

# PARISH GIVING SCHEME

REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

## PARISH GIVING SCHEME

### REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2016

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STATUS	Parish Giving Scheme is a charitable company limited by guarantee, incorporated on 23 <sup>rd</sup> December 2013 and registered as a charity on 17 <sup>th</sup> 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	David Brooke (appointed 1 <sup>st</sup> March 2017) Victoria James Benjamin Preece Smith John Preston (Chair) Gordon Randall Helen Richardson (resigned 18 <sup>th</sup> May 2016) John Sherlock Neil Williams
CHIEF EXECUTIVE OFFICER	Helen Richardson (appointed 1 <sup>st</sup> January 2016)
MATERNITY COVER	Eleanor Stead (Acting CEO March 2017 – March 2018)
HEAD OF OPERATIONS	Helen Taylor
BANKERS	Barclays Bank, Britannia Warehouse, The Docks, Gloucester, GL1 2EH
AUDITOR	Haysmacintyre, Red Lion Square, London, WC1R 4AG
SOLICITOR	Veale Wasbrough Vizards, Narrow Quay House, Narrow Quay, Bristol BS1 4QA

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2016

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## STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees present their report and the audited financial statements for the year ended 31 December 2016. Reference and administrative information set out on page 1 forms part of this report. Parish Giving Scheme (PGS) (also referred to as The Scheme) 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 2014 donors migrated from donating to GDBF to donating to PGS.

The PGS has a board of up to twelve Trustees. Trustees are recommended by the Board and agreed by the Members at the Annual Members Meeting (AMM). There are currently seven Trustees reflecting a range of skills pertinent to the flourishing of The Scheme and the geographical spread of The Scheme around England.

Trustees are expected to engage actively in the governance of PGS. Board meetings are held quarterly where Trustees receive regular reports on The Scheme's development, activity and performance. The Board make strategic decisions on the operation of The Scheme, including structural and financial arrangements, the terms of business for The Scheme and approving, monitoring and reviewing development proposals.

Members of The Scheme are participating dioceses that have signed the Members Agreement and paid the subscription fee. Members meet annually at the AMM to approve new Trustees and receive the Annual Trustees Report and accounts as well as hear about the development of The Scheme.

From January 2016, a Chief Executive Officer has been in post, following a recruitment exercise shortly before the end of 2015. This exercise included a national advertising campaign, followed by an open and transparent interview and selection process. From this process Mrs Helen Richardson was duly appointed and subsequently stepped down from the Board of Trustees.

From March 2017 – March 2018, Mrs Eleanor Stead has been appointed as Acting Chief Executive Officer whilst Mrs Helen Richardson is on maternity leave.

## 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.

The core PGS service has enabled 965 churches to access funds from over 19,200 donors and the accompanying Gift Aid more quickly and efficiently than would have otherwise been the case, thereby enabling them to better fulfil their key activities of promoting the whole mission of the church throughout their parishes. The Trustees have had regard to the Charity Commission's general guidance on public benefit in the review process of our aims and objectives and in planning future developments.

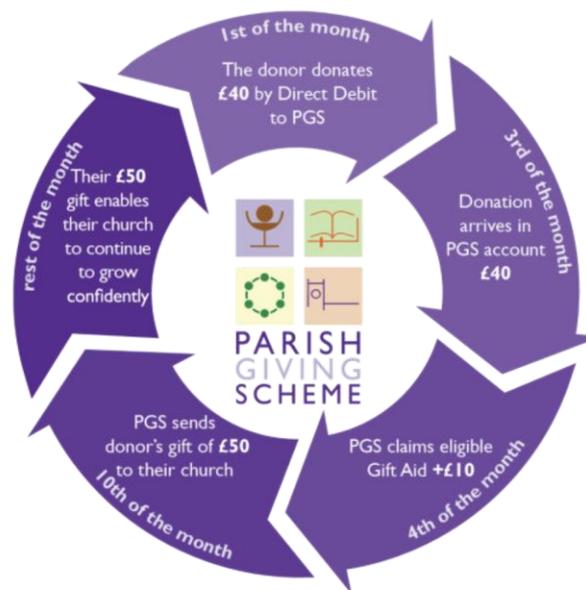
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FOR THE YEAR ENDED 31 DECEMBER 2016

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### 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 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 during the period of this report.



Following a consultation with participating parishes and member dioceses, from April 2017 the Gift Aid will be paid back separately from the underlying donation following receipt from HMRC. This removes the need for PGS to fund the Gift Aid payment to parishes between the 10<sup>th</sup> of the month and receipt.

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

The administrative costs of this activity are funded by participating 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 2016 donations from fourteen different dioceses were being processed in support of the Church's work.

### STRATEGIC REVIEW

#### ACHIEVEMENT AND PERFORMANCE

The principal activity of PGS is the provision of a professional and cost-effective scheme to enable donors to support their local church. From the early days of its life in the Diocese of Gloucester, The Scheme was designed to be able to handle a substantial number of donors and to be usable for any parish regardless of size, or theological tradition. The simplification of parish administration is an important additional benefit, as this provides an element of future proofing to the Church's principal income stream.

During 2016 the dioceses of Birmingham, Leicester, London and St Albans launched The Scheme, and the dioceses of Newcastle, Salisbury and Derby entered a pre-launch phase with the expectation that they will become members during 2017. A register of members is provided on page 22 - 23.

**REPORT OF THE TRUSTEES**  
FOR THE YEAR ENDED 31 DECEMBER 2016

**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 the local administrative burden on parishes. The following are some of the regularly monitored performance measures used by management:

Measure	Dec-15	Dec-16	Change
Number of Donors	11,475	18,118	57.90%
Number of Churches	641	965	50.50%
Total returned to Churches in month	£1.02 m	£1.63 m	59.80%
Average Monthly Gift (Monthly Givers)	£16.17	£16.23	0.40%
Percentage of gifts on which Gift Aid is claimed	91.30%	90.80%	
Percentage of donors opting to inflate	56.50%	54.60%	

The level of donations received through the PGS compares very favourably to the underlying level of donations in dioceses. The table below compares the level of giving through the PGS in December 2016 for dioceses with more than 1000 donors giving through The Scheme with the average giving for givers across the dioceses.

Diocese	PGS Dec-16	Total Diocese TEPG* (2014)	Change
Chichester	15.23	11.87	27.50%
Exeter	14.04	9.85	37.70%
Gloucester	15.18	10.53	44.50%
Guildford	19.8	18.09	9.50%
Liverpool	14.82	10.58	40.10%
Portsmouth	16.01	10.44	53.40%
Winchester	18.91	12.25	62.20%

\*TEPG: Tax Efficient Planned Givers, who typically give at a higher level than those who do not give through Gift Aid.

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.

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2016

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 over £1,500. Both donors receive the same high quality materials and service.

*GROWTH AND FUTURE PLANS*

2016 was the seventh year of the PGS serving parishes and donors across the Church. 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	2015	2016	Forecast 2017
Underlying Donations	£0.18m	£0.64m	£1.08m	£2.9m	£5.3m	£8.1m	£13.3m	£18.5m
Gift Aid reclaimed	£0.05m	£0.16m	£0.25m	£0.7m	£1.3m	£1.9m	£3.2m	£4.4m
Total forwarded to parishes	£0.23m	£0.8m	£1.33m	£3.6m	£6.6m	£10.0m	£16.5m	£22.9m
Donors	469	1,236	1,869	4,850	7,244	11,475	19,267	26,500
Number of Donations Processed (k)	2.7	10.4	17.5	41.5	75.6	111.2	183.0	251.8

The Trustees expect that the income of the Charity in 2017 will again see substantial growth. This is expected to come from:

- Dioceses who were in pre-launch phase at 31/12/16 moving into full diocesan launch
- Existing dioceses continuing to attract new donors and parishes
- New dioceses wishing to join The Scheme, as it is already likely that two further dioceses will go through pre-launch to full launch during the year, and a further two to begin the process of implementing PGS during 2017, although this latter number may be considerably higher on the basis of enquiries.

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2016

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*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, (see pages 22 - 23) pay an initial membership contribution to provide operational reserves and make an ongoing grant to PGS to cover the overhead costs of operating within the diocese. This approach ensures the PGS has the formal support of the Diocesan authority and is effectively supported by DBF staff. It also is therefore positioned as a service provided by DBFs in support of parishes, and in dioceses in which PGS operates it is seen as a prime example of DBF support for the local church.

Diocesan engagement with PGS as at 1<sup>st</sup> May 2017 was as follows:

- The DBFs of Chelmsford, Chichester, Exeter, Gloucester, Guildford, Liverpool, Portsmouth, Truro and Winchester are members who have operated The Scheme for at least a year.
- The DBFs of Birmingham, Leicester, London and St Albans are members who have begun full scale Diocesan roll out during the past twelve months.
- Newcastle and Salisbury have completed their pre-launch period and launched in January 2017. Bristol, Derby and Ely will launch later in 2017.

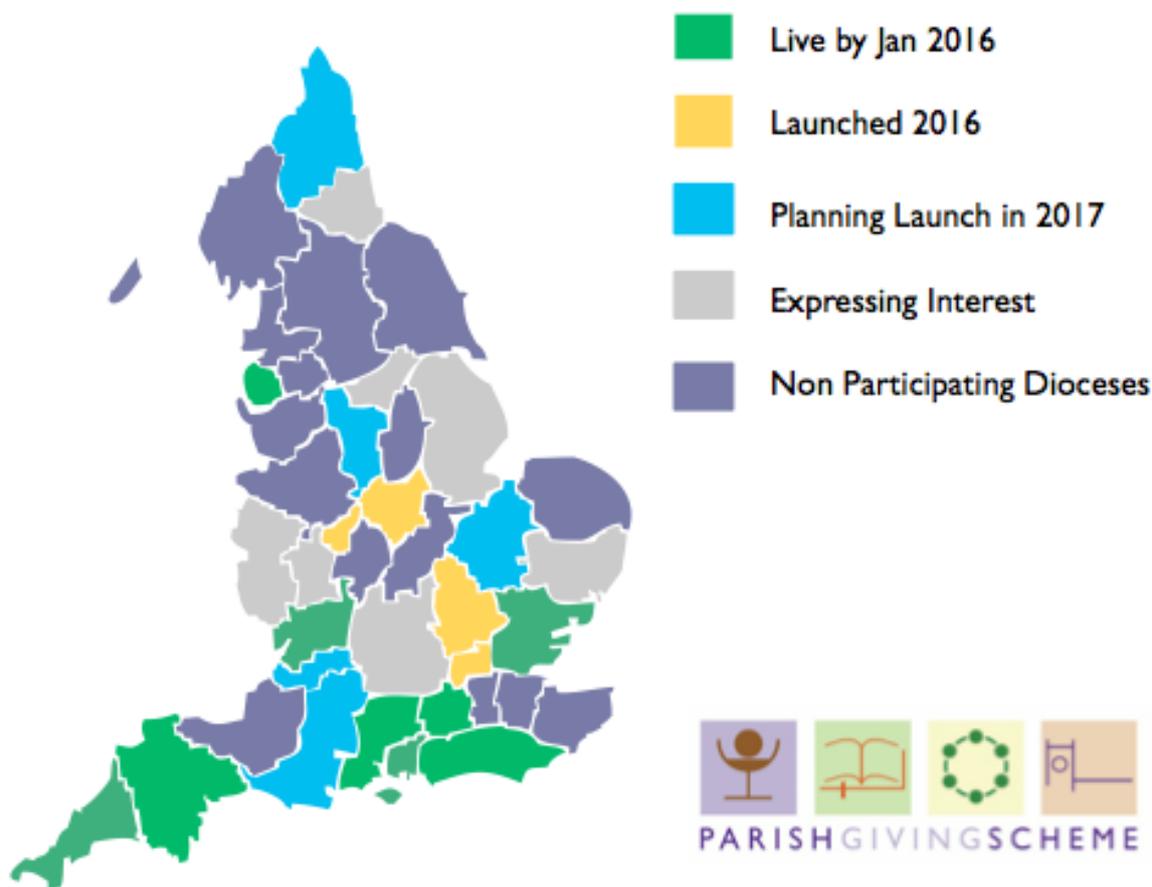
We are aware a number of other dioceses are seriously considering joining The Scheme within the next twelve to eighteen months.

*FUNDRAISING STANDARDS*

The Charities Act 2011, as amended by the Charities (Protection and Social Investment) Act 2016, requires charities to publish information about fund-raising standards. The Parish Giving Scheme does not itself carry out fund-raising activity and therefore has nothing to report.

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2016

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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.

#### FINANCIAL REVIEW

Most of the PGS restricted income relates to the restricted parish donations and associated gift aid reclaimed. For 2016, the combined donation and gift aid amounted to £16.5m (2015: £9.967m). PGS also received a grant from the Archbishops' Council of £28k (2015: £31k) as a contribution towards the salary costs of the Operations Manager. 2016 was the last year of this 3 year grant funding arrangement.

The unrestricted income for PGS mainly comprises services contributions of £174k (2015: £92k) and contributions from member dioceses of £80k (2015: £40k). For further details see notes 2 and 3 on page 18. Unrestricted expenditure for 2016 amounted to £158k (2015: £102k). For further details see notes 4 and 6 on pages 18 and 19).

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2016

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*RISK MANAGEMENT*

The Trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The Trustees place high importance on managing reputational risk. We judge there to be two principal contributors to reputational risk - the first is systems failure which would prevent money being forwarded to parishes on time, which is managed by investing time and money maintaining systems as described above. The second element of risk is cyber-fraud, which is managed by buying in external expertise and avoiding having direct access over the web to our core systems.

*RESERVES POLICY*

The nature of the charity's operations in forwarding donations from donors onto parishes means that the Trustees believe it is inappropriate to determine the required level of reserves in terms of a certain number of months' income or expenditure. Rather the Trustees have assessed the required level of reserves on the basis of operating expenditure and personnel costs and the potential investment required to maintain our systems at an appropriate level.

The required level of reserves is broadly proportional to the number of dioceses using The Scheme, and a £20,000 contribution to provide an effective reserve is requested from dioceses on becoming a member and beginning implementing the PGS.

During the year the Trustees decided to earmark funds and created an IT designated fund, to support the charity's future investment in IT. The Trustees plan to review the charity's reserves policy in 2017.

*COMPLAINTS POLICY*

The PGS has a complaints policy and procedure and sets high standards for our staff. The Trustees are pleased to report that during 2016 no complaints were received.

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2016

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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 1

AUDITORS

The re-appointment of haysmacintyre as auditors to the PGS will be proposed at the Annual Members Meeting.

Approved by the Trustees on 18<sup>th</sup> May 2017 and signed on their behalf by John Preston, Trustee

*Signed: John Preston*

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

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We have audited the financial statements of the Parish Giving Scheme for the year ended 31 December 2016 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](http://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 2016 and of the charitable company's incoming resources and application of resources for the year then ended;

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

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- 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: 18<sup>th</sup> May 2017*

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 year ended 31 December 2016**

	Note	Restricted £	Unrestricted £	2016 Total £	2015 Total £
<b>Income from:</b>					
Grants	2	28,000	-	<b>28,000</b>	31,196
Charitable activities	3	16,539,322	262,453	<b>16,801,775</b>	10,104,300
<b>Total</b>		<b>16,567,322</b>	<b>262,453</b>	<b>16,829,775</b>	<b>10,135,496</b>
<b>Expenditure on:</b>					
Charitable activities	4	16,567,322	157,857	<b>16,725,179</b>	10,100,560
<b>Total</b>		<b>16,567,322</b>	<b>157,857</b>	<b>16,725,179</b>	<b>10,100,560</b>
<b>Net movement in funds</b>		-	104,596	<b>104,596</b>	34,936
<b>Reconciliation of funds</b>					
<b>Funds at the start of the year</b>		-	160,073	<b>160,073</b>	125,137
<b>Funds at the end of the year</b>		-	<b>264,669</b>	<b>264,669</b>	160,073

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

Full comparatives for the year to 31<sup>st</sup> December 2015, are shown in note 12.

**Balance sheet**  
**As at 31 December 2016**

**Company number 08824540**

	Note	2016 £	2015 £
<b>Current assets</b>			
Stock		4,049	3,539
Debtors	8	2,817	8,987
Cash at bank and in hand		427,085	194,820
		<b>433,951</b>	<b>207,346</b>
<b>Creditors: amount due within one year</b>	9	<b>(169,282)</b>	<b>(47,273)</b>
		<b>264,669</b>	<b>160,073</b>
<b>Net assets</b>			
<b>Reserves</b>			
Restricted funds	11	-	-
Unrestricted funds			
Designated funds	11	15,872	-
General funds	11	248,797	160,073
		<b>264,669</b>	<b>160,073</b>
<b>Total funds</b>			

Approved by the Trustees on 18<sup>th</sup> May 2017 and signed on their behalf by John Preston, Trustee

*Signed: John Preston*

**Statement of Cashflows**  
**Year ended 31 December 2016**

	<b>2016</b>	<i>2015</i>
	<i>£</i>	<i>£</i>
<b>Net cash inflow from operating activities</b>	<b>132,265</b>	<i>23,870</i>
<b>Cash flows from investing activities</b>		
Dividends and interest received	-	-
<b>Net cash provided by/(used in) investing activities</b>	-	-
<b>Cash flows from financing activities</b>		
Loans repaid by PGS	-	-
New loan received by PGS	<b>100,000</b>	-
<b>Net cash provided by/(used in) financing activities</b>	-	-
<b>Change in cash &amp; cash equivalents during year</b>	<b>232,265</b>	<i>23,870</i>
<b>Cash &amp; cash equivalents at 1 January</b>	<b>194,820</b>	<i>170,950</i>
<b>Cash &amp; cash equivalents at 31 December</b>	<b>427,085</b>	<i>194,820</i>
<b>Reconciliation of net movement in funds to net cash inflow from operating activities</b>	<b>103,434</b>	<i>34,936</i>
<b>Adjustments for:</b>		
Advancement of loans	(100,000)	-
(Increase)/decrease in stock	(510)	<i>(3,539)</i>
Decrease/(increase) in debtors	7,332	<i>39,263</i>
Increase/(decrease) in creditors	122,009	<i>(46,790)</i>
<b>Net cash inflow from operating activities</b>	<b>132,265</b>	<i>23,870</i>
<b>Analysis of cash and cash equivalents</b>		
Cash in bank & in hand	427,085	<i>194,820</i>
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>427,085</b>	<i>194,820</i>

**Notes to the financial statements**  
**For the year ended 31 December 2016**

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**I. Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

- a) 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.
- b) PGS meets the definition of a public benefit entity under FRS 102. PGS is a company registered in England and Wales, company number 08824540. Its registered address is College Green, Gloucester, GL1 2LY. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.
- c) The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.
- d) All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.
- e) Voluntary income 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.
- f) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.
- g) Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is 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 income is deferred.

**Notes to the financial statements  
For the year ended 31 December 2016**

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**I. Accounting policies (continued)**

- h) 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.
- i) Unrestricted funds are donations and other income receivable or generated for the objects of the charity.
- j) Designated funds are those earmarked by the Board of Trustees for particular purposes. Whilst such funds are kept separate for administrative purposes, they do not constitute legally separate funds.
- k) Expenditure is recognised in the period in which they are incurred. Expenditure includes attributable VAT which cannot be recovered.
- l) Governance costs include all costs of compliance with constitutional and statutory requirements, including legal and audit fees and the costs of meetings.
- m) 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 the Gloucester Diocesan Board of Finance's defined benefit pension scheme. The responsibilities for administering and accounting for this scheme rest with the Gloucester Diocesan Board of Finance.

**Notes to the financial statements**  
**For the year ended 31 December 2016**

**2. Grants**

	Restricted	Unrestricted	<b>2016 Total</b>	2015 Total
	£	£	£	£
Grant from Archbishops' Council	28,000	-	<b>28,000</b>	31,196
	<b>28,000</b>	<b>-</b>	<b>28,000</b>	<b>31,196</b>

**3. Income from charitable activities**

	Restricted	Unrestricted	<b>2016 Total</b>	2015 Total
	£	£	£	£
Services contributions	-	173,970	<b>173,970</b>	92,000
Restricted donations	13,362,144	-	<b>13,362,144</b>	8,044,205
Gift Aid reclaimed	3,177,178	-	<b>3,177,178</b>	1,923,237
Contributions from member dioceses	-	80,000	<b>80,000</b>	40,000
Other income	-	8,483	<b>8,483</b>	4,858
	<b>16,539,322</b>	<b>262,453</b>	<b>16,801,775</b>	<b>10,104,300</b>

**4. Expenditure on charitable activities**

	Restricted	Unrestricted	<b>2016 Total</b>	2015 Total
	£	£	£	£
Grants back to parishes	13,362,144	-	<b>13,362,144</b>	8,044,205
Gift aid forwarded to parishes	3,177,178	-	<b>3,177,178</b>	1,923,237
Staff costs – note 6	28,000	108,281	<b>136,281</b>	100,826
Governance	-	4,380	<b>4,380</b>	5,445
Other costs	-	45,196	<b>45,196</b>	26,847
	<b>16,567,322</b>	<b>157,857</b>	<b>16,725,179</b>	<b>10,100,560</b>

**Notes to the financial statements**  
**For the year ended 31 December 2016**

**5. Net movement in funds**

	<b>2016</b>	<b>2015</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	Nil	Nil
Auditors remuneration		
• Audit	4,380	4,200
	<u>4,380</u>	<u>4,200</u>

**6. Staff numbers and costs**

The aggregate payroll costs for staff was as follows:

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>92,131</b>	<i>81,138</i>
Social security costs	<b>7,640</b>	<i>5,731</i>
Employers pension contributions	<b>12,510</b>	<i>13,957</i>
Secondment costs of CEO	<b>24,000</b>	<i>-</i>
	<u><b>136,281</b></u>	<u><i>100,826</i></u>

The average number of persons employed by the company (excluding Trustees who are all non-executive) are as follows:

	<b>No of</b>	<i>No of</i>
	<b>Employees</b>	<i>employees</i>
	<b>2016</b>	<i>2015</i>
Charitable activities	<b>4.2</b>	<i>3.6</i>
	<u><b>4.2</b></u>	<u><i>3.6</i></u>

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

**Remuneration of key management personnel**

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the directors, for planning, directing and controlling the activities of the PGS. During 2016 the key management personnel comprised the Chief Executive Officer (Helen Richardson) who is seconded from Gloucester Diocesan Board of Finance at an annual cost of £24,000 and the Head of Operations, Helen Taylor, whose remuneration and pensions amounted to £39,872 (2015: £38,726).

**Transactions with Trustees**

No Trustees received remuneration or expenses during the period (2015: £nil). Four Trustees made donations of £3,601 (excluding gift aid) to PGS during the year, to financially support the Church of England in their locality.

**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 year ended 31 December 2016**

**8. Debtors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	86	2,654
Prepayments and other debtors	2,531	6,333
Cycle to work scheme	200	-
	<b>2,817</b>	<b>8,987</b>

**9. Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	35,411	37,705
Other taxes and social security	2,082	1,738
Accruals	11,789	7,830
Deferred income	20,000	-
Loans	100,000	-
	<b>169,282</b>	<b>47,273</b>

During the year, the charity received two loans as follows:-

- From Gloucester Diocesan Board of Finance a loan of £50k, for a maximum term of 18 months, with interest being payable at 0.25%
- From Exeter Diocesan Board of Finance a loan of £50k, for a maximum term of 18 months, with interest being payable at 0.5%

**10. Analysis of net assets between funds**

	Restricted funds	Designated funds	General funds	<b>Total funds</b>
	£	£	£	£
Net current assets	-	15,872	248,797	<b>264,669</b>
<b>Net assets at 31 December 2016</b>	<b>-</b>	<b>15,872</b>	<b>248,797</b>	<b>264,669</b>

**Notes to the financial statements**  
**For the year ended 31 December 2016**

**11. Movement in funds**

	<b>Balance at 1<sup>st</sup> January 2016</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Balance at 31<sup>st</sup> December 2016</b>
General fund	160,073	262,453	(157,857)	<b>(15,872)</b>	<b>248,797</b>
Designated fund – IT fund	-	-	-	<b>15,872</b>	<b>15,872</b>
Restricted funds	-	16,567,322	(16,567,322)	-	-
<b>Total</b>	<b>160,073</b>	<b>16,829,775</b>	<b>(16,725,179)</b>	-	<b>264,669</b>

**Designated fund**

The IT fund has been designated to make a fund available to support the charity's future investment in IT.

**Restricted funds**

These comprise the following:-

- parish donations received through a regular giving scheme which collects donations through direct debit and makes the donation (including gift aid) available only to be spent in a specified church/parish
- a grant from Archbishops' Council of £28k as contribution towards the salary costs of the Operations Manager

**12. Comparative statement of financial activity**

	Restricted	Unrestricted	<b>2015 Total</b>
	£	£	£
<b>Income from:</b>			
Grants	31,196	-	31,196
Investment income			
Charitable activities	9,967,442	136,858	10,104,300
<b>Total</b>	<b>9,998,638</b>	<b>136,858</b>	<b>10,135,496</b>
<b>Expenditure on:</b>			
Charitable activities	9,998,638	101,922	<b>10,100,560</b>
<b>Total resources expended</b>	<b>9,998,638</b>	<b>101,922</b>	<b>10,100,560</b>
<b>Net income</b>	-	34,936	<b>34,936</b>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	-	34,936	<b>34,936</b>
<b>Reconciliation of funds</b>			
<b>Funds at the start of the year</b>	-	125,137	<b>125,137</b>
<b>Funds at the end of the year</b>	-	160,073	<b>160,073</b>

**REGISTER OF MEMBERS at 31<sup>st</sup> December 2016**

- (1) **The Gloucester Diocesan Board of Finance** incorporated and registered in England and Wales with company number 162165, registered charity (number 251234) whose registered office is at Church House, College Green, Gloucester, GL1 2LY (**Gloucester DBF**)
- (2) **The Exeter Diocesan Board of Finance Limited** incorporated and registered in England and Wales with company number 186001, registered charity (number 249798) whose registered office is at The Old Deanery, The Cloisters, Exeter, Devon, EX1 1HS (**Exeter DBF**)
- (3) **The Winchester Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00142351, registered charity (number 249276) whose registered office is at The Diocesan Office, Old Alresford Place, Alresford, Hampshire, SO24 9DH (**Winchester DBF**)
- (4) **The Chichester Diocesan Fund & Board of Finance (Incorporated)** incorporated and registered in England and Wales with company number 00133558 and registered charity (number 243134) whose registered office is at Diocesan Church House, 211 New Church Road, Hove, East Sussex, BN3 4ED (**Chichester DBF**)
- (5) **The Guildford Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00225289 and registered charity (number 248245) whose registered office is at Diocesan House, Quarry Street, Guildford, GUI 3XG (**Guildford DBF**)
- (6) **The Liverpool Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00018301 and registered charity (number 249740) whose registered office is at St James House, St James Road, Liverpool, Merseyside, LI 7BY (**Liverpool DBF**)
- (7) **The Chelmsford Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00137029 and registered charity (number 249505) whose registered office is at The Diocesan Office 53 New Street, Chelmsford, Essex, CMI 1AT
- (8) **The Portsmouth Diocesan Board of Finance** incorporated and registered in England and Wales with company number 226466 and registered charity (number 249256) whose registered office is at Peninsular House, 1st Floor, Wharf Road, Portsmouth, Hants, PO2 8HB
- (9) **The Truro Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00049825 and registered charity (number 248330) whose registered office is at Church House, Woodlands Court, Truro Business Park, Threemilestone, Truro, Cornwall TR4 9NH
- (10) **The St Albans Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00145227 and registered charity (number 248887) whose registered office is at Holywell Lodge, 41 Holywell Hill, St Albans AL1 1HE

## PARISH GIVING SCHEME

- (11) **The London Diocesan Fund** incorporated and registered in England and Wales with company number 150856 and registered charity (number 241083) whose registered office is at London Diocesan House, 36 Causton Street, London SW1P 4AU
- (12) **The Leicester Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00227087 and registered charity (number 249100) whose registered office is at St Martins House, 7 Peacock Lane, Leicester, LE1 5PZ
- (13) **The Birmingham Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00440966 and registered charity (number 249403) whose registered office is at 1 Colmore Row, Birmingham, West Midlands, B3 2BJ

Since the end of the financial year, the following new members have joined the PGS:

- (14) **The Newcastle Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00650977 and registered charity (number 247233) whose registered office is at Church House, St Johns Terrace, North Shields, NE29 6HS.
- (15) **The Salisbury Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00017442 and registered charity (number 240833) whose registered office is at Church House, 99 Crane Street, Salisbury SP1 2QB.