

ST LUKES PCC EDGBASTON, BIRMINGHAM

Charity Registration number : 1161342

**REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

ST LUKES PCC EDGBASTON, BIRMINGHAM

YEAR ENDED 31 DECEMBER 2020

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, SO53 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 1st January 2020 until the date of this report was approved are:

Ex Officio Members

Rev'd Tim Hughes (Chair) – Priest in Charge
Rev'd Nick Drake – Priest of the Parish
Rev'd Ali Herbert – Curate
Rev'd Timothy Bateman – Priest of the Parish
Henry Rattle – Warden
Jonathan Pearson – Warden
Carol Applegate – Reader

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Elected Members

Thembi Sithole
Trevor Lewis (Deanery Synod Rep)
Hannah Miller
Jake Batson
Geoffrey Sentamu (Deanery Synod Rep)
Frank Harper (Treasurer & Deanery Synod Rep)
Sian Mehlmann **RESIGNED Sep 2020**
Shirley Titmarsh (Deanery Synod Rep)
Janet Reddings
Akhil Shah **APPOINTED Oct 2020**
James Bird **APPOINTED Oct 2020**

Co Opted Members

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 Gas Street St Luke's St and three by Gas Street Central 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. During the Coronavirus pandemic of 2020, these committees have not met. They will be reinstated once churches are open and the church communities move from online back into physical meetings.

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 Priests, in promoting the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is also responsible for the maintenance of Gas Street Central, Gas Street, Birmingham and Gas Street St Luke's, 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 (Gas Street St Luke's and Gas Street Central) 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 is 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. This has proved so important in this year as the UK experienced the Coronavirus global pandemic. The first UK lockdown in March 2020 shut churches so preventing any physical engagement with the parish and the church quickly needed to address the needs of its community and respond.

Needs of the Community

The needs of the parish community were identified and we were able to provide the following solutions:

- **Need: Food for a community that is economically very vulnerable and hence felt the effect of the shut down immediately**

Solution: Within several weeks of the announcement of the first shut down, a food bank and delivery service was set up at Gas Street St Luke's to provide and deliver food parcels to members of the parish community and beyond. The deliveries were carried out by volunteers from the church communities. Since lockdown we have delivered food parcels to 16,416 people. The service was called Love Your Neighbour and was partly funded by the giving of members of the Church community and match funded by the Church Revitalisation Trust (CRT).

- **Need: Address extreme loneliness of people in parish; many of whom are elderly or shielding**

Solution: Extending the Love Your Neighbour scheme out and developed a befriending service. Volunteers, after necessary vetting and checks, were paired with members of the community who had requested contact, and would phone them as and when required to listen, sometimes talk and provide some sort of human contact during the months when contact was restricted. Again since lockdown we've made 1,495 befriending phone calls.

- **Need: Continue a worshipping community when churches were shut down and then opened but with restrictions**

Solution: With the expertise and skills of the staff at the churches, we were able to provide online services from the start of the lock down period. These were available through YouTube and so were not restricted by needing codes etc and could be accessed at any time following the initial streaming. This enabled the community to continue to come together and worship virtually and feel a sense of connection despite the lack of physical contact. Once Lockdown 1 was lifted, we were able to open both buildings safely and encourage those who wanted to to come into the buildings for worship. This was especially important for older members of the community who were unable to access online worship. As this report is written, the PCC is addressing how best to open the churches to greater numbers of people that lockdown is being lifted and still provide an online community for those still unable to leave their homes.

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- **Provide ongoing spiritual support and community for members of both churches**

Solution: Through the use of virtual platforms, we were able to launch online discipleship groups and Alpha courses so that church members were able to continue to grow spiritually during this time and keep contact with their church community. Through these networks we were able to connect with church members, encourage them and also share all that was being done through Love Your Neighbour. Following the online Alpha courses, we were encouraged to see people coming to faith and see them transition to mid week virtual groups without stepping foot in our buildings!

- **Provide celebrations at key times to bring the community together**

Solution: Despite the restrictions of online worship we have been able to celebrate Christmas with creative and moving online gatherings. It provided an opportunity to celebrate together the birth of Jesus and the impact of this on the world, even a world in the grips of a pandemic.

- **Provide connection community for the children and young people of our community**

Solution: With children and young people affected by the pandemic as critically as their parents, we were anxious to address their needs for connection and community. Weekly online gatherings were recorded for the children; these were interactive, lively and gave the children a sense of belonging and connection. For the young people, they were invited to mid week groups, online socials and meet ups in the holidays within the guidelines. As many of these young people faced the uncertainty of cancelled exams, again, these were key lifelines to their church community and spiritual support.

At the time of writing all these solutions are continuing.

Electoral Roll for the Parish

Currently there are currently 331 on the roll. The APCM was held virtually in October 2020 in accordance with the Church of England guidelines.

St Luke's Church Centre Complex

The PCC receive regular feedback on the Centre and its income. Bookings have been affected by the pandemic and measures to address this lack of income have been taken.

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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 2020 was £798,000.

The total income for the year ended 31 December 2020 on unrestricted funds was £788,770 (2019: £985,349). The detail of the income from donations of £810,224 (2019: £860,540) 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 £16,769 (2019: £88,497).

The restricted fund income for the year of £239,042 included a generous gift of £18,604 from St Martin Trustees to help provide financial support for staff costs, as well as £50,178 of government funding for salaries under the Job Retention Scheme.

We received a matched funding grant of £11,429 from the Church Revitalisation Trust (CRT) under the Love Your Neighbour (LYN) scheme agreement.

The total expenditure for the year in respect of unrestricted funds on Christian ministry was £705,151 (2019: £952,001) and this included total direct and indirect staff costs of £432,427 (2019: £438,464).

The net result for the year shows a surplus of £13,308 (2019: £278,908), and an unrestricted funds balance of £734,003 (2019: £641,982).

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 online along with our mid week groups and emerging generation work. The building of St Luke's in Great Colmore St has been open throughout lockdown 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 were not open, fixed costs remain such as loan interest and essential running costs to keep the building in workable use. The regular giving has held up well but income

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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

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 2020, 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 2020, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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.

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

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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the Charity through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Knight Goodhead Limited is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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:

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
INCOME						
Donations and legacies		734,124	76,100	-	810,224	860,540
Charitable activities		20,053	-	-	20,053	97,899
Trading activities		16,769	-	-	16,769	88,497
Investments		5,262	5,794	-	11,056	11,274
Other income		12,562	157,148	-	169,710	43,648
Total income	3	788,770	239,042	-	1,027,812	1,101,858
EXPENDITURE						
Charitable activities	4	705,151	330,971	-	1,036,122	1,045,918
Total expenditure		705,151	330,971	-	1,036,122	1,045,918
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES		83,619	(91,929)	-	(8,310)	55,940
Investment gains and losses	8	8,402	12,707	509	21,618	44,943
Gain on revaluation of fixed asset investments	8	-	-	-	-	178,025
NET INCOME BEFORE TRANSFERS		92,021	(79,222)	509	13,308	278,908
Transfers between funds		-	-	-	-	-
NET MOVEMENT IN FUNDS		92,021	(79,222)	509	13,308	278,908
FUND BALANCES AT 1 JANUARY 2020		641,982	272,334	7,956	922,272	643,364
FUND BALANCES AT 31 DECEMBER 2020	13	734,003	193,112	8,465	935,580	922,272

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	£	2020 £	£	2019 £
FIXED ASSETS					
Investments	8	560,447		538,828	
Tangible assets	7	<u>651,043</u>		<u>724,756</u>	
			1,211,490		1,263,584
CURRENT ASSETS					
Debtors	9	62,144		71,236	
Cash at bank and in hand		<u>500,951</u>		<u>436,177</u>	
		563,095		507,413	
CREDITORS: amounts falling due within one year:	10	<u>(109,005)</u>		<u>(118,725)</u>	
NET CURRENT ASSETS			454,090		388,688
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,665,580</u>		<u>1,652,272</u>
CREDITORS: amount falling due in more than one year	11		<u>(730,000)</u>		<u>(730,000)</u>
			<u>935,580</u>		<u>922,272</u>
FUNDS	12-13				
Unrestricted:					
Designated		225,818		190,235	
Capital revaluation		178,025		178,025	
Other unrestricted		<u>330,160</u>		<u>273,722</u>	
			734,003		641,982
Restricted			193,112		272,334
Endowment			8,465		7,956
TOTAL FUNDS			<u>935,580</u>		<u>922,272</u>

Signed on behalf of the PCC by:

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Trustee

Date:

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1	53,719	19,993
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		11,056	11,274
Purchase of fixed assets		-	(6,086)
NET CASH FLOW		64,775	25,181
		2020 £	2019 £
Cash at the end of the year	2	500,952	436,177
Cash at start of the year		436,177	410,996
Increase in cash in the year		64,775	25,181

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 £	2019 £
Net movement in funds for the year	13,308	278,908
Interest received	(11,056)	(11,274)
Depreciation	73,713	55,921
Decrease/(increase) in debtors	9,092	(37,869)
(Decrease)/increase in creditors	(9,720)	25,275
Decrease in debt	-	(68,000)
(Gain) on investments	(21,618)	(222,968)
Net cash flow from operating activities	53,719	19,993

2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	500,951	436,177
	500,951	436,177

3 ANALYSIS OF CHANGE IN NET DEBT

	2019 £	Cash flows £	Other non- cash changes £	2020 £
Cash at bank and in hand	436,177	64,774	-	500,951
Borrowings				
Debt due within one year	(68,000)	-	-	(68,000)
Debt due after one year	(730,000)	-	-	(730,000)
	(798,000)	-	-	(798,000)
TOTAL	(361,823)	64,774	-	(297,049)

ST LUKES PCC, EDGBASTON, BIRMINGHAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 (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 2020 (continued)

3 INCOME	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
DONATIONS AND LEGACIES					
Planned giving:					
Gift Aided	395,228	7,773	-	403,001	318,382
Non gift aid	173,524	-	-	173,524	152,074
Tax recovery	103,510	13,742	-	117,252	102,705
	672,262	21,515	-	693,777	573,161
Other giving:					
One off giving	33,542	51,496	-	85,038	237,913
Collections	28,320	3,089	-	31,409	49,466
	61,862	54,585	-	116,447	287,379
Total donations and legacies	734,124	76,100	-	810,224	860,540
CHARITABLE ACTIVITIES					
Wedding and funeral fees	199	-	-	199	-
Event income	19,854	-	-	19,854	97,899
	20,053	-	-	20,053	97,899
TRADING ACTIVITIES					
Church hire	400	-	-	400	6,896
Community area hire	16,369	-	-	16,369	81,601
	16,769	-	-	16,769	88,497
INVESTMENTS					
Dividends	5,059	5,794	-	10,853	10,833
Interest	203	-	-	203	441
	5,262	5,794	-	11,056	11,274
OTHER INCOME					
Anchor Church Income	-	21,719	-	21,719	16,000
Grant income	-	135,182	-	135,182	18,604
Curates house	7,800	-	-	7,800	7,800
Other income	4,762	247	-	5,009	1,244
	12,562	157,148	-	169,710	43,648
TOTAL INCOME	788,770	239,042	-	1,027,812	1,101,858

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

4 EXPENDITURE	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
CHARITABLE ACTIVITIES					
Missionary and charitable giving (see also note 5)					
Special funds	-	-	-	-	460
Missions giving	19,906	81,143	-	101,049	86,269
Anchor Church Expenditure	25,000	37,576	-	62,576	19,480
	44,906	118,719	-	163,625	106,209
Church events					
Worship costs	5,540	906	-	6,446	37,910
Community events	9,585	7,008	-	16,593	74,572
Depreciation	16,682	-	-	16,682	18,393
	31,807	7,914	-	39,721	130,875
Ministry					
Vicar expenses	-	-	-	-	255
Fees paid to Diocese	-	35,823	-	35,823	35,837
Music group	-	-	-	-	411
Sundry expenses	317	-	-	317	1,190
	317	35,823	-	36,140	37,693
Staff					
Salary, pensions, housing of youth & pastoral workers	432,427	144,507	-	576,934	505,211
Staff training	6,810	626	-	7,436	18,369
	439,237	145,133	-	584,370	523,580
Church and Centre running expenses					
Church running costs	5,376	1,424	-	6,800	29,437
Facilities costs	46,381	2,626	-	49,007	54,870
Insurance	3,267	-	-	3,267	4,411
Building development	9,187	3,184	-	12,371	31,296
Hospitality	3,240	-	-	3,240	4,635
Depreciation	54,000	-	-	54,000	28,000
	121,451	7,234	-	128,685	152,649
Support Costs					
Office costs	22,266	17	-	22,283	24,797
Photocopier	1,063	-	-	1,063	1,608
Subscriptions	897	-	-	897	1,153
Bank charges	5,529	1,240	-	6,769	2,284
Travel costs	1,831	-	-	1,831	12,927
Fundraising	-	10,491	-	10,491	-
Legal and professional	-	-	-	-	3,899
Accountancy	5,595	4,400	-	9,995	6,803
Interest on diocesan loan	27,221	-	-	27,221	31,913
Depreciation	3,031	-	-	3,031	9,528
	67,433	16,148	-	83,581	94,912
TOTAL EXPENDITURE	705,151	330,971	-	1,036,122	1,045,918

Included within accountancy above are amounts due to the auditors in relation to audit of £6,600 (2019: £6,600).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

5 GRANTS

Grants and donations totalled £190,846 (2019: £138,122). The following donations were made to institutions and totalled more than £1,000:

Birmingham City Mission	£2,000
Elayos	£2,000
Newbigin House Community Trust	£3,500
Six Ways Erdington Baptist Church	£3,500
Urban Devotion	£3,000

6 STAFF COSTS

Number of employees

The average number of employees during the year was 26 (2019: 28)

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

Employment costs	2020 £	2019 £
Wages and salaries	414,675	373,531
Gas Street Central Common Fund	130,690	101,631
Social security costs	21,932	21,258
Other pension costs	9,637	8,791
	576,934	505,211

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

7 TANGIBLE ASSETS

	Leasehold improvements £	AV equipment £	Fixtures & Fittings £	Office Equipment £	Total £
COST					
At beginning of year	730,000	73,575	37,015	1,378	841,968
Additions	-	-	-	-	-
Disposals	-	-	(6,639)	-	(6,639)
At end of year	730,000	73,575	30,376	1,378	835,329
DEPRECIATION					
At beginning of year	28,000	53,850	34,258	1,104	117,212
Charge for year	54,000	16,682	2,757	274	73,713
Disposals	-	-	(6,639)	-	(6,639)
At end of year	82,000	70,532	30,376	1,378	184,286
NET BOOK VALUE					
At end of year	648,000	3,043	-	-	651,043
At beginning of year	702,000	19,725	2,757	274	724,756

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

8 FIXED ASSET INVESTMENTS

	Investment in subsidiary undertakings £	Property £	CCLA investments £	Total £
Cost or market value of investments at 1 January 2020	-	200,000	338,828	538,828
Additions during year	1	-	-	1
Gain on revaluation of investment assets	-	-	21,618	21,618
Cost or market value of investments at 31 December 2020	1	200,000	360,446	560,447

In 2019 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 2020, 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 (2019 - £21,975).

The revaluation surplus is disclosed in note 13.

During the year the charity purchased 100% of the issued share capital of Gas Street Music Limited, a company incorporated in England and Wales (company number: 12995294). Gas Street Music Limited was incorporated on 4 November 2020 and will prepare its first accounts to 31 December 2021.

	2020 £	2019 £
Trade debtors	4,076	7,279
Gift aid tax recoverable	24,204	46,350
Prepayments and accrued income	17,274	9,735
Other debtors	16,590	7,872
	<u>62,144</u>	<u>71,236</u>

10 CREDITORS: amounts falling due within one year

	2020 £	2019 £
Diocesan loan	68,000	68,000
Accruals	20,380	17,920
Other creditors	14,430	24,273
Deferred income	6,195	8,532
	<u>109,005</u>	<u>118,725</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 except for 2020 when the Diocese granted a reprieve due to Covid-19. This left a balance at 31 December 2020 of £68,000 which is due to be repaid by 1 further annual instalment of £68,000.

	2020 £	2019 £
Diocesan loan	<u>730,000</u>	<u>730,000</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. Repayments are due to commence in July 2022.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (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	Funds for extending the work of the church.
Church repair	To help fund repair work on the church buildings.
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.
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.
Awards For All	To support a sensory room project.
Collections	These are collections for specific external causes and projects.
Love Your Neighbour - Boxes	Funds from Church Revitalisation Trust for a Christmas Boxes project.
Love Your Neighbour - DCMS funding	Church Revitalisation Trust funding for the Love Your Neighbour community project.
Love Your Neighbour - Gas Street	Funds for the Love Your Neighbour community project collected by Gas Street Church.
Buildings	For development/additions to the structure of the building at 41 Gas Street.
Job Retention Scheme	Funds received for salaries under the government furlough scheme.

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	These are funds for the church plant held while they awaited a bank account of their own.
Love Your Neighbour match funding	These are funds matched to the Love Your Neighbour grant.
Love Your Neighbour - Gas Street	These are additional funds designated by the church for the Love Your Neighbour project.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

13 MOVEMENT IN FUNDS

	Balance at 1 January 2020 £	Income £	Expenditure £	Gain / on Investments £	Transfers between funds £	Balance at 31 December 2020 £
Restricted funds						
Sick and Poor	8,214	235	(8,449)	-	-	-
Assistant Clergy	149,633	4,480	(94,602)	10,290	-	69,801
Repair fund	8,664	286	(7,061)	596	-	2,485
Extension fund	78,740	793	(6,354)	1,821	(50,000)	25,000
Leadership development	626	-	(626)	-	-	-
Café	1,276	-	(755)	-	-	521
Kids Ministry	6,144	-	-	-	-	6,144
Alpha	1,000	-	(1,000)	-	-	-
St Martins Trustees	-	18,975	(18,975)	-	-	-
Vicars fund	2,245	-	(2,245)	-	-	-
Anchor Church	15,792	26,184	(41,976)	-	-	-
Awards For All	-	10,000	-	-	-	10,000
Collections	-	10,320	(2,181)	-	-	8,139
Love Your Neighbour - Boxes	-	28,027	(20,117)	-	-	7,910
Love Your Neighbour - DCMS funding	-	11,429	(11,429)	-	-	-
Love Your Neighbour - Gas Street	-	78,135	(65,023)	-	-	13,112
Buildings	-	-	-	-	50,000	50,000
Job Retention Scheme	-	50,178	(50,178)	-	-	-
	272,334	239,042	(330,971)	12,707	-	193,112
Endowment funds						
Nichols	1,557	-	-	100	-	1,657
T Welche	1,541	-	-	99	-	1,640
Reeves Charity	2,539	-	-	162	-	2,701
Emma Halls	1,456	-	-	93	-	1,549
St Lukes RF	863	-	-	55	-	918
	7,956	-	-	509	-	8,465
Designated funds						
Education Fund	-	167	(167)	-	-	-
Assistant Clergy	5,867	176	(6,446)	403	-	-
Extension fund	12,409	-	(773)	-	-	11,636
Repair fund	111,852	3,348	-	7,692	-	122,892
Missions fund	13,132	-	(3,525)	-	2,393	12,000
Anchor Church	25,000	-	(25,000)	-	-	-
Capital fund	21,975	-	-	-	-	21,975
Love Your Neighbour - match funding	-	-	-	-	57,315	57,315
Love Your Neighbour - Gas Street	-	-	(10,000)	-	10,000	-
	190,235	3,691	(45,911)	8,095	69,708	225,818
Capital revaluation fund	178,025	-	-	-	-	178,025
Other unrestricted funds	273,722	785,079	(659,240)	307	(69,708)	330,160
Total funds	922,272	1,027,812	(1,036,122)	21,618	-	935,580

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

14 ANALYSIS OF FUNDS

Fund balances as at 31 December 2020 are represented by:

	Restricted funds	Endowment funds	Designated funds	Other unrestricted funds	Total 2020
	£	£	£	£	£
Tangible fixed assets	-	-	-	651,043	651,043
Fixed asset investment	97,286	8,465	122,892	331,804	560,447
Current assets	95,826	-	102,926	364,343	563,095
Current liabilities	-	-	-	(109,005)	(109,005)
Long term liabilities	-	-	-	(730,000)	(730,000)
	193,112	8,465	225,818	508,185	935,580

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

15 RELATED PARTY TRANSACTIONS

During the year the charity paid £9,163 (2019: £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 £1,549 (2019: £2,945) for working as a events steward.

In 2019 A Herbert, trustee, was paid salary and benefits totalling £11,444 for working as a curate. No payments were made in 2020.

During the year two Trustees were reimbursed expenses totalling £401 (2019: 12 trustees totalling £3,065) for reimbursable travel costs, refreshments and purchases for the charity. No trustees received gifts (2019: no trustees received gifts).

During the year the spouses of two of the Trustees were paid salary and benefits totalling £27,942 (2019: one spouse paid £14,064).

During the year one relative of a Trustee was reimbursed expenses totalling £31 (2019: four relatives of trustees were reimbursed £2,664).

Ashlea Solutions, a company controlled by F Harper, trustee, invoiced the charity a total of £396 (2019: £432) for accounting software services in the year.

Miller & More, a company controlled by H Miller, trustee, invoiced the charity a total of £140 (2019: £2,726) for training services in the year.

Fusion UK, a charitable company controlled by H Miller, trustee, invoiced the charity a total of £360 in 2019 (£nil in 2020) 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 (2019: £2,000).

As disclosed in note 5, the charity made donations totalling £3,000 (2019: £10,000) to Urban Devotion, a charitable company of which H Miller, trustee, is both director and trustee. The charity also passed on donations totalling £488 collected on behalf of Urban Devotion (2019: £nil). In 2019 the charity invoiced Urban Devotion £222 for use of a building (2020: £nil).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

15 RELATED PARTY TRANSACTIONS (continued)

During the year the charity made payment of an invoice of £340 (£2019: 5,659) on behalf of Worship Central, a charity of which T Hughes, trustee, is also a trustee. This was repaid within the year. Worship Central also billed the charity £294 during the year for services (2019: 2,400) and refunded the charity £400 of training fees. No donations were made to Worship Central in the year (2019: £30,000 donated).

As disclosed in note 5, the charity made donations totalling £2,000 (2019: £2,500) 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. The charity also passed on donations totalling £65 collected on behalf of Elayos (2019: £nil).

During the year, the charity received donations totalling £39,000 from RT Central Limited, a company controlled by T Hughes, trustee (£32,000).

During the year, the charity received donations totalling £27,100 from The Reuben Trust, a charity of whom J Pearson, trustee, is also a trustee (2019: £71,800). In 2019 £50,000 was restricted for use on buildings (2020: all unrestricted).

During the year three members of key management personnel were paid remuneration and benefits totalling £56,348 (2019: one member paid £30,825).

16 COMMITMENTS

At the balance sheet date the charity had remaining commitments of £27,616 (2019: £29,321) under operating leases.

17 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

18 COMPARATIVE 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