

1. **Introduction**

This Annual Report and Accounts is produced in accordance with the Church of England's guidance for PCCs to help them comply with Part VI of the Charities Act 1993 and associated accounting regulations. For further information please contact the Church Wardens or the Treasurer (please see Parish Office contact details on the front cover)

2. **Administrative information**

The Parish of St. Nicholas & All Saints' Worcester is associated with the Worcester City Centre Benefice, and is part of the Diocese of Worcester within the Church of England. The PCC also has responsibility for a chapel-of-ease, St Helen's, in Fish Street, Worcester

The Parochial Church Council (PCC) is a charity exempted from registration with the Charity Commission. However, with effect from 18th February 2009 the PCC became registered (No. 1128121).

The PCC elects members (for a three year term of office) each year at the Annual Parochial Church Meeting (APCM). PCC members who served from 1st January 2008 until the date this report was approved are:

Church Wardens		
Mrs Jill Kingston ¹	Mr Philip Greenwood ¹	Mr Brian Stothard ²
Miss Georgia Smith ²		
PCC Lay Representatives		
Mr Peter Belham ¹	Mrs Joanna Harper ¹	Mr Steve O'Rourke ¹
Mr Barry Collier	Mr Barrie Jenks	Mr Andy Sheppard
Mrs Ivanna Giles ¹	Mr Paul Long	Mr Colin Whitehead ¹
Mrs Joyce Griffiths ¹	Mrs Alex New	Mr Paul Wilcox
Mr John Brierley ²	Mrs Rosemary Adams ²	Mr Cecil Wright ²
Mr Ben Dunnett ²	Mr John Taylor ²	
Deanery Synod Representatives		
Canon Peter Davies	Mrs Mary Hancock	Miss Margaret Rutter
Mr James Adams ²		
Treasurer		
Mr Grahame Lucas (co-opted 19 th May 2008)		Mr Philip Read ²
Clergy		
Rector: Fr Ian Pearson	Associate: Minister Rev Paul Swann	Curate: Rev Ashley Collishaw

1 = only served from APCM on 7th April 2008,

2 = only served up to APCM

The Clerk to the PCC is Mrs Christine Haig, who is also the Parish Administrator. The PCC has appointed Nick Joyce of Nick Joyce Architects LLP, Worcester as Inspecting Architect. The PCC uses Lloyds Bank, The Cross Worcester.

3. **Structure, governance and management**

The PCC is a corporate body established by the Church of England. It operates under the Parochial Church Council Powers Measure.

PCC members are appointed in accordance with the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

All Saints is part of the Benefice of Worcester City.

The PCC has responsibility for a number of trusts that have been associated with the All Saints area of the City including the churches of St Andrew’s and St Nicholas’

The PCC is responsible for health and safety, disability discrimination and child protection. The PCC has nominated people for the Diocesan Child Protection training.

The PCC delegates some business to other groups:

Standing Committee: comprising Church Wardens, Treasurer, Clergy, and two PCC members (nominated by the PCC) is responsible for day to day business decisions, or those decisions that are required urgently but have been agreed in principle by the PCC.

St. Helen’s Project Group: comprising the Clergy, the Churchwardens, Jim Adams and Rose Adams (Deputy Churchwardens), Peter Davies, and Robin Humphries (Chairman) is responsible for running St. Helen’s and developing the detailed project proposals for the future use of the church building.

The Mission Giving Committee: consists of Julia Gonzales, Philip Greenwood, Ivy Smith, Mike Harper, and Jill Kingston.

All Saints Society of Bell Ringers: comprising representatives from the Bell Ringers is responsible for running the Bell Tower.

The PCC is aware of its responsibility for **risk management** and has put in place arrangements to manage and reduce those risks which it regards as most significant as follows:-

Risk title:	Impact / likelihood:	Management action:
Boiler fails and effective heating of All Saints becomes impossible	Loss of church heating and reduced congregation / highly likely without action	Boiler replacement project in place, funding agreed
Health & Safety failure – kitchen water and electrical supply	Personal accident, loss of reputation, loss of congregation / low to medium likelihood	Replacement kitchen planned in the future. Review temporary kitchen arrangements
Interregnum	Failure to recruit a	Archdeacon working with

Risk title:	Impact / likelihood:	Management action:
	replacement for Paul Swann to continue leading the vision for All Saints	PCC. External advice used for church profile. Recruitment plan being drawn up.
Failure of the church organ	Important loss to Worship / low to medium likelihood	Technical survey in place, Fund raising in place and planned. Piano available as contingency
St. Helen's church unable to be used for the promotion of God's Kingdom	Major location in high street, highly visible if it becomes redundant as a church / likely without action	St. Helen's project group established to promote and develop the use of St. Helen's to promote God's Kingdom
Toilets - lack of adequate facilities	Health and convenience puts off families and others / highly likely	Toilet replacement project in place. Funding - Gift Day held, further funding to be assessed in 2009
Theft of valuable equipment	Important loss to Worship / low to medium likelihood	Security of church Insurance cover for funding In house skills to manage project
Ambition overstretches people resources	Congregation burnout and loss of [key] people / medium likelihood	Archdeacon met PCC to develop leadership.

4. **Objectives and activities**

The overarching mission of All Saints is to reveal the heart of Jesus in the heart of the City.

The PCC is responsible for working with the Clergy in promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC also has responsibility for the running St. Helen's church.

5. **Achievements and performance**

Church attendance: There were 192 names listed on the church Electoral Roll at the meeting held in 2008. One addition during 2008 brought the total to 193 as at 31st December 2008. Attendance at services has increased by about 1½% between 2007 and 2008, with a 2.3% increase in attendance at the 6:30/5:00pm service. However,

during 2008 there has been a fall in attendance of about 15% between the first and second half of the year, coupled with a drop in giving of about 9% over the same period.

Review of the year: The past year is reviewed in the reports from the various areas of church life, attached as an Annex. These reports include a report on the electoral roll, on the proceedings of the PCC, on the fabric, goods and ornaments of the church, and on the proceedings of the Deanery Synod.

6. Financial review

Financial standing: highlights are (for all PCC funds):

Total funds	£193K	☺ up from £146K last year (see below)
Income	£196K	☺ up from £135K last year
Expenditure	£148K	☺ up from £136K last year
Net surplus	£48K	☺☺ last year we had a deficit of £793

Our funds increased by £48,131 during 2008 as follows:

All Saints	£19,582	From Gift Day and increased giving
Organ	£1,063	from fundraising concert
Bell Ringers	£545	from ringing activities
St Helen's	£26,441	from letting of church and school room
Messy church	£500	Donation
	£48,131	

Actions taken during the year: a number of actions have taken place including setting aside money for the replacement of the Boiler (£30,000) and the project to construct a new toilet block (£77,500). We still **need raise funds** of about £75K to £85K for the toilet project. The PCC has a promise of a gift of £10K, and also plans further fundraising for this purpose.

Gift Day: was very successful with a total of over £36,500 given in one-off gifts and Gift Aid. This included a gift of £10K which was given to the Nino's project initially and then transferred to the Toilet Project.

All Saints general income and expenditure: although our finances are very healthy there remains an underlying problem; during 2008 our income was bolstered by one-off money raised from the gift day. We cannot assume that this will continue in future years, therefore, we need to increase our regular giving.

All Saints	£19,582	☺ increased funds (as shown above)
Less one-off	£36,500	☺ income from Gift Day
Deficit	£16,918	☹ underlying deficit

The Annual Statement of Accounts for 2008: is set out on pages 8 to 16 and have been subject to Independent Examination (see the Examiner's report at the end of this document - page 17). Several changes have been made to the Accounts during 2008. The PCC now uses a computer system to record and report on its finances. Several adjustments have been made to the figures brought forward from 2007,

as a result of minor errors highlighted in the notes to the accounts. These have been thoroughly researched to ensure the continued integrity of the PCCs finances and accounting statements. A detailed explanation is set out on page 16.

Giving to missions and charities during 2008 totalled £9,880 which represents 8.84% of income (excluding Gift Day). **The Mission Giving Committee** (see Para 3) met twice during 2008, in June and November. The policy of this group has always been to give up to one tenth of our church income into situations where we, All Saints have a relationship. The money that has been allocated included:

Dikki and Stephen Hawkins	£1,000
Wim and Bertha Schoonbee	£1,500
Worcester Area Schools Project (WASP)	£1,750
Worcester City Mission	£1,200
Scripture Union in Pakistan	£150
Helen Thompson with YFC in South Africa	£500
Family Impact in Zimbabwe particularly in connection with the cholera	£1,400

A balance of £1,116 is waiting to be allocated during 2009.

Future commitments and budget for 2009: the PCC faces significant challenges over the next few years. The financial challenges include:

- Raising sufficient funds to enable the toilet project to go ahead
- Increasing income to match the longer term ambitions of the Parish
- Planning to replace reduced support from Gift Aid by 2011 (£3K p.a.)
- Increasing parish share; increased by 20% to £72,256 in 2009 (the payment we make to the Diocese to support the running of the church)
- Works that may arise out of the next Quinquennial survey (due in next 3 years), and other known repair obligations including the church electrics, the church clock (approx' £1,300) and the church organ (approx' £5,000).

7. **Plans for the future**

There are a number of challenges in the year ahead, with the arrival of a new minister, the anticipated departure of our Curate, and several building issues to be dealt with which will have consequences for the church's finances. We hope it will be possible to appoint the new minister to start in the autumn, though we do want to ensure that it is the right person for us. A key task for the year ahead is preparing us to receive and work with them. We do not think it appropriate to start any significant initiatives in the meantime but equally do not believe that everything should be put on hold.

As part of this preparation we are proposing to put on in All Saints' the "Growing leaders for Growing Churches" course published by the Church Pastoral Aid Society (CPAS) starting in the autumn. We are also looking

at ways of encouraging Small Groups as a key place for maturing our members. We have already started inviting reputable outside speakers in for our Sunday services to supplement the teaching provided by our own preachers. The need for an increased involvement in corporate prayer within the church has also been seen as a priority.

For the church, people not a building, to work effectively we are looking to develop a number of teams to look after various aspects of the church life. We are thinking particularly of catering for church events, and for church members where there is a need, of maintaining the grounds, and of support for the wardens at the Sunday services. We are a growing church, and can anticipate continuing to grow, and team work within the body is essential.

The PCC has set up a steering group to advise on and oversee the development of the church building and site so that we can make the most of the premises we have. We are looking urgently at means of providing adequate toilets, and more suitable arrangements for the provision of refreshments in the church, as well as seeking to make longer term plans for more flexible use of the interior of the church. Whilst there are reserves to fund the initial work there will clearly be a need to consider ways of increasing the giving to the church, bearing in mind the personal finances of some, perhaps all, of our members are being affected by the economic problems at global level.

8. **Funds held as a custodian for others**

The PCC has custody of six bank and investment accounts which bear the name other than All Saints and St Helen's. The Bell Ringer's account holds the funds for the Bell Ringers Restricted Fund. All other funds (St Michael's, St Nicholas' and Bickerton Charity) are all for general All Saints church purposes for which the PCC has responsibility. These funds total £2,209.29 as at 31st December 2008.

9. **Reserves policy**

It is PCC policy to maintain a balance on unrestricted funds of approximately 10% of gross expenditure (if possible), as a contingency to cover for urgent and emergency situations that may arise from time to time. The balance of £15K on General Fund falls within this policy.

A number of restricted and designated funds are held for specific purposes. These are set out on page 11 of the Accounts.

It is our policy to invest our funds in CBF Church of England Deposit Fund, after taking account of the need for cash in the bank current account to meet day to day expenses and cash flow. Some small investments arising from other charities and trusts are held in other investment funds. These will be reviewed by the PCC on a regular basis.

**Notes to the Financial Statements
For the year ended 31 December 2008**

1. ACCOUNTING POLICIES

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

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value.

1.1 Funds

General funds: represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. **Designated Funds:** are held for a particular purpose by the PCC, but still remain legally unrestricted.

Restricted funds: these are funds raised by the church or given to the church for specific purposes and must be spent on that purpose.

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

1.2 Incoming Resources

<i>Voluntary income and capital resources</i>
Collections: accounted for when received by or on behalf of the PCC
Planned giving: under Gift Aid is accounted for only when received
Income tax: recoverable on Gift Aid donations is accounted for when the donation is received
Grants and legacies: to the PCC are accounted for as soon as the PCC is notified of its legal entitlement and the amount due
Fund raising: special events (e.g. concerts) accounted for gross
Sales of books and magazines: accounted for gross
<i>Other ordinary income</i>
Rental income: from the letting of church premises is accounted for when the rental is due
<i>Income from investments</i>
Dividends and interest: accounted for when receivable. Tax on such income is accounted for in the same accounting year
<i>Gains and losses on investments</i>
Realised gains or losses: accounted for when investments are sold
Unrealised gains or losses: accounted for on revaluation of investments at 31 December

1.3 Resources used

Grants and donations to missions etc: accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC

Activities directly relating to the work of the Church

Parish share: accounted for when payable. Any quota unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor¹ in the Balance Sheet

1.4 **Fixed assets**

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by s.96(2)(a) of the Charities Act 1993.

No value is placed on movable church furnishings held by the vicar/rector and churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers these to be inalienable (i.e. cannot be transferred to another person). They are listed in the Church's inventory, which can be inspected (at any reasonable time). For inalienable property acquired before 2006 there is insufficient cost information available and therefore such assets are not valued in the financial statements. Items acquired since 2006 (had there been any) would have been capitalised and depreciated in the financial statements over their anticipated useful economic life on a straight line basis.

All expenditure incurred during the year on consecrated or benefice buildings, individual items under £2,500, on repair, or movable church furnishings, is shown as expenditure for the year in the financial statements.

Other fixtures, fittings and office equipment

Individual items of equipment with a purchase price of £2,500 or less are shown as expenditure in the year when the asset is acquired. There are no items of greater value.

Investments

Investments are valued at market value at 31 December.

Current assets

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

Short-term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.

1.5 **Adjustments to the Accounts**

An amendment has been made to the figures for 2007 to correct an error in the 2007 balance sheet. A further explanation of this is set out at page 16.

¹ Creditor: goods or services which we have received in the year but for which payment is to be made in the following year.