	32,847
	<u>376,377</u>	<u>5,555</u>	<u>675,580</u>	<u>1,057,512</u>	<u>1,068,104</u>

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

5 STAFF COSTS

	2017 £	2016 £
Wages and Salaries	300,912	270,649
Social Security Costs	23,082	18,457
Pension Costs	52,383	23,492
	<u>376,377</u>	<u>312,598</u>

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

	2017 15	2016 14
The average number of staff during the year was:		

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

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

During the year, Revd Richard Aldritt received a salary of £23,710 for his role as Students' Curate and Rev Charles Newcombe received a salary of £25,408 for his role as Associate Vicar (Hub). By virtue of these roles, both are ex officio members of the PCC. Mrs Sarah Robinson received remuneration of £17,369 for her role as Women's Worker. The Deanery Synod elected her to the Diocesan Synod and consequently she is an ex officio member of the PCC. During the year 7 (2016 - 5) trustees, in their capacity as employees of the PCC or the Diocese of Ely, were reimbursed for expenses incurred for mileage and hospitality of £2,099 (2016 - £2,876).

During the year remuneration received by key management personnel totalled £132,724.

6 PENSION COSTS

The PCC operates a defined contribution pension scheme for all directly employed members of staff, apart from two members of staff who are in the Church of England Pension Scheme. The assets of the scheme are held separately from those of the PCC in an independently administered fund. The pension cost charge represents contributions payable by the PCC to the fund and amounted to £36,265 (2016: £17,261). At the year end there were outstanding pension contributions of £8,306 that were paid in January 2018.

7 FIXED ASSETS FOR USE BY THE PCC

Tangible Fixed Assets	Freehold Land & Buildings £	Fixtures & Fittings £	Total £
Gross Book Value As at 1 January 2017	534,511	207,413	741,924
Additions	10,482	2,444	12,926
Disposals	-	(38,880)	(38,880)
As at 31 December 2017	<u>544,993</u>	<u>170,977</u>	<u>715,970</u>
Depreciation As at 1 January 2017	42,585	202,103	244,688
Charge for year	-	5,555	5,555
Eliminated on disposal	-	(38,880)	(38,880)
As at 31 December 2017	<u>42,585</u>	<u>168,778</u>	<u>211,363</u>
Net Book Value As at 31 December 2017	<u>502,408</u>	<u>2,199</u>	<u>504,607</u>
Net Book Value As at 31 December 2016	<u>491,926</u>	<u>5,310</u>	<u>497,236</u>

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

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

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

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

8 STOCK

	2017	2016
	£	£
Books for re-sale	4,211	3,482

9 DEBTORS

	2017	2016
	£	£
Other debtors	13,775	11,667
Tax recoverable	68,682	40,519
Prepayments and accrued income	10,738	11,994
	<u>93,195</u>	<u>64,180</u>

10 CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Accruals and deferred income	21,049	19,035
Tax and other social security costs	7,434	5,705
Other creditors	9,802	3,329
Pension deficit reduction provision (Note 17)	6,000	3,000
	<u>44,285</u>	<u>31,069</u>

11 OPERATING LEASE COMMITMENTS

Land and Buildings

	2017	2016
	£	£
Total minimum lease payments for leases which expire between 1 and 5 years	84,900	106,006
Amounts payable within one year	33,480	30,226
Amounts payable between one and five years	51,420	75,780

Lease payments of £34,769 have been recognised as an expense for the year.

Office Equipment

	2017	2016
	£	£
Total minimum lease payments for leases which expire in less than one year	4,932	3,808

Lease payments of £4,932 have been recognised as an expense for the year.

12 UNRESTRICTED FUNDS

	Revaluation Reserve	PCC General	Total
	£	£	£
Balance at 1 January 2017	194,000	386,641	580,641
Incoming Resources	-	844,409	844,409
Resources Expended	-	(900,427)	(900,427)
Actuarial gains/(losses) on defined benefit pension schemes	-	(31,000)	(31,000)
Transfer to Restricted Fund	-	(1,848)	(1,848)
Balance at 31 December 2017	<u>194,000</u>	<u>297,775</u>	<u>491,775</u>

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

13 DESIGNATED FUNDS

	Ministry Fund £	Contingency Fund £	Restoration Fund £	Total £
Balance at 1 January 2017	47,000	15,357	148,229	210,586
Incoming Resources	-	-	22,200	22,200
Charitable Expenditure	-	-	(5,426)	(5,426)
Balance at 31 December 2017	47,000	15,357	165,003	227,360

Ministry Fund

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

Contingency Fund

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

Restoration Fund

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

14 RESTRICTED FUNDS

	Jesus Lane Trust £	Specific Gifts Fund £	Vicar's Discretionary Fund £	Christ Church Huntingdon £	Tear Fund East Africa Famine £	Total StAG Funds £
Balance at 1 January 2017	-	2,200	-	-	-	2,200
Voluntary Income	115,022	6,250	-	43,798	12,146	177,216
Charitable Activity Income	14,000	-	-	-	-	14,000
Charitable Expenditure	(129,022)	(8,328)	(1,723)	(440)	(12,146)	(151,659)
Transfer from General Fund	-	-	1,723	125	-	1,848
Balance at 31 December 2017	-	122	-	43,483	-	43,605

Jesus Lane Trust

Grants from the Jesus Lane Trust which are used for paying the salaries of the student workers.

Specific Gifts

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

Vicar's Discretionary Fund

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

Christ Church Huntingdon

A church plant starting in Huntingdon in September 2018, led by Charlie Newcombe. This fund is to support the ministry and operational costs of the new congregation. More information can be found at www.christchurchhuntingdon.co.uk

Tear Fund East Africa

A one-off collection was held in March 2017 to raise funds for emergency famine relief in East Africa. All funds raised plus Gift Aid was sent to Tear Fund.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed Assets	504,607	-	-	504,607
Net Current Assets	(12,832)	227,360	43,605	258,133
Fund Balance	491,775	227,360	43,605	762,740

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

16 ANALYSIS OF GRANTS

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

World Mission Group

	£
Alicia Burgess	2,100
B & J	4,200
D & A	4,200
J & Y	4,200
James Poole	1,000
Jonathan & Rachel Vaughan	4,200
Jonathan Spencer	1,000
Kathleen Spence	4,200
Mongolian Union Bible Society	2,100
Myrto Theocharous	4,200
Nerena Nethercoat	4,200
Tomas Uher	4,200
Mission Sunday speakers and visitors	114
Book tokens provided to mission partners	1,100

41,014

Other

The Matthew Ministry	8,000
GAFCON	<u>1,150</u>
	<u>9,150</u>

UK Mission Group

	£
Anna Robson	500
Eleanor Cornes	500
Helen Hambling	500
Julia Snodgrass	500
Kirkby le Soken PCC	1,000
Lucy Paine	500
Natalie Granger	640
Niv Lobo	1,250
Sarah Burkill	500
Sarah Gales	500
Sarah Lorimer	500
Simon Adcock	500
St Nicholas Church Tooting	6,000
St Philemon's Church Toxteth *	6,000
Susan Marriott	996
Terrington St Clement Parish Church *	12,000
Trinity Church Scarborough	1,000
Trinity Church York	2,000
Wellfield Church	6,000
Will Zong	1,250

42,636

Book tokens provided to ordinands

900

43,536

* £1,500 granted to St Philemon's Church, Toxteth and £12,000 granted to Terrington St Clement Parish Church, was given via the Gospel Ministry Support Trust.

The total value of grants over £50 given to institutions during the year was	45,250
The total value of grants over £50 given to individuals during the year was	<u>48,450</u>
	<u>93,700</u>

17 PENSION PROVISION

Two member of staff (2016 - one) are members of the Church of England Funded Pension Scheme.

	2017 £	2016 £
Balance as at 1st January	23,000	28,000
Deficit contributions paid	(6,000)	(3,000)
Interest cost	-	1,000
Remaining change to the balance sheet liability (SOFA)	31,000	(3,000)
Balance as at 31 December	<u>48,000</u>	<u>23,000</u>
Due in less than one year (note 10)	6,000	3,000
Due in more than one year	<u>42,000</u>	<u>20,000</u>

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

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

18 PENSION PROVISIONS

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

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

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

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

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

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit

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

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

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

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

	2017	2016
Balance sheet liability at 1 January	23,000	28,000
Deficit contributions paid	(6,000)	(3,000)
Interest cost (recognised in SoFA)	-	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	31,000	(3,000)
Balance sheet liability at 31 December	<u>48,000</u>	<u>23,000</u>

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

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

Discount rate

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

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

PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

19 STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31 DECEMBER 2016

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

20 RELATED PARTY TRANSACTIONS

The Jesus Lane Trust has some trustees in common with the PCC. The Jesus Lane Trust made a grant of £115,022 (2016 - £103,044) to the PCC, as shown in Note 14.

The Gospel Ministry Support Trust has some trustees in common with the PCC. The PCC made grants of £13,500 (2016 - £12,000) to the Gospel Ministry Support Trust, as shown in Note 16.