

St Nicholas' Church, Durham
Financial Statements
For the year ending
31 December 2022

JANE ASCROFT ACCOUNTANCY LIMITED

Chartered Accountants
Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XP

St Nicholas' Church, Durham

Financial Statements

Year ended 31 December 2022

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St Nicholas' Church, Durham

Members' Annual Report

Year ended 31 December 2022

The members present their report and the unaudited financial statements of the Parochial Church Council for the year ended 31 December 2022.

Objectives and activities

The objectives of St Nicholas Church (known to all as 'St Nics') continue to be those of a city-centre Church of England church: to be a Christ-centred community that grows in discipleship, service and number. It seeks to achieve this through a vision focused around Discipleship, Evangelism, Justice and Service, under the broad rubric of being 'a church for everyone'. St Nics is also a designated 'resource church' for the wider Diocese of Durham. This understanding was condensed into a vision statement shared with all attendees at the end of the 2022 year, in a 'Vision Sunday' in early January 2023.

The PCC has the responsibility of co-operating with the incumbent in promoting in the parish all aspects of the mission of the church - pastoral, evangelistic, social and ecumenical. The incumbent, the Revd Arun Arora, left in July 2022 upon becoming the Bishop of Kirkstall, in the Diocese of Leeds. Since then the Prior, the Revd Dr Richard Briggs, has served as Acting Vicar while St Nics awaits the appointment of a new incumbent.

In attempting to achieve its objectives, St Nics undertakes a number of different ministries, including:

Ministry as a Parish Church: We resource our members of all ages through regular Sunday services that include biblical preaching and teaching, worship, and the celebration of Holy Communion. Alongside these we hold daily prayer services (usually now at 9am, and sometimes at lunchtime), a midweek communion service every Wednesday lunchtime, a wide range of midweek small groups for the cultivation of Christian discipleship, and many other ministries, including student work, dedicated children's and youth provision, music and worship ministry, and a social justice ministry centred in the new St Nics Cafe.

We have continued our established pattern of Sunday services - three Sunday services at 9am, 11am and 6.30 pm, as well as starting a once-per-month 4pm afternoon service on the fourth Sunday of every month, known as 'The 4', and which is open to those for whom our weekly services may not be convenient. We have continued to stream at least one and sometimes two services on a Sunday, aware that our online 'congregation' often numbers 50-100 views (and therefore perhaps 100-200 people) spread far and wide, every Sunday. In 2022 we were finally able to progress beyond any further COVID restrictions in our physical gatherings.

We have continued to provide opportunities for people to join Alpha courses (now once more face-to-face). On the first Monday evening of every month we hold an all-church prayer evening that has been steadily growing from around 20-25 regular attenders to around 35-40 regular attenders. Other special events through the year include a children's holiday club, student weekend away, youth summer camp, and other social events.

St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

The Diocese of Durham has been encouraging all its churches to consider the possibilities for starting new worshipping congregations in Durham, whether as additional services (such as 'The 4' - see above) or in other locations in addition to the church building. St Nics has been actively involved in exploratory conversations about this possibility through 2022, with a view to discerning whether there is scope to do this in the years ahead. This work has involved our 'church planting curate', the Revd Claire Elwood, and others.

Small Groups: Those who are involved in the life of the church are encouraged to join one of a network of Spiritual Growth Groups, hosted in members' homes. These groups play an important role in pastoral care, facilitating personal growth and encouraging an outward focus to our Christian lives. The group leaders meet periodically for training and support. The groups are now understood to make up the 'Community of St Cuthbert', under the oversight of our Prior, who provides resource materials, works with groups leaders, and teaches regularly on the topics relating to the Christian life. Community of St Cuthbert material is made freely available to other churches beyond St Nics on our website.

Ministry Experience Volunteers (formerly Ministry Assistants): The Internship scheme at St Nics was started in the summer of 2010, and provides an opportunity for people to explore God's call in their lives while serving the church. The MEVs serve in various ministries in the church, as well as undertaking a course of accredited study at first year degree level through the local Lindisfarne College of Theology.

In September 2016, our Internship program became part of the Durham Diocese Church of England Ministerial Experience Scheme, working in partnership with St Chad's, Sunderland. In 2022 we said goodbye to Lydia Francis Holmes and Elisa Korner as our full time MEVs in July. Unfortunately we were not able to recruit further MEVs for 2022-23, but we anticipate resuming recruitment for 2023 once a new vicar is in place.

Ministry with students: Our Student Ministry aims to welcome, integrate and disciple students as well as providing pastoral care. After difficulty in recruiting a new student worker in 2021, we were pleased to appoint a recent Durham graduate, Edmund Milwain, to the combined post of Student Worker and 'Amigos' Worker (see below). Under Edmund's leadership the student work has re-established a good number of small groups, which are part of the Community of St Cuthbert, as well as seeking to offer welcome to many other students passing through Durham Market Square. A weekly student night event on Thursday offers a forum for St Nics students to meet, study, worship and pray together.

Ministry with international students ('Amigos'): Edmund Milwain has taken on responsibility for this area of our church work alongside his role as Student Worker, offering 8 hours per week dedicated to providing welcome and hospitality to those newly arrived in Durham from other cultures. Durham University and New College receive over 3000 international students from 120 countries, along with their spouses and families. This ministry aims to encourage the churches in Durham to welcome and befriend international students whatever their faith, helping those who are Christians to find fellowship and grow in their faith, and taking the opportunity to share the Good News of Jesus with any who express an interest. 'Amigos' hosts a weekly regular meeting in addition to other activities.

Ministry with children and families: In the context of Durham Diocese where fewer than 6 churches are in regular contact with more than half a dozen children and young people, St Nics is privileged to work with a large number of children under the oversight of our Children and Families Worker, Kate Swann. We have over 50 under 11's in some degree of regular attendance on a Sunday, and Kate Swann provides support to them and to their families by resourcing their Christian discipleship. An annual holiday club - typically undertaken during one half-term break in the year - often attracts many more children who have no previous involvement in our church life. St Nics runs regular courses for parents on aspects of raising children in contemporary culture and informed by Christian faith.

St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

The rapid growth in numbers of our 5-11 year old group has meant that some of the provision with under 5's has been reduced in 2022. The weekly 'Tiddlywinks' drop-in was paused and has not been restarted. However, repairs to the church chapel space have allowed the resumption of a weekly creche in the 11am Sunday service.

Ministry with young adults: Our Youth Missioner, Hannah Wilkinson, has continued to develop involvement with the Durham Sixth Form Centre that is located in our parish. As well as continuing to develop excellent relationships with staff, and maintain an innovative 'Big Questions' group for interested sixth formers, she has developed a wide-ranging mentor scheme. This draws in volunteers from the wider church membership who can offer expertise and reflection in a range of subject areas. She has also liaised with the Sixth Form Centre to develop a chaplaincy-style presence for up to two days a week, including offering the possibility for a Christian Union style group to meet.

Hannah maintains a range of activities for young adults (11-18) already attending church including Sunday morning worship materials for those 11-13 and Wednesday and Sunday meetings for 13-18 year olds. Hannah's post is funded by the Diocese of Durham and the Church of England's Strategic Development Fund for its funding of this post. The expense fund provided as part of this funding has permitted youth to go on a summer camp with youth from many other churches, as part of helping them to have a sense of the wider world of church possibilities. The Teenaid Fund shown in the financial statements receives income from the interest on the Patterson Fund, a bequest made to the church a number of years ago. The fund gives grants for activities that 'encourage the spiritual growth of young people in the church.' No grants were made in 2022.

Ministry of Social Justice: Michael McGuigan continues as our Social Justice Enabler, appointed in 2021. During 2022 Michael built up (including literally building) the new St Nics Cafe. This opened slightly behind schedule in late summer 2022, with short opening hours and a small team of volunteers. The appointment of first a Cafe Manager, who helped us to get the cafe open, and then instead a Cafe Supervisor, has allowed the St Nics Cafe to become a regular part of our church life, serving the wider area. The Cafe is run by a Cafe Management Team, which reports to the church's PCC. Its finances are controlled within the church finances, rather than being a separate entity.

The purpose of the Cafe is to be a gateway to service, and Michael's role - now that the Cafe is open and established - is increasingly to develop the St Nics Justice Hub, whereby people can be put directly in touch with service providers for a range of social needs (such as debt counselling, financial aid, bereavement support, and others).

Mission Giving: The church supported mission activities in 2022. This year total support came to £7.6k and included the Bible Society, the Church Missionary Society, Church Army, VDM (Manasseh & Catrin Tuyizere), Mission Aviation Fellowship and the Latvia Biblical Centre.

The International Mission Committee keeps our contacts with the international societies under review and reports back to PCC periodically. The congregation was involved through meeting and praying for a number of mission partners throughout the year, a regular monthly prayer meeting, intercessions for mission partners as part of the morning service and through the Church's monthly prayer diary.

Buildings: As a resource for the community we serve, the church buildings are available for hire for a number of specified purposes and this income is included in the accounts.

Gateway World Shop continued throughout 2022 to occupy a corner of the building. Gateway paid a monthly rent for this space. It trades independently of the church and its figures are not included in our accounts. The Gateway Shop subsequently ceased trading in February 2023 as a result of pressures on the fair trade sector in terms of both supply and demand. No decision has yet been made on reassignment of the space occupied by the Gateway Shop. The space is fully a part of St Nics building.

St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

Regional Mission: Our role as a parish church in the Diocese of Durham and part of the Anglican Communion continues to be an essential part of our church life. The clergy regularly attend Deanery Synod and Deanery Chapter meetings. Tim Packer, James Cochran and Alex Marklew served on the Deanery Synod, with the latter two both moving away from Durham during the course of 2022. New representatives will be elected in 2023. Jamie Harrison and Angus Goudie continue to serve on General Synod.

The Parish Offering is our contribution to the costs of mission for the Church of England in the Diocese of Durham. It pays for the stipend and employing cost of our clergy, provision of Diocesan resources such as the use of a house for our MEVs, and other aspects of church life. St Nics has made a net contribution to the share over and above the cost of these provisions, though this may change in future years. The Parish Share is used to support mission and ministry throughout the Diocese. In 2022 we gave £100k in Parish Offering and PCC continues to see the importance of helping to sustain mission in parts of our region that cannot at present support it on their own. The full £100k is included as an expense in the 2022 SOFA (see Note 9).

The Trustees have complied with the duty to have due regard to the public benefit guidance published by the Charity Commission.

Financial review

2022 was a busy year for St Nics with the key financial impacts being around Discipling Church income and expenditure, Church Building maintenance and the new Justice Café fit out and commencement of trading.

The PCC is so very thankful for the financial support of the congregation; without whom none of the fantastic missional work carried out by St Nics could be completed. The key points to mention are:

- Church giving is up 1.5% or £4k excl grants and legacies
- Running Costs excl Discipling Church are up 102% or £59k
 - Mainly down to increased maintenance spend which was up 155% or £54k
- Discipling Church Income is up 63% or £36k
- Discipling Church expenditure is up 71% or £42k
- Café is making a gross profit
- Maintenance fund of £30k has been used for repair works and now stands at zero

Overall the Church balanced its costs and incomes by consuming the maintenance fund reserves (£30k), External grants of (£27k), and by paying a reduced parish share (£16k). The legacy received will be set aside in a designated fund until an appropriate use of the money is decided (£36k).

St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

The below details the key movements from 2022.

INCOME

Donations & Legacies

Donations and legacies increased in 2022 on 2021 by £64.0k mainly due to a £35.6k legacy left to St Nics which was received in October 2022 and £26.5k from external grants (£10.3k for the Justice Café fit out, £9.4k VAT reclaim from the LPOWS relating to various building works carried out in 2022, £3.7k towards the High Level Window repair in the church and £3.2k towards the initial design of the Community Garden in the current Graveyard.

Planned (Regular) giving was £124.5k (2021: £122.2k) which was an increase of 3% (£4.5k), while Unplanned (Ad hoc) Giving was £23.4k (2021: £20.4k) which was an increase of 14% (£2.9k, this excludes Gift Day in both years).

St Nics continues to benefit from claims to HMRC for the 25% Gift Aid on donations made by donors who have signed a Gift Aid declaration from. Tax recoverable (Gift Aid) was £37.3k for the year (2021: £42.8k) which was a decrease of £4.1k (10%). This was mainly due to the lower Gift Day income than 2021 (Gift Day donations are included in Charitable Activities).

Charitable Activities

Income through charitable activities increased by 18% (£16.9k) to £108.2k in 2022 (2021: £91.3k). This was due to a decrease in Gift Day donations (2022: £12.5k from 2021: £33.3k, a decrease of £20.9k) offset by an increase in Discipling Church income (2022: £93.4k from 2021: £57.3k, an increase of £36.1k). The impact of the decrease in gift day giving on the net surplus has been offset overall by the legacy received.

Costs incurred as part of Discipling Church are reimbursed by the Strategic Development Fund, via the Diocese, once a claim has been submitted. During 2022, the £36.1k increase in claims was due to a number of factors. There was an increase of £23.9k for claims of salaries, as 2022 included a full year but roles were only filled and claimed for 6 months of 2021. 2022 also included a claim of £17.9k towards the fit out costs of the Justice Café. Finally, claims for Youth resources increased by £4.5k reflecting the post being filled for a full year. These increases were offset by a decrease of £10.8k (2022: £7.5k, 2021: £18.3k) in the MEV living costs allowance (Ministry Experience Volunteers) as no new MEVs were recruited from September 2022.

Other Trading Activities

During the start of the year, the lower hall was converted into a café space through which St Nics could carry out Justice work within the city. In August 2022 the Justice Café opened and in the last 4.5 months of 2022 generated sales of £3.4k. The PCC employ a café supervisor to run the café, while volunteers are involved in cooking, serving and listening to customers. The café is still in its infancy and taking related costs away from sales, made a Gross Profit (sales less cost of food, beverages, takeaway containers) of £1.6k, and a net loss of £2.1k (after including such other expenses as salaries, cleaning, advertising, equipment). Costs to set up were still incurred after opening and periods of closure contributed heavily to the loss. As the café moves into 2023, the financial outlook is hopeful as the menu, hours and activities attracting grants expand.

Investment Income

Investment income was £24.3k for 2022 (2021: £5.9k) which was an increase of 18.4k (309%). This was due to the hire of the Café space from February 2022 to Durham County Council as part of the Safer Women at Nights initiative. The space is hired three nights a week and offers a safe haven for those vulnerable in the city.

St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

EXPENDITURE

Guided Pledge (Parish Offering)

The PCC's guided pledge agreed at £100k for 2022 which was paid in full, a decrease of £16.3k on 2021, which was reflective of the large amount of maintenance costs needed as identified in the Quinquennial Report in 2021.

Church Running Expenses

These costs include utilities, cleaning products, insurance, maintenance and the cost of running services; tech, music group, wine. Running costs were £117.8k (2021: 58.2k), an increase of £59.6k (102%).

This was mainly due to the significant level of maintenance costs incurred in 2022 totalling £89.2k (2021: £34.9k); an increase of £54.3k, 155%. £36.2k was spent on upgrading lighting in the church to LEDS (building on the 2021 commitment to upgrade the main lighting), £37.8k was spent on repair of some of the high level windows and roof repair (including scaffolding and specialist glazing), £8.4k of Architects Fees in relation to the various works carried out.

The cost of cleaning, utilities and insurance increased by £3,241 (25%). £1.2k was spend on a design for a new Community Garden in the Churchyard behind the youth centre. Significantly more costs are likely to be incurred on the development of this in 2023.

Youth Centre

Youth centre costs include utilities, insurance and depreciation. There were no additions or disposals in the year.

Home Ministry

These costs include various ministry areas such as Children & Families, Student, Alpha, Youth and Justice (Justice Café costs). Ministry costs increased by £3.6k (95%) to £7.4k (2021: £3.8k). Trading Costs for the Justice café were not present in 2021 and contributed £4.3k to the 2022 figure. The cost of the Satellites trip attended by the youth was £2.9k and was not claimed for under as part of Discipling Church as it was instead funded through the historic SNACs fund which was set aside for helping youth attend residential Christian events.

Church Administration

Administration costs for 2022 were £14.2k and included advertising, photocopier leasing, stationery, staff training & travel, subscriptions, telephone & IT Costs. This was an increase of £6.3k from 2021.

Payroll

Total staff costs increased to £125.8k from £102.3k; an increase of £23.5k (23%). During the year, the PCC employed a church employed a Church Operations Manager, a PA/ Admin assistant, a Student/International Worker, a Childrens & Families Worker and several part time support staff. During the year the Comms role funded by the Strategic Development Fund (SDF,Discipling Church) was split into two; a tech role and a media role which were both filled from October 22. The Social Justice Enabler Role and Youth Missioner continue to be funded by SDF. This increase reflected more posts being filled for a larger proportion of the year in 2022.

St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

Depreciation & Fixed Asset Additions

During 2022, £7.0k of Café fit out costs were capitalised including the new dishwasher, fridge, freezer, chairs, tables, bar stools, arm chairs, coffee machine & branded light. This means that the cost of these larger value items will be spread over their useful life of approx. 4 years rather than expensed in the year they were purchased. The cost of these was claimed through Discipling Church and the funding received is recognised in 2022 (the year in which it was received).

Looking forward:

The PCC are excited to see the ways in which God will be working through St Nics in 2023. Discipling Church continues to be funded by SDF funding during 2023 as it towards becoming self-sustaining in 2024/5 as funding trails off. The Churchyard is planned to be developed into a community garden with help of grant funding, and local involvement. The cafe continues to trade and looks to expand in menu, hours and activities offered. To fund these activities; the 2023 budget approved in September 2022 predicts a £30k deficit which will be supported by the maintenance reserve. This arises from income of £395.2k less expenditure of £425.2k.

Reserves Policy

The 2022 policy was reviewed and remained consistent with the prior year:

"It is the intention of PCC to try and maintain a balance on unrestricted funds of approximately £50,000 to cope with unforeseen expenditure and ongoing cash flow management."

At the year end, the church was above this figure (see balance sheet).

Acknowledgements

As the areas of ministry St Nics is involved with continues to grow and develop, the PCC are so very grateful for all those who give their time and money to support this. This includes in music, students, youth, children, justice, alpha, flowers, bell ringing, pastoral, stewarding, the café, churchyard, eco and many more.

I am personally thankful this year to Kate Dawson (Ops Manager) and Andy Freer (Gift Aid Secretary) who have helped immensely with the financial aspects of the church. I am also very grateful to Michael McGuigan and Emily Whitfield who have assisted with the café finances and to Sarah Alsop who is assisting with SDF claims. Thank you to the finance committee who have provided an excellent forum for discussion and ideas especially in setting the budget, consulting on Gift Day planning and reviewing policies.

Last but not least, thank you to Arun Arora our vicar who left in July, Richard Briggs our acting vicar for the remainder of the year and to the Standing Committee for all your help. The support of all these people at St Nics is so essential to being able to carry out the role of treasurer effectively.

St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

Structure, governance and management

PCC: The Parochial Church Council (PCC) is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The PCC registered in September 2009 with the Charity Commission.

The method of appointment of PCC members is set out in the Church Representation Rules. All regular Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC. Members of the PCC are either ex-officio, elected by the APCM or co-opted by the PCC.

The PCC operates through a number of committees. These meet formally and informally between full meetings of the PCC and are served by members of the PCC and other members of the church. The Standing Committee (comprising the incumbent, wardens, deputy wardens, treasurer, PCC lay chairperson and PCC secretary) is the only committee required by law. It has the power to transact the business of the PCC between meetings, subject to any directions given by the Council.

In 2022 the PCC met on 10 occasions. In addition to regular reports covering ministry, finance, property, safeguarding and eco issues, the PCC continued to make prayer a regular and core part of its meetings.

In addition to the staff team and the PCC the church is blessed to have a team of retired and licensed clergy in addition to readers. At the end of 2022 this team included: David Day, Peter Johnson, Philip Plyming, Steve Muneza, Will Foulger, Colin Patterson, Philip Brookes, Gavin Wakefield, Fran Wakefield, Andrew Trigger and Jamie Harrison. Baroness Sherlock of Durham completed her curacy and was licensed as Associate Minister at St Nics. Claire Elwood continued into a third year of her curacy. Sarah Helsop continued her studies as an ordinand with Lindisfarne College of Theology, due to be ordained in 2023. Ruth Stokes completed her training as a reader, and entered into a further period of discernment before taking up a licensed ministry. Ann Lipscombe continued in a second year of reader training. Mary Anne Freer, having completed her studies, was licensed as a Pastoral Assistant.

Staff team: In 2022, the staff team reporting to the vicar (until July 2022, and then to the acting vicar, from July 2022), and directly employed by the church, included: Kate Dawson (Church Operations Manager), Janet Dawson (Administrative Assistant), Edmund Milwain (Student and Internationals Worker from August 2022), Kate Swann (Children and Families Worker), Stephanie Simants (part-time Worship Co-ordinator from August 2022), Emily Whitfield (part time cafe supervisor appointed in December 2022 to begin in January 2023), and Claire Morley (part-time cleaner).

The church staff includes further roles funded by the Strategic Development Fund money from the Church of England: these are Revd Richard Briggs (Prior of the Community of St Cuthbert), Revd Claire Elwood (Curate), Hannah Wilkinson (Youth Missioner), Michael McGuigan (Social Justice Enabler) and a part time Comms post that was occupied by Logan Williams until August 2022, and was then shared into two smaller roles occupied by Danielle DeLong and Phil Alsop (from November 2022).

In July 2022, two Ministry Assistants completed their 11 month placement under CEMES (Church of England Ministerial Experience Scheme): Lydia Francis Holmes and Elisa Korner. No new recruits were forthcoming for this scheme.

Risk management: The PCC is of the opinion that the management structure, as detailed above, keeps under review and manages the various risks which the church faces. Risk in this context might be defined as "the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and execute its strategies". These may be:

St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

- Financial risk often seen as the most common category of risk. We manage this through budgets, internal financial controls and management accounts. Also, we are currently subject to an annual independent examination.
- Statutory and legal requirements for example, health and safety regulations, employment law and child and vulnerable adult safety regulations. We aim for the highest standards in these areas and they are kept under review by the Church Wardens, the Safeguarding Officer, the Operations Manager, the Treasurer and others with specific areas of knowledge.
- Operational risk this would threaten the church's ability to deliver its objectives owing to, for example, damage to the church building or loss of key personnel. With regard to the former, the church wardens liaise with property experts, fire safety officers and others. As regards personnel, the type of team ministry this church operates reduces the risks associated with one member of staff leaving.
- Reputational risk for example, unwelcome publicity would hinder the mission of the church. This is managed at many different levels e.g. by the staff team, PCC members and small group leaders.

In line with current legislation, PCC subjects the annual accounts to an independent examination.

Administrative information

St Nicholas Church is situated in the Market Place, Durham. It is part of the Diocese of Durham within the Church of England. The correspondence address is Church Office, St Nicholas Church, Market Place, Durham DH1 3NJ. The website of the church can be accessed at www.stnics.org.uk

We are registered with the Charity Commission under the name of "The Parochial Church Council of the Ecclesiastical Parish of St Nicholas, Durham"; the registration number is 1133809.

St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

Administrative information

Registered charity name	St Nicholas' Church, Durham
Charity registration number	1133809
Principal office	Church Office St Nicholas' Church Market Place Durham DH1 3NJ

The members

The Parochial Church Council members who have served between 1 January 2022 until the date this report was approved are:

Ex officio members:

Incumbent:	Revd Arun Arora (resigned July 2022)
Curate:	Revd Claire Elwood
Prior:	Richard Briggs (acting vicar from July 2022)
Part-time self-supporting Minister:	Revd Baroness Maeve Sherlock

Wardens:	Mary Anne Freer Alan Smith
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Deputy Wardens:	Phil Alsop Sam Chapman (from May 2022) Jane Ghosh (from July 2022) Naomi Stevens
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General Synod members:	Jamie Harrison Angus Goudie
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Deanery Synod representatives:	Alex Marklew (resigned October 2022) Tim Packer
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PCC Secretary:	Ann Lipscombe
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Elected members:	Richard Swann Wendy Hughes Alan Smith Philip Dawson Jane Ghosh Elaine Duddy Paul Whipple (resigned July 2022) Naomi Stevens Chris Stokes Philip Alsop Paul Heslop Sam Chapman Ann Lipscombe
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Co-opted member:	Luke Jackson (until May 2022)
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St Nicholas' Church, Durham

Members' Annual Report *(continued)*

Year ended 31 December 2022

Independent examiner

Jane Ascroft FCA MA (Cantab)
Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XP

The members' annual report was approved on 24 March 2023 and signed on behalf of the board of trustees by:

A handwritten signature in black ink, appearing to read 'Richard Briggs', written in a cursive style.

Richard Briggs
Member

St Nicholas' Church, Durham

Independent Examiner's Report to the Members of St Nicholas' Church, Durham

Year ended 31 December 2022

I report to the members on my examination of the financial statements of St Nicholas' Church, Durham ('the Parochial Church Council') for the year ended 31 December 2022.

Responsibilities and basis of report

As the members of the Parochial Church Council you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Parochial Church Council's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

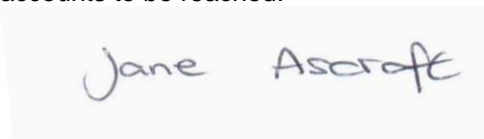
Independent examiner's statement

Since the Parochial Church Council's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Parochial Church Council as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jane Ascroft FCA MA (Cantab)
Independent Examiner

Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XP

St Nicholas' Church, Durham

Statement of Financial Activities

Year ended 31 December 2022

		2022				2021
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments						
Donations and legacies	4	273,614	27,438	–	301,052	237,041
Charitable activities	5	90,277	17,900	–	108,177	91,345
Other trading activities	6	4,639	–	–	4,639	212
Investment income	7	24,181	92	24	24,297	5,937
Other income	8	–	–	–	–	2,257
Total income		<u>392,711</u>	<u>45,430</u>	<u>24</u>	<u>438,165</u>	<u>336,792</u>
Expenditure						
Expenditure on raising funds:						
Costs of other trading activities	9	6,097	–	–	6,097	–
Expenditure on charitable activities	10,11	<u>384,084</u>	<u>45,221</u>	<u>–</u>	<u>429,305</u>	<u>335,028</u>
Total expenditure		<u>390,181</u>	<u>45,221</u>	<u>–</u>	<u>435,402</u>	<u>335,028</u>
Net income and net movement in funds						
		<u>2,530</u>	<u>209</u>	<u>24</u>	<u>2,763</u>	<u>1,764</u>
Reconciliation of funds						
Total funds brought forward		<u>259,677</u>	<u>25,404</u>	<u>5,073</u>	<u>290,154</u>	<u>288,390</u>
Total funds carried forward		<u>262,207</u>	<u>25,613</u>	<u>5,097</u>	<u>292,917</u>	<u>290,154</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 15 to 30 form part of these financial statements.

St Nicholas' Church, Durham

Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	17	102,225	103,435
Current assets			
Debtors	18	32,783	11,716
Cash at bank and in hand		173,327	191,812
		206,110	203,528
Creditors: amounts falling due within one year	19	15,418	16,809
Net current assets		190,692	186,719
Total assets less current liabilities		292,917	290,154
Net assets		292,917	290,154
Funds of the charity			
Endowment funds		5,097	5,073
Restricted funds		25,613	25,404
Unrestricted funds		262,207	259,677
Total charity funds	21	292,917	290,154

These financial statements were approved by the board of trustees and authorised for issue on 24 March 2023, and are signed on behalf of the board by:



Richard Briggs
Member

The notes on pages 15 to 30 form part of these financial statements.

St Nicholas' Church, Durham

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The Parochial Church Council is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Church Office, St Nicholas' Church, Market Place, Durham, DH1 3NJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The PCC considers that there are no significant estimates or judgements affecting these financial statements.

Fund accounting

Unrestricted funds are available for use at the discretion of the PCC to further any of the church's purposes.

Designated funds are unrestricted funds earmarked by the PCC for specific purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Permanent Endowment Funds where only the income, not the capital, can be used by the PCC.

The individual funds within each type of fund are shown in Note 21. 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.

St Nicholas' Church, Durham

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Income

Voluntary income and capital sources:

Collections are recognised when received by or on behalf of the PCC. Planned giving receivable under Gift Aid is recognised only when received. Income tax recoverable on Gift Aid donations is recognised when the related income is recognised. Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is reasonably certain. Funds raised by way of fetes, garden parties or similar events are accounted for gross.

Discipling Church income:

Discipling Church Income (SDF funding) is recognised once the associated expenditure has been incurred in accordance with the requirements of the funding.

Other income:

Rental income from the letting of church premises is recognised when the rental is due.

Income from investments: Interest entitlements are accounted for when received. Income from donated goods is accounted for on the basis of the value of average donation times number of donations received.

The church has relied significantly upon volunteers in carrying out its activities during the year, particularly Mission activities. In accordance with the SORP, the role of volunteers has not been recognised as income from donated services in the accounts.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates.

Grants:

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

Activities directly relating to the work of the Church: The Diocesan Parish Offering is accounted for when paid. Any Parish offering unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

All other expenditure is generally recognised when it is incurred and is accounted for gross.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

St Nicholas' Church, Durham

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Tangible assets

Consecrated property and movable church furnishings:

Consecrated and beneficed property of any kind is excluded from the accounts by Section 10(2) (a) of the Charities Act 2011. Movable church furnishings held by the Vicar and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are accounted for as inalienable property unless consecrated. They are listed in the church's Inventory which can be inspected at any reasonable time.

For inalienable property acquired prior to 2001 there is insufficient cost information available and therefore such assets are not valued in the accounts.

Major Items acquired since 1 January 2001 are capitalised and depreciated in the accounts over their useful economic life (initially over 10 years) on a straight line basis. All expenditure incurred during the year on consecrated or beneficed buildings, individual items under £2,000 or the repair/replacement of moveable church furnishings acquired before 1 January 2005 is written off.

Other fixtures, fittings and office equipment: Equipment used within the church premises is depreciated on a straight line basis over 4 years. Individual items of equipment with a purchase price of £2,000 or less are written off when the asset is acquired.

Youth Centre: After 40 years of use the building had a major renovation in 2003. Since the land is part of the St. Nicholas' Churchyard and of a specialised nature it is hard to determine any satisfactory use should the church cease to use the property in the future. It has therefore been capitalised at the cost of the renovation works in 2003. Depreciation has been charged at 2% in the present year.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Youth centre	-	2% straight line
Fixtures and fittings	-	25% straight line
Equipment	-	25% straight line
Office Equipment	-	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

St Nicholas' Church, Durham

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Parochial Church Council are assigned to those units.

Financial instruments

A financial asset or financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Pension policy

St Nicholas' Church, Durham participates in the Pension Builder Scheme section of the Church Workers Pension Fund (CWPF) for lay staff. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme.

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

St Nicholas' Church, Durham

Notes to the Financial Statements (continued)

Year ended 31 December 2022

Debtors

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

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

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.

Creditors

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

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Planned Giving - gift aided	124,461	—	124,461
Tax recoverable	38,693	—	38,693
Adhoc donations	23,157	200	23,357
Other planned giving	51,712	—	51,712
Legacies			
Legacies	35,591	—	35,591
Grants			
Church grants	—	16,924	16,924
Cafe grants	—	10,314	10,314
	<u>273,614</u>	<u>27,438</u>	<u>301,052</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Planned Giving - gift aided	122,234	—	122,234
Tax recoverable	42,767	—	42,767
Adhoc donations	20,289	—	20,289
Other planned giving	49,395	(18)	49,377

St Nicholas' Church, Durham

Notes to the Financial Statements (continued)

Year ended 31 December 2022

4. Donations and legacies (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Legacies			
Legacies	—	—	—
Grants			
Church grants	—	2,374	2,374
Cafe grants	—	—	—
	<u>234,685</u>	<u>2,356</u>	<u>237,041</u>

5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Gift Day - No gift aid	8,515	—	8,515
Gift Day - Gift aid	3,950	—	3,950
Discipling Church income	75,534	17,900	93,434
PCC Activities	2,053	—	2,053
Miscellaneous income	225	—	225
	<u>90,277</u>	<u>17,900</u>	<u>108,177</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Gift Day - No gift aid	15,162	—	15,162
Gift Day - Gift aid	13,065	5,000	18,065
Discipling Church income	57,299	—	57,299
PCC Activities	819	—	819
Miscellaneous income	—	—	—
	<u>86,345</u>	<u>5,000</u>	<u>91,345</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fees - Weddings & funerals	1,258	1,258	212	212
Cafe income	3,381	3,381	—	—
	<u>4,639</u>	<u>4,639</u>	<u>212</u>	<u>212</u>

St Nicholas' Church, Durham

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

7. Investment income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Bank interest receivable	706	92	24	822
Rental income	23,475	—	—	23,475
	<u>24,181</u>	<u>92</u>	<u>24</u>	<u>24,297</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Bank interest receivable	65	7	2	74
Rental income	5,863	—	—	5,863
	<u>5,928</u>	<u>7</u>	<u>2</u>	<u>5,937</u>

8. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Insurance claim	—	—	1,574	1,574
Job Retention Scheme	—	—	683	683
	<u>—</u>	<u>—</u>	<u>2,257</u>	<u>2,257</u>

9. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Cafe costs	6,097	6,097	—	—
	<u>6,097</u>	<u>6,097</u>	<u>—</u>	<u>—</u>

St Nicholas' Church, Durham

Notes to the Financial Statements (continued)

Year ended 31 December 2022

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Parish Share	100,000	–	100,000
Clergy expenses and vicarage costs	4,134	–	4,134
Church running expenses	102,269	15,507	117,776
Youth Centre costs	5,724	–	5,724
Home Ministry	5,874	1,500	7,374
Payroll costs	68,696	–	68,696
Church Administration	14,169	–	14,169
Missionary and Charitable Giving	7,590	–	7,590
Discipling Church	74,542	28,214	102,756
Support costs	1,086	–	1,086
	<u>384,084</u>	<u>45,221</u>	<u>429,305</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Parish Share	116,250	–	116,250
Clergy expenses and vicarage costs	2,718	–	2,718
Church running expenses	48,285	9,958	58,243
Youth Centre costs	8,884	–	8,884
Home Ministry	3,809	–	3,809
Payroll costs	68,707	–	68,707
Church Administration	7,837	64	7,901
Missionary and Charitable Giving	7,590	–	7,590
Discipling Church	60,026	–	60,026
Support costs	900	–	900
	<u>325,006</u>	<u>10,022</u>	<u>335,028</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2022 £	Total fund 2021 £
Parish Share	100,000	–	–	100,000	116,250
Clergy expenses and vicarage costs	4,134	–	–	4,134	2,718
Church running expenses	117,776	–	–	117,776	58,243
Youth Centre costs	5,724	–	–	5,724	8,884
Home Ministry	7,374	–	–	7,374	3,809

St Nicholas' Church, Durham

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

Payroll costs	68,696	–	–	68,696	68,707
Church Administration	14,169	–	–	14,169	7,901
Missionary and Charitable Giving	–	7,590	–	7,590	7,590
Discipling Church	102,756	–	–	102,756	60,026
Governance costs	–	–	1,086	1,086	900
	<u>420,629</u>	<u>7,590</u>	<u>1,086</u>	<u>429,305</u>	<u>335,028</u>

12. Analysis of grants

	2022 £	2021 £
Grants to institutions		
Church Missionary Society	2,000	2,000
Bible Society	1,500	1,500
Latvia Biblical Centre	1,800	1,800
Church Army (Friends of Bungokho)	1,000	1,000
Vereinigte Deutsche Missionshilfe (Manasseh & Catrin Tuyizere)	750	750
Mission Aviation Fellowship	540	540
Total grants	<u>7,590</u>	<u>7,590</u>

13. Net income

Net income is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>8,233</u>	<u>7,824</u>

14. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>900</u>	<u>900</u>

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	116,391	96,083
Social security costs	1,974	482
Employer contributions to pension plans	7,444	5,730
	<u>125,809</u>	<u>102,295</u>

St Nicholas' Church, Durham

Notes to the Financial Statements (continued)

Year ended 31 December 2022

15. Staff costs (continued)

During the year, the PCC employed a church employed a Church Operations Manager, a PA/ Admin assistant, a Student/ International Worker, a Childrens & Families Worker and several part time support staff. During the year the Comms role funded by the Strategic Development Fund (SDF, Discipling Church) was split into two; a tech role and a media role which were both filled from October 22. The Social Justice Enabler Role and Youth Missioner continue to be funded by SDF.

The average head count of employees during the year was 8 (2021: 8).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the PCC or a related entity were received by the trustees.

The Vicar, other clergy, PCC members and spouses were reimbursed expenses totalling £6,543 (2021 - £3,770) for travel, conferences, office materials, equipment and other expenses.

The amount of donations funded by trustees and connected parties was £31,815 (2021 - £46,490).

17. Tangible fixed assets

	Youth Centre £	Fixtures and fittings £	Equipment £	Office Equipment £	Total £
Cost					
At 1 January 2022	149,558	7,529	7,353	4,452	168,892
Additions	—	3,574	—	3,449	7,023
At 31 December 2022	<u>149,558</u>	<u>11,103</u>	<u>7,353</u>	<u>7,901</u>	<u>175,915</u>
Depreciation					
At 1 January 2022	52,440	4,627	6,002	2,388	65,457
Charge for the year	2,991	2,776	491	1,975	8,233
At 31 December 2022	<u>55,431</u>	<u>7,403</u>	<u>6,493</u>	<u>4,363</u>	<u>73,690</u>
Carrying amount					
At 31 December 2022	<u>94,127</u>	<u>3,700</u>	<u>860</u>	<u>3,538</u>	<u>102,225</u>
At 31 December 2021	<u>97,118</u>	<u>2,902</u>	<u>1,351</u>	<u>2,064</u>	<u>103,435</u>

18. Debtors

	2022 £	2021 £
Prepayments	3,396	1,627
Accrued income	15,946	1,015
Gift aid recoverable	8,541	9,074
Other debtors	4,900	—
	<u>32,783</u>	<u>11,716</u>

St Nicholas' Church, Durham

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

19. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	196	176
Accruals and deferred income	8,039	8,015
Social security and other taxes	—	2,111
Janet Foster fund	5,796	5,796
Pension creditor	1,387	711
	<u>15,418</u>	<u>16,809</u>

The Janet Foster fund is held as agent on behalf of the trustees of the fund. There has been no movement on the fund during 2022.

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £7,444 (2021: £5,730).

St Nicholas' Church, Durham

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

20. Pensions and other post retirement benefits *(continued)*

St Nicholas' Church, Durham participates in the Pension Builder Scheme section of CWPF (Church Workers Pension Fund) for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections; a. a deferred annuity section known as Pension Builder Classic, and, b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2022: £7,444, 2021: £5,730).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, St Nicholas' Church, Durham could become responsible for paying a share of the failed employer's pension liabilities.

St Nicholas' Church, Durham

Notes to the Financial Statements (continued)

Year ended 31 December 2022

21. Analysis of charitable funds

Unrestricted funds

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
General funds	40,420	280,733	(276,441)	25,122	69,834
Reserve fund	50,860	—	—	—	50,860
Ministry Assistants' Fund	1,000	—	—	—	1,000
Market Place					
Partnership, coffee lounge	20,750	—	—	(20,750)	—
Market Place					
Partnership, PCC funds	2,503	—	—	(2,503)	—
St Nicholas' Estate Fund	1,618	8	—	—	1,626
Student Ministry	129	845	(936)	(38)	—
Teen Aid	1,071	—	—	—	1,071
Tiddly Winks -					
Parent/Toddler Fund	—	—	—	—	—
Youth Centre - General	(4,235)	—	196	4,039	—
Youth Fund	—	—	—	—	—
Fixed Assets	103,435	—	(8,233)	7,023	102,225
Maintenance Fund	30,011	—	(30,011)	—	—
Children and Families	(15)	—	(172)	187	—
Discipling Church	12,130	75,534	(74,542)	(13,122)	—
Youth Ministry	—	—	(42)	42	—
Legacy	—	35,591	—	—	35,591
	<u>259,677</u>	<u>392,711</u>	<u>(390,181)</u>	<u>—</u>	<u>262,207</u>

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
General funds	23,327	272,128	(249,875)	(5,160)	40,420
Reserve fund	50,839	—	—	21	50,860
Ministry Assistants' Fund	1,177	—	—	(177)	1,000
Market Place					
Partnership, coffee lounge	20,742	—	—	8	20,750
Market Place					
Partnership, PCC funds	2,502	—	—	1	2,503
St Nicholas' Estate Fund	1,617	—	—	1	1,618
Student Ministry	2,987	—	(1,488)	(1,370)	129
Teen Aid	1,069	—	—	2	1,071
Tiddly Winks -					
Parent/Toddler Fund	288	—	—	(288)	—
Youth Centre - General	1,133	—	(5,368)	—	(4,235)
Youth Fund	1,325	—	—	(1,325)	—

St Nicholas' Church, Durham

Notes to the Financial Statements (continued)

Year ended 31 December 2022

Fixed Assets	111,259	–	(7,824)	–	103,435
Maintenance Fund	25,794	–	(540)	4,757	30,011
Children and Families	1,239	–	(1,817)	563	(15)
Discipling Church	12,920	57,299	(58,094)	5	12,130
Mission Week	154	–	–	(154)	–
Youth Ministry	(1,325)	–	–	1,325	–
Legacy	–	–	–	–	–
	<u>257,047</u>	<u>329,427</u>	<u>(325,006)</u>	<u>(1,791)</u>	<u>259,677</u>

Restricted funds

	At 1 January 2022	Income	Expenditure	Transfers	At 31 December 2022
	£	£	£	£	£
Bells	366	–	–	–	366
Flower Fund	15	200	(33)	–	182
International Student Fund	1,268	–	–	–	1,268
Music Group	–	–	–	–	–
St Nic's Pics	229	–	–	(229)	–
Organ/Piano	–	–	–	–	–
Other restricted funds	975	13,724	(13,724)	–	975
PA Fund	321	–	(550)	229	–
SNACS - Main account	7,645	29	(1,500)	–	6,174
St Nic's Puppet Ministry	1,067	–	–	–	1,067
Vicar's Fund	2,830	13	–	–	2,843
Insulation of Upper Hall	5,931	28	–	–	5,959
Recovery Group	4,757	22	–	–	4,779
Churchyard	–	3,200	(1,200)	–	2,000
Cafe Fit Out	–	28,214	(28,214)	–	–
	<u>25,404</u>	<u>45,430</u>	<u>(45,221)</u>	<u>–</u>	<u>25,613</u>

	At 1 January 2021	Income	Expenditure	Transfers	At 31 December 2021
	£	£	£	£	£
Bells	366	–	–	–	366
Flower Fund	86	–	(71)	–	15
Gifts to Others	12	–	(64)	52	–
Incumbent's fees to Diocese	91	1	(1)	(91)	–
International Student Fund	1,268	–	–	–	1,268
Music Group	98	–	(400)	302	–
St Nic's Pics	169	–	–	60	229
Organ/Piano	(130)	–	–	130	–
Other restricted funds	877	7,356	(7,258)	–	975
PA Fund	438	–	(117)	–	321

St Nicholas' Church, Durham

Notes to the Financial Statements (continued)

Year ended 31 December 2022

21. Analysis of charitable funds (continued)

SNACS - Main account	7,642	3	(3)	3	7,645
St Nic's Puppet Ministry	1,067	—	—	—	1,067
Green Fund	741	—	(2,074)	1,333	—
Vicar's Fund	2,860	1	(32)	1	2,830
Insulation of Upper Hall	5,929	2	(2)	2	5,931
Recovery Group	4,756	—	—	1	4,757
	<u>26,270</u>	<u>7,363</u>	<u>(10,022)</u>	<u>1,793</u>	<u>25,404</u>

Abbreviations: SNACS = St Nicholas Adventure Camps

Endowment funds

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Patterson Endowment Fund	<u>5,073</u>	<u>24</u>	<u>—</u>	<u>—</u>	<u>5,097</u>

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Patterson Endowment Fund	<u>5,073</u>	<u>2</u>	<u>—</u>	<u>(2)</u>	<u>5,073</u>

The Patterson Fund is a permanent endowment fund with the interest being paid to the Teenaid fund.

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Tangible fixed assets	102,225	—	—	102,225
Current assets	175,400	25,613	5,097	206,110
Creditors less than 1 year	(15,418)	—	—	(15,418)
Net assets	<u>262,207</u>	<u>25,613</u>	<u>5,097</u>	<u>292,917</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Tangible fixed assets	103,435	—	—	103,435
Current assets	177,808	20,647	5,073	203,528
Creditors less than 1 year	(16,809)	—	—	(16,809)
Net assets	<u>264,434</u>	<u>20,647</u>	<u>5,073</u>	<u>290,154</u>

St Nicholas' Church, Durham

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

23. PCC's responsibility for repairs

It is the policy of the PCC to maintain a rolling programme of repairs as necessary. The latest quinquennial inspection of the church and halls was completed in late 2021 and identified £48,000 of works to be completed in the next 5 years; the majority of which have already been completed. The PCC's 2023 budget includes £13,000 for the remaining Category 3 (less urgent works) to be completed.

24. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	288	288
Later than 1 year and not later than 5 years	72	360
	<u>360</u>	<u>648</u>

St Nicholas' Church, Durham

Management Information

Year ended 31 December 2022

The following pages do not form part of the financial statements.

St Nicholas' Church, Durham

Detailed Statement of Financial Activities

Year ended 31 December 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Planned Giving - gift aided	124,461	122,234
Tax recoverable	38,693	42,767
Adhoc donations	23,357	20,289
Other planned giving	51,712	49,377
Legacies	35,591	—
Church grants	16,924	2,374
Cafe grants	10,314	—
	<u>301,052</u>	<u>237,041</u>
Charitable activities		
Gift Day - No gift aid	8,515	15,162
Gift Day - Gift aid	3,950	18,065
Discipling Church income	93,434	57,299
PCC Activities	2,053	819
Miscellaneous income	225	—
	<u>108,177</u>	<u>91,345</u>
Other trading activities		
Fees - Weddings & funerals	1,258	212
Cafe income	3,381	—
	<u>4,639</u>	<u>212</u>
Investment income		
Bank interest receivable	822	74
Rental income	23,475	5,863
	<u>24,297</u>	<u>5,937</u>
Other income		
Insurance claim	—	1,574
Job Retention Scheme	—	683
	<u>—</u>	<u>2,257</u>
Total income	<u>438,165</u>	<u>336,792</u>

St Nicholas' Church, Durham

Detailed Statement of Financial Activities *(continued)*

Year ended 31 December 2022

	2022 £	2021 £
Expenditure		
Costs of other trading activities		
Wages and salaries	1,803	—
Café costs	4,294	—
	<u>6,097</u>	<u>—</u>
Expenditure on charitable activities		
Parish Share		
Guided Pledge (Parish Share)	100,000	116,250
Clergy expenses and vicarage costs		
Clergy expenses	4,134	2,718
Church running expenses		
Building maintenance	89,194	34,907
Cleaning, utilities & insurance	16,111	12,870
Services	9,229	8,628
Depreciation of equipment	3,242	1,838
	<u>117,776</u>	<u>58,243</u>
Youth Centre costs		
PCC property - Youth centre	2,733	5,893
Depreciation of youth centre	2,991	2,991
	<u>5,724</u>	<u>8,884</u>
Home Ministry		
Parish events	—	101
Student ministry	2,375	1,488
Alpha	36	82
Youth ministry	2,852	66
Children's & Families Ministry	1,793	1,817
Other costs	318	255
	<u>7,374</u>	<u>3,809</u>
Payroll costs		
Activities undertaken directly		
Gross wages	63,255	63,790
NIC	1,015	426
Pension	4,426	4,491
	<u>68,696</u>	<u>68,707</u>
Church Administration		
Administration costs	14,169	7,901
Missionary and Charitable Giving		
Missionary Support	7,590	7,590

St Nicholas' Church, Durham

Detailed Statement of Financial Activities *(continued)*

Year ended 31 December 2022

	2022 £	2021 £
Discipling Church		
Gross wages	51,333	32,293
Employer's NIC	959	56
Pension costs	3,018	1,239
Depreciation	2,000	2,995
Other costs	17,232	23,443
Large project expenditure	28,214	—
	<u>102,756</u>	<u>60,026</u>
Governance costs		
Accountancy fees	900	900
Legal and other professional fees	186	—
	<u>1,086</u>	<u>900</u>
Expenditure on charitable activities	<u>429,305</u>	<u>335,028</u>
Total expenditure	<u>435,402</u>	<u>335,028</u>
Net income	<u>2,763</u>	<u>1,764</u>

St Nicholas' Church, Durham

Justice Café Trading Accounts

Year ended 31 December 2022

	2022 £	2021 £
Café sales	3,381	—
Cost of sales	(1,824)	—
Gross Profit	<u>1,557</u>	<u>—</u>
Other income		
Café donations	<u>688</u>	<u>—</u>
Overheads		
Payroll	1,803	
Advertising & Promotional	237	
Training	24	
Equipment	777	
Other costs	460	—
Contractor costs	<u>972</u>	<u>—</u>
	<u>4,273</u>	<u>—</u>
Net profit	<u>(2,028)</u>	<u>—</u>
