

St. Nicholas' Church, Blundellsands
St. Nicholas' School, Blundellsands

Financial Statements
of the Parochial Church Council
and of the Governors

for the year ended 31 December 2016

Registered charity number 1158819

Parochial Church Council of St. Nicholas' Church, Blundellsands

Annual Report for the year ended 31 December 2016

Financial Review

Overall church finances this year raise some concern. The surplus in unrestricted turnover of over £17,000 in 2015 has now been turned into a loss of over £5,000 in 2016.

The church did accomplish the total replacement of the hall boiler and radiators at a cost of £47,500. This was financed largely by a generous legacy of £40,000 received within the financial year. Even allowing for the additional contribution of £7,500 from unrestricted income, the financial position is showing the church resources are being overstretched.

Hall income has held up at a similar level to last year and now accounts for £26,000 of income compared to £34,000 from Gift Aid givers. Overall giving saw a decrease of 2.5% last year compared to the year before.

In July the church took on the rental of a property for the curate at an annual cost including Council tax and water rates of £12,600. A grant secured from the Diocese pays £3,500 towards this cost.

The annual loss together with a failure to increase giving levels even by an inflationary sum poses the church difficult questions on spending priorities in 2017, particularly in view of our commitment to housing costs for a curate until 2020.

Going forward it is to be hoped that the launch of the Parish Giving Scheme at the APCM can help put the Church on a more secure financial footing.

Reserves policy

The church maintains a number of reserves some of which are restricted in nature where the PCC needs to use the funds as laid down by the donor of the funds, and some of which are unrestricted where the PCC has full discretion over their use. Attached in notes 9 (church restricted fund), notes 5 & 10 (church endowment fund) and notes 11, 13 & 17 (school restricted fund and school endowment fund) are full details of the funds, their history and some indication of the purpose for which they are held. This policy sets out the four reasons for the PCC holding the level of unrestricted reserves shown in the financial statements:

- (i) To assist with the maintenance of the church and hall which is a Grade II listed building. The 2014 quinquennial inspection report of the Church, and 2015 inspection of the hall, identified expenditure requirements well beyond the PCC's reserves. The PCC's response to the inspection report is to undertake the urgent repairs identified and continue to seek other sources of funds to assist with the major ongoing restoration needs.
- (ii) Therefore, the first call on unrestricted reserves is to undertake such urgent repairs as they arise.
- (iii) To undertake periodic refurbishments and upgrades to the internal fabric of both the church and the hall, such as redecoration, electrical maintenance or furniture replacements which are too large to be undertaken from the church's income.
- (iv) To be available for any major school projects where the church has a legal responsibility to contribute to the cost.
- (v) To be available in the event that deficits occur; a target figure of £15,000 has been set for the Special Maintenance Reserve as a contingency to cover deficits. For many years during the last two decades deficits have been incurred. The Special Maintenance Reserve, in particular, was initially set at a level of £15,000 and since this level was sufficient for the deficits incurred over those years, the PCC has set this level as the ongoing aim. Currently this fund stands at just over £30,000. This reflects the Church's commitment to contribute up to £15,000 to the next phase of restoration work.

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Agent Transactions

The PCC acted as a financial agent for the following people/organizations:-

- The Children's Society - £460 was received from Christingle collecting boxes and forwarded to the charity.
- £3,763 was received in regard to Assigned Fees for weddings and funerals. This money was forwarded to the Diocese of Liverpool. £2,320 was received in respect of organists and vergers and passed on to the appropriate individuals.

Performance of Investments

The performance of investments has been modest this year, with the church's endowment funds increasing in value from £16,160 to £16,227.

Fundraising and Giving

Giving eligible for Gift aid fell by £300 compared to 2015. This fall was offset by a similar rise in pledge giving. Loose plate is down from £7,012 in 2015 to £5,777 this year (17% drop). Overall income from giving before tax recovery is down by 2.5%.

Parish giving from unrestricted income continued to support Ruth Hulser's missionary work by £100 per month, and to support In Another Place Youth Group by £50 per month. A further £1,377 was distributed to charitable causes from special collection giving. £2,880 was raised by donations and a grant of £5,000 awarded from Burbo Bank to refurbish the hall kitchen with a further £1,117 spent from church unrestricted funds on the project.

General fundraising events contributed £1,756 (compared to £3,610 in 2015). The music festival raised £1,593 split equally between church and organ restoration funds. The sponsored abseil raised £2,109 for church restoration, and the Christmas Fair raised £1,286 also for church restoration. General donations for church restoration totalled £1,435.

Approved by the PCC on 10th April 2017 and signed on its behalf by:

Derek Parkinson and Anthea Gardler (Churchwardens)

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Statement of responsibilities of PCC members and Governors as Trustees of a charity

The Parochial Church Council, along with the trusts it has established for the benefit of St. Nicholas' School under the management of the Governors of the School, is a charity. As a charity, its members are trustees, its property is charitable and it is bound by charity law.

PCC members and governors have full responsibility for the Charity and must:

- act together and in person and not delegate control of the Charity to others;
- act strictly in accordance with the charity's governing document;
- act in the Charity's interest only;
- manage the Charity's affairs prudently and take a long-term as well as a short-term view;
- not derive any personal benefit or gain from the Charity of which they are trustees; and
- take proper professional advice on matters on which they are not themselves competent.

PCC members and Governors are responsible for all of the operations of the Charity, especially in:

- managing the Charity's finances;
- applying the Charity's income for charitable purposes only;
- managing land or buildings;
- investing funds;
- employing people;
- appealing for funds;
- ensuring that all the Charity's property is under the control of the trustees; and
- collection of all money owed or due to the charity.

The PCC is responsible for all parish finance, its management and control, including the appointment of a treasurer. While it may delegate some of its duties, this does not remove its legal responsibilities. These include:

- a) Keeping 'proper accounting records', which must be sufficient to show and explain all the PCC's transactions. The records, together with the annual financial statements, must be preserved for at least six years from the end of the financial year to which they relate. These records must be sufficient to:
 - show and explain all the PCC's transactions;
 - disclose the PCC's financial position at any time with reasonable accuracy;
 - enable the required accounts to be prepared;
 - show on a day-to-day basis all receipts and payments and what they were for;
 - include a record of all assets and liabilities.
- b) Ensuring that the finances of the PCC are under its control and only delegated if the PCC can ensure that its wishes will be followed.
- c) Preparing an annual account (financial statement) and report which shall be presented to the Annual Parochial Church Meeting in accordance with the requirements of the Church Representation Rules.
- d) Arranging for a suitable independent examination of the financial statements.

Parochial Church Council of St. Nicholas' Church, Blundellsands Annual Report for the year ended 31 December 2016

Independent Examiner's Report to the PCC of St. Nicholas' Church, Blundellsands and to the Governors of St. Nicholas' School

This report on the financial statements of the PCC and of the Governors of St. Nicholas' School for the year ended 31st December 2016, which are set out on pages 6 to 19, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ('the Regulations') and s.144 and s.145 of the Charities Act 2011 ('the Act').

Respective duties of PCC members, Governors and examiner

As the members of the PCC and Governors of the School, you are responsible for the preparation of the financial statements; you consider that the audit requirement of the Regulations and of the Act section 144(2) does not apply, and that an independent examination is needed. It is my responsibility to issue this report on those financial statements in accordance with the terms of the Regulations.

In particular it is my responsibility to:

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

Basis of independent examiner's report

My examination includes a review of the accounting records kept by the PCC and the Governors and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as PCC members and Governors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an opinion as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

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

D G Roughley FCCA
2 Crondall Grove
Liverpool L15 6XA

30th April 2017

Parochial Church Council of St. Nicholas' Church, Blundellsands

Annual Report for the year ended 31 December 2016

Statement of Financial Activities

For the year ended 31 December 2016

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
		£	£	£	2016 £	2015 £
INCOMING RESOURCES						
Voluntary income	1(a)	100,652	10,802	-	111,454	66,188
Activities for generating funds	1(b)	32,166	-	-	32,166	34,805
Income from investments	1(c)	405	-	-	405	392
Other incoming resources	1(d)	-	35,110	-	35,110	23,319
		133,223	45,912	-	179,135	124,704
RESOURCES EXPENDED						
Cost of generation voluntary income	2(a)	134	-	-	134	64
Church activities	2(b)	136,322	9,257	-	145,579	88,594
Church management and administration	2(c)	1,811	-	-	1,811	3,408
Church School	2(d)	331	-	-	331	-
Restricted funds – Restoration Works/Organ	2(e)	-	19,202	-	19,202	17,455
TOTAL RESOURCES EXPENDED		138,598	28,459	-	167,057	109,521
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		(5,375)	17,453	-	12,078	15,183
Unrealised gains/(losses) on investments		-	-	67	67	(47)
NET MOVEMENTS IN FUNDS		(5,375)	17,453	67	12,145	15,136
BALANCES BROUGHT FORWARD AT 1 JANUARY 2016(2015)		42,825	18,591	16,160	77,576	62,440
BALANCES CARRIED FORWARD AT 31 DECEMBER 2016(2015)		37,450	36,044	16,227	89,721	77,576

The notes on pages 8 to 15 form part of these financial statements.

Parochial Church Council of St. Nicholas' Church, Blundellsands
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Balance Sheet

At 31 December 2016

	Note	2016	2015
		£	£
FIXED ASSETS			
Investments (endowment funds)	5	16,227	16,160
Debtors and prepayments	7	11,165	10,619
Short term deposits		35,804	35,723
Cash at bank and in hand		30,816	18,154
		<hr/>	<hr/>
		77,785	64,496
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(4,291)	(3,080)
		<hr/>	<hr/>
NET CURRENT ASSETS		73,494	61,416
		<hr/>	<hr/>
TOTAL NET ASSETS		89,721	77,576
		<hr/> <hr/>	<hr/> <hr/>
 PARISH FUNDS			
Unrestricted		37,450	42,825
Restricted	9	36,044	18,591
Endowment	10	16,227	16,160
		<hr/>	<hr/>
		89,721	77,576
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 15 form part of these financial statements.

Approved by the Parochial Church Council on 10th April 2017 and signed on its behalf by:

Miss A Gardler (Churchwarden)

Mrs E Sinker (Honorary Treasurer)

Parochial Church Council of St. Nicholas' Church, Blundellsands

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Notes to the financial statements

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006, together with applicable accounting standards and the Statement of Recommended Practice (SORP) 2005.

The financial statements have been prepared under the historical cost convention, except for investment assets, which are shown at market value. The 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 affiliation to another body, nor those that are informal gatherings of church members.

Funds

Endowment funds are funds, the capital of which must be maintained; only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established.

Restricted funds represent (a) income from trusts of endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund.

Unrestricted funds are general funds which can be used for PCC ordinary purposes. The purpose of any restricted funds is noted in the accounts.

Incoming resources

Planned giving, collections and donations are recognised when received. Income tax recoverable on gift aid donations is recognised on a receivable basis. Revenue grants and legacies to the PCC are accounted for when the PCC is legally entitled to the amounts due. Capital grants are accounted for on a receipts basis but the capital commitment is disclosed by way of a note to the financial statements. All incoming resources are accounted for gross.

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. The diocesan parish share is accounted for when due. Amounts received specifically for mission are dealt with as restricted funds. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

Consecrated and beneficed property is excluded from the accounts by S 96(2) (a) of the Charities Act 1993. Moveable church furnishings, held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal, are inalienable property listed in the church's inventory, which can be inspected (at any reasonable time). For anything acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the financial statements. Subsequently no individual item has cost more than £1,000 per annum so all such expenditure has been written off when incurred. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired.

Parochial Church Council of St. Nicholas' Church, Blundellsands
Annual Report for the year ended 31 December 2016

Notes to the financial statements *(continued)*

Likewise, all expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off.

Investments are valued at market value at 31st December.

Current assets

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

Short-term deposits include cash held on deposit either with the Central Board of Finance or at the bank.

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Annual Report for the year ended 31 December 2016

Notes to the financial statements *(continued)*

1. INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	£	£	£	2016 £	2015 £
1(a) Voluntary income					
<i>Planned giving:</i>					
Gift aid	34,015	-	-	34,015	34,334
Income tax recoverable on gift aid	11,884	-	-	11,884	10,180
Pledges not subject to gift aid	7,926	-	-	7,926	7,662
Collections (open plate) at all services	5,777	-	-	5,777	7,012
Gift day and special collections	-	10,802	-	10,802	1,888
Sundry donations	1,050	-	-	1,050	2,912
Legacies	40,000	-	-	40,000	2,200
	100,652	10,802	-	111,454	66,188
1(b) Activities for generating funds					
Fetes and fund raising events*	1,756	-	-	1,756	3,610
Magazines*	468	-	-	468	471
Church Hall use	26,121	-	-	26,121	25,883
Fees	3,432	-	-	3,432	4,266
Fellowship teas*	333	-	-	333	310
Children's activities – JUICE, 3F4U	56	-	-	56	265
	32,166	-	-	32,166	34,805
1(c) Income from investments					
Interest from deposits	405	-	-	405	392
Interest from endowments	-	-	-	-	-
	405	-	-	405	392
1(d) Other incoming resources					
Organ fund income plus interest	-	880	-	880	9,012
Restoration fund - interest	-	10	-	10	24
Restoration fund – Grant from Heritage Lottery Fund	-	17,730	-	17,730	-
Restoration fund – sundry fund raising and donations	-	5,350	-	5,349	740
Grants – non Heritage Lottery	-	11,000	-	11,000	-
Special Maintenance Reserve	-	140	-	141	124
Special Purposes Fund	-	-	-	-	-
Memorial Thanksgiving fund	-	-	-	-	-
Insurance recoveries	-	-	-	-	8,325
VAT recoveries	-	-	-	-	5,094
	-	35,110	-	35,110	23,319
Total incoming resources	133,223	45,912	-	179,135	124,704

* See note 2 for corresponding expenditure

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2. RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2016 £	2015 £
2 (a) Cost of generation voluntary income					
Cost of fetes and fund raising events*	134	-	-	134	64
2(b) Church activities					
Charitable giving					
- <u>Missionary:</u>					
USPG - gift day and collections	-	-	-	-	269
Church Missionary Society	-	-	-	-	269
CMS Mission Partner – Ruth Hulser	1,200	576	-	1,776	1,200
Tearfund	-	-	-	-	104
- <u>Relief & Development Agencies:</u>					
Children's' Society:					
- Donations	-	-	-	-	195
- Christingle 2015	-	460	-	460	511
Christian Aid Hurricane Matthew /Annual	-	286	-	286	190
Salvation Army	-	-	-	-	-
Foodbank (Harvest 2015 and 2016)	-	55	-	55	422
- <u>Home Missions & Other Church Societies:</u>					
Toddler Church tables	-	-	-	-	478
Kitchen Refurbishment	-	7,880	-	7,880	-
Vicar's Discretionary Fund	-	-	-	-	-
In Another Place Youth Group	600	-	-	600	350
	1,934	9,257	-	11,191	4,052
Other church activities					
Parish share	44,505	-	-	44,505	42,186
-Ministry:					
Vicar's Expenses incl phone	1,748	-	-	1,748	2,135
Council Tax and water rates	1,734	-	-	1,734	1,721
Vicarage maintenance	-	-	-	-	15
Visiting Preachers	240	-	-	240	168
PAYE	987	-	-	987	-
Church assistant	1,506	-	-	1,506	1,375
Reader and curate incl housing	6,038	-	-	6,038	129
<i>the bridge</i>	(6)	-	-	(6)	42
Toddler church	19	-	-	19	51
Sunday Sparks	30	-	-	30	-
- Church:					
Heat and light	6,537	-	-	6,537	7,955
Liturgy, wine and wafers	942	-	-	942	1,015
Other sundry expenses	115	-	-	115	412
Cleaning and boiler maintenance	838	-	-	838	4,582
Maintenance	2,138	-	-	2,138	2,276
Organ maintenance	797	-	-	797	779
Water rates	354	-	-	354	325
Flowers	-	-	-	-	50

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2. RESOURCES EXPENDED (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2016 £	2015 £
Fellowship teas*	14	-	-	14	(17)
Parish entertaining/events	-	-	-	-	25
Hall Maintenance, new boiler and broadband	51,574	-	-	51,574	6,824
Magazine expenditure*	420	-	-	420	420
Caretaker and verger	4,691	-	-	4,691	3,171
Choir and organist	2,412	-	-	2,412	2,352
Insurance	5,313	-	-	5,313	5,107
Hall Secretary	1,576	-	-	1,576	1,509
	134,522	-	-	134,522	84,606
2(c) Church management and administration					
Printing and stationery	1,386	-	-	1,386	2,243
Independent examiner	140	-	-	140	140
Contribution Janice Hill (St Michael's)	285	-	-	285	1,025
	1,811	-	-	1,811	3,408
2 (d) St Nicholas' School					
Contributions to external maintenance	-	-	-	-	-
Leavers' Gifts	331	-	-	331	-
	331	-	-	331	-
2(e) Restricted Funds					
Organ Restoration	-	-	-	-	13,621
Restoration works Masonry and windows	-	19,202	-	19,202	-
Phase Two Development	-	-	-	-	-
Retention Fee Phase 1 Restoration	-	-	-	-	3,834
	-	19,202	-	19,202	17,455
Total resources expended	£138,598	28,459	-	167,057	109,521

* See note 1 for corresponding income

3. STAFF COSTS

During the year the PCC employed an Organist, a Caretaker, a Hall Secretary and a Parish Assistant whose gross earnings, including employers' national insurance, were as follows:

	2016 £	2015 £
Other church activities:		
Caretaker	4,691	3,171
Organist	1,727	2,352
Parish assistant	1,506	1,375
Hall Secretary	1,576	1,509
	9,500	8,407

There were no other employees and therefore no employees earned £40,000 or more during the year. Together these employees equate to less than one full time employee.

Parochial Church Council of St. Nicholas' Church, Blundellsands

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4. PAYMENTS TO PCC MEMBERS DURING 2016

	2016 £	2015 £
Nicola Jeens, Parish Assistant	1,506	1,375
Elizabeth Sinker, Hall Secretary	1,576	1,509
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	3,082	2,884
	<hr/>	<hr/>

5. FIXED ASSETS

	2016 £	2015 £
Investments (endowment funds)		
Treasury Stock 5.5% 2008/12 - CR Taylor Bequest	1,227	1,160
CBF Deposit funds - Mellor Bequest	15,000	15,000
	<hr/>	<hr/>
	16,227	16,160
	<hr/>	<hr/>

6. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
2016				
Fixed assets	-	-	16,227	16,227
Current assets	41,981	35,804	-	77,785
Current liabilities	(4,291)	-	-	(4,291)
	<hr/>	<hr/>	<hr/>	<hr/>
	37,690	35,804	16,227	89,721
2015				
Fixed assets	-	-	16,160	16,160
Current assets	28,772	35,724	-	64,496
Current liabilities	(3,080)	-	-	(3,080)
	<hr/>	<hr/>	<hr/>	<hr/>
	25,624	35,724	16,160	77,576
	<hr/>	<hr/>	<hr/>	<hr/>

7. DEBTORS

	2016 £	2015 £
<i>Prepayments</i>	532	445
<i>Other debtors</i>	10,633	10,174
	<hr/>	<hr/>
	11,165	10,619
	<hr/>	<hr/>

8. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Accruals	3,920	2,381
Other creditors	371	699
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	4,291	3,080
	<hr/>	<hr/>

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9. RESTRICTED FUND

The restricted fund at 31 December comprises the following:

		2016 £	2015 £
Organ Fund	- funds donated to refurbish the organ	4,843	3,962
Special Maintenance Reserve	- the original donor set down conditions that the fund could only be used at the discretion of the Treasurer and Finance Committee and with the formal approval of the PCC, for major unavoidable deficits and to assist with the PCC's contribution to major projects at St. Nicholas' School.	13,526	13,386
Special Purposes	- given by church organisations and individuals for special projects in the church	784	784
Memorial Thanksgiving Fund	- funds given in memory of parishioners	771	771
Choir Fund	- funds collected for choir activities	(567)	(567)
Restoration Fund	- funds collected for major restoration schemes	14,733	(154)
Special collections	- funds donated during the year to specified charities	1,954	409
		<hr/> 36,044	<hr/> 18,591

The Organ Fund

During 2016 £797 was raised by the St Nicholas' Music Festival towards organ restoration. Urgent temporary repairs have recently been needed to the organ. The organ is now in worse condition than 12 months ago. Phase 2 works - replacing the stop contacts and piston system at the console will cost in the region of £10,500 and we currently have £4,843 in the organ restoration account.

In the last year the leather work around both the swell and choir bellows has now fully corroded and is currently being held together with 'gaffa' tape. This now needs replacing as a matter of urgency as the instrument will be decommissioned when the bellows fail. This work should now be moved to phase 2. It will cost around £6000 to repair each of the bellows separately or £10,000 to have both done together.

The console work will now have to move to phase 3. Work on sourcing grants for the repairs is now urgently needed.

Church Restoration and Premises

An energy efficient replacement heating system for the suite of halls has been the major financial outlay in the last year at a cost of £47,500. Vat however has been successfully reclaimed. The installation of LED lighting in the main halls and the kitchen refurbishment have also been financially challenging but the grant award together with donations for the much more functional kitchen has nearly compensated for the outlay on the kitchen.

The works to the drainage system have enabled the rainwater to escape from the downpipes and flow to the public drain alleviating the car park water retention and removing the danger of water entering the boiler room. A long term service contract has been agreed with the installers of the replacement church heating burner. An asbestos survey of the church and halls has also been conducted. The Health and Safety and risk assessment requirements for St. Nicholas' are now much more aligned for a public building to comply with insurance regulations. Much credit for the maintenance and cost savings should be accredited to the efforts of the Men's Working Party.

The restoration challenge for the third phase has been a huge effort against a specific deadline. Grant applications, the submission of numerous amounts of information, meetings and financial constraints have had to be accounted for in order to meet the requirements of the Heritage Lottery

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Fund. Stage 1, known as the Development Phase, has been completed. In this we had to develop our project in line with the proposals set out in our application. This has included community consultation, producing plans and drawings, a maintenance plan and applying for permission through the faculty application process. The Development phase funding has been paid to us in the three stipulated stages. An Activity Plan was also produced by the Activity Team in conjunction with the church website which required a survey targeting parishioners, hall users, the church school and others. They are also to be commended for the production of a quality document which along with a phase 2 Delivery Phase submission will be assessed to enable us to claim the grant award which we applied for. A decision is expected in June this year.

Successful grant applications for church restoration were made to the Allchurches Trust and the Garfield Weston Foundation (both received in 2016). Grants from the Duchy of Lancaster's Benevolent Fund, Ecclesiastical Insurance Group and Merseytravel are due to be received in 2017 but the church remains short of the target cost.

Should our Second Stage application be successful, we would expect the Phase 3 project to commence in July and finish in February 2018.

10. ENDOWMENT FUND

The endowment fund at each year-end comprises the balances listed in note 5 above.

The CR Taylor bequest was provided in order to generate some income for the benefit of the Parish and its curate, but the income can be used whether or not a curate is in place. The stock is held by Liverpool Diocesan Board of Finance (LDBF) as custodian trustee.

The Mellor bequest is invested in the Deposit Fund of the Central Board of Finance. Under JDH Mellor's will, the bequest was made as "to the Vicar and Churchwardens for the time being of the Parish of St. Nicholas, Blundellsands upon trust for such religious purposes in the said parish as the said Vicar and Churchwardens shall in their absolute discretion think fit". Interest from the trust is credited to PCC unrestricted income, as directed by the said Trustees.

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Governors of St. Nicholas' School, Blundellsands
Statement of Financial Activities

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2016	2015
		£	£	£	£	£
INCOMING RESOURCES						
Grants/income	11(a)	-	-	-	-	-
Investment income and interest	11(b)	-	6	-	6	6
Other income	11(a)	-	-	-	-	-
TOTAL INCOMING RESOURCES		-	6	-	6	6
RESOURCES EXPENDED						
School activities	12	-	-	-	-	-
NET INCOMING/ (OUTGOING) RESOURCES		-	6	-	6	6
OTHER RECOGNISED GAINS AND LOSSES						
Unrealised gains/(losses) on investments	13	-	-	375	375	(263)
NET MOVEMENT IN FUNDS		-	6	375	381	(257)
BALANCE BROUGHT FORWARD AT 1 JANUARY 2016 (2015)		-	84	7,715	7,799	8,056
BALANCE CARRIED FORWARD AT 31 DECEMBER 2016(2015)		-	90	8,090	8,180	7,799

The notes on pages 17 to 19 form part of these financial statements.

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Governors of St. Nicholas' School, Blundellsands

Balance Sheet

At 31 December 2016

	Note	2016	2015
		£	£
FIXED ASSETS			
Investments (endowments)	13	8,090	7,715
CURRENT ASSETS			
Debtors	14	-	-
Short term deposits		67	67
Cash at bank		23	17
		<u>90</u>	<u>84</u>
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	-	-
		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>90</u>	<u>84</u>
TOTAL NET ASSETS		<u><u>8,180</u></u>	<u><u>7,799</u></u>
GOVERNORS' FUNDS			
Unrestricted		-	-
Restricted	16	90	84
Endowment	17	8,090	7,715
		<u><u>8,180</u></u>	<u><u>7,799</u></u>

The notes on pages 17 to 19 form part of these financial statements.

11 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the Statements of Recommended Practice (SORP) 2005. They have also been prepared under the historical cost convention except for investment assets, which are shown at market value.

Funds

Since the funds shown in the financial statements have been derived either from grants or endowments, they are shown as either restricted or endowment in nature. Since the income from endowments is also directed to restricted purposes, it is also reflected as part of restricted funds, except to the extent it covers loan interest and repayments.

Incoming resources

Grants and investment income and interest are shown on a receivable basis.

Parochial Church Council of St. Nicholas' Church, Blundellsands
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11. INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	2016	2015		2016	2015
	£	£	£	£	£
11(a) Grants/income					
PCC - repairs	-	-	-	-	-
Sundry income	-	-	-	-	-
Refund of Insurance	-	-	-	-	-
Rental of football pitches	-	-	-	-	-
Bank refund	-	-	-	-	-
	-	-	-	-	-
11(b) Investment income and interest	-	6	-	6	6
Total incoming resources	-	6	-	6	6

12. RESOURCES EXPENDED

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	2016	2015		2016	2015
	£	£	£	£	£
Repairs	-	-	-	-	-
Leavers' gifts	-	-	-	-	-
Religious books	-	-	-	-	-
Insurance	-	-	-	-	-
Other	-	-	-	-	-
	-	-	-	-	-

During the financial year the PCC and Governors agreed to transfer £6,360 from the Governor's account to the school as a contribution towards school premises improvements. In addition a historic debt of £300 owed by the PCC to the Governor's account was paid to the school.

13. FIXED ASSETS

	2016 £	2015 £
Investment (endowment funds)		
Deposit Fund - Central Board of Finance	1,189	1,189
Treasury Stock 7% 2001 - Warrenhouse Road	6,901	6,526
	<u>8,090</u>	<u>7,715</u>

14. DEBTORS

	2016 £	2015 £
Amounts receivable	-	-

**Parochial Church Council of St. Nicholas' Church, Blundellsands
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15. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Liabilities: Amounts falling due within one year	-	-
	<u> </u>	<u> </u>

16. RESTRICTED FUND

The restricted fund at 31 December each year comprises the accumulated surplus from grants and income from endowments, after expenditure on items specified by the donors. In the case of PCC grants, this relates to its share of external repair liabilities.

17. ENDOWMENT FUND

The endowment fund represents the proceeds of the sale of the former school building at Warrenhouse Road. The investment in Treasury Stock is held by Liverpool Diocesan Board of Finance as Custodian Trustee.

Parochial Church Council of St. Nicholas' Church, Blundellsands
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**Annex not forming part of the
Financial Statements**

Simplified income and expenditure account (unrestricted fund only)
For the year ended 31 December 2016

	2016 £	2015 £
Income		
Gift aid	34,015	34,334
Tax recovery	11,884	10,180
Pledges	7,926	7,662
Loose plate	5,777	7,012
Use of hall	26,121	25,883
Fees	3,432	4,266
Fund raising events	1,756	3,610
Interest and other income	42,312	13,832
Total income	133,223	106,779
Expenditure		
Parish giving (out of income)	1,800	1,550
Parish share	44,505	42,186
Clergy, curate and reader expenses	9,520	1,696
Heat and light	6,537	7,955
Maintenance of buildings	55,347	13,439
Insurance	5,313	5,107
Caretaker, organist and Parish assistant	8,609	7,893
Visiting preachers	240	168
Other costs	6,727	9,584
Total expenditure	138,598	89,578
Surplus/(Deficit) for the year	(5,375)	17,201
Surplus brought forward	42,825	25,624
Surplus carried forward	37,450	42,825