

PARISH GIVING SCHEME

REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

PARISH GIVING SCHEME

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2019

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	John Preston (Chair until 14 th March 2019) Victoria James (Chair from 14 th March 2019) Benjamin Preece Smith Neil Williams Revd David Brooke Adrian Beney Rebecca Evans
CHIEF EXECUTIVE OFFICER	Helen Richardson
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 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees present their report and the audited financial statements for the year ended 31 December 2019. 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.

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 six 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.

The PGS team is led by the Chief Executive Officer, Helen Richardson. Helen has been in post since 1st January 2016 and before that was instrumental in setting up The Scheme in the Diocese of Gloucester in 2008.

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 (see diagram overleaf).

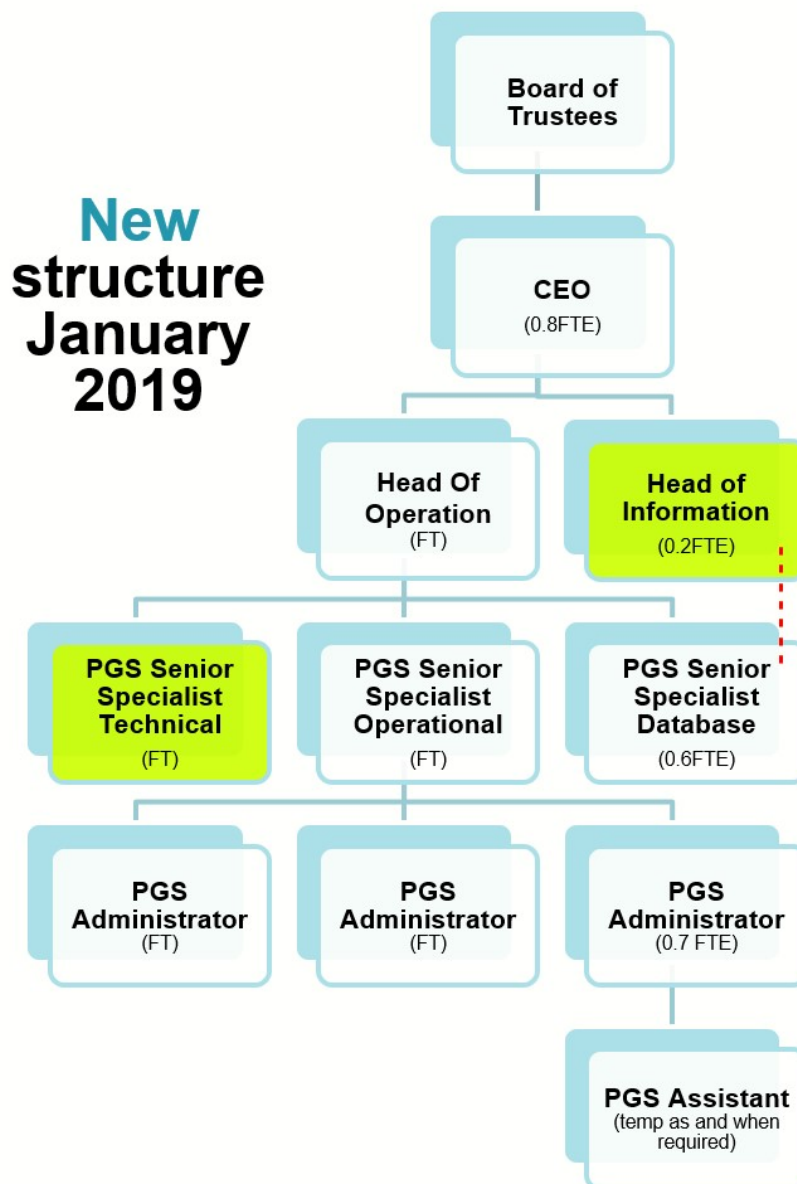
An organisational review is a natural development within the life of a rapidly growing organisation. This new structure will be the third review in five years. Until now the budget process had focused on resourcing the administrative level of the schemes processes and a greater focus is now needed to release the resource of the CEO and HO. Delegation for the executive team is essential to enable them to operate more fully in the strategic sphere of their roles which are expanding due to the exponential growth of the scheme.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (ctd)

Alongside this, some fairly significant changes in 2019 had a significant impact on the shape and direction of the organisation:

- The departure of John Preston (Chair from 23rd December 2013 – 14th March 2019)
- The introduction of new Chair – Victoria James (14th March 2019).
- The urgency regarding the Digital Project and how it has highlighted the limitations of the existing IT environment and in-house IT expertise.
- The strategic positioning of the PGS within the Church of England.



REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

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.

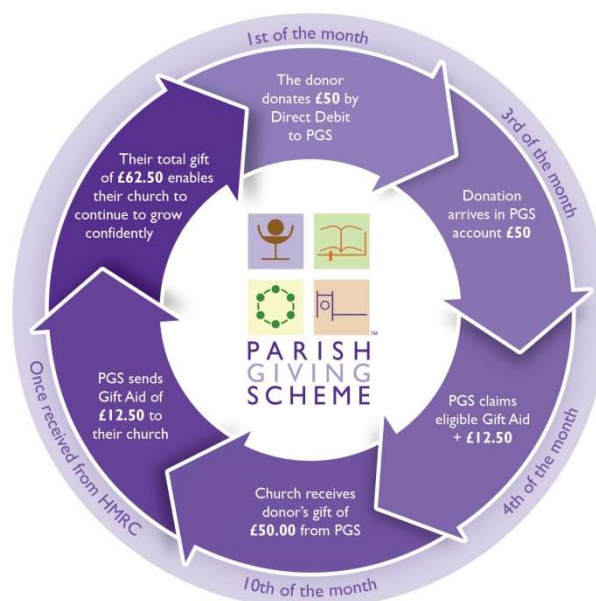
During 2019 the core PGS service has enabled over 2,634 parishes (an increase of 32% on 2018) to access funds from more than 45,000 donors (an increase of 20% on 2018) and the accompanying Gift Aid more quickly and efficiently than would have otherwise been the case, thereby enabling them to better fulfil their key activities of promoting the whole mission of the church throughout their parishes.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 donations from twenty-seven 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 2019 the dioceses of Worcester, Coventry and Peterborough launched The Scheme, with the dioceses of Leeds, York & Southwark preparing to become full members during 2020. A register of members is provided on page 29 - 31.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

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-18	Dec-19	Change
Number of Donors	36,426	44,963	+23 %
Number of Churches	1,995	2,634	+32%
Total forwarded to Churches in month	£3.1M	£4.3M	+39%
Average Weekly Gift (Monthly Givers)	£17.01	£17.03	+0.1%
Percentage of gifts on which Gift Aid is claimed	90.3%	89.7%	-0.7%
Percentage of donors opting to inflate	54.3%	54.5%	+0.4%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 for dioceses with more than 1,000 donors giving through The Scheme with the average giving for givers across the dioceses.

Diocese	PGS Dec-19	Total Diocese PG* (2017)	Difference
Bristol	£21.27	£13.86	53%
Chelmsford	£17.61	£12.78	38%
Chichester	£15.26	£13.31	15%
Ely	£19.36	£14.40	34%
Exeter	£14.35	£10.20	41%
Gloucester	£15.42	£12.26	26%
Guildford	£20.63	£19.76	4%
Hereford	£11.28	£7.03	60%
Liverpool	£15.66	£9.98	57%
London	£21.39	£21.81	-2%
Oxford	£18.80	£14.98	26%
Portsmouth	£16.02	£10.91	47%
St Albans	£16.44	£13.75	20%
St Edmundsbury & Ipswich	£16.11	£9.15	76%
Salisbury	£15.42	£9.76	58%
Truro	£14.47	£8.63	68%
Winchester	£18.85	£13.58	39%

*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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

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.

GROWTH AND FUTURE PLANS

2019 was the tenth 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	Forecast 2020
Underlying Donations	£0.64m	£1.08m	£2.9m	£5.3m	£8.1m	£13.3m	£19.0m	£26.1	£36.5m	£45m
Gift Aid reclaimed	£0.16m	£0.25m	£0.7m	£1.3m	£1.9m	£3.2m	£4.5m	£6.2	£8.7m	£10.5M
Total forwarded to parishes	£0.8m	£1.33m	£3.6m	£6.6m	£10.0m	£16.5m	£23.5m	£32.3m	£45.2m	£55.5m
Donors	1,236	1,869	4,850	7,244	11,475	19,267	25,533	37,508	44,963	54,463
Number of Donations Processed (k)	10.4	17.5	41.5	75.6	111.2	183	257.2	345.3	483	580

The Trustees expect that the income of the Charity in 2020 will again see substantial growth. This is expected to come from:

- Three dioceses (Leeds, York and Southwark) moving into full diocesan launch during 2020
- Existing dioceses continuing to attract new donors and parishes

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

DIOCESAN ROLLOUT

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

The growth of PGS and its resourcing occurs through the Anglican diocesan structure. Diocesan Boards of Finance (DBFs) are invited to support the roll-out of PGS to parishes within their diocese. In committing to support PGS, DBFs agree to become a member of the company, pay an initial membership contribution to provide operational reserves and 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 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 1st July 2020 was as follows:

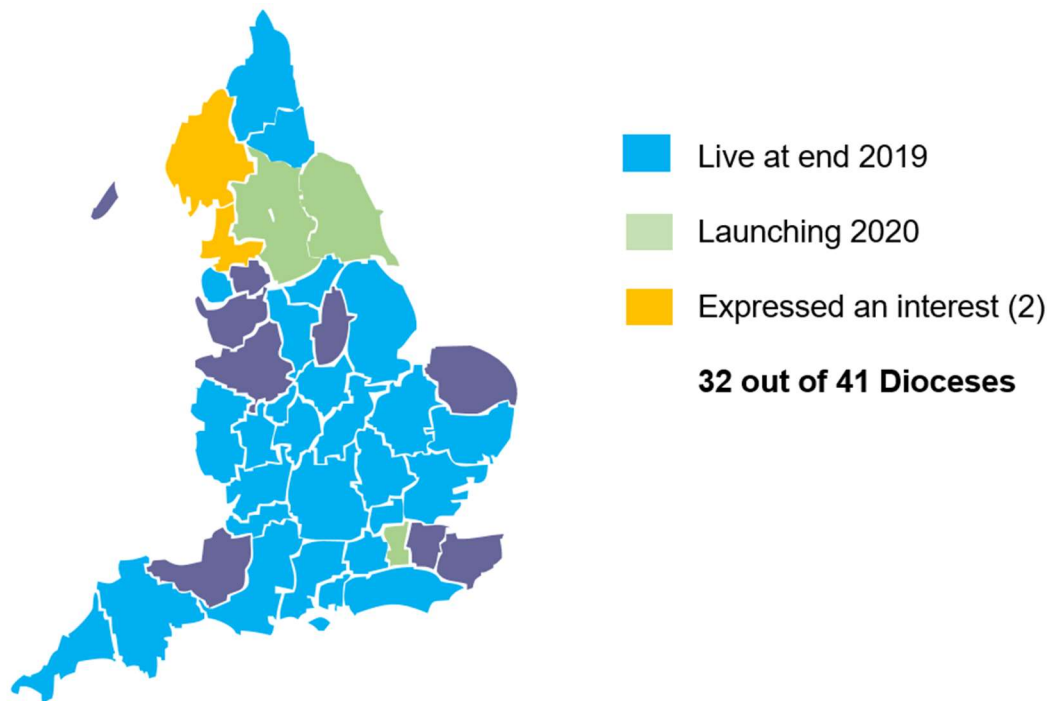
- The DBFs of Birmingham, Bristol, Chelmsford, Chichester, Derby, Ely, Exeter, Gloucester, Guildford, Leicester, Liverpool, London, Newcastle, Portsmouth, Salisbury, St Albans, St Edmundsbury and Ipswich, Truro, Winchester, Durham, Hereford, Lincoln, Oxford and Sheffield are members who have operated The Scheme for at least a year.
- The DBFs of Worcester, Coventry & Peterborough are members who have begun full scale Diocesan roll out during the past twelve months.
- The DBFs of Leeds, York and Southwark will launch later in 2020.

We are aware several other dioceses are seriously considering joining The Scheme within the next twelve to eighteen months. Based on these conversations, the Trustees now expect that the PGS will serve over three quarters of the mainland UK dioceses (34) within 6 years.

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 2019



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 2019, the combined donation and gift aid amounted to £45.3m (2018: £32.3m).

The unrestricted income for PGS mainly comprises services contributions of £387k (2018: £322k) and contributions from member dioceses of £80k (2018: £120k). For further details see note 2 on page 24. Unrestricted expenditure for 2019 amounted to £458k (2018: £404k). For further details see notes 3 and 5 on pages 24 and 25).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

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. 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.

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 2019 no complaints were received (2018: nil).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

CHIEF EXECUTIVE'S REPORT – EVOLUTION OF THE SCHEME

During this year the PGS celebrated its 10th Anniversary whilst continuing to grow exponentially. This anniversary coincided with a significant point of transition for the organisation from a small start-up department of one employee to a fully independent shared service, serving 70% of the CofE's dioceses, and processing over £45m in donation income for parishes.

At the Annual Members Meeting in June 2019, and later in the early Autumn, I set out the case for reviewing the long-term financial sustainability of the PGS and to elicit the members support for the next important developments for the organisation.

The transition approach I shared was as follows:

1. New Office

The organisation has grown to 10 employees and outgrown the offices provided by Gloucester DBF. As of January 2020 the organisation will be moving to a new office. This move takes the charity into being a fully independent entity.

2. The Digital Project

A renewed focus on implementing a digital solution to offer donors and parishes a secure and fully integrated online giving facility. The introduction of an e-commerce website requiring bank level security, and the necessary migration to a new Private Cloud based IT infrastructure, are all necessary (yet expensive) investments in future proofing the scheme.

3. Review of the charging model

In light of the overwhelming success of the scheme and five years' worth of budgetary data, a review of how we charge for this service is now required.

From the outset, the PGS was established as a shared service on a not-for-profit basis. It was agreed that once it matured it would be funded by its members on a proportional basis. The move to a proportional model has been deferred for three years to allow for a smoothed transition for all dioceses moving from a fixed to a proportional model. The Board have given considerable thought to the proportional charging model and given how early member dioceses prepare their budgets agreed to defer the new charges until 2021. Given the significant increase, 2021 will be a year of transition phase towards sharing the full cost.

The costs of our service will be directly affected by the three issues outlined above.

Chief Executive's Report - Evolution of the Scheme (ctd)

The bullet points below summarise these changes, along with the benefits to the service and their likely impact on the budget:

1) New Office:

The transition to a new office ensures that the PGS will be fully independent from the Diocese of Gloucester. All PGS member dioceses have benefited significantly from Gloucester DBF's generosity over the past ten years, particularly in subsidising the costs of premises, IT services and HR support. Our necessary departure will contribute towards an increase on our current budget. One of the key drivers for the move was the fact that we have no more space to accommodate the additional staff that the service needs and that our future digital requirements require us to enhance our IT capability and security by detaching from the existing shared IT system.

2) The Digital Project:

In February 2019, I took the difficult decision to pause the digital project until a concern over unreliable connectivity and a reliance on an insufficient IT infrastructure was resolved. We have been attending to each of these issues and together with the appointment of Brendan Harris the designated IT project manager, we have the necessary plans and people now in place to enable us to develop a tool to facilitate regular giving by Direct Debit online. In addition, it will pave the way for further systems enhancements, such as offering one-off donations through a 'My Giving' area. Parishes, Cathedrals, Dioceses will be able to host a DONATE NOW button on their websites that will route the donor through to a bespoke secure landing page within the PGS website where donors can give securely, day or night.

The potential for this project is significant and after a rather challenging reflection process, we are in a far better place to execute this plan successfully. However, the re-evaluation process highlighted the need for significant additional funding to maintain the ongoing needs of such a secure digital service of this level.

The digital service is in addition to the paper-based offering, widening our appeal to both parishes and donors. But this requires investment. We predict that this full cost (post development) will add an additional £200k a year to the budget. The Board and I were keen to attract investment for the development phase of this offering and engaged the attention of the Archbishops' Council Finance Committee. We learnt at the end of February 2020 that we were successful in this bid and the PGS has been awarded £578k towards the development phase.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

Chief Executive's Report - Evolution of the Scheme (ctd)

3) Review of the charging model:

The charging model adopted in 2014 was an attempt at forecasting the costs of a regular giving service on which we had very little data to help predict its growth. By and large the pricing structure got it largely right, however, on occasions over the last six years we have been forced to rely on our reserves to supplement the shortfall in our income. Therefore, at this particular point in the organisation's existence, it is necessary to reappraise the base service costs, at the same time as the office move and digital service costs are introduced.

The Board are really excited by this transition and the potential for the development of the PGS. Our service is meeting a real need – we are lightening the burden for parishes, we are nurturing the donors to our churches and we are planning for an ambitious digital platform to deliver an enhanced and efficient service. We remain an organisation 'built by the church for the church', committed to support every corner of the CofE in securing a regular income stream for generations to come.



Helen Richardson
Chief Executive

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

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 I

AUDITORS

The appointment of Haysmacintyre LLP as auditors to the PGS will be proposed at the Annual Members Meeting.

Approved by the Trustees on 22nd October 2020 and signed on their behalf by Victoria James

Trustee

Signed: Victoria James

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 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 2019 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, 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.

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

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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

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

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 Report of the Trustees (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (which incorporates the strategic report and the directors' report) has 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 Report of the Trustees (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.

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: 12th November 2020

Statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 December 2019

	Note	Restricted £'000	Unrestricted £'000	2019 Total £'000	<i>2018 Total £'000</i>
Income from:					
Charitable activities	2	45,280	484	45,764	32,796
Total		45,280	484	45,764	32,796
Expenditure on:					
Charitable activities	3	45,280	458	45,738	32,749
Total		45,280	458	45,738	32,749
Net movement in funds		-	26	26	47
Reconciliation of funds					
Funds at the start of the year		-	377	377	330
Funds at the end of the year		-	403	403	377

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 2018, are shown in note 11.

Balance sheet
As at 31 December 2019

Company number 08824540

	Note	2019 £'000	2018 £'000
Current assets			
Stock		20	17
Debtors	7	13	30
Cash at bank and in hand		441	393
		474	440
Creditors: amount due within one year			
	8	(71)	(63)
Net assets		403	377
Reserves			
Restricted funds		-	-
Unrestricted funds	10		
Designated funds	10	200	200
General funds	10	203	177
Total funds		403	377

Approved by the Trustees on 22nd October 2020 and signed on their behalf by Victoria James,
Trustee

Statement of Cashflows
Year ended 31 December 2019

	2019	<i>2018</i>
	<i>£'000</i>	<i>£'000</i>
Net cash inflow/(outflow) from operating activities	48	<i>(39)</i>
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	48	<i>(39)</i>
Cash & cash equivalents at 1 January	393	<i>432</i>
Cash & cash equivalents at 31 December	441	<i>393</i>
Reconciliation of net movement in funds to net cash inflow from operating activities	26	<i>47</i>
Adjustments for:		
(Increase) in stock	(3)	<i>(10)</i>
Decrease/(increase) in debtors	17	<i>(16)</i>
Increase/(decrease) in creditors	8	<i>(60)</i>
Net cash inflow from operating activities	48	<i>(39)</i>
Analysis of cash and cash equivalents		
Cash in bank & in hand	441	<i>393</i>
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	441	<i>393</i>

Notes to the financial statements
For the year ended 31 December 2019

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 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. This review has included an assessment of cash flow forecasts and the impact of the Covid-19 pandemic which is addressed further in Note 12.
- 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 2019

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 2019

2. Income from charitable activities

	Restricted	Unrestricted	2019	<i>2018</i>
	£'000	£'000	Total	<i>Total</i>
	£'000	£'000	£'000	<i>£'000</i>
Services contributions	-	387	387	<i>322</i>
Restricted donations	36,642	-	36,642	<i>26,152</i>
Gift Aid reclaimed (restricted)	8,638	-	8,638	<i>6,193</i>
Contributions from member Dioceses	-	80	80	<i>120</i>
Other income	-	17	17	<i>9</i>
	45,280	484	45,764	<i>32,796</i>

All income from service contributions, contributions from member Dioceses and other income in 2019 was unrestricted.

3. Expenditure on charitable activities

	Restricted	Unrestricted	2019	<i>2018</i>
	£'000	£'000	Total	<i>Total</i>
	£'000	£'000	£'000	<i>£'000</i>
Grants back to parishes (restricted)	36,642	-	36,642	<i>26,152</i>
Gift aid forwarded to parishes (restricted)	8,638	-	8,638	<i>6,193</i>
Staff costs – note 5	-	259	259	<i>200</i>
Governance	-	8	8	<i>5</i>
Website development costs	-	58	58	<i>119</i>
IT costs	-	54	54	<i>20</i>
Other costs	-	79	79	<i>60</i>
	45,280	458	45,738	<i>32,749</i>

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

4. Net movement in funds

	2019	<i>2018</i>
	Total	<i>Total</i>
	£'000	<i>£'000</i>
This is stated after charging:		
Depreciation	Nil	Nil
Auditors remuneration - audit	5	5
	5	<i>5</i>

Notes to the financial statements
For the year ended 31 December 2019

5. Staff numbers and costs

The aggregate payroll costs for staff was as follows:

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Wages and salaries	199	<i>147</i>
Social security costs	20	<i>12</i>
Employers pension contributions	32	<i>17</i>
* Secondment costs of CEO	8	<i>24</i>
	259	<i>200</i>

* 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 2019	<i>No of employees 2018</i>
Charitable activities	8.0	<i>8.0</i>
	8.0	<i>8.0</i>

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 2019 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 (2018: one) received reimbursement for out of pocket expenses during the period amounting to £344 (2018: £91). Five Trustees made donations of £6,138 (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 2019

7. Debtors: amounts falling due within one year

	2019	2018
	£'000	£'000
Trade debtors	6	26
Prepayments and other debtors	7	4
	13	30

8. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	13	4
Other taxes and social security	5	3
Accruals	53	56
	71	63

9. Analysis of net assets between funds

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

Comparative analysis for 2018

	Restricted funds	Designated funds	General funds	Total Funds
	2018	2018	2018	2018
	£'000	£'000	£'000	£'000
Net current assets	-	200	177	377
Net assets at 31 December 2018	-	200	177	377

Notes to the financial statements
For the year ended 31 December 2019

10. Movement in funds

	Balance at 1st January 2019	Income	Expenditure	Transfers	Balance at 31st 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

Comparative movements for 2018

	Balance at 1st January 2018	Income	Expenditure	Transfers	Balance at 31st December 2018
	£'000	£'000	£'000	£'000	£'000
General fund	130	451	(404)	-	177
Designated fund – IT fund	200	-	-	-	200
Restricted funds	-	32,345	(32,345)	-	-
Total	330	32,796	(32,749)		377

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 the previous year, the Trustees decided to increase this designated fund to £200k.

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.

Notes to the financial statements
For the year ended 31 December 2019

11. Comparative statement of financial activity

	Restricted	Unrestricted	2018 Total
	£'000	£'000	£'000
Income from:			
Charitable activities	32,345	451	32,796
Total	32,345	451	32,796
Expenditure on:			
Charitable activities	32,345	404	32,749
Total resources expended	32,345	404	32,749
Net movement in funds	-	47	47
Reconciliation of funds			
Funds at the start of the year	-	330	330
Funds at the end of the year	-	377	377

12. Post balance sheet events

It is noted that post year end the global Covid-19 pandemic is having an impact on the day to day operations of the charity. Management have taken steps to ensure that the charity can continue to operate and a new paperless facility is being offered to prospective donors via a dedicated "donate by phone" telephone number. This new facility provides a unique opportunity to continue giving to church in absentia. The latest news on the charity's response to the pandemic can be found at <https://www.parishgiving.org.uk/about-us/latest-news/>

REGISTER OF MEMBERS at 31st December 2019

- (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, 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 2019 (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 2019 (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)**

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

- (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)**.