

Parochial Church Council of St Luke Great Ilford



Annual Report and Accounts
for the year ended 31 December 2009

Parochial Church Council of St Luke Great Ilford

Baxter Road
Ilford
Essex IG1 2HN

Priest in Charge

The Revd John Brown MA
The Vicarage
1a Baxter Road
Ilford
Essex IG1 2HN

Treasurer

Vacant

Principal Bankers

NatWest Bank Plc
50 Ilford Hill
Ilford
Essex IG1 2DX

Independent Examiner

The Revd Alan A Clements MA, ACIB, FCIE
15 Carleton Road
Great Knowley
Chorley
Lancs PR6 8TQ

Find St Luke's on the internet at:

www.stluke-ilford.org.uk

St Lukes PCC is a charity excepted from registration with the Charity Commission

Accounts prepared by:

R W Andrews MA, ACIB, FCIE
3 Swards End
Wickford
Essex SS12 9PB

Parochial Church Council of St Luke Great Ilford

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Parochial Church Council of St Luke Great Ilford

Annual report of the Parochial Church Council

for the year ended 31 December 2009

Administrative information

St Luke's Church is situated in Baxter Road, Ilford, Essex. It is part of the Diocese of Chelmsford within the Church of England. The correspondence address is:

The Parish Office, The Trinity Centre, Baxter Road, Ilford, Essex, IG1 2HN

Under the terms of section 3 of the Parochial Church Councils (Powers) Measure 1956 the Parochial Church Council (PCC) is a body corporate. Under the terms of the Charities Act 2006 all Parochial Church Councils with an annual income exceeding £100,000 are required to register with the Charity Commission and receive a charity registration number. As the PCC's income exceeded £100,000 during 2009 only because of a one off grant from the London Borough of Redbridge the Charity Commission has granted a dispensation from registration dated 10 December 2009. If the income should exceed £100,000 again in 2010 then registration will be required.

PCC members who have served from 1 January 2009 until the date this report was approved are:

<i>Priest in charge</i>	The Revd John Brown	Chairman
<i>Curate</i>	The Revd Bridget de Mello	
<i>Reader</i>	Mrs Jean Andrews	
<i>Wardens</i>	John Cannon	Vice Chairman
	Clayton Hope	
<i>Deputy Wardens</i>	Julius Ratnanayagam	
	Alastair Agnew	
<i>Elected members</i>	Robert Andrews	Until APCM April 2009
	David Belgrave	
	Mrs Heather Jordan	
	Ms Caroline Leonard	Secretary
	Miss Jane Lindsey	Until APCM April 2009
	Mrs Barbara Nnaemeka	
	Mrs Jackie Perry	
	Nevine Ratnanayagam	
	Miss Angela Byer	From APCM April 2009

Note: The church was unable to find anyone willing to stand as representatives on the Deanery Synod. The Deanery Synod representatives are usually ex-officio members of the PCC.

The PCC was unable to find anyone willing to act as treasurer following the resignation of Robert Andrews in April 2009. Robert has agreed to continue to provide a bookkeeping service in the short term, but he cannot serve as a member of the PCC because he no longer meets the residence or attendance criteria to be on the Church Electoral Roll.

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Structure, governance and management

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

Members of the PCC are aware of potential risks both financial and otherwise that might occur either in the church or in The Trinity Centre. They have taken appropriate action to control and minimise these risks.

Objectives and activities

St Luke's PCC has the responsibility of co-operating with the Priest in Charge, The Revd John Brown, in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has responsibility for the management of The Trinity Centre.

Achievements and performance

When planning activities for the year the Priest in Charge and members of the PCC have considered the Charity Commission's guidance on public benefit, and in particular, the specific guidance on charities for the advancement of religion. In particular we try to enable ordinary people to live out their faith as part of our parish community by way of worship, prayer and pastoral care. The PCC also provides facilities in The Trinity Centre for education and recreational activities. These are available to all members of the local community irrespective of gender, race, religion, sexual orientation or disability.

Church attendance

There are 75 parishioners on the electoral roll [up from 72], 23 of whom are not resident within the parish. The average weekly attendance, counted during October was 46 adults [up from 45] and 5 children [down from 8]. Attendance on Easter day was 120 [up from 71] and on Christmas day (including Midnight) was 68 [down from 76]. The church also holds regular monthly outreach services at Rydale Court and Seabrooke Manor, two residential homes in the parish. Children from the Neighbourhood Nursery were again able to visit St Luke's at Christmas to share in the joy of Christmas and find out a little about the Christmas message.

St Luke's continues to maintain a close relationship with the local Methodist and URC congregations and has held three joint services during the year.

Review of the year

The only committee established by statute is the Standing Committee consisting of the Priest in Charge, Wardens, Reader, Secretary and Treasurer. The Standing Committee met informally on a number of occasions during the year. The PCC has no other committees.

The area has seen a large increase in the East European Roma Community. The London Borough of Redbridge has set up a team, based in The Trinity Centre, especially to meet the needs of this community. The borough has paid £14,000 to cover rent and additional equipment needs and has given a further grant of £60,000 to undertake some construction work in the main hall, as well as additional lighting and complete redecoration. The work

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was undertaken by contractors in “start-up” businesses, identified by the borough as being in need of financial support.

Financial Review

The accounts show a loss on day to day activities of £2,127 [down from a surplus of £3,305]. Gross income from The Trinity Centre and the nursery site rose from £32,915 to £39,527 but the net contribution fell from £12,141 to £11,053. This is largely accounted for by an increase of approximately £5,000 in utility costs, but we spent nearly £3,000 on repairs and increased security following a burglary during the year when both the church office, and the office of Redbridge HomeStart were broken into. £2,290 was recovered from insurance and is recorded separately in the accounts.

The “Credit Crunch” has had an adverse effect on the finances of the PCC. Several groups using The Trinity Centre have run into financial difficulties. Hop a Long, the breakfast and after school club for children, ceased trading in September 2009 leaving the PCC to write off a debt of £1,700 for unpaid rent. Two other long standing users are showing signs of financial distress with cheques being returned for lack of funds. After constant chasing nearly £1,000 of the debtors balance remains unpaid at the date of this report and may be regarded as a potential bad debt.

The PCC has still been unable to find a permanent replacement for Robert Andrews as organist. Robert had given his services free since being appointed in 1976, but it has been necessary to pay fees of £730 to a variety of organists who have played during the year.

Giving has declined by about £600 which probably reflects the effects of the recession. It should be noted that the church is very dependent upon the generosity of less than ten families who contribute about 60% of the church’s income.

Reserves policy

The PCC currently has free reserves of around £44,000. The PCC considers that reserves of around £25,000, representing six months normal expenditure are the minimum required to meet any emergency costs as they arise.

Surplus funds are invested with the CBF Church of England Deposit Fund which offers security and a reasonable interest rate.

John Brown

The Revd John Brown
Priest in Charge

8 March 2010

Statement of financial activities

for the year ended 31 December 2009

Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2009 £	Total funds 2008 £
INCOMING RESOURCES					
2(a)	15,592	62,450	-	78,042	17,334
2(b)	40,350	-	-	40,350	33,527
2(c)	579	-	-	579	2,359
2(d)	499	-	-	499	453
2(e)	2,290	-	-	2,290	-
	59,310	62,450	-	121,760	53,673
RESOURCES EXPENDED					
3(a)	32,906	39,011	-	71,917	47,688
3(b)	28,474	-	-	28,474	20,899
3(c)	58	-	-	58	59
	61,438	39,011	-	100,449	68,646
	(2,128)	23,439	-	21,311	(14,973)
	-	-	(89)	(89)	68
	(2,128)	23,439	(89)	21,222	(14,905)
	44,257	477	2,199	46,933	61,838
	42,129	23,916	2,110	68,155	46,933

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Balance sheet

as at 31 December 2009

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2009 £	Total funds 2008 £
FIXED ASSETS						
Investment	5	-	-	2,110	2,110	2,199
CURRENT ASSETS						
Debtors	6	7,654	-	-	7,654	3,808
Prepayments		-	-	-	-	1,546
Cash at bank and in hand		37,075	23,916	-	60,991	42,095
		<u>44,729</u>	<u>23,916</u>	<u>2,110</u>	<u>70,755</u>	<u>49,648</u>
LIABILITIES						
Creditors: amounts falling due in one year	7	(2,600)	-	-	(2,600)	(2,715)
TOTAL NET ASSETS		<u>42,129</u>	<u>23,916</u>	<u>2,110</u>	<u>68,155</u>	<u>46,933</u>
PARISH FUNDS	8					
General fund		42,129	-	-	42,129	44,257
Grant for community work		-	23,498	-	23,498	-
Charities		-	418	-	418	477
Sale of 63 Mortlake Road		-	-	2,110	2,110	2,199
		<u>42,129</u>	<u>23,916</u>	<u>2,110</u>	<u>68,155</u>	<u>46,933</u>

Approved by the Parochial Church Council on 8 March 2010 and signed on its behalf by:

John Brown

John Cannon

Revd John Brown
Priest in Charge

John Cannon
Churchwarden

The notes on pages 6 to 10 form part of these accounts

Notes to the accounts

for the year ending 31 December 2009

1. Accounting policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 1997 as amended by the Church Accounting Regulations 2006 together with applicable accounting standards and the Charities SORP 2005.

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

Funds

Endowment funds are funds, the capital of which must be maintained; only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object, or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on an average balance basis.

Unrestricted funds are general funds which can be used for PCC ordinary purposes.

Incoming resources

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Dividends are accounted for when receivable, interest is accrued. All other income is recognised when receivable. All incoming resources are accounted for gross.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation to the PCC. The diocesan parish share is accounted for when due. Amounts received specifically for mission are dealt with as restricted funds. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with s.96(2)(a) of the Charities Act 1993.

Movable church furnishings held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property, listed in the church inventory, which can be inspected (at any reasonable time). For anything acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the financial statements. Subsequently no individual item has cost more than £1,000 so all such expenditure has been written off when incurred.

Investments are valued at market value at 31 December.

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2. Incoming resources

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2009 £	Total funds 2008 £
Incoming Resources					
2(a) Voluntary income					
Planned giving					
Gift Aid donations	7,687	-	-	7,687	8,264
Tax recoverable	2,196	-	-	2,196	2,369
Other	2,805	-	-	2,805	2,722
Collections (open plate)	1,855	-	-	1,855	1,957
Grants					
London Borough of Redbridge	-	62,259	-	62,259	-
Donations, appeals etc	1,049	191	-	1,240	2,022
	15,592	62,450	-	78,042	17,334
2(b) Activities for generating funds					
Church Hall lettings	30,160	-	-	30,160	23,613
Income from nursery site	9,367	-	-	9,367	9,303
Church lettings	600	-	-	600	105
Sale of damaged copper from roof	70	-	-	70	-
Fund raising events	153	-	-	153	506
	40,350	-	-	40,350	33,527
2(c) Income from investments					
Bank interest	579	-	-	579	2,359
	579	-	-	579	2,359
2(d) Income from church activities					
Bookstall	113	-	-	113	136
Fees	322	-	-	322	244
Church magazine	64	-	-	64	73
	499	-	-	499	453
2(e) Other Incoming Resources					
Insurance claim	2,290	-	-	2,290	-
	2,290	-	-	2,290	-

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3. Resources expended

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2009 £	Total funds 2008 £
Resources expended					
3(a) Church activities					
Missionary and charitable giving Overseas	180	-	-	180	180
Action Aid	-	249	-	249	413
Christian Aid	-	-	-	-	-
Home	-	-	-	-	-
The Childrens' Society	-	-	-	-	110
Redbridge Night Shelter	-	-	-	-	125
Ministry: Diocesan Parish Share	21,097	-	-	21,097	20,057
Other ministry costs	599	-	-	599	182
Church running and maintenance	9,335	-	-	9,335	7,328
Fees paid to organists	730	-	-	730	-
Church magazine costs	54	-	-	54	35
Bookstall costs	107	-	-	107	140
Youth work	-	-	-	-	130
Art project	-	-	-	-	592
Major construction costs	-	-	-	-	-
Church	-	-	-	-	18,396
Hall	-	38,762	-	38,762	-
Sundry expenditure	804	-	-	804	-
	32,906	39,011	-	71,917	47,688
3(b) Fund-raising trading:					
Church hall running and maintenance	26,607	-	-	26,607	19,077
Nursery site insurance	1,867	-	-	1,867	1,803
Fund raising expenses	-	-	-	-	19
	28,474	-	-	28,474	20,899
3(c) Governance costs					
Independent examination	58	-	-	58	59
	58	-	-	58	59

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4. Staff costs

Expenses were paid to The Revd John Brown and to The Revd Bridget de Mello in respect of their pastoral duties, but no part of these expenses related to their role as members of the PCC. No other payments or expenses were paid to any other member of the PCC, persons closely connected with them or related parties.

5. Investment assets

	Value 31/12/08	Value 31/12/09	Unrealised gain/(loss)
CBF fixed interest units	£2,199	£2,110	(£89)

6. Debtors

	2009 £	2008 £
Trade debtors *	4,608	994
I/tax recoverable on Gift Aid donations	2,196	2,364
Pastoral loans	850	450
	<hr/>	<hr/>
	7,654	3,808

* At the date of this report payments have been received from all the trade debtors, with the exception of one hall user who owed the PCC £875 at 31 December 2009. Recovery of that debt is now regarded as doubtful.

7. Creditors

	2009 £	2008 £
Creditors for goods and services	668	732
Fees payable to Chelmsford Diocese	372	378
Hall rent received in advance	1,560	1,605
	<hr/>	<hr/>
	2,600	2,715

8. Funds

(a) Endowment fund

The endowment fund arose from the sale of the Curate's house at 63 Mortlake Road in the 1960s. This is a permanent endowment administered by the Chelmsford Diocesan Board of Finance. The funds are invested in CBF Church of England Fixed Interest units and the interest received is available for general church purposes.

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(b) Restricted funds

Christmas collection in lieu of sending cards	£10
Balance of grant from London Borough of Redbridge for refurbishment of hall	£21,238
Balance of art project grant	£408
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	£21,656
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Independent examiner's unqualified report

To the members of the Parochial Church Council of St Luke Great Ilford

This report on the accounts of the PCC for the year ended 31 December 2009 which are set out on pages 4 to 10, is in respect of an examination carried out under Regulation 3(3) of the Church Accounting Regulations 2006 (the regulations) and s.43 of the Charities Act 1993 (the Act).

Respective responsibilities of trustees and examiner

As the members of the PCC you are responsible for the preparation of the accounts; you consider that the audit requirement of Regulation 3(3) and section 43(2) of the Act do not apply. It is my responsibility to issue this report on those accounts in accordance with the terms of Regulation 25.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission under section 43(7)(b) of the Act and to be found in the Church guidance, 2006 edition. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the requirements of the Act, and the Regulations have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alan Clements 30 March 2010

The Revd A A Clements MA, ACIB, FCIE

Relevant professional qualification:
Fellow of the Association of Charity Independent Examiners