

**PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
JOHN THE BAPTIST, BURFORD**

Charity number: 1130342

Accounts – Year ended 31 December 2016

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PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

REPORT OF THE TRUSTEES for the year ended 31 December 2016

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts, 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 for Smaller Entities published on 16 July 2014.

The charity's full name is The Parochial Church Council of the Ecclesiastical Parish of St John the Baptist, Burford, but it is generally known as the Parochial Church Council of St. John the Baptist, Burford, which is the name used in these financial statements.

Objectives and Activities

As stated in The Parochial Church Council Powers Measures 1956, the PCC has the responsibility with the Vicar in promoting in the ecclesiastical parish the whole mission of the Church; pastoral, evangelistic, social and ecumenical. It also has the maintenance responsibilities for the Parish Church of St. John the Baptist, Burford.

When planning the activities for the year the trustees have considered the Charity Commission's guidance on public benefit.

The Mission statement of Burford church outlines what we seek to do and this is "To know Christ and to make Him known". We believe that God is calling us to be a church that:

- Knows Jesus through Bible teaching, fellowship, worship and prayer;
- Shows Jesus in servant-hearted love for each other and for our community;
- Grows God's Kingdom as people experience grace in action and are saved by Him.

The activities undertaken by the church in the year all support the vision statement and include offering a number of church services with the aim of making Sunday the best day of the week for everyone, a growing children's and youth group ministry, thriving home groups, prayer partnerships and a series of successful outreach ministries, courses on marriage, parenting and discipleship, together with events which have brought the local church and community together, for example Family Fun Days. We want to be a church that cares for our community and, like Jesus, we care about both practical and spiritual needs, offering practical help such as lifts to hospital and visiting. With the completion of the Warwick Hall our focus will be on the use of this facility to serve God and our local community. For example, monthly "Friday Focus" days to provide lunch and community fellowship, and working with Age UK to run a day care facility for the elderly.

We are blessed with the legacy of a beautiful church building, handed down by members of the Burford church family who have gone before us. It is a key responsibility of this current generation to ensure that the building is handed on to future generations in at least as good a

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

REPORT OF THE TRUSTEES for the year ended 31 December 2016 (continued)

state of repair as it was handed to us and we do this by ensuring that sufficient resources are applied to maintaining and restoring the fabric of the church. The church receives around 100,000 visitors per year and we seek to ensure that the church is open, clean and welcoming.

The church has increased its giving and now gives around 15% of unrestricted income away. All grants are overseen by the Mission Committee. We seek to develop deep relationships with selected mission partners to support them with prayer, time and money. Our mission partners are engaged in a diverse range of ministries at local, national and international level.

The overwhelming majority of work done at Burford church has been and continues to be unpaid, with members of the church family giving generously of their time and talents. In order to encourage “every member ministry” we aim to help every member of the church to discern and contribute his or her gifts. This involves all ages with the goal of every member of the church over the age of 12 being involved in an area of ministry.

Achievements and Performance

As we look back over the last year, we give God the glory for

- A thriving church family, children’s and youth ministry;
- Strong Biblical teaching and worship led by gifted musicians;
- A very large number of volunteers in every area of ministry;
- Thriving home groups, prayer partnerships and a series of successful outreach ministries;
- Around 15% of the church’s regular income has been donated to external mission partners;
- Completion of the new Warwick Hall and use of the premises for a wide range of church and community activities.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

REPORT OF THE TRUSTEES for the year ended 31 December 2016 (continued)

The trustees recognise that we face a number of challenges as we seek to realise our vision:

- Our leadership resources have become too thinly stretched. We need more leaders and more effective structures to support them;
- Our staffing structure and support is inadequate, causing widespread stress and tension among the staff;

These issues are being addressed with a full staffing review taking place in 2017. This will also impact the way the church approaches its different areas of ministry in discipleship, prayer & worship, community and mission.

Financial Review

For the whole year, over all funds, income exceeded expenditure by £702.7k and funds on deposit at the end of the year totalled £233.5k.

General Fund

This fund is for the day to day running and mission of the church and includes income and expenditure for the Warwick Hall.

At 31 December 2016 £71.6k was held in the General Fund, £13k lower than at the start of the year. Turnover in the General Fund was around £300k for the year with members of the congregation and visitors giving £254k (including gift aid recovery). Of the expenditure, £36k was given for mission work.

Fabric and Equipment Fund

This fund, originating from various legacies, is designated for the repair and maintenance of the buildings and equipment of the church.

At 31 December 2016 £1,236k was held in the Fabric Fund, invested in various ways. This is £72k higher than at the start of the year as a legacy of £50k plus investment income and growth exceeded the £29k expended on repair and maintenance.

Warwick Hall Project

At 31 December 2016 £102.5k plus the value of the Warwick Hall itself was held in the project fund. During the year £658k was paid into the fund from individual pledged giving, legacies of £504k and some trust grants. This income was mainly paid out on construction and equipping for the Hall. The remaining funds at the year end, plus further pledged giving, will be used for the final payments under the project, expected during 2017.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

REPORT OF THE TRUSTEES for the year ended 31 December 2016 (continued)

Investment Policy and Performance

The PCC has decided that the funds making up the Fabric and Equipment Fund should be invested in long term, low risk, income-producing assets with a view to maintaining capital and using the income for the repair and maintenance of its buildings and equipment.

To this end £312.5k has been invested in a residential property in Burford. The current annual return on this is about 3% from net rental income. £822k has been invested in income shares in the CBF Church of England Investment Fund. This is expected to give an annual return of about 3%. £15,000 has been invested in Ratesetter, a peer to peer lending organisation giving an annual return of around 4%. A further £50k will be added to the Ratesetter investment after the year end. The remaining £36k has been retained on deposit with TSB. The total annual income available for the repair and maintenance of the buildings and equipment is expected to be in the region of £45,000.

In making these investments the charity has taken into account the need to provide housing in Burford at a reasonable rent, and has also considered the ethical basis on which money is invested by the CBF Church of England Investment Fund. In supporting Ratesetter it has also sought to make loans available on a peer to peer basis at a reasonable market rate.

Risk Management

The trustees have compiled a Risk Register and adopted a risk management strategy which comprises a regular review of the principal risks that the charity faces, the establishment of policies, systems and procedures to mitigate those risks identified and the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that the major risks to the delivery of the strategic plan for the charity are financial in nature and could divert necessary resources from the plan, including an unplanned fabric major repair expense, a material investment loss or a material financial fraud. Mitigations put in place include a detailed maintenance plan and fabric risk register with appropriate insurance, internal financial controls and review and oversight of the charity's finances by the Finance Committee.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

REPORT OF THE TRUSTEES for the year ended 31 December 2016 (continued)

A major risk associated with the Warwick Hall post completion is that operating costs become unaffordable. A Warwick Hall Board has been appointed to oversee the management and financial performance of this facility. The Management Board has developed and is executing an Operating Plan for the Warwick Hall.

Reserves Policy

The trustees have examined the charity's requirements for reserves taking account of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets or fixed asset investments held by the charity should be between 3 and 4 months of expenditure. The trustees consider that this should be between £75k and £100k in general funds. The reserves are needed to meet the working capital requirement of the charity and the trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. The present level of general reserves available on deposit to the charity amounts to around £40k, although for cashflow purposes it would be possible to call on a further £35k on deposit within the Fabric Fund. The trustees consider the general reserves to be at an acceptable level and plan to maintain reserves at this level by careful budgeting and monitoring of unrestricted income and expenditure.

Plans for the Future

The church has a 5 year vision document, produced during 2015, covering the period 2015-2020 with a mid-term review happening in 2017. This identifies a number of future tasks and activities that are planned in order for the church to achieve its mission "To know Christ and to make Him known".

In order to be a church that knows Jesus through Bible teaching, fellowship, worship and prayer it is planned to establish a programme to train and mentor new lay leaders, publish an annual whole-church Bible study plan, encourage and facilitate home groups and prayer partnerships, implement a weekly 9.30 am Sunday service, launch a new men's ministry and plant a new Sunday Worship Service in the Warwick Hall.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

REPORT OF THE TRUSTEES for the year ended 31 December 2016 (continued)

In order to show Jesus in servant-hearted love for each other and our community it is planned to partner with other charities and churches to serve our community by providing practical, emotional and spiritual support and to establish a bursary to support church members in overseas mission.

In order to be a church that grows God's Kingdom as people experience grace in action and are saved by Him it is planned to run at least two evangelistic outreach courses each year.

The enablers for these activities are leadership, people, facilities and finance, and future plans address each of these enablers to ensure that the church has the resources in place to support its vision.

The Warwick Hall management board is overseeing how the Hall can be used to serve God and the community.

Structure, Governance and Management

The charity is governed by the Parochial Church Council (PCC), which consists of around twenty members plus clergy licensed to the church, who serve on the PCC ex-officio. All members of the PCC are trustees of the charity. The PCC meets at least six times a year. In addition a Standing Committee meets to consider matters arising between PCC meetings. Other specialist subcommittees support the work of the PCC, including the Finance Committee, the Fabric Committee, the Mission Committee and the Warwick Hall Committee.

PCC members are elected by vote at the Annual Parochial Church Meeting (APCM) by members of the electoral roll who are present at the meeting and in accordance with Church Representation Rules. PCC members normally serve for a period of three years. The Vicar has produced detailed guidance for trustees entitled "The Privileges and Responsibilities of PCC Members." This document includes sections on what the PCC does, how the PCC relates to the Vicar and congregation, the responsibilities of the PCC and how PCC meetings are conducted.

The staff and various committees each have their own areas of responsibility. The committees report to the PCC, with the PCC being asked to approve major policy decisions or items of expenditure. Each member of staff has a line manager, who in turn reports to one of the clergy. The clergy will bring any major staff issues to the PCC for approval.

The charity is affiliated to the Church of England, and as a result has representatives sitting on the local deanery and diocese committees.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

**REPORT OF THE TRUSTEES
for the year ended 31 December 2016 (continued)**

Key Management Personnel Remuneration

The trustees consider that the Vicar and Curate together with the other members of the PCC comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The Vicar and Curate are employed and remunerated by the Diocese of Oxford and do not receive any remuneration or other benefits in cash or in kind from the charity. The other trustees all give freely of their time and expertise without any form of remuneration or other benefits in cash or in kind

Considering the affordability of pay and benefits for any staff employed by the charity is the responsibility of the Finance Committee, whose recommendations are then approved by the PCC. The charity has decided to pay its hourly paid staff above the current living wage rate, whilst monthly paid staff are paid salaries commensurate with those paid locally for similar positions. The PCC has a retained HR advisor to aid decision making.

Reference and Administrative Information

Trustees

The following Trustees have served during the year for the dates shown:

Rev R Coombs, Chair of Trustees	Mr A Netherwood
Mr A Butcher	Mrs S Ormiston
Mr A J Carter (to 25 April 2016)	Mrs M F Owen
Mrs J Cridge-Raven	Rev C Reavley
Mr H Dodd (appointed 25 April 2016)	Mr K Rillie
Mr T Douglas (co-opted 25 April 2016)	Mrs J Tarbox (to 25 April 2016)
Mr T Hames (appointed 25 April 2016)	Mrs G Taylor
Mr C Hunter Smart (to 25 April 2016)	Mrs R Vander Elst
Mr I Johnson	Rev Dr RJD Wainwright
Mrs J Jones (to 25 April 2016)	Mrs L Worvill
Mrs P Kettle (appointed 25 April 2016)	
Mr J Leach	
Mrs S Lentin (to 25 April 2016)	
Prof D Loades (died 21 April 2016)	
Mr I Marshall	
Mrs S Naylor	
Mrs A Netherwood (appointed 25 April 2016)	

Trustees are either ex-officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. In addition, Mr S W Price was co-opted to the Parochial Church Council until 25 April 2016, but was not a trustee.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

**REPORT OF THE TRUSTEES
for the year ended 31 December 2016 (continued)**

Charity Registration Number: 1130342

Governing Document

The Parochial Church Council Powers Measure (1956) as amended by the Church Representation Rules.

Principal Office

St John the Baptist Church, Church Green, Burford, OX18 4RY

Auditors

Rees Russell, 37 Market Square, Witney, Oxon, OX28 6RE

Bankers

TSB Bank Plc, 4 Sheep Street, Burford, Oxon. Additional accounts are held with CCLA.

Investment Managers

CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET. CCLA Investment Management Limited is authorised and regulated by the Financial Conduct Authority.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

**REPORT OF THE TRUSTEES
for the year ended 31 December 2016 (continued)**

Trustees' Responsibilities in relation to the financial statements

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on 20th March 2017 and signed on their behalf by:

Rev R Coombs

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(PCC Chairman)

**PAROCHIAL CHURCH COUNCIL OF
ST JOHN THE BAPTIST, BURFORD**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

We have audited the financial statements of the Parochial Church Council of St John the Baptist, Burford for the year ended 31st December 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015)(United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

**PAROCHIAL CHURCH COUNCIL OF
ST JOHN THE BAPTIST, BURFORD**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (continued)

Opinion on the Financial Statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31st December 2016, and of its incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on Which We Are Required to Report On by Exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.

Rees Russell LLP

Chartered Accountants and
Statutory Auditors

Rees Russell LLP
37 Market Square
Witney
Oxon
OX28 6RE

Rees Russell LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

20th March 2017

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

Statement of Financial Activities
for the year ended 31 December 2016

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
		£	£	£	£	£
Income from:						
Donations and legacies	2	253,812	50,750	654,429	958,991	2,432,435
Charitable activities	3	29,792	-	-	29,792	25,916
Other trading activities	4	11,080	-	1,634	12,714	9,979
Investments	5	7	19,487	2,135	21,629	13,582
Total incoming resources		294,691	70,237	658,198	1,023,126	2,481,912
Expenditure on:						
Raising funds	6	126	5,486	-	5,612	2,992
Charitable activities	7	307,850	23,338	14,324	345,512	309,511
Total expenditure		307,976	28,824	14,324	351,124	312,503
Net income before gains on investment assets		(13,285)	41,413	643,874	672,002	2,169,409
Net gains on investment assets	14	-	30,682	-	30,682	8,097
Net movement in funds		(13,285)	72,095	643,874	702,684	2,177,506
Reconciliation of funds						
Total Funds brought forward		84,917	1,164,010	3,396,932	4,645,859	2,468,353
Total funds carried forward		£71,632	£1,236,105	£4,040,806	£5,348,543	£4,645,859

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

All income and expenditure derives from continuing activities.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

Balance Sheet
as at 31 December 2016

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
		£	£	£	£	£
Fixed assets						
Tangible assets	13	-	-	4,017,495	4,017,495	2,314,909
Investments	14	26,510	1,150,279	-	1,176,789	662,107
Total Fixed Assets		26,510	1,150,279	4,017,495	5,194,284	2,977,016
Current assets						
Debtors	15	2,174	-	-	2,174	59,648
Short term deposits	16	-	1,043	-	1,043	1,042
Cash at bank and in hand		45,648	84,783	104,993	235,424	1,768,629
Total Current Assets		47,822	85,826	104,993	238,641	1,829,319
Liabilities						
Creditors falling due within one year	17	2,700	-	81,682	84,382	160,476
Net Current Assets		45,122	85,826	23,311	154,259	1,668,843
Net Assets		£ 71,632	£ 1,236,105	£ 4,040,806	£ 5,348,543	£ 4,645,859
The funds of the Charity:						
Restricted income funds	18	-	-	4,040,806	4,040,806	3,396,932
Designated income funds	18	-	1,236,105	-	1,236,105	1,164,010
Unrestricted income funds	18	71,632	-	-	71,632	84,917
Total charity funds		£71,632	£1,236,105	£4,040,806	£5,348,543	£4,645,859

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Parochial Church Council on 20th March 2017 and signed on its behalf by:

Rev R Coombs
(PCC Chairman)

T C Douglas
(PCC Treasurer)

The notes on pages 14 to 24 form part of these financial statements.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD**NOTES TO THE ACCOUNTS****for the year ended 31 December 2016****1. Accounting Policies****a) Basis of Preparation**

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 for Smaller Entities published on 16th July 2014, the Financial reporting Standard for Smaller Entities (FRSSE) and the Charities Act 2011 and applicable regulations.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

b) Income Recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations are recognised when they have been communicated in writing, with notification of both the amount and the settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that a gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being measurable with a degree of reasonable accuracy and the title to the asset has been transferred to the charity.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD**NOTES TO THE ACCOUNTS (continued)****for the year ended 31 December 2016****c) Donated Services and Facilities**

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with a donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to note (g) below.

e) Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific projects being undertaken by the Charity.

Further details of each fund are disclosed in Note 18.

f) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD**NOTES TO THE ACCOUNTS (continued)****for the year ended 31 December 2016****g) Allocation of Support Costs**

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include salaries of support staff and office costs. These costs have been allocated between costs of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 8.

h) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

i) Tangible Fixed Assets

Consecrated and benefice property is not included within the accounts by virtue of s.10 of the Charities Act 2011.

All other assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged from the year of acquisition on furniture and equipment on a straight- line basis over their estimated useful life of four years.

j) Fixed Asset Investments**Quoted Investments:**

Investments are initially recognised at their transaction value and subsequently measured at their market value at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investment properties:

Investment properties are held for investment potential and/or long term rental yields and are not occupied by the charity. Investment properties are included in the balance sheet at their fair value, which is supported by market evidence.

One investment property asset is included in the balance sheet at historic cost and the reasons for this are outlined in Note 14.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD**NOTES TO THE ACCOUNTS (continued)****for the year ended 31 December 2016****k) Debtors**

Trade and other debtors are recognised at the settlement amounts due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

l) Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors and Provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Pensions

Employees of the charity are entitled to join a defined contribution “money purchase” scheme. The charity’s contribution is restricted to the contributions disclosed in note 9. There were no outstanding contributions at the year end.

The money purchase plan is managed by NEST and the plan invests the contributions made by the employer and the employee in an investment fund to build up over the term of the plan a pension fund which can be accessed by the employee from the age of 55. The total expense ratio of the plan is 0.3% and this is deducted from the investment fund annually. The charity has no liability beyond making its contributions and paying across the deductions for the employees’ contributions. There were no employees’ contributions outstanding at the year-end.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016 (Continued)

2. Income from donations and legacies	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Tax efficient planned giving	131,452	750	53,545	185,747	803,286
Other planned giving	60,714	-	12,627	73,341	157,595
Collections at services	5,028	-	-	5,028	2,924
Special collections	-	-	8,189	8,189	11,682
Other donations, including churn and wall safe	21,540	-	-	21,540	18,680
Gift aid recovered	35,078	-	12,517	47,595	195,208
Legacies received	-	50,000	503,975	553,975	1,025,955
Grants	-	-	63,576	63,576	217,105
	<u>£253,812</u>	<u>£50,750</u>	<u>£654,429</u>	<u>£958,991</u>	<u>£2,432,435</u>

The church benefits greatly from the involvement and support of its many volunteers, details of which are given in our annual report. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the accounts.

3. Income from charitable activities	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Fees (weddings, funerals and baptisms)	16,351	-	-	16,351	11,729
Church and outreach events	3,480	-	-	3,480	5,107
Church bookstall and leaflets	1,921	-	-	1,921	839
Benefice contributions	8,040	-	-	8,040	8,241
Total income from charitable activities	<u>£29,792</u>	<u>£-</u>	<u>£-</u>	<u>£29,792</u>	<u>£25,916</u>

4. Income earned from other trading activities	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Fundraising	635	-	1,634	2,269	3,169
Church hire and tours	2,678	-	-	2,678	6,810
Hire of Warwick Hall	7,767	-	-	7,767	-
Total income from other trading activities	<u>£11,080</u>	<u>£-</u>	<u>£1,634</u>	<u>£12,714</u>	<u>£9,979</u>

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016 (Continued)

5. Investment income	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Dividends and rent	-	18,220	-	18,220	2,224
Interest on cash deposits	7	1,267	2,135	3,409	11,358
	£7	£19,487	£2,135	£21,629	£13,582

6. Costs of Raising Funds	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Costs of managing investment property		5,486		5,486	2,394
Fundraising costs				-	76
Church hire and tours	126			126	522
	£126	£5,486	£-	£5,612	£2,992

7. Analysis of expenditure on charitable activities

	Church Ministry	Upkeep of Consecrated Building	Special collections	2016	2015
	(Unrestricted)	(Designated)	(Restricted)	Total	Total
	£	£	£	£	£
Mission giving and donations	38,319		779	39,098	47,647
Diocesan parish share contribution	55,959			55,959	52,359
Church ministry- payroll costs	8,420			8,420	33,212
Youth & children's work - payroll costs	37,050			37,050	29,424
Youth & children's work - other costs	6,284			6,284	5,845
Clergy and visiting clergy expenses	9,013			9,013	9,788
Baptism, wedding and funeral costs	9,787		6,794	16,581	8,182
Church and outreach events	8,070		6,751	14,820	7,765
Upkeep of services	6,983			6,983	5,475
Church bookstall and leaflets	5,088			5,088	1,436
Repairs and maintenance		23,338		23,338	32,129
Church insurance	9,799			9,799	7,082
Light & heat	10,821			10,821	11,343
Warwick Hall running costs	19,576			19,576	351
Governance costs (see note 8)	3,901	-	-	3,901	5,052
Support costs (see note 8)	78,780	-	-	78,780	52,421
Total	£307,850	£23,338	£14,324	£345,512	£309,511

The trustees consider that the charity's single core activity is that of Church Ministry . This encompasses the whole mission of the Church ; pastoral , evangelistic , social and ecumenical and is summed up in the vision statement " To know Christ and to make Him Known". The charity also has the maintenance responsibilities for the Parish Church of St John the Baptist, Burford.

100% of Governance and Support costs have been allocated to the core activity of Church Ministry.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016 (Continued)

8. Analysis of governance and support costs

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between the key charitable activities undertaken (see note 7) in the year.

Analysis of Support and Governance Costs

	General support £	Governance function £	Total £	Basis of apportionment £
Support Staff - payroll costs	61,822		61,822	Support
Office costs	7,671		7,671	Support
Computer costs	3,813		3,813	Support
Telephone	4,659		4,659	Support
Bank charges	816		816	Support
Accountancy & bookkeeping		1,068	1,068	Governance
Auditor's remuneration		2,833	2,833	Governance
Total	£78,780	£3,901	£82,681	

Governance costs relating to the strategic management of the charity's activities and trustees meetings are £nil (2015:£nil) as these functions are performed by the PCC on a voluntary basis. Trustees expenses disclosed in Note 11 all relate to expenses incurred and reimbursed for charitable activities and not governance or support functions.

9. Analysis of staff costs

	2016 £	2015 £
Salaries and wages	102,955	82,757
Social security costs	3,165	2,431
Pension costs	1,172	2,408
Redundancy payment	-	2,625
	£107,292	£90,221

No employees had emoluments in excess of £60,000 (2015: Nil).

10. Staff numbers

The average number of employees during the year was as follows:

2016 Number	2015 Number
7	7

The number of full time contracted staff was 4 (2015:1) . The remaining staff are employed on a part time basis.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016 (Continued)

11. Related party transactions and trustees' expenses and remuneration

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2015:£nil). Expenses paid to the trustees in the year totalled £8,841 (2015: £8,423). These expenses were made up of 2 trustees reimbursed motor, telephone, office and hospitality expenses. All expenses were incurred for charitable activities.

In the year payments were made of £3,456 to Miriam Owen, a trustee, and of £7,542 to Caitlin Ormiston, the daughter of a trustee, under part-time, interim contracts of employment. These payments, primarily in respect of the new Warwick Hall, were in respect of administrative work for the establishment of processes, day to day running and management of lettings. Also in the year, a grant of £400 was paid to Christians in Sport in respect of James Johnson, the son of a trustee, to support his work on "gap year" mission projects (the terms and conditions being identical to others awarded within the church).

12. Pensions

Employees of the charity are entitled to join a defined contribution "money purchase" scheme. The charity's contribution is restricted to the contributions disclosed in note 9. There were no outstanding employer's contributions at the year end. The costs of the defined contribution scheme are included within the applicable staff payroll costs heading (Church ministry, youth and children's work and support staff). The money purchase plan is managed by NEST and the plan invests the contributions made by the employer and the employee in an investment fund to build up over the term of the plan a pension fund which can be accessed by the employee from the age of 55. The total expense ratio of the plan is 0.3% and this is deducted from the investment fund annually. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions. There were no employees' contributions outstanding at the year-end.

13. Tangible fixed assets

Warwick Hall	2016	2015
Costs of project to date	<u>£4,017,495</u>	<u>£2,314,909</u>

The cost represents the cumulative planning, design, building and equipping costs spent on the Warwick Hall project to date. The Warwick Hall is carried at this cost price as any valuation placed on the property would be of no consequence as the building is central to the operations of the Church and was not developed with any intention of a sale.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016 (Continued)

14. Fixed Asset Investments

Movement in fixed asset investments:

	2016	2015
	£	£
At 1 January 2016	662,107	26,510
Add: additions to investments at cost	484,000	627,500
Disposals at carrying value	-	-
Add: net gain on revaluation	30,682	8,097
	£1,176,789	£662,107
At 31 December 2016		

Investments at historic cost comprised:

	At 1.1.16	Additions	Disposals	Transfers	At 31.12.16
	£	£	£	£	£
Investment property	26,510	-	-	-	26,510

The investment property asset represents the PCC's loan to the Burford Benefice Bartholomew Trust ("BBBT") to enable the purchase of 20 Oxford Road, Burford in October 2010; the property originally cost £245,000.

If the property were sold the PCC would receive a share of 27/245 of the net proceeds. The net proceeds being calculated as the sales price less refurbishment and other costs incurred by BBBT. This asset is included at cost as the PCC has no direct control over the property or its sale.

The investment property is held in the general fund.

Investments at market value comprised:

	At 1.1.16	Additions	Disposals	Change in Market Value	At 31.12.16
	£	£	£	£	£
Investment property (5 Sylvester Close)	312,500				312,500
CBF Church of England Investment Fund	308,097	484,000		30,030	822,127
Ratesetter deposit	15,000			652	15,652
	£635,597	£484,000	£-	£30,682	£1,150,279

£312,500 is the purchase price of 5 Sylvester Close in October 2015. The PCC considers this purchase price to still fairly reflect market value at 31 December 2016. This will be reviewed from time to time.

The investment is held to provide income for the fabric and equipment fund in the form of rental receipts.

The Ratesetter deposit is considered to be a fixed asset investment as it is deposited for a period greater than 12 months and penalties are incurred for early access to the funds.

All investments held at market value relate to designated funds.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016 (Continued)

15. Debtors

	2016 £	2015 £
Gift aid reclaims	2,174	51,312
Benefice contributions	-	4,078
Other debtors and prepayments	-	4,258
	<u>£2,174</u>	<u>£59,648</u>

16. Current Asset Investments

	2016 £	2015 £
Cash on deposit	<u>1,043</u>	<u>1,042</u>

17. Creditors: amounts falling due within one year

	2016 £	2015 £
Warwick Hall invoices	79,192	153,618
Accruals	2,700	2,500
Other creditors	2,490	4,358
	<u>£84,382</u>	<u>£160,476</u>

18. Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance 1.1.16 £	Income £	Expenditure £	Gains / (Losses) £	Balance 31.12.16 £
General fund	84,917	294,691	(307,976)	-	71,632
Designated fund - fabric & equipment	1,164,010	70,237	(28,824)	30,682	1,236,105
Total	<u>£1,248,927</u>	<u>£364,928</u>	<u>£(336,800)</u>	<u>£30,682</u>	<u>£1,307,737</u>

Name of unrestricted fund

Description, nature and purposes of the fund

General fund

The 'free reserves' after allowing for all designated funds. The general fund is available to be spent for any of the charity's purposes.

Fabric and Equipment Fund

Funds set aside by the PCC to enable it to meet its maintenance responsibilities for the Parish Church of St John the Baptist, Burford and other church buildings.

PAROCHIAL CHURCH COUNCIL OF ST JOHN THE BAPTIST, BURFORD

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016 (Continued)

Analysis of movements in restricted funds

	Balance 1.1.15 £	Income £	Expenditure £	Gains / (Losses) £	Balance 31.12.15 £
Warwick hall	3,396,932	658,198	14,324	-	4,040,806
Special collections	-	8,189	8,189	-	-
Total	£3,396,932	£666,387	£22,513	£-	£4,040,806

Name of restricted fund

Description, nature and purposes of the fund

Warwick Hall	Rebuilding project relating to one of the church's properties, the Warwick Hall. All monies given for this project are being used to rebuild and extend the Warwick Hall to provide the necessary space and modern facilities to support a growing church and to serve the needs of the community.
Special collections	Collections given for specific purposes and which are required to be paid over to external beneficiaries.

19. Commitments

The Warwick Hall restricted fund is a significant ongoing capital project and is expected to fully utilise the restricted fund current assets held at 31 December 2016 by the end of 2017. The Hall itself was completed in the summer of 2016, although there remained some equipping costs, costs to the pathways immediately around the Hall and payment of the retention held against the main building work. At 31 December 2016 these remaining costs were in the region of £165,000. The PCC has sufficient funds from restricted funds, grants and future pledges to meet its commitments.

20. Comparative 2015 Figures for Statement of Financial Activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2014 £
Income from:				
Donations and legacies	279,154	1,153,346	999,935	2,432,435
Charitable activities	25,916	-	-	25,916
Other trading activities	6,810	-	3,169	9,979
Investments	50	4,740	8,792	13,582
Total incoming resources	311,930	1,158,086	1,011,896	2,481,912
Expenditure on:				
Raising funds	873	2394	76	3,343
Charitable activities	266,001	31,477	11,682	309,160
Total expenditure	266,874	33,871	11,758	312,503
Net income/(expenditure) before gains/(losses) on investment assets	45,056	1,124,215	1,000,138	2,169,409
Net gains/(losses) on investment assets	-	8,097	-	8,097
Net movement in funds	45,056	1,132,312	1,000,138	2,177,506
Reconciliation of funds				
Total Funds brought forward	39,861	31,698	2,396,794	2,468,353
Total funds carried forward	£84,917	£1,164,010	£3,396,932	£4,645,859