



The Collegiate Church of St Mary, Warwick

Parochial Church Council — Registered Charity N°: 1128087

Financial Statements

for the year ending December 31, 2017

2017

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REFERENCE AND ADMINISTRATIVE ITEMS

Address (Church and Parish Office)	Old Square Warwick CV34 4RA	
Diocese	Diocese of Coventry within the Church of England	
Website	www.stmaryswarwick.org.uk	
Charitable Status	Registered Charity No. 1128087 (since February 16th 2009).	
Trustees	All members of the PCC as follows:	
	<i>Incumbent & Chairman</i>	Rev'd Vaughan Roberts
	<i>Churchwardens</i>	John Luxton, Gail Guest
	<i>Curate</i>	Alyca Timmis
	<i>Deanery Synod Reps</i>	David Clark, Desmond Jack, Gillian James
	<i>Elected PCC Members</i>	John Adams (Treasurer), Victoria Bartholomew (Secretary), Grahame Edmonds, Alan Faulkner, Frances Humphreys, Tony King, Jayne McHale, John Newbery, Kirsteen Robson, Carol Warren, Alan Wellan
PCC Ex Officio Members	<i>Reader</i>	Doreen Mills
	<i>Director of Music</i>	Thomas Corns (until May 2017)
	<i>Parish Administrator</i>	Felicity Bostock
Independent Examiners	Michael Harwood FCA Michael Harwood & Co. Chartered Accountants & Registered Auditors	Greville House 10 Jury Street Warwick CV34 4EW
Banker	Lloyds Bank PLC	12 Swan Street Warwick CV34 4BJ
Solicitors	Rotherham & Co.	8 The Quadrant Coventry CV1 2EG
Insurance Broker	Bausor Hall Associates Ltd.	Unit 7, Mercia Business Village Westwood Business Park Coventry CV4 8HX

REPORT OF THE PAROCHIAL CHURCH COUNCIL

The Council presents its report and Financial Statements of the Church for the year ended 31st December 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out on page 14 (and following) and comply with the Parochial Church Council Powers Measure (1956), the Churches Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

AIMS AND PURPOSES

St Mary's PCC has the responsibility of co-operating with the incumbent, the Rev'd Vaughan Roberts, in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC also has the responsibility of maintaining the fabric of the historic Church of St Mary's, a Grade 1 listed building.

STRUCTURE, GOVERNANCE AND MANAGEMENT

St Mary's Church operates as a member of a Team Ministry together with St Nicholas', St Paul's and All Saints' Emscote and in conjunction with St Michael's Budbrooke & Chase Meadow. The Warwick Team Ministry is part of the Warwick and Leamington Deanery in the Church of England Diocese of Coventry.

The method of appointment of PCC members is set out in the Church Representation Rules and the membership consists of the incumbent (our Rector), churchwardens and other members elected by congregation members who are on the electoral roll of the church. All those who attend our services are encouraged to register on the Electoral Roll and stand for election to the PCC.

In addition our Deanery Synod Representatives are automatically members of the PCC, and we have had two ex officio members for the full year (Reader and Parish Administrator) and one ex officio member for part of the year (Director of Music).

The PCC is responsible for making decisions on all matters of general concern and importance to the parish. While our Parish Administrator oversees the day-to-day running of the material side of church life, it is the PCC that determines general policy and decides how the funds of the PCC are to be spent.

The PCC met 5 times during the year with an average level of attendance of 58%. Given the breadth of its responsibilities, the PCC operates a number of sub-committees to deal with individual aspects of parish life. These sub-committees include a Standing Committee to manage day-to-day fabric and finance matters, and committees looking at Ministry, Music, Pastoral Care, Visitors & Visitor Events.

All sub-committees regularly report back to the PCC with minutes or reports of their deliberations and decisions, and these are then discussed and reviewed by the full PCC as necessary.

In addition, the PCC has responsibilities for managing policies and risks related to Health and Safety, Child Protection, Employment Regulations and Discrimination. All these areas are reviewed regularly, policies updated and training put in place for key staff.

The PCC reviews pay and remuneration for all employees on an annual basis, taking into account the annual rate of inflation, the prevalent minimum and living wage levels along with any changes in job description and responsibility.

OBJECTIVES AND ACTIVITIES

The PCC remains committed to maintaining St Mary's role in the life of the town and enabling as many people as possible to worship at our church. The church is a hub for the local area, attracting local people as well as visitors and tourists. People enter the building for a variety of reasons: worship, prayer, history and culture being but a few of these.

To facilitate our primary objective and activities, the PCC has continued with its duty to keep the building in good repair and to keep the building open more than 360 days of the calendar year. The PCC is immensely grateful to all those who give their time, knowledge and passion to make and keep the church alive and vital, and to offer a warm welcome to those who enter for whatever reason.

The PCC also has a responsibility to ensure that the church operates on a sound financial footing, with good, effective and responsible business practices. The PCC remains mindful that these practices must support rather than hinder the spiritual work of the church.

The church's outward giving programme extends beyond the boundaries of CV34 to support both national and international causes. Any member of our congregation is welcome to suggest such a cause and these are discussed, recommended and approved by the Standing Committee and the PCC.

PUBLIC BENEFIT

The trustees confirm that they have complied with the Charities Act 2011 and in planning our activities for the year we have considered the Commission's guidance on public benefit and the advancement of religion. In particular, we try to enable people to live out their faith as part of our parish community through:

- Worship and prayer
- Provision of pastoral care for people living in the parish
- Missionary and outreach work

ACHIEVEMENTS AND PERFORMANCE

WORSHIP

The PCC continued to maintain the range and variety of worship offered throughout 2017, both routinely during the week and at other times during the year. The PCC recognises the differing needs of the community and believes that the variety of worship offered is a good response to the differing needs of those we seek to serve. Attendance levels across these services (Sunday, mid-week, feast days) suggest that we are indeed meeting that need.

This variety includes both choral and said acts of worship, taking place on weekdays as well as Sundays and at a variety of times. Acts of worship are also aimed at different cross-sections of our community, both regular church-goers and less frequent visitors.

The initiatives started as a result of the Eight Essential Qualities project have continued to flourish and the review of St Mary's music ministry has resulted in the formation of a Music Steering Committee to work alongside the Director of Music and Music Department in general. Music is a vital part of St Mary's life and ministry and this new committee has the remit to look at the long term direction and funding of all our musical activity.

The Electoral Roll membership increased in 2017 by 12 to a total of 229, with 51% of these members actually resident within the parish.

Note: in the following paragraphs, 2016 statistics are given in brackets for comparison.

Average Sunday attendances for 2017 have held relatively steady year on year with an average of 161 (175) adults and 27 (27) children and young people. Midweek attendances have also maintained their levels from previous years.

Major festivals have continued to be well supported with high levels of attendance at the two Carol Services and a further increase in numbers at the Crib Service. The combined attendance across the three services (Crib Service, Midnight Mass and Christmas Day Service) reached 1475 (1500).

7 (9) weddings and 1 (0) blessing were celebrated at St Mary's during 2017, along with 20 (21) baptisms or thanksgivings. There were also 11 (13) funerals.

DEANERY SYNOD

Three members of the PCC sit on the deanery synod. This provides the PCC with an important link between the parish and the wider structures of the church.

CHURCH FABRIC

The Capital Campaign funded major and much-needed repairs to the Nave roof and south wall during 2017. Repair work was considerably more extensive than anticipated and the final bill for this project was in excess of £360,000.

In spite of the work covered by funds from the Capital Campaign, Church Fabric continues to be the largest line item of general expenditure. Following £42,000 of fabric expense in 2016, a budget figure of £76,000 was set for 2017. Even this figure proved to be an underestimate with the final total reaching nearly £97,000.

A number of potential fabric projects for 2018 will be reviewed for affordability and prioritised accordingly.

The Capital Campaign received in the order of £90,000 of income during 2017 and total funds received since the start of the Campaign have exceeded £1.3 million. When this is combined with the Caxton, Rance and Library restricted funds that St Mary's moved into the Capital Campaign, it means that the Campaign total stands at just over £1,600,000. Our original target of £2,400,000 is however likely to increase to a figure nearer £3,500,000.

With the work on the Nave roof complete, our Capital Campaign funds are exhausted. The Tower is now in need of substantial and urgent repair work. Fund-raising is planned for 2018 with the Tower project now due to kick off in 2019.

OTHER CHARITABLE WORK

For a number of years St Mary's has aimed to make annual charitable donations equal in value to approximately 10% of the income received from the King Henry VIII Endowed Trust. With a mix of Outward Giving and donations towards the costs of the Myton Hospice chaplain, the 10% mark was again met in 2017.

The level of outward giving from congregational collections increased slightly in 2016 and the PCC will continue to consult with the St Mary's congregations to ensure the efficacy of such giving.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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;
- make judgements 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 trust deed. 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.

FINANCIAL REVIEW, YEAR ENDING 31 DECEMBER 2017

Each year the PCC prepares an annual operating budget which sets out the expected income and expenditure for a range of church activities that are consistent year on year. The planning process therefore excludes any income related to the Capital Campaign or one-off income such as legacies. The PCC approved a budget for 2017 that predicted an operating deficit in the order of £60,000 for the year ending December 31, 2017. Operating deficit is defined as the difference between regular income and regular expenditure. This deficit anticipated continued increases in general running costs as well as year on year increased expenditure on fabric maintenance outside the auspices of the Capital Campaign.

As in previous years, the PCC's philosophy has been to prepare for the worst but work hard to deliver a more manageable annual deficit and preferably a profit. Areas of expenditure have been revisited and new contracts again negotiated where possible. The PCC is immensely grateful to our Parish Administrator who has done and continues to do a terrific job of keeping our operating costs as flat as possible year on year.

Our results for 2017 show that we have again come in ahead of budget, but for the first time in several years we have made a significant operating loss – a little over £33,000. While, thankfully, the loss is only half the value we had predicted, it is not a loss that St Mary's can sustain for more than a couple of years. While we have been able to manage the vast majority of our costs and predict our income, our wonderful building is unpredictable and when things go wrong they typically need fixing immediately.

The £97,000 spent on fabric projects this year has all been for essential maintenance work. The need for a new water main and new electricity distribution boards became apparent as we undertook work to install our new kitchen at the west end. New lights in the Nave were necessary when the old ones were no longer maintainable. These have all been incredibly expensive projects which will stand us in good stead for years to come, but have increased our fabric spend beyond the levels we had anticipated.

In addition to the fabric expenditure recorded in the accounts, the Church has also used over £58,000 of unrestricted funds to subsidise the work carried out under the Capital Campaign at the end of 2017. The extensive repair work required on the south wall exceeded the original budget and exhausted the funds of the Capital Campaign. It is anticipated that these funds will be restored to the church main unrestricted account when new Capital Campaign fund-raising is undertaken.

As we look at our plans for 2018 which include a new sound system and replacement chairs, it is clear that we will have to decide whether to put them on hold, scale them back or drop them altogether. Our sound system is in urgent need of replacement but we will have to consider just how essential this is.

Total incoming resources of the Church dropped below £500,000 for the first time in five years. Capital Campaign income was substantially down on previous years as existing resources were spent on committed projects and new projects (tower and interior) have not yet been scoped. The level of planned giving has continued to rise slightly with an increasing proportion now being given by regular standing order. As in previous years we will continue to encourage all members of our congregation to give by standing order so that we have a predictable income stream.

The Christmas Tree Festival was very successful again this year and income across the range of church activities was up very slightly year on year, mainly thanks to an increase in visitor numbers and consequent donations.

In summary, we will continue our efforts to keep expense under control and find new sources of income but our options are limited. Our splendid but aging organ is demanding increasing attention and is likely to be the subject of a fund-raising campaign in its own right in the medium-term. As in previous years, we have been fortunate to receive one-off donations and legacies which have helped reduce the deficit, and in 2018 we will establish a policy at St Mary's to encourage our congregations and visitors alike to leave a legacy to one of three areas of St Mary's work: Ministry, Music or Fabric. We will also look at options to increase visitor donations by installing cashless technology.

THE KING HENRY VIII ENDOWED TRUST – MINISTRY AND MISSION IN WARWICK & BUDBROOKE

St Mary's is one of five churches in Warwick and Budbrooke that receive annual payments from the Trust, which was set up in 1545. The amount to be paid to the Church is set out in the Trust's Scheme, which is approved by the Charity Commission. All payments are Restricted and can only be used for the prescribed purpose for which they are given.

The five churches receive 50% of the Trust's net income and this amount is allocated in accordance with the Scheme. The scheme was modified early in 2015, with the agreement of the PCC's, to change allocations following the closure of Christ Church.

The Trustees make payments directly to the diocese to cover the stipends, pensions and housing costs for nominated clergy and lay workers within the five parishes in a set order. The balance is allocated to the PCCs. Of this St Mary's is currently entitled to 40%, which can only be used for furthering the religious and other charitable work of the Church of England within the Warwick parishes. The Trustees have the discretion to change this percentage allocation, and it is the responsibility of the PCC to ensure and demonstrate that the terms of this grant are respected.

A variation to the allocation of the church share was agreed between the Trustees and the PCC's to establish a Project Pool, managed by the Trustees, with all the PCC's of the Warwick parishes being able to bid for funds for specific projects and under this scheme St Mary's received £10,000 in 2016 as part funding for our Education and Visitor Development Officer (£5,833). 7/12 of this was deferred to and spent in 2017 (£5,833).

In last year's accounts we acknowledged that we had received funds from the Project Pool for the purchase of a new piano for the Song School (£9,898). However the amounts we recorded for income and expenditure did not include this amount. Both were consequently understated by the same amount but the total carried forward was correct.

In 2014 St Marys implemented a change in accounting policy such that our annual accounts now recognise the grant actually received from the King Henry VIII Endowed Trust during the church's financial year, with no accruals made. The main annual grant recognised by St Mary's in 2017 was £107,475.

St Mary's use of the grant is now explicitly presented in the annual accounts. This demonstrates how the grant has been used to cover our mission in Warwick, specifically to cover expenditure associated with our ministry, worship and music. As well as covering the costs of clergy and custos, the grant also allows St Mary's to continue with its fine musical tradition and largely covers the additional costs incurred by keeping St Mary's open to the public all year.

Range of worship, music and accessibility are three of the major items which distinguish St Mary's amongst the Warwick churches and the PCC is immensely grateful to the King Henry VIII Endowed Trust. Without the Trust's financial support this work would not be possible.

SUMMARY OF KING HENRY VIII ENDOWED TRUST INCOME & EXPENDITURE

The following table presents a high level summary of the income from the King Henry VIII Endowed Trust and the use of the funds during 2017:

	Amount (£)	
Carried forward from 2016	13,205	
Debtor 2016	5,833	+
Income 2017	107,475	
Expenditure 2017	(115,830)	
Balance to carry forward	10,683	

Notes:

+ Funds deferred from 2016

PAYMENTS TO THE DIOCESE

Payments are made by the Trust to the Diocese to cover the stipend, pension and housing costs for the Vicar of St Mary's and these are recorded in the Diocesan accounts. The payment to the Diocese from St Mary's is in addition to the payment from the Trust and covers clergy training costs and a housing supplement for upkeep of the St Mary's rectory, and also a contribution to the Support Fund to assist other parishes in the diocese.

	Paid By	Amount (£)
Stipend, pension and NI	KH VIII	36,355
Training & Housing	St Mary's	17,600
Diocesan Support Fund & Deanery Costs	St Mary's	20,894
Total received by the Diocese		74,849

RESERVES POLICY

The unrestricted reserves at the end of 2017 show a balance of £205,827, a substantial reduction on the value at the end of 2016. However, most of this reduction is accounted for by the temporary subsidy of £58,000 to the Capital Campaign. The St Mary's PCC has a policy to hold unrestricted reserves to a minimum value of £100,000 or 5 times the predicted annual operating deficit if that should prove to be greater.

Current budget plans for the foreseeable future continue to predict an average operating deficit of £40,000 per annum, so our current level of reserves remain within policy, but the PCC is aware that it cannot be complacent and must continue to look for ways of deriving increased income to reduce that annual deficit.

At the end of 2017, the overall balance of reserves stood at £649,343 of which £59,177 represented the balance for the Capital Campaign, with £83,377 being restricted by legacy for the support of music within St Mary's.

INVESTMENT POLICY

The Church has a small portfolio of investments with the majority in CBF Shares. Note 10 to the accounts details the investments in which the Church's funds are held. With interest rates continuing to be low the PCC has not actively reviewed the investment policy in 2017.

PLANS FOR THE FUTURE

In 2018, the PCC plans to review the lettings business, including charges, availability and publicity. Many organisations use St Mary's to stage concerts and we would like to see if we can broaden our user base. However, evening availability is limited due to services and choir rehearsals, so day-time bookings may have to be considered.

The PCC feels that it is important to keep the building open seven days a week to attract visitors and uniquely offer a place of refuge, contemplation and prayer within the town. While keeping the church open incurs cost, it is difficult to calculate the value to the local community of being able to visit St Mary's during the day.

Nearly 36,000 visitors entered St Mary's during 2017, a rise of 7,000 compared to 2016 and a welcome return to the more usual level of previous years. This is reflected in a significant increase in visitor related income (collection boxes, donations, candles and trips up the tower).

Our Education and Visitor Development Officer is no longer in post, having taken up position as our Curate. The PCC has chosen not to appoint a replacement at this time.

Donations from visitors constitute a significant part of our overall income and the need to attract more visitors to St Mary's remains high on our agenda. With that in mind, branding and signage remain a major activity for 2018, and we are planning the launch of a new website to attract visitors and an app to enhance their experience and understanding of our church, our faith and our financial plight.

SIGNATORIES

Approved by St Mary's PCC on 21 March 2018 and signed on their behalf by:

Rev'd V Roberts (Chairman)

INDEPENDENT EXAMINER'S REPORT TO THE PCC OF ST MARY'S WARWICK

I report on the accounts of the charity for the year ended 31 December 2017 which are set out on the following pages.

RESPECTIVE RESPONSIBILITIES OF THE PCC AND THE EXAMINER

As members of the PCC you are responsible for the preparation of the financial statements; you consider that the audit requirement of the Regulations and section 144 (2) of the Act do not apply. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

BASIS OF THIS REPORT

My examination was carried out in accordance with general Directions given by the Charity Commission under section 145 of the Act and in the Church guidance, 2006 edition. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, 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 I do not express an audit opinion on the view given by the accounts.

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 statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act and the Regulations 2006

or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Michael Harwood

Michael Harwood & Co
Greville House
10 Jury Street Warwick
CV34 4EW

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The charity constitutes a public benefit entity as defined by FRS102. The Financial Statements have been prepared on a going concern basis under the historical cost convention as modified for the revaluation of freehold property and in accordance with the Church Accounting Regulations 1997 as amended by the Church Accounting (Amendment) Regulations 2001.

They comply with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) issued on 16 July 2014 (as amended through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011 and applicable regulations.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

INCOMING RESOURCES

All incoming resources are accounted for on an accruals basis and grants are recognised when received. Legacies, donations, giving and other income are accounted for when received.

RESOURCES EXPENDED

Resources Expended are classified at a high level under the Parish's functional categories of expenditure, but more detail is given in the Notes to the Financial Statements. Costs included within each functional category comprise direct expenditure attributable to the activity.

Grants in respect of charitable donations are recognised when awarded.

INVESTMENTS

Investments are stated at fair value.

DEPRECIATION

It is PCC policy to maintain any freehold property to at least its current standard and to charge to the income and expenditure account the cost of maintenance as incurred. In the opinion of the PCC the resulting charges do not materially differ from the value that could be attributed had the freehold buildings been depreciated.

Expenditure on the purchase of office equipment i.e. computers, photocopiers etc. is written off to income and expenditure as incurred.

STOCK

Stocks are stated at the lower of cost and net realisable value.

FUND ACCOUNTING

General funds comprise the accumulated surplus or deficit on the income and expenditure account. The funds are available for use at the discretion of the PCC in furtherance of the general objectives of the Parish.

Designated funds comprise funds which have been set aside at the discretion of the PCC for specific purposes.

Restricted funds are funds subject to specific restricted conditions imposed by donors.

STATEMENT OF FINANCIAL ACTIVITIES (YEAR ENDED 31 DECEMBER 2017)

	Notes	Unrestricted Funds £	King Henry VIII £	Restricted Funds £	Capital Campaign £	Total Funds 2017 £	Total Funds 2016 £
Incoming Resources							
Voluntary income	1	141,523	113,308	1,000	29,291	285,122	395,772
Activities for generating funds	2	24,253	-	-	8,957	33,210	26,052
Income from investments	3	11,476	-	45	-	11,521	9,724
Church activities	4	29,683	-	-	-	29,683	67,992
Other incoming resources	5	36,450	-	-	52,080	88,530	78,672
Capital Campaign						-	
Total incoming resources		243,385	113,308	1,045	90,328	448,066	578,212
Resources Expended							
Fund raising trading costs	6	22,997	-	-	-	22,997	23,995
Church activities	7	236,696	115,830	12,092	383,114	747,732	643,737
Governance Costs	8	3,480	-	-	-	3,480	3,240
Capital Campaign Projects						-	-
Total resources expended		263,173	115,830	12,092	383,114	774,209	670,972
Net resources (before transfers)		(19,788)	(2,522)	(11,047)	(292,786)	(326,143)	(92,760)
Net income from Capital Campaign Transfers between funds						-	-
Transfers between funds		(58,114)	-	-	58,114	-	-
Net resources before other recognised gains		(77,902)	(2,522)	(11,047)	(234,672)	(326,143)	(92,760)
Other recognised gains & losses							
Unrealised gains on investment assets	10	5,183	-	24,034	754	29,971	31,952
Net movement in funds		(72,719)	(2,522)	12,987	(233,918)	(296,172)	(60,808)
Balance brought forward at 01.01.17		278,546	13,205	360,669	293,095	945,515	1,006,323
Balance carried forward at 31.12.17		205,827	10,683	373,656	59,177	649,343	945,515

All activities are classified as continuing. The notes beginning on page 19 form part of these Financial Statements.

BALANCE SHEET (31 DECEMBER 2017)

	Notes	2017 £	2016 £
Fixed Assets			
Investments	10	338,610	308,638
Total Fixed Assets		338,610	308,638
Current Assets			
Bookstall Stocks		9,243	9,294
Debtors	11	40,133	75,598
Cash at bank and in hand		276,243	642,806
Total Current Assets		325,619	727,698
Creditors			
Amounts falling due within one year	12	14,886	90,821
Net Current Assets		310,733	636,877
Net Assets		649,343	945,515
Assets by Fund			
Capital Fund	13	59,177	293,095
Restricted funds	13	290,279	266,245
Restricted fund legacy (Music)	13	83,377	94,424
King Henry VIII		10,683	13,204
Designated funds (Bookstall)	14	12,964	13,208
General funds		192,863	265,339
	15	649,343	945,515

The notes beginning on page 19 form part of these Financial Statements.

SIGNATORIES

Approved by St Mary's PCC on 21 March 2018 and signed on their behalf by:

Rev'd V Roberts (Chairman)

STATEMENT OF CASH FLOWS

	2017 £	2016 £
<u>Cash flows from operating activities:</u>		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(296,172)	(60,808)
Adjustments for:		
- (Gains)/losses on investments	(29,971)	(31,952)
- Dividends, interest and rents from investments	(11,521)	(9,724)
- (Increase)/decrease in stocks	51	1,695
- (Increase)/decrease in debtors	35,465	(13,580)
- Increase/(decrease) in creditors	(75,935)	52,259
Net cash provided by (used in) operating activities	(378,083)	(62,110)
<u>Cash flows from investing activities:</u>		
Dividends, interest and rents from investments	11,521	9,724
Proceeds from sale of investments	-	-
Purchase of investments	-	-
Net cash provided by (used in) investing activities	11,521	9,724
<u>Cash flows from financing activities:</u>		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	(366,562)	(52,386)
Cash and cash equivalents at the beginning of the reporting period	642,806	695,192
Cash and cash equivalents at the end of the reporting period	276,244	642,806

NOTES TO THE FINANCIAL STATEMENTS (YEAR ENDED 31 DECEMBER 2017)

	2017					2016
	Unrestricted	KH VIII	Restricted	C Campgn	Total	
	£	£	£	£	£	£
1. Voluntary Income						
Collections and envelopes	26,213	-	-	-	26,213	30,149
Planned giving	45,661	-	-	-	45,661	37,231
Income tax refunds	17,020	-	-	1,148	18,168	22,875
Other collections	6,340	-	-	-	6,340	8,393
Income from visitors - Boxes and Tower	32,544	-	-	-	32,544	23,971
- Candles and others	3,745	-	-	-	3,745	3,455
King Henry VIII Trust income	-	113,308	-	-	113,308	138,319
Legacies	10,000	-	1,000	-	11,000	-
CC giving and donations	-	-	-	28,143	28,142	131,379
Subtotal	141,523	113,308	1,000	29,291	285,122	395,772
	Unrestricted	KH VIII	Restricted	C Campgn	Total	
	£	£	£	£	£	£
2. Activities for generating funds						
St Mary's bookstall	24,253	-	-	-	24,253	26,052
CC event income	-	-	-	8,957	8,957	-
Subtotal	24,253	-	-	8,957	33,210	26,052
	Unrestricted	KH VIII	Restricted	C Campgn	Total	
	£	£	£	£	£	£
3. Income from Investments						
Investment Income	11,426	-	-	-	11,426	9,626
Bank interest	50	-	45	-	95	98
Subtotal	11,476	-	45	-	11,521	9,724

2017						2016
	Unrestricted	KH VIII	Restricted	C Campgn	Total	
	£	£	£	£	£	£
4. Church Activities						
Service fees	4,734	-	-	-	4,734	4,819
Lettings income	8,821	-	-	-	8,821	9,641
Choir	9,569	-	-	-	9,569	8,533
Recharges of administration costs	488	-	-	-	488	475
Fund raising	6,071	-	-	-	6,071	44,524
Subtotal	29,683	-	-	-	29,683	67,992
	Unrestricted	KH VIII	Restricted	C Campgn	Total	
	£	£	£	£	£	£
5. Other Incoming Resources						
VAT reclaim	10,730	-	-	52,080	62,810	58,016
Income from telecommunications mast	25,720	-	-		25,720	20,656
Subtotal	36,450	-	-	52,080	88,530	78,672
	Unrestricted	KH VIII	Restricted	C Campgn	Total	
	£	£	£	£	£	£
6. Fund Raising Trading Costs						
St Mary's bookstall	22,997	-	-	-	22,997	23,995
Subtotal	22,997	-	-	-	22,997	23,995

	2017					2016
	Unrestricted	KH VIII	Restricted	C Campgn	Total	
	£	£	£	£	£	£
7. Church Activities						
British Legion	742	-	-	-	742	655
Discretionary donations and outward giving	1,561	-	-	-	1,561	1,146
Myton Hospice	-	9,871	-	-	9,871	9,785
Clergy Expenses:						
Clergy standins	-	1,177	-	-	1,177	708
Clergy expenses	-	5,030	-	-	5,030	3,493
Music Establishment Costs:						
Salaries	7,782	23,346	7,603	-	38,731	45,350
Expenses (including organ tuning and repairs)	7,876	-	4,489	-	12,365	6,370
Property Maintenance:						
St Mary's	95,545	-	-	-	95,545	35,417
Other property costs and fees	1,200	-	-	17,798	18,998	56,490
Capital Campaign repairs (was Special Projects)	-	-	-	361,790	361,790	234,563
Property Running Costs:						
Insurance	19,797	6,599	-	-	26,396	25,654
Cleaning and Waste Disposal	1,799	-	-	-	1,799	1,276
Supplies & regular servicing	5,224	-	-	-	5,224	6,239
Premises expenses	1,613	-	-	-	1,613	2,064
Power & Utilities— Churches	14,848	4,949	-	-	19,797	17,350
Other Costs	1,800	-	-	-	1,800	1,800
Administration:						
Staff Costs	22,200	4,440	-	-	26,640	29,789
Photocopier costs	2,972	-	-	-	2,972	2,704
Office costs	11,654	-	-	145	11,799	8,478
Marketing	1,790	-	-	-	1,790	1,646
Fund raising costs	2,875	50	-	3,381	6,306	36,876
Ministry:						
Parish share	20,894	17,600	-	-	38,494	40,955
Worship & Ministry costs	5,474	19,541	-	-	25,015	44,568
St Mary's Reception	-	23,227	-	-	23,227	22,795
Choir	9,050	-	-	-	9,050	7,566
Subtotal	236,696	115,830	12,092	383,114	747,732	643,737

		2017					2016
		Unrestricted	KH VIII	Restricted	C Campgn	Total	
		£	£	£	£	£	£
8. Governance Costs							
Audit Fee		3,480	-	-	-	3,480	3,240
		Unrestricted	KH VIII	Restricted	C Campgn	Total	
		£	£	£	£	£	£
9. Staff Costs							
Wages and salaries		28,984	67,911	6,823	-	103,718	117,682
Social security costs		657	770	473	-	1,900	2,486
Pensions		341	1,023	307	-	1,671	2,056
	Subtotal	29,982	69,704	7,603	-	107,289	122,224
Average number of employees		15					15

Notes:

The Collegiate Church of St Mary participates in the Pension Builder Scheme (PB 2014) section of the Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

PB 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder 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.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

PB 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. PB 2014 commenced in February 2014 with its first full valuation due during 2017. The results of that valuation have not yet been published.

No employee received emoluments over £60,000 in the year

No trustee received emoluments or expenses in the year

						2017	2016
		Unrestricted	KH VIII	Restricted	C Campgn	Total	
10. Investments		£	£	£	£	£	£
	Market value 1 January 2017	38,010	-	266,245	4,383	308,638	276,686
	Net unrealised investment gains/(losses)	5,183	-	24,034	754	29,971	31,952
	Market value 31 December 2017	43,193	-	290,279	5,137	338,609	308,638
	Original Cost	168,713				168,713	168,713

The market value of the investments held by the Parochial Church Council is as follows:-

	Unrestricted	KH VIII	Restricted	C Campgn	Total	
	£	£	£	£	£	£
360.49 COIF Shares	5,324	-	-	-	5,324	4,899
18050 CBF shares	5,640	-	290,279	-	295,919	271,418
Portfolios	32,229	-	-	5,138	37,367	32,321
Subtotal	43,193	-	290,279	5,138	338,610	308,638

Investment income is analysed as follows:-

	Unrestricted	KH VIII	Restricted	C Campgn	Total	
	£	£	£	£	£	£
Legacy/ Portfolio	1,647	-	-	-	1,647	1,557
COIF Shares	176	-	-	-	176	163
CBF Shares	9,603	-	-	-	9,603	7,906
Subtotal	11,426	-	-	-	11,426	9,626

All investment income arises from UK investments.

		2017					2016
		Unrestricted	KH VIII	Restricted	C Campgn	Total	
		£	£	£	£	£	£
11. Debtors							
	King Henry VIII Trust Accrued income	-	-	-	-	-	
	Other debtors & prepayments	16,477	-	-	23,656	40,133	75,598
	Subtotal	16,477	-	-	23,656	40,133	75,598
		Unrestricted	KH VIII	Restricted	C Campgn	Total	
		£	£	£	£	£	£
12. Creditors (<i>amounts falling due within one year</i>)							
	Accruals	10,492	-	-	-	10,492	14,966
	Deferred Income	-	-	-	-	-	5,833
	Other creditors	4,395	-	-	-	4,395	70,022
	Subtotal	14,886	-	-	-	14,886	90,821

The deferred income from the King Henry VIII Endowed Trust is explained in the section The King Henry VIII Endowed Trust – Ministry and Mission in Warwick & Budbrooke on page 10.

13. Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of investment income held on trusts to be applied for specific purposes

	Balance 1 Jan '17	Net movement in funds	(Utilised) / Released	Transfer	Balance 31 Dec '17
	£	£	£	£	£
Caxton Book Trust	28,450	2,568			31,018
Rance Bequest	8,240	744			8,984
St Mary's Library Fund	229,555	20,722			250,277
Legacy (Music)	94,424	(11,047)			83,377
King Henry VIII	13,205	(2,522)			10,683
Capital Campaign	288,712	(292,787)		58,114	54,039
Capital Campaign Portfolio	4,383	754			5,137
	666,969	(281,568)	-	58,114	443,515

In June 2012, the PCC approved the transfer of the three historical restricted funds, the Caxton Book Trust, the Rance Bequest and St. Mary's Library Fund, into the new restricted fund, The Capital Fund. This table shows the respective value of each fund although the funds are now effectively consolidated into the Capital Fund.

14. Designated Funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance 1 Jan '17	New Designations	(Utilised) / Released	Balance 31 Dec '17
	£	£	£	£
St Mary's Bookstall (Represented by bookstall assets)	13,208	1,256	(1,500)	12,964

15. Analysis of Net Assets between Funds

	Investments	Net Current Assets	Total
	£	£	£
Restricted funds:			
Caxton Book Trust	31,018		31,018
Rance Bequest	8,984		8,984
St Mary's Library Fund	250,277		250,277
Legacy (Music)		83,377	83,377
King Henry VIII		10,682	10,682
Capital Campaign inc Portfolio	5,138	54,039	59,177
Subtotal	295,417	148,098	443,515
Unrestricted funds	43,193	162,635	205,828
Total Funds	338,610	310,733	649,343
Unrealised gains included above	169,897		169,897
Historical cost of investments			
Caxton Book Trust	12,254		
Rance Bequest	3,550		
St Mary's Library Fund	98,878		
Portfolio	54,031		
Total Cost	168,713		

16. Related Party Transactions

There were no Related Party Transactions requiring disclosure for the year ending December 31st , 2017.

17. Capital Commitments for 2018

St Mary's had made no capital commitments before the end of 2017 that carried over to 2018.

2017