

ST LUKES PCC EDGBASTON, BIRMINGHAM

Charity Registration number : 1161342

**REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

ST LUKES PCC EDGBASTON, BIRMINGHAM

YEAR ENDED 31 DECEMBER 2019

TRUSTEES ANNUAL REPORT

Administrative Information

Registered Charity Number	1161342
Principal / registered address	St Luke's Church Centre, Great Colmore Street, Birmingham, B15 2AT
Bankers	Lloyds Bank 36-38 New Street, Birmingham, B2 4LP CCLA Senator House, 85 Queen Victoria Street, London, EC4V 4ET CAF Bank 25 Kings Hill Avenue, Kings Hill, West Malling, ME19 4JQ
Auditors	Knight Goodhead Limited 7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire, S053 3DA

St Luke's Edgbaston is part of the Diocese of Birmingham within the Church of England. The correspondence address is Priest in Charge, St Luke's Edgbaston, Great Colmore Street B15 2A. The PCC is a body corporate (PCC Powers Measure 1956, Church Representation Rules 2006).

The PCC Members who have served at any time from 29th April 2019 until the date of this report was approved are:

Ex Officio Members

Rev'd Tim Hughes – Priest-in-charge
Rev'd Amanda Featherston – Parish Priest – stepped down 29th April 2019
Rev'd Nick Drake – Priest of the Parish from July 2019
Rev'd Ali Herbert – Parish Curate from July 2019
Henry Rattle – Warden
Jonathan Pearson – Warden
Carol Applegate – Reader

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Elected Members

Thembi Sithole

Trevor Lewis (Deanery Synod Rep)

Jan Smart (stepped down September 2019)

Tom Green (stepped down 29th April 2019)

Hannah Miller (from 29th April 2019)

Jake Batson (from 29th April 2019)

Geoffrey Sentamu (Deanery Synod Rep from 29th April 2019)

Frank Harper – Treasurer (Deanery Synod Rep from 29th April 2019)

Sian Mehlmann (from 29th April 2019, pending stepping down date)

Shirley Titmarsh (Deanery Synod Rep from 29th April 2019)

Janet Reddings (from 29th April 2019)

Co Opted members 2019/2020

Elisabeth Hubbard – PCC Secretary

Structure, Government and Management

The method of appointment of PCC members is set out in the Church Representation Rules. At St Luke's Edgbaston, the membership of the PCC consists of the Priest-in-charge, the Parish Priest, the Church Wardens and then six members elected by the congregation who are on the electoral roll of the Church. Three members are elected by St Luke's Great Colmore Street and three by St Luke's Gas Street as agreed by the Annual Parochial Church Meeting on 29th April 2019 in accordance with the Church Representation Rules. All those who are members of the Church are encouraged to register on the Electoral Roll and stand for election of the PCC.

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish including deciding on how the funds of the PCC are to be spent.

The full PCC meet six times a year with an average attendance rate of 80%. Given its wide remit, the PCC has two committees representing the two different church sites. These committees discuss and advise the PCC on all matters such as types of worship, fabric and mission.

Aims and Purposes

St Luke's Parochial Church Council (PCC) has the responsibility of co-operating with the Priest-in-charge, Reverend Tim Hughes and the Parish Priest, in promoting the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is also responsible for the maintenance of Gas Street Church, Gas Street, Birmingham and St Luke's Church Centre, Great Colmore Street, Birmingham.

Objectives and Activities

The PCC is committed to enabling the two churches which make up the parish of St Luke's Edgbaston (St Luke's Great Colmore Street and Gas Street) to provide light and hope for the people in the city of Birmingham through the worship within the church buildings and through actions and activities in the community and beyond.

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Objectives and Activities (continued)

The PCC maintains an overview of worship at both church sites and advises on how the different congregations work together bringing their different gifts and skills to reach more people in Birmingham.

The PCC are mindful of the Commission's guidance on the advancement of religion, particularly enabling people to live out their faith as part of our parish community. Outlined below are some of the ways that this is done;

- Across the two sites there are four opportunities to praise, worship and learn about the Gospel on a Sunday. Each service offers a different flavour and style so reflecting the varying needs, ages and heritages of our parishioners and those who come to St Luke's from outside the parish. In addition, services specifically aimed at younger members of the congregation are run at both sites on a regular basis.
- Courses such as the Alpha courses are run termly from each church site to introduce the Christian faith for those people within our city who are considering faith and what that means
- Mid-week groups enable worshippers within the Church community to meet, worship and talk about faith within a smaller environment.

The PCC are also mindful of the Commission's guidelines on public benefit and so have encouraged the following activities;

- Big Breakfast Club – monthly club for children in the neighbourhood of the parish to come and have Saturday breakfast and have a safe space to play and chat
- Support of Urban Devotion Birmingham; an organisation in north Birmingham; seeks to draw alongside struggling families in more socio/economically deprived areas of the city and provide support
- Toddler groups both at St Luke's Great Colmore Street and Gas Street increasingly popular and giving parents a place to come and meet
- Weekly community meals on Monday and Thursday – two wonderful opportunities for young and old in the community to meet others of the same age and across the generations.
- Monthly service at nearby care home; an opportunity to spend time with vulnerable members of the parish
- The Real Junk Food Project – this is hosted at St Luke's Great Colmore Street on Mondays and Fridays. Food which would have been thrown away by markets, supermarkets and suppliers is available to people on a 'pay as you can' basis.
- The Light Project – this project welcomes vulnerable women to an event where they can be pampered and given new clothes, advice and support.
- City Pastors – a group go out regularly to the clubbing district of Birmingham late night/early morning to aid clubbers who need help for whatever reason.

To facilitate this work, it is important that the PCC maintain the fabric of the Church of St Luke's Edgbaston, St Luke's Church Centre and Gas Street Church.

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Achievements and Performance

St Luke's Edgbaston (Great Colmore Street Site)

- ***Worship God and experience His presence***

We meet once on a Sunday and we are always welcoming new people to this gathering; we are always so pleased when these people come as a result of our intentional steps to build vital links with our community. We continue to increase links with the schools in the parish and to engage more families in our worshipping community. It has been great to have some staff team from the Emerging Generation team at Gas Street working with us on this and we are looking forward to seeing the fruit of this investment. Whilst we have been without a parish priest since April 2019 and the departure of Rev'd Amanda Featherstone to a new parish, our worshipping community has remained strong and it has given others the opportunity to lead and grow in their gifts.

- ***To grow as disciples of Jesus***

We have mid-week groups run at various times of the day and have been encouraged by the personal growth that has been going in within these groups.

- ***To share the love of God and Good News of Jesus with others (especially those in our community)***

We continue to build links with people throughout the parish; young and old! Our neighbouring school provides us with a great opportunity for this and we welcome parents into the church centre after dropping their children on a regular basis. We have also been so encouraged by the growth of our toddler group. In a parish such as ours it has provided a safe place for many carers to come. At the other end of the age spectrum, we have been delighted to be able to offer support to a local care/retirement home and lead services once a month. These services have been so enthusiastically received and are looked forward to by many of the residents.

We continue to pray and look for more ways to spread the Gospel in our community where poverty and ill health are key themes.

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- *To enjoy fellowship as the family of St Luke's*

We continue to enjoy each other's company at St Luke's as we seek to serve God in the community whether this be through running events together or through meeting for organised events or impromptu meals. Through these we want to build a community where all are welcome and feel part of something.

St Luke's Gas Street

- *Worship and Prayer*

We continue to welcome approximately 750 worshipers each Sunday to our three gatherings. Following our series on "this is Jesus" in the autumn of 2019, 53 people became Christians. Total number of people in 2019 who came identified themselves as becoming Christians was 161.

- *Mid Week Groups*

Our mid-week groups, Gas Street Groups, continue to meet termly and offer a way for members of the church to meet in the week. We are looking to develop this model so that more groups are looking at practical application of the Gospel in the community. These will be called Gas Street Go. We continue to host regular Alpha courses and are continually encouraged by the lives that are changed and the stories that people tell following the course.

We continue to see couples getting married here at Gas Street and support them through our marriage preparation course and then later our marriage course.

- *Celebrations*

As in previous years we welcomed over 1000 worshipers to our Christmas carols this year; we provided gatherings for both adults and children and the response was so encouraging. Similarly, the 2019 12 Hours at Easter was a moving and powerful event enjoyed again by people who were both part of our existing church community and others who came to visit for the event. Over 300 of our community attended a festival called Wildifres and once again we witnessed how key these celebrations and events are at building community. We were delighted to host the Birmingham hub of the Leadership Conference 2019; we provided a Birmingham venue for the event which was live streamed from the Albert Hall in London.

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- *Work with the Emerging Generation*

We continue to be encouraged by our work with students, youth and children. With such a large population of students across the city, our weekly meetings with a cooked meal have provided a great opportunity to welcome students into our church community. The annual student weekend away has really strengthened those relationships and we have heard amazing stories from those who have attended about how God spoke into their lives powerfully. The children and youth work continues to grow and the youth enjoyed their weekend away in November; building relationships and strengthening their faith. We continue to be challenged with the need for more space for our young people on Sundays and so are looking for opportunities to create more space whether within our existing building or beyond.

- *Building Work*

We have had no major building work this year but have worked hard to improve the space available.

Electoral Roll for the Parish

Currently there are currently 333 on the roll. This year the roll was renewed at the 2019 APCM.

St Luke's Church Centre Complex

The PCC receive regular feedback on the Centre and its income. Bookings continue to be regular and providing a good income.

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Financial Review

The Gas St building was purchased by the Birmingham Diocese in 2015 and all the funds raised and project spend was handled on behalf of St Luke's by the Birmingham Diocese Board of Finance (BDBF) until 30th June 2016. To enable the BDBF to fund the purchase the Gas St congregation committed to service two loans: (i) a loan of £730,000 with interest being charged at base rate plus 3.5%; and (ii) and an interest free loan of £340,000 repayable in annual instalments over 5 years. The loan balance outstanding as at 31st December 2019 was £798,000.

The total income for the year ended 31 December 2019 on unrestricted funds was £985,349 (2018: £870,235). The detail of the income from donations of £860,540 (2018: £758,948) is shown in the Financial Statements. The Gt Colmore St church centre is used significantly by the local community and produced an income for the year of £88,497 (2018: £68,529).

The restricted fund income for the year of £116,509 included a generous gift of £18,604 from St Martin Trustees to help provide financial support for staff costs.

The total expenditure for the year in respect of unrestricted funds on Christian ministry was £952,001 (2018: £721,215) and this included total direct and indirect staff costs of £438,464 (2018: £321,919).

The net result for the year shows a surplus of £278,908 (2018: £161,522), and an unrestricted funds balance of £641,982 (2018: £415,995).

Reserves Policy

St Luke's scope of operation has increased dramatically since the opening of the Gas St site in 2016; it is however ensuring that it maintains sufficient cash to meet at least 3 months unrestricted payments.

COVID-19

The impact of COVID-19 has impacted St Luke's in many ways. The national lock down meant that our buildings were closed for worship and meetings and all staff commenced working from home. As a worshipping community we have been able to take our corporate worship

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online along with our mid-week groups and emerging generation work. We are, as autumn approaches, addressing the risks of opening our building for services again and are starting to do this in line with government guidelines. The building of St Luke's in Great Colmore St has been open throughout lock down as it has been the hub of our programme to deliver free food to members of the community. This has been such a wonderful opportunity on dark times to live out the purposes of our charity and provide much needed help to those who most need it.

Financially, the global pandemic has taken its toll as is to be expected. Whilst some expenditure has declined as the buildings are not open, fixed costs remain such as loan interest, essential running costs to keep the building in workable use. The regular giving has held up well but income from events that the charity relies on has declined and we have not been able to enjoy the rental income from the Church Centre. The trustees have addressed these issues and steps have been taken to manage and reduce staff costs (including making use of the CJRS) so as to ensure reserves do not dip too low. We have also managed to agree a loan repayment payment deferral by a year. The trustees will continue to meet regularly to monitor the situation.

Additional Information

The PCC would like to thank all the volunteers on both church sites who work tirelessly to make St Luke's Edgbaston a welcoming, worshiping and outward looking community. Many of these volunteers go unseen and unrecognised but the PCC is so thankful for their commitment, energies and time.

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Statement of responsibilities of the trustees

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practise (UK GAAP).

The Charities Act requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by



Trustee

15 October 2020

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ST LUKES PCC, EDGBASTON, BIRMINGHAM

Opinion

We have audited the financial statements of St Luke's PCC, Edgbaston (the "Charity"), for the year ended 31 December 2019, which comprise the Statement of Financial Activities, Balance Sheet, Cash flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable to the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2019, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other matter

In the previous accounting period the trustees of the charity took advantage of audit exemption under s144 of the Charities Act 2011. Therefore, the prior period financial statements were not subject to audit.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



CJ GOODHEAD FCA

Senior Statutory Auditor

Knight Goodhead Limited

Chartered Accountants and Statutory Auditors

7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire, SO53 3DA

Dated: 23 October 2020

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £	Total 2018 £
INCOME						
Donations and legacies		784,381	76,159	-	860,540	758,948
Charitable activities		97,839	60	-	97,899	28,198
Trading activities		88,497	-	-	88,497	68,529
Investments		5,588	5,686	-	11,274	10,458
Other income		9,044	34,604	-	43,648	40,300
Total income	3	985,349	116,509	-	1,101,858	906,433
EXPENDITURE						
Charitable activities	4	952,001	93,917	-	1,045,918	740,319
Total expenditure		952,001	93,917	-	1,045,918	740,319
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES		33,348	22,592	-	55,940	166,114
Investment gains and losses	8	14,618	29,117	1,208	44,943	(4,592)
Gain on revaluation of fixed asset investments	8	178,025	-	-	178,025	-
NET INCOME BEFORE TRANSFERS		225,991	51,709	1,208	278,908	161,522
Transfers between funds		(4)	4	-	-	-
NET MOVEMENT IN FUNDS		225,987	51,713	1,208	278,908	161,522
FUND BALANCES AT 1 JANUARY 2019		415,995	220,621	6,748	643,364	481,842
FUND BALANCES AT 31 DECEMBER 2019	13	641,982	272,334	7,956	922,272	643,364

BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	£	2019 £	£	2018 £
FIXED ASSETS					
Investments	8	538,828		293,885	
Tangible assets	7	<u>724,756</u>		<u>66,566</u>	
			1,263,584		360,451
CURRENT ASSETS					
Debtors	9	71,236		33,367	
Cash at bank and in hand		<u>436,177</u>		<u>410,996</u>	
		507,413		444,363	
CREDITORS: amounts falling due within one year:					
	10	<u>(118,725)</u>		<u>(93,450)</u>	
NET CURRENT ASSETS			388,688		350,913
TOTAL ASSETS LESS CURRENT LIABILITIES			1,652,272		711,364
CREDITORS: amount falling due in more than one year					
	11		(730,000)		(68,000)
			922,272		643,364
FUNDS					
	12-13				
Unrestricted:					
Designated		190,235		162,030	
Capital revaluation		178,025		-	
Other unrestricted		<u>273,722</u>		<u>253,965</u>	
			641,982		415,995
Restricted			272,334		220,621
Endowment			7,956		6,748
TOTAL FUNDS			922,272		643,364

Signed on behalf of the PCC by:



Trustee

Date: 15 October 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1	(35,928)	87,333
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		11,274	10,458
Purchase of fixed assets		(6,086)	-
Recognition of investments as at 1 January 2019		-	(8,557)
NET CASH FLOW		<u>(30,740)</u>	<u>89,234</u>
		2019 £	2018 £
Cash at the end of the year	2	380,256	410,996
Cash at start of the year		410,996	295,359
Increase in cash in the year		<u>(30,740)</u>	<u>89,234</u>

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

1 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net movement in funds for the year	278,908	161,522
Interest received	(11,274)	(10,458)
Depreciation	-	-
(Increase)/decrease in debtors	(37,869)	11,934
Increase/(decrease) in creditors	25,275	(12,257)
Decrease in debt	(68,000)	(68,000)
(Gain)/loss on investments	(222,968)	4,592
Net cash flow from operating activities	<u>(35,928)</u>	<u>87,333</u>

2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	436,177	410,996
	<u>436,177</u>	<u>410,996</u>

3 ANALYSIS OF CHANGE IN NET DEBT

	2018 £	Cash flows £	Other non- cash changes £	2019 £
Cash at bank and in hand	410,996	25,181	-	436,177
Borrowings				
Debt due within one year	(68,000)	68,000	(68,000)	(68,000)
Debt due after one year	(68,000)	-	(662,000)	(730,000)
	<u>(136,000)</u>	<u>68,000</u>	<u>(730,000)</u>	<u>(798,000)</u>
TOTAL	<u>274,996</u>	<u>93,181</u>	<u>(730,000)</u>	<u>(361,823)</u>

ST LUKES PCC, EDGBASTON, BIRMINGHAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (effective January 2019). They are prepared under the historical costs convention except for the revaluation of fixed asset investments.

The accounts have been prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue.

The charity is a public benefit organisation.

(b) Fund accounting

General funds represent the funds of the PCC that are not subject to any restrictions as to their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds are those funds that must be spent on restricted purposes and the details of the funds held and restrictions are provided in note 13.

Designated funds are funds earmarked by the trustees for a specific project/purpose.

(c) Income

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

• Donations and legacies

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under pledge is recognised only when received.

Income tax recoverable on gift aid donations is recognised when the income is recognised.

Grant and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement and the amount due.

• Charitable activities

Funds raised from church events are accounted for when receivable.

Income is deferred when received for the purpose of funding missions to be carried out in the future.

• Trading activities

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

• Investments

Dividends and interest are accounted for when receivable.

Realised gains and losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluations of investments at 31 December.

• Other income

Other income is accounted for when receivable.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

1 ACCOUNTING POLICIES (continued)

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. It includes any VAT which cannot be fully recovered, and is allocated to the activity for which it relates.

• Charitable Activities

The Diocesan Parish Share is accounted for when payable.

Grants and donations are accounted for when paid over.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned between activities in line with their respective proportion of income received.

(e) Fixed assets

The buildings at Great Colmore Street comprise an integrated Church and Church Centre. These are operated under a long term lease (99 years from 1 September 2007) from the Birmingham Diocesan Trust. The lease is restrictive and has no commercial value, so the accounts continue to show the property at its historical cost of £nil.

The Gas Street premises is held on a long leasehold at a value equivalent to the cost of refurbishment. Depreciation is on a straight line basis over a 14 year period which mirrors the period over which the PCC is paying for the associated loan.

No value is placed on movable church furnishings held by the Church wardens on special trust for the PCC and which require a faculty for disposal.

All expenditure incurred during the year on non-consecrated buildings is written off as expenditure in the SOFA and separately disclosed. Expenditure on movable church furnishings is capitalised where the cost exceeds £2,000.

Equipment used within the church premises is depreciated on a straight line basis over 4 years (AV computer and fixtures and fittings), or 5 years (office equipment).

Fixed asset investment properties fair value is measured reliably and held under the revaluation model at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

(f) Current assets

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

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

2 ADMINISTRATIVE INFORMATION

The charity is unincorporated and was registered on 20 April 2015 with the Charity Commission in England and Wales. The registered number is 1161342.

The registered office of the charity is St Luke's Church Centre, Great Colmore Street, Birmingham, B15 2AT.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

3 INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £	Total 2018 £
DONATIONS AND LEGACIES					
Planned giving:					
Gift Aided	302,873	15,509	-	318,382	303,758
Non gift aid	148,438	3,636	-	152,074	96,567
Tax recovery	98,738	3,967	-	102,705	69,747
	550,049	23,112	-	573,161	470,072
Other giving:					
One off giving	185,831	52,082	-	237,913	244,122
Collections	48,501	965	-	49,466	44,754
	234,332	53,047	-	287,379	288,876
Total donations and legacies	784,381	76,159	-	860,540	758,948
CHARITABLE ACTIVITIES					
Wedding and funeral fees	-	-	-	-	1,012
Event income	97,839	60	-	97,899	27,186
	97,839	60	-	97,899	28,198
TRADING ACTIVITIES					
Church hire	6,896	-	-	6,896	2,870
Community area hire	81,601	-	-	81,601	65,659
	88,497	-	-	88,497	68,529
INVESTMENTS					
Dividends	5,147	5,686	-	10,833	10,328
Interest	441	-	-	441	130
	5,588	5,686	-	11,274	10,458
OTHER INCOME					
Anchor Church Income	-	16,000	-	16,000	-
Grant income	-	18,604	-	18,604	18,604
Curates house	7,800	-	-	7,800	7,800
Other income	1,244	-	-	1,244	5,339
Recognition of investments transferred to St Luke's on 1 January 2018	-	-	-	-	8,557
	9,044	34,604	-	43,648	40,300
TOTAL INCOME	985,349	116,509	-	1,101,858	906,433

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

4 EXPENDITURE	Unrestricted funds	Restricted funds	Endowment funds	Total 2019	Total 2018
	£	£	£	£	£
CHARITABLE ACTIVITIES					
Missionary and charitable giving (see also note 5)					
Special funds	460	-	-	460	1,150
Missions giving	80,271	5,998	-	86,269	55,258
Donations to Diocese	31,913	-	-	31,913	29,200
Anchor Church Expenditure	-	19,480	-	19,480	-
	112,644	25,478	-	138,122	85,608
Church events					
Worship costs	37,850	60	-	37,910	34,065
Community events	74,518	54	-	74,572	50,844
Depreciation	18,393	-	-	18,393	16,873
	130,761	114	-	130,875	101,782
Ministry					
Vicar expenses	-	255	-	255	1,048
Fees paid to Diocese	35,837	-	-	35,837	30,841
Music group	411	-	-	411	368
Sundry expenses	1,190	-	-	1,190	218
	37,438	255	-	37,693	32,475
Staff					
Salary, pensions, housing of youth & pastoral workers	438,464	66,747	-	505,211	341,023
Staff training	18,369	-	-	18,369	10,115
	456,833	66,747	-	523,580	351,138
Church and Centre running expenses					
Church running costs	29,437	-	-	29,437	25,723
Facilities costs	54,870	-	-	54,870	52,515
Insurance	4,411	-	-	4,411	4,389
Maintenance	-	-	-	-	-
Building development	30,215	1,081	-	31,296	44,869
Hospitality	4,635	-	-	4,635	4,280
Depreciation	28,000	-	-	28,000	-
	151,568	1,081	-	152,649	131,776
Support Costs					
Office costs	24,797	-	-	24,797	14,148
Photocopier	1,608	-	-	1,608	1,567
Subscriptions	1,153	-	-	1,153	874
Bank charges	2,042	242	-	2,284	1,483
Travel costs	12,927	-	-	12,927	3,677
Legal and professional	3,899	-	-	3,899	2,337
Accountancy	6,803	-	-	6,803	3,924
Depreciation	9,528	-	-	9,528	9,530
	62,757	242	-	62,999	37,540
TOTAL EXPENDITURE	952,001	93,917	-	1,045,918	740,319

Included within accountancy above are amounts due to the auditors in relation to audit of £6,600 (2018: £1,260 for independent examination).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

5 GRANTS

Grants and donations totalled £138,122 (2018: £85,608). The following donations were made to institutions and totalled more than £1,000:

Elayos CIC	£2,500
LIV Village	£5,000
Fusion	£2,000
World Prayer Centre	£2,500
Worship Central	£30,000
Newbigin House Community Trust	£5,000
Urban Devotion	£10,000
Birmingham City Church	£2,500
BDBF Mission Apprentice Scheme	£1,000

6 STAFF COSTS

Number of employees

The average number of employees during the year was 28 (2018: 19)

Staff costs relate to all direct and indirect staff costs and amounts recharged from the diocese.

Employment costs	2019 £	2018 £
Wages and salaries	475,162	339,889
Social security costs	21,258	796
Other pension costs	8,791	338
	<u>505,211</u>	<u>341,023</u>

See note 15 for disclosure of payments made to related parties.

7 TANGIBLE ASSETS

	Property £	Leasehold improvements £	AV equipment £	Fixtures & Fittings £	Office Equipment £	Total £
COST						
At beginning of year	21,975	-	67,489	37,015	1,378	127,857
Additions	-	730,000	6,086	-	-	736,086
Transfers	(21,975)	-	-	-	-	(21,975)
At end of year	-	730,000	73,575	37,015	1,378	841,968
DEPRECIATION						
At beginning of year	-	-	35,457	25,006	828	61,291
Charge for year	-	28,000	18,393	9,252	276	55,921
At end of year	-	28,000	53,850	34,258	1,104	117,212
NET BOOK VALUE						
At end of year	-	702,000	19,725	2,757	274	724,756
At beginning of year	21,975	-	32,032	12,009	550	66,566

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

8 FIXED ASSET INVESTMENTS

	Property	CCLA investments	Total
	£	£	£
Market value of investments at 1 January 2019	-	293,885	293,885
Transfer from fixed assets	21,975	-	21,975
Gain on revaluation of investment assets	178,025	44,943	222,968
Market value of investments at 31 December 2019	200,000	338,828	538,828

A building with a carrying amount of £21,975 was revalued by the trustees, based on market conditions at 10th June 2020.

At 31 December 2019, had the revalued asset been carried at its historic cost less accumulated depreciation and accumulated impairment losses, its carrying amount would have been £21,975 (2018 - £21,975).

The revaluation surplus is disclosed in note 13.

9 DEBTORS

	2019	2018
	£	£
Trade debtors	7,279	6,454
Gift aid tax recoverable	46,350	17,699
Prepayments and accrued income	9,735	5,367
Other debtors	7,872	3,847
	<u>71,236</u>	<u>33,367</u>

10 CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Diocesan loan	68,000	68,000
Accruals	17,920	5,783
Other creditors	24,273	16,241
Deferred income	8,532	3,426
	<u>118,725</u>	<u>93,450</u>

Following the redevelopment of the Gas Street site, the PCC has a commitment to repay an interest free loan which the Diocese took on to help pay for the work. This loan was recognised as a depletion of funds of £272,000 as at 1 January 2017. £68,000 has subsequently been repaid each year leaving a balance at 31 December 2019 of £68,000. This is due to be repaid by 1 further annual instalment of £68,000.

11 CREDITORS: amounts falling due after one year

	2019	2018
	£	£
Diocesan loan	<u>730,000</u>	<u>68,000</u>

In 2019 the PCC was party to the leasehold agreement for the Gas Street site and took on a loan from the Diocese in respect of the refurbishment costs of £730,000.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

12 FUNDS

The restricted funds are established for the following purposes:

Sick and Poor	To provide assistance to the sick and poor.
Assistant Clergy	To provide funding for assistant clergy costs.
Repair fund	To fund repair works required on the church building.
Extension fund	To fund a potential new extension to the church buildings.
Church repair	To help fund repair work on the church buildings.
Youth	To support youth activity costs.
Gas Street Phase 2	To fund the renovation work at Gas Street.
Leadership development	To provide training and support to the leadership team.
Kids Ministry	To support the Kids Ministry project work.
Café	To purchase soft furnishing for the Café.
Vulnerable	To support the Vulnerable project work.
The light project	To fund work with vulnerable women.
Alpha	To fund Alpha project support costs.
St Martins Trustees	To support staff costs.
Vicars fund	To support vicar's discretionary costs.
Anchor Church	To support a church plant.

The designated funds are established for the following purposes:

Education fund	To provide spiritual education to members of the church.
Assistant Clergy	To provide funding for assistant clergy costs.
Extension fund	To fund a Great Colmore Street extension.
Repair fund	To fund repair works required on the church building.
Missions fund	Each year, the church aims to dedicate at least 10% of its income for missional purposes. Part is given as grants to external projects with charitable objectives compatible with those of St Luke's; the other part is used to fund community engagement activities carried out by St Luke's members.
Capital fund	This represents the historic cost of the investment property.
Anchor Church	Being funds for the church plant held while they awaited a bank account of their own.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

13 MOVEMENT IN FUNDS

	Balance at 1 January 2019 £	Income £	Expenditure £	Gain / on Investments £	Transfers between funds £	Balance at 31 December 2019 £
Restricted funds						
Sick and Poor	9,303	31	(1,120)	-	-	8,214
Assistant Clergy	165,238	4,610	(43,794)	23,579	-	149,633
Repair fund	7,263	-	-	1,365	36	8,664
Extension fund	23,797	50,770	-	4,173	-	78,740
Church repair	843	274	(1,081)	-	(36)	-
Youth	54	-	(54)	-	-	-
Leadership development	626	-	-	-	-	626
Café	1,276	-	-	-	-	1,276
Kids Ministry	6,144	60	(60)	-	-	6,144
Vulnerable	2,077	2,732	(4,813)	-	4	-
Light Project	-	65	(65)	-	-	-
Alpha	1,000	-	-	-	-	1,000
St Martins Trustees	500	18,604	(19,104)	-	-	-
Vicars fund	2,500	-	(255)	-	-	2,245
Anchor Church	-	39,363	(23,571)	-	-	15,792
	220,621	116,509	(93,917)	29,117	4	272,334
Endowment funds						
Nichols	1,167	-	-	390	-	1,557
T Welche	1,344	-	-	197	-	1,541
Reeves Charity	2,216	-	-	323	-	2,539
Emma Halls	1,270	-	-	186	-	1,456
St Lukes RF	751	-	-	112	-	863
	6,748	-	-	1,208	-	7,956
Designated funds						
Education Fund	6,375	-	(6,375)	-	-	-
Assistant Clergy	18,194	171	(13,423)	925	-	5,867
Extension fund	12,409	-	-	-	-	12,409
Repair fund	86,020	3,251	-	17,625	4,956	111,852
Missions fund	39,032	-	(92,400)	-	66,500	13,132
Anchor Church	-	-	-	-	25,000	25,000
Capital fund	-	-	-	-	21,975	21,975
	162,030	3,422	(112,198)	18,550	118,431	190,235
Capital revaluation fund	-	-	-	178,025	-	178,025
Other unrestricted funds	253,965	981,927	(839,803)	(3,932)	(118,435)	273,722
Total funds	643,364	1,101,858	(1,045,918)	222,968	-	922,272

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

14 ANALYSIS OF FUNDS

Fund balances as at 31 December 2019 are represented by:

	Restricted funds	Endowment funds	Designated funds	Other unrestricted funds	Total 2019
	£	£	£	£	£
Tangible fixed assets	-	-	-	724,756	724,756
Fixed asset investment	184,783	7,956	139,694	206,395	538,828
Current assets	87,551	-	50,541	369,321	507,413
Current liabilities	-	-	-	(118,725)	(118,725)
Long term liabilities	-	-	-	(730,000)	(730,000)
	272,334	7,956	190,235	451,747	922,272

Fund balances as at 31 December 2018 are represented by:

	Restricted funds	Endowment funds	Designated funds	Other unrestricted funds	Total 2018
	£	£	£	£	£
Tangible fixed assets	-	-	-	66,566	66,566
Fixed asset investment	144,951	6,940	92,344	49,650	293,885
Current assets	75,670	-	69,686	299,007	444,363
Current liabilities	-	-	-	(93,450)	(93,450)
Long term liabilities	-	-	-	(68,000)	(68,000)
	220,621	6,940	162,030	253,773	643,364

15 RELATED PARTY TRANSACTIONS

During the year A Herbert, trustee, was paid salary and benefits totalling £11,444 (2018: £22,637) for working as a curate.

During the year the charity paid £9,996 (2018: £9,996) to the landlord of N Drake, trustee, as contributions to his rent.

During the year S Mehlmann, trustee, was paid salary and benefits totalling £2,945 (2018: £nil) for working as a events steward.

During the year 12 Trustees were reimbursed expenses totalling £3,065 (2018: 13 trustees totalling £4,627) for reimbursable travel costs, refreshments and purchases for the charity. No trustees received gifts (2018: one trustee received £250).

During the year the spouse of one of the Trustees was paid salary and benefits totalling £14,064 (2018: £14,122).

During the year four relatives of Trustees were reimbursed expenses totalling £2,664 (2018: one trustee £1,224).

Ashlea Solutions, a company controlled by F Harper, trustee, invoiced the charity a total of £432 (2018: £324) for accounting software services in the year.

Miller & More, a company controlled by H Miller, trustee, invoiced the charity a total of £2,726 (2018: £4,020) for training services in the year.

Fusion UK, a charitable company controlled by H Miller, trustee, invoiced the charity a total of £360 (2018: £90) for attendance at a conference. As disclosed in note 5, a gift of £2,000 was also made to this charitable company within the year.

As disclosed in note 5, the charity made donations totalling £10,000 (2018: £5,000) to Urban Devotion, a charitable company of which H Miller, trustee, is both director and trustee. The charity also received a donation of £487 intended for Urban Devotion in error. The charity also invoiced Urban Devotion £222 for use of a building.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

15 RELATED PARTY TRANSACTIONS (continued)

As disclosed in note 5, the charity made donations totalling £30,000 (2018: £10,000) to Worship Central, a charity of which T Hughes, trustee, is also a trustee. Worship Central also billed the charity £2,400 during the year for training. The charity also made payment of an invoice of £5,659 on behalf of Worship Central, which was repaid within the year. In addition the charity acted as agent for a gift of £50,000 made to Worship Central during the year.

As disclosed in note 5, the charity made donations totalling £2,500 (2018: £nil) to Elayos CIC, a CIC of which R Hughes is a trustee; R Hughes is the spouse of T Hughes, a trustee of the charity.

During the year, the charity received donations totalling £32,000 from RT Central Limited, a company controlled by T Hughes, trustee.

During the year, the charity received donations totalling £71,800 from The Reuben Trust, a charity of whom J Pearson, trustee, is also a trustee. Of these, £50,000 was restricted for use on buildings.

During the year one member of key management personal was paid salary and benefits totalling £30,825 (2018: £28,297).

16 COMMITMENTS

At the balance sheet date the charity had remaining commitments of £29,321 (2018: £24,424) under operating leases.

17 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £
INCOME				
Donations and legacies	755,448	3,500	-	758,948
Charitable activities	28,198	-	-	28,198
Trading activities	68,529	-	-	68,529
Investments	4,921	5,537	-	10,458
Other income	13,139	27,161	-	40,300
Total income	870,235	36,198	-	906,433
EXPENDITURE				
Charitable activities	721,215	19,104	-	740,319
Total expenditure	721,215	19,104	-	740,319
NET INCOME BEFORE GAINS AND LOSSES	149,020	17,094	-	166,114
Investment gains and losses	(2,030)	(2,370)	(192)	(4,592)
NET INCOME BEFORE TRANSFERS	146,990	14,724	(192)	161,522
Transfers between funds	(3,485)	3,485	-	-
NET MOVEMENT IN FUNDS	143,505	18,209	(192)	161,522
FUND BALANCES AT 1 JANUARY 2018	272,490	202,412	6,940	481,842
FUND BALANCES AT 31 DECEMBER 2018	415,995	220,621	6,748	643,364

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

18 COMPARATIVE MOVEMENT IN FUNDS

	Balance at 1 January 2018 £	Income £	Expenditure £	Gain / on Investments £	Transfers between funds £	Balance at 31 December 2018 £
Restricted funds						
Sick and Poor	9,282	21	-	-	-	9,303
Assistant Clergy	154,103	13,054	-	(1,919)	-	165,238
Repair fund	7,374	0	-	(111)	-	7,263
Extension fund	23,386	751	-	(340)	-	23,797
Church repair	575	268	-	-	-	843
Youth	-	-	-	-	54	54
Leadership development	5,944	-	-	-	(5,318)	626
Café	1,600	-	-	-	(324)	1,276
Kids Ministry	-	-	-	-	6,144	6,144
Vulnerable	-	-	-	-	2,077	2,077
Light Project	148	-	-	-	(148)	-
Alpha	-	-	-	-	1,000	1,000
St Martins Trustees	-	18,604	(18,104)	-	-	500
Vicars fund	-	3,500	(1,000)	-	-	2,500
	202,412	36,198	(19,104)	(2,370)	3,485	220,621
Endowment funds						
Nichols	1,359	-	-	(192)	-	1,167
T Welche	1,344	-	-	-	-	1,344
Reeves Charity	2,216	-	-	-	-	2,216
Emma Halls	1,270	-	-	-	-	1,270
St Lukes RF	751	-	-	-	-	751
	6,940	-	-	(192)	-	6,748
Designated funds						
Education Fund	6,354	21	-	-	-	6,375
Assistant Clergy	18,103	166	-	(75)	-	18,194
Extension fund	12,409	-	-	-	-	12,409
Repair fund	84,284	3,171	-	(1,435)	-	86,020
Missions fund	18,553	1,000	-	-	19,479	39,032
	139,703	4,358	-	(1,510)	19,479	162,030
Other unrestricted funds	132,787	865,877	(721,215)	(520)	(22,964)	253,965
Total funds	481,842	906,433	(740,319)	(4,592)	-	643,364