

THE PAROCHIAL CHURCH COUNCIL THE PARISH OF LEEDS ST. GEORGE

Annual Report and Consolidated Financial Statements

For the year ended

31 December 2017

Charity number 1131798

THE PAROCHIAL CHURCH COUNCIL THE PARISH OF LEEDS ST. GEORGE

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Annual Report

For the year ended 31 December 2017

Reference and Administration

The full name of the charity is The Parochial Church Council The Parish of Leeds St George (referred to elsewhere as the PCC), which is situated in Great George Street, Leeds, LS1 3BR. This is also the address for all correspondence. It is part of the Diocese of West Yorkshire & the Dales (formerly the Diocese of Ripon and Leeds) within the Church of England. The Church is registered with the Charity Commission and its Charity number is 1131798.

Membership of the PCC

The PCC members, who are the trustees for the purpose of the Charities Act and who served on the Council since the Annual Church Meeting in 2017 to date (unless otherwise stated), are set out below. During 2016, 4 ex-officio members, 2 co-opted members (one non-voting), 2 Churchwardens, 1 Deputy Churchwarden, 4 Deanery Synod members and 12 elected members served on the PCC.

Ex-Officio members:	Reverend Lizzy Woolf Reverend Joanna Seabourne Reverend Luke Briggs Reverend Mark Harlow	Rector (appointed September 2017) Associate Rector Associate Rector Curate (resigned 11 September 2017)
Co-opted members:	Janet Gibson Alastair Smith	PCC Secretary (non-voting) Church Treasurer
Churchwardens: Deputy Churchwarden	Andy Eaves, Nicholas Bishop Dianne Riley	
Deanery Synod members:	Millie Holmes, David Kibble, Pauline Rhodes, Philip Sykes	
Elected members:	Tim Balls, Alison Cawood, Martha Chaparaganda (deceased 26 March 2018), Alan Duboisée de Ricquebourg, Ewan Jones, David Kemball, Tim Riman (resigned 31 August 2017), Shirley Stackhouse John Betts, David Casey, Jonathan Collett and Barbara Eykel resigned on 31 December 2017 to take up membership of St Paul's, Ireland Wood.	

Day to day management is delegated to the Church Administrator.

Bankers: Unity Trust Bank, Nine Brindleyplace, 4 Oozells Square, Birmingham, B1 2HB

Independent Examiner: Sally Templeman, 4 Lawn Avenue, Burley in Wharfedale, Leeds, LS29 7ET

Structure, Governance and Management

The method of appointment of PCC members is set out in the Church Representation Rules. Newly appointed PCC members are inducted into their roles and responsibilities by the Churchwardens and Administrator.

The PCC operates through a number of committees:

The Standing Committee: This committee is a requirement by law and has the power to transact the business of the PCC in between official meetings

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The Treasury:	Oversees the general finances of St. George's Church, sets the annual budget and is responsible for the annual review of giving within the Church
Overseas Mission Committee:	Spearheads the Church's overseas and home mission programme in terms of agreeing financial support for Mission Partners abroad and for Church members on short term mission programmes
Church Centre Management Committee:	Responsible for reviewing all operational aspects of the Church Centre and advising the PCC accordingly
Staffing Committee:	Responsible for reviewing staff matters and of advising the PCC on recommended courses of action

Arrangements for setting pay and remuneration: The trustees consider that the Rector and Associate Rector comprise the key management personnel of the charity in charge of directing and controlling its operations on a day to day basis. They are employed by the Church of England and their remuneration is governed by agreements set nationally by the employing body.

Role of Volunteers: Many of the leadership and support roles within St George's are filled by volunteers. These range from participation in Network Groups, Worship, Outreach and Mission Activities in all their various forms, Administration and Governance. Given the diverse and varied nature of these roles, it is virtually impossible to measure the time commitment and notional value attaching to them.

External Scrutiny: On 11 September 2017, the PCC passed a resolution to appoint an Independent Examiner in place of the incumbent auditor.

Objectives and Activities

St George's PCC has responsibility for co-operating with the Rector in promoting the whole mission of the Church, pastoral, evangelistic, social and ecumenical, in the ecclesiastical parish. It also has maintenance responsibility for the main church building, the adjoining St George's Church Centre and three properties housing staff employed by the PCC.

Achievements and Performance - Report of the Parochial Church Council Secretary

1. General

1. Reports were presented to the Council from various ministries throughout the year, including the Alpha Courses, Students; H&S and Safeguarding; Internship; Overseas Mission; Pastoral Care
2. The PCC heard from Rev Mark Powley regarding the setting up of St Hild College, a new theological college for the region. St Hild was formed through a merger of the Yorkshire Ministry Course and St Barnabas Theological Centre
3. The PCC was also addressed by Chris Fields, St George's Crypt's CEO. The Crypt is the church's main mission partner and the Council heard of the plans to build and refurbish properties to continue with the 'moving on' strategy of the Charity

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For the year ended 31 December 2017

4. The Council received several reports on the plans for our Curate, Mark Harlow, to take up a Vicar post at St Paul's Ireland Wood, taking with him a group of people from St George's to reinvigorate the church. During the year, Mark met with a number of interested parishioners. He moved to St Paul's in September and a small number of St George's congregation accompanied him, with the main tranche going in the New Year
5. The PCC accepted, in principle, the proposal to upgrade the lighting system in church
6. The Parish Profile was completed and the advert for a new Rector was published in December 2016. The interview process was overseen by Simeon's Trustees and the Diocese. Interviews took place in March 2017 and the Reverend Lizzy Woolf was appointed and took up the post in September 2017

2. Staffing

There were several staff changes and appointments during the year.

1. Dan Tyler left in June having been appointed pastor to a church in Auckland, New Zealand
2. Ilona Janoz-Floyd left and Maria Butuza was appointed as Housekeeper
3. Matt Malone left to continue a business career
4. Joanna Seabourne returned from maternity leave in July
5. Michael Ridley stepped down as Graphics Administrator and Alasdair Elmes was appointed
6. Laura Palmer was appointed as International Student Worker
7. Tim Riman was appointed as Student Worker
8. Rosie Smith started as Children's Worker
9. Lizzy Woolf started as Rector in September
10. Mark and Kathryn Harlow left in September to begin ministry at St Paul's Church, Ireland Wood
11. Three new Interns started in September and attended training at St Michael le Belfry, York, each Monday – a scheme operated through New Wine

3. Financial

1. The Council received quarterly reports from the Treasurer
2. The PCC agreed to commit to the ongoing support of Lighthouse Church and resolved that financial support for the ministry should, in future, come from the annual church budget and not from Reserves
3. St George's Centre had another very successful year and the surplus will again be gift-aided to the Church

4. Church attendance

The electoral roll in 2017 stood at 410 (2016 403).

We give thanks to all the Council members who have led the church faithfully and prayerfully during 2017.

Risk Management

The PCC delegates responsibility for identifying and managing specific key risks to one of the committees set out above. The key risks are incorporated into a Risk Register which is reviewed periodically by one of the nominated PCC committees. A comprehensive review of Financial Risks was recently completed by The Treasury team.

Recommendations from Ellis Whittam following their audits in the operational areas of HR and Personnel and Health and Safety have continued to be implemented.

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For the year ended 31 December 2017

Financial review

Donated income (including tax recovered) totalled £491,317 compared with £493,784 for the previous year. Church Centre conference income held up extremely well in 2017 generating £212,936 compared with £223,936 in 2016. Income from investments totalled £13,888 (2016 £15,287), the lower figure reflecting a higher proportion of investments generating returns based on potential capital appreciation rather than income. The strong performance in financial markets helped to further increase the value of our investments resulting in unrestricted 'paper' gains of £22,988. Overall, unrestricted income totalled £762,498 (2016 £760,240).

Expenditure in 2017 across all areas of church activity totalled £841,424 (2016 £756,535). The increase can be largely attributed to the planned donation to St Paul's, Ireland Wood (£50,000), additional funding for Lighthouse (£4,000), church quinquennial repairs (to be funded from the Repair and Replacement Fund, £16,000), increased Church Centre operating costs (£13,000) and the balance on changes to staffing.

Total funds at 31 December 2017 were £1,369,240 of which £6,624 was restricted and £107,067 related to endowments. The split of unrestricted funds into various designations is outlined in the "Reserves policy" below and in Note 14 of the Financial Statements.

Trading subsidiary

St George's Centre Limited is responsible for the hire of the Church Centre together with the provision of ancillary services. The results of the subsidiary have been consolidated into these accounts together with the activities of the Church. Notes 3(b), 4(b) and 7(b) of the Financial Statements give more detail.

Investment performance

All the investments held as an alternative to cash deposits are invested with CCLA, an organisation which solely manages investments for charities, religious organisations and the public sector. At 31 December 2017, investments were held in the CBF Church of England Investment Fund and the COIF Charities Property Fund. The former is designed to produce combined income and capital growth over the medium term whilst the latter generates immediate returns in the form of dividends. A summary of the performance of each fund is given below:

	Value of each Unit at 31/12/16	Value of each Unit at 31/12/17	Income year ended 31/12/17 Dividends received
CBF Church of England Investment Fund	£32.0941	£36.1038	N/A
COIF Charities Property Fund	£1.1243	£1.1480	£11,565

Reserves policy

At 31 December 2017, St George's had Unrestricted Funds of £1.255 million, a decrease of £46,000. The movement is made up of a deficit of £69,000 less unrealised gains on investments of £23,000. The Unrestricted Funds can be subdivided into various categories as follows.

An amount of £588,496 represents the net book value of tangible fixed assets (less related borrowings) which are used by St George's in the delivery of its mission and the maintenance of Church Centre activities. These are known as

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'Functional Assets' and by their nature are not readily available to meet the day to day operating expenditure of the organisation.

A further sum of £497,000 has been set aside in a Repair and Replacement Fund. The PCC is responsible for the upkeep of the church building together with four properties which it owns. In addition, it has a duty to ensure all fixtures, fittings and equipment used by the staff and congregation are fit for purpose and maintained to a high standard. The Repair and Replacement Fund is designed to meet anticipated major expenditure required over a 10 year rolling period, taking into account inflation.

The Strategic Mission Fund has been established to finance mission initiatives with partners who share broadly the same aims and objectives as St George's. The initial sum allocated for this purpose was £160,000 against which £60,000 was earmarked for Lighthouse and a further £50,000 has been allocated to St Paul's, Ireland Wood.

It is the intention that both the Repair and Replacement Fund and Strategic Mission Fund are reviewed and updated at least annually to ensure current and future needs in these areas are adequately resourced.

The balance of Unrestricted Funds amounting to £120,000 largely comprises a Contingency Fund to meet the additional financial demands which could arise from a downturn in our principal sources of income, namely voluntary giving and Church Centre revenues.

Details of funds and reserves are given in Note 14 to the accounts.

Public benefit

The PCC continue to be aware of the Charity Commission's guidance on Public Benefit. In promoting the Christian faith, St George's Church is open to all and makes no charges to attend any of its services and most of the activities connected with public worship. Some optional courses are run which make a small charge which is intended to cover the direct cost of the resources required in delivering these courses.

Approved by the PCC on 12 March 2018 and signed on their behalf by Reverend Lizzy Woolf, PCC Chairman

Elizabeth Woolf
Rector

Consolidated Statement of Financial Activities

For the year ended 31 December 2017

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	Note	£	£	£	2017 £	2016 £
INCOME FROM:						
<i>Donations and legacies</i>	3(a)	484,390	6,927	-	491,317	493,784
<i>Other trading activities</i>	3(b)	257,280	-	-	257,280	255,797
<i>Income from investments</i>	3(c)	13,888	-	-	13,888	15,287
<i>Income from charitable activities</i>	3(d)	6,940	-	-	6,940	3,753
TOTAL INCOME		762,498	6,927	-	769,425	768,621
EXPENDITURE ON:						
<i>Expenditure on charitable activities</i>	4(a)	643,754	10,290	-	654,044	580,545
<i>Expenditure on raising funds</i>	4(b)	187,380	-	-	187,380	175,990
TOTAL EXPENDITURE		831,134	10,290	-	841,424	756,535
Net (expenditure)/income before gains/(losses) on investments		(68,636)	(3,363)	-	(71,999)	12,086
Net gains/(losses) on investments	7(b) & 10	22,988	-	8,620	31,608	21,168
NET (EXPENDITURE)/INCOME and NET MOVEMENT IN FUNDS		(45,648)	(3,363)	8,620	(40,391)	33,254
Reconciliation of funds:						
TOTAL FUNDS AT 1 JANUARY		1,301,197	9,987	98,447	1,409,631	1,376,377
TOTAL FUNDS AT 31 DECEMBER		1,255,549	6,624	107,067	1,369,240	1,409,631

The consolidated statement of financial activities includes all gains and losses recognised in the year

All income and expenditure derives from continuing activities

The notes on pages 11 to 28 form part of these accounts

Balance Sheets

As at 31 December 2017

	Note	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
FIXED ASSETS					
Tangible fixed assets	7(a)	627,496	648,573	627,496	648,573
Investments	7(b)	107,067	117,980	107,068	117,981
TOTAL FIXED ASSETS		734,563	766,553	734,564	766,554
CURRENT ASSETS					
Stock	8	379	579	379	579
Debtors	9	71,502	61,475	47,654	30,038
Intercompany		-	-	37,904	100,487
Cash and bank		304,587	367,401	269,492	278,258
Investments	10	406,069	323,548	406,069	323,548
TOTAL CURRENT ASSETS		782,537	753,003	761,498	732,910
LIABILITIES:					
Creditors: amounts falling due within one year	11	(108,860)	(60,925)	(87,822)	(40,833)
NET CURRENT ASSETS		673,677	692,078	673,676	692,077
TOTAL ASSETS LESS CURRENT LIABILITIES		1,408,240	1,458,631	1,408,240	1,458,631
LIABILITIES:					
Creditors: amounts falling due after one year	12	(39,000)	(49,000)	(39,000)	(49,000)
TOTAL NET ASSETS		1,369,240	1,409,631	1,369,240	1,409,631
THE FUNDS OF THE CHARITY					
Unrestricted	14	1,255,549	1,301,197	1,255,549	1,301,197
Restricted	15	6,624	9,987	6,624	9,987
Endowment	7(b)	107,067	98,447	107,067	98,447
TOTAL CHARITY FUNDS		1,369,240	1,409,631	1,369,240	1,409,631

Approved by the Parochial Church Council on 12 March 2018 and signed on its behalf by:

Elizabeth Woolf
TrusteeAlastair Smith
Trustee

The notes on pages 11 to 28 form part of these accounts

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

	Note	Total funds	
		2017 £	2016 £
Cash flows from operating activities:			
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	19	3,875	24,372
Cash flows from investing activities:			
Dividends and interest from investments		13,888	15,287
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(17,589)	(46,484)
Redesignated investments (see Note 7(b))		19,533	-
		-	-
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		15,832	(31,197)
Cash flows from financing activities:		-	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		-	-
Change in cash and cash equivalents in the reporting period		19,707	(6,825)
Cash and cash equivalents at the beginning of the reporting period		690,949	697,774
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		710,656	690,949

Cash and cash equivalents include cash held on deposit with regulated banking institutions together with investments held with regulated investment managers

Notes to the Financial Statements

For the year ended 31 December 2017

1 ACCOUNTING POLICIES

Basis of accounting

The PCC is a public benefit entity within the meaning of FRS 102. The financial statements have been prepared under the Charities Act 2011 and in accordance with FRS 102, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS102)) and the Church Accounting Regulations 2006 governing the individual accounts of PCCs and with the Regulations' "true and fair view" provisions.

Basis of consolidation

The consolidated financial statements comprise St George's Church ('the Charity') and its wholly-owned subsidiary undertaking, St George's Centre Limited, ('the Subsidiary'). The summarised profit and loss account for the Subsidiary is shown in note 7(b). The results of the Subsidiary are consolidated on a line by line basis.

Going Concern

Management considers that there are no material uncertainties about the charity's ability to continue as a going concern. The consolidated financial statements have therefore been prepared on the going concern basis which assumes that the Group will continue in operation for the foreseeable future. The Trustees believe that the combination of donated, investment income and funds generated by the Subsidiary are adequate to provide sufficient cash flow to meet all day to day operational needs. The Charity also has sufficient reserves to meet all future commitments which have been identified.

On this basis, the trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence. They therefore consider it appropriate to prepare the consolidated financial statements on the going concern basis.

Funds

Unrestricted or general funds represent the funds of the Group that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC Trustees. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds are those funds that must be spent on restricted purposes and details of the funds held and restrictions are provided in Note 15. Endowment funds, where the capital must be retained, are explained in Note 7(b).

The consolidated financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

Income

Donations, legacies and charitable activities

Collections are recognised when received by or on behalf of the PCC. Planned giving receivable under Gift Aid is recognised only when received. Tax recoverable on Gift Aid donations is recognised when the donation is recognised. Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and an inflow of economic benefit is probable. Sales of books and magazines from the church bookstall are accounted for gross.

Notes to the Financial Statements

For the year ended 31 December 2017

ACCOUNTING POLICIES (continued)

Other income

Rental income from the letting of church premises is recognised when the rental is invoiced as is the provision of any ancillary services.

Income from investments

Dividends and fund distributions are accounted for when due and payable and interest entitlements are accounted for as they accrue. Tax recoverable on such income is recognised in the same accounting year.

Gains or losses on investments

Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

Expenditure

Grants

The award of a grant is recognised as a liability only when the criteria for a constructive obligation are met, payment is probable, it can be measured reliably and there are no conditions attaching to its payment that limit its recognition.

Activities directly relating to the work of the Church

The Diocesan Parish Share is accounted for when payable. Any Share unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown in the Balance Sheet.

Pension costs

Auto enrolment - Eligible employees are automatically enrolled with the National Employment Savings Trust ('NEST') in order to meet the Charity's obligations arising from the statutory provisions of the Pensions Act 2008. Contributions unpaid at 31 December are accrued as a liability and paid to NEST by the 10th day of the following month.

Church Workers Pension Fund - One employee is a member of the Pension Builder Scheme section of the Church Workers Pension Fund. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme was a defined contribution scheme. The pensions costs charged to the Consolidated Statement of Financial Activities in the year are contributions payable.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Notes to the Financial Statements

For the year ended 31 December 2017

ACCOUNTING POLICIES (continued)

Fixed Assets

Consecrated and benefice property

Consecrated and benefice property is excluded from the accounts in accordance with s.10 (2) (a) and (c) of the Charities Act 2011.

Moveable church furnishings

For property acquired prior to 2000, there is insufficient cost information available and therefore such assets are not valued in the financial statements. Items acquired since 1 January 2000 have been capitalised and depreciated in the financial statements over their currently anticipated useful economic life (initially over 4 years) on a straight line basis, apart from certain assets which are deemed to have a longer working life.

All expenditure incurred in the year on consecrated or benefice buildings or on the repair of movable church furnishings acquired before 1 January 2000 is written off.

Properties

Freehold and leasehold properties held as functional assets are valued at their original cost. At each reporting date, an assessment is carried out to determine whether the carrying value is in excess of the recoverable amount.

Other fixtures, fittings and equipment

Equipment used within Church premises is depreciated on a straight line basis, usually over 4 years, except for assets acquired under a finance agreement where depreciation reflects the term of the agreement. Individual items of equipment with a purchase price of £500 or less are written off when the asset is acquired. Fit out costs of the Church Centre are being amortised over 50 years.

Investments

Investments are valued at market value at 31 December using the bid price provided by the fund manager.

Current Assets

Stock is valued at the lower of cost and net realisable value.

Amounts owing to the Group at 31 December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

Short term deposits include cash held on deposit with CBF Church of England Funds or with UK regulated banking institutions and investments held with regulated fund managers. Investments held as current assets are valued at market value at 31 December using the bid price provided by the fund manager.

Taxation

The Charity is a registered charity and has no liability to corporation tax on its charitable activities. The Subsidiary is liable to corporation tax on its taxable profits to the extent that they have not been Gift Aided to the Parent Charity.

Notes to the Financial Statements

For the year ended 31 December 2017

ACCOUNTING POLICIES (CONTINUED)

Critical Accounting Estimates and Judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

Notes to the Financial Statements

For the year ended 31 December 2017

2 FUND COMPARATIVES

Comparative figures for fund movements in the Statement of Financial Activities are as follows:

	Fund movements 2016			Total £
	Unrestricted £	Restricted £	Endowment £	
INCOME FROM:				
<i>Donations and legacies</i>	485,465	8,319	-	493,784
<i>Other trading activities</i>	255,797	-	-	255,797
<i>Income from investments</i>	15,225	62	-	15,287
<i>Income from charitable activities</i>	3,753	-	-	3,753
TOTAL INCOME	760,240	8,381	-	768,621
EXPENDITURE ON:				
<i>Expenditure on charitable activities</i>	568,502	12,043	-	580,545
<i>Expenditure on raising funds</i>	175,990	-	-	175,990
TOTAL EXPENDITURE	744,492	12,043	-	756,535
Net income before gains/(losses) on investments	15,748	(3,662)	-	12,086
Net gains/(losses) on investments	11,332	-	9,836	21,168
NET INCOME/(EXPENDITURE)	27,080	(3,662)	9,836	33,254
TOTAL FUNDS AT 1 JANUARY 2016	1,274,117	13,649	88,611	1,376,377
TOTAL FUNDS AT 31 DECEMBER 2016	1,301,197	9,987	98,477	1,409,631

Notes to the Financial Statements

For the year ended 31 December 2017

3 INCOME		Unrestricted Funds	Restricted Funds	TOTAL FUNDS 2017	2016
	Note	£	£	£	£
3(a) Donations and legacies					
Planned giving					
Gift aid donations		324,435	-	324,435	328,711
Income tax recoverable		82,677	-	82,677	84,470
Youth Worker Appeal Fund	15(b)	-	4,778	4,778	4,780
Asylum Seekers' Appeal Funds	15(c)	-	2,149	2,149	3,539
Other planned giving		54,298	-	54,298	43,639
Collections		16,062	-	16,062	18,631
Sundry donations		5,918		5,918	10,014
Legacies		1,000		1,000	-
		<hr/> 484,390	6,927	491,317	493,784
3(b) Other trading activities					
Church room hire		10,189	-	10,189	5,791
St George's Centre Limited		212,936	-	212,936	223,936
Car parking rental income		21,387	-	21,387	19,352
Rent of 22 Hanover Square/46 Vesper Lane		11,272	-	11,272	5,100
Feed in tariff		1,496	-	1,496	1,618
		<hr/> 257,280	-	257,280	255,797
3(c) Income from investments					
Bank interest	15(d)	2,169	-	2,169	3,153
Dividends and fund distributions		11,719	-	11,719	12,134
		<hr/> 13,888	-	13,888	15,287
3(d) Income from charitable activities					
Bookstall		188	-	188	188
Fees		6,752	-	6,752	3,565
		<hr/> 6,940	-	6,940	3,753
TOTAL INCOME		<hr/> 762,498	6,927	769,425	768,621

Notes to the Financial Statements

For the year ended 31 December 2017

4 EXPENDITURE

	Unrestricted Funds	Restricted Funds	TOTAL 2017	FUNDS 2016
Note	£	£	£	£
4(a) Expenditure on charitable activities				
Missionary & charitable giving				
Mission partners & mission donations	55,438	-	55,438	49,669
St Paul's Ireland Wood donation	50,000	-	50,000	-
Vicar's Discretionary Fund	-	-	-	271
Asylum Seekers' Appeal Funds	-	1,000	1,000	3,763
Tearfund Partnership	-	661	661	-
Leslie Eastwood Legacy	-	3,851	3,851	3,500
	105,438	5,512	110,950	57,203
Ministries				
Youth Work	6,181	-	6,181	8,717
Student ministry	6,844	-	6,844	5,095
Music and drama	2,525	-	2,525	1,475
Other church groups	5,905	-	5,905	6,628
Lighthouse	4,000	-	4,000	-
Outreach events	3,354	-	3,354	3,840
Bookstall	440	-	440	80
Sundry	333	-	333	977
Fees	4,272	-	4,272	2,061
	33,854	-	33,854	28,873
Church running & maintenance				
Church running expenses	51,266	-	51,266	30,360
Caretaker, verger and cleaner	24,515	-	24,515	22,017
Staff housing	21,383	-	21,383	22,926
	97,164	-	97,164	75,303

Notes to the Financial Statements

For the year ended 31 December 2017

4	EXPENDITURE (continued)	Unrestricted Funds	Restricted Funds	TOTAL	FUNDS
4(a)	<i>Expenditure on charitable activities (contd.)</i>	£	£	2017	2016
				£	£
	Staff				
	Staff working expenses	4,439	-	4,439	2,674
	Assistant rector & house for duty pastor	10,000	-	10,000	8,954
	Visiting preachers	181	-	181	-
	Worship/communication pastors	37,696	-	37,696	39,136
	Youth, student & family pastors 15(b)	74,189	4,778	78,967	91,667
	Interns	7,033	-	7,033	3,568
		133,538	4,778	138,316	145,999
	Church management & administration				
	Office salaries	70,111	-	70,111	65,182
	Technical manager	5,050	-	5,050	4,886
	Bookkeeping	20,502	-	20,502	12,731
	Computer Software	595	-	595	1,111
	Telephones	1,044	-	1,044	2,039
	Photocopying	1,458	-	1,458	1,090
	Print, postage and stationery	1,553	-	1,553	2,425
	Website, publicity and PA	3,650	-	3,650	3,233
	Bank charges	1,551	-	1,551	1,023
	Sundry expenditure	1,268	-	1,268	1,034
	Depreciation	18,285	-	18,285	17,068
	Governance costs 4(c)	3,200	-	3,200	3,200
		128,267	-	128,267	115,022
	Diocesan Parish Share	145,493	-	145,493	158,145
	<i>Total expenditure on charitable activities</i>	643,754	10,290	654,044	580,545
	4(b) <i>Expenditure on raising funds</i>				
	St George's Centre Limited 7(b)	75,125	-	75,125	70,928
	Church Centre running costs	91,874	-	91,874	82,891
	Church Centre depreciation	20,381	-	20,381	22,171
		187,380	-	187,380	175,990
	TOTAL EXPENDITURE	831,134	10,290	841,424	756,535

Notes to the Financial Statements

For the year ended 31 December 2017

4(c) **Governance costs**

Governance costs comprise expenditure on assisting the Trustees meet their statutory obligations and includes Independent Examination, £1,700 (2016 Audit £1,700) and a portion of Administration expenditure, £1,500 (2016 £1,500).

5(a) STAFF COSTS	2017	2016
	£	£
Wages and salaries	286,775	295,537
Social security costs	18,706	17,597
Pension costs	8,988	8,178
	314,469	321,312

No employee received emoluments of more than £60,000 (2016: None).

The average number of employees during the year, including full and part time, was 34. This approximates to 18 full time equivalent staff.

5(b) **PAYMENTS TO/DONATIONS FROM PCC MEMBERS**

Expenses totalling £2,397 (2016 £1,964) were paid during the year to or on behalf of members of the clergy who sit on the PCC. None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity. The total donations received from serving PCC members in their capacity as Trustees during 2017 amounted to £43,392.

6 **DESIGNATED FUNDS**

Unrestricted funds include amounts which have been designated by the PCC for specific purposes and are set out in Note 14.

Notes to the Financial Statements

For the year ended 31 December 2017

7	FIXED ASSETS	Group & Charity			TOTAL
		Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	
7(a)	Tangible Fixed Assets	£	£	£	£
	Cost or valuation				
	At 1 January 2017	158,794	482,026	480,888	1,121,708
	Additions	-	-	17,589	17,589
	Disposals	-	-	-	-
	At 31 December 2017	158,794	482,026	498,477	1,139,297
	Depreciation				
	At 1 January 2017	-	72,703	400,432	473,135
	Charge for the year	-	7,093	31,573	38,666
	Eliminated on disposals	-	-	-	-
	At 31 December 2017	-	79,796	432,005	511,801
	Net book value				
	At 31 December 2017	158,794	402,230	66,472	627,496
	At 31 December 2016	158,794	409,323	80,456	648,573

The freehold land and buildings comprise:

46 Vesper Lane - original cost £60,175 (see Note 19(a))

22 Hanover Square - original cost £74,840

The leasehold land and buildings include:

Flat 4, St George's Apartments - the cost of £127,372 is not being depreciated on the grounds that the residual value is considered to be at least equal to original cost

Church Centre - fit out costs of £354,654 are being amortised over 50 years

Freehold reversionary interest

In September 2004, the PCC granted a 150 year lease to Brampton Asset Management in return for a capital sum, which facilitated the redevelopment of land adjacent to St George's Church. No ground rent is receivable in relation to this transaction. Given the length of the leasehold term remaining, it is estimated that the present value of the freehold reversionary interest is not material and therefore no figure has been included in these accounts.

Notes to the Financial Statements

For the year ended 31 December 2017

7(b) Investment Assets

Investment assets comprise (i) a number of securities held by the Diocese as custodian trustee and (ii) one ordinary share in St George's Centre Limited, a wholly owned subsidiary.

(i) During 2017, the holdings in the PCC and Church Repair Fund were transferred out of Diocesan custodian trusteeship to the PCC and at the same time were redesignated as current asset investments (see also Note 10). The remaining endowment holdings continue to be held by the Diocese of Leeds as custodian trustee on behalf of the PCC. All shares shown below are investments in the CBF Church of England Investment Fund.

	Status	Number of shares	Market Value – Group & Charity			
			At 1.1.17	Transfers	Increase in value	At 31.12.17
			£	£	£	£
PCC Fund	Unrestricted	449	6,752	(6,752)	-	-
Church Repair Fund	Unrestricted	850	12,781	(12,781)	-	-
Endowment Fund	Endowment	6,060	91,124	-	7,979	99,103
Curacy Fund	Endowment	487	7,323	-	641	7,964
			117,980	(19,533)	8,620	107,067

Dividends from the Endowment and Curacy funds are retained by the Diocese and used to fund clergy stipends. The capital value of investments classed as endowment must be maintained in perpetuity.

(ii) The ordinary share in St George's Centre Limited was acquired on the incorporation of the company. Its result for the year is shown below. Net assets at 31 December 2017 amounted to £1 and this is deemed to represent the current value of the investment.

	2017	2016
	£	£
Income from room hire, catering and equipment hire	212,936	223,936
Direct costs and overheads	(75,125)	(70,928)
Amount Gift Aided to Parent Charity	(137,811)	(153,008)
Net profit	-	-

8 STOCK

	Group & Charity	
	2017	2016
	£	£
Bookstall	379	579

Notes to the Financial Statements

For the year ended 31 December 2017

9	DEBTORS	Group		Charity	
		2017	2016	2017	2016
		£	£	£	£
	Income tax recoverable	19,227	19,683	19,227	19,683
	Prepayments and debtors	52,275	41,792	28,427	10,355
		<hr/>	<hr/>	<hr/>	<hr/>
		71,502	61,475	47,654	30,038

10	INVESTMENTS	Market Value - Group & Charity				
		At 1.1.17	Transfers	Additions	Increase/ (decrease)	At 31.12.17
		£	£	at cost £	in value £	£
	CCLA - The CBF Church of England Investment Fund	120,388	19,533	40,000	18,706	198,627
	CCLA – COIF Charities Property Fund	203,160	-	-	4,282	207,442
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		323,548	19,533	40,000	22,988	406,069

The current asset investments are held with CCLA, a specialist charity fund manager and are intended to generate superior returns to cash deposits over the medium term and maintain the capital value in real terms. For transfers, see Note 7(b).

11	LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group		Charity	
		2017	2016	2017	2016
		£	£	£	£
	Accruals and deferred income	48,860	40,326	27,822	20,234
	Constructive grant obligations	60,000	20,599	60,000	20,599
		<hr/>	<hr/>	<hr/>	<hr/>
		108,860	60,925	87,822	40,833

The constructive grant obligations (see also note 12) relate to commitments to pay donations to Lighthouse (£10,000) and St Paul's Church, Ireland Wood (£50,000). Further details are given in Note 14.

Notes to the Financial Statements

For the year ended 31 December 2017

12	LIABILITIES: AMOUNTS FALLING DUE AFTER ONE YEAR	Group & Charity	
		2017	2016
		£	£
	Equity Sharing Loan – 46 Vesper Lane	39,000	39,000
	Constructive grant obligations	-	10,000
		39,000	49,000

The Equity Sharing Loan was advanced by the Church of England's Central Board of Finance ('CBF') to assist with the purchase of 46 Vesper Lane. There is no fixed date for repayment but in the event of a sale, the CBF are entitled to share in the proceeds in proportion to the amount advanced as a percentage of the original purchase price. Interest is charged quarterly and increases annually in line with the index of retail prices. As there is currently no intention to sell the property, the loan is disclosed as falling due after one year.

13 ANALYSIS OF NET ASSETS BY FUND

	Group & Charity			
	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Fixed Assets	627,496	-	107,067	734,563
Current Assets	775,913	6,624	-	782,537
Current Liabilities	(108,860)	-	-	(108,860)
Deferred Liabilities	(39,000)	-	-	(39,000)
	1,255,549	6,624	107,067	1,369,240

14 UNRESTRICTED FUNDS

Unrestricted Funds are divided into Designated and Undesignated.

Designated funds comprise the net book value of functional fixed assets together with those funds which the PCC has decided to earmark for specific purposes. Earmarked funds include:

Repair and Replacement Fund – reserves set aside to meet the anticipated cost of major repairs or replacements of functional fixed assets over the next ten years

Strategic Mission Fund – a fund designed to finance key mission initiatives, in conjunction with other partners sharing similar goals to St George's

Notes to the Financial Statements

For the year ended 31 December 2017

Undesignated Reserves at 31 December 2017 amounted to £120,053 and include £89,000 earmarked as a contingent sum to meet unplanned reductions in primary sources of income, namely voluntary giving and Church Centre revenues. The balance of Undesignated Reserves remains unallocated.

Details of these different Funds, their movements during the year and balances at 31 December 2017 are set out below.

ANALYSIS OF MOVEMENTS IN UNRESTRICTED FUNDS	Group & Charity				
	£ Balances at 1.1.17	£ Movements in	£ (Movements out)	£ Transfers	£ Balances at 31.12.17
Designated Funds:					
Net book value of tangible fixed assets	648,573	17,589	(38,666)	-	627,496
Less: related borrowings	(39,000)	-	-	-	(39,000)
Closing balance	609,573	17,589	(38,666)	-	588,496
Repair and Replacement Fund	491,624	-	(25,602)	30,978	497,000
Strategic Mission Fund	100,000	-	(50,000)	-	50,000
	1,201,197	17,589	(114,268)	30,978	1,135,496
Free reserves:					
Undesignated	100,000	51,031	-	(30,978)	120,053
Total unrestricted funds	1,301,197	68,620	(114,268)	-	1,255,549

The movement out of the Repair and Replacement Fund totalling £25,602 mainly related to expenditure incurred in carrying out quinquennial repair works to the church. The transfer in of £30,978 represents the reallocation of Undesignated Reserves in order to supplement the fund and enable it to meet the cost of necessary capital expenditure anticipated over the next 10 years.

The withdrawal of £50,000 from the Strategic Mission Fund represents a commitment to donate funds to St Paul's, Ireland Wood to assist with the church renewal programme being led by the Reverend Mark Harlow. The commitment to pay these funds is shown within constructive grant obligations in Note 11.

Notes to the Financial Statements

For the year ended 31 December 2017

14 UNRESTRICTED FUNDS (continued)

ANALYSIS OF MOVEMENTS IN UNRESTRICTED FUNDS – PREVIOUS YEAR	Balances at 1.1.16	Movements in	(Movements out)	Transfers	Balances at 31.12.16
Designated Funds:					
Net book value of tangible fixed assets	641,328	46,484	(39,239)	-	648,573
Less: related borrowings	(39,000)	-	-	-	(39,000)
Closing balance	602,328	46,484	(39,239)	-	609,573
Repair and Replacement Fund	376,020	-	(32,955)	148,559	491,624
Strategic Mission Fund	100,000	-	-	-	100,000
	<u>1,078,348</u>	<u>46,484</u>	<u>(72,194)</u>	<u>148,559</u>	<u>1,201,197</u>
Free reserves:					
Undesignated	195,769	-	-	(95,769)	100,000
Total unrestricted funds	<u>1,274,117</u>	<u>46,484</u>	<u>(72,194)</u>	<u>52,790</u>	<u>1,301,197</u>

15 RESTRICTED FUNDS

The Restricted Funds include monies given for the Tearfund Partnership (working with an international relief agency in Uganda), the Youth Worker Appeal Fund (donations towards the cost of employing a Youth Pastor), Asylum Seekers' Appeal Funds (monies donated to support asylum seekers within the church) and the Leslie Eastwood Legacy (towards mission work in St George's).

Movements in these funds are as follows:

15(a) Tearfund Partnership	2017	2016
Opening Balance at 1 January	661	661
Incoming resources	-	-
Outgoing resources	(661)	-
Closing balance at 31 December	<u>-</u>	<u>661</u>

Notes to the Financial Statements

For the year ended 31 December 2017

15(b) Youth Worker Appeal	2017	2016
Opening Balance at 1 January	-	-
Incoming resources	4,778	4,780
Outgoing resources	(4,778)	(4,780)
Closing balance at 31 December	-	-
15(c) Asylum Seekers' Appeal Funds	2017	2016
Opening Balance at 1 January	5,475	5,699
Incoming resources	2,149	3,539
Outgoing resources	(1,000)	(3,763)
Closing balance at 31 December	6,624	5,475
15(d) Leslie Eastwood Legacy	2017	2016
Opening Balance at 1 January	3,851	7,289
Incoming resources	-	62
Outgoing resources	(3,851)	(3,500)
Closing balance at 31 December	-	3,851

16 CHURCH WORKERS PENSION FUND ('CWPF')

The PCC participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes. Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

Notes to the Financial Statements

For the year ended 31 December 2017

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the Consolidated Statement of Financial Activities in the year are contributions payable and amounted to £2,231 (2016: £995).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time, but see also Note 19(b).

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPf valuation date, 31 December 2016.

17 FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Carrying amount of Financial Assets		
Financial assets carried at fair value	513,136	429,740
Financial assets measured at amortised cost	410,063	417,990
Carrying amount of Financial Liabilities		
Financial liabilities measured at fair value	-	-
Financial liabilities measured at amortised cost	83,522	104,884

18 CAPITAL COMMITMENTS

At the year end, the PCC had neither authorised nor contracted for any capital expenditure (2016 £Nil).

19 POST BALANCE SHEET EVENTS

19(a) Sale of freehold property

At a meeting on 12 March 2018, the PCC resolved to sell 40 Vesper Lane. However, significant costs (as yet unquantified) will need to be incurred in repairing the boundary wall and replacing the garage before the property can be offered for sale. In the circumstances, it is not felt appropriate to either reclassify or revalue this property at the present time.

19(b) Church Workers Pension Fund ('CWPf')

At the balance sheet date, the PCC had one member enrolled in the CWPf who will retire on 30 April 2018 and commence drawing their benefits. At that date, the PCC has the option to enrol further staff or terminate scheme membership entirely. Termination will require an actuarial calculation to determine whether there are sufficient funds to finance the retiring member's benefits. Any shortfall (known as a Section 75 debt) will need to be made good by the PCC. The PCC may exercise its option to enrol further members at any time up to 30 June 2019.

Notes to the Financial Statements

For the year ended 31 December 2017

20 RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net movement in funds	(40,391)	33,254
Add back depreciation charges	38,666	39,239
(Gains)/losses on investments	(8,620)	(11,788)
Deduct investment income	(13,888)	(15,287)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	200	16
(Increase)/decrease in debtors	(10,027)	154
Increase/(decrease) in creditors	37,935	(21,216)
	<hr/>	<hr/>
	3,875	24,372

Independent examiner's report to the PCC of St. George's, Leeds

I report to the Trustees on my examination of the accounts of the Charity for the year ended 31 December 2017.

Responsibilities and basis of report

As the Charity Trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: Sally Templeman
4 Lawn Avenue
Burley in Wharfedale
Ilkley
LS29 7ET

Date: 16 April 2018