

St Philip's Church Annual Report for 2023

Aim and Purposes

The aim and purpose of St Philip's Church Parochial Church Council (PCC) is to co-operate with the minister, Revd Ruth Barry, in promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is also responsible for maintaining the church building at 185 Mill Road and the church's other properties.

Objectives and Activities

The PCC is committed to supporting the ministry and mission of St Philip's Church, so that the church congregation and others in the parish can worship God, grow together as disciples of Christ, serve the local community, and enable others to encounter Jesus.

To achieve these objectives, the PCC maintains an overview of worship services and community activities in the church building; encourages discipleship through small groups and prayer meetings at home and online; builds partnerships with other organisations, like Cambridge Sustainable Food and St Philip's School; and seeks to support the local ministry of the incumbent and others, for example in pastoral visiting and friendship and connections with local charities. The PCC also oversees the hiring of the church building by community groups and individuals, and works with the Operations Manager to maintain the fabric of the building, improve it as a welcoming space, and make the church's activities environmentally sustainable. The PCC is responsible for maintaining three properties belonging to St Philip's Church, and makes decisions about charitable giving.

In November 2023, the PCC began a process of reflection and discernment, assisted by Mark Rodel, the Diocese of Ely's Development Officer for Fresh Expressions and Pioneer Ministry. From this, a renewed vision statement for the life of the church will emerge in 2024.

Achievements and Performance

Worship Services

St Philip's seeks to offer varied opportunities for different groups in the parish to worship and learn together. In 2023, the main Sunday service at 10.30 was typically attended by about 60 people. Alternating each week between All Age worship and a Holy Communion service with a children's group, this service has provided a welcoming space for families and single people of all ages. The children's group, 'Explorers', is led by Tatiana Santos, Bea Ridley and Lucy Sixsmith and has grown in number over the year. A fortnightly Sunday morning Holy Communion service at 8.30 offers a space for quiet reflection, and a new Midweek Communion service at noon on Wednesdays is a similarly peaceful time in the middle of the week. This year, Revd Ruth also began a monthly service at Brook House Care Home, where residents have appreciated the music, connection and opportunity to receive communion. The St Philip's youth group, The Edge, continues to meet each fortnight for games, hot chocolate, discussion and prayer.

Special Events

On Easter Sunday, over 90 people attended the St Philip's sunrise service and 10.30 Communion service, where the children enjoyed an Easter egg hunt and everyone joined together to celebrate Christ's resurrection. There were quieter services on Maundy Thursday and Good Friday, to mark the stages of our journey through Easter week. Later in the year, St Philip's offered an All Souls service for the first time, as well as a Blue Christmas service, creating room in the church for sadness and remembering. A small group joined in Advent devotions in the run-up to Christmas, while the annual Carol Service brought together many from the church and the wider community, and the Crib Service engaged children in an active retelling of the Christmas story. This was followed by Midnight Communion and a joyful Christmas Day service.

Community Activities

Warm Spaces has remained open on Wednesdays and Fridays throughout the year, since a warm welcome is just as

important in the summer months as in winter. A friendly community of regular guests attend this group, and it has provided support and encouragement for many of them in different ways. Some guests come on Wednesdays and stay on for Communion, while others arrive early on Fridays for a relaxed Bible discussion group. These sessions are overseen by the Parish Assistant, Lucy Sixsmith, supported by Revd Ruth and volunteers from the local community and the church. A number of Warm Spaces guests also attend 'Phil's People', our monthly community meal on a Monday evening. All these spaces provide a relaxed, homelike space where everyone is welcome. In December, the church opened as a choir venue for Mill Road Winter Fair, and saw many enthusiastic singers and their audiences pass in and out, as well as others who were glad of a tea or coffee on a cold day. We are grateful for the hard work of Warm Spaces and CSF volunteers who help to cook, make tea and coffee, chat to guests and make sure everyone is safe and welcome.

Partnerships

Our community work has benefited from an ongoing partnership with Cambridge Sustainable Food, who have used the church kitchen through much of the year. CSF have cooked for Phil's People and begun a pay-as-you-feel pop-up café on Wednesdays, as well as preparing food at St Philip's for their holiday lunch clubs and other projects. The café space has also proved useful, along with the main auditorium, as a venue for Romsey Music Project's classical and folk concerts, which bring many musical residents of Romsey together, followed by tea and conversation.

One of the church's properties, Melbourne House, represents an ongoing partnership with Jimmy's Night Shelter. The church also maintains a friendly relationship with Romsey Mill, where Revd Ruth visits once a week to pray with staff. Ruth also visits St Philip's School regularly to support the staff and parents and lead Collective Worship for the children. Church members support the school in prayer and on the board of governors, and the church building has hosted the school for leavers' and Christmas services.

Maintenance

The fabric and functioning of the building was supervised throughout the year by our Operations Manager, Rosemary Barrett, with practical support from Alan Syrop. For example, a roof leak was repaired; new blinds were installed in the café; maintenance work, e.g. on toilets and door locks, was undertaken; and a new security alarm system was installed. The church garden was maintained by Peter Andrews, who also supported Alan in maintenance tasks around the building.

Giving

The church donated 10% of members' giving to the St Philip's mission partners, which the church also prays for month by month: Wycliffe Bible Translators, Romsey Mill, Friends International, Tearfund, Cambridge Youth for Christ, Concrete Rose, GenR8, Langham Partnership, Cambridge Money Advice, Cambridge Street Pastors, Church Pastoral Aid Society and Leprosy Mission.

Hiring

Throughout the year, the church's rooms have been regularly used by hirers for a range of activities, including educational and community work, individual and group therapy, drama, dance, yoga and concerts. We appreciate our hirers not only as a source of income but also for the sake of ongoing relationships and the opportunity to support others in Cambridge who are contributing to community and individual well-being.

Pastoral Care

Beyond the church building, regular members of the church community have supported each other in small groups and through friendship. Revd Ruth has regularly visited people at home and in hospital during illness and difficult times, and has supported several families through the funerals of their loved ones. One wedding was also celebrated in St Philip's, including an unprecedented Zoom link to the bride's family in Ukraine, and a number of local couples had their banns read at St Philip's. The church also celebrated the baptisms of two of its youngest members in July.

Safeguarding

Safeguarding at St Philip's is overseen by Revd Ruth and the Parish Safeguarding Officer, Alan Syrop. We are grateful that Celia Phipps has undertaken safeguarding administration in 2023, to improve and streamline our practice. Several PCC members and other church volunteers have upgraded their safeguarding training, and basic principles and information about safeguarding are now on display on a church noticeboard (along with the posters which were already on display). The PCC has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (i.e. to have due regard to House of Bishops' guidance on safeguarding children and vulnerable adults).

Financial Review

(by Jim Griffiths)

Members Giving

The level of members' giving in 2023 totalled £82k, which was a 7% increase on 2022 and an improvement over our budget forecast. The giving value includes an amount of £13.5k of income tax recovered from HMRC because of members gift aiding their gifts.

Several new church members began regular giving during the year which is very encouraging.

Grateful thanks to all those who give generously and sacrificially to enable the work of the church to continue.

Mission and Good Causes

Our mission support continued with 10% of undesignated income being given from PCC funds to a variety of home and overseas mission partners, amounting to £7.6k. Each year the church reviews which organisations it supports. One notable change in 2023 was that we began to financially support Concrete Rose, a Cambridge based charity with a Christian ethos, that seeks to support young people with accommodation and educational needs.

Rent and Hire of Buildings

In 2023 we achieved a record level of income from hire of buildings including £21k rents from the 2 houses owned by the church. The income from hiring the church building was also a

record of almost £60k, although some of this was due to our decision at the end of 2022 to cancel our VAT registration. By and large we were able to retain the VAT saving achieved, by not having to pay over to HMRC one sixth of our hire income as in previous years.

We must again express our grateful thanks to Rosemary, our Operations Manager, for all her hard work and efficiency in looking after our church building and dealing with the numerous hirers of our rooms and facilities.

Parish Share

At the end of 2022, and in the light of the good state of our church finances, the PCC felt challenged to review the level of Parish Share that we pay to the Cambridge Deanery. The Deanery were only seeking a 4% increase from us for 2023, but the PCC decided to volunteer to pay an extra 12%, thus narrowing the gap between our Parish Share and the total “all in” cost of a full-time minister.

Employee Costs

Apart from Parish Share, employee costs are the biggest area of cost for the church and this totalled £49k in 2023. Our 2 employees are an Operations Manager and a Parish Assistant, and we are much blessed in having Rosemary and Lucy performing these roles.

The Parish Assistant position was a newly created position which commenced on 1st April 2023.

Other Expenditure

Most categories of expenditure were well within the budget allowances. We saw reductions in our energy costs due mainly to the closure of the café in May 2022, as the café used a considerable amount of electricity.

Building repair and maintenance costs were well below budget, but this was mainly due to a deferral of certain planned expenditure.

We did however incur some unbudgeted cost on fixtures and fittings, including blinds to the café windows and some extra chairs.

Summary

The Budget agreed by PCC for 2023, forecast a deficit of £11k but in the event, God gave us yet another surplus, this time £7k!

The church finances are very healthy, and we are now well placed to tackle some of the longer-term repairs and improvements that the church needs.

Our strong finances should also help us with the cost of refurbishments to the house at 13 Thoday Street.

Our dear friend Stan Downing, who died in 2023, bequeathed 13 Thoday Street and other estate to the church. We expect the house to be formally transferred to the church by the executors, early in 2024; because the house does not yet legally belong to the church, its value is not included in the 2023 accounts.

Our grateful thanks to Anke Friedrich our Treasurer for all her diligence and hard work during 2023.

Many thanks also to Rosemary for all that she does with the financial management of the church.

Grateful thanks also to our Independent Reviewer, Mick Lumsden, who has been carrying out our Review for over 30 years. Mick now lives in the Netherlands, so these days the whole Review process needs to take place via Zoom meetings and email exchanges. We are so grateful that Mick is willing to continue for the moment despite having a new life in Enschede, Netherlands.

Reserves Policy

(agreed March 2019 and revised in 2021)

The agreed policy of the PCC is to retain minimum unrestricted revenue in the general fund equivalent to three months' expenditure, based on the annual budget set each year. Whereas the PCC consider it unnecessary to create a new reserve fund within the balance sheet, we will ensure that we never approve an annual budget that would threaten the general revenue fund dropping below the equivalent of three months' expenditure. The PCC will review the level of reserves necessary, on an annual basis, in the light of our intended mission and ministry activities, and also the level of our

staffing; and then decide whether three months' cover remains sufficient. The PCC, in carrying out any review, will also take into account other designated Funds that have been set up.

Plans for Future Periods

The church's activities in ministry and mission continued to strengthen in 2023, and we hope that in 2024 we will see further growth in our services, Warm Spaces community gatherings, small groups, pastoral support network, community partnerships, and other connections across the parish. The PCC and others will also continue the Discerning Together process, which we hope will integrate the many different aspects of life at St Philip's through a sense of shared vision and purpose.

Working with the Operations Manager, the PCC hopes to begin a series of maintenance and refurbishment activities over the next five years, and a schedule for these will be developed early in the year. These projects will increase the sense of welcome, ease and comfort we offer in the building, and will be designed to improve our status as an eco-church.

Structure, Governance and Management

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

The method of appointment of PCC members is set out in the Church Representation Rules. At St Philip's the membership of the PCC consists of the vicar, the churchwardens, the licensed lay minister, deanery synod reps, and nine lay members elected by those members of the congregation who are on the electoral roll of the church. All those who regularly attend our services are encouraged to register on the electoral roll and stand for election to the PCC.

The PCC members are responsible for making decisions on matters of general concern and importance to St Philip's Church, including deciding how the funds of the PCC are to be spent. All PCC members undertake safeguarding training and are subject to a DBS check.

The PCC meets monthly, except in August, December, and the month in which there is an APCM. Each PCC member acts as Link Person for an area of church life (e.g. discipleship and small groups, buildings and equipment, health and safety). The Link Person liaises with those who are active in this area and reports back to the PCC. The PCC also hears reports from the incumbent, the operations manager, the parish safeguarding officer and the financial overseer.

Administrative Information

St Philip's Church is situated on Mill Road, Romsey Town, Cambridge. It is part of the Diocese of Ely within the Church of England. The correspondence address is: St Philip's Church, 185 Mill Road, Cambridge CB1 3AN. The St Philip's Church Charity Registration Number is 1142474.

PCC members who have served at any time from 1 January 2023 until the date this report was approved are:

Ex officio members:

- Incumbent: The Revd Ruth Barry (chair)
- Associate Vicar: Catherine Ievins (until May 2023)
- Licensed Lay Minister: Michael Priestley
- Churchwardens: Jane Batten (until May 2023), David Brown (from May 2023), Martin Clark

Elected members:

- Polly Macartney, Deanery Synod representative
- Jim Griffiths
- Chris Illingworth
- Jane Batten (from May 2023)
- David Brown (until May 2023)
- Bea Ridley

- Robin Nelson
- Tatiana Santos
- Peter Andrews
- Eric Chen
- Alan Syrop
- Andrew Stannard (until May 2023)
- Elaine Skidmore (until May 2023)
- Lucy Sixsmith (until May 2023)

Our bank is: CAF Bank Ltd., 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ.

Our Independent Examiner is: Mr M. E. Lumsden, Haarspithoek 63, 7546 KH Enschede, Netherlands.

Day-to-day management of St Philip's Church is delegated to the incumbent, Revd Ruth Barry, and the operations manager, Rosemary Barrett, and the parish assistant, Lucy Sixsmith.

PAROCHIAL CHURCH COUNCIL OF ST. PHILIP, CAMBRIDGE

STATEMENT OF ACCOUNTS

YEAR ENDED 31st DECEMBER 2023

Charity Registration Number: **1142474**

TREASURER : ANKE FRIEDRICH

Accounts & Statements prepared by Jim Griffiths

Prepared in accordance with the Charities Act 2011 and the
Church Accounting Regulations 2006

ACCOUNTING POLICIES and DISCLOSURES

Basis of Financial Statements

The financial statements have been prepared under the Church Accounting Regulations 2006 in accordance with applicable accounting standards and the current statement of Recommended Practice Accounting and Reporting by Charities (SORP) 2015

The financial statements have been prepared under the historical cost convention except for investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their affiliation to another body, nor those that are informal gatherings of church members.

The PCC has opted to prepare the Accounts on an Accruals basis even though there is no requirement to do so.

Fixed Assets

In 2007, Clarence Melbourne a former church member, bequeathed a house and this is registered in the name of "The Parochial Church Council of the Parish of St.Philip, Cambridge". These accounts include the house at 6, Broxbourne Close, Cambridge, on the Balance Sheet at Net Valuation as estimated by Jim Griffiths.

In February 2014 the church purchased 12, Stourbridge Grove, Cambridge - **See Note 7**

Stanley Downing, a longstanding member of the church who died in January 2023, bequeathed his entire estate to St. Philip's Church. Stan's only real asset is his house at 13, Thoday Street, Cambridge, and we are currently waiting for his Executors to arrange transfer of the legal title. The house is in a very poor state of repair and the PCC is currently reviewing future options for the refurbishment of the house along with it's future use.

The current net value of the house is probably at least £300,000.

The house does not legally belong to the PCC at the accounts date and therefore is not included in these accounts.

Annual Report

The regulations require an Annual Report which links and relates the Financial Statements to the aims, objectives and activities of the Church. The Annual Report is published separately to these financial statements but will contain a Review of the Financial Activities for Year Ended 31st December 2023, extracted from these accounts.

Related Party Transactions

Derek and Margaret Rawlings are church members and they are also tenants (effectively life tenants) of 6, Broxbourne Close; they paid rent during the year totalling £6,249.66

RESTRICTIONS (see also Notes 4 and 5 to the Accounts)

Endowment Fund

The late Rev. A.G.L. Hunt (Vicar of St. Philips 1928-1963) specified in his Will that the Income arising from the Capital invested, must only be used for fitments, repairs and maintenance of Parish Buildings. The PCC has no control or rights regarding the Capital which is therefore excluded from these accounts..

VAT

The PCC de-registered for VAT with effect from December 31st 2022, and thus VAT was not payable on Hire Income in 2023, nor was VAT reclaimable on purchases.

Reserves Policy - (Agreed March 2019 and Revised 2021)

The agreed Policy of the PCC is to retain minimum unrestricted revenue in the General Fund equivalent to 3 months expenditure, based on the Annual Budget set each year. Whereas the PCC consider it unnecessary to actually create a new Reserve Fund within the Balance Sheet, we will ensure that we never approve an Annual Budget that would threaten the General Revenue Fund dropping below the equivalent of 3 months expenditure.

The PCC will review the level of Reserves necessary, on an annual basis, in the light of our intended mission and ministry activities, and also the level of our staffing; and then decide whether 3 months cover remains sufficient. The PCC in carrying out any review, will also take into account other designated Funds that have been set up.

PAROCHIAL CHURCH COUNCIL OF ST. PHILIP, CAMBRIDGE

STATEMENT OF FINANCIAL ACTIVITIES for the Year Ended 31st December 2023

INCOME

	<u>NOTE</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Endowment Funds</u>	<u>TOTAL FUNDS</u>	
					<u>2023</u>	<u>2022</u>
Income from Members/Congreg.	1[a]	£ 82,239	£ -	£ -	£ 82,239	£ 76,743
Other Voluntary Income	1(b)	£ 2,226	£ 1,850	£ 2,460	£ 6,535	£ 3,584
Rents & Hire of Buildings	1[c]	£ 81,171	£ -	£ -	£ 81,171	£ 96,507
Sundry Income	1[d]	£ 6,805	£ -	£ -	£ 6,805	£ 4,195
<u>TOTAL CHURCH INCOME</u>		<u>£ 172,442</u>	<u>£ 1,850</u>	<u>£ 2,460</u>	<u>£ 176,751</u>	<u>£ 181,029</u>

EXPENDITURE

Direct Church Activities	2[a]	£ 76,924	£ -	£ -	£ 76,924	£ 93,602
Buildings & Establishmenmt	2[b]	£ 27,939	£ -	£ 2,460	£ 30,398	£ 25,692
Home & Overseas Mission	2[c]	£ 7,650	£ -	£ -	£ 7,650	£ 8,847
Church Management & Admin.	2[d]	£ 52,636	£ -	£ -	£ 52,636	£ 33,494
<u>TOTAL CHURCH EXPENDITURE</u>		<u>£ 165,149</u>	<u>£ -</u>	<u>£ 2,460</u>	<u>£ 167,609</u>	<u>£ 161,634</u>

NET MOVEMENT OF FUNDS

		<u>£ 7,293</u>	<u>£ 1,850</u>	<u>£ -</u>	<u>£ 9,143</u>	<u>£ 19,395</u>
Balances B/Fwd at 1st January 2023		£ 972,644	£ -	£ -	£ 972,644	£ 953,249
Revaluation & Transfers of Funds at Dec 23		£ -	£ -	£ -	£ -	£ -
<u>BALANCES C/FWD at 31st Dec 2023</u>		<u>£ 979,937</u>	<u>£ 1,850</u>	<u>£ -</u>	<u>£ 981,787</u>	<u>£ 972,644</u>

PAROCHIAL CHURCH COUNCIL OF ST. PHILIP, CAMBRIDGE

BALANCE SHEET at 31st December 2023

			<u>2023</u>		<u>2022</u>
<u>FIXED ASSETS</u>	<u>(Note 7)</u>				
6, Broxbourne Close House at Dec 23 Valuation		£	425,000		£ 425,000
12, Stourbridge Grove House at Dec 23 Valuation		£	<u>380,000</u>	£	<u>380,000</u>
			805,000		805,000
<u>CURRENT ASSETS</u>					
Debtors & Prepayments		£	14,355	£	20,956
Petty Cash - Office and Café		£	206	£	592
Cash at Bank	<u>(Note 3)</u>	£	<u>173,446</u>	£	<u>150,394</u>
		£	188,008	£	171,942
<u>LESS CURRENT LIABILITIES</u>					
Creditors & Accruals		£	<u>11,221</u>	£	<u>4,298</u>
<u>NET CURRENT ASSETS</u>			£ 176,787		£ 167,644
<u>TOTAL ASSETS</u>			<u>£ 981,787</u>		<u>£ 972,644</u>
<u>FUNDS - UNRESTRICTED:</u>					
<u>GENERAL FUNDS:</u>					
<u>Capital</u>					
Valuation of Broxbourne/Stourbridge Jan 23		£	805,000	£	760,000
Revaluations at Dec 2023		£	<u>-</u>	£	<u>45,000</u>
			805,000		805,000
<u>Restricted Funds</u>	<u>[Note 4]</u>				
Cambridge City Council - CSF Cookery Classes			£ 1,850		£ -
<u>Revenue - Undesignated</u>					
Balance at 1st January 2023		£	145,754	£	125,371
Surplus (Deficit) for Year		£	7,293	£	19,395
Net Payments from Pastoral Fund		£	<u>-</u>	£	<u>988</u>
		£	153,046	£	145,754
<u>Building Repairs Sinking Fund -</u>					
Transferred in from General Fund		£	16,000	£	16,000
<u>Café/Kitchen Equipment Fund</u>					
Transferred in from General Fund		£	2,000	£	2,000
<u>Designated for Pastoral Fund</u>					
Balance at 1st January 2023		£	3,890	£	4,878
Net Payments out during the Year		£	<u>3,890</u>	-£	<u>988</u>
			£ 174,937	£	3,890
<u>Total Revenue Funds</u>			£ 174,937		£ 167,644
<u>TOTAL OF FUNDS</u>			<u>£ 981,787</u>		<u>£ 972,644</u>

PAROCHIAL CHURCH COUNCIL OF ST. PHILIP, CAMBRIDGE

NOTES TO THE ACCOUNTS - 31st December 2023

NOTE 1 - INCOME

1[a] Members Giving	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
				2023	2022
Gift Aided Giving	£ 52,947			£ 52,947	£ 49,300
Non Gift Aided Giving	£ 7,870			£ 7,870	£ 6,600
Church Collections	£ 754			£ 754	£ 666
Members Earmarked Giving	£ -	£ -		£ -	£ 1,047
Income Tax on Gift Aid	£ 13,518			£ 13,518	£ 13,725
Other Donations	£ 7,149			£ 7,149	£ 5,406
	£ 82,239	£ -	£ -	£ 82,239	£ 76,743
1[b] Other Voluntary Income					
Hunt Legacy Income [Note 5]	£ -		£ 2,460	£ 2,460	£ 2,484
Grants Received	£ 900	£ 1,850		£ 2,750	£ 1,100
Camb. Sustainable Foods - Energy Contribution	£ 1,326			£ 1,326	£ -
	£ 2,226	£ 1,850	£ 2,460	£ 6,535	£ 3,584
1[c] Rents & Hire of Buildings					
St Philips Centre - Room Hire	£ 59,608			£ 59,608	£ 48,389
Stourbridge Grove Rent	£ 15,173			£ 15,173	£ 15,173
Broxbourne Close Rent	£ 6,250			£ 6,250	£ 5,715
Café Takings [Note 9]	£ 141			£ 141	£ 27,231
	£ 81,171	£ -	£ -	£ 81,171	£ 96,507
1[d] Sundry Income					
PCC Fees Received	£ 858			£ 858	£ 917
Bank Interest	£ 2,966			£ 2,966	£ 528
Feed in Tariff Payments	£ 2,269			£ 2,269	£ 2,163
Miscellaneous (incl. Groups contributions)	£ 713			£ 713	£ 587
	£ 6,805	£ -	£ -	£ 6,805	£ 4,195
TOTAL CHURCH INCOME	£ 172,442	£ 1,850	£ 2,460	£ 176,751	£ 181,029

PAROCHIAL CHURCH COUNCIL OF ST. PHILIP, CAMBRIDGE

NOTES TO THE ACCOUNTS - 31st December 2023

NOTE 2 - EXPENDITURE

2[a] <u>Activities</u>			<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total Funds</u>	
			<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>2023</u>	<u>2022</u>
Ministry: Parish Share	[Note 6]	£	74,247			£ 74,247	£ 66,156
Clergy Expenses		£	19			£ 19	£ 392
Subscriptions		£	836			£ 836	£ 638
Café Food & Wages Costs	[Note 9]	£	-			£ -	£ 22,490
Young People Work		£	481	£ -		£ 481	£ 1,995
Pastoral Payments		£	-	£ -		£ -	£ 1,488
Worship & Services		£	248	£ -		£ 248	£ 106
Refreshments		£	780			£ 780	£ 106
Outreach & Lookout Costs		£	312			£ 312	£ 337
			<u>£ 76,924</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 76,924</u>	<u>£ 93,602</u>
2[b] <u>Buildings</u>							
Insurance		£	2,626			£ 2,626	£ 2,517
Church Utilities		£	7,463			£ 7,463	£ 8,642
Church Housekeeping		£	8,278			£ 8,278	£ 11,375
Church Repairs & Maintenance		£	6,943		£ 2,460	£ 9,403	£ 9,890
VAT Recovered - Church Centre Project		£	-			£ -	-£ 7,431
Costs re Broxbourne & Stourbridge Houses		£	406			£ 406	£ 125
Furniture & Fittings		£	2,223			£ 2,223	£ 573
			<u>£ 27,939</u>	<u>£ -</u>	<u>£ 2,460</u>	<u>£ 30,398</u>	<u>£ 25,692</u>
2[c] <u>Home & Overseas Mission (also Note 8)</u>							
Members Earmarked Giving		£	-	£ -		£ -	£ 797
P.C.C. Giving:		£	7,650			£ 7,650	£ 8,050
			<u>£ 7,650</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 7,650</u>	<u>£ 8,847</u>
2[d] <u>Church Management & Administration</u>							
Office & Management Salaries		£	49,016			£ 49,016	£ 28,708
Staff Training		£	359			£ 359	£ 511
Software & IT Support		£	1,994			£ 1,994	£ 2,462
Telephone/Internet		£	587			£ 587	£ 924
Printing & Stationery		£	273			£ 273	£ 473
Miscellaneous		£	407			£ 407	£ 415
			<u>£ 52,636</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 52,636</u>	<u>£ 33,494</u>
<u>TOTAL CHURCH EXPENDITURE</u>			<u>£ 165,149</u>	<u>£ -</u>	<u>£ 2,460</u>	<u>£ 167,609</u>	<u>£ 161,634</u>

PAROCHIAL CHURCH COUNCIL OF ST. PHILIP, CAMBRIDGE

NOTES TO THE ACCOUNTS - 31st December 2023

<u>NOTE 3 - Cash at Bank:</u>	<u>Accounts</u>	<u>Dec-23</u>	<u>Dec-22</u>
	CAF Current Account	£ 71,818	£ 78,759
	Café TSB Business Account	£ 19	£ 185
	Cambridge Building Society	£ 101,628	£ 71,450
		<u>£ 173,466</u>	<u>£ 150,394</u>

NOTE 4 - Restricted Funds: as defined in the Church Accounting Regulations 1997(2006), are sums that have been restricted by the Donors or sums that have been raised for a specific purpose. (See also Accounting Policies)

In May 2023 the church received a Grant from Cambridge City Council, specifically to fund Cookery Classes to be provided by Cambridge Sustainable Foods (CSF). This Grant was unused at 31/12/2023, but has been Invoiced by CSF in March 2024.

NOTE 5 - Endowment Fund - Hunt Legacy

The Church policy is to use all annual income as an offset against our Repairs and Maintenance expenditure and thus there is no Fund to be carried forward. The PCC has no access to, or rights over, the Capital in the Hunt Bequest Fund, however we are advised from time to time of the value of the underlying Investments, which at 31st December 2022, amounted to **£83,723.97**

NOTE 6 - Parish Share

The Parish Share paid to the Cambridge Deanery in 2023 was **£74,247**. The PCC volunteered to pay a higher percentage increase for 2023 than was requested by the Deanery.

NOTE 7- Stourbridge Grove House

On 26th February 2014, the church purchased 12, Stourbridge Grove Cambridge for the sum of **£287,607**

In May 2014 the church entered into a 3 year lease with Jimmy's Cambridge, a charity providing emergency accommodation for people who would otherwise have to sleep rough. The house is used to provide "move on" accommodation for guests, generally for periods of about 6 months, as part of the process of helping residents to re-take control of their lives again and regain confidence & self esteem.

Further 3 year agreements were contracted in May 2017, May 2020 & May 2021

The valuation of 12, Stourbridge Grove shown on the Balance Sheet is the market value as estimated by Jim Griffiths.

NOTE 9 - Cornerstone Café

The Café closed on 20th May 2022 following the departure of the Chef Manager & some key volunteers.

On 25th September 2022, the PCC decided that the Café would not reopen as a Commercial Café.

PAROCHIAL CHURCH COUNCIL OF ST. PHILIP, CAMBRIDGE

NOTES TO THE ACCOUNTS - 31st December 2023

NOTE 8 - Home & Overseas Mission

<u>Home Mission</u>	<u>P.C.C. Funds</u>	<u>Other Earmarked Giving</u>	<u>2023 Total</u>	<u>2022 Total</u>
Romsey Mill	£ 1,000	£ -	£ 1,000	£ 1,720
Friends International (Kairos Trust)	£ 650	£ -	£ 650	£ 550
C.P.A.S.	£ 300	£ -	£ 300	£ 300
Cambridge Y.F.C.	£ 500	£ - **	£ 500	£ 500
	<u>£ 2,450</u>	<u>£ -</u>	<u>£ 2,450</u>	<u>£ 3,070</u>
<u>Overseas Mission</u>				
Wycliffe B.T. - Tim & Maggie Gaved	£ 1,650	£ -	£ 1,650	£ 1,500
TEAR Fund	£ 650		£ 650	£ 1,427
Emmanuel International	£ -	£ -	£ -	£ 700
Leprosy Mission	£ 600	£ -	£ 600	£ 650
Langham Partnership	£ 500		£ 500	£ 500
	<u>£ 3,400</u>	<u>£ -</u>	<u>£ 3,400</u>	<u>£ 4,777</u>
<u>Other Giving</u>				
Cambridge Money Advice Centre	£ 400	£ -	£ 400	£ 300
Street Pastors	£ 300	£ -	£ 300	£ 300
Open the Book		£ -	£ -	£ 100
GenR8	£ 500	£ -	£ 500	£ 300
Concrete Rose	£ 500		£ 500	£ -
Gifts for departing Clergy	£ 100	£ -	£ 100	£ -
	<u>£ 1,800</u>	<u>£ -</u>	<u>£ 1,800</u>	<u>£ 1,000</u>
<u>Total Church Giving</u>	<u>£ 7,650</u>	<u>£ -</u>	<u>£ 7,650</u>	<u>£ 8,847</u>

**Independent Examiner's Report to the
Parochial Church Council St. Philip, Cambridge**

I report on the accounts for the year ended 31st December 2023 which are set out on pages 1 to 8.

Respective responsibilities of Trustees and Examiner

As trustees of the charity, the members of the PCC are responsible for the preparation of the accounts. They consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an Independent Examination is needed.

It is my responsibility to

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Audit Requirement

Under the Charities Act, charities with a gross income of **£500,000 or less** may choose to have an independent examination in place of an audit unless **both** their gross assets exceed £3.26M and their gross income exceeds £250,000. As the total Income and Gross Assets of the church are well within the limits above, the PCC have chosen to have the accounts independently examined.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission.

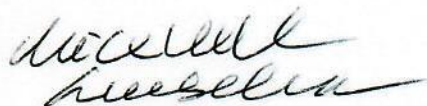
An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

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

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 130 of the 2011 Charities Act; or
- to prepare accounts which accord with these accounting records have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Date: 9TH MARCH 2024

Mr. M.E. Lumsden
Haarspithoek 63
7546 KH Enschede
Netherlands

Saint Phillips Church, Cambridge.

Report to the PCC

Accounts, year ended 31st December 2023. Independent examination.

INTRODUCTION AND BACKGROUND

I have carried out an independent examination of the accounts of the church which shows net assets of £979,937. I am happy to sign the report.

This report is prepared for the PCC. It seeks to put the work done in the context of the church accounts. There are comments both on the work done and on the accounts themselves.

In carrying out my detailed work I have liaised primarily with Jim Griffiths who I have known for over 30 years. I have always found him to be competent and honest but the PCC should be aware that there is a risk that my own judgement could be clouded by this relationship. Further, the PCC needs to be aware that they hold collective responsibility for the accounts.

Nature of a formal independent review.

You should be aware that an independent review is not an audit. An independent review focuses on testing a number of transactions in order to determine whether the system is working and thus forms a valid basis for the accounts. In addition it tests the validity of some transactions. It gives the PCC some confidence that the financial reporting is under control.

By contrast an auditor gives an opinion that the accounts give a “true and fair view”. An audit is a much more rigorous process.

Limitation of an independent examination and refinement of my work

In my opinion a simple independent examination would give little value to the PCC.

The church is very fortunate to have a very experienced accountant involved (Jim Griffiths) who is not only very able and experienced but has proved his commitment to Saint Philip’s church for more than 50 years. In my opinion the expertise applied to the church account is probably better than 90% of comparable churches. In my view, with this level of expertise and experience applied to the accounting system, it is extremely unlikely that any independent examiner would find any problems at all by following the normal formulaic independent examination process.

Put bluntly, if Jim does his work honestly, a process of Independent Examination would be unlikely to find an error that Jim had missed; if Jim were dishonest, it’s unlikely that the process of Independent Examination would bring this to light.

How I have refined my work

I have learned from experience that the best way to find problems within the financial system is to understand the systems and ask pertinent questions. This has never failed to lead me to the important/problematic areas in the accounts. I have therefore held Zoom meetings with Jim Griffiths to discuss the accounts (one of which also involved the treasurer, Anke Friedrich) and the accounting process and I have inspected relevant evidence where I considered it appropriate.

I have also attempted to apply general auditing principles in order to give a little more assurance to the PCC.

My credentials and limitations of the work I have done.

I was a member of St Philips church for several years in the 1990s, initially when Ray Smith was the vicar. Having moved house in 1992 we moved on from Saint Phillips and I have been the independent examiner for many years thereafter.

I qualified as a chartered accountant in 1991 and spent my career mostly in the field of audit, retiring in 2017. I am no longer a member of the ICAEW, and do minimal accounting/audit work, so it could be argued that there is a danger that I am “out of touch”. However, I do not think this has adversely affected my work; the basic principles have not changed, and I am not seeking to verify compliance with new rules and regulations.

I am now living in the Netherlands and therefore the work has been facilitated with the use of email and zoom. Again, I do not think this has adversely affected my work.

THE WORK DONE

The Balance Sheet – Statement of Assets

The balance sheet is a statement of the assets and liabilities of the church. I seek to give assurance that the assets exist and are fairly valued, and that the liabilities are complete. The focus is thus on testing the possibility that the balance sheet overstates the value of the net assets; I believe this to be more important than under valuation.

Existence and valuation of assets

The most valuable assets are the two properties.

It is self-evident that these properties exist – for example rent is received! I have done no work to verify legal title.

You will be aware that the properties have not been re-valued in the year. This appears reasonable but I have not checked the valuation.

The values assigned are largely academic as I understand there are no plans to sell, at least in the short term.

The other principal asset is bank balances and these have been tied into third-party evidence – bank statements or equivalent.

I have reviewed the debtors, which all appear reasonable, and consistent with the previous years. I have not carried out any detailed testing.

Completeness of creditors or liabilities

Creditors have increased considerably. The principle item was a sum of over £4,500 in respect of roof repairs. The other increases recorded all seemed reasonable, and in any case, the focus of the work was on understatement of creditors.

All significant items from the previous year were considered – an appropriate creditor had in all cases been included in the 2023 schedule.

Income and expenditure

This is set out on page 2 of the accounts in the Statement of Financial Activities. Details are given in notes 1 and 2.

Completeness of income

In a formal audit one seeks to gain assurance that all income is captured and recorded accurately in the accounting system.

With a church there are some unique difficulties, particularly uncertain levels of donations. I will comment on the main sources of income below:

Congregational giving

Traditionally this has been difficult to control because there have been large amounts of cash and giving has been private and anonymous. When large amounts of cash are collected it is notoriously difficult to manage. However, over the last few years there has been a move away from cash to direct bank transfers. This eliminates the risk associated with cash.

As congregational giving in cash has continued to fall, the risk is reduced further in this area.

Rent and hire of buildings

This is a very significant source of income for the church.

Invoices are raised by the centre manager who receives advice from Jim and Anke and reports to the Centre Management Committee. When customers settle their invoice, it is mostly by direct transfer into the relevant bank account. It is theoretically possible that occasionally invoices are not raised but given the experience of the centre manager and her “supervisor”, if there are any such omissions it seems to me they are likely to be rare.

In addition there has been a significant increase in income from room hire in line with expectations resulting from the VAT deregistration – it was explained to me that prices have been increased so that customers continue to pay the same price (in other words the church has the benefit of the VAT-deregistration).

Sundry donations

These can be significant. It is difficult to find an easy way to verify such donations because it is difficult to know what to expect! However, as such donations are usually paid directly into the church bank account there seems little cause for concern.

Expenditure –for the benefit of the church?

An auditor would seek to establish that the expenditure recorded is genuinely applied to the church. I have sought to consider the main items of expenditure and verify these as follows:

Parish share £74,247

This was agreed to the notice/receipt from the Ely Diocese dated 18th January 2024. It is a significant increase on last year which was apparently a PCC decision.

Other Costs

I requested and received the following:

A breakdown of the Fixtures & Fittings cost of £2,223

A breakdown of the Salaries costs shown in the accounts amounting to £49,016.

A breakdown of the Repairs and Maintenance £9,403

A breakdown of the church houses costs £406

From each of these I selected to or3 invoices or equivalent and was able to agree the specific invoices to the breakdown provided.

Other expenditure

I have reviewed for reasonableness and checked some figures and transactions and found no problems. Of course, the fact that I found no problems does not mean that there are no problems; I was not carrying out an audit!

IMPORTANT CHANGES IN THE YEAR

1. **Café and Cambridge Sustainable Foods.** The facilities retained when the Café project was terminated have been utilised at a much lower level in part through a partnership with Cambridge Sustainable Foods. This work involving “Warm Spaces” does not seem to have a significant financial impact.
2. **Parish Assistant.** With the closure of the Café I had expected salaries to fall; in fact there has been a large increase owing to the appointment of a Parish Assistant.
3. **Reserves.** The church has very considerable cash reserves. This is of course not a problem in itself. However, all charities do have to be aware of the requirements placed on them by the Charities Commission to have purposes for the reserves held. The comments in 4. below are relevant here.
4. **Vision and bequeathed property.** With the new vicar having been in place for over a year now, there may well be some changes in direction. Or not! It appears that very shortly there will be a need for decisions to be made regarding the property in Thoday Street to which the Church should shortly acquire legal title. Given the amount of work which may be needed to upgrade the property, these decisions would be expected to be very important.
5. **Vicar's Expenses.** The vicar is entitled to claim appropriate expenses, but the levels seem to have fallen dramatically. This matter was discussed and rather than reflecting significantly different levels of expenditure incurred by the former and current vicar, it seems that they operate in a different way. The method used by the current minister enables the accounting team to assign expenditure to a specific category – this explains why the sum in the “general pot” entitled vicar's expenses has again fallen dramatically. There seems to be no easy way to compare the expenditure of the current and former ministers – but there appears no reason to want to do this!

Impact of changes

Last year it was noted that the closure of the café, the reduction in the number of employees, the implementation of a more appropriate accounting package and the VAT deregistration all made the accounting process simpler and significantly reduced the pressure on the finance team. It appears that 2023 has indeed been significantly more straightforward for both Jim and Anke.

OTHER ISSUES

Risk of fraud or error.

If the accounts do contain inaccuracies, these would be caused by either fraud or error. The financial system is now much less complicated but it is staffed by unqualified volunteers. It is therefore inevitable that some errors do occur.

However, the work done by Jim Griffiths is by way of high-level review and I believe that his review would uncover any significant errors, particularly now as the financial system has become much simpler.

With regard to fraud, it seems to me that the only person who would be in a position to carry out any significant fraud would be Jim himself. I think in all likelihood any fraudulent activity by another individual would be detected by Jim.

I have known Jim Griffiths for over 30 years, and I have enormous respect for him and his work.

I suspect that most if not all of the PCC members share my view. But I would remind them of the fundamental principle “trust is not a control “.

I have therefore discussed the system with Jim and Anke and it appears to me from our discussions that the system is set up in such a way that Jim is not able to process transactions – particularly he is not a signatory on any of the bank accounts. This was confirmed by Anke and the importance of this situation has been stressed to the PCC.

It appears to me that if a fraud were to be carried out it would have to involve collusion between Jim and Anke and one of Roy, Robin or Tom. In my opinion that risk is very low.

Jim's ongoing role

I reported in March 2022 as follows:

"Jim has served the church for many years as the "financial guru". However he is no longer a young man and he has responsibilities as a husband, father and grandfather. The large amount of work that he continues to put in for the church appears to be a burden to him and his family.

Steps have been taken so that in the long run the high-level input should be reduced (particularly as a result of the installation of the Liberty system).

However, in my opinion, the PCC does need to be urgently considering how the burden can be lifted from Jim and his family – or at least reduced.

A starting point would be to consider the action that would be necessary if Jim were to be incapacitated. A second step might be discussing with Jim a provisional end date for his input, and a plan to enable him to put down the burden.

I know that the Queen of England is still working hard at the age of 95. In the Netherlands the monarch retires.....in my opinion Jim should not be expected to go on forever!"

This comment was added last year – in March 2023

While the pressure has been significantly reduced and Jim has expressed satisfaction at the changes (and willingness to continue), it continues to be my opinion that the PCC need to have a clear idea of what would need to be managed if Jim were not available on a temporary or permanent basis.

2024. I have again discussed the current position with Jim. It is clear that the system and the whole accounts preparation process is very much more straight forward than it has been for many years. If Jim were not available it appears that it would be not too difficult for the accounts to be prepared by a professional firm of accountants.

For the record, my personal view is that Jim has served St Philip's Church way beyond the call of duty. My hope is that in the near future he will be able to retire from this position and devote his time to his family and friends and enjoy his well-earned retirement.

M E Lumsden

Enschede

The Netherlands

8th March 2024