

**PAROCHIAL CHURCH COUNCIL OF
ST PAUL LEAMINGTON PRIORS**

**STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2016**

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 2016 which are set out on pages A3 to A13

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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in United Kingdom and Republic of Ireland (FRS 102), 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.

*M D Spafford FCCA
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Coventry
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Date

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2016

	Notes	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2016 £	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2015 £
INCOMING RESOURCES							
Voluntary income	2(a)	486,150	40,722	526,872	432,550	399,341	831,891
Activities for generating funds	2(b)	2,597	-	2,597	4,581	-	4,581
Income from investments	2(c)	1,620	-	1,620	6,576	-	6,576
Church activities	2(d)	27,390	1,407	28,797	12,779	3,961	16,740
TOTAL INCOMING RESOURCES		517,757	42,129	559,886	456,486	403,302	859,788
RESOURCES EXPENDED							
Church activities - Grants	3(a)	43,041	38,334	81,375	37,877	50,971	88,848
Church activities - Ministry	3(b)	451,687	8,269	459,956	401,124	663,397	1,064,521
Governance costs	3(c)	2,563	-	2,563	4,413	-	4,413
TOTAL RESOURCES EXPENDED		497,291	46,603	543,894	443,414	714,368	1,157,782
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS							
		20,466	(4,474)	15,992	13,072	(311,066)	(297,994)
Transfers between funds		-	-	-	(119,580)	119,580	-
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES							
		20,466	(4,474)	15,992	(106,508)	(191,486)	(297,994)
Gains on investment assets on revaluation	8	805	-	805	69	-	69
on sale	7	-	-	-	108,358	-	108,358
NET MOVEMENT IN FUNDS		21,271	(4,474)	16,797	1,919	(191,486)	(189,567)
Balances brought forward 1 January		712,893	8,954	721,847	710,974	200,440	911,414
Balances carried forward 31 December		734,164	4,480	738,644	712,893	8,954	721,847

The notes on pages A6 to A13 form part of this financial statement.

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

BALANCE SHEET as at 31 December 2016

		2016	2015
	Notes	£	£
FIXED ASSETS			
Tangible fixed assets	6	312,406	318,283
Investment property	7	-	-
Other investment assets	8	7,985	7,180
		320,391	325,463
CURRENT ASSETS			
Debtors	9	20,217	93,011
Short term deposits		312,501	311,041
Cash at bank and in hand		168,767	142,661
		501,485	546,713
CURRENT LIABILITIES			
Creditors - falling due within one year	10	(83,232)	(150,329)
NET CURRENT ASSETS		418,253	396,384
TOTAL NET ASSETS		738,644	721,847
FUNDS			
Unrestricted	11	734,164	712,893
Restricted	11	4,480	8,954
TOTAL FUNDS		738,644	721,847

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 19 March 2017 and signed on its behalf by:

Rev Jonathan Jee (Chair of PCC)

Andrew Rolls (Treasurer)

The notes on pages A6 to A13 form part of this financial statement.

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

CASH FLOW STATEMENT

For the year ended 31 December 2016

	2016		2015	
	£	£	£	£
Net cash provided by/(used in) operating activities		29,233		(239,334)
Cash flows from investing activities				
Dividends and interest from investments	1,620		1,137	
Rent from investments	-		5,439	
Proceeds from sale of:				
Investment properties	-		428,358	
Purchase of:				
Tangible fixed assets for the use of the PCC	(3,287)		-	
Net cash provided by/(used in) investing activities		(1,667)		434,934
Change in cash and cash equivalents in the reporting periods		27,566		195,600
Cash and cash equivalents at 1 January		453,702		258,102
Cash and cash equivalents at 31 December		481,268		453,702
Reconciliation of net income/(expenditure) before investment gains				
Net income before investment gains 31 December		15,992		(297,994)
Adjustments for:				
Depreciation charges		9,164		9,533
Dividends and interest from investments		(1,620)		(1,137)
Rent from investments		-		(5,439)
Decrease/(increase) in debtors		72,794		(33,011)
(Decrease)/increase in creditors		(67,097)		88,714
Net cash provided by/(Used in) operating activities		29,233		(239,334)
Analysis of cash and cash equivalents				
Cash in hand and at bank		168,767		142,661
Notice deposits (less than 3 months)		312,501		311,041
		481,268		453,702

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1 ACCOUNTING POLICIES

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared 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 applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

The charity adopted SORP (FRS 102) in the current year and there were no effects from this on the financial position or performance.

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 11.

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 2016

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 2016

2 INCOMING RESOURCES

	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2016 £	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2015 £
2(a) Voluntary income						
Planned giving						
Gift Aid donations	325,245	-	325,245	280,559	-	280,559
Tax recoverable	83,437	6,841	90,278	69,490	45,909	115,399
Other planned giving	61,148	-	61,148	66,298	120	66,418
Collections (open plate) at all services	10,230	-	10,230	11,217	-	11,217
Redevelopment Appeal Phase 2	-	-	-	-	340,481	340,481
Other appeals	260	33,881	34,141	-	2,831	2,831
Grants	5,514	-	5,514	4,425	10,000	14,425
Sundry donations	316	-	316	561	-	561
	486,150	40,722	526,872	432,550	399,341	831,891
2(b) Activities for generating funds						
Hall lets	2,597	-	2,597	4,581	-	4,581
2(c) Income from investments						
Dividends & Interest	1,620	-	1,620	1,137	-	1,137
Rent receivable	-	-	-	5,439	-	5,439
	1,620	-	1,620	6,576	-	6,576
2(d) Church activities						
Fees	1,593	-	1,593	2,226	-	2,226
Events	358	-	358	2,568	-	2,568
Sales	151	-	151	1,118	-	1,118
Discipleship	15,730	-	15,730	1,180	-	1,180
Outreach	6,462	1,407	7,869	3,298	3,961	7,259
Children and families	537	-	537	-	-	-
Youth and students	2,559	-	2,559	2,389	-	2,389
	27,390	1,407	28,797	12,779	3,961	16,740
TOTAL INCOMING RESOURCES	517,757	42,129	559,886	456,486	403,302	859,788

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

3 RESOURCES EXPENDED

	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2016 £	Unres- tricted Funds £	Restricted Funds £	TOTAL FUNDS 2015 £
3(a) Church activities - Grants (note 13)						
Overseas Mission	13,384	160	13,544	11,353	18,140	29,493
Church relief & development agencies	5,500	-	5,500	2,700	5,000	7,700
Home mission & church societies	22,207	38,174	60,381	20,203	27,831	48,034
Individuals	1,950	-	1,950	3,621	-	3,621
	43,041	38,334	81,375	37,877	50,971	88,848
3(b) Church activities - Ministry						
Parish share and Associate Ministers stipend	103,700	-	103,700	100,300	-	100,300
Staff costs	182,814	1,901	184,715	161,845	11,495	173,340
Ministry	20,517	-	20,517	18,710	2,000	20,710
Discipleship	22,156	-	22,156	3,036	-	3,036
Outreach	13,362	6,368	19,730	11,322	1,321	12,643
Children and families	6,969	-	6,969	6,550	-	6,550
Youth and students	8,418	-	8,418	11,403	-	11,403
Events and short term projects	1,802	-	1,802	3,030	-	3,030
Support costs	19,555	-	19,555	21,563	-	21,563
Church & hall running costs	41,381	-	41,381	38,288	-	38,288
Building maintenance	7,252	-	7,252	13,032	-	13,032
Depreciation	9,164	-	9,164	9,533	-	9,533
Major Works	14,597	-	14,597	2,512	648,581	651,093
	451,687	8,269	459,956	401,124	663,397	1,064,521
3(c) Governance costs						
Independent examiner's remuneration - Examination fee	2,400	-	2,400	3,614	-	3,614
Legal and other costs	163	-	163	799	-	799
	2,563	-	2,563	4,413	-	4,413
TOTAL RESOURCES EXPENDED	497,291	46,603	543,894	443,414	714,368	1,157,782

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

4 STAFF COSTS	2016	2015
	£	£
Salaries	169,974	160,314
National insurance	10,132	10,382
Pension contributions	4,609	2,644
	<hr/>	<hr/>
	184,715	173,340
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The average number of staff employed was 11 (2015 - 10)

During the year the PCC employed the equivalent of 7.1 full time staff (2015 - 6.5), none of whom earned £60,000 pa or more.

5 TRUSTEES AND RELATED PARTIES TRANSACTIONS

Trustee Revd Graeme Pringle is married to the employee Jan Pringle the Operations Director whose salary for 2016 was £30,906 (2015 - £30,600), also trustee Sam Meacock is married to Hester who is the Family and childrens minister whose salary for 2016 was £26,260 (2015 - £26,000)

There were no other related party transactions made in 2016.

(2015 - 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 the Vicar.)

The total amount of donations received without conditions from the trustees and related parties was £67,976 (2015 - £49,503)

No expenses were claimed by PCC members.

6 TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Youth equipment £	Other equipment £	Total £
Gross book value					
At 1 January 2016	78,000	336,766	25,546	41,455	481,767
Additions in year	-	-	-	3,287	3,287
	<hr/>				
At 31 December 2016	78,000	336,766	25,546	44,742	485,054
	<hr/>				
Depreciation					
At 1 January 2016	-	(102,033)	(25,546)	(35,905)	(163,484)
Depreciation on Disposals in year	-	-	-	-	-
Charge for year	-	(6,736)	-	(2,428)	(9,164)
	<hr/>				
At 31 December 2016	-	(108,769)	(25,546)	(38,333)	(172,648)
	<hr/>				
Net book value					
At 31 December 2015	78,000	234,733	-	5,550	318,283
	<hr/> <hr/>				
At 31 December 2016	78,000	227,997	-	6,409	312,406
	<hr/> <hr/>				

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 2016

7 INVESTMENT PROPERTY	2016	2015
	£	£
Market value at 1 January	-	320,000
Sales Proceeds from disposal	-	(428,358)
Realised Gain	-	108,358
Market value at 31 December	-	-

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

8 OTHER INVESTMENT ASSETS	2016	2015
	£	£
Market value at 1 January	7,180	7,111
Net unrealised investment gain	805	69
Market value at 31 December	7,985	7,180

Investments comprise 531 shares in Central Board of Finance of the Church of England Investment Fund valued at mid market value (2015 - 531 shares).

9 DEBTORS	2016	2015
	£	£
Tax recoverable	20,217	38,176
Other debtors	-	54,835
	20,217	93,011

10 LIABILITIES	2016	2015
	£	£
Amounts falling due within one year		
Payroll tax and NIC	4,031	4,643
Other creditors	12,031	18,274
Redevelopment - Major Works	35,048	52,470
Donations committed	32,122	74,942
	83,232	150,329

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

11 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	394,038	517,757	(497,291)	805	(325,823)	89,486
Designated funds						
Fixed assets	318,283	-	-	-	(5,877)	312,406
Property Fund	-	-	-	-	330,000	330,000
Travel Fund	-	-	-	-	1,700	1,700
Cameo	572	-	-	-	-	572
	712,893	517,757	(497,291)	805	-	734,164
Restricted funds						
NOTDEC mission	160	-	(160)	-	-	-
Cameo/Lunch Clubs	2,003	-	-	-	-	2,003
Hardship Fund	4,890	1,407	(3,820)	-	-	2,477
Community Support Worker	1,901	-	(1,901)	-	-	-
The Well Appeal	-	36,970	(36,970)	-	-	-
Specific funds	-	3,752	(3,752)	-	-	-
	8,954	42,129	(46,603)	-	-	4,480
Total funds	721,847	559,886	(543,894)	805	-	738,644

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.

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 Property Fund representing an amount set aside to purchase a building.

From General Fund to Travel Fund represents an amount set aside to fund travel by Mission partners

PAROCHIAL CHURCH COUNCIL OF ST PAUL LEAMINGTON PRIORS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

12 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	2016 Total £
Fixed assets and investments	320,391	-	320,391
Short term deposits and cash at bank	476,788	4,480	481,268
Other current assets	(63,015)	-	(63,015)
	734,164	4,480	738,644

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total 2016 £
Overseas mission			
Friends International	2,300	-	2,300
Wycliffe Bible Translators (T Wilson)	3,294	-	3,294
FRRME	1,500	-	1,500
NOTDEC	1,500	160	1,660
Nueva Vida Argentina (Wurfel)	4,790	-	4,790
TOTAL Overseas mission	13,384	160	13,544
Church relief & development agencies			
Betel	1,500	-	1,500
Leamington & Warwick Foodbank	4,000	-	4,000
TOTAL Church relief & dev'mnt agencies	5,500	-	5,500
Home mission & church societies			
Churches Together	250	-	250
CPAS	1,500	-	1,500
Warwick Gates	1,000	-	1,000
Well Christian Healing Centre	4,000	38,174	42,174
Praise in the park	2,857	-	2,857
Thrive	4,000	-	4,000
St Mary's Re CAP	4,000	-	4,000
RA & CS Weston	4,600	-	4,600
TOTAL Home mission & church societies	22,207	38,174	60,381
Support for individuals			
Individual support	1,950	-	1,950
TOTAL Support for individuals	1,950	-	1,950
	43,041	38,334	81,375

The number of individuals assisted during the year was 9 (2015 - 11).

The PCC has held back £4,250 allocated in previous budgets for local mission giving to be used in 2017/18.