

PARISH GIVING SCHEME

REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2018

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	Church House, College Green, Gloucester GL1 2LY
PRESIDENT	Rt Revd Rachel Treweek, Bishop of Gloucester
TRUSTEES	John Preston (Chair until 14 th March 2019) Victoria James (Chair from 14 th March 2019) Benjamin Preece Smith John Sherlock (resigned 8 th May 2018) Neil Williams Revd David Brooke Adrian Beney Rebecca Evans
CHIEF EXECUTIVE OFFICER	Helen Richardson
MATERNITY COVER	Eleanor Stead (Acting CEO March 2017 – March 2018)
HEAD OF OPERATIONS	Helen Taylor
BANKERS	Barclays Bank, Britannia Warehouse, The Docks, Gloucester, GL1 2EH
AUDITOR	Haysmacintyre LLP, 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 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees present their report and the audited financial statements for the year ended 31 December 2018. Reference and administrative information set out on page 1 forms part of this report.

Parish Giving Scheme (PGS) (also referred to as The Scheme) was incorporated on 23 December 2013 and registered as a charity on 17 March 2014. Dioceses that participate in the activities of PGS are required to become members of the company.

It commenced independent operations on 1 November 2014. Prior to this equivalent activities were carried out by the Gloucester Diocesan Board of Finance (GDBF) and reported within their statutory accounts. Under prior agreement on 1 November 2014 donors migrated from donating to GDBF to donating to PGS.

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

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

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

The PGS team is led by the Chief Executive Officer, Helen Richardson. Between March 2017 and March 2018, Eleanor Stead was Acting Chief Executive Officer whilst Helen Richardson was on maternity leave.

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 to become operational in 2019 (see diagram overleaf).

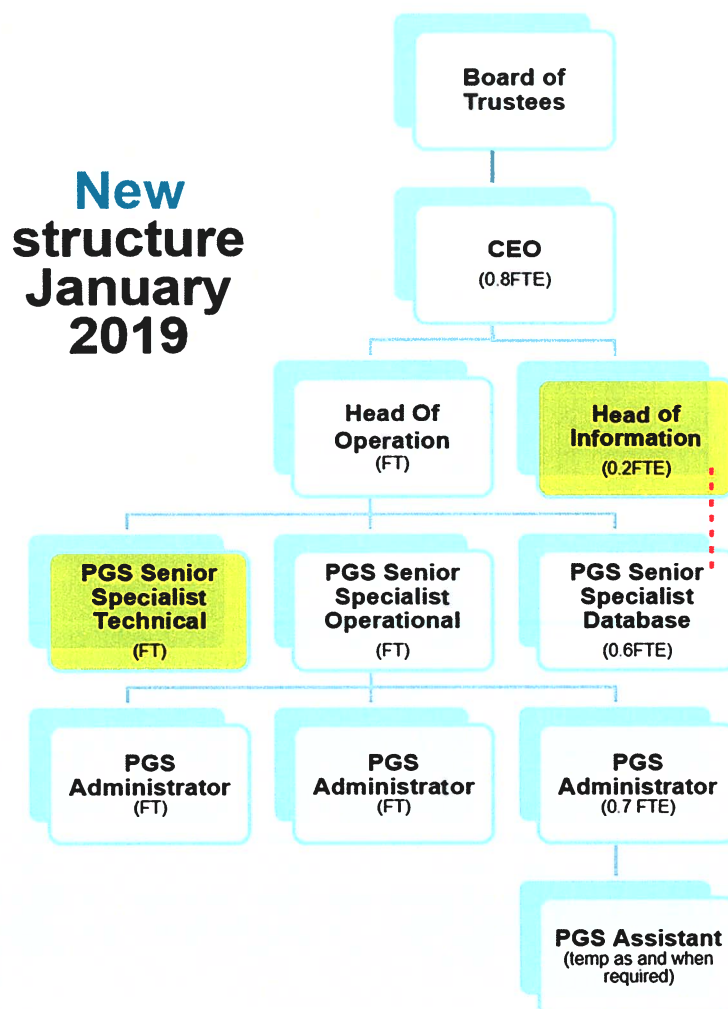
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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 HOO. 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.

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

- Preparedness for vacancy of the Chair of Trustees (March 2019).
- The urgency regarding the Digital Project and how it has highlighted the limitations of our existing IT environment.
- The strategic positioning of the PGS within the Church of England.
- The departure of the current (established) post holder of the National Stewardship Officer.



REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

During 2018 the core PGS service has enabled over 1,995 churches to access funds from more than 37,500 donors (an increase of 47% on 2017) and the accompanying Gift Aid more quickly and efficiently than would have otherwise been the case, thereby enabling them to better fulfil their key activities of promoting the whole mission of the church throughout their parishes.

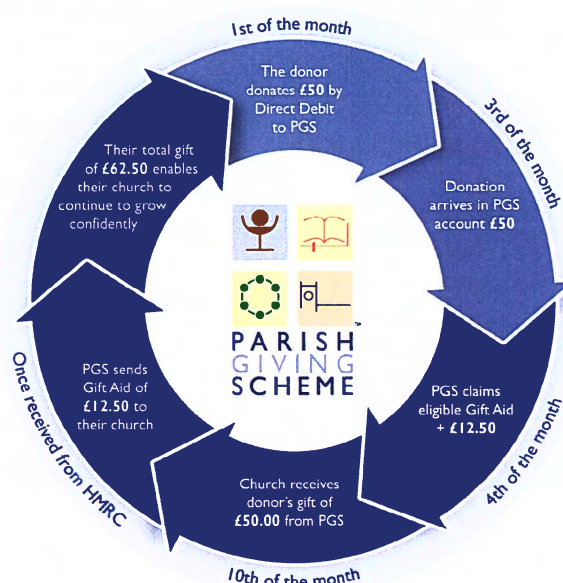
The Trustees have had regard to the Charity Commission's general guidance on public benefit in the review process of our aims and objectives and in planning future developments.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 donations from twenty four 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 2018 the dioceses of Oxford, Hereford, Durham, Sheffield, St Edmundsbury and Ipswich, and Lincoln launched The Scheme, and the dioceses of Worcester, Coventry and Peterborough entered a pre-launch phase with the expectation that they will become members during 2019. A register of members is provided on page 25 - 27.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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-17	Dec-18	Change
Number of Donors	24,057	36,426	+51.4 %
Number of Churches	1,305	1,995	+52.8 %
Total forwarded to Churches in month	£2.22 m	£3.13M	+40.9 %
Average Weekly Gift (Monthly Givers)	£16.62	£17.01	+2.4 %
Percentage of gifts on which Gift Aid is claimed	90.8%	90.3%	-0.5%
Percentage of donors opting to inflate	53.9%	54.3%	+0.7%

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 2018 for dioceses with more than 1000 donors giving through The Scheme with the average giving for givers across the dioceses. *PG: Average weekly gift from Planned Givers across the whole diocese.

Diocese	PGS Dec-18	Total Diocese PG* (2016)	Difference
Chichester	£15.34	£13.31	+15%
Exeter	£14.06	£10.20	+38%
Gloucester	£15.40	£12.26	+26%
Guildford	£20.55	£19.76	+4%
Liverpool	£14.67	£9.98	+47%
London	£22.06	£21.81	+1%
Oxford	£20.32	£14.98	+36%
Portsmouth	£15.62	£10.91	+43%
St Albans	£16.74	£13.75	+22%
Salisbury	£15.78	£9.76	+62%
Winchester	£19.02	£13.84	+37%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

The higher value of donations to PGS cannot be attributed solely to the introduction of the PGS as we do not know the level of giving for these individuals prior to joining. We do however have many testimonials of parishes, which have seen significant increases when they have run a good stewardship campaign alongside the introduction of the PGS.

PGS is set up to service the entire Church family, however much donors wish to give, and whether or not Gift Aid can be claimed on their giving. The lowest monthly donation handled is £1, the highest is over £1,500. Both donors receive the same high quality materials and service.

GROWTH AND FUTURE PLANS

2018 was the ninth 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	Forecast 2019
Underlying Donations	£0.64m	£1.08m	£2.9m	£5.3m	£8.1m	£13.3m	£19.0m	£26.1	£36.5m
Gift Aid reclaimed	£0.16m	£0.25m	£0.7m	£1.3m	£1.9m	£3.2m	£4.5m	£6.2	£8.7m
Total Income	£0.80m	£1.33m	£3.6m	£6.6m	£10.0m	£16.5m	£23.5m	£32.3m	£45.2m
Number of parishes	10	11	13	15	17	19	21	23	25
Donors	1,236	1,869	4,850	7,244	11,475	19,267	25,533	37,508	52,000
Number of Donations Processed (k)	10.4	17.5	41.5	75.6	111.2	183.0	257.2	345.3	483.0

The Trustees expect that the income of the Charity in 2019 will again see substantial growth. This is expected to come from:

- Three dioceses who were in pre-launch phase at 31/12/18 moving into full diocesan launch
- Existing dioceses continuing to attract new donors and parishes
- New dioceses wishing to join The Scheme. We expect one further diocese will go through pre-launch during 2019 with three others planning to begin the process of implementing PGS during 2020.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

DIOCESAN ROLLOUT

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

The growth of PGS and its resourcing occurs through the Anglican diocesan structure. Diocesan Boards of Finance (DBFs) are invited to support the roll-out of PGS to parishes within their diocese. In committing to support PGS DBFs agree to become a member of the company, (see pages 23 - 25) 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 May 2019 was as follows:

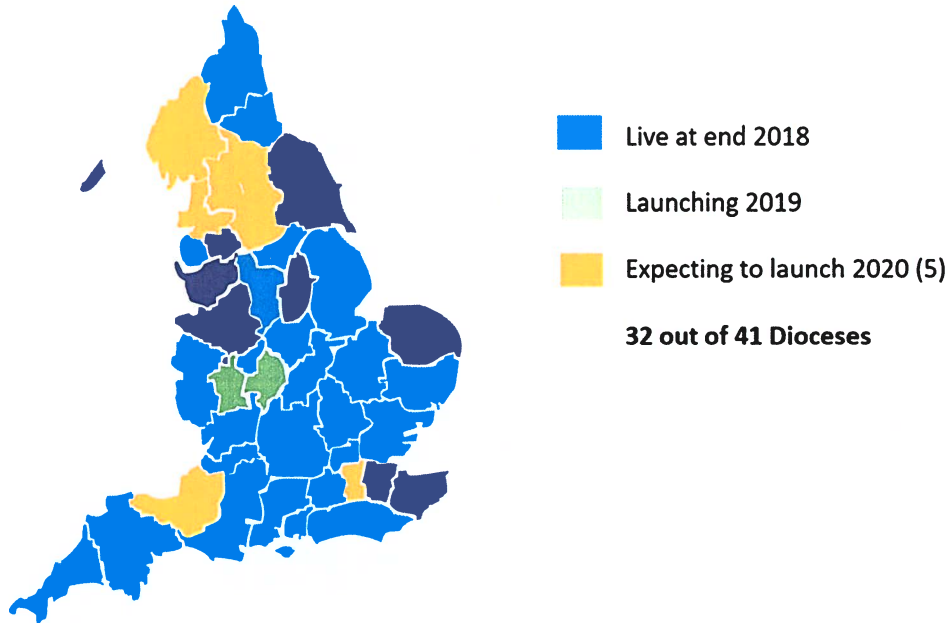
- The DBFs of Birmingham, Bristol, Chelmsford, Chichester, Derby, Ely, Exeter, Gloucester, Guildford, Leicester, Liverpool, London, Newcastle, Portsmouth, Salisbury, St Albans, Truro and Winchester are members who have operated The Scheme for at least a year.
- The DBFs of Durham, Hereford, Lincoln, Oxford, St Edmundsbury and Ipswich and Sheffield are members who have begun full scale Diocesan roll out during the past twelve months.
- Worcester, Coventry & Peterborough will launch later in 2019.

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 fundraising activity and therefore has nothing to report.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018



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 2018, the combined donation and gift aid amounted to £32.3m (2017: £23.53m).

The unrestricted income for PGS mainly comprises services contributions of £322k (2017: £231k) and contributions from member dioceses of £120k (2017: £100k). For further details see note 2 on page 20. Unrestricted expenditure for 2018 amounted to £404k (2017: £277k). For further details see notes 3 and 5 on pages 20 and 21).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

RISK MANAGEMENT

The Trustees have a risk management strategy which comprises:

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

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

RESERVES POLICY

The nature of the charity's operations in forwarding donations from donors onto parishes means that the Trustees believe it is inappropriate to 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 in 2017. 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.

Due to significant unbudgeted spend on the digital project, the Board have reviewed the Membership Subscription requirement of £20,000 and have decided to hold to this commitment and will review the position periodically. A previous aspiration to repay £5,000 to relevant dioceses during 2018 was deemed to be unaffordable for the Charity at the current time.

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 2018 no complaints were received (2017: nil).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the net income or expenditure, for the period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

THE TRUSTEES

The Trustees who served during the period up to the date of this report are shown on page 1

AUDITORS

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

Approved by the Trustees on 15th May 2019 and signed on their behalf by Victoria Dano
Trustee

Signed: 

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 2018 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 2018 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 10, 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:

Statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 December 2018

	Note	Restricted £'000	Unrestricted £'000	2018 Total £'000	<i>2017 Total £'000</i>
Income from:					
Charitable activities	2	32,345	451	32,796	23,873
Total		32,345	451	32,796	23,873
Expenditure on:					
Charitable activities	3	32,345	404	32,749	23,807
Total		32,345	404	32,749	23,807
Net movement in funds		-	47	47	66
Reconciliation of funds					
Funds at the start of the year		-	330	330	264
Funds at the end of the year		-	377	377	330

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 2017, are shown in note 11.

Balance sheet
As at 31 December 2018

Company number 08824540

	Note	2018 £'000	2017 £'000
Current assets			
Stock		17	7
Debtors	7	30	14
Cash at bank and in hand		393	432
		440	453
Creditors: amount due within one year	8	(63)	(123)
Net assets		377	330
Reserves			
Restricted funds		-	-
Unrestricted funds	10		
Designated funds	10	200	200
General funds	10	177	130
Total funds		377	330

Approved by the Trustees on 15th May 2019 and signed on their behalf by *VICTORIA JAMES*
 Trustee

Signed: *Victoria James*

Statement of Cashflows
Year ended 31 December 2018

	2018	<i>2017</i>
	<i>£'000</i>	<i>£'000</i>
Net cash (outflow)/inflow from operating activities	(39)	<i>105</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	-	<i>(100)</i>
Net cash (used in)/provided by financing activities	-	<i>(100)</i>
Change in cash & cash equivalents during year	(39)	<i>5</i>
Cash & cash equivalents at 1 January	432	<i>427</i>
Cash & cash equivalents at 31 December	393	<i>432</i>
Reconciliation of net movement in funds to net cash inflow from operating activities	47	<i>66</i>
Adjustments for:		
Repayment of loans	-	<i>100</i>
(Increase) in stock	(10)	<i>(3)</i>
(Increase)/decrease in debtors	(16)	<i>(11)</i>
(Decrease)/increase in creditors	(60)	<i>(47)</i>
Net cash inflow from operating activities	(39)	<i>105</i>
Analysis of cash and cash equivalents		
Cash in bank & in hand	393	<i>432</i>
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	393	<i>432</i>

**Notes to the financial statements
For the year ended 31 December 2018**

I. Accounting policies

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

- a) The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.
- b) PGS meets the definition of a public benefit entity under FRS 102. PGS is a company registered in England and Wales, company number 08824540. Its registered address is College Green, Gloucester, GL1 2LY. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.
- c) The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.
- d) All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.
- e) Voluntary income received as contributions from member dioceses represent the initial amounts received from members when they join The Scheme. These amounts are included in full in the statement of financial activities when receivable.
- f) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.
- g) Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the income is deferred.

Notes to the financial statements
For the year ended 31 December 2018

I. Accounting policies (continued)

- h) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.
- i) Unrestricted funds are donations and other income receivable or generated for the objects of the charity.
- j) Designated funds are those earmarked by the Board of Trustees for particular purposes. Whilst such funds are kept separate for administrative purposes, they do not constitute legally separate funds.
- k) Expenditure is recognised in the period in which they are incurred. Expenditure includes attributable VAT which cannot be recovered.
- l) Governance costs include all costs of compliance with constitutional and statutory requirements, including legal and audit fees and the costs of meetings.
- m) The charity operates a defined contribution pension scheme for a number of its staff. The assets of The Scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under The Scheme by the charity to the fund. The charity has no liability under The Scheme other than for the payment of those contributions. For one member of staff, contributions are made into the Gloucester Diocesan Board of Finance's defined benefit pension scheme. The responsibilities for administering and accounting for this scheme rest with the Gloucester Diocesan Board of Finance.

Notes to the financial statements
For the year ended 31 December 2018

2. Income from charitable activities

	Restricted	Unrestricted	2018	<i>2017</i>
	£'000	£'000	Total	<i>Total</i>
	£'000	£'000	£'000	<i>£'000</i>
Services contributions	-	322	322	<i>230</i>
Restricted donations	26,152	-	26,152	<i>19,012</i>
Gift Aid reclaimed (restricted)	6,193	-	6,193	<i>4,519</i>
Contributions from member dioceses	-	120	120	<i>100</i>
Other income	-	9	9	<i>12</i>
	32,345	451	32,796	<i>23,873</i>

All income from service contributions, contributions from member dioceses and other income in 2018 was unrestricted.

3. Expenditure on charitable activities

	Restricted	Unrestricted	2018	<i>2017</i>
	£'000	£'000	Total	<i>Total</i>
	£'000	£'000	£'000	<i>£'000</i>
Grants back to parishes (restricted)	26,152	-	26,152	<i>19,012</i>
Gift aid forwarded to parishes (restricted)	6,193	-	6,193	<i>4,519</i>
Staff costs – note 6	-	200	200	<i>167</i>
Governance	-	5	5	<i>5</i>
Website development costs	-	119	119	<i>-</i>
Other costs	-	80	80	<i>104</i>
	32,345	404	32,749	<i>23,807</i>

All expenditure on staff costs, governance costs and other costs in 2018 was unrestricted.

4. Net movement in funds

	2018	2017
	Total	Total
	£'000	£'000
This is stated after charging:		
Depreciation	Nil	Nil
Auditors remuneration - audit	5	5
	5	5

Notes to the financial statements
For the year ended 31 December 2018

5. Staff numbers and costs

The aggregate payroll costs for staff was as follows:

	2018	<i>2017</i>
	£'000	<i>£'000</i>
Wages and salaries	147	<i>120</i>
Social security costs	12	<i>10</i>
Employers pension contributions	17	<i>13</i>
Secondment costs of CEO	24	<i>24</i>
	200	<i>167</i>

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

	No of Employees 2018	<i>No of employees 2017</i>
Charitable activities	8.0	<i>6.4</i>
	8.0	<i>6.4</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 2018 the key management personnel comprised the Chief Executive Officer (Helen Richardson) who is seconded from Gloucester Diocesan Board of Finance at an annual cost of £24,000 and the Head of Operations, Helen Taylor, whose remuneration and pensions amounted to £41,326 (2017: £40,314).

Transactions with Trustees

One Trustee (2017: none) received reimbursement for out of pocket expenses during the period amounting to £91 (2017: £nil). Five Trustees made donations of £3,012 (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 2018

7. Debtors: amounts falling due within one year

	2018	<i>2017</i>
	£'000	<i>£'000</i>
Trade debtors	26	6
Prepayments and other debtors	4	8
	30	<i>14</i>

8. Creditors: amounts falling due within one year

	2018	<i>2017</i>
	£'000	<i>£'000</i>
Trade creditors	4	46
Other taxes and social security	3	4
Accruals	56	33
Deferred income	-	40
	63	<i>123</i>

9. Analysis of net assets between funds

	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

Comparative analysis for 2017

	Restricted funds	Designated funds	General funds	Total funds
	2017	2017	2017	2017
	£'000	£'000	£'000	£'000
Net current assets	-	200	130	330
Net assets at 31 December 2017	-	200	130	330

Notes to the financial statements
For the year ended 31 December 2018

10. Movement in funds

	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

Comparative movements for 2017

	Balance at 1st January 2017	Income	Expenditure	Transfers	Balance at 31st December 2017
	£'000	£'000	£'000	£'000	£'000
General fund	249	342	(277)	(184)	130
Designated fund – IT fund	16	-	-	184	200
Restricted funds	-	23,530	(23,530)	-	-
Total	265	23,872	(23,807)		330

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 2018

II. Comparative statement of financial activity

	Restricted	Unrestricted	2017 Total
	£'000	£'000	£'000
Income from:			
Charitable activities	23,531	342	23,873
Total	23,531	342	23,873
Expenditure on:			
Charitable activities	23,531	276	23,807
Total resources expended	23,531	276	23,807
Net movement in funds	-	66	66
Reconciliation of funds			
Funds at the start of the year	-	264	264
Funds at the end of the year	-	330	330

REGISTER OF MEMBERS at 31st December 2018

- (1) **The Gloucester Diocesan Board of Finance** incorporated and registered in England and Wales with company number 162165, registered charity (number 251234) whose registered office is at Church House, College Green, Gloucester, GL1 2LY (**Gloucester DBF**)
- (2) **The Exeter Diocesan Board of Finance Limited** incorporated and registered in England and Wales with company number 186001, registered charity (number 249798) whose registered office is at The Old Deanery, The Cloisters, Exeter, Devon, EX1 1HS (**Exeter DBF**)
- (3) **The Winchester Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00142351, registered charity (number 249276) whose registered office is at The Diocesan Office, Old Alresford Place, Alresford, Hampshire, SO24 9DH (**Winchester DBF**)
- (4) **The Chichester Diocesan Fund & Board of Finance (Incorporated)** incorporated and registered in England and Wales with company number 00133558 and registered charity (number 243134) whose registered office is at Diocesan Church House, 211 New Church Road, Hove, East Sussex, BN3 4ED (**Chichester DBF**)
- (5) **The Guildford Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00225289 and registered charity (number 248245) whose registered office is at Diocesan House, Quarry Street, Guildford, GUI 3XG (**Guildford DBF**)
- (6) **The Liverpool Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00018301 and registered charity (number 249740) whose registered office is at St James House, St James Road, Liverpool, Merseyside, LI 7BY (**Liverpool DBF**)
- (7) **The Chelmsford Diocesan Board of Finance** incorporated and registered in England and Wales with company number 00137029 and registered charity (number 249505) whose registered office is at The Diocesan Office 53 New Street, Chelmsford, Essex, CMI 1AT. (**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 2018 (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 2018 (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)**

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

- (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)**