

PARISH GIVING SCHEME

REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

PARISH GIVING SCHEME

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2020

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	76 Kingsholm Road, Gloucester, GL1 3BD
PRESIDENT	The Right Reverend Rachel Treweek
TRUSTEES	Victoria James (Chair) Benjamin Preece Smith (resigned 26 th November 2020) Neil Williams (resigned 26 th November 2020) Revd David Brooke Adrian Beney Rebecca Evans Julie Dziegiels (appointed 26 th November 2020) Phillip Blinkhorn (appointed 26 th November 2020) Michael Eastwood (appointed 26 th November 2020) Theo David Platt (appointed 26 th November 2020) Revd Dr Kevin Grumball (appointed 26 th November 2020)
CHIEF EXECUTIVE OFFICER	Helen Richardson (resigned 31 st January 2021)
HEAD OF OPERATIONS	Helen Taylor
HEAD OF IT	Brendan Harris
BANKERS	Barclays Bank, Britannia Warehouse, The Docks, Gloucester, GL1 2EH
AUDITOR	Haysmacintyre, 10 Queen Street Place, London, EC4R 1AG
SOLICITOR	Veale Wasbrough Vizards, Narrow Quay House, Narrow Quay, Bristol BS1 4QA

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees present their report and the audited financial statements for the year ended 31 December 2020. Reference and administrative information set out on page I 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.

PGS 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 nine 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.

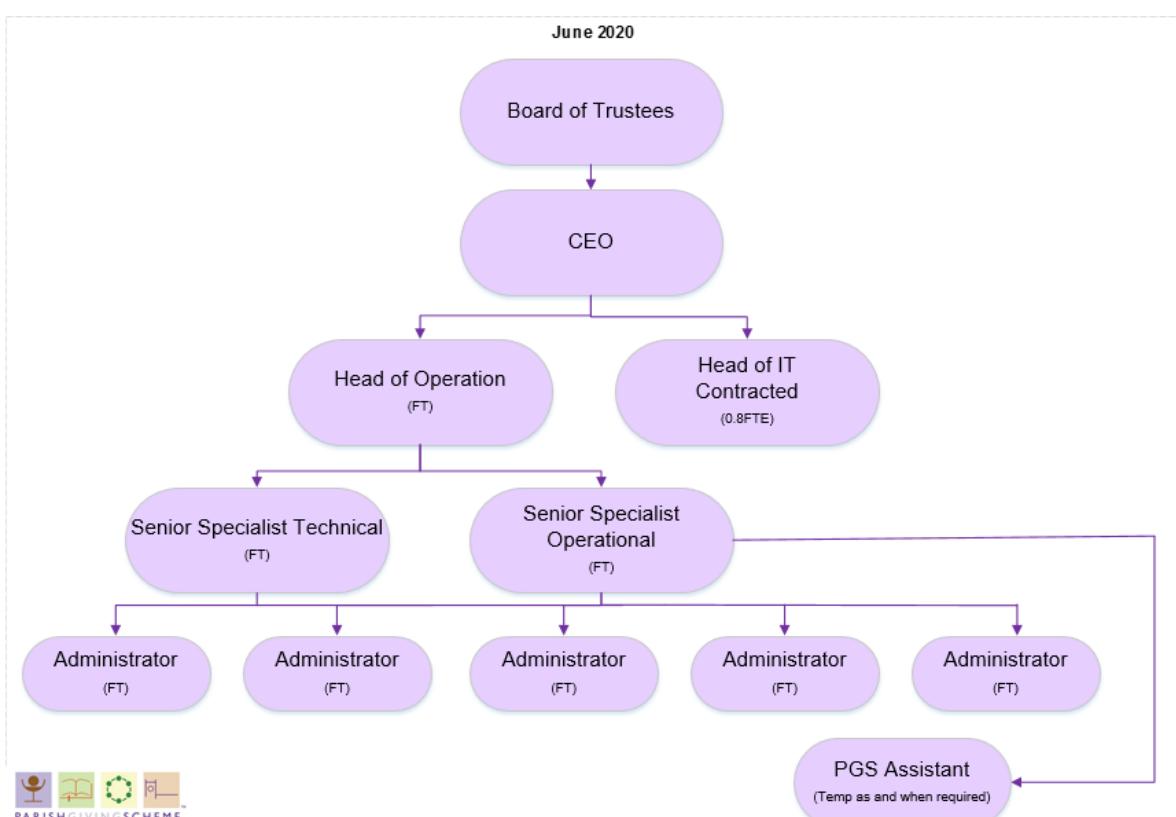
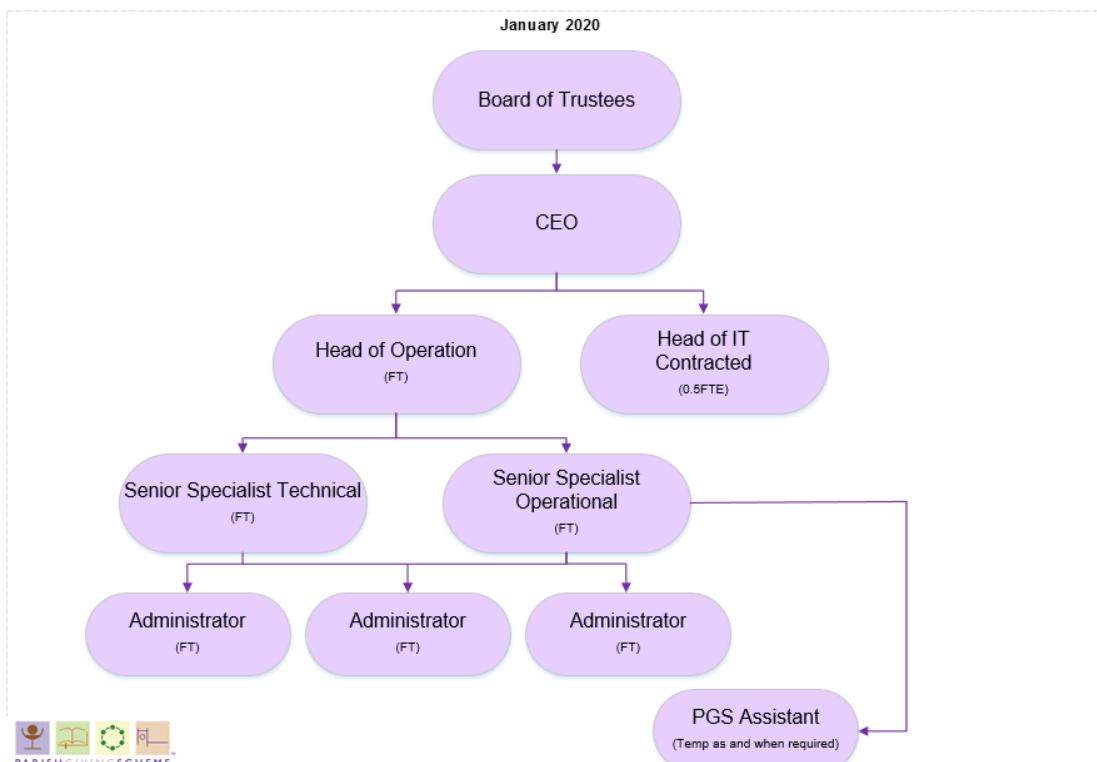
Throughout 2020, the PGS team was led by the Chief Executive Officer, Helen Richardson, who had been in post since 1st January 2016. Before that Helen had been instrumental in setting up The Scheme in the Diocese of Gloucester in 2008. Helen resigned in January 2021 and a new CEO is due commence work with the PGS in June 2021.

The significant growth of 2018 resulted in an organisational review, to strengthen the organisation and develop colleagues in key areas of expertise. In November 2018 the Board formally approved the new structure which became operational in 2019. However, early in 2019 the Senior Specialist Database employee resigned, and those role requirements were shared between the other Senior roles. In 2020 following the efficient launch of the telephone Direct Debit service, two new PGS Administrators were recruited. Throughout 2020 this new structure was embedded, however the Government imposed Covid-19 pandemic restrictions combined with the significant requirements to fulfil the digital project created exceptional circumstances. In view of the pending website launch The Head of IT contracted hours were increased temporarily from the original contract of 2.5 days to 3 and again to four. The growth of the scheme continues and it is anticipated that further work regarding the structure will be required to facilitate the operational requirements of the digital platform and enable the essential delegation capacity for the senior and executive team to operate more fully in the strategic sphere of their roles.

PARISH GIVING SCHEME

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (ctd)



PARISH GIVING SCHEME

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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 Trustees continue to regard and consider the Charity Commission's general guidance on the organisation's public benefit in the review of its aims and objectives and in planning future developments.

During 2020 the core PGS service has enabled over 3,209 parishes (an increase of 22% on 2019) to access funds from more than 54,000 donors (an increase of 20% on 2019) 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 impact of the Covid-19 pandemic was significant in all aspects of life and churches faced many challenges including financial sustainability. The Scheme proved its value to the Church of England during this time by continuing to enable committed regular giving to support the mission of the church locally. Parishes where the PGS has been well embedded as a method of giving, have been better able to sustain giving levels and meet their obligations during 2020.

2020 Highlights for the PGS	Further details on page
New Telephone Service introduced which processed 3,077 new donations in 2020	6
Grant from Archbishop's Council enabled the continued development of the digital platform	6
Digital Platform piloted in 2020 and full launch achieved as planned which has achieved a 26% income growth	6
Parish registrations increased during 2020 by 22%	6
Donor registration increased by 20%	6
Average weekly giving through PGS increased by over 50% in some Dioceses	7
Successful office move 1 st March 2020	5

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

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 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.

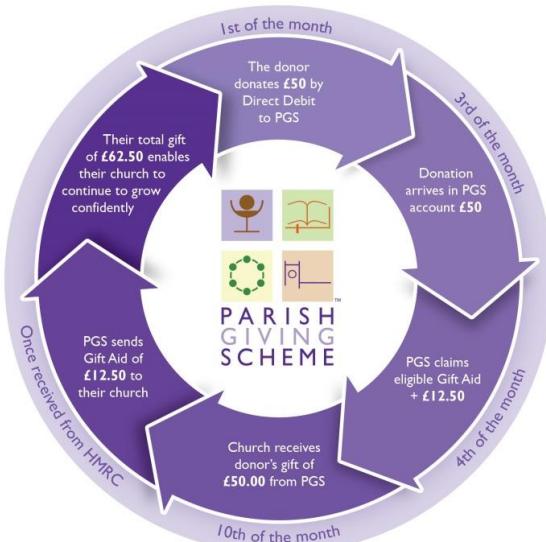
Gift Aid is claimed each month on all eligible donations and is forwarded to the specified churches as soon as it is received from HMRC.

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 2020 donations from thirty 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. In year when so many individuals and organisations very faced with unprecedented challenges as a consequence of the Covid-19 pandemic, The Scheme was able to respond positively and to ensure that it continued to support the church at this critical time and successfully fulfilled its objectives.

The Scheme had outgrown the space which had been rented from Gloucester Diocesan Board of Finance since The Scheme's inception and the planned office move took place at the start of 2020. This meant that the team was successfully established in its new rented premises at 76 Kingsholm Road, Gloucester. GL1 3BD before the lockdown was imposed in March 2020. This move has been a significant step in the life of The Scheme, the timing of which proved critical for the ongoing provision of the service during the lockdown period.



PARISH GIVING SCHEME

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REVIEW

ACHIEVEMENT AND PERFORMANCE(ctd)

In response to donor needs, a telephone service was set up early in the lockdown period which meant that new donors could set up new direct debits over the telephone as well as a postal form. Demand for this service was high. During 2020 3,077 donations were set up using this telephone Direct Debit gift service and the gifts received via this method of set up totalled over £238,000 p.a in new gifts. 97% of these gifts set up using the telephone service were monthly gifts and the average gift was £60pcm (excluding gift aid). Through the work undertaken to set up the telephone service progress was also made with the paper form meaning that can now be used in pdf format as well as a physical paper form. This has further eased the administrative burden locally both during the pandemic and longer term.

Following significant and generous investment by Archbishop's Council (£578,600) which was secured in 2019 for work during 2020 and 2021, work was able to continue to develop the digital platform. This is a vital service to enable new gifts to be set up online and for existing gifts to be managed online by donors. Despite the lockdown and the challenges of 2020, the development work and rigorous testing continued, and the pilot phase of the platform began at the end of 2020 with five dioceses. This was a key phase which ran successfully meaning the digital platform was able to be fully launched to all member dioceses in March 2021. The response to the digital platform has been good with 1245 new donations set up online during Q1 2021 and by early May 2021 3,000 parish statement receivers and 2,500 existing donors had activated their online accounts. The three ways to set up a gift (online, telephone and form) will continue as an option for donors. This enables the PGS to be easily accessible to donors irrespective of their preferred method for setting up their gifts.

During 2020 the dioceses of Leeds, York & Southwark launched The Scheme, with the dioceses of Blackburn, Canterbury, Rochester and Norwich currently in active conversation and preparing to embark upon a pre-launch, leading towards full membership during 2021. A register of members is provided on page 27 - 29.

KEY STATISTICS : Donor Value

PGS seeks to improve the quality of experience of donating to support parish ministry, improve the effectiveness of donations by giving donors the option of 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-19	Dec-20	Change
Number of Donors	44,963	54,002	+20%
Number of Churches	2,634	3,209	+22%
Total forwarded to Churches in month	£4.3M	£5M	+14%
Average Weekly Gift (Monthly Givers)	£17.03	£16.79	-4%
Percentage of gifts on which Gift Aid is claimed	89.7%	88.9%	-7%
Percentage of donors opting to inflate	54.5%	54.1%	-2%

PARISH GIVING SCHEME

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 for dioceses with more than 1,000 donors giving through The Scheme with the average giving for givers across the dioceses.

Diocese	PGS Dec-20	Total Diocese PG* (2019)	Difference
Bristol	£20.62	£17.10	21%
Chelmsford	£18.02	£14.60	23%
Chichester	£16.12	£14.60	10%
Ely	£18.58	£15.80	18%
Exeter	£14.56	£12.20	19%
Gloucester	£16.71	£13.60	23%
Guildford	£22.10	£21.50	3%
Hereford	£10.90	£8.70	25%
Leicester	£16.41	£10.80	52%
Liverpool	£15.43	£11.40	35%
London	£22.03	£25.20	-13%
Oxford	£19.47	£17.60	11%
Peterborough	£15.81	£11.50	37%
Portsmouth	£17.56	£12.80	37%
St Albans	£17.89	£15.60	15%
St Edmundsbury & Ipswich	£16.16	£10.30	57%
Salisbury	£15.98	£11.30	41%
Truro	£14.64	£10.00	46%
Winchester	£19.89	£16.00	24%

*PG: Average weekly gift from Planned Givers across the whole diocese.

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 serve 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 £2,000. Both donors receive the same high-quality materials and service.

PARISH GIVING SCHEME

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

GROWTH AND FUTURE PLANS

2020 was the tenth year of the PGS serving parishes and donors across the Church. The growth shown has been enabled by both growing within existing areas of operation and moving into new dioceses and parishes.

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	Forecast 2021
Underlying Donations	£1.08m	£2.9m	£5.3m	£8.1m	£13.3m	£19.0m	£26.1m	£36.5m	£46.2m	£55.4m
Gift Aid reclaimed	£0.25m	£0.7m	£1.3m	£1.9m	£3.2m	£4.5m	£6.2m	£8.7m	£10.8m	£12.97m
Total forwarded to parishes	£1.33m	£3.6m	£6.6m	£10.0m	£16.5m	£23.5m	£32.3m	£45.2m	£57m	£68.4m
Donors	1,869	4,850	7,244	11,475	19,267	25,533	37,508	44,963	54,002	64,802
Number of Donations Processed (k)	17.5	41.5	75.6	111.2	183	257.2	345.3	483	601	721

In 2020, the PGS exceeded its forecasted figure for the number of donations processed and the total forwarded to parishes exceeded by almost £2m.

The Trustees expect that the income of the Charity in 2021 will again see substantial growth. This is expected to come from:

- Possibly four Dioceses (Blackburn, Canterbury, Norwich and Rochester) moving into full diocesan launch during 2021;
- Existing dioceses continuing to attract new donors and parishes. This is expected to be increase in comparison to previous years with the launch of the digital platform which launched on 1st March 2021.

PARISH GIVING SCHEME

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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 diocesan membership contribution to PGS to provide operational reserves and make a grant to PGS to cover ongoing service contributions 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 is therefore positioned as a service provided by DBFs in support of parishes and is seen as a prime example of DBF support for the local church.

Diocesan engagement with PGS as at 31st December 2020 was as follows:

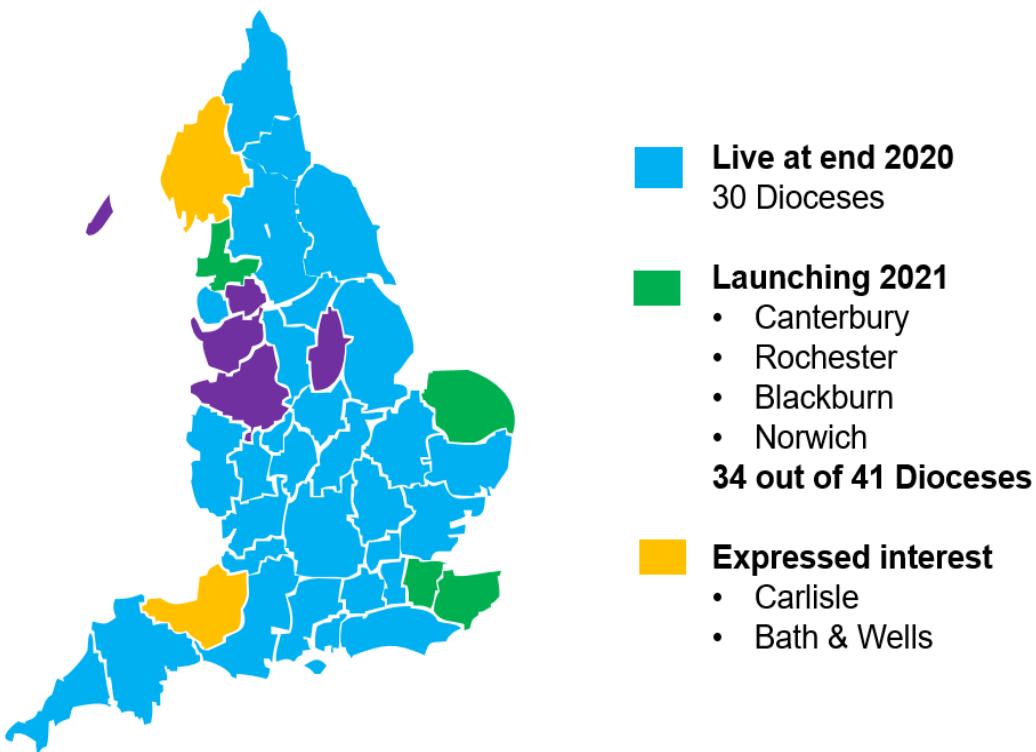
- The DBFs of Birmingham, Bristol, Chelmsford, Chichester, Derby, Ely, Exeter, Gloucester, Guildford, Leicester, Liverpool, London, Newcastle, Portsmouth, Salisbury, St Albans, St Edmundsbury and Ipswich, Truro, Winchester, Durham, Hereford, Lincoln, Oxford, Sheffield, Worcester, Coventry & Peterborough are members who have operated The Scheme for at least a year.
- The DBFs of Leeds, York and Southwark are members who have begun full scale Diocesan roll out during the past twelve months.
- The DBFs of Blackburn, Canterbury, Norwich and Rochester will launch later in 2021.

By the end of 2021 the PGS will serve over three quarters of the mainland UK dioceses (34). We are aware of one other diocese that is considering joining The Scheme within the next 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 2020



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 2020, the combined donation and Gift Aid amounted to £57.06m (2019: £45.3m).

The unrestricted income for PGS mainly comprises ongoing services contributions from member Dioceses of £446k (2019: £387k) and initial contributions from member Dioceses of £40k (2019: £80k). For further details, see note 2 on page 22. Unrestricted expenditure for 2020 amounted to £589k (2019: £458k). For further details see notes 3 and 5 on pages 22 and 23).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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 solely assess the required level of reserves in terms of a certain number of months' income or expenditure.

During 2017 the Trustees engaged in a substantial review of the reserves required by the Charity. To support the charity's future investment in IT, the Trustees decided to expand the designated Development Fund to £200,000. By 31st December 2020, this designated fund had seen expenditure of £102k being allocated against it, leaving a balance of £98k at 31st December 2020. Beyond that, the required level of reserves is set at the maximum of £150,000 (as a contingency against identified potential issues) or six months budgeted spending on non-staff costs plus two months of staffing costs to provide cash flow contingency.

At 31st December 2020, general reserves amounted to £207k.

During 2021 the Trustees will be reviewing the reserves policy for PGS

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 2020 no complaints were received (2019: nil).

When informal feedback is received from member dioceses or the network of giving advisers, this is considered appropriately either operationally or strategically depending on the nature of the feedback.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

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

PGS intend to retender the external audit during 2021 in readiness for year-end 2021.

Theo Platt

Approved by the Trustees on 13th May 2021 and signed on their behalf by Theo Platt

Trustee

Signed: Theo Platt

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

Opinion

We have audited the financial statements of Parish Giving Scheme for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company, 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, Charity SORP and payroll taxes.

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Adam Halsey (Senior Statutory Auditor). For and on behalf of Haysmacintyre LLP, Statutory Auditors,
10 Queen Street Place, London, EC4R 1AG

Date 24 May 2021

Statement of financial activities (*incorporating an income and expenditure account*)
For the year ended 31 December 2020

	Note	Restricted £'000	Unrestricted £'000	2020 Total £'000	2019 Total £'000
Income from:					
Charitable activities	2	57,294	491	57,785	45,764
Total		57,294	491	57,785	45,764
Expenditure on:					
Charitable activities	3	57,294	589	57,883	45,738
Total		57,294	589	57,883	45,738
Net movement in funds		-	(98)	(98)	26
Reconciliation of funds					
Funds at the start of the year		-	403	403	377
Funds at the end of the year		-	305	305	403

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 10 to the financial statements.

Full comparatives for the year to 31st December 2019, are shown in note 11.

Balance sheet
As at 31 December 2020

Company number 08824540

	Note	2020 £'000	2019 £'000
Current assets			
Stock		26	20
Debtors	7	124	13
Cash at bank and in hand		286	441
		436	474
Creditors: amount due within one year	8	(131)	(71)
Net assets		305	403
Reserves			
Restricted funds	10	-	-
Unrestricted funds			
Designated funds	10	98	200
General funds	10	207	203
Total funds		305	403

Approved by the Trustees on 13th May 2021 and signed on their behalf by Theo Platt,
 Trustee

Theo Platt

Statement of Cashflows
Year ended 31 December 2020

	2020 £'000	2019 £'000
Net cash inflow/(outflow) from operating activities	(155)	48
Cash flows from investing activities		
Dividends and interest received	-	-
Net cash provided by/(used in) investing activities	-	-
Cash flows from financing activities		
Loans repaid by PGS	-	-
Net cash (used in)/provided by financing activities	-	-
Change in cash & cash equivalents during year	(155)	48
Cash & cash equivalents at 1 January	441	393
Cash & cash equivalents at 31 December	286	441
 Reconciliation of net movement in funds to net cash inflow from operating activities	(98)	26
 Adjustments for:		
(Increase) in stock	(6)	(3)
(Increase)/decrease in debtors	(111)	17
Increase in creditors	60	8
Net cash(outflow)/ inflow from operating activities	(155)	48
 Analysis of cash and cash equivalents		
Cash in bank & in hand	286	441
Total cash and cash equivalents	286	441

**Notes to the financial statements
For the year ended 31 December 2020**

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 accounts 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) (2nd edition, effective 1 January 2019) - (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 76 Kingsholm Road, Gloucester, GL1 3BD. 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 a period in excess of 12 months from the date of approval of these accounts.
- 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 2020**

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.

Notes to the financial statements
For the year ended 31 December 2020

2. Income from charitable activities

	Restricted £'000	Unrestricted £'000	2020 Total £'000	2019 Total £'000
Ongoing monthly service contributions from member Dioceses	-	446	446	387
Restricted donations	46,232	-	46,232	36,642
Gift Aid reclaimed (restricted)	10,828	-	10,828	8,638
Initial contributions from member Dioceses	-	40	40	80
Grant from Archbishops Council	234	-	234	-
Other income	-	5	5	17
	57,294	491	57,785	45,764

All income from ongoing service contributions from member Dioceses, initial contributions from member Dioceses and other income in 2020 and 2019 was unrestricted. The grant from Archbishops Council in 2020 relates to PGS's digital project and is a contribution towards the development phase.

3. Expenditure on charitable activities

	Restricted £'000	Unrestricted £'000	2020 Total £'000	2019 Total £'000
Grants back to parishes (restricted)	46,232	-	46,232	36,642
Gift aid forwarded to parishes (restricted)	10,828	-	10,828	8,638
Staff costs – note 5	-	276	276	259
Governance	-	16	16	8
Website development costs	-	96	96	58
Digital project IT costs	234	102	336	54
Other costs	-	99	99	79
	57,294	589	57,883	45,738

All expenditure on staff costs, governance costs and other costs in 2020 and 2019 was unrestricted.

4. Net movement in funds

	2020 Total £'000	2019 Total £'000
This is stated after charging:		
Depreciation	Nil	Nil
Auditors remuneration - audit	7	5
	7	5

Notes to the financial statements
For the year ended 31 December 2020

5. Staff numbers and costs

The aggregate payroll costs for staff was as follows:

	2020 £'000	2019 £'000
Wages and salaries	225	199
Social security costs	20	20
Employers pension contributions	31	32
* Secondment costs of CEO	-	8
	276	259

* The CEO became an employee of PGS with effect from 1st April 2019.

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

	No of Employees 2020	No of employees 2019
Charitable activities	8.0	8.0
	8.0	8.0

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 2020 the key management personnel comprised the Chief Executive Officer (Helen Richardson) and the Operations Manager (Helen Taylor). Until March 2019, the Chief Executive Officer was seconded from Gloucester Diocesan Board of Finance, transferring across to PGS with effect from April 2019. The total remuneration and pensions for these two employees amounted to £90k.

Transactions with Trustees

Two Trustees (2019: two) received reimbursement for out of pocket expenses during the period amounting to £169 (2019: £344). Five Trustees made donations of £6,913 (excluding gift aid) to PGS during the year, to financially support the Church of England in their locality.

6. 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 2020

7. Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade debtors	3	6
Prepayments and other debtors	24	7
Accrued income – grant instalment due from Archbishops Council	97	-
	124	13

8. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	72	13
Other taxes and social security	5	5
Accruals and other creditors	54	53
	131	71

9. Analysis of net assets between funds

	Restricted funds 2020 £'000	Designated funds 2020 £'000	General funds 2020 £'000	Total funds 2020 £'000
Net current assets	-	98	207	305
Net assets at 31 December 2020	-	98	207	305

Comparative analysis for 2019

	Restricted funds 2019 £'000	Designated funds 2019 £'000	General funds 2019 £'000	Total Funds 2019 £'000
Net current assets	-	200	203	403
Net assets at 31 December 2019	-	200	203	403

Notes to the financial statements
For the year ended 31 December 2020

10. Movement in funds

	Balance at 1st January 2020	Income	Expenditure	Transfers	Balance at 31st December 2020
	£'000	£'000	£'000	£'000	£'000
General fund	203	491	(589)	102	207
Designated fund – IT fund	200	-	-	(102)	98
Restricted funds	-	57,060	(57,060)	-	-
Restricted funds – grant digital project	-	234	(234)	-	-
Total	403	57,785	(57,883)	-	305

Comparative movements for 2019

	Balance at 1 st January 2019	Income	Expenditure	Transfers	Balance at 31 st December 2019
	£'000	£'000	£'000	£'000	£'000
General fund	177	484	458	-	203
Designated fund – IT fund	200	-	-	-	200
Restricted funds	-	45,280	45,280	-	-
Total	377	45,764	45,738	-	403

Designated fund

The IT fund was set up as a designated fund during 2016, to make a fund available to support the charity's future investment in IT. During 2018, the Trustees decided to increase this designated fund to £200k, with £102k being utilised during 2020.

Restricted funds

These comprise:-

- 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 towards the digital project

Notes to the financial statements
For the year ended 31 December 2020

II. Comparative statement of financial activity

	Restricted	Unrestricted	2019 Total
	£'000	£'000	£'000
Income from:			
Charitable activities	45,280	484	45,764
Total	45,280	484	45,764
Expenditure on:			
Charitable activities			
Total resources expended	45,280	458	45,738
Net movement in funds	-	26	26
Reconciliation of funds			
Funds at the start of the year	-	377	377
Funds at the end of the year		403	403

REGISTER OF MEMBERS at 31st December 2020

- (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, GU1 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, L1 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, CM1 1AT. (**Chelmsford DBF**)
- (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. (**Portsmouth DBF**)
- (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. (**Truro DBF**).

REGISTER OF MEMBERS at 31st December 2020 (continued)

- (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. (**St Albans DBF**)
- (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. (**London DBF**)
- (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. (**Leicester DBF**)
- (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. (**Birmingham DBF**)
- (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. (**Newcastle DBF**)
- (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. (**Salisbury DBF**)
- (16) **The Ely Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00142183 and registered charity (number 245456) whose registered office is at Diocesan Office, Bishop Woodford House, Barton Road, Ely Cambridgeshire, CB7 4DX. (**Ely DBF**)
- (17) **The St Edmundsbury and Ipswich Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00143034 and registered charity (number 248919) whose registered office is at Diocesan Office, St Nicholas, Centre, 4 Cutler Street, Ipswich, Suffolk, IP1 1UQ. (**St Edmundsbury and Ipswich DBF**)
- (18) **The Bristol Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00156243 and registered charity (number 248502) whose registered office is at Diocesan Office First Floor Hillside House 1500 Parkway North, Newbrick Road, Stoke Gifford, Bristol, BS34 8YU. (**Bristol DBF**).
- (19) **The Derby Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00229700 and registered charity (number 249767) whose registered office is at Derby Church House, Full Street, Derby, DE1 3DR. (**Derby DBF**)

REGISTER OF MEMBERS at 31st December 2020 (continued)

- (20) **The Oxford Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00142978 and registered charity (number 247954) whose registered office is at Church House Oxford Langford Locks, Kidlington, Oxford, Oxon, OX5 1GF. (**Oxford DBF**)
- (21) **The Sheffield Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00196087 and registered charity (number 245861) whose registered office is at Sheffield Diocesan Church House, 95-99 Effingham Street, Rotherham, S65 1BL. (**Sheffield DBF**)
- (22) **The Durham Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00192018 and registered charity (number 248287) whose registered office is at Cuthbert House, Stonebridge, Durham DH1 3RY. (**Durham DBF**)
- (23) **The Hereford Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00144467 and registered charity (number 249685) whose registered office is at The Palace, Palace Yard, Hereford HR4 9BL. (**Hereford DBF**)
- (24) **The Lincoln Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00097256 and registered charity (number 249355) whose registered office is at Edward King House, The Old Palace, Lincoln LN2 1PU. (**Lincoln DBF**)
- (25) **The Worcester Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00271752 and registered charity (number 247778) whose registered office is at The Old Palace, Deansway, Worcester WR1 2JE. (**Worcester DBF**)
- (26) **The Peterborough Diocesan Board of Finance** incorporated and registered in England and Wales with company number 186179 and registered charity (number 250569) whose registered office is at The Palace, Peterborough PE1 1YB. (**Peterborough DBF**)
- (27) **The Coventry Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00319482 and registered charity (number 247828) whose registered office is at Diocesan Offices, 1 Hill Top, Coventry, CV1 5AB. (**Coventry DBF**)
- (28) **The Leeds Diocesan Board of Finance** incorporated and registered in England and Wales with company number 08823593 and registered charity (number 1155876) whose registered office is at 17/19 York Place, Leeds, England, LS1 2EX. (**Leeds DBF**)
- (29) **The York Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00225234 and registered charity (number 244976) whose registered office is at Amy Johnson Way, York YO30 4XT. (**York DBF**)
- (30) **The Southwark Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00236594 and registered charity (number 249678) whose registered office is at Trinity House, 4 Chapel Court, Borough High Street, London SE1 1HW. (**Southwark DBF**).