

PARISH GIVING SCHEME

REPORT & FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2014

PARISH GIVING SCHEME

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE PERIOD ENDED 31 DECEMBER 2014

STATUS	Parish Giving Scheme is a charitable company limited by guarantee, incorporated on 23 rd December 2013 and registered as a charity on 17 th March 2014.
GOVERNING DOCUMENT	The Company was established under a memorandum of association which sets out its objects and powers and is governed under its articles of association.
COMPANY NUMBER	08824540
CHARITY NUMBER	1156606
REGISTERED OFFICE & OPERATIONAL ADDRESS	Church House, College Green, Gloucester GL1 2LY
TRUSTEES	Michael Perham (<i>resigned 14 November 2014</i>) Benjamin Preece Smith John Preston (<i>appointed 1 October 2014</i>) Gordon Randall (<i>appointed 1 October 2014</i>) Helen Richardson (<i>appointed 1 October 2014</i>) John Sherlock (<i>appointed 1 October 2014</i>) Neil Williams (<i>appointed 1 October 2014</i>)
BANKERS	Barclays Bank
AUDITOR	haysmacintyre
SOLICITOR	Veale Wasbrough Vizards

REPORT OF THE TRUSTEES

FOR THE PERIOD ENDED 31 DECEMBER 2014

The trustees present their report and the audited financial statements for the period ended 31 December 2014. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in March 2005).

Parish Giving Scheme (PGS) was incorporated on 23 December 2013 and registered as a charity on 17 March 2014. Dioceses that participate in the activities of PGS are required to become members of the company.

It commenced independent operations on 1 November 2014. Prior to this equivalent activities were carried out by the Gloucester Diocesan Board of Finance (GDBF) and reported within their statutory accounts. Under prior agreement on 1 November donors migrated from donating to GDBF to donating to PGS.

OBJECTIVES

The objects of the charity are:

- To promote and assist the work, objects and purposes of the Church of England (including the raising of funds);
- To promote and assist the work, objects and purposes of charities which advance the Christian religion, whether or not within the Church of England (including the raising of funds); and
- To support the efficiency and effectiveness of the administration of charities (including by the raising of funds) which advance the charitable purposes referred to above.

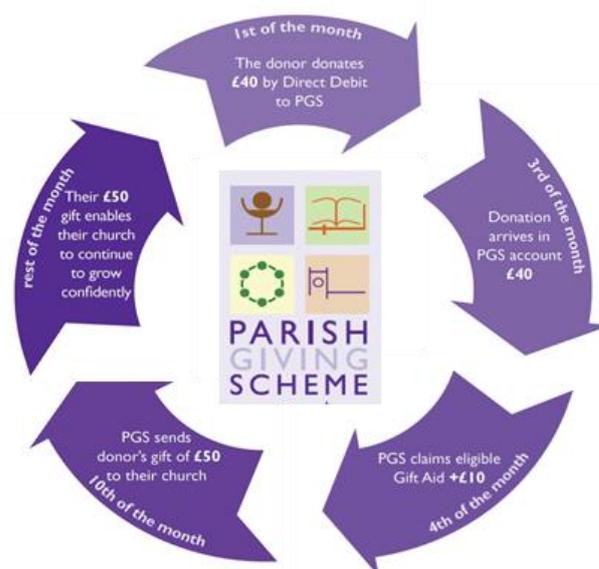
ACTIVITIES

PGS's principal activity in pursuit of its objectives is to provide the most efficient and effective way for people to financially support the activity of the Church of England locally.

This is currently done through a regular giving scheme which collects donations through direct debit and makes the donation (including gift aid) available to be spent in a specified church/parish within 10 days. Donors can also commit to annually inflating their gifts to ensure its spending power is maintained. The diagram to the right illustrates the operation of this system.

This activity has been designed to specifically support and enhance the ecclesiology of the Church of England; being one body working in and for in every community in the country.

The administrative costs of this activity are funded by supporting Diocesan Boards of Finance who make contributions to PGS in order to enable the extension of this activity into their respective region. By the end of 2014 donations were being processed in support of the Church's work in six different dioceses.



REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2014

STRATEGIC REVIEW

ACHIEVEMENT AND PERFORMANCE

The principal activity of PGS was inherited from GDBF during the reporting period. The following information includes activity under both GDBF and PGS ownership to provide the reader with a clearer understanding of the development of the operation.

The principal activity of PGS started as an activity of GDBF operating in the Diocese of Gloucester in 2010. The scheme was designed from the start to be able to handle a substantial number of donors and to be usable for any parish regardless of size, or theological tradition. The scheme proved highly popular as much for its presentation and aspiration as its financial impact. Anecdote and evidence showed it to be highly effective in increasing donor gifts on first sign up and thereafter higher levels of inflated giving was shown to be highly beneficial to local parish finances. It was also welcomed for reducing the administrative burden on parishes.

Interest in the scheme led to the second stage in the scheme’s development when it was shared by Gloucester with two other dioceses; Chichester and Winchester. This period refined the offering and ensured it has the ability to work as a truly national offering for parishes in the Church of England. At the point at which PGS inherited the activity, it has been launched and developed in the three dioceses, together with the Diocese of Exeter following their completion of a “pre-launch” pilot and testing earlier in the period. Immediately after 1 November 2014 Guildford and Liverpool also started pilot schemes with PGS.

KEY STATISTICS

Donor Value

PGS seeks to improve the quality of experience of donating to support parish ministry, improve the effectiveness of donations by maintaining their “real value” and reduce local administrative burden on parishes. The following are some of the regularly monitored performance measures used by management:

Measure	2014		
Percentage of gifts on which Gift Aid is claimed	92%		
Percentage of donors opting to inflate (headcount)	56%		
Average Gift per donor for 2013	PGS	TEPG* Overall	Difference
<i>Chichester</i>	£14.89	£11.09	34%
<i>Gloucester</i>	£14.25	£9.60	48%
<i>Winchester</i>	£18.47	£11.96	54%

*TEPG – tax efficient planned giving

REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2014

The higher value of donations to PGS cannot be attributed solely to the introduction of the PGS as we do not know the level of giving for these individuals prior to joining. We do however have many testimonials of parishes which have seen significant increases when they have run a good stewardship campaign alongside the introduction of the PGS.

PGS is set up to service the entire Church family, however much donors wish to give, and whether or not Gift Aid can be claimed on their giving. The lowest monthly donation handled is £1, the highest is almost £2,000. Both donors receive the same high quality materials and service.

GROWTH AND FUTURE PLANS

Parish Giving Scheme is still very much in the early stages of growth in its service to the Church. It hopes to become the principal means by which individuals financially support parish ministry in England. It has expanded its activity rapidly since inception in 2010 showing an average annualized compound growth rate of 237%. This growth has been enabled by both growing within existing areas of operation and moving into new dioceses and parishes.

Year	2010	2011	2012	2013	2014
Underlying Donations	£0.18m	£0.64m	£1.08m	£2.9m	£5.3m
Gift Aid reclaimed	£0.05m	£0.16m	£0.25m	£0.7m	£1.3m
Total returned to parishes	£0.23m	£0.8m	£1.33m	£3.6m	£6.6m
Donors	469	1,236	1,869	4,850	7,244

As noted earlier, only the final two months of 2014 were processed through the Charity, as earlier months were processed by Gloucester DBF. The trustees expect that the income of the Charity in 2015 will be substantially higher than that reported in 2015, possibly approaching £10 million.

DIOCESAN ROLLOUT

PGS was established to serve the Church and understands the importance of the unity of the Body of the Risen Christ. In its operation it therefore actively seeks to enhance the common purpose of the Church and its structures.

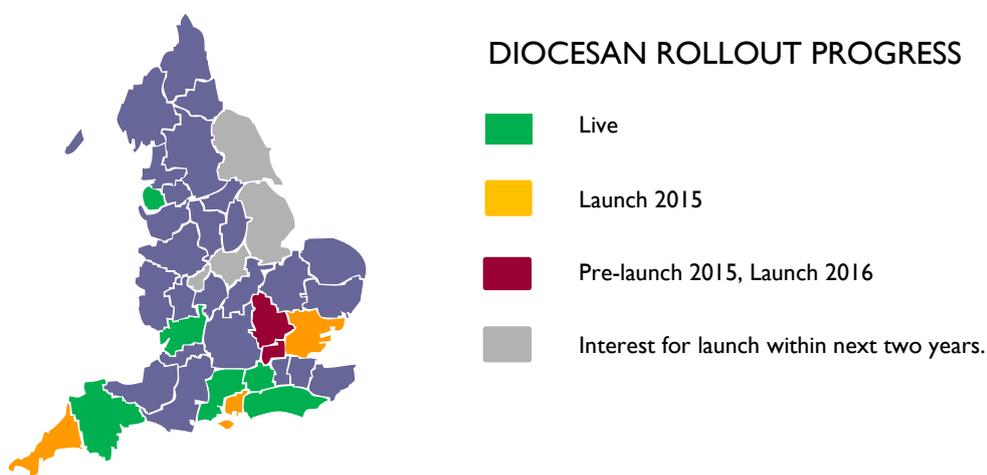
The growth of PGS and its resourcing, occurs through the Anglican diocesan structure. Diocesan Boards of Finance (DBFs) are invited to support the roll-out of PGS to parishes within their diocese. In committing to support PGS DBFs agree to become a member of the company, pay an initial membership contribution to provide operational reserves and an ongoing grant to PGS to cover the overhead costs of operating within the diocese. This approach ensures the PGS has the full support of the Ordained and Lay authority within each diocese and is effectively supported by DBF staff. It also is therefore positioned as a service provided by DBFs in support of parishes. In dioceses in which PGS operates it is seen as a prime example of DBF support for the local church.

REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2014

Diocesan engagement with PGS as at 1st May 2015 was as follows:

- The DBFs of Gloucester, Chichester and Winchester are members who have operated the scheme for at least two years
- The DBFs of Exeter, Guildford and Liverpool are members who have begun full scale Diocesan roll out during 2015.
- Chelmsford, Truro and Portsmouth are in a pre-launch phase with their first donors ahead of a full diocesan launch later in 2015.
- St Albans DBF have approved a September 2015 pre-launch phase, with rollout in early 2016
- London will begin a pre-launch phase later in 2015.

We are aware a number of other dioceses are seriously considering joining the scheme during 2016.



PGS seeks to be an excellent model of inter-diocesan collaboration, with advisers from participating dioceses helping neighbouring colleagues, and good practice being refined from one launch to another. PGS has also adopted a disciplined testing model on initiatives, in which one or two dioceses will test out modifications to the concept, and only if successful, will they be introduced to the wider scheme.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the net income or expenditure, for the period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

THE TRUSTEES

The trustees who served during the period up to the date of this report are shown on page 2

RISK MANAGEMENT

The trustees have reviewed the major risks that the charity faces. They review these risks at least annually. The trustees implement improvements to systems of internal control in order to mitigate other operational and business risks as and when identified.

AUDITORS

Haysmacintyre were appointed as the charitable company's auditors during the period and have expressed their willingness to continue in that capacity.

Approved by the trustees on 19th May 2015

and signed on their behalf by John Preston

Trustee

Signed: 19th May 2015

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PARISH GIVING SCHEME

We have audited the financial statements of the Parish Giving Scheme for the period ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 and of the charitable company's incoming resources and application of resources for the period then ended;

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PARISH GIVING SCHEME

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the Trustees' Annual Report incorporating the Strategic Report.

Adam Halsey (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

Date: 19th May 2015

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

haysmacintyre
London

Statement of financial activities (incorporating an income and expenditure account)
For the period ended 31 December 2014

	Note	Restricted £	Unrestricted £	2014 Total £
Incoming resources				
<i>Incoming resources from generated funds</i>				
Voluntary income	2	8,250	-	8,250
Investment income		-	-	-
<i>Incoming resources from charitable activities</i>				
Donor management	3	1,250,711	7,402	1,258,113
Contributions from Member Dioceses		-	140,000	140,000
Total incoming resources		1,258,961	147,402	1,406,363
Resources expended				
<i>Charitable activities</i>				
Donor management support	4	1,250,711	19,265	1,269,976
<i>Governance</i>		8,250	3,000	11,250
Total resources expended		1,258,961	22,265	1,281,226
Net incoming resources before transfers between funds	5	-	125,137	125,137
Transfers between funds		-	-	-
Net movement in funds		-	125,137	125,137
Reconciliation of funds				
Funds at the start of the period		-	-	-
Funds at the end of the period		-	125,137	125,137

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 11 to the financial statements

**Balance sheet
As at 31 December 2014**

	Note	2014 £
Current assets		
Debtors	8	48,250
Cash at bank and in hand		170,950
		<u>219,200</u>
Creditors: amount due within one year	9	(94,063)
		<u> </u>
Net assets		<u>125,137</u>
Reserves		
Restricted funds	11	-
Unrestricted funds		
General funds	11	125,137
		<u> </u>
Total funds		<u>125,137</u>

Approved by the trustees on 19th May 2015
and signed on their behalf by John Preston

Trustee

Signed: 19th May 2015

Notes to the financial statements
For the period ended 31 December 2014

I. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005)
- b) Voluntary incoming resources received by way of donations and income from donor management services are included in full in the statement of financial activities when receivable
- c) Voluntary incoming resources received as contributions from Member Dioceses represent the initial amounts received from members when they join the scheme. These amounts are included in full in the statement of financial activities when receivable.
- d) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.
- e) Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.
- f) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.
- g) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- h) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.
- i) Governance costs include all costs of compliance with constitutional and statutory requirements, including legal and audit fees and the costs of meetings.
- j) The charity operates a defined contribution pension scheme for a number of its staff. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions. For one member of staff, contributions are made into a defined benefit scheme,

Notes to the financial statements
For the period ended 31 December 2014

2. Voluntary Income

	Restricted	Unrestricted	2014 Total
	£	£	£
Grant from Archbishops' Council	8,250	-	8,250
	<u>8,250</u>	<u>-</u>	<u>8,250</u>

3. Donor Management

	Restricted	Unrestricted	2014 Total
	£	£	£
Membership Contbn.	-	7,402	7,402
Restricted donations	1,005,402	-	1,005,402
Gift Aid reclaimed	245,309	-	245,309
	<u>1,250,711</u>	<u>7,402</u>	<u>1,258,113</u>

4. Donor management support

	Restricted	Unrestricted	2014 Total
	£	£	£
Grants back to parishes	1,005,402	-	1,005,402
Gift aid returned to parishes	245,309	-	245,309
Staff costs	-	13,912	13,912
Other costs	-	5,353	5,353
	<u>1,250,711</u>	<u>19,265</u>	<u>1,269,976</u>

**Notes to the financial statements
For the period ended 31 December 2014**

5. Net incoming/(outgoing) resources for the period

	2014 Total £
This is stated after charging:	
Depreciation	Nil
Trustees remuneration	Nil
Trustees expenses	Nil
Auditors remuneration	
• Audit	3,000
	<u><u>3,000</u></u>

No Trustees received remuneration or expenses during the period.

6. Staff numbers and costs

The aggregate payroll costs for staff was as follows:

	2014 £
Wages and salaries	11,134
Social security costs	870
Employers pension contributions	1,908
	<u><u>13,912</u></u>

The average number of persons employed by the company (excluding trustees who are all non-executive) since the operational activities were transferred to PGS are as follows:

	No of employees 2014
Charitable activities	3.2
	<u><u>3.2</u></u>

No employee earned more than £60,000 during the period.

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements
For the period ended 31 December 2014

8. Debtors: amounts falling due within one year

	2014
	£
Trade debtors	40,000
Other debtors	-
Accrued income	8,250
Prepayments	-
	<u>48,250</u>

9. Creditors: amounts falling due within one year

	2014
	£
Trade creditors	82,179
Other taxes and social security	1,776
Accruals	10,108
	<u>94,063</u>

10. Analysis of net assets between funds

	Restricted funds	Designated funds	General funds	Total funds
	£	£	£	£
Net current assets	-		125,137	125,137
Net assets at 31 December 2014				<u>125,137</u>

11. Movement in funds

	Opening balance	Incoming resources in the period	Resources expended in the period	Balance at 31 st December 2014
General fund	-	147,402	22,265	125,137
Restricted fund	-	1,258,961	1,258,961	-

The restricted fund relates to incoming resources relating to donor management, namely the monies received from individual parishes and grant funding from the Archbishops' Council.