

Independent Examiner's Report to the Members/Trustees of The Parochial Church Council of the Ecclesiastical Parish of St Paul, Leamington Priors

I report on the accounts of the charity for the year ended 31 December 2015 which are set out on pages 56 to 65

Respective responsibilities of trustees and examiner

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

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the 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 no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Our attention is drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (FRSSE), in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph 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 accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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16 March 2016*

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2015

	Notes	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2015 £	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2014 £
INCOMING RESOURCES							
Voluntary income	2(a)	432,550	399,341	831,891	406,249	230,929	637,178
Activities for generating funds	2(b)	4,581	-	4,581	7,441	-	7,441
Income from investments	2(c)	6,576	-	6,576	15,551	-	15,551
Church activities	2(d)	12,779	3,961	16,740	23,467	1,265	24,732
TOTAL INCOMING RESOURCES		456,486	403,302	859,788	452,708	232,194	684,902
RESOURCES EXPENDED							
Church activities - Grants	3(a)	37,877	50,971	88,848	43,830	8,830	52,660
Church activities - Ministry	3(b)	401,124	663,397	1,064,521	381,014	35,333	416,347
Governance costs	3(c)	4,413	-	4,413	4,220	-	4,220
TOTAL RESOURCES EXPENDED		443,414	714,368	1,157,782	429,064	44,163	473,227
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS							
		13,072	(311,066)	(297,994)	23,644	188,031	211,675
Transfers between funds		(119,580)	119,580	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES							
		(106,508)	(191,486)	(297,994)	23,644	188,031	211,675
Gains on investment assets on revaluation	7	69	-	69	20,379	-	20,379
on sale	6	108,358	-	108,358			
NET MOVEMENT IN FUNDS		1,919	(191,486)	(189,567)	44,023	188,031	232,054
Balances brought forward 1 January		710,974	200,440	911,414	666,951	12,409	679,360
Balances carried forward 31 December		712,893	8,954	721,847	710,974	200,440	911,414

The notes on pages 58 to 65 form part of this financial statement.

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

BALANCE SHEET as at 31 December 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible fixed assets	5	318,283	327,816
Investment property	6	-	320,000
Other investment assets	7	7,180	7,111
		<u>325,463</u>	<u>654,927</u>
CURRENT ASSETS			
Debtors	8	93,011	60,000
Short term deposits		311,041	50,592
Cash at bank and in hand		142,661	207,510
		<u>546,713</u>	<u>318,102</u>
CURRENT LIABILITIES			
Creditors - falling due within one year	9	(150,329)	(61,615)
		<u>396,384</u>	<u>256,487</u>
NET CURRENT ASSETS			
		<u>721,847</u>	<u>911,414</u>
TOTAL NET ASSETS			
FUNDS			
Unrestricted	10	712,893	710,974
Restricted	10	8,954	200,440
		<u>721,847</u>	<u>911,414</u>
TOTAL FUNDS			

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Parochial Church Council and authorised for issue on 29 February 2016
and signed on its behalf by:

Rev Jonathan Jee (Chair of PCC)

Andrew Rolls (Treasurer)

The notes on pages 58 to 65 form part of this financial statement.

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1 ACCOUNTING POLICIES

The financial statements have been prepared under the Church Accounting Regulations 2006 in accordance with applicable accounting standards and the current Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2015 (FRSSE)). As the Charities Accounting Regulations 2008 have not been updated, the charity has applied a true and fair view override to apply SORP 2015 (FRSSE).

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. Land and property assets are included at a deemed cost being their 1997 valuation. The financial statements 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.

Funds

Restricted Funds represent donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. These funds are itemised in Note 10.

Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary income and capital sources

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

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

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

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is reasonably certain.

Miscellaneous sales income is accounted for gross.

Other income

Rental income from the letting of church premises is accounted for when earned.

Parochial fees due to the PCC for weddings, funerals etc. are accounted for on an event by event basis.

Income from investments

Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue.

Tax recoverable on such income is recognised in the same accounting year.

Investment gains and losses

Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Resources Expended

All resources expended are recognised once there is a legal or constructive obligation to make a payment to a third party.

Grants

Grants and donations are accounted for when paid over or when awarded.

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1 ACCOUNTING POLICIES (continued)

Activities directly relating to the work of the Church

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

Retirement benefits

The PCC operates a defined contribution scheme. The amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Fixed Assets

Consecrated property and moveable church furnishings

Consecrated and beneficed property is excluded from the accounts by provision 10(2) of the Charities Act 2011.

Moveable church furnishings held by the Vicar and Churchwardens on special trust for the PCC and which require a faculty for disposal, are accounted as inalienable property unless consecrated. They are listed in the Church's Inventory which can be inspected at any reasonable time.

For inalienable property acquired prior to 2001 there is insufficient cost information available and therefore such assets are not valued in the accounts. Items acquired since 1 January 2001 have been capitalised and depreciated in the accounts over their currently anticipated useful economic life (initially over six years) on a straight line basis.

All expenditure incurred during the year on consecrated or beneficed buildings, individual items under £1,000 or on the repair of moveable church furnishings acquired before 1 January 2001 is written off.

Other land and buildings

Other land and buildings held by the PCC are included in the accounts at the 1997 valuation plus subsequent additions and improvements at cost in accordance with the transitional rules regarding the revaluation of assets. The valuation has not been updated. Buildings, including improvements to them are depreciated over 50 years from the valuation date or over their estimated useful life if that is shorter. Land is not depreciated. Expenditure on routine maintenance and repair is written off as incurred.

Other fixtures, fittings and office equipment

Equipment owned by the PCC is depreciated on a straight line basis over their estimated useful lives (between 3 and 10 years).

Individual items of equipment with a purchase price of £1,000 or less are written off in the period in which the asset is acquired.

Investments

Investments are valued at market value at 31 December.

Current assets

Amounts owing to the PCC at 31 December are shown as debtors, less provision for amounts that may prove non-collectable.

Short term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

2 INCOMING RESOURCES

	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2015 £	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2014 £
2(a) Voluntary income						
Planned giving						
Gift Aid donations	280,559	-	280,559	263,729	-	263,729
Tax recoverable	69,490	45,909	115,399	66,322	44,000	110,322
Other planned giving	66,298	120	66,418	64,563	240	64,803
Collections (open plate) at all services	11,217	-	11,217	8,493	-	8,493
Redevelopment Appeal Phase 2	-	340,481	340,481	-	178,276	178,276
Other appeals	-	2,831	2,831	2,875	5,413	8,288
Grants	4,425	10,000	14,425	-	3,000	3,000
Sundry donations	561	-	561	267	-	267
	432,550	399,341	831,891	406,249	230,929	637,178
2(b) Activities for generating funds						
Hall lets	4,581	-	4,581	7,441	-	7,441
2(c) Income from investments						
Dividends & Interest	1,137	-	1,137	474	-	474
Rent receivable	5,439	-	5,439	15,077	-	15,077
	6,576	-	6,576	15,551	-	15,551
2(d) Church activities						
Fees	2,226	-	2,226	1,881	-	1,881
Events	2,568	-	2,568	1,992	-	1,992
Sales	1,118	-	1,118	601	-	601
Discipleship	1,180	-	1,180	11,609	-	11,609
Outreach	3,298	3,961	7,259	428	1,265	1,693
Lunch Clubs/Cameo	-	-	-	1,572	-	1,572
Tiddly Praise	-	-	-	2,245	-	2,245
Youth	2,389	-	2,389	3,139	-	3,139
	12,779	3,961	16,740	23,467	1,265	24,732
TOTAL INCOMING RESOURCES	456,486	403,302	859,788	452,708	232,194	684,902

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

3 RESOURCES EXPENDED

	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2015 £	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2014 £
Cost of generating voluntary income						
3(a) Cost of generating voluntary income	-	-	-	-	-	-
3(a) Church activities - Grants (note 12)						
Overseas Mission	11,353	18,140	29,493	20,517	4,240	24,757
Church relief & development agencies	2,700	5,000	7,700	1,590	-	1,590
Home mission & church societies	20,203	27,831	48,034	17,383	2,560	19,943
Individuals	3,621	-	3,621	4,340	2,030	6,370
	37,877	50,971	88,848	43,830	8,830	52,660
3(b) Church activities - Ministry						
Parish share and Associate Ministers stipend	100,300	-	100,300	86,686	-	86,686
Staff costs	161,845	11,495	173,340	145,435	1,000	146,435
Ministry	18,710	2,000	20,710	16,236	-	16,236
Discipleship	3,036	-	3,036	18,800	-	18,800
Outreach	11,322	1,321	12,643	8,861	1,265	10,126
Children and families	6,550	-	6,550	5,825	-	5,825
Youth and students	11,403	-	11,403	9,925	-	9,925
Events and short term projects	3,030	-	3,030	1,205	-	1,205
Support costs	21,563	-	21,563	16,150	-	16,150
Church & hall running costs	38,288	-	38,288	36,478	-	36,478
Building maintenance	13,032	-	13,032	25,879	2,000	27,879
Depreciation	9,533	-	9,533	9,534	-	9,534
Major Works	2,512	648,581	651,093	-	31,068	31,068
Other payments	-	-	-	-	-	-
	401,124	663,397	1,064,521	381,014	35,333	416,347
3(c) Governance costs						
Auditor's remuneration:						
- Audit fee	-	-	-	2,000	-	2,000
- Other services	-	-	-	2,000	-	2,000
Independent examiner's remuneration				-		
- Examination fee	3,614	-	3,614	-	-	-
- Other services	-	-	-	-	-	-
Legal and other costs	799	-	799	220	-	220
	4,413	-	4,413	4,220	-	4,220
TOTAL RESOURCES EXPENDED	443,414	714,368	1,157,782	429,064	44,163	473,227

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

4 STAFF COSTS	2015	2014
	£	£
Salaries	160,314	129,491
National insurance	10,382	8,162
Pension contributions	2,644	6,026
	173,340	143,679

During the year the PCC employed the equivalent of 6.5 full time staff (5.4 in 2014), none of whom earned £60,000 pa or more.

Related Party Transactions

Related party transactions made in 2015 were as follows:-

Organist fees for Thanksgiving services were paid to W L Stevenson £60 and R M Smith £100

PA operator fees for Weddings were paid to Timothy Jee £50 and Joshua Jee £50 both sons of (2014 - Nil)

No expenses were claimed by PCC members.

5 TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Youth equipment £	Other equipment £	Total £
Gross book value					
At 1 January 2015	78,000	336,766	28,046	50,908	481,767
Disposals in year	-	-	(2,500)	(9,453)	(11,953)
At 31 December 2015	78,000	336,766	25,546	41,455	481,767
Depreciation					
At 1 January 2015	-	(95,297)	(28,046)	(42,561)	(165,904)
Depreciation on Disposals in year	-	-	2,500	9,453	11,953
Charge for year	-	(6,736)	-	(2,797)	(9,533)
At 31 December 2014	-	(102,033)	(25,546)	(35,905)	(163,484)
Net book value					
At 31 December 2014	78,000	241,469	-	8,347	327,816
At 31 December 2015	78,000	234,733	-	5,550	318,283

The freehold land and buildings comprised the church hall and rooms and the associate vicar's house at 40 Leicester Street, Leamington Spa. The revaluation in 1997 put a value of £150,000 on the church hall, £110,000 on 40 Leicester Street. Additions and improvements have been added at cost.

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

6 INVESTMENT PROPERTY	2015	2014
	£	£
Market value at 1 January	320,000	300,000
Sales Proceeds from disposal	(428,358)	-
Realised Gain	108,358	-
Net unrealised investment gain	-	20,000
Market value at 31 December	-	320,000

The investment property was previously the curate's house at 49 Wathen Road, Leamington Spa. This was sold for £428,358.

7 OTHER INVESTMENT ASSETS	2015	2014
	£	£
Market value at 1 January	7,111	6,732
Net unrealised investment gain	69	379
Market value at 31 December	7,180	7,111

Investments comprise 531 shares in Central Board of Finance of the Church of England Investment Fund valued at mid market value (2014 - 531 shares).

8 DEBTORS	2015	2014
	£	£
Tax recoverable	38,176	60,000
Other debtors	54,835	-
	93,011	60,000

9 LIABILITIES	2015	2014
Amounts falling due within one year	£	£
	-	-
Payroll tax and NIC	4,643	4,199
Other creditors	18,274	30,794
Redevelopment - Major Works	52,470	-
Donations committed	74,942	26,622
	150,329	61,615

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

10 SUMMARY OF ACTIVITIES AND DETAILS OF RESTRICTED FUNDS

	Opening balance £	Income £	Expend- iture £	Investment revaluation/gains £	Transfers £	Closing balance £
Unrestricted funds						
Church activities						
General Fund	62,586	456,486	(443,414)	428,427	(110,047)	394,038
Designated funds						
Fixed assets	327,816	-	-	-	(9,533)	318,283
Investment property	320,000	-	-	(320,000)	-	-
Tiddlywinks	-	-	-	-	-	-
Cameo	572	-	-	-	-	572
	710,974	456,486	(443,414)	108,427	(119,580)	712,893
Restricted funds						
NOTDEC mission	40	120	-	-	-	160
Cameo/Lunch Clubs	2,003	-	-	-	-	2,003
Redevelopment Appeal Fund	190,751	389,221	(699,552)	-	119,580	-
Hardship Fund	2,250	3,961	(1,321)	-	-	4,890
Community Support Worker	3,396	10,000	(11,495)	-	-	1,901
	-	-	-	-	-	-
Specific funds	2,000	-	(2,000)	-	-	-
	200,440	403,302	(714,368)	-	119,580	8,954
Total funds	911,414	859,788	(1,157,782)	108,427	-	721,847

Designated funds

Fixed assets represents the non-cash assets of the church. ie buildings and equipment.

Cameo represents funds held for replacement equipment.

Restricted funds

NOTDEC (previously Nzirambi Orphanage fund), supports the orphanage near Kagando, Uganda through sponsorship of the children in the orphanage.

Lunch Clubs Legacy was bequeathed specifically to the Club for their use.

Redevelopment Fund comprises monies given for future development of the Church.

Hardship Fund represents monies to assist those in difficulty.

Community Support Worker was a grant given by Coventry Diocesan Board of Finance towards the cost of a community support worker.

Specific funds are donations and other monies received for specified purposes.

Transfers

From General Fund to Fixed assets designated fund representing the general fund movement relating to fixed assets.

From General Fund to Redevelopment Appeal Fund representing the balance of funds needed to complete the Phase 2 of the redevelopment.

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

11 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	2015 Total £
Fixed assets and investments	325,463	-	325,463
Short term deposits and cash at bank	444,748	8,954	453,702
Other current assets	(57,318)	-	(57,318)
	712,893	8,954	721,847

**12 MISSION AND CHARITY PAYMENTS
including Mission Appeal Fund**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total 2015 £
Overseas mission			
Friends International	2,050	-	2,050
Wycliffe Bible Translators (T Wilson)	2,050	-	2,050
FRRME	1,500	15,000	16,500
NOTDEC	1,500	140	1,640
Nueva Vida Argentina (Wurfel)	4,253	3,000	7,253
Operation Mobilisation (OM)	-	-	-
Other	-	-	-
TOTAL Overseas mission	11,353	18,140	29,493
Church relief & development agencies			
CORD	1,000	-	1,000
Betel	1,500	-	1,500
Other	200	5,000	5,200
TOTAL Church relief & dev'mnt agencies	2,700	5,000	7,700
Home mission & church societies			
Churches Together	200	-	200
CPAS	1,500	-	1,500
WEC	-	-	-
Well Christian Healing Centre	4,000	-	4,000
Crossteach	-	-	-
Praise in the park	1,103	2,831	3,934
Thrive	4,000	25,000	29,000
St Mary's Re CAP	4,000	-	4,000
RA & CS Weston	5,400	-	5,400
TOTAL Home mission & church societies	20,203	27,831	48,034
Support for individuals			
Individual support	3,621	-	3,621
TOTAL Support for individuals	3,621	-	3,621
	37,877	50,971	88,848

The number of individuals assisted during the year was 11 (2014 - 14).

The PCC has held back £3,000 allocated in the 2013 budget for local mission giving to be used for new initiatives in 2014/15.