

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ALL SAINTS, CHEADLE HULME
ALL SAINTS PCC, CHEADLE HULME
INDEPENDENT EXAMINER'S REPORT**

**TO THE PCC OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ALL SAINTS, CHEADLE HULME**

I report on the accounts of the church for the year ended 31 December 2017, which are set out on pages 23 to 34.

Respective responsibilities of PCC and examiner

The PCC are responsible for the preparation of the accounts. The PCC consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as members of the PCC concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Silk House
Park Green
Macclesfield



P J Hannibal F.C.A.
JOSOLYNE & CO
Chartered Accountants

Dated: 14 March 2018

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ALL SAINTS, CHEADLE HULME
ALL SAINTS PCC, CHEADLE HULME
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and legacies	2	66,837	812	67,649	74,220
Charitable activities	3	16,034	-	16,034	7,634
Other trading activities	4	4,627	3,855	8,482	7,726
Investments	5	930	-	930	1,584
Total income		88,428	4,667	93,095	91,164
<u>Expenditure on:</u>					
Raising funds	6	35	1,088	1,123	1,396
Charitable activities	7	120,174	3,512	123,686	122,113
Total charitable expenditure		120,174	3,512	123,686	122,113
Other	10	2,700	-	2,700	1,854
Total resources expended		122,909	4,600	127,509	125,363
Net gains on investments	11	904	-	904	(104)
Net movement in funds		(33,577)	67	(33,510)	(34,303)
Fund balances at 1 January 2017		1,177,310	390	1,177,700	1,212,003
Fund balances at 31 December 2017		1,143,733	457	1,144,190	1,177,700

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

All income and expenditure derive from continuing activities.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ALL SAINTS, CHEADLE HULME
ALL SAINTS PCC, CHEADLE HULME
STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Property, plant and equipment	12		848,251		851,004
Investments	13		4,300		3,930
			<u>852,551</u>		<u>854,934</u>
Current assets					
Inventories	15	655		427	
Trade and other receivables	16	13,028		11,984	
Cash at bank and in hand		281,551		313,079	
		<u>295,234</u>		<u>325,490</u>	
Current liabilities	17	<u>(3,595)</u>		<u>(2,724)</u>	
Net current assets			291,639		322,766
Total assets less current liabilities			<u>1,144,190</u>		<u>1,177,700</u>
Income funds					
Restricted funds	18		457		390
Unrestricted funds - general			1,143,733		1,177,310
			<u>1,144,190</u>		<u>1,177,700</u>

The accounts were approved by the PCC on 14th March 2018

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Reverend J Bacon
Chairman of the PCC

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
PARISH OF ALL SAINTS, CHEADLE HULME
ALL SAINTS PCC, CHEADLE HULME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1 Accounting policies

1.1 Accounting convention

The accounts have been prepared in accordance with the church Accounting Regulations 2006 governing the individual accounts of PCC's, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The church is a Public Benefit Entity as defined by FRS 102.

The church has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the PCC has a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the PCC continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the PCC in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the church.

1.4 Incoming resources

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

1 Accounting policies (Continued)

1.5 Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC.

Other expenditure is generally recognised on an accrual basis as a liability is incurred and is accounted for gross.

Expenditure on raising funds includes all expenditure incurred to raise funds for charitable purposes.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other costs include all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	
Office equipment	20% straight line
Organ and fixtures	10% straight line
Central heating	5% / 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of non-current assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Inventories

Inventories are consumables held in stock to be used during the next accounting period and are stated at their cost price.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

2 Donations and legacies

	Unrestricted funds general £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and gifts	66,837	812	67,649	74,220
For the year ended 31 December 2016	<u>74,208</u>	<u>12</u>		<u>74,220</u>
Donations and gifts				
Pledged giving	39,105	-	39,105	37,822
Income tax recoverable	11,557	-	11,557	10,497
Collections at services	12,597	-	12,597	11,129
Donations and legacies	3,578	812	4,390	14,772
	<u>66,837</u>	<u>812</u>	<u>67,649</u>	<u>74,220</u>

3 Charitable activities

	2017 £	2016 £
Fees paid to the PCC	4,098	6,661
Magazine income	991	973
Hulme Hall Crescent rental income	10,945	-
	<u>16,034</u>	<u>7,634</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

4 Other trading activities

	Unrestricted funds general £	Restricted funds £	Total 2017 £	Total 2016 £
Meeting room	2,800	-	2,800	2,307
Fundraising events	952	-	952	1,027
Charities committee events	-	3,215	3,215	3,157
Charities committee donations	-	640	640	275
Other sales	2	-	2	9
Sunday morning coffee sales	873	-	873	951
	<u>4,627</u>	<u>3,855</u>	<u>8,482</u>	<u>7,726</u>
Other trading activities	4,627	3,855	8,482	7,726
	<u>4,627</u>	<u>3,855</u>	<u>8,482</u>	<u>7,726</u>
For the year ended 31 December 2016	<u>4,294</u>	<u>3,432</u>		<u>7,726</u>

5 Investments

	2017 £	2016 £
Interest receivable	930	1,584
	<u>930</u>	<u>1,584</u>

6 Raising funds

	Unrestricted funds general £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Fundraising and publicity</u>				
Charities committee costs	-	1,088	1,088	1,257
Sunday morning coffee expenses	35	-	35	139
	<u>35</u>	<u>1,088</u>	<u>1,123</u>	<u>1,396</u>
Fundraising and publicity	35	1,088	1,123	1,396
	<u>35</u>	<u>1,088</u>	<u>1,123</u>	<u>1,396</u>
For the year ended 31 December 2016				
Fundraising and publicity	139	1,257		1,396
	<u>139</u>	<u>1,257</u>		<u>1,396</u>

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FOR THE YEAR ENDED 31 DECEMBER 2017**

7 Charitable activities

	2017	2016
	£	£
Staff costs	4,566	4,592
Depreciation and impairment	5,093	4,530
Parish share	80,738	78,768
Ministry	1,640	1,855
Vicarage	2,587	2,465
Church insurance and utilities	7,926	8,710
Church maintenance	5,052	3,462
Church organ maintenance	-	295
Childrens work	2,067	1,704
Magazine expenditure	2,026	2,145
Upkeep of churchyard	4,235	3,135
Upkeep of services	1,893	3,852
Curate house	1,240	2,285
Management & Administration	1,923	1,865
Payments to charities	2,700	2,450
	<u>123,686</u>	<u>122,113</u>
	<u>123,686</u>	<u>122,113</u>
Analysis by fund		
Unrestricted funds - general	120,174	
Restricted funds	3,512	
	<u>123,686</u>	
For the year ended 31 December 2016		
Unrestricted funds - general		117,741
Restricted funds		4,372
		<u>122,113</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

8 PCC

One member of the PCC was employed as an organist and was paid £4,152 during the year (2016: £4,152). This remuneration was agreed by other members of the PCC and the member who received the remuneration was not involved in deciding the amount to be paid.

The husband of one PCC member was paid £220.68 during the year for general maintenance (2016: £713.24). This figure was agreed by other members of the PCC and the member whose husband received the remuneration was not involved in deciding the amount to be paid.

One PCC member was reimbursed travelling expenses of £350.77 (2016: £385.59).

No members were reimbursed telephone expenses (2016: £441.02).

No other members of the PCC (or any persons connected with them) received any remuneration or benefits from the church during the year.

9 Employees

Number of employees

The average monthly number employees during the year was:

	2017	2016
	Number	Number
	3	4
	<u> </u>	<u> </u>

Employment costs

	2017	2016
	£	£
Wages and salaries	4,566	4,592
	<u> </u>	<u> </u>

No employees received remuneration of more than £60,000.

10 Other

	2017	2016
	£	£
Independent examiners fees	2,700	1,854
	<u> </u>	<u> </u>
	2,700	1,854
	<u> </u>	<u> </u>
For the year ended 31 December 2016		<u> </u>
		<u> </u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

11 Net gains/(losses) on investments

	2017	2016
	£	£
Revaluation of investments	370	(104)
Gain/(loss) on sale of investments	534	-
	<u>904</u>	<u>(104)</u>

12 Property, plant and equipment

	Land and buildings £	Organ and fixtures £	Total £
Cost			
At 1 January 2017	817,364	85,539	902,903
Additions	-	2,340	2,340
	<u>817,364</u>	<u>87,879</u>	<u>905,243</u>
At 31 December 2017	817,364	87,879	905,243
Depreciation and impairment			
At 1 January 2017	-	51,899	51,899
Depreciation charged in the year	-	5,093	5,093
	<u>-</u>	<u>56,992</u>	<u>56,992</u>
At 31 December 2017	-	56,992	56,992
Carrying amount			
At 31 December 2017	<u>817,364</u>	<u>30,887</u>	<u>848,251</u>
At 31 December 2016	<u>817,364</u>	<u>33,640</u>	<u>851,004</u>

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 31 December 2017	3,930
Valuation changes	370
	<u>4,300</u>
At 31 December 2017	4,300
Carrying amount	
At 31 December 2017	<u>4,300</u>
At 31 December 2016	<u>3,930</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

13 Fixed asset investments (Continued)

The 3.5% conversion stock held in respect of the Emery legacy and the Knott legacy was redeemed during the year and £533.63 was received in June 2017 in respect of these.

14 Financial instruments	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	11,670	10,486
Equity instruments measured at cost less impairment	4,300	3,930
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	3,595	2,724
	<u> </u>	<u> </u>
 15 Inventories	 2017	 2016
	£	£
Stock of consumables	655	427
	<u> </u>	<u> </u>
 16 Trade and other receivables	 2017	 2016
	£	£
Amounts falling due within one year:		
Other receivables	11,670	10,486
Prepayments and accrued income	1,358	1,498
	<u> </u>	<u> </u>
	13,028	11,984
	<u> </u>	<u> </u>
 17 Current liabilities	 2017	 2016
	£	£
Accruals and deferred income	3,595	2,724
	<u> </u>	<u> </u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2017	Movement in funds		Balance at 31 December 2017
		Incoming resources	Resources expended	
	£	£	£	£
Music fund	290	-	-	290
Charities committee	100	3,855	(3,788)	167
War graves	-	12	(12)	-
Quiet area	-	800	(800)	-
	<u>390</u>	<u>4,667</u>	<u>(4,600)</u>	<u>457</u>

19 Analysis of net assets between funds

	£	£	Total £
Fund balances at 31 December 2017 are represented by:			
Property, plant and equipment	848,251	-	848,251
Investments	4,300	-	4,300
Current assets/(liabilities)	291,182	457	291,639
	<u>1,143,733</u>	<u>457</u>	<u>1,144,190</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2016- none).