

**PAROCHIAL CHURCH COUNCIL OF HOLY  
SEPULCHRE CAMBRIDGE**

**CHARITY NUMBER 1133975**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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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 2018**

**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 and 64/64A St Albans Road.

**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 Tom Hutchings  
The Revd Charlie Newcombe (to August 2018)

*Curate:* The Revd Robbie Strachan (from July 2018)  
The Revd Richard Alldritt (to March 2018)

*Wardens:* Mr Matthew Byatt  
Dr Piyush Jani

*Representative on the Diocesan Synod:*  
Mrs Sarah Robinson

*Representatives on the Deanery Synod:*  
Mrs Alice Gilbert (to April 2018)  
Mrs Christina Hay (from April 2018)  
Dr Stephen Walley (PCC Secretary)  
Prof Peter Robinson

<i>Elected Members:</i>	Dr Ugochukwu Akuwudike	Mr Christopher Townsend
	Mrs Carolyn Ash (from April 2018)	Mr Michael Trend
	Mrs Katherine Banks (from April 2018)	Dr Simon Tustin
	Mr David Barry (from April 2018)	Dr Anna Young
	Mrs Sue Davies-Scourfield	Mr Martin Brown (to August 2018)
	Mrs Sarah Dingley	Mr Nathan Brown (to August 2018)
	Mr Tobias Gleed-Owen	Mrs Katie Pawlett (to April 2018)
	Mr James Hay	Dr Simon Wadsley (to April 2018)
	Mrs Ruth Oakley	

**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 2018**

**Review of Activities**

Our biggest project this year was the launch of Christ Church Huntingdon in September 2018. Some years ago we identified the town as an area worth considering for a plant, and then the Bishop asked us to do one there. Then followed some time of planning and praying, with some perplexing moments. Yet our God enabled, and in the summer we said goodbye to a number of StAG members, led by Charlie Newcombe, as they headed up the A14. The new church appears to be prospering under the Lord's good hand.

Any move like this stretches us, both financially and in terms of person-power. In a sense, this simply accentuates a permanent challenge that we have as a church - that of people moving on from Cambridge, and the gaps in leadership and service which they leave.

But again, the Lord provided most wonderfully through people's generosity, with great financial provision for the new project and the hole in our budget, as well as with people to replace in leadership those who've left.

We seek to be nourished richly in God's Word, so that we can each know and live for the God whom we proclaim. This year we've had a lot of time in 1 Corinthians, which has reminded us of our calling as a church to be 'God's holy people'.

Our aim remains getting the gospel to Cambridge and sending gospel workers to the world. The need is enormous, and our responsibility great. To that end, there is a great deal to do, and very many members of our church family are actively using their varied gifts to serve. It really is 'all hands on deck'.

Our different areas of church life are broadly summarised under the headings of Sundays, Outreach, Children & Youth, Students, Hub (20s & 30s), City Small Groups, Internationals and UK & World Mission. You can read more about our work in each of these areas in our "Church Life 2018/2019" leaflet.

**Church Attendance**

The electoral roll at the 2018 APCM showed 403 names (2017 - 403). The average attendance on a normal Sunday during 2018 was 736 (2017 - 763).

**Volunteers**

The PCC and church staff encourage church members to serve in an appropriate area of church life and ministry. Approximately 350 people served in this way during 2018 and 2017.

**Financial Review of the Year**

The principal funding sources are through regular giving, collections at services, one off donations, Gift Day (see Note 14) and the Jesus Lane Trust. 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 PCC does not aim to build up significant cash reserves, but 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 2018 are £817,907, of which £507,018 are fixed assets, and £27,977 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 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.

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE  
PAROCHIAL CHURCH COUNCIL'S ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 and practical 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.

**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 operation.

**Plans for Future Periods**

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

On behalf of the PCC



Revd Alasdair Paine (Chairman)  
24 April 2019

## **PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE 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 2018 which comprise of the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes on pages 9 to 18. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31 December 2018 and of the PCC's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our 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.

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.

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE  
REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL (CONTINUED)**

**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.

**Use of our report**

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.



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: 24 May 2019

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>						
Donations and legacies	2(a)	830,927	-	203,663	1,034,590	910,295
Charitable Activities	2(c)	96,266	25,261	-	121,527	146,529
Investments	2(b)	172	-	-	172	111
Other	2(d)	350	-	-	350	890
<b>Total Income</b>		<b>927,715</b>	<b>25,261</b>	<b>203,663</b>	<b>1,156,639</b>	<b>1,057,825</b>
<b>Expenditure on:</b>						
Charitable Activities	3	901,906	5,275	219,291	1,126,472	1,057,512
<b>Total Expenditure</b>		<b>901,906</b>	<b>5,275</b>	<b>219,291</b>	<b>1,126,472</b>	<b>1,057,512</b>
Net Income/(expenditure)		25,809	19,986	(15,628)	30,167	313
Transfer Between Funds:		-	-	-	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17	25,000	-	-	25,000	(31,000)
<b>Net Movement in Funds</b>		<b>50,809</b>	<b>19,986</b>	<b>(15,628)</b>	<b>55,167</b>	<b>(30,687)</b>
<b>Reconciliation of funds:</b>						
<b>Total funds brought forward</b>		<b>491,775</b>	<b>227,360</b>	<b>43,605</b>	<b>762,740</b>	<b>793,427</b>
<b>Total funds carried forward</b>		<b>542,584</b>	<b>247,346</b>	<b>27,977</b>	<b>817,907</b>	<b>762,740</b>

Income and expenditure is derived solely from continuing operations

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS:</b>			
Tangible Fixed Assets	7	507,018	504,606
<b>CURRENT ASSETS:</b>			
Stock	8	2,696	4,211
Debtors	9	80,328	93,197
Short Term Deposits		235,106	182,010
Cash at Bank and In Hand		54,328	65,002
		<u>372,458</u>	<u>344,420</u>
<b>LIABILITIES:</b>			
Creditors: Amounts falling due within one year	10	<u>47,569</u>	<u>44,286</u>
<b>NET CURRENT ASSETS</b>		<u>324,889</u>	<u>300,134</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>831,907</u>	<u>804,740</u>
<b>PENSION PROVISION</b>	17	(14,000)	(42,000)
<b>NET ASSETS</b>		<u><u>817,907</u></u>	<u><u>762,740</u></u>
<b>THE FUNDS OF THE CHARITY:</b>			
Unrestricted Funds	12	542,584	491,775
Designated Funds	13	<u>247,346</u>	<u>227,360</u>
		789,930	719,135
Restricted Funds	14	27,977	43,605
<b>TOTAL CHARITY FUNDS</b>		<u><u>817,907</u></u>	<u><u>762,740</u></u>

Approved by the Parochial Church Council on 25 March 2019 and signed on its behalf on 24 April 2019 by:



Revd Alasdair Paine (Chairman)



Prof Peter Robinson (Vice-Chairman & Treasurer)

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**STATEMENT OF CASH FLOWS**  
**AS AT 31 DECEMBER 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash used in operating activities</b>	<b>1</b>	45,364	(19,771)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		171	111
Purchase of tangible assets		(3,113)	(12,926)
<b>Net cash provided by/(used in) investing activities</b>		<u>(2,942)</u>	<u>(12,815)</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>2</b>	42,422	(32,586)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		247,012	279,598
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>289,434</u>	<u>247,012</u>

**Notes to Cash flow statement**

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

	<b>2018 £</b>	<b>2017 £</b>
Net movement in funds	55,167	(30,686)
Adjustments for:		
Depreciation charges	701	5,555
Dividends, interest and rents from investments	(172)	(111)
Decrease/(Increase) in stocks	1,515	(729)
Decrease/(Increase) in debtors	12,869	(29,017)
Increase (decrease) in creditors	(24,716)	35,217
<b>Net cash inflow (outflow) from operating activities</b>	<u>45,364</u>	<u>(19,771)</u>

**2. Analysis of cash and cash equivalents**

	<b>At 1 January 2018 £</b>	<b>Cash flow £</b>	<b>At 31 December 2018 £</b>
Cash at bank and in hand	65,002	(10,674)	54,328
Short term deposits	182,010	53,096	235,106
	<u>247,012</u>	<u>42,422</u>	<u>289,434</u>

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 Expended.

*Gifts in kind*

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

*Rental income*

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

*Income from investments*

Dividends and interest are accounted for when receivable.

**Expenditure**

*Liabilities*

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

*Grants payable*

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

*Activities directly relating to the work of the Church*

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

*Governance costs*

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

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**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**

One member of staff is a member of the Church of England Funded Pension Scheme, a defined benefits scheme. Contributions payable to this scheme, less deficit recovery payments, are charged to the 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 2018**

**2 INCOME**

	<b>Unrestricted Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds</b>	
				<b>2018 £</b>	<b>2017 £</b>
<b>(a) Donations and legacies</b>					
Standing Orders	495,197	-	-	495,197	473,830
Tax Reclaimed	140,364	-	-	140,364	118,995
Collections	19,416	-	-	19,416	26,297
Gifts	118,350	-	84,883	203,233	118,550
Gifts in kind	57,600	-	-	57,600	57,600
Staff Support	-	-	118,780	118,780	115,023
	<u>830,927</u>	<u>-</u>	<u>203,663</u>	<u>1,034,590</u>	<u>910,295</u>
<b>(b) Investments</b>					
Bank Interest	172	-	-	172	111
	<u>172</u>	<u>-</u>	<u>-</u>	<u>172</u>	<u>111</u>
<b>(c) Charitable activities</b>					
Church Life	33,873	-	-	33,873	33,598
Events	26,247	-	-	26,247	32,027
All Saints Garden	13,313	-	-	13,313	14,850
Property Letting	17,350	25,261	-	42,611	60,950
Bookstall	2,803	-	-	2,803	4,339
Fees, Royalties and other Honoraria	2,463	-	-	2,463	765
Administration	217	-	-	217	-
	<u>96,266</u>	<u>25,261</u>	<u>-</u>	<u>121,527</u>	<u>146,529</u>
<b>(d) Other</b>					
StAG Room Hire	350	-	-	350	890
	<u>350</u>	<u>-</u>	<u>-</u>	<u>350</u>	<u>890</u>
<b>Total</b>	<u><b>927,715</b></u>	<u><b>25,261</b></u>	<u><b>203,663</b></u>	<u><b>1,156,639</b></u>	<u><b>1,057,825</b></u>

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**3 EXPENDITURE ON:**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2018 £	2017 £
<b>Charitable activities</b>					
<b>(a) Grants</b>					
UK Mission (Note 16)	42,580	-	-	42,580	43,536
World Mission (Note 16)	40,360	-	-	40,360	41,014
Charitable Giving	-	-	98,604	98,604	31,785
	<u>82,940</u>	<u>-</u>	<u>98,604</u>	<u>181,544</u>	<u>116,335</u>
<b>(b) Direct Costs</b>					
Parish Share	140,609	-	-	140,609	116,488
Students' Curate	30,879	-	-	30,879	35,088
Hub Workers	72,056	-	-	72,056	65,417
Music Director	15,299	-	-	15,299	16,774
Church Management and Administration	65,370	-	-	65,370	64,353
International Workers	83,395	-	-	83,395	79,722
Student Workers	-	-	100,185	100,185	120,971
Women's Worker	21,046	-	-	21,046	17,081
Youth Worker	18,590	-	18,595	37,185	27,672
Pension provision interest cost	1,000	-	-	1,000	-
Staff Expenses	28,170	-	-	28,170	20,625
Church Life	77,263	-	-	77,263	74,563
Events	29,895	-	1,907	31,802	36,760
Bookstall, Church Magazine and Tracts	4,744	-	-	4,744	5,428
Church Utilities and Church Maintenance	39,032	5,275	-	44,307	49,991
Depreciation	701	-	-	701	5,555
Rent in kind	57,600	-	-	57,600	57,600
Staff Housing Costs	101,315	-	-	101,315	111,569
	<u>786,964</u>	<u>5,275</u>	<u>120,687</u>	<u>912,926</u>	<u>905,657</u>
<b>(c) Support Costs</b>					
Administration	12,341	-	-	12,341	14,038
Printing	15,741	-	-	15,741	16,715
Bank Charges	620	-	-	620	987
<b>(d) Governance - Audit</b>	<u>3,300</u>	<u>-</u>	<u>-</u>	<u>3,300</u>	<u>3,780</u>
	<u>32,002</u>	<u>-</u>	<u>-</u>	<u>32,002</u>	<u>35,520</u>
<b>Total</b>	<b><u>901,906</u></b>	<b><u>5,275</u></b>	<b><u>219,291</u></b>	<b><u>1,126,472</u></b>	<b><u>1,057,512</u></b>

**4 TOTAL EXPENDITURE**

	Staff Costs £	Depreciation £	Other Costs £	Total 2018 £	Total 2017 £
<b>Charitable Activities:</b>					
Grants	-	-	181,544	181,544	116,335
Church Activities Direct	381,842	701	530,383	912,926	905,657
Church Activities Support	-	-	32,002	32,002	35,520
	<u>381,842</u>	<u>701</u>	<u>743,929</u>	<u>1,126,472</u>	<u>1,057,512</u>

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**5 STAFF COSTS**

	2018 £	2017 £
Wages and Salaries	296,178	300,912
Social Security Costs	26,715	23,082
Pension Costs	58,949	52,383
	<u>381,842</u>	<u>376,377</u>

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

The average number of staff during the year was:

2018	2017
15	14

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 (2017 - none).

During the year, Revd Rich Alldritt received a salary of £12,924 (to March 2018), and Revd Robbie Strachan received a salary of £17,955 (from July 2018), for their roles as Students' Curate. Revd Charlie Newcombe received a salary of £16,939 (to August 2018) for his role as Associate Vicar (Hub). By virtue of these roles, all were ex officio members of the PCC. Mrs Sarah Robinson received remuneration of £16,413 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 6 (2017 - 4) trustees, in their capacity as employees of the PCC or the Diocese of Ely, were reimbursed for expenses incurred for mileage and hospitality of £2,298 (2017 - £1,632).

During the year remuneration received by key management personnel totalled £109,161.

**6 PENSION COSTS**

The PCC operates a defined contribution pension scheme for all directly employed members of staff, apart from one member of staff who is 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 £43,945 (2017 - £36,265). At the year end there were outstanding pension contributions of £4,370 (2017 - £8,306) that were paid in January 2019 (2017 - 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 2018	544,993	170,977	715,970
	Additions	-	3,113	3,113
	Disposals	-	(11,603)	(11,603)
	As at 31 December 2018	<u>544,993</u>	<u>162,487</u>	<u>707,480</u>
Depreciation	As at 1 January 2018	42,585	168,779	211,364
	Charge for year	-	701	701
	Eliminated on disposal	-	(11,603)	(11,603)
	As at 31 December 2018	<u>42,585</u>	<u>157,877</u>	<u>200,462</u>
Net Book Value	As at 31 December 2018	<u>502,408</u>	<u>4,610</u>	<u>507,018</u>
Net Book Value	As at 31 December 2017	<u>502,408</u>	<u>2,198</u>	<u>504,606</u>

The freehold land and buildings comprise the houses located at 1 Pretoria Road and 64/64A 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 2018**

**8 STOCK**

	2018 £	2017 £
Books for re-sale	2,696	4,211

**9 DEBTORS**

	2018 £	2017 £
Other debtors	4,954	13,775
Tax recoverable	63,183	68,682
Prepayments and accrued Income	12,191	10,740
	<u>80,328</u>	<u>93,197</u>

**10 CREDITORS: amounts falling due within one year**

	2018 £	2017 £
Accruals and deferred Income	30,101	21,049
Tax and other social security costs	5,876	7,434
Other creditors	6,592	9,802
Pension deficit reduction provision (Note 17)	5,000	6,000
	<u>47,569</u>	<u>44,285</u>

**11 OPERATING LEASE COMMITMENTS**

	Land and Buildings 2018 £	2017 £
Total minimum lease payments for leases which expire between 1 and 5 years	61,886	84,900
Amounts payable within one year	37,946	9,120
Amounts payable between one and five years	23,940	24,360

Lease payments of £37,946 have been recognised as an expense for the year.

	Office Equipment 2018 £	2017 £
Total minimum lease payments for leases which expire between 1 and 5 years	8,631	4,932

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 2018	194,000	297,775	491,775
Incoming Resources	-	927,715	927,715
Resources Expended	-	(901,906)	(901,906)
Actuarial gains/(losses) on defined benefit pension schemes	-	25,000	25,000
Transfer to Restricted Fund	-	-	-
Balance at 31 December 2018	<u>194,000</u>	<u>348,584</u>	<u>542,584</u>

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**13 DESIGNATED FUNDS**

	Ministry Fund £	Contingency Fund £	Restoration Fund £	Total £
Balance at 1 January 2018	47,000	15,357	165,003	227,360
Incoming Resources	-	-	25,261	25,261
Charitable Expenditure	-	-	(5,275)	(5,275)
Balance at 31 December 2018	<u>47,000</u>	<u>15,357</u>	<u>184,989</u>	<u>247,346</u>

**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 £	Gift Day 2018 £	Total StAG Funds £
Balance at 1 January 2018	-	122	-	43,483	-	43,605
Voluntary Income	118,780	15,785	-	42,621	26,477	203,663
Charitable Activity Income	-	-	-	-	-	-
Charitable Expenditure	(118,780)	(14,407)	-	(86,104)	-	(219,291)
Transfer from General Fund	-	-	-	-	-	-
Balance at 31 December 2018	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>26,477</u>	<u>27,977</u>

**Jesus Lane Trust**

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

**Specific Gifts Fund**

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**

This is a church plant in Huntingdon that started in September 2018, led by Revd Charlie Newcombe. This fund is to support the initial ministry and operational costs. More information can be found at [www.christchurchhuntingdon.co.uk](http://www.christchurchhuntingdon.co.uk)

**Gift Day 2018**

A one-off collection was held in November 2018 to raise funds for the Jesus Lane Trust (50%), our World Mission partners (30%), and GAFCON (20%). Payments were made in February 2019.

**15 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed Assets	507,018	-	-	507,018
Net Current Assets	35,566	247,346	27,977	310,889
Fund Balance	<u>542,584</u>	<u>247,346</u>	<u>27,977</u>	<u>817,907</u>

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 approximately £40,000 each.

**World Mission Group**

	£
Alicia Burgess	1,940
B & J	4,620
D & A	4,200
J & Y	4,200
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
Book tokens provided to mission partners	1,300
	<u>40,360</u>

**Other**

Christ Church Huntingdon	<u>86,104</u>
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**UK Mission Group**

	£
Kirkby le Soken PCC	1,000
Sarah Righetti	500
St Nicholas Church Tooting	7,750
St Philemon's Church Toxteth *	7,750
Susan Marriott	680
Terrington St Clement Parish Church *	13,500
True Freedom Trust	500
Trinity Church Scarborough	750
Wellfield Church	8,900
Will Zong	1,250
	<u>42,580</u>

\* £3,750 granted to St Philemon's Church, Toxteth and £13,500 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	128,354
The total value of grants over £50 given to individuals during the year was	<u>40,690</u>
	<u>169,044</u>

**17 PENSION PROVISION**

One member of staff (2017 - 2) is a member of the Church of England Funded Pension Scheme.

	2018 £	2017 £
Balance as at 1 January	48,000	23,000
Deficit contributions paid	(5,000)	(6,000)
Interest cost	1,000	-
Remaining change to the balance sheet liability (SOFA)	<u>(25,000)</u>	<u>31,000</u>
Balance as at 31 December	<u>19,000</u>	<u>48,000</u>
Due in less than one year (note 10)	5,000	6,000
Due in more than one year	<u>14,000</u>	<u>42,000</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 2018**

**18 PENSION PROVISION**

Holy Sepulchre PCC (Cambridge) participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body 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 each specific Responsible Body, and this means 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 the figures highlighted in the table below as being recognised in the SoFA.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2015. A valuation at 31 December 2018 is currently under way, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m 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 recovery contributions (as a percentage of pensionable stipends) are as set out in the table below:

	<b>January 2016 to December 2017</b>	<b>January 2018 to December 2025</b>
% of pensionable stipends		
Deficit repair contributions	14.1%	11.9%

The deficit recovery contributions under the recovery plan in force as at 31 December 2016, 31 December 2017 and 31 December 2018 were as set out in the above table.

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 balance sheet liability over 2017 and over 2018 is set out in the table below.

	<b>2018</b>	<b>2017</b>
Balance sheet liability at 1 January	48,000	23,000
Deficit contributions paid	(5,000)	(6,000)
Interest cost (recognised in SoFA)	1,000	-
Remaining change to the balance sheet liability* (recognised in SoFA)	(25,000)	31,000
Balance sheet liability at 31 December	<u>19,000</u>	<u>48,000</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:

	<b>December 2018</b>	<b>December 2017</b>	<b>December 2016</b>
Discount rate	2.1% pa	1.4% pa	1.5% pa
Price inflation	3.1% pa	3.0% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.5% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, Holy Sepulchre PCC (Cambridge) could become responsible for paying a share of that Responsible Body's pension liabilities.

**PAROCHIAL CHURCH COUNCIL OF HOLY SEPULCHRE CAMBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**19 STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31 DECEMBER 2017**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £
<b>Income from:</b>				
Donations and legacies	733,079	-	177,216	910,295
Charitable Activities	110,329	22,200	14,000	146,529
Investments	111	-	-	111
Other	890	-	-	890
<b>Total Income</b>	<u>844,409</u>	<u>22,200</u>	<u>191,216</u>	<u>1,057,825</u>
<b>Expenditure on:</b>				
Charitable Activities	900,427	5,426	151,659	1,057,512
<b>Total Expenditure</b>	<u>900,427</u>	<u>5,426</u>	<u>151,659</u>	<u>1,057,512</u>
Net Income/(expenditure)	(56,018)	16,774	39,557	313
Transfer Between Funds:	(1,848)	-	1,848	-
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit pension schemes	(31,000)	-	-	(31,000)
<b>Net Movement in Funds</b>	<u>(88,866)</u>	<u>16,774</u>	<u>41,405</u>	<u>(30,687)</u>
<b>Reconciliation of funds:</b>				
<b>Total funds brought forward</b>	580,641	210,586	2,200	793,427
<b>Total funds carried forward</b>	<u>491,775</u>	<u>227,360</u>	<u>43,605</u>	<u>762,740</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 £118,780 (2017 - £115,022) to the PCC, as shown in Note 14. At the year end, the PCC owed £1,841 to the Jesus Lane Trust (2017 - the Jesus Lane Trust owed £11,823 to the PCC).

The Gospel Ministry Support Trust has some trustees in common with the PCC. The PCC made grants of £17,250 (2017 - £13,500) to the Gospel Ministry Support Trust, as shown in Note 16. At the year end, the PCC owed £nil to the Gospel Ministry Support Trust (2017 - £nil).

Certain employees of the PCC are ex officio members of the PCC, and their remuneration and expense claims are disclosed in Note 5.