

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST LUKE, WATFORD

England & Wales · Charity number 1130376

Details

Other names ST LUKE'S PCC, WATFORD

Status Registered

Legal form Previously excepted

Registered 2009-06-26

Register [View on the Charity Commission register](#)

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Activities

Objects: Promoting in the ecclesiastical parish the whole mission of the Church.

Activities: Promoting the whole mission of the Church

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Hertfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£369,161	£346,677	-	-
2023-12-31	£322,888	£326,659	-	-
2022-12-31	£328,535	£308,395	-	-
2021-12-31	£313,324	£320,052	-	-
2020-12-31	£283,263	£278,281	-	-

Trustees

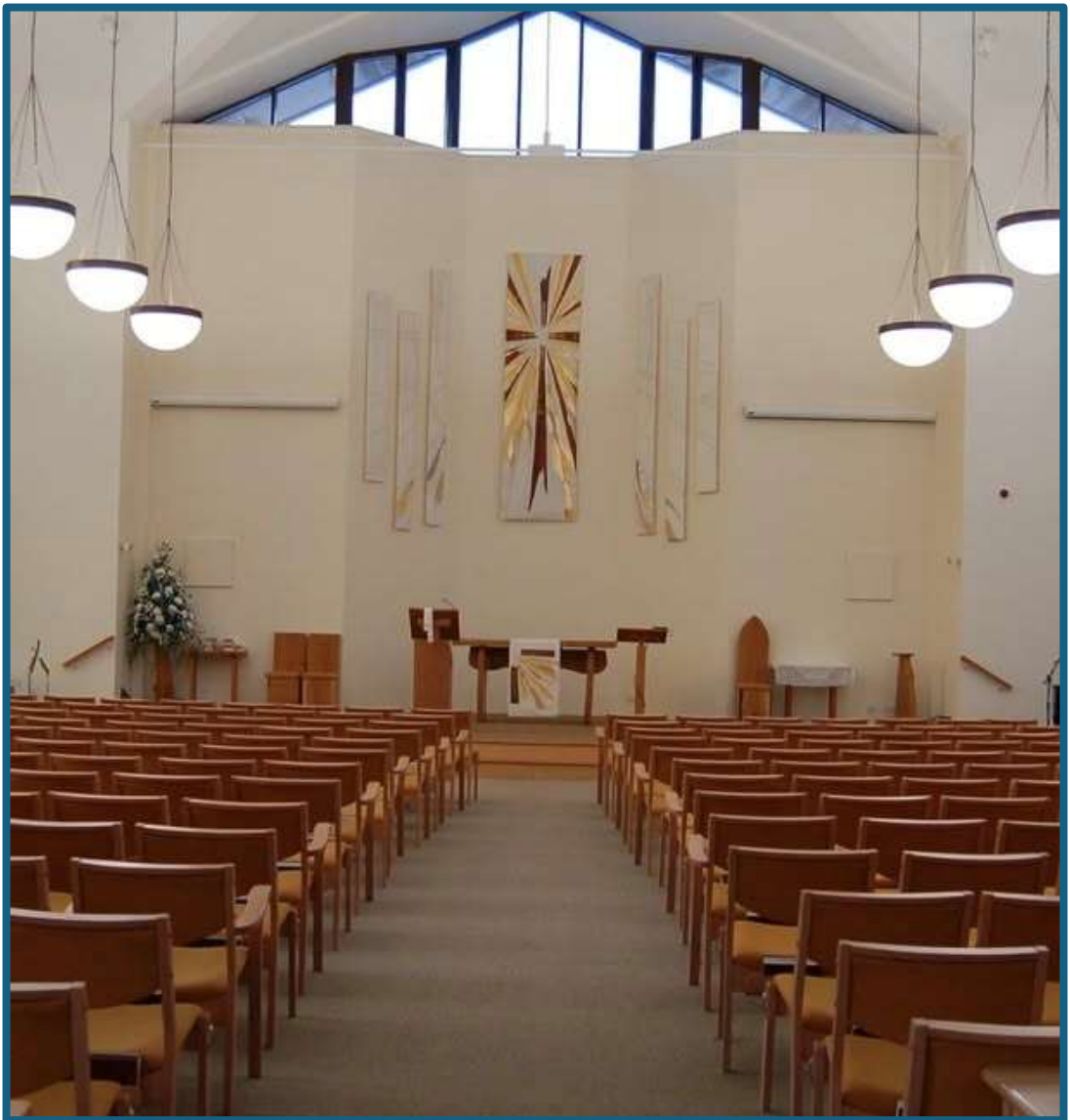
Name	Role	Appointed
Rev Michael John Norman	Chair	2019-10-15
Adrian Booth		2024-05-12
Cynthia Mary Bowen		2020-10-18
DAVE CLARKE		
David Colin Davies		2023-04-23
Fiona Catherine Craigie		2023-04-23
Helen Jane Booth		2024-05-12
Margaret Forester		2024-05-12
Martin James Donald Kirk		2022-11-29
Mave Clarke		2020-10-18
Melanie Jane Sills		2023-04-23
Olufunsho Oladuji		2024-05-12
Pamela Ann Norman		2025-05-04
Philip James Matthews		2023-04-23
Philip William David Meager		2024-05-12
Simon Francis Trundle		2023-04-23
Susan Miller		2019-04-28
Terence Sullivan		2025-05-04
Wera L Irvine		2023-04-23

Accounts

St. Luke's Church, Watford

(Charity Reg. no. 1130376)

Annual Report and Financial Statements 2024



1.

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Vicar's Introduction

"And we know that in all things God works for the good of those who love him, who^[a] have been called according to his purpose." Romans 8 v 28

2024 was an unexpected year of transition and a year of loss, but also with many spiritual green shoots and blessings.

We were mightily blessed by our series of dramas on Esther and the creation of a Beta follow up group (after a very positive Alpha in Autumn 2023) This group has up to 10 people who meet every Thursday.

The Wycliffe Mission week went well with very good activities, services and prayer visiting.

The unexpected came with three staff members announcing they were moving for various reasons in the Spring and early summer. We still miss them.

This led to a busy time of transition in the summer. One of those moving was Beth our administrator. We were very thankful for her time with us and pleased when we appointed Dorothy as her replacement. Jeremy Hogarth moved on after 7 years working in the office and as a music director, to return to study. Lydia our Children and family team leader took up a job in Sheffield after four years at St Lukes. We are very thankful for their ministries. Sadly, replacements for Jeremy H and Lydia's post have as yet to be filled.

There was great joy as we celebrated our Ordinand Tolu's ordination in June, however we all felt very shocked when it was announced that for training purposes she had chosen to make a sudden unexpected departure in late October. There were other feelings of loss as a number of Church members passed away and a few moved away.

However, God has blessed us!

1. A predicted budget deficit of £36k by the end of the year was turned around to a £16K surplus. We praise God for his provision.
2. We were joined by a number of new people, including a number from overseas. We are truly becoming a Church of all Nations.
3. There were sermon series on Hebrews, Esther, Ephesians, the Ruthless elimination of hurry (Sabbath) and Healing. We were blessed by many gifted preachers delivering these sermons. My thanks to the Readers, other staff members and lay leaders of Worship for their contributions.
4. Prayer has continued to grow in our church family and we give thanks for half days of prayer and weekly prayer meetings.
5. Christmas was a highlight of the year with a very well attended nine lessons and carols and amazing Christingle and Nativity services.
6. Contact with our local schools continues to grow and explore faith week run by ourselves, and Watford Schools Trust, saw many children from the Infant and Junior schools in our church. This has led to more openings especially at Cassiobury Junior School.
7. The end of the year saw a great focus on Prayer and a big response with people taking the 'Why pray?' booklets at Christmas services. A real sign of God on the move.
8. Our outreach groups: Breakfast club, Toddlers, Creative Space, Cassiobury and Nearby Community Choir, continue to go well, with signs of growth

We have entered 2025 expectant of things to come.

Our Mission Action Plan stresses two key areas:

1. Our church being a bridge to introducing people to Christ and
2. To develop as a church family, meeting together more.

So, as we move through 2025, this will mean:

1. A bridge - we will continue to reach out with prayer visiting, Alpha, our community outreach groups and more. Praying together on a monthly basis will be of great importance. An initiative to encourage people to form "Prayer Triplets" will be introduced in Lent
2. Developing Church as Community - we hope to strengthen the sense of belonging to a church family with twice termly bring and share lunches after Sunday morning services and more people joining life groups and developing a particular ministry on singles.
3. Signs of God on the move- With the Daniel plays and sermon series, confirmation in February, more corporate prayer and a call as a church as in Joshua 3 v 5 to consecrate ourselves to the Lord, so we are ready for Kingdom action, the future is very positive, despite the problems in the national Church life.

I believe that this year will be a year of consecration and moving forward in the Growth of God's Kingdom among us.

May God indeed come afresh in love and power and lead us forward in 2025.

Yours in Christ
Michael Norman
Vicar



PCC Report

Aim and Purposes

The Parochial Church Council ("PCC") has the responsibility of cooperating with the vicar, the Reverend Michael Norman, to promote the whole mission of the Church - pastoral, evangelistic, social, and ecumenical - within the parish of St Luke's Watford.

The PCC is specifically responsible for the maintenance of the church complex of St Luke's, Langley Way, Watford and for the house at 23 Orchard Close, Watford.

Objectives

The PCC is committed to encouraging as many people as possible to worship Jesus Christ and to be part of our parish community. Our activities take into account, the Charity Commission's guidance on public benefit including guidance on charities for the advancement of religion. We want to help ordinary people to live out their faith in Jesus every day, encouraging and supporting one another, and being led by the Holy Spirit and fed by God's written word.

Our Mission Action Plan was reviewed. We continued our priority areas but set some specific goals for 2024.

Priorities

1. Rediscovering and developing corporate worship and prayer
2. Growing our children, youth and family ministry through faithful bible teaching and the outward working of our faith.
3. Reaching out in obedience to scripture, to those on our estate and beyond with the good news of Jesus Christ found in God's living word

Goals for 2024 (Jan-Dec)

1. Rediscovering and developing corporate worship and prayer.
 - increase half days of prayer to 6 times a year and look to develop later in the year.
 - increase use of scripture in our worship and preaching.
 - revamp the evening Encounter with an emphasis on healing with the prayer ministry team in action every week, including the morning by the end of the year.
 - provide opportunities for extended worship, either as part of a half day of prayer, Sunday services, or at other times.
 - continue to build morning and evening worship teams, training up newcomers and young people and meeting monthly to pray for each other and have fellowship.
2. Growing our children, youth and family ministry through faithful bible teaching and the outward working of our faith.
 - provide bridges for those attending church groups, other than Services, to enquire about following Jesus and becoming more involved in church life. These groups include all children and Youth Groups, Holiday Club, etc.
 - engage children, youth, and families in Sunday worship with an all-age production of Esther.
 - use our ordinand and soon-to-be curate to help continue developing our family ministry.
 - continue to develop the Saturday morning Breakfast Club as an important opportunity for family ministry.
3. Wycliffe Mission in March to provide opportunities for invitation events and community outreach.
 - continued prayer visiting during the Spring and Summer with an enhanced team of 16.
 - to further develop our church as a welcoming community for people to join especially through meals in groups or with individuals.
 - a Spring and Autumn Alpha course and an effort to include more volunteers in this work

Overview of Activities and Achievements

Developing and deepening our culture of prayer and worship

- **Prayer** is at the heart of everything we do. All PCC meetings are interwoven with prayer, team leaders meet for prayer before and or after their groups, and our half day of prayers have been well attended. We aim to increase their regularity in 2025. Prayer and a time of listening to what God might be saying takes place before services.

- A **Prayer Ministry team** continues to be built up, praying, and listening to God together before the services, with particular emphasis on the more informal 5.30pm service.
- **Music** - We were sad to see Jeremy Hogarth leave us in July to pursue his studies and are grateful that he continues to lead worship at Encounter services on occasions. Jeremy Cooke has been developing a dedicated group of volunteer musicians who make a valuable contribution to the worship ministry. The Carols by Candlelight service with St Luke's Christmas Choir was beautiful and very well attended.
- **Life groups** - More people are joining established groups, and it has been good to see the launch of Beta group on a Thursday, initially as a follow on from the Alpha course and now growing. There are two women's groups, one for men and several mixed, meeting in the morning or evening, mostly weekly, with one meeting on Zoom for those for whom getting out is difficult. There have been two lunches during the year to ask for feedback, and to encourage and thank the leaders.
- The leadership team went to the **New Wine** Leaders conference in Harrogate which was very refreshing and a group from St Luke's went to the summer New Wine United in Shepton Mallet.

Reaching out to our parish, to one another, to our world

- During **Mission week** we did the following: .
 - **International Lunch:** a Bring and Share with food from all over the globe, well attended, with a testimony from an ordinand originally from China.
 - **Live at St Luke's:** local youth bands event to engage teenagers in the community.
 - **Men's Breakfast:** with one of the ordinands speaking.
 - **Prayer Visiting:** the team from Wycliffe Hall in March gave our prayer visiting programme a huge lift. We write to each home a few days in advance explaining that we would like to meet people who live in our parish; get to know them a bit; listen to them; and offer prayer for anything that is on their heart. We visit in twos (one Wycliffe; one St Luke's) and make it very clear in the letter that people are welcome to say 'no thank you'. It may sound a bit daunting, but these visits are very low key and usually much more enjoyable than we expect!
- Over 6 days during the mission we attempted to visit 277 homes - about half of those were in streets we have visited before and the rest visiting for the first time. Finding people at home can be a problem and so we'll also go back a few days later. After nearly 400 attempts, we spoke with people from 76% of the homes. Those conversations were largely very friendly, and we promised prayer on over 50 occasions. The congregation at our weekly Tuesday morning services are so helpful in meeting all these requests for prayer.



Within the team from Wycliffe, two individuals stood out as being particularly gifted at natural, but effective conversation. There is no 'one way' to talk with people - we each have to be ourselves. But seeing how generous they were in their listening was helpful. For others in the team, prayer-visiting was new and perhaps a bit frightening. But they have helped us ask questions about being sure that people are happy to continue talking; and about how we might engage more St Luke's members, particularly for the monthly Saturday morning prayer visiting. After March a small group continued visiting each month, speaking with people from another 160 homes. By the end of 2025, there is only one road in the parish that hasn't been visited at least once since we started prayer-visiting at the 2022 Wycliffe Mission.

- **Creative Space** has had another busy but enjoyable year.

- Craft activities host around 25-30 ladies, over half are not from the church. Our monthly Saturday morning events started with fellowship over breakfast and was followed by a five-minute 'God slot' covering topics such as love, faith, and other Christian themes which often relate to the craft activity.
- Over the past year we have done dry clay modelling, mosaic tiling, macrame, memory stone painting, made eco hanging Christmas decorations, silk painting, heart brooches and even Shrinky Dink keyrings which were popular in the 1980's.
- As a group, we also looked to outreach and two projects we have been involved with this year have been making a community banner which will eventually be put up in the gathering area at church and supporting St Luke's Pastoral Care Team by making around 50 Christmas cards and Christmas tree decorations to bless those going through particularly tough times.
- We are building bridges through creativity, fun and fellowship - *please pray that people are drawn closer to God through "Creative Space for hard-working women"*



- **Cameo** is mainly a ladies' group who met every month for talks, films, and social events with men invited to special Cameo Plus events. Sadly, Jos and Pam, the longstanding and dedicated leaders of the group stepped down at Christmas. We are very grateful for all they have done with this important ministry among women.



- The **Cassiobury and nearby Community Choir (CanCC)**



continues to meet on Wednesday evenings weekly, and on occasion sing at 'The Essex Arms'. Monthly recitals continue to include a range of talented guest musicians, drawing in a modest audience from both within and outside of St Luke's community.

- Other reaching out initiatives continue weekly with **Community Coffee** after the Tuesday 10.00am service, and

monthly with **Friday Club**, afternoon tea and entertainment for the older people living nearby.

- **Badminton Club** is a friendly church and community group, meeting on Friday evenings to play badminton and table-tennis in a fun competitive way for all.

- A spring **Alpha** 'Lite' was run sharing coffee and pudding with the Beta group running at the same time. The autumn Alpha, although consisting of a small number of guests, saw significant spiritual growth. The subsequent baptism and confirmation of one of the guests was a cause for much celebration. For both courses the Away Days were run at Christ Church Chorleywood and proved to be a time to allow the Holy Spirit to do a deeper work. The upfront Alpha team of eight members was supported by an army of prayers, caterers and washer-uppers
- **The Pastoral Group** met six times last year and distributed gifts to people having a tough time for various reasons at: Christmas, Easter and Harvest.
 - The Pastoral group has a WhatsApp that keeps us updated on how people are and encourages prayer.
 - Many members visit church members who need support.
 - It is a group that could do with one or two more who are keen to support others and have a desire to visit others.
 - My thanks to all who service on this important group.
- **Publicity:** Over the last few years Beth, Jeremy Hogarth, Lydia and John Williamson have done most of the St Lukes publicity. In summer 2024 Beth, Jeremy H and Lydia all left St Lukes for new roles.
 - Neil Brooks, Dorothy and John Williamson have stepped in to do most of recent publicity. This has mostly been done using Canva, an online / cloud based graphic design package which we have recently bought.
 - John Williamson and Dorothy have been doing updates to our website stlukeswatford.org
 - During 2024 Yvonne took on the role of compiling the church magazine, this is distributed to church members and friends, to the parish and is available on the website.
 - Some of the ways we communicate are:
 - the weekly email and printed news
 - in notices and information at the Sunday services and the Tuesday service
 - on the church website
 - Facebook public page and friends and family pages, Instagram
 - road-facing banner
 - road-facing twin poster panels
 - leaflets and posters
- **Partners in Mission Report 2024:** highlights of the year:
 - In 2024 the Partners in Mission sub-committee distributed over £29,000 of the PCC's discretionary giving to our mission partners at home and abroad.
 - In addition, £20,000 was raised through a Partnership Fund appeal at Easter towards a new clinic for our mission partners in Hyderabad, India.
 - Mission Sunday on May 19th featured input from various mission partners including a video message from Hyderabad, India; a report on the recent visit to St Luke's Hospital, Malosa, Malawi by members of St Lawrence's and St Peter's; a presentation on our local mission partners Alternatives: and a presentation from Alastair P on his bible translation work in Nepal.

- We were visited by our mission partner Ruth G in October who updated us on her work with SIM in Malawi and internationally.
- In November PIM members visited our mission partners in Hyderabad to inspect the new clinic and get firsthand reports on their work and their support needs.

• Children and Youth Report

We were sad to say goodbye to Lydia in August, our Children and family team leader for 4 years. She has made a great contribution to many children not only in the church but also in the local community and she will be sorely missed. We advertised for a new Children and family team leader but did not appoint anyone.

Neil led a helpful meeting of Children and Youth Committee and youth volunteers around the difficult subject of sexuality and relationships regarding our ministry among young people.

Highlights of 2024:

- All age church family involvement in dramatization of the book of **Esther**
- **ExploRE** – a joint venture with Watford Schools Trust where for one week in February the church was filled with interactive prayer activities for primary age children. Local schools and community groups came and used the space.
- **Pancake community event**
- **Mission Week** events in March – Fish and chips family quiz event; Mothering Sunday Parade service; visits to School Christian Unions; Live at St Luke's youth bands event for local teenagers.
- **Good Friday Walk of Witness** followed by a Journey to the Cross interactive service with refreshments and hot cross buns afterwards.
- **August Holiday Club** - Desert Detectives. 70 plus Children discovered Jesus as their Friend, Rescuer, Teacher and the Word.
- **Alternative to Halloween Light Club and Christmas Holiday Club Shorts** aimed to keep contact during the year with Summer Holiday club families
- **Big Parenting Questions** – A touring event by Care for the Family designed for parents and carers to offer hope and help through the turbulence of the tween years and beyond. We hosted the Watford event at St Luke's in November.

- The **Toddler group** continues to flourish. All went into church at Christmas to sing around the crib and they received a gift of a book telling the Christmas story. Watford Borough Council have awarded us £640 from their locality budget for which we are grateful and enjoying planning to spend.



- **Breakfast Club** grew and flourished until Lydia left leaving few volunteers able to run it. However, persevering in faith and with a



new team of enthusiastic volunteers, we hope to see the club thriving again in the New Year.

- **Friday coffee for Pre-school parents.** We have a short window of opportunity before they move onto school, so we pray for opportunities in conversation to share our beliefs and pray with them when appropriate.
- Lydia and Michael continued to link with local schools, taking assemblies and receiving different year groups for teaching activity sessions in the church itself. Michael has been leading this work since the departure of Lydia. Cassiobury Infants and Parmiters school held their Carol Services in our church.
- **Urban Saints/Kids Club** on a Tuesday evening has a small, loyal membership, 4 of whom have come after attending Holiday Club. Since Lydia has left, we are desperately short of volunteers to keep this club going. The teenage helpers remain dedicated and appreciated.
- Two midweek youth groups, **K2 and Base** are well attended with the majority having no connections to church. The Live at St Luke's Event in the spring was followed by one in the Autumn which was a great success with good conversations. 13 teenagers went on the weekend away, attending a church on Sunday morning. 3 attended the Watford Stadium Sleep out in aid of charities supporting the homeless.
- **Sunday mornings youth** attendance remains inconsistent. They have studied Esther, Romans, and Ephesians. The departure of Beth means another volunteer leader is desperately needed.
- All volunteers have done the relevant Safeguarding training, and several have renewed First Aid certificates. We are grateful for all who have given their time and energy to serving in this way.
- **Christmas Eve services**, a Nativity all age service and a Christingle service on Christmas eve rounded off the year and were very well attended.
- **The Deanery Synod** met 3 times in 2024:
 - On Monday 12th February, we met at Soul Survivor, when the speaker was Fiona Penny, from Watford Schools Trust. We heard about ExploRE, which we had hosted the week before at St Luke's.
 - On Wednesday 5th June, St Luke's hosted the meeting and we were led by Archdeacon Charles Hudson and Stephen Moore, the Diocesan Strategic Programme Manager. We were able to split into discussion groups to brainstorm what was needed in the Watford Deanery to answer the call from the Diocese for growth both in youth and diversity.
 - The ideas from the consultations were brought to our next meeting at St Peter's Bushey Mill Lane on Tuesday 15th October. These ideas are continuing to be worked up into a plan.

We have also heard about the 3 vacancies that there are at present in the Watford Deanery and that vacancies may last longer than usual because of financial constraints. 2025 is to be a Year of Spiritual Renewal and Wellbeing in the Diocese with special meetings planned.

Annual Fabric Report 2024

We are blessed with our excellent buildings which provide a focus for the community as well as our own ministry. However, the church buildings are showing the effect of age, it being over 18 years since the new church was built. In addition, the buildings are being used more extensively and are showing signs of wear and tear. We budget for repairs and general maintenance and are planning to have a celebration refresh of some building areas for the church's 20th anniversary in 2026.

- Project: The Energy Group have trialled LED lighting in the hall and main church, and it has worked well. PCC have approved £10,000 to be spent on energy saving projects. The treasurer is investigating a Quick Wins Grant from the Diocese.
- We had to train staff in Fire Awareness and 5 were trained as fire wardens. Some fire doors needed repair and alteration as did the final fire exit door from the Chapel. Disability Emergency Evacuation plans were approved and require the purchase of an emergency evacuation chair for upstairs.
- The lift, fire alarms, extinguishers, emergency lighting and gas boilers have been regularly serviced, and the urinals, gutters and lights have been maintained by contractors. The gas boilers will need replacing in the next couple of years.
- Quotes are being received from flooring contractors for the repair, sanding and oiling of the Hall floor.
- 23 Orchard Close had a gas safety inspection. Maintenance repairs were undertaken. We must improve the Energy EPC rating from D to C by 2028 which will incur costs.

We are grateful to all those who volunteer their time to assist with building maintenance. If you would consider joining a group of people who could work together so we can keep the buildings looking beautiful and functioning well in the future, we would love to hear from you.

Additions to articles appertaining to the fabric of the church:

- Fire doors remedial work carried out June
- Chapel exit door alteration in August
- Folding padded chairs donated from another church, broken red chairs dispensed with.
- LED lights trial – £10,000 budget approved by PCC
- Wifi extended to Hall

Maintenance work carried out during the year:

- High level gutter cleaning and window cleaning
- 8 new Thermostats on radiators, new one added to water heater.
- Cracks to kitchen flooring glued down
- New urinal flush control valves to both men's urinals

Health and Safety report for APCM April 2025

- The annual Health and Safety inspection was carried out and the report sent to the PCC in October 2025. The issues highlighted are being worked through.
- The Health and Safety policy was reviewed and updated.
- Nine members of the Church who have roles in different areas have been trained as First Aiders.

- The risk assessments have been reviewed and the general risk assessment is now more inclusive and appropriate for anyone hiring/using the premise.
- Specific risk assessments are still required for specific events or activities eg Christmas pudding/pancake making.

Thanks must be expressed to all those who give up so much of their time to ensure that the buildings and grounds are kept clean, tidy and properly maintained.

Risk Management

The PCC considers that the principal risks faced by St Luke's have been:

- Safeguarding children and vulnerable adults
- Managing the health, safety and well-being of staff and congregation
- Financial risk
- Use of personal data (GDPR)

Safeguarding 2024

The PCC is committed to doing all we can to ensure that any vulnerable person coming to St Luke's is kept safe and protected.

The care and protection of children, young people and adults involved in church activities is the responsibility of everyone who participates in the life of the church.

The Parish Safeguarding Officer and Lead Recruiter ensure that effective and correct documentation and procedures are in place and followed. During 2024, they have worked with the Church Administrator, a Church Warden and the Health and Safety person to check that each church and non-church activity has a Risk Assessment and Safeguarding Policy in place.

They also arrange and monitor DBS and training for individuals with any sort of involvement and ensure that accurate records are maintained on the Parish Dashboard. 5 new DBS certificates have been issued and 47 DBS certificates have been checked using the DBS Update Service.

The Dashboard now has a secure Safeguarding Hub with a Role Creator and a People Manager. 100 members of our congregation are now listed on the People Manager, performing a variety of 29 roles within the church. During 2024, we have completed the process of compiling a digital Role Description for each voluntary role with a preface which states the Mission Action Plan goals for the current year and an invitation to prayer. All these details are uploaded on to the Parishes Safeguarding Dashboard although no personal information is recorded.

The PCC reviews all safeguarding documentation annually and regularly receives reports on safeguarding activity.

The PCC considers it has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to the House of Bishop's guidance on safeguarding children and vulnerable adults).

Financial

The church Treasurer has established a robust system of financial controls, based on budgets, proper authorisation of all payments and segregation of duties. The PCC sets the annual budget and scrutinises monthly management accounts, which analyse variances to budget and prior year. At every meeting the treasurer delivers a report.

GDPR

- The PCC has now appointed a GDPR officer who will do an audit in 2025 to ensure we are compliant.
- Churchsuite ensures that members details are kept secure.
- Care is taken to ensure individuals do not appear on live stream broadcasts without their permission. Personal consent forms have also been updated to allow individuals to give consent for appearance on social media and streaming.
- There has been no recorded report of data breaches or data losses at St Luke's.

Structure, Governance and Management

The PCC is a corporate body established by the Church of England. It operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity (No 1130376).

The method of appointment of PCC members is set out in the Church Representation Rules. At St Luke's the membership of the PCC consists of the incumbent (our vicar), churchwardens, one of the readers and members elected by those members of the congregation who are on the electoral roll of the church. All those who attend our services are encouraged to register on the electoral roll and stand for election to the PCC. Two of the elected places are reserved initially for youth aged 16-18, if they wish to stand.

The PCC is 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 met 6 times during the year. Given the breadth of its responsibilities, the PCC has sub-committees and working parties dealing with specific aspects of parish life:

Sub-committees

- Standing committee
- Building and Energy group
- Finance
- Partners in mission

Working parties

- Life group/Alpha coordination
- People and pastoral care
- Prayer ministry
- Children and youth

The PCC appoints individuals to be Prayer Coordinator, Health & Safety Officer, Parish Safeguarding Officer, Lead Recruiter/DBS Administrator and GDPR Officer.

All these committees and officers are responsible to the PCC and report back to it regularly. Minutes of relevant meetings are received by the full PCC and discussed as necessary.

There are two other working groups at St Luke's which report directly to the vicar:

- Leading and preaching team
- Mission advisory group



Volunteers and Staff

A thank you to **all** volunteers, regular ones, ad-hoc ones, one-off volunteers, Sunday and weekday volunteers! The PCC is hugely appreciative of the many, many individuals who work so hard to make our church the lively and vibrant community that it is:

- Our staff team
- Those who've finished serving this year on PCC
- Our deputy wardens, stewards, the welcome team, and those who do the coffee and refreshments at services and other events
- Those who preach, lead prayers or read Scripture at services
- The musicians who play, sing, compose or record songs to help our worship
- The technology and AV team who work to help us see, hear and follow the services - whether we are in the building, or watching on-line, or receiving a pre-recorded DVD
- Those who prepare, teach and help with our toddler, children and youth groups on Sundays or during the week; including the youth leaders who are so crucial at Urban Saints
- The pastoral network team and the prayer ministry team as they continue to phone, visit and pray.
- Those who lead and support life groups, Alpha, Creative Space, Cameo and the various social and outreach activities.
- Those who provide meals for Alpha meetings and those who wash up afterwards

- The Building and Energy group and all who volunteer to do maintenance and cleaning work in the building or garden
- Those who prepare the church for services – flowers, communion laundry, cleaning silver
- Those who come back late every evening to make sure the church is locked up and lights switched off
- Those who ensure that the giving we receive is counted and banked, and that bills are paid on time and properly accounted for
- Those who give, often sacrificially, both through regular giving and in response to specific appeals
- Those responsible for making sure that we are legal and that everyone is kept safe in all we do
- People who write to our partners-in-mission, who keep us informed and prompt us to pray for them
- Those who write content, edit, print and distribute our magazine
- Those who organise and prepare door drop material and gifts; and those who deliver them
- Those who design and produce our communications including website content and posters
- Those who cover everything which happens at St Luke's in prayer – at prayer meetings and privately
- Those who notice and take the time to thank and encourage people who serve and worship at St Luke's

Whenever we prepare a list such as this, we are astonished at just how much is being done, and by so many. We thank each one of you – and give thanks to God for you.

LOOKING to 2025 - MISSION ACTION PLAN

St Luke's Vision

A beacon of light and love; a lighthouse, with small boats going out to rescue people. We are to be a place that shines the Father's light, love and safety into the world. We are reaching out with the gospel of Jesus Christ in the power of the Holy Spirit to rescue those drowning in the sea of life.

Priority 1: to create a strong sense of family amongst our church body, keeping God at the center of it all and encouraging one another to take an active part in family life.

Priority 2: to provide good bridges through our friendships with those we meet in the wider community.

Goals for 2025 (Jan-Dec)

Priority 1:

- To hold half termly church family lunches/teas which are accessible and enjoyable for all groupings within our family using focused activities.
- To invite all with birthdays during the month to a family celebration with a cake and other refreshments after the last morning service of that month.

- To increase life group membership to enable 1 more group to form.

Prayer and Worship:

- To increase half days of prayer to once a month.
- To introduce the concept of Prayer Triplets and encourage these to be formed and tried during Lent.
- To invite more people to lead intercessions in a service through the sharing of a basic structure which has flexibility to allow for creativity and provides support.
- To have a community prayer focus event from Ascension to Pentecost.
- To encourage a deeper understanding of corporate worship, possibly at a Church Day away at another venue, with a view to building us up as the body of Christ in love, with gifts of the Holy Spirit, particularly the prophetic, in evidence.

Singleness:

- To look at becoming a Single Friendly Church that welcomes and values single people of every stage of life using the 5 Steps Guided Audit.

Priority 2:

Gathering area:

- To appoint a volunteer to oversee and coordinate the area as a welcoming space that fosters community connections and relationships.
- To brighten up the space, keeping it tidy, comfortable, and a clear Christian environment, with a selection of books available for children and adults.
- To have screens visible with welcome messages/verses, rolling notices, and playing soft Christian background music.

Children, youth and families:

- To have a Children and Family team leader in place by the end of the year.
- To run termly Holiday Club Shorts to develop more regular contact with families and encourage attendance at church events/services
- To introduce a structure to Breakfast Club to include Christian content
- To have brief end of term visits into Church by Toddlers and their carers using festivals as a focus with a song and short message.
- To have at least 2 Live at St Luke's events for teenagers this year, using the young people themselves to source bands and assist with set up, aiming to make positive connections with them and their families and enabling greater confidence in inviting friends to church activities.

Publicity:

- To improve the website and social media pages to ensure information is up to date and engaging.
- **Adults:**
- To use Try Praying booklets in prayer visiting and follow up visits where prayer has been asked for.
- To encourage those who have attended Alpha into Beta, or another Life group.

FINANCIAL REVIEW AND RESERVES POLICY

Our financial statements reveal a surplus in unrestricted funds in 2024 of £15.9k with an additional £4.8k for last year's carryover in the Partners in Mission [PIM] giving fund and £50k revaluation of 23 Orchard Close in unrestricted funds. The surplus compares with a deficit of £3.1k in 2023.

A significant deficit had been anticipated from the budget but several factors ensured a surplus. Saving items that of note are:

- additional giving
- additional room lettings
- reduction in staffing payroll following departures of three members of staff

Significant items to compare between 2024 vs 2023 results are as follows:

INCOME

- Unrestricted income increased £23.2k from £314.9k to £338.1k (7%) This followed an appeal in December 2023.
- Unrestricted giving was up £9.2k from £218.3k to £227.5k.
- Room lettings were up £9.8k from £58.6k to £68.4k as a result of increased use and another major user joining in May.

EXPENDITURE

- Unrestricted expenditure reduced by £1.3k from £319.4k to £318.1k (<1%)
- Payroll costs reduced from £72.3k to £59.4k.

Major items of cost anticipated this year carrying out works on the church fabric including some energy saving issues and employment of a new children's worker.

General reserve

This fund handles all the church's regular income and operating costs.

The church continues to pay its full parish quota which was £120.9k which included four month's payment for a curate.

Designated Fund

Each year the PCC reviews the value of its unrestricted reserves. In line with last year, an operating general reserve of over £40k is retained. This represents the amount the PCC thinks is necessary to operate in the normal course of events. This allows for income that is sometimes sporadic, whilst major costs are monthly namely for staff, parish quota and utilities and also gives due consideration to the reserves held. Funds which are tied up in fixed assets are held in the Capital Reserve. The PCC decides when and how it anticipates that any additional unrestricted funds will be used and move them to and in the Designated Fund. At year-end the PCC designated fund for future use was £140.8k as follows:

- £4.8k is designated for PIM. PCC seeks to give away 10% of the unspecified income received. The full entitlement was not reflected in 2024 giving and is carried over to 2025.
- £38.5k to fund key maintenance over and above routine yearly work.

- £54.5k is designated to cover the expenses of a curate expenses. A curate started in July 2024 but moved on in October 2024 and replacement staffing or similar is being considered for 2026.
- £43k has been designated to pay for starter payment for solar panels or other initiatives which may be recommended by the Energy Review Committee. Some work is in hand for 2025 and additional works due in the next three years.
- No budget deficit fund is proposed.

Earmarked Fund

This fund is used to hold and distribute amounts given for specific purposes. £13.3k was received and £8.4k paid out during the year. This included £2.1k for the Diocese Harvest Appeal and £1.9k towards for Christmas hampers.

Partnership Fund

The Partnership appeal for 2024 raised £20k for Nireekshana's new clinic and community centre in Hyderabad, India.

Balance Sheet

Total assets have increased from £875k to £948k.

Approved by the PCC on 1 April 2025 and signed, on its behalf by Michael Norman (Chair of PCC)

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PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2024

		Unrestricted funds	Restricted funds	Total funds	
	Notes	£	£	2024 £	2023* £
Income from:					
<i>Donations and legacies</i>	3(a)	227,473	30,339	257,812	226,038
<i>Charitable activities</i>	3(b)	85,052	682	85,734	73,642
<i>Other trading activities</i>	3(c)	17,306	0	17,306	16,549
<i>Investments</i>	3(d)	7,894	0	7,894	6,359
<i>Other income</i>	3(e)	415	0	415	300
Total income		338,140	31,021	369,161	322,888
Expenditure on:					
<i>Charitable activities</i>					
<i>Grants</i>	4(a)	29,772	28,602	58,374	38,207
<i>Other charitable activities</i>	4(b)	288,303	0	288,303	288,452
Total expenditure		318,075	28,602	346,677	326,659
Net income before gains/(losses) on investments					
		20,065	2,419	22,484	(3,771)
Net gains/(losses) on investments		700	0	700	1,304
Revaluation of 23 Orchard Close		50,000	0	50,000	0
Net income/(expenditure)		70,765	2,419	73,184	(2,467)
Net movement in funds					
		70,765	2,419	73,184	(2,467)
Total funds brought forward					
		862,017	12,836	874,853	877,320
Total funds carried forward		932,782	15,255	948,037	874,853

*Comparative figures for Funds for 2023 are set out in Note 2

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD

BALANCE SHEET

at 31 December 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible	6(a)	750,000	700,000
Investments	6(b)	23,891	23,191
		773,891	723,191
Current assets			
Debtors	7	11,228	10,318
Short term deposits		160,164	138,707
Cash at bank and in hand		10,529	12,505
		181,921	161,530
Current liabilities			
(Amounts falling due within one year)	8	(7,775)	(9,868)
Net current assets		174,146	151,662
Net assets		948,037	874,853
Funds			
Unrestricted	10	932,782	862,017
Restricted	11	15,255	12,836
		948,037	874,853

Approved by the Parochial Church Council on 1 April 2025, and signed on its behalf by:

Michael Norman
Chair, St Luke's Parochial Church Council

Martin Kirk
Treasurer

The notes on pages 21 to 29 form part of these financial statements

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and the Charities Statement of Recommended Practice (SORP) FRS102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and investments. The PCC is a Public Benefit Entity as defined by FRS 102.

Critical accounting estimates and judgements

In the application of the PCC's accounting policies, the members of the PCC are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern

The members of the PCC assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the PCC to continue as a going concern. The members of the PCC make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus, the PCC continues to adopt the going concern basis of accounting in preparing the accounts.

Funds

Unrestricted funds represent funds of the PCC that are not subject to any restrictions regarding their use and are available for use for the general purposes of the PCC. The General Reserve holds the liquid funds which the PCC believes are necessary to run the church in the normal course of events; the Capital Reserve represents those unrestricted funds which are tied up in the form of fixed assets; and the Designated Fund contains unrestricted liquid funds which have been designated for specific purposes by the PCC.

Earmarked Fund handles funds which have been donated for a specific purpose. These funds are restricted.

Partnership Fund (previously Thanksgiving Fund) handles funds donated by way of major appeal, to enable the Church to make specific grants to other churches and Christian organisations. This fund is also restricted.

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

Income

Voluntary income and activities for generating funds:

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

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

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

Funds raised at social and similar events are accounted for gross.

Sales of books and magazines are accounted for gross.

Activities related to church work

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

Investment income

Interest and dividends are accounted for when receivable.

Expenditure

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. The PCC has decided to make total grants in the year equal to 10% of the non-specific income to the General Fund. Grants are made to support living and other costs of other charities or individuals who have or have had a personal, established connection to St Luke's church. The grants are made in support of the primary objects of the PCC.

Activities relating to church work

The diocesan parish share is accounted for when payable.

Fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by s.10 of the Charities Act 2011. All of St Luke's premises, with the exception of the Large Hall (formerly the church), the Chapel and 23 Orchard Close, are consecrated.

No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property.

All expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings, furniture and office equipment

Fixtures and fittings are depreciated on a straight line basis over 5 years and furniture and equipment over 4 years. Individual items costing less than £1,000 are not capitalised but are fully written off in the year of acquisition.

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.

Cash and cash equivalents include cash in hand, deposits held at call with banks. Short-term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.

Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Creditors and provisions

Creditors and provisions are recognised where the PCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

Risk Management

Financial risk is managed through budgets and regular reporting of the management accounts to the PCC.

2	COMPARATIVE NUMBERS FOR 2023	Unrestricted Funds £	Restricted Funds £	Total funds £
	Income from:			
	<i>Donations and legacies</i>	218,329	7,709	226,038
	<i>Charitable activities</i>	73,403	239	73,642
	<i>Other trading activities</i>	16,549	0	16,549
	<i>Investments</i>	6,359	0	6,359
	<i>Other income</i>	300	0	300
	Total income	314,940	7,948	322,888
	Expenditure on:			
	Charitable activities			
	<i>Grants</i>	30,950	7,257	38,207
	<i>Other charitable activities</i>	288,452	0	288,452
	Total expenditure	319,402	7,257	326,659
	Net (expenditure) before gains/(loss) on investments	(4,462)	691	(3,771)
	Net (losses) on investments	1,304	0	1,304
	Revaluation of 23 Orchard Close	0	0	0
	Net income/(expenditure)	(3,158)	691	(2,467)
	Net movement in funds	(3,158)	691	(2,467)
	Total funds brought forward	865,175	12,145	877,320
	Total funds carried forward	862,017	12,836	874,853

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

3 INCOME FROM:	Unrestricted Funds £	Restricted Funds £	Total funds 2024 £	2023 £
3(a) Donations and legacies				
Planned Gift Aided	141,442	0	141,442	131,491
Unplanned Gift Aided	23,483	18,499	41,982	17,700
Income tax recoverable	43,334	4,625	47,959	39,497
CAF & Stewardship	3,825	3,950	7,775	4,345
Other planned giving	4,318	0	4,318	9,302
Cash collections & donations	11,071	3,265	14,336	10,944
Legacies	0	0	0	12,509
Grants	0	0	0	250
	227,473	30,339	257,812	226,038
3(b) Charitable activities				
Room lettings	68,415	0	68,415	58,643
Church events	8,257	0	8,257	9,354
Fees	4,165	0	4,165	2,058
Other related to church work	4,166	682	4,848	3,499
Books and photocopies	49	0	49	88
	85,052	682	85,734	73,642
3(c) Other trading activities				
Rent received from Orchard Close	17,306	0	17,306	16,549
Fund raising	0	0	0	0
	17,306	0	17,306	16,549
3(d) Investments				
Interest and dividends	7,894	0	7,894	6,359
	7,894	0	7,894	6,359
3(e) Other income	415	0	415	300
Total income	338,140	31,201	369,161	322,888

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

4	EXPENDITURE ON:	Unrestricted Funds £	Restricted Funds £	Total funds 2024 £	2023 £
4(a)	Grants				
	Overseas work	12,962	23,590	36,552	22,827
	UK work	3,000	75	3,075	3,675
	Local work	13,810	4,937	18,747	11,705
		29,772	28,602	58,374	38,207
4(b)	Other charitable activities				
	Parish Share	120,953	0	120,953	115,439
	Utility costs	25,519	0	25,519	29,195
	Other premises running costs	34,205	0	34,205	26,057
	Youth and children	36,741	0	36,741	42,422
	Music director and music costs	29,200	0	29,200	30,355
	Administration	26,226	0	26,226	31,222
	Church events	4,083	0	4,083	4,663
	Printing and stationery	2,467	0	2,467	2,893
	Adult groups and outreach	3,463	0	3,463	1,811
	Catering	1,680	0	1,680	1,239
	Vicar's expenses	2,938	0	2,938	2,406
	Books & bible notes	0	0	0	0
	Governance costs (note 14)	828	0	828	750
		288,303	0	288,303	288,452
	Total expenditure	318,075	28,602	346,677	326,659
5	STAFF COSTS			2024	2023
		£	£	£	£
	Salaries and allowances	56,051	0	56,051	68,194
	National Insurance	0	0	0	0
	Pensions	3,328	0	3,328	4,076
		59,379	0	59,379	72,270

During the year the PCC employed an Administrator, a Worship Leader / Administrator, a Youth Director, and a Children & Families leader. None earned more than £60,000 pa. No member of the PCC received remuneration or reimbursement of expenses, except as referred to in Notes 13 and 15. The PCC contributes to a defined contribution pension scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year that they are payable. The amounts paid during the year are as shown above.

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

6	FIXED ASSETS FOR USE BY THE PCC		2024	2023
6(a)	Tangible			
		Land & Building	Furniture Fittings & Equipment	Total
	Cost or valuation	£	£	£
	At 1 January	700,000	24,946	724,946
	Additions	50,000	0	50,000
	Disposals	0	0	0
	Revaluation adjustment	0	0	0
	At 31 December	750,000	24,946	774,946
	Depreciation			
	At 1 January	0	24,946	24,946
	Charge for the year	0	0	0
	Disposals	0	0	0
	At 31 December	0	24,946	24,946
	Net book value			
	At 1 January	700,000	0	700,000
	At 31 December	750,000	0	750,000

In accordance with the appropriate accounting policy (based on the Charities Act 2011 and the Charities SORP (FRS102)), the cost of the new church and associated buildings has been excluded, as the whole complex comprises Consecrated Land & Buildings.

The PCC regards all the moveable church furniture and fittings (primarily the seating, audio-visual equipment and the organ) as inalienable property which would require a faculty for disposal.

The value of 23 Orchard Close is based on the PCC's reasonable best estimate having regard to local market conditions as at 31 December 2024.

6(b)	Investments	£	£
	Market value at 1 January	23,191	21,887
	Additions at cost	0	0
	Revaluation	700	1,304
	Market value at 31 December	23,891	23,191

During the year an investment has been held for the Unrestricted Funds in the CBF Church of England Fixed Interest Fund. The holding throughout the year has been 16,021.53 shares and the value per share at 31 December 2024 was 149.12p (144.75p at 31 December 2023).

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

7 DEBTORS	2024	2023
	£	£
Income tax recoverable	3,889	4,268
Accrued income/Trade Debtors	5,367	4,064
Prepayments & deposits	1,972	1,986
	11,228	10,318

8 AMOUNTS FALLING DUE WITHIN ONE YEAR	2024	2023
	£	£
Creditors for goods and services	1,466	2,233
Accrued expenses	5,871	6,516
Room hire deposits held	200	632
Other creditors	238	487
	7,775	9,868

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted	Restricted	Total funds	
	Funds	Funds	2024	2023
	£	£	£	£
Fixed assets	773,891	0	773,891	723,191
Current assets	166,666	15,255	181,921	161,530
Current liabilities	(7,775)	0	(7,775)	(9,868)
Fund balance	932,782	15,255	948,037	874,853

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

10 UNRESTRICTED FUND DETAIL	2024	2023
	£	£
General reserve	41,970	40,884
Capital reserve	750,000	700,000
Designated fund	140,812	121,133
	932,782	862,017

The Designated fund represents unrestricted funds in excess of that required to operate in the normal course of events, and which is not tied up in fixed assets. The PCC need to disclose how it anticipates such funds will be used.

The current balance of £140,812 comprises:

- *£4.8k additional discretionary giving in respect of 2024 income, which will be distributed in 2025 (PCC seek to give away 10% of the unspecified income received)*
- *£38.5k available for maintenance over and above routine yearly maintenance [increased]*
- *£54.5k has been put aside to cover three years of costs for curate or similar being appointed in June 2025 or 2026 [increased curate costs anticipated]*
- *£43k has been designated for use by the energy review committee for the provision of solar panels or other changes that may be proposed. This might be spent by end 2026 or 2027 [delayed following 2024 budget]*
- *Following this good year, the budget deficit fund is closed.*

For 2024 the designated fund had been split as follows: £47,500 curate housing fund, £27,500 energy fund, £30,000 long term maintenance fund, £15,000 budget deficit fund for ending 2023 and £1,133 Partners In Mission carry over from 2023.

11 RESTRICTED FUND DETAIL	2024	2023
	£	£
Earmarked Fund	15,255	10,306
Partnership Fund	0	2,530
	15,255	12,836

12 STATEMENT OF FUNDS

Fund name	Balance b/f	Income	Expense	Gain/(loss) /transfer	Balance c/f
	£	£	£	£	£
General reserve	40,884	338,140	(316,942)	(20,112)	41,970
Capital reserve	700,000	0	0	50,000	750,000
Designated fund	121,133	0	(1,133)	20,812	140,812
Earmarked	10,306	13,338	(8,389)	0	15,255
Partnership	2,530	17,683	(20,213)	0	0
TOTAL FUNDS	874,853	369,161	(346,677)	50,700	948,037

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

12 STATEMENT OF FUNDS (continued)
COMPARATIVE NUMBERS FOR 2023

Fund name	Balance b/f	Income	Expense	Gain/(loss) /transfer	Balance c/f
	£	£	£	£	£
General reserve	40,185	314,940	(319,545)	5,304	40,884
Capital reserve	700,000	0	0	0	700,000
Designated fund	124,990	0	143	(4,000)	121,133
Earmarked	9,641	7,923	(7,257)	0	10,306
Partnership	2,504	25	0	0	2,530
TOTAL FUNDS	877,320	322,888	(326,659)	1,304	874,853

13 TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

	2024	2023
	£	£
Expenses paid to Trustees (Vicar's working expenses)	4,199	2,406
Expenses paid to Trustees (Warden)	196	36
Expenses paid to Trustees (Other PCC member)	258	-
No of Trustees receiving expenses	3	2

14 GOVERNANCE COSTS

Fees for Independent Examiner (<i>incl adjustment for 2023</i>)	828	750
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15 RELATED PARTY TRANSACTIONS

Income

Rent received from trustee in respect 23 Orchard Close PCC consider the rent to be at an appropriate level	17,306	16,549
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Expenses

Fees paid to Music Director	23,689	21,651
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Grants

Some members of St Luke's or their family are involved with other Christian charities and organisations. We encourage such people to serve on PCC and its sub-committees because they help keep our prayer and discussion well-informed and relevant - in particular dealing with spending priorities and the financial grants or gifts we may wish to make.

No individual can make spending or giving decisions alone - and where an individual is part of a group which makes such decisions, they are not allowed to vote on any proposal involving a party to which they have a close connection. During the year, St Luke's made donations to the following organisations in which a PCC or PIM sub-committee member has a close connection.

OMF International	2,000	2,000
Watford New Hope Trust	4,500	2,000
Friends International	2,000	2,050
Alternatives Watford	1,420	1,000
Watford Foodbank	190	150

STATEMENT OF PCC RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Charities Act 2011 requires the PCC to prepare financial statements for each financial year, which give a true and fair view of the PCC's financial activities during the year, and its financial position at the end of the year. In preparing financial statements, the PCC seeks to:

- Follow best practice and guidance provided by the charity commissioners, Church of England, St Albans diocese and other sources
- Use suitable accounting policies consistently
- Make judgements and estimates that are reasonable
- State and apply applicable accounting standards and statements of recommended practice, and explain any areas of concern or deviation
- Prepare financial statements on the going concern basis unless it is appropriate to assume that the PCC will not continue its operations.

PCC members have overall responsibility for ensuring the PCC has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper records which disclose and explain with reasonable accuracy at any time the financial position of the PCC and enable them to ensure that the financial statements comply with the 2011 Act. They are also responsible for safeguarding the assets of the PCC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to ensure that:

- The PCC is operating effectively and efficiently
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained
- Financial information used within the PCC or for publication complies with relevant laws and regulations

As far as the PCC is aware, there are no relevant examination information (information needed by the PCC's independent examiner ("Examiner") in connection with preparing this report) of which the Examiner is unaware. Each member of the PCC has taken all the steps that they ought to have taken as members of the PCC in order to make themselves of any relevant examination information and to establish that the Examiner is aware of that information.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ST LUKE'S PAROCHIAL CHURCH COUNCIL

I report to the trustees on my examination of the accounts of Parochial Church Council ("PCC") for the year ended 31 December 2024.

Responsibilities and basis of report

As members of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's accounts carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the PCC has prepared accounts in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

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

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford Hertfordshire WD25 0NE

Date: 3 April 2025

ADMINISTRATIVE INFORMATION

St Luke's church is situated in Langley Way, Watford. It is part of the Diocese of St Albans within the Church of England. The correspondence address is Church Office, St Luke's Church, Langley Way, Watford, WD17 3EG.

PCC members who have served at any time from 1 January 2024 until the date of this report are listed below. Where a member has served only part of that period, the relevant month of appointment or resignation is shown.

Ex-officio		Appointed	Resigned
Revd Michael Norman	Vicar		
Revd Tolulope George	Curate	June 2024	October 2024
Dave Clarke	Reader		
Susan Miller	Churchwarden		
John Williamson	Churchwarden		
Elected			
Mary Bowen	Deanery Synod		
Mave Clarke	Deanery Synod		
Ann Macleod	Deanery Synod		
Phil Matthews	Deanery Synod		
Adrian Booth		May 2024	
Helen J Booth		May 2024	
Fiona Craigie			
Colin Davies			
Mo Fasanya			
Margaret Forester		May 2024	
James Harvey			May 2024
Wera Irvine			
Martin Kirk			
Katie Llewellyn			May 2024
Philip Meager		May 2024	
Olufunsho Oladuji		May 2024	
Pam Reynolds			
Melanie Sills			
Dean Tearle			May 2024
Simon Trundle			
Richard Waddington			May 2024

Incumbent: Revd Michael Norman

Independent Examiner: Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford
WD25 ONE

Bank: Barclays Bank plc
High Street
Watford

Accounts

St. Luke's Church, Watford

(Charity Reg. no. 1130376)



Annual Report and Financial Statements 2023

"For my house will be called a house of prayer for all nations." Isaiah 56:7

ANNUAL REPORT AND FINANCIAL STATEMENTS

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St Luke's Vision

A beacon of light and love; a lighthouse, with small boats going out to rescue people. We are to be a place that shines the Father's light, love and safety into the world. We are reaching out with the gospel of Jesus Christ in the power of the Holy Spirit to rescue those drowning in the sea of life.

Priorities

1. Rediscovering and developing corporate worship and prayer
2. Growing our children, youth and family ministry through faithful bible teaching and the outward working of our faith.
3. Reaching out in obedience to scripture, to those on our estate and beyond with the good news of Jesus Christ found in God's living word

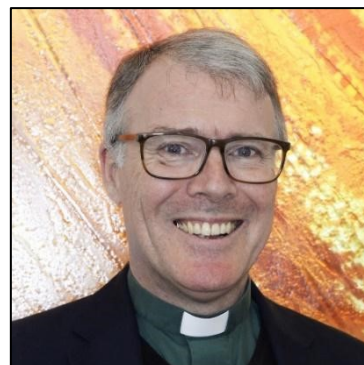
Goals for 2024 (Jan-Dec)

1.
 - increase half days of prayer to 6 times a year and look to develop later in the year.
 - increase use of scripture in our worship and preaching.
 - revamp the evening Encounter with an emphasis on healing with the prayer ministry team in action every week, including the morning by the end of the year.
 - provide opportunities for extended worship, either as part of a half day of prayer, Sunday services, or at other times.
 - continue to build morning and evening worship teams, training up newcomers and young people and meeting monthly to pray for each other and have fellowship.
2.
 - provide bridges for those attending church groups, other than Services, to enquire about following Jesus and becoming more involved in church life. These groups include all children and Youth Groups, Holiday Club, etc
 - engage children, youth, and families in Sunday worship with an all-age production of Esther.
 - Use our ordinand and soon-to-be curate to help continue developing our family ministry.
 - Continue to develop the Saturday morning Breakfast Club as an important opportunity for family ministry.
3.
 - Wycliffe Mission in March to provide opportunities for invitation events and community outreach.
 - Continued prayer visiting during the Spring and Summer with an enhanced team of 16.
 - To further develop our church as a welcoming community for people to join especially through meals in groups or with individuals.
 - A Spring and Autumn Alpha course and an effort to include more volunteers in this work

VICAR'S INTRODUCTION

2023 was a year of good things and some lows as a church. Recovery from the pandemic levelled off, some very encouraging things happened, and much service was done in Jesus' name.

Encouragements included a seven-week series of drama and song in our morning services in January and February on the life of Joseph, the continued growth of the Cassiobury and Nearby Community Choir, and an incredible Easter Day, with the main service full to overflowing. There



was our church family meal celebration of the enthronement of King Charles in May and a holiday club in August which was very well attended. The autumn saw a busy programme with a church weekend, Harvest Festival, the launch of Alpha, Remembrance Sunday and more.

One of the great signs of hope for the future was having 11 people on the Alpha course. Christmas saw two nights of sharing faith through the Christmas story and Carols/songs at the Essex Arms and an amazing Christmas Eve with two well attended services, a morning Nativity and an early evening Christingle. Our schools work also continued well, in a number of Schools especially Cassiobury Infants and Nascot Wood Infants.

The lows were the struggle to see attendance return to pre-Covid levels, the sad loss of dear older church members, the financial struggles to meet costs, mainly due to the increase in Gas and Electricity bills. The decision of the General Synod to allow prayers of blessing of gay couples divided the church nationally and caused much disquiet among many St Luke's church members. The PCC faced this issue in the Autumn. Although Encounter had started well in the Autumn of 2022, the 5.30pm service has struggled to see growth in 2023. Cancelling a group trip to Israel due to the war in Gaza was sad for the group who had planned to go.

My sabbatical covering 4 months in the middle of the year led me to several areas for us as a church to ponder on for the future. One was discipleship, to look as individuals and as a church at rhythm and balance and resilience in our lives. The rediscovery of Sabbath, will I believe play an important part in regaining life's physical and spiritual balance.

The church as Community also struck me on my travels and led me to ask the question how do we become more of a close, loving community where all can be welcome, loved and pointed to Jesus? That combined with an emphasis on God's presence with us, speaking in our day-to-day lives and providing us many providential moments. My thanks to the staff team, outside preachers and celebrants and thanks to ALL involved in any way, serving, praying or just being part of our lovely church family during my sabbatical and during the year.

Looking forward to 2024 I want to use our Mission Action Plan as a guide;

1. **Focus on Prayer and Worship** - Increasing half days of prayer to 6 times a year and revamping Encounter services with an emphasis on prayer for healing with the prayer ministry team every week will make a positive difference to the life of our church.

2. **Children, Youth and families** - The Midweek groups are thriving for toddlers and early secondary age young people, the challenge is for people to move into true discipleship, which will encourage more involvement in Sunday worship. The all-age 5-week production of Esther will be an opportunity for church family members of all ages to work together. The input of our ordinand and soon-to-be curate will help continue to develop our family ministry, as will the continued growth of Saturday morning Breakfast Club.

3. **Outreach**

The Wycliffe Mission in March, continued prayer visiting during the Spring and Summer, an emphasis on community, Spring and Autumn Alpha courses and more participating in our work to reach out, I trust will lead to growth in 2024.

This must all be undergirded with prayer, guided by the Holy Spirit and the Word of God. I trust our financial situation will continue to improve as we pray and learn from a sermon series on Giving in Lent 2024.

May God continue to guide and bless us in 2024.

Yours in Christ,

Michael,

Vicar of St.Luke`s

PCC REPORT

AIM AND PURPOSES

The Parochial Church Council ("PCC") has the responsibility of cooperating with the vicar, the Reverend Michael Norman, to promote the whole mission of the Church - pastoral, evangelistic, social and ecumenical - within the parish of St Luke's Watford.

OBJECTIVES

The PCC is committed to encouraging as many people as possible to worship Jesus Christ and to be part of our parish community. Our activities take into account the Charity Commission's guidance on public benefit including guidance on charities for the advancement of religion. We want to help ordinary people to live out their faith in Jesus every day, encouraging and supporting one another, and being led by the Holy Spirit and fed by God's written word.

Our Mission Action Plan was reviewed. We continued our priority areas but set some specific goals for 2023.

Developing and deepening our culture of prayer and worship

- Deepen the culture and rhythm of prayer through corporate half days of prayer and prayer for each other in small groups of 2/3.
- Hold 2 music workshops to establish different teams of musicians.
- Build up an established prayer ministry team who pray together before services and attend regular team meetings.

Growing our children, young people, and families

- Continue building, enthusing, and equipping teams of volunteers for children, youth and family ministry through regular sharing and training opportunities

Reaching out – to our parish, to one another and to our world

- Increase the number taking part in prayer visiting to 16. Revisit past homes and aim to visit 200 new houses.
- Appoint a coordinator for prayer visiting.
- Pray for those visited on Tuesday mornings.
- Weekend at home October 2023 with Greg Downes on sharing the Gospel with our neighbours.
- Wycliffe mission March 2024.

It is good to review the year and see the progress we have made in all areas despite the challenges we have faced. The updates on our activities in 2023 are grouped into our MAP priority areas:

OVERVIEW OF ACTIVITIES AND ACHIEVEMENTS

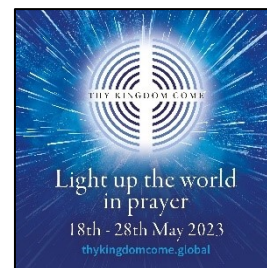
Developing and deepening our culture of prayer and worship

Worship is at the heart of our Christian discipleship witness and purpose. Leading worship is a particular vocation and joy for many Christians. The Diocese is actively encouraging people to explore this calling and equipping them to lead a variety of services in their local church. Five from St Luke's underwent this training and received a letter of permission from the Bishop recognising them as **Lay leaders in Worship**. Each was commissioned by Michael and prayed for by the church community. We have enjoyed seeing them in action, particularly when Michael was on Study Leave this summer.

A **Prayer Ministry team** continues to be built up, praying, and listening to God together before the services, with particular emphasis on the more informal 5.30pm service. The team met once a term last year to pray for each other, study a passage of Scripture related to this ministry and give feedback. They have tried some different ways to improve the ease in which people can come forward for prayer. There has been some encouragement in responses to the words given out and answers to prayer. Team members have been encouraged to continue to pray individually for people during the week whilst ensuring confidentiality is always kept.



Half day of prayers have increased in attendance and been valuable times of intercessory prayer for our church, parish, and world.



Two music workshop days were held to encourage the continuing development of a core team of singers and musicians who participate regularly in helping enhance our worship on Sundays both morning and evening. It has been good to see a handful of our young people involved in the music and see their musical growth. A BBQ for our Music & AV team in September was a good chance to get together as team communities and give thanks for our very talented bunch of people. The two Jeremy's have met on a regular basis devoting a Friday morning to pray for the worship ministry. Christmas saw many services with heavy musical participation, including our beautiful Carols by Candlelight service with St Luke's Christmas Choir.

The **Encounter** service at 5.30pm began the year well, with young people engaging and enjoying the pizza afterwards. However, as the year went on, numbers have dropped off, with fewer youth coming, making it difficult for the youth leaders to predict how many may be in the youth teaching group. The format of the service has not changed, with sung worship led by the band on the stage, shared testimonies, a talk, and individual prayer ministry offered, and this style seems to be appreciated by those who come. We continue to review and will pray that some changes will help encourage growth.

New people are joining **Life groups**; however, it would still be good to see more groups get started. There are two women's groups, one for men and several mixed, meeting in the morning or evening, mostly weekly, with one meeting on Zoom for those for whom getting out is difficult. There have been two lunches during the year to ask for feedback, and to encourage and thank the leaders.

The leadership team went to the **New Wine** Leaders conference in Harrogate which was very refreshing and a group of 26 from St Luke's went to New Wine United 2023 in Kent in the summer. Highlights included wonderful meals together, powerful worship sessions and excellent teaching on a wide range of topical issues such as climate change, persecution, mental health, answering tough questions about your faith, sexuality, and how to talk about Jesus without sounding weird!

Growing our children, young people, and families

There is a growing **team of volunteers** who help in the many different and varied activities led by Neil and Lydia in leading, supporting and growing children, young people and families, both within and outside the church, in following Jesus. Without these volunteers, we would not be able to reach so many around our neighbourhood and we are grateful for all who have ensured they have done the relevant safeguarding training and given their time and energy to serving in this way.



Lego Family Service

Young people took part with other church members in the story of **Joseph** drama on Sunday mornings in January. It was lovely to see the generations enjoying this Bible story together and understanding from it that God's plans and purposes are far greater than our own. Families attended more consistently in the mornings during the mornings. An unintended consequence was that those young people attended less at **Encounter** services, and by the end of the year, few were attending in the evening, more had returned to morning services.

The **Toddler** group flourished this year, with the Bible story craft corner, an established and well used feature. **Breakfast Club** continues to grow both in numbers and in a sense of community, with those coming starting to bring their friends. Two of those attending also went onto do the Alpha course in the Autumn. **Friday coffee for Pre-school parents** saw many from different cultures sharing their stories and traditions with each other. Some moved onto school in September, so numbers were smaller but started to pick up as the Autumn term progressed. Lydia and Michael continued to link with **local schools**, taking assemblies and receiving different year groups for teaching activity sessions in the church



Bible story craft

itself. Queens and Parmiters schools held their Carol Services in our church.

Urban Saints is established on a Tuesday evening, however we missed the Year 6's when they moved up in the summer and numbers have been small in the Autumn Term. The teenage helpers remain dedicated and appreciated.



The first week of August saw a large rocket in the church as it was transformed into Starship discovery **Holiday Club**. About 75 children aged 5-11 joined to learn about Peter choosing, trusting, failing, and following Jesus. They enjoyed crafts, games, delicious lunches, great songs and a strange alien who kept appearing at odd times!



Two **midweek youth groups**, K2 and Base continue to be well attended with an amazing leadership team, committed to discipling young people and introducing them to Jesus. The Sunday morning Altitude Group explored the story of Joseph, and Acts, and the Sunday evening group worked through Youth Alpha. Twenty young people enjoyed a fantastic weekend at Alton Towers in June and explored our faith journey through a series of road signs and connecting with a local church. Special outreach events included visits to local attractions, pancake day and pumpkin party encouraging youth to join us.

Other outreach events have included an **Easter experience** with videos, activities and Hot Cross Buns available through the week for all groups coming into the building, including our midweek children and youth groups, uniformed and secular groups, It was a lot of work but good to see so many take part. A **Community Light Party**, which saw the church transformed into a 'disco' room with flashing lights and videos to dance along to. The two **Christmas Eve services**, a Nativity all age service in the morning and the lovely Christingle service in the evening rounded off the year and were very well attended.

Reaching out to our parish, to one another, to our world

We focused on becoming a missional community at our **Weekend away and at home** in October at Restore Hope, Latimer Park on the Saturday and at St Luke's on Sunday. We were led by Greg Downes, an international speaker and gifted evangelist, and he challenged us with two questions as he reminded us that people want to join a community where they are loved and accepted, especially true in the case of young people struggling with their identity and gender: **At St Luke's, are we a shepherding community? Are we a missional community?** He disagreed with the well-known quotation attributed to St Francis of Assisi "Preach the gospel at all times, if necessary, use words." He said the gospel was about proclamation, giving the example of the Ethiopian Eunuch from Acts 8.



An important part of St Luke's ministry is the **Alpha course** which was run in the Autumn Term. Twelve guests met each week for a meal, DVD presentation and discussion groups. Several guests came through various church groups such as CanCC, Creative Space and Breakfast Club. The Holy Spirit Awayday was run at Christ Church Chorleywood and proved a significant day for many of the guests. A follow-up 'Beta Group' run by the Vicar, was put in place for the New Year with encouraging uptake.

During 2023 we have continued our programme of **prayer-visiting** homes to meet and listen to those who live in our parish; to understand their concerns and needs; and to offer prayer and support. We write in advance to every home we will visit and then take literature and information about St Luke's activities to leave, if appropriate. In the year we have visited over 250 homes, largely those to the south-east of The Gardens and managed to speak with someone in 75% of them. People are almost always welcoming, and we have good conversations with about half those we meet. Some have specific prayer requests, and we pick up several general themes for prayer each time we go. Prayer visiting is a real team effort. In addition to those visiting on Wednesday afternoons and Saturday mornings, there are those who pray while we go out and then the congregation at Tuesday morning services ensure that all the requests and themes are brought to God in prayer. Occasionally the prospect of going out may feel daunting - but the actual experience is really encouraging.

Other reaching out initiatives continue weekly with **Community Coffee** after the Tuesday 10.00am service, and monthly with **Friday club**, afternoon tea and entertainment for the older people living nearby.

Creative Space meets monthly on Mondays or Saturdays and up to 34 ladies attend. Many non-church members come, and all enjoy craft teaching on alternate months, this year on cross stitch, sock projects, decoupage, silk painting and Christmas crafts. The group started a Community Collage banner for putting in the Gathering area which they aim to finish in 2024. The group revamped the Poppy cross on the outside of the church which is a stunning symbol for Remembrance Day. There is a 5-minute God-focussed slot at each event.

Cameo meets every month for talks, films, and social events. It is mainly for ladies to meet with each other and bring friends along, but men are invited to special Cameo Plus events. Talks this year included Michael Norman speaking about his recent pilgrimage to the Holy Land, the RNLI showed breathtaking stories of rescues, and the owner of Cinnamon Square, the Artisan Baker, demonstrating how to make the perfect Victoria sponge! In September, David Dean from the Barnabas Trust spoke about their work with persecuted Christians around the world, by sending food boxes to Christians suffering from war or discrimination. In response, St Luke's sent twelve boxes of dried food to show our support for the persecuted church abroad. Trips out included a walk in Ashridge Forest among the bluebells, a visit to Chenies Manor gardens and Christmas lunch at The Cock in Sarratt.

The **Cassiobury and nearby Community Choir (CanCC)**

has been growing steadily and continues to meet on a Wednesday evening weekly. The choir has had the opportunity to visit the Essex Arms with a Turkey & Syria earthquake fundraiser in March, as well as two carolling evenings in December. CanCC also hosted a successful Summer Concert that featured Gospel music. The CanCC contributed to an NHS bereavement service hosted at St Luke's in October, alongside a Gospel choir. In October we facilitated an evening with Face2Face music ensemble who shared testimonies of how God had intervened in their lives. This was a good opportunity for church members to invite others along and it received a positive reception. There is potential for more such concerts in the future. Monthly recitals continue to include a range of talented guest musicians, drawing in a modest audience from both within and outside of St Luke's community.



In May, we had a church family lunch to celebrate the **Coronation of King Charles III**. Over 100 people came and enjoyed coronation chicken, and activities for all the family.

CanCC performed some rousing songs.



It has been a busy year for the **Pastoral care team**. Sadly, many of our church family have been unwell, in hospital and an unusually high number of dear church members have died. The pastoral team has offered support by distributing small gifts of love at Easter, Harvest and Christmas. These have been much appreciated. The team and church family members have visited those sick in hospitals and nursing homes. The Vicar thanks all those who have given sacrificially of their time to pray and visit. The group meets around six times a year and is updated about those unwell in our church family and those connected with our church. A WhatsApp group also helps keep us updated on how people are.

Reaching out - Partners in Mission

St Luke's has a long tradition of supporting Mission both at home and overseas. The relationship with our Mission Partners is managed by the Partners in Mission PCC Sub-Committee (or PIM as it is commonly known), who each year allocate 10% of the church's income (in **2023 £30,690**) for their support.

We support eight individuals with whom we have a direct relationship – providing financial support, prayer and love.

We also provide financial support to several agencies, at home and abroad. The organisations that we provide the greatest annual support to (£1,000+) are local. There are several other organisations that we support to a lesser extent, both local and further afield. Other organisations receive one-off support from time to time for particular causes.

This year, Partners in Mission sub-committee organised a Mission Sunday in May with contributions from mission partners from home and abroad both in person and by video. They agreed new Terms of Reference for Partners in Mission and refreshed the content for the Partners in Mission noticeboard. There was no Tearfund Big Quiz night due to a change of date by Tearfund, but we hope to do this again in 2024. There have been ongoing discussions about a possible Partnership Fund project for 2024.

Once again, we provided 50 Christmas Hampers for families seeking help with the Watford and Three Rivers Refugee Partnership.

FACILITIES

We are blessed with our excellent buildings which provide a focus for the community as well as our own ministry. However, the church buildings are showing the effect of age, it being over 18 years since the new church was built. In addition, the buildings are being used more extensively and are showing signs of wear and tear.

We are grateful to all who volunteer their time to assist with building maintenance, however these are reducing in number and ageing. It is difficult now to find several able body volunteers capable of undertaking any new building projects.

23 Orchard Close had an annual inspection and several repairs had to be undertaken. All Church external door locks were changed, and new keys issued and recorded. Several Church high level window electric motors had to be replaced as did the toilet extractor fans. The car park fence to the Vicarage had to be repaired after being hit by a vehicle. The lift, fire alarms, extinguishers, emergency lighting and gas boilers have been regularly serviced, and the urinals, gutters, lights, and gardens etc., have been maintained by volunteers.

Ongoing repairs and maintenance will need to be considered for the future. The Fire Safety report has produced several door repairs and alterations required at some cost. The gutters and high-level glass need to be cleaned this year at some cost. The Energy Group is looking at the Hall and Church main high-level lights being changed to LED for energy efficiency and easier maintenance; all other lights already have been changed to LED's. This group is looking at a more efficient way of heating the church buildings which would also incur a cost.

RISK MANAGEMENT

The PCC considers that the principal risks faced by St Luke's have been:

- Safeguarding children and vulnerable adults
- Managing the health, safety and well-being of staff and congregation
- Financial risk
- Use of personal data (GDPR)

Safeguarding

The PCC is committed to doing all we can to ensure that any vulnerable person coming to St Luke's is kept safe and protected. The care and protection of children, young people and adults involved in church activities is the responsibility of everyone who participates in the life of the church.

The Parish Safeguarding Officer and Lead Recruiter ensure that effective and correct documentation and procedures are in place and followed. During 2023, they have worked with the Church Administrator to check that each church and non-church activity has a Risk Assessment and Safeguarding Policy in place. They also arrange and monitor DBS and training for individuals with any sort of involvement and ensure that accurate records are maintained on the Parish Dashboard. 24 new DBS certificates have been issued and 50 DBS certificates have been checked using the DBS Update Service.

The Dashboard now has a secure Safeguarding Hub with a Role Creator and a People Manager. 100 members of our congregation are now listed on the People Manager, performing a variety of 29 roles within the church. Since July 2023, we have begun the process of compiling a digital Job Description for each role. All these details are uploaded on to the Parishes Safeguarding Dashboard although no personal information is recorded.

The PCC reviews all safeguarding documentation annually and regularly receives reports on safeguarding activity.

The PCC considers it has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to the House of Bishop's guidance on safeguarding children and vulnerable adults).

Health, safety and well-being

This is a wide brief, which covers a range of risks. The Health and Safety Officer and the Church Administrator ensure that policy and procedures are in place and that people are aware of them. Health and safety inspections are carried out at least annually, enabling areas of concern to be addressed and policy to be updated where necessary.

An unscheduled and unexpected environmental health inspection during Holiday Club in July resulted in a 5-star hygiene award. Thanks go to all those involved with this and all who give their time and expertise to maintaining the fabric and safety of the church premises.

A Fire safety inspection was carried out in Autumn 2023. The report is with the PCC for their consideration and action.

A review of all Risk Assessments is being undertaken. The Annual Health and Safety inspection took place and is with the PCC for consideration and action.

Financial

The church treasurer has established a robust system of financial controls, based on budgets, proper authorisation of all payments and segregation of duties. The PCC sets the annual budget and scrutinises monthly management accounts, which analyse variances to budget and prior year. At every meeting the treasurer delivers a report.

GDPR

We are still in need of a church GDPR officer, our administrator does a good job of ensuring we are compliant in the meantime.

The church directory has gone online to be GDPR compliant – everyone has control of their own information and how much of it can be used.

Care is taken to ensure individuals do not appear on live stream broadcasts without their permission. Personal consent forms have also been updated to allow individuals to give consent for appearance on social media and streaming.

There has been no recorded report of data breaches or data losses at St Luke's.



STRUCTURE, GOVERNANCE AND MANAGEMENT

The PCC is a corporate body established by the Church of England. It operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity (No 1130376).

The method of appointment of PCC members is set out in the Church Representation Rules. At St Luke's the membership of the PCC consists of the incumbent (our vicar), churchwardens, one of the readers and members elected by those members of the congregation who are on the electoral roll of the church. All those who attend our services are encouraged to register on the electoral roll and stand for election to the PCC. Two of the elected places are reserved initially for youth aged 16-18, if they wish to stand.

The PCC is 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 met 6 times during the year with an average attendance of 75%. Given the breadth of its responsibilities, the PCC has sub-committees and working parties dealing with specific aspects of parish life:

Sub-committees

- Executive (standing committee)
- Building and Energy group
- Finance
- Partners in mission

Working parties

- Life group/Alpha coordination
- People and pastoral care
- Prayer ministry
- Children and youth
- Communication/publicity

The PCC appoints individuals to be Prayer Coordinator, Health & Safety Officer, Parish Safeguarding Officer, Lead Recruiter/DBS Administrator and GDPR Officer.

All these committees and officers are responsible to the PCC and report back to it regularly. Minutes of relevant meetings are received by the full PCC and discussed as necessary.

There are two other working groups at St Luke's which report directly to the vicar:

- Leading and preaching team
- Mission advisory group



FINANCIAL REVIEW AND RESERVES POLICY

Our financial statements reveal a deficit for 2023 of £2.5k with an additional £1k for last year's carryover in the Partners in Mission [PIM] giving fund. This includes £1.3k estimated gain in share prices which represents a slight recovery from last year's loss of £3.5k. The deficit compares with a gain in 2022 of £16.7k + £100k in 23 Orchard Close revaluation.

A more significant deficit had been anticipated from the budget but several factors ensured only a small deficit. Saving items that of note are:

- +£12.5k legacies
- +£4k interest with remains at a stable level
- +£4k due to reduced energy costs half of which came as a one-off refund upon moving to a fixed three year electricity contract
- +£5k building work not carried out

Significant items to compare between 2023 vs 2022 results are as follows:

INCOME

- Unrestricted income contracted £2.5k from £317.3k to £314.9k (0.8%)
- Unrestricted giving was down £7.5k from £225.8k to £218.3k. Underlying in this is a £10.8k reduction in one-off giving.
- Room lettings were down £5.7k from £64.3k to £58.6k-
- £4.2k increase in interest and dividends from £2.2k to £6.4k as interest rates remained stable

EXPENDITURE

- Total expenditure increased by £18.3k from £308.4k to £326.6k (5.6%)
- The utilities cost increased by £15.6k from £13.6k to £29.2k with removal of government subsidies
- Other premises costs were cut-down by £11.1k from £37.2k to £26.1k

With the price of utilities remaining high, it continues to remain a significant drain on the balance of church income vs expenditure. Savings were made by not spending on the church fabric to minimise use of the Deficit Fund setup last year. This, however, should not be a long term fix.

As costs are increasing, it is of concern that the income has not risen in proportion. This was noted in October during preparation of 2024 budget. And appears to be due to either members moving away, moving into homes or death. A strong reminder in December after October PCC meeting was sent to the membership to review their giving namely was it keeping up with inflation and for non-givers to consider participating in funding of their church. This included giving an explanation to membership about our income and expenses and preaching during Sunday morning services, through weekly sheet and newsletter publications.

General reserve

This fund handles all the church's regular income and operating costs.

The church continues to pay its full parish quota which was £115.4k (35% of total expenses).

Designated Fund

Each year the PCC reviews the value of its unrestricted reserves. In line with last year, an operating general reserve of over £40k is retained. This represents the amount the PCC thinks is necessary to operate in the normal course of events. This allows for income that is sometimes sporadic, whilst major costs are monthly namely for staff, parish quota and utilities and also gives due consideration to the reserves held. Funds which are tied up in fixed assets are held in the Capital Reserve. The PCC decides when and how it anticipates that any additional unrestricted funds will be used and move them to and in the Designated Fund. At year-end PCC had designated £121.1k as follows:

- £30.0k to fund key maintenance over and above routine yearly work.
- £47.5k is designated to cover the cost of housing for the nominated curate whose appointment is due June 2024.
- £1.1k is designated for PIM. PCC seeks to give away 10% of the unspecified income received. This was not fully reflected in 2023 giving and £1,133 is being carried over to 2024.

- £27.5k has been designated to pay for starter payment for solar panels or other initiatives which may be recommended by the Energy Review Committee.
- £15.0k has been put aside as a caution against the 2024 budget deficit of £35k.

Earmarked Fund

This fund is used to hold and distribute amounts given for specific purposes. £7.9k was received and £7.3k paid out during the year.

Following crises with earthquake in Turkey and cyclone destruction in Malawi. £0.2k was raised for the former and £3.5 for the latter. £0.2k was also raised for Watford foodbank and £2.1k for Christmas hampers which continues to be well supported.

Partnership Fund

There were no specific appeals during 2023 and the balance on the fund is £2,530 including interest for the year of £25. A Partnership appeal is being considered for 2024.

Balance Sheet

Total net assets have reduced slightly from £877k to £875k.

VOLUNTEERS AND STAFF

The PCC is hugely appreciative of the many, many individuals who work so hard to make our church the lively and vibrant community that it is.

- Our deputy wardens, stewards, the welcome team, and those who do the coffee and refreshments at services and other events
- The musicians who play, sing, compose or record songs to help our worship
- The technology and AV team who work to help us see, hear and follow the services - whether we are in the building, or watching on-line, or receiving a pre-recorded DVD
- Those who preach, lead prayers or read Scripture at services
- Those who prepare, teach and help with our toddler, children and youth groups on Sundays or during the week; including the youth leaders who are so crucial at Urban Saints
- The pastoral network team and the prayer ministry team as they continue to phone, visit and pray.
- Those who lead and support life groups, Alpha, Creative Space, Cameo, CanCC and the various social and outreach activities.
- Those who provide meals for Alpha meetings and those who wash up afterwards
- The Building Group and all who volunteer to do maintenance and cleaning work in the building or garden
- Those who prepare the church for services – flowers, communion laundry, cleaning silver
- Those who come back late every evening to make sure the church is locked up and lights switched off
- Those who ensure that the giving we receive is counted and banked, and that bills are paid on time and properly accounted for
- Those who give, often sacrificially, both through regular giving and in response to specific appeals
- Those responsible for making sure that we are legal and that everyone is kept safe
- People who write to our partners-in-mission, who keep us informed and prompt us to pray for them
- Those who write content, edit, print and distribute our magazine
- Those who organise and prepare door drop material and gifts; and those who together knock on every door in the parish to deliver them
- Those who design and produce our communications including website content and posters

2023 Annual report and Financial Statements

- Those who cover everything which happens at St Luke's in prayer – at prayer meetings and privately
- Those who notice and take the time to thank and encourage people who serve and worship at St Luke's
- Those who have served on PCC, its sub-committees or working groups
- Our staff team

Whenever we prepare a list such as this, we are astonished at just how much is being done, and by so many. We thank each one of you – and give thanks to God for you.

Approved by the PCC on 16th April 2024 and signed, on its behalf by Michael Norman (Chair of PCC)

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PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2023

		Unrestricted funds	Restricted funds	Total funds	
				2023	2022*
	Notes	£	£	£	£
Income from:					
<i>Donations and legacies</i>	3(a)	218,329	7,709	226,038	236,976
<i>Charitable activities</i>	3(b)	73,403	239	73,642	73,132
<i>Other trading activities</i>	3(c)	16,549	0	16,549	15,920
<i>Investments</i>	3(d)	6,359	0	6,359	2,207
<i>Other income</i>	3(e)	300	0	300	300
Total income		314,940	7,948	322,888	328,535
Expenditure on:					
<i>Charitable activities</i>					
<i>Grants</i>	4(a)	30,950	7,257	38,207	35,841
<i>Other charitable activities</i>	4(b)	288,452	0	288,452	272,554
Total expenditure		319,402	7,257	326,659	308,395
Net income before gains/(losses) on investments		(4,462)	691	(3,771)	20,140
Net gains/(losses) on investments		1,304	0	1,304	(3,483)
Revaluation of 23 Orchard Close		0	0	0	100,000
Net income/(expenditure)		(3,158)	691	(2,467)	116,657
Net movement in funds		(3,158)	691	(2,467)	116,657
Total funds brought forward		865,175	12,145	877,320	760,663
Total funds carried forward		862,017	12,836	874,853	877,320

*Comparative figures for Funds for 2022 are set out in Note 2

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD

BALANCE SHEET

at 31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible	6(a)	700,000	700,000
Investments	6(b)	23,191	21,887
		723,191	721,887
Current assets			
Debtors	7	10,318	11,074
Short term deposits		138,707	142,244
Cash at bank and in hand		12,505	10,324
		161,530	163,642
Current liabilities			
(Amounts falling due within one year)	8	(9,868)	(8,209)
Net current assets		151,662	155,433
Net assets		874,853	877,320
Funds			
Unrestricted	10	862,017	865,175
Restricted	11	12,836	12,145
		874,853	877,320

Approved by the Parochial Church Council on 16th April 2024, and signed on its behalf by:

Michael Norman
Chair, St Luke's Parochial Church Council

Martin Kirk
Treasurer

The notes on pages 17 to 25 form part of these financial statements

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and the Charities Statement of Recommended Practice (SORP) FRS102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and investments. The PCC is a Public Benefit Entity as defined by FRS 102.

Critical accounting estimates and judgements

In the application of the PCC's accounting policies, the members of the PCC are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern

The members of the PCC assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the PCC to continue as a going concern. The members of the PCC make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus, the PCC continues to adopt the going concern basis of accounting in preparing the accounts.

Funds

Unrestricted funds represent funds of the PCC that are not subject to any restrictions regarding their use and are available for use for the general purposes of the PCC. The General Reserve holds the liquid funds which the PCC believes are necessary to run the church in the normal course of events; the Capital Reserve represents those unrestricted funds which are tied up in the form of fixed assets; and the Designated Fund contains unrestricted liquid funds which have been designated for specific purposes by the PCC.

Earmarked Fund handles funds which have been donated for a specific purpose. These funds are restricted.

Partnership Fund (previously Thanksgiving Fund) handles funds donated by way of major appeal, to enable the Church to make specific grants to other churches and Christian organisations. This fund is also restricted.

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

Income

Voluntary income and activities for generating funds:

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

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

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

Funds raised at social and similar events are accounted for gross.

Sales of books and magazines are accounted for gross.

Activities related to church work

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

Investment income

Interest and dividends are accounted for when receivable.

Expenditure

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. The PCC has decided to make total grants in the year equal to 10% of the non-specific income to the General Fund. Grants are made to support living and other costs of other charities or individuals who have or have had a personal, established connection to St Luke's church. The grants are made in support of the primary objects of the PCC.

Activities relating to church work

The diocesan parish share is accounted for when payable.

Fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by s.10 of the Charities Act 2011. All of St Luke's premises, with the exception of the Large Hall (formerly the church), the Chapel and 23 Orchard Close, are consecrated.

No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property.

All expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings, furniture and office equipment

Fixtures and fittings are depreciated on a straight line basis over 5 years and furniture and equipment over 4 years. Individual items costing less than £1,000 are not capitalised but are fully written off in the year of acquisition.

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.

Cash and cash equivalents include cash in hand, deposits held at call with banks. Short-term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.

Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Creditors and provisions

Creditors and provisions are recognised where the PCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

Risk Management

Financial risk is managed through budgets and regular reporting of the management accounts to the PCC.

2	COMPARATIVE NUMBERS FOR 2022	Unrestricted Funds £	Restricted Funds £	Total funds £
	Income from:			
	<i>Donations and legacies</i>	225,787	11,189	236,976
	<i>Charitable activities</i>	73,132	0	73,132
	<i>Other trading activities</i>	15,920	0	15,920
	<i>Investments</i>	2,207	0	2,207
	<i>Other income</i>	300	0	300
	Total income	317,346	11,189	328,535
	Expenditure on:			
	Charitable activities			
	<i>Grants</i>	30,700	5,141	35,841
	<i>Other charitable activities</i>	270,799	1,755	272,554
	Total expenditure	301,499	6,896	308,395
	Net (expenditure) before gains/(loss) on investments	15,487	4,293	20,140
	Net (losses) on investments	(3,483)	0	(3,483)
	Revaluation of 23 Orchard Close	100,000	0	100,000
	Net income/(expenditure)	112,364	4,293	116,657
	Net movement in funds	112,364	4,293	116,657
	Total funds brought forward	752,811	7,852	760,663
	Total funds carried forward	865,175	12,145	877,320

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2023

3 INCOME FROM:	Unrestricted Funds £	Restricted Funds £	Total funds 2023 £	2022 £
3(a) <i>Donations and legacies</i>				
Planned Gift Aided	131,491	0	131,491	127,933
Unplanned Gift Aided	12,829	4,871	17,700	30,460
Income tax recoverable	38,279	1,218	39,497	43,426
CAF & Stewardship	3,395	950	4,345	3,738
Other planned giving	9,302	0	9,302	15,184
Cash collections & donations	10,274	670	10,944	9,956
Legacies	12,509	0	12,509	5,000
Grants	250	0	250	1,279
	218,329	7,709	226,038	236,976
3(b) <i>Charitable activities</i>				
Room lettings	58,643	0	58,643	64,305
Church events	9,344	10	9,354	4,219
Fees	2,058	0	2,058	2,594
Other related to church work	3,270	229	3,499	1,890
Books and photocopies	88	0	88	124
	73,403	239	73,642	73,132
3(c) <i>Other trading activities</i>				
Rent received from Orchard Close	16,549	0	16,549	15,920
Fund raising	0	0	0	0
	16,549	0	16,549	15,920
3(d) <i>Investments</i>				
Interest and dividends	6,359	0	6,359	2,207
	6,359	0	6,359	2,207
3(e) <i>Other income</i>	300	0	300	300
Total income	314,940	7,948	322,888	328,535

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2023

4 EXPENDITURE ON:	Unrestricted	Restricted	Total funds	
	Funds	Funds	2023	2022
	£	£	£	£
4(a) Grants				
Overseas work	17,050	5,777	22,827	20,811
UK work	3,500	175	3,675	4,605
Local work	10,400	1,305	11,706	10,425
	30,950	7,257	38,207	35,841
4(b) Other charitable activities				
Parish Share	115,439	0	115,439	112,985
Utility costs	29,195	0	29,195	13,567
Other premises running costs	26,057	0	26,057	37,248
Youth and children	42,422	0	42,422	39,601
Music director and music costs	30,355	0	30,355	30,228
Administration	31,222	0	31,222	29,982
Church events	4,663	0	4,663	1,533
Printing and stationery	2,893	0	2,893	2,111
Adult groups and outreach	1,811	0	1,811	2,055
Catering	1,239	0	1,239	1,291
Vicar's expenses	2,406	0	2,406	1,203
Books & bible notes	0	0	0	0
Governance costs (note 14)	750	0	750	750
	288,452	0	288,452	272,554
Total expenditure	319,402	7,257	326,659	308,395

A £9,000 local grant was made from restricted funds in 2021, of which £1,171 was returned during 2022 as the full cost hadn't been incurred as soon as originally expected. A second £1,171 was returned in July 2023.

5 STAFF COSTS			2023	2022
	£	£	£	£
Salaries and allowances	68,194	0	68,194	65,511
National Insurance	0	0	0	0
Pensions	4,076	0	4,076	3,899
	72,270	0	72,270	69,410

The year the PCC employed an Administrator, a Worship Leader / Administrator, a Youth Director, and a Children & Families leader. None earned more than £60,000 pa. No member of the PCC received remuneration or reimbursement of expenses, except as referred to in Notes 13 and 15. The PCC contributes to a defined contribution pension scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year that they are payable. The amounts paid during the year are as shown above.

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2023

6	FIXED ASSETS FOR USE BY THE PCC		2023	2022
6(a)	Tangible			
		Land & Building	Furniture Fittings & Equipment	
		£	£	
	Cost or valuation		Total	Total
			£	£
	At 1 January	700,000	24,946	724,946
	Additions	0	0	0
	Disposals	0	0	(4,020)
	Revaluation adjustment	0	0	100,000
	At 31 December	700,000	24,946	724,946
	Depreciation			
	At 1 January	0	24,946	24,946
	Charge for the year	0	0	0
	Disposals	0	0	(4,020)
	At 31 December	0	24,946	24,946
	Net book value			
	At 1 January	700,000	0	700,000
	At 31 December	700,000	0	700,000

In accordance with the appropriate accounting policy (based on the Charities Act 2011 and the Charities SORP (FRS102)), the cost of the new church and associated buildings has been excluded, as the whole complex comprises Consecrated Land & Buildings.

The PCC regards all the moveable church furniture and fittings (primarily the seating, audio-visual equipment and the organ) as inalienable property which would require a faculty for disposal.

The value of 23 Orchard Close is based on the PCC's reasonable best estimate having regard to local market conditions as at 31 December 2023.

6(b)	Investments	£	£
	Market value at 1 January	21,887	25,370
	Additions at cost	0	0
	Revaluation	1,304	(3,483)
	Market value at 31 December	23,191	21,887

During the year an investment has been held for the Unrestricted Funds in the CBF Church of England Fixed Interest Fund. The holding throughout the year has been 16,021.53 shares and the value per share at 31 December 2023 was 144.75p (136.61p at 31 December 2022).

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2023

7 DEBTORS	2023	2022
	£	£
Income tax recoverable	4,268	6,945
Accrued income/Trade Debtors	4,064	1,300
Prepayments & deposits	1,986	2,829
	10,318	11,074

8 AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022
	£	£
Creditors for goods and services	2,233	794
Accrued expenses	6,516	6,248
Room hire deposits held	632	672
Other creditors	487	495
	9,868	8,209

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted	Restricted	Total funds	
	Funds	Funds	2023	2022
	£	£	£	£
Fixed assets	723,191	0	723,191	721,887
Current assets	148,694	12,836	161,530	163,642
Current liabilities	(9,868)	0	(9,868)	(8,209)
Fund balance	862,017	12,836	874,853	877,320

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2023

10 UNRESTRICTED FUND DETAIL	2023	2022
	£	£
General reserve	40,884	40,185
Capital reserve	700,000	700,000
Designated fund	121,133	124,990
	862,017	865,175

Designated fund represents unrestricted funds in excess of that required to operate in the normal course of events, and which is not tied up in fixed assets. The PCC need to disclose how it anticipates such funds will be used.

The current balance of £121,133 comprises:

- *£1,133 additional discretionary giving in respect of 2023 income, which will be distributed in 2024 (PCC seek to give away 10% of the unspecified income received)*
- *£30.0k available for maintenance over and above routine yearly maintenance [no change]*
- *£47.5k has been put aside to cover three years potential accommodation costs for curate being appointed in June 2024 [no change]*
- *£27.5k has been designated for use by the energy review committee for the provision of solar panels or other changes that may be proposed. This might be spent by end 2025 [delayed by one year following 2024 budget]*
- *£15.0k is being held to cover a deficit in 2024*

The prior year balance of £124,990 comprised:

£47,500 curate housing fund, £27,500 energy fund, £30,000 long term maintenance fund, £19,000 budget deficit fund for ending 2023 and £990 Partners In Mission carry over from 2022

11 RESTRICTED FUND DETAIL	2023	2022
	£	£
Earmarked Fund	10,306	9,641
Partnership Fund	2,530	2,504
	12,836	12,145

12 STATEMENT OF FUNDS

Fund name	Balance b/f	Income	Expense	Gain/(loss) /transfer	Balance c/f
	£	£	£	£	£
General reserve	40,185	314,940	(319,545)	5,304	40,884
Capital reserve	700,000	0	0	0	700,000
Designated fund	124,990	0	143	(4,000)	121,133
Earmarked	9,641	7,923	(7,257)	0	10,306
Partnership	2,504	25	0	0	2,530
TOTAL FUNDS	877,320	322,888	(326,659)	1,304	874,853

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2023

12 STATEMENT OF FUNDS (continued)
COMPARATIVE NUMBERS FOR 2022

Fund name	Balance b/f	Income	Expense	Gain/(loss) /transfer	Balance c/f
	£	£	£	£	£
General reserve	48,621	317,346	(301,499)	(24,283)	40,185
Capital reserve	600,000	0	0	100,000	700,000
Designated fund	104,190	0	0	20,800	124,990
Earmarked	5,348	11,189	(6,896)	0	9,641
Partnership	2,504	0	0	0	2,504
TOTAL FUNDS	760,663	328,535	(308,395)	96,517	877,320

13 TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

	2023	2022
	£	£
Expenses paid to Trustees (Vicar's working expenses)	2,406	1,203
Expenses paid to Trustees (Warden)	36	0
No of Trustees receiving expenses	2	1

14 GOVERNANCE COSTS

Fees for Independent Examiner	750	750
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15 RELATED PARTY TRANSACTIONS

Income

Rent received from trustee in respect 23 Orchard Close	16,549	15,920
PCC consider the rent to be at an appropriate level		

Expenses

Fees paid to Music Director	21,651	20,667
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Grants

As in many churches, some members of St Luke's or their family are involved with other Christian charities and organisations. We encourage such people to serve on PCC and its sub-committees because they help keep our prayer and discussion well-informed and relevant - in particular with regards spending priorities and the financial grants or gifts we may wish to make.

No individual can make spending or giving decisions alone - and where an individual is part of a group which makes such decisions, they are not allowed to vote on any proposal involving a party to which they have a close connection. During the year, St Luke's made donations to the following organisations in which a PCC or PIM sub-committee member has a close connection.

Rafiki Thabo Foundation	1,750	1,750
Watford New Hope Trust	2,000	2,000
Friends International	2,050	2,125
Noble Charity (Kenya)	300	0

STATEMENT OF PCC RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Charities Act 2011 requires the PCC to prepare financial statements for each financial year, which give a true and fair view of the PCC's financial activities during the year, and its financial position at the end of the year. In preparing financial statements, the PCC seeks to:

- Follow best practice and guidance provided by the charity commissioners, Church of England, St Albans diocese and other sources
- Use suitable accounting policies consistently
- Make judgements and estimates that are reasonable
- State and apply applicable accounting standards and statements of recommended practice, and explain any areas of concern or deviation
- Prepare financial statements on the going concern basis unless it is appropriate to assume that the PCC will not continue its operations.

PCC members have overall responsibility for ensuring the PCC has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper records which disclose and explain with reasonable accuracy at any time the financial position of the PCC and enable them to ensure that the financial statements comply with the 2011 Act. They are also responsible for safeguarding the assets of the PCC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to ensure that:

- The PCC is operating effectively and efficiently
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained
- Financial information used within the PCC or for publication complies with relevant laws and regulations

As far as the PCC is aware, there are no relevant examination information (information needed by the PCC's independent examiner ("Examiner") in connection with preparing this report) of which the Examiner is unaware. Each member of the PCC has taken all the steps that they ought to have taken as members of the PCC in order to make themselves of any relevant examination information and to establish that the Examiner is aware of that information.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ST LUKE'S PAROCHIAL CHURCH COUNCIL

I report to the trustees on my examination of the accounts of Parochial Church Council ("PCC") for the year ended 31 December 2023.

Responsibilities and basis of report

As members of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's accounts carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the PCC has prepared accounts in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

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

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford Hertfordshire WD25 0NE

Date: 17th April 2024

ADMINISTRATIVE INFORMATION

St Luke's church is situated in Langley Way, Watford. It is part of the Diocese of St Albans within the Church of England. The correspondence address is Church Office, St Luke's Church, Langley Way, Watford, WD17 3EG.

PCC members who have served at any time from 1 January 2023 until the date of this report are listed below. Where a member has served only part of that period, the relevant month of appointment or resignation is shown.

		<u>Appointed</u>	<u>Resigned</u>
Ex-officio			
Revd Michael Norman	Vicar		
Dave Clarke	Reader		
Susan Miller	Churchwarden		
John Williamson	Churchwarden		
Elected			
Helen Booth			April 2023
Mary Bowen	Deanery Synod		
Mave Clarke	Deanery Synod		
Adrienne Cooke			April 2023
Fiona Craigie		May 2023	
Cynthy Davies	Deanery Synod		June 2023
Colin Davies		May 2023	
Helen Donnelly			April 2023
Nikki Elsmore-Cary			May 2023
Mo Fasanya			April 2024
James Harvey			
Wera Irvine		May 2023	
Martin Kirk		May 2023	
Katie Llewellyn			
Ann MacLeod	Deanery Synod		
Sunny Mathai			April 2023
Phil Matthews	Deanery Synod	July 2023	
Erin Page			April 2023
Pam Reynolds			
John Sills			April 2023
Melanie Sills		May 2023	
Wendy Somerville	Deanery Synod		June 2023
Dean Tearle			
Simon Trundle		May 2023	
Emily Waddington			May 2023
Richard Waddington			

Incumbent: Revd Michael Norman

Independent Examiner: Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford, WD25 0NE

Bank: Barclays Bank plc
High Street
Watford

Accounts

St. Luke's Church, Watford

(Charity Reg. no. 1130376)

Annual Report and Financial Statements 2022



"I have come that they may have life, and have it to the full"

John 10:10

Mission Action Plan and 2023 goals

Vision

A beacon of light and love; a lighthouse, with small boats going out to rescue people. We are to be a place that shines the Father's light, love and safety into the world. We are reaching out with the gospel of Jesus Christ in the power of the Holy Spirit to rescue those drowning in the sea of life.

Priorities

1. Rediscovering and developing corporate worship and prayer
2. Growing our children, youth and family ministry through faithful Bible teaching and the outward working of our faith
3. Reaching out in obedience to Scripture, to those on our estate and beyond with the good news of Jesus Christ found in God's living word

Goals for 2023

1.
 - Deepen culture and rhythm of prayer through corporate half days of prayer and prayer for each other in small groups of 2/3
 - Hold two music workshops in order to establish and develop musician teams (rather than just individuals)
 - Establish regular team meetings and consistently praying before services to build up and develop the prayer ministry
2.
 - Create regular sharing and training opportunities for children, youth and family ministry volunteers to establish, enthuse and equip teams
3.
 - Reach out to the estate by re-visiting some homes in 2022 prayer-visiting and by visiting 200 new homes. Increase the number of St Luke's members involved to 16+
 - Appoint a coordinator for prayer-visiting
 - Ensure that prayer visiting and any specific prayer requests are included in the Tuesday 10.00am service prayers.
 - Hold weekend at home in October 2023 with Greg Downes on sharing the gospel with our neighbours
 - Prepare for a Wycliffe mission in March 2024

VICAR'S INTRODUCTION

2022 was a year when the recovery of Church as we knew it, with the positives gained technologically in lockdown, began in earnest.

Simeon states in St Luke's gospel 2:30 "For my eyes have seen your salvation." He was looking at the baby Jesus. God gave him supernatural insight, a glimpse that here was the Messiah.

For the first 8 months of 2022, there were glimpses of recovery; the Wycliffe Mission in March 2022, the staff attending the New Wine Leadership Conference in Harrogate in March 2022, prayer visiting, around 20 of us at New Wine Peterborough in the summer, Life Groups mainly back in person, schools opening up locally, well attended Easter Services and lettings substantially on the rise beyond 2019 levels. Since then, this has gathered pace!

God has been and continues to be at work, with new people joining us, many returning and an increasing mixture of people from different ethnic cultures and nations. The setting up of the Cassiobury and nearby Community Choir, the Creative Space group and many other contact groups and events has also led to people joining us.

It continues to be a privilege to be at St Luke's and to work with such a talented, united staff team, but also many other gifted people, freely serving the Lord in this very needy world. My thanks to the staff, Executive team, PCC and so many who serve the Lord at St Luke's.

The Missionary Advisory Group continued to meet in 2022 with our mission advisor, Rev. Keith Powell (Renewal advisor to the Diocese of Bath and Wells) which has been a continued blessing to those of us who attend, and to the PCC and wider church as we have looked at and developed our Mission Action Plan. This has been a major focus of the PCC, looking at our 3 major objectives in Worship and prayer; Children, Youth and Families; and Outreach. All areas have made major strides in 2022 as you will see.

Looking forward to 2023 and using our MAP to guide us:

1. A focus on Prayer and Worship

Prayer remains vitally important, with the re-introduction of half days of prayer, and the continued emphasis on a culture and rhythm of prayer, and the renewing of our prayer ministry team. Worship had a major change in October 2022 with the beginning of the Encounter service, a 5:30pm informal service aimed at those who like a "New Wine" style of worship and also at families with older children and teenagers who find Sunday mornings difficult due to Sport or other commitments. This started well but will need to develop and grow in 2023.

2. Children, Youth and Families

The families slowly returned in 2022 and with new ones joining us, this has been a very positive development. In 2023, the seven weeks in January and February of the Joseph story, with drama and singing in our morning service will lead to growth (we trust) among our families. The schools continue to open up, having us in for assemblies and then visiting St Luke's will give us new contact opportunities. The arrival of an ordinand in training, with a heart for families, will lead to further developments in this area.

3. Outreach

This will start with training in mission in a multicultural world, using the EnVision course in Lent and with Rev Greg Downes, an evangelist, coming in October to encourage us in personal evangelism and with other events in the planning including a Wycliffe Mission in March 2024, this should develop well in 2023. Hopefully the summer will see more prayer visiting and many events engaging with different sections of our community.

The continued prayerful implementation of our Mission Action Plan, all undergirded and driven by God's word, the Bible, will continue I believe to see a sustained and growing recovery in 2023.

We trust and pray St Luke's will not only return to 2019 pre-Pandemic life but with God's help and blessing go way beyond it.

May the Lord continue to guide and bless us in 2023.

Yours in Christ,

Michael,
Vicar.



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PCC REPORT

AIM AND PURPOSES

The Parochial Church Council ("PCC") has the responsibility of cooperating with the vicar, the Reverend Michael Norman, to promote the whole mission of the Church - pastoral, evangelistic, social and ecumenical - within the parish of St Luke's Watford.

The PCC is specifically responsible for the maintenance of the church complex of St Luke's, Langley Way, Watford and for the house at 23 Orchard Close, Watford.

OBJECTIVES

The PCC is committed to encouraging as many people as possible to worship Jesus Christ and to be part of our parish community. Our activities take into account the Charity Commission's guidance on public benefit including guidance on charities for the advancement of religion. We want to help ordinary people to live out their faith in Jesus every day, encouraging and supporting one another, being led by the Holy Spirit and being fed by God's written word.

At the end of 2021, the PCC adopted a new Mission Action Plan (MAP). Our vision is of Christ's church, and St Luke's in particular, being a beacon of light shining God's light and love into the world. From that place, we are sailing in lots of small boats to reach out, with the gospel of Jesus Christ and in the power of his Holy Spirit, to those who are drowning in the sea of life.

The MAP included three priority areas and some specific goals for 2022.

Priority area	2022 goals
Rediscovering and developing corporate worship and prayer	- Encountering more of God in our worship by - deepening the culture and rhythm of prayer - greater freedom of expression and moving of the Holy Spirit - enhancing corporate sung worship (and tech)
Growing our children, youth and family ministry through faithful Bible teaching and the outward working of our faith	- Build, train, enthuse and equip volunteer teams - Grow numbers of children through prayer, groups and work in local schools
Reaching out in obedience to Scripture, to those on the estate and beyond with the good news of Jesus Christ, found in God's living word.	- Wycliffe Hall team visit for mission week - Reaching out to our estate, including prayer-visiting at least half the homes - Training the church family to be confident in sharing their faith with their neighbours

Progress has been made in all areas despite Covid continuing to impact much of the first six months. At times, things have felt hard. But it was then, when the church was most impacted by Covid, that we received the real blessing of a team from Wycliffe Hall joining us in a week of fellowship and mission – probably for many, the highlight of the year.

In the section that follows, we provide updates of all our activities, grouped into our priority areas.

OVERVIEW OF ACTIVITIES AND ACHIEVEMENTS

Rediscovering and developing corporate worship and prayer

Being able to meet together regularly again has been a real joy. We flourish as we worship God, pray and read the Bible together and by encouraging one another. **Prayer Ministry** is becoming an important part of our corporate worship. During the year the prayer ministry team has been re-established and training provided. Prayer Ministry is again offered at all our Sunday services.

A team of people regularly spend time praying and listening to God before our services. When they receive something specific, which God tells them is to be shared with the church, it is read out in the service to encourage individuals to receive prayer ministry.

Everything we do needs to be built on a foundation of prayer, and there are a number of small groups who meet to pray hard every week for our church, for those we serve and for all God's world. Intercessory prayer – sometimes altogether, at other times within small groups – has become a particular focus of the Tuesday 10.00am service.

Worship is a response to the light of God in our lives. When we encounter Him, the natural response is worship; but we need to keep focussed on Him. We are blessed with a wonderful variety of music and other material to worship our God. We hope this will draw together the individual heart cries of each person present. This year we have sought to remove some of the things which might distract us from God by improving the AV words, balancing the volume so that music enhances rather than overwhelms the words and by choosing words which are meaningful and Christ-centred.



In September our more traditional Sunday 6.30pm service was replaced with a less formal service held at 5.30pm, called Encounter. These services focus on sung worship, shared testimony, a talk and individual prayer ministry. Separate teaching is provided for young people – which in 2023 includes a youth Alpha course. After-service fellowship (accompanied by pizza!) is an important part of the service. Right from the start we have had about 40 people attending Encounter – significantly more than recent attendance at the previous service. There are of course still changes to make, but it has been an encouraging start and we look forward to Encounter becoming a service that people feel comfortable to invite friends to.

It is good to see some new people to the church joining Life Groups. The number of groups remains static at the moment with two women's group, one for men and several mixed. We have groups meeting morning, afternoon and evening. One meets on Zoom. Groups have studied a mixture of courses depending on their specific need, sometimes following sermon series. We have had two get-togethers for life group leaders in the year to ask for feedback and to encourage and thank them. There was a Life Group promotion Sunday in September to highlight this important area of church life – but individual invitation is consistently the most effective way to grow.

After two years on-line, New Wine was at last able to meet for United, their summer event in 2022. So a group of 18 people from St Luke's went to Peterborough in the summer for 6 days. In some ways, nothing was quite like it was before Covid – but together it was one of the best events we can remember. There were many highlights including the morning Bible Readings led by Jon Tyson on honour, ambition, joy and love ("God comes to where He is wanted"). But just as important as the teaching is the opportunity to be together, to eat together and to grow closer in the Lord.

Focus on children, young people and families

Sunday morning sessions have continued throughout the year and the enthusiasm is a joy. It has been good to see some new children joining the church – but not all families are able to attend consistently week-by-week. So we have to write session material which can be flexed, say, from two to ten attendees (which does limit the scope for games!). But there have been many encouragements.

When Encounter launched there was concern that the new group for young people would reduce attendance in the morning. That has happened a bit for Altitude (secondary school age) but it hasn't really affected the younger groups. Meanwhile, youth attendance at the Encounter group has been really good and consistent – and it is a joy to see them helping in welcoming and serving pizza. We will start youth Alpha for them in 2023.

Engaging young people during church services remains quite difficult, although the Joseph series at the start of 2023 has made a great impression on our junior school age children.

We still run three midweek youth groups. Numbers at K2 and Base are encouraging – and their enthusiasm can be awesome. Rise is a very small group, increasingly busy with demanding schoolwork. In the autumn Urban Saints also

moved to a midweek slot. The new group is happy, growing and thrives in having young teenage leaders to help. It is not our usual policy in this report to thank individuals by name – but after more years than they would wish us to count, Bill and Susan Miller have stepped down as leaders of Urban Saints. We are immensely grateful for everything they have done and for the many ways God has used them in this role.

The Thursday morning **toddler group** is growing very fast. There are new helpers and we have started a Bible Story corner with an activity each week. In Autumn, **Breakfast Club** started. This is for young families and meets fortnightly on Saturdays. The format is similar to 'Heroes'. A small loyal base is becoming established and growing, although it would be good to have one or two more church families attending regularly.



During the first week in August the church and hall were transformed into the Body Builders **Holiday Club**. Over 70 children aged 5-11 attended over the 4 days; probably more than half of whom were not from the church. We played games; we did craft; we learned about how Jesus makes us into the people He wants us to be; and we did our best to avoid the custard pies. Lunches were provided and were a big hit!



Other outreach events have included a **Light party** in the church where many who came to look were from community groups they were attending in the building. Our **Christingle** and **Nativity** services were both well-attended

The **uniformed organisations** continue to progress well, with **Scouts** in particular thriving. It has been encouraging to see them taking a more active part in the church parade services – although live-streaming and Sunday sport do reduce the number able to attend. The Remembrance Day service this year was particularly memorable.

Links with **schools** seem to be growing. We have worked with Cassiobury Junior and Infant schools, Nascot Wood Infants, Lanchester and Merchant Taylors' prep school during the year. Sometimes Lydia or Michael take lessons or assemblies; on other occasions the children will visit St Luke's. We have very positive links with **pre-school** here, of course, and also welcomed Queen's school to St Luke's in December for their carol service.

Reaching out to our parish, to one another, to our world

Wycliffe Mission

For many, the real highlight of 2022 has been the visit in March by a group of ordinands and other students from Wycliffe Hall, Oxford. They were looking to experience a real parish for 9 days; we were looking for their help in reaching out to our local community. They would be sharing with church groups and others who use our building; joining us in prayer-visiting homes in the parish; and devising and hosting some specific events. The strapline for the mission was 'Live Life'.

In a sense nothing went right: most of our staff team and several of the Wycliffe team had COVID and were isolating; those who were well didn't know the plans; and more people were catching COVID as events progressed.



But perhaps that's when we find out how God knows much better! Unexpected people were stepping up to take responsibility. New plans were falling into place when no one knew quite what was meant to happen. Wycliffe team members were coping with talks being changed at short notice and with being moved from host to host when needed. The catering volunteers were meeting and working out together how things could work better.

The mission was exhausting – after 5 days people said they felt they were living at St Luke's. But this group of young people who loved God, loved His word, and were so enthusiastic about sharing Jesus for the whole of their lives were bringing refreshment and encouragement. Canon Bruce Gillingham, their tutor, gave wise advice and great energy without ever taking over (unless we asked). Exhausted? Maybe – but inspired too!

Everyone involved had their own highlight from the mission:

- The welcome barn dance – the first time since Covid that the church had met together socially.
- The sermon on the first Sunday service as we sensed the week was going to be special
- Question time – ordinands giving authentic rather than text book answers; hearing Wayne's testimony
- Being apprenticed in sharing Jesus' compassion on the doorstep.
- Bruce sharing the gospel in French to a lady who was leaning out of her upstairs window
- The blessing that meeting people who appreciate your visit and really want to talk about Jesus brings – even if that means "only covering 4 houses in nearly 2 hours".
- The way team members joined the activities at each group; and answered even the penetrating questions asked by children
- 46 men eating together at the Essex – and actually talking.
- International tea-party
- Refresh evening – reflection, relaxation and excellent music for teachers and others stressed by the pandemic
- Henry's sermon on the second Sunday morning – "just the right message for us, at just the right time"

Our abiding memory is of the encouragement of meeting new people who love the Lord Jesus. So thank you Fiona, Henry, Wayne, Tom, Stephen, James, Simon, Lena and Bruce.

Other reaching out initiatives

We intended Live Life to kick-start a habit of **prayer-visiting** homes across the parish. Two more sessions have been organised since: the roads on the far side of the dumps; and Parkside Drive. Without the organisational support of Wycliffe, we have been learning the value of planning well in advance; carrying the right leaflets; meeting to pray and encourage one another both before and after; and keeping proper records. Despite our inexperience, God is blessing these times. Individuals we've met have started coming to Toddlers and other groups; we were able to help someone in trouble, specifically because we had met someone connected on a prayer-visit; we often feel welcomed and are seeing God's goodness. Prayer-visiting can't just be a one-off exercise. In 2023 we will start going back to some homes we've visited before, as we continue seeking to offer genuine and consistent friendship to those we serve.

The role of the **welcome team, stewards and coffee team** in church is really important in helping new people to feel welcomed and to want to join with us as disciples of Jesus Christ. Once or twice a year we hold **welcome lunches** for people who have joined recently to help them find the right life-group and activities which will help their faith flourish.

An important part of St Luke's evangelistic ministry is the **Alpha course** that we hold each autumn. There was a really international flavour to the group joining this year. Ten guests completed the course, which takes place on Wednesday evenings, along with a 'Holy Spirit Awayday' held on a Saturday at Restore Hope Latimer. This day proved a significant occasion for several guests.

The location and facilities of our buildings mean lots of people use them who may be only loosely connected with the church. We run regular and one-off 'cross-over' events to welcome visitors and friends:

- **Community Coffee** happens each week after the Tuesday 10.00am service and provides an opportunity for local members of the community to join with worshippers for a chat over a cup of coffee.
- **Friday club** now meets monthly, providing food, entertainment and friendship for older people on the estate.
- On Friday mornings, at **pre-school coffee** St Luke's members and a small group of mums meet up over coffee to listen, to care and to share experience. God is really blessing these times as they share about one another's culture and chat readily moves onto the things which really matter to them.
- **Cameo** meets every month for talks, films and social events. It provides excellent opportunities for ladies in the church to meet and bring friends along. A few Cameo Plus events are also held, to which men are also invited.

- **Creative Space** attracts around 30 ladies for craft activities every other month, with an informal chat, craft and share in between. Lots of non-church members attend and enjoy time together. There is a 5-minute God-focussed talk at each event which this year has included: flower arranging; origami; calligraphy; jewellery making; and Christmas Crafts with a much-appreciated breakfast. Lots more planned for the coming months.
- Cassiobury and Neighbourhood Community Choir (**CanCC**) was started near the start of the year. There are 20+ members of whom about half are church members. Singing is a really good activity for bringing people (of all musical abilities) together and is a good way for Christians and non-Christians to become friends. CanCC has sung for customers at The Essex on several occasions, has done a concert in church and, at the start of 2023, are taking part in some of the morning services.
- To celebrate the late Queen's **platinum jubilee**, we held a party the weekend before, inviting people who live in and near the parish. Over 120 guests came, the majority of whom we don't normally see in church.
- In the summer there were two **wine-tasting** events in the vicarage garden. Our vicar Michael (with the skill of a true sommelier) demonstrated the difference pairing the right wine and food together can make. These events were followed in December by a Christmas edition - the wine to drink with your Christmas lunch.
- About 80 **Christmas Puddings** were mixed at our now traditional pre-Christmas event. Its popularity has enabled us to keep in touch and get to know many other users of our building.



Reaching out also includes supporting and praying with those in our fellowship who are ill, sad or in need of special support. The **pastoral care** team coordinate visiting and distribute small gifts to remind individuals that they are remembered and cared about.

Like many churches, St Luke's was open for silent prayer during the **period of mourning** for our late queen. This was greatly appreciated by those who took advantage of that opportunity. A book of condolence was available for signing.

We continue to pray for the families of several we know who have died during the year – some were people of deep faith who have been used by God to bring blessing and encouragement.

We also give thanks for the church family celebrations in 2022 – for marriages, baptisms and confirmations.

Reaching out - Partners in Mission

It is our privilege to be part of extending God's kingdom beyond our own parish as we partner with individuals and organisations serving elsewhere. We support eleven individuals with whom we have a direct relationship – in most cases providing financial support and always in prayer and with our love.

In addition we have links with a number of partnership organisations working locally, across the UK and overseas.

During the year we have been blessed by link partners from Nepal, UK and India and other visitors from Hong Kong and Taiwan at our Sunday services. They have shared their experiences; their prayer needs; and their encouragements with us.

Our major fund-raising projects for 2022 have been for Christian Aid's East Africa appeal and for the Diocese's appeal for Ukraine. (Please note that much of this money raised has been sent directly and so doesn't appear as part of the St Luke's financial statements). We have also raised funds for the Bishops's harvest appeal; our own 'Santa's hampers' which provided Christmas hampers for the refugee project; and have supported the TEAR Fund Big Quiz.



Facilities

We are blessed at St Luke's to have such excellent buildings which provide a focus for the community, as well as our own ministry. Since COVID there has been a significant increase in the use of the building – which is reflected in the room hire income for 2022; considerably higher than it ever was before COVID.

Throughout COVID the normal repairs and maintenance of plumbing, heating, lighting, gutters, lift, windows, etc have continued as normal, coordinated by the church administrator and using preferred contractors and a few active Building Group members to complete the work. In addition, this year there have been a few projects including upgrading the rest of the interior lighting to LED; repairing a significant leak in the flat roof; and installing blinds and light fittings in the hall to allow more effective use of projectors. We have taken advice to help us better control our heating system and are already seeing reductions in gas usage as a result.

The AV team have again done good work in maintaining AV for both in-church and on-line worshippers. A new PC has been acquired to allow a significant upgrade to our AV process including a new version of EasyWorship and a new fixed camera has been installed in church.

2022 was also the year for a Quinquennial Inspection which took place in the summer. As ours is still a relatively new building, there were no surprises – but it was encouraging to note that many recommendations were already on the planning spreadsheet.

RISK MANAGEMENT

The PCC considers that the principal risks faced by St Luke's have been:

- Safeguarding children and vulnerable adults
- Managing the health, safety and well-being of staff and congregation
- Financial risk
- Use of personal data (GDPR)
- Keeping users of the church buildings safe during COVID

Safeguarding

The PCC is committed to doing all we can to ensure that any child or any adult at risk of harm who comes to St Luke's is kept safe and protected.

The care and protection of children, young people and adults involved in church activities is the responsibility of everyone who participates in the life of the church. The Parish Safeguarding Officer and Lead Recruiter ensure that effective and correct documentation and procedures are in place and followed. They also arrange and monitor DBS and training for individuals with any sort of involvement and ensure that accurate records are maintained. The PCC reviews all safeguarding documentation annually and regularly receives reports on safeguarding activity.

A more detailed annual Safeguarding Report will be presented at the forthcoming Annual Meeting, a copy of which can be obtained from the correspondence address.

The PCC considers it has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to the House of Bishop's guidance on safeguarding children and vulnerable adults).

Health, safety and well-being

This is a wide brief, which covers a range of risks. The Health and Safety Officer and the Church Administrator ensure that policy and procedures are in place and that people are aware of them. Health and safety inspections are carried out at least annually, enabling areas of concern to be addressed and policy to be updated where necessary. Risk assessments are in place for all key areas/activities and during the year these have all been checked for accuracy. We are starting a more thorough review of some of them to ensure that they better reflect the way that we do things today.

Financial

The church treasurer has established a robust system of financial controls, based on budgets, proper authorisation of all payments and segregation of duties. The PCC sets the annual budget and scrutinises monthly management accounts, which analyse variances to budget and prior year. At every PCC meeting the treasurer delivers a report.

GDPR

The Church Administrator (with specialist advice) monitors and advises on how personal data is used in church and whether it is in line with our data policy and current legislation. Care is taken to ensure individuals do not appear on live stream broadcasts without their permission. The COVID requirement to collect contact information from visitors to the building was maintained. Personal consent forms have also been updated to allow individuals to give consent for appearance on social media and streaming. During the year we implemented ChurchSuite software, with care taken to ensure that confidential data is properly identified and kept secure. Training sessions are provided for church members from time to time.

There has been no recorded report of data breaches or data losses at St Luke's.

COVID

As COVID regulations and guidelines about using our building have changed, it has been essential that we operate in a safe and legal way. Detailed risk assessments were prepared and updated; special procedures were drawn up; and staff and volunteers trained to ensure the procedures worked. Hand sanitisers, sprays, sign-in sheets, QR codes, etc were all provided, and there are clear instructions about how rooms should be used and any limits to numbers. While applicable, the seating in church was moved to facilitate social-distancing and to provide those who wished to wear masks and socially distance to sit together.

The Churchwardens took direct responsibility for operating the building safely, with the Church Administrator and the rest of the staff team managing much of the extra day-to-day workload.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The PCC is a corporate body established by the Church of England. It operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity (No 1130376).

The method of appointment of PCC members is set out in the Church Representation Rules. At St Luke's the membership of the PCC consists of the incumbent (our vicar), churchwardens, one of the readers and members elected by those members of the congregation who are on the electoral roll of the church. All those who attend our services are encouraged to register on the electoral roll and stand for election to the PCC. Two of the elected places are reserved initially for youth aged 16-18, if they wish to stand.

The PCC is 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 met 6 times during the year with an average attendance of 68%. Given the breadth of its responsibilities, the PCC has sub-committees and working parties dealing with specific aspects of parish life:

Sub-committees

- Executive (standing committee)
- Building and equipment group
- Finance
- Partners in mission

Working parties

- Life group/Alpha coordination
- People and pastoral care
- Prayer ministry
- Children and youth
- Communication/publicity

The PCC appoints individuals to be Prayer Coordinator, Health & Safety Officer, Parish Safeguarding Officer, Lead Recruiter/DBS Administrator and GDPR Officer.

All these committees and officers are responsible to the PCC and report back to it regularly. Minutes of relevant meetings are received by the full PCC and discussed as necessary.

There are two other working groups at St Luke's which report directly to the vicar:

- Leading and preaching team
- Mission advisory group

FINANCIAL REVIEW AND RESERVES POLICY

Our 2022 financial statements show an overall surplus of £116.7k for the year (£8.5k deficit in 2021). This surplus was made up of £100k revaluation surplus on 23 Orchard Close (2021: £0k), a £4.3k surplus on restricted funds (2021: £1.5k deficit) and an operating surplus of £12.4k (2021: £7.0k deficit).

This was significantly better than our budget (£12k deficit) reflecting a significant increase in room hire income. Overall giving was down from £263k in 2021 to £237k. This reflects there being no Partnership appeal in 2021 and a number of other appeals to which church members will have given directly rather than via St Luke's. General fund giving was 2% up year-on-year.

Operating costs have increased by 9%. This includes the early impact of utility costs and increased premises costs following Covid and to support much higher usage of the building.

Because of a late surge in income, we were unable to give the whole 10% of unspecified income during the year. The PCC have designated £990 of the reserves (PIM fund) which will be given away in 2023 in addition to the budget amount based on our anticipated 2023 income.

Utility costs are increasing dramatically – and despite the excellent financial performance of 2022 we anticipate a significant deficit for 2023. An energy review committee has been set up by the PCC to review possible options to save on running costs.

General reserve

This fund handles all the church's regular income and operating costs. Giving was £5k up year-on-year at £226k. Room hire was £37k up at £64k and other income was £5k up. Total income was £317k. £30.5k was given away and operating expenses (mostly staff and premises) cost £270k. A loss of £3.5k on the market value of investments reduced the overall surplus to £12k.

71% of general reserve income comes from member giving. This has held up in 2022, but required a couple of generous one-off gifts to do so.

Costs are increasing. We were able to give a (less than inflation) pay rise to staff in April, and as the building is being used extensively again, we have needed more maintenance work and seen higher prices. Premises costs (excluding utilities) have increased from £29k in 2021 to £35k in 2022. Grants and government subsidies have offset much of the 2022 utility cost increases – but they are coming to an end and the picture for 2023 looks bleak

The parish quota was paid in full.

Designated Fund

Each year the PCC reviews the value of its unrestricted reserves. It has agreed to hold an operating general reserve of £40k. This represents the amount the PCC thinks is necessary to operate in the normal course of events – allowing for the fact that income can come in sporadically, whereas staff costs, quota and utilities have to be paid every month. Funds which are tied up in fixed assets are held in the Capital Reserve. PCC then decide when and how they anticipate that any additional unrestricted funds will be used and move them to the Designated Fund. At year-end PCC had designated £125k as follows:

- £30.0k to fund key maintenance over and above routine yearly work. This has been reduced from £57k last year to designate funds available for the energy review
- £47.5k is designated to cover the potential cost of housing for curate for three years if, as expected, one is appointed in June 2024. This is the same amount as last year – although then we classified the amount more generally as a 'staff development fund'.

- £1.0k is designated for PIM. PCC seeks to give away 10% of the unspecified income received. This was not fully reflected in 2022 giving and £990 is being carried over to 2023.
- £27.5k has been designated to pay for solar panels or other initiatives which may be recommended by the Energy Review Committee.
- £19.0k has been put aside as a caution against the 2023 budget deficit of £24.5k.

Earmarked Fund

This fund is used to hold and distribute amounts given for specific purposes. £11.2k was received and £8k paid out during the year. The increase related to Hampers where the money received was £2k more than the cost and to some earmarked giving at the end of the year, which wasn't paid on until January 2023. £1.2k was returned from a £9k grant made in 2021 – this reflected the actual costs which have been incurred on the project.

For two of the major appeals in 2022 (Christian Aid's East Africa Appeal and the Ukraine appeal), it should be noted that many members of the congregation will have given directly to the cause, rather than via St Luke's.

Partnership Fund

There were no appeals during 2022 and the balance on the fund has remained at £2,504. A Partnership appeal is being planned for 2023.

Balance Sheet

Total net assets have increased from £761k to £877k.

The PCC has re-valued the property at 23 Orchard Close from £600k to £700k in the light of current market conditions. The PCC has also taken account of a decrease of £3.5k in the value of the investment in the Church of England Fixed Interest Fund. Cash and short term deposit balances have increased from £122k to £141k.

VOLUNTEERS AND STAFF

The PCC is hugely appreciative of the many, many individuals who work so hard to make our church the lively and vibrant community that it is.

- Our deputy wardens, stewards, the welcome team, and those who do the coffee and refreshments at services and other events
- The musicians who play, sing, compose or record songs to help our worship
- The technology and AV team who work to help us see, hear and follow the services - whether we are in the building, or watching on-line, or receiving a pre-recorded DVD
- Those who preach, lead prayers or read Scripture at services
- Those who prepare, teach and help with our toddler, children and youth groups on Sundays or during the week; including the youth leaders who are so crucial at Urban Saints
- The pastoral network team and the prayer ministry team as they continue to phone, visit and pray.
- Those who lead and support life groups, Alpha, Creative Space, Cameo, CanCC and the various social and outreach activities.
- Those who provide meals for Alpha meetings and those who wash up afterwards
- The Building group and all who volunteer to do maintenance and cleaning work in the building or garden
- Those who prepare the church for services – flowers, communion laundry, cleaning silver
- Those who come back late every evening to make sure the church is locked up and lights switched off
- Those who ensure that the giving we receive is counted and banked, and that bills are paid on time and properly accounted for
- Those who give, often sacrificially, both through regular giving and in response to specific appeals
- Those responsible for making sure that we are legal and that everyone is kept safe
- People who write to our partners-in-mission, who keep us informed and prompt us to pray for them
- Those who write content, edit, print and distribute our magazine
- Those who organise and prepare door drop material and gifts; and those who together knock on every door in the parish to deliver them
- Those who design and produce our communications including website content and posters
- Those who cover everything which happens at St Luke's in prayer – at prayer meetings and privately

- Those who notice and take the time to thank and encourage people who serve and worship at St Luke's
- Those who have served on PCC, its sub-committees or working groups
- Our staff team

Whenever we prepare a list such as this, we are astonished at just how much is being done, and by so many. We thank each one of you – and give thanks to God for you.

Approved by the PCC on 28 March 2023 and signed, on its behalf by Michael Norman (Chair of PCC)

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PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2022

		Unrestricted funds	Restricted funds	Total funds	
	Notes	£	£	2022 £	2021* £
Income from:					
<i>Donations and legacies</i>	3(a)	225,787	11,189	236,976	263,283
<i>Charitable activities</i>	3(b)	73,132	0	73,132	33,405
<i>Other trading activities</i>	3(c)	15,920	0	15,920	15,600
<i>Investments</i>	3(d)	2,207	0	2,207	736
<i>Other income</i>	3(e)	300	0	300	300
Total income		317,346	11,189	328,535	313,324
Expenditure on:					
<i>Charitable activities</i>					
<i>Grants</i>	4(a)	30,700	5,141	35,841	70,141
<i>Other charitable activities</i>	4(b)	270,799	1,755	272,554	249,911
Total expenditure		301,499	6,896	308,395	320,052
Net income before gains/(losses) on investments		15,487	4,293	20,140	(6,728)
Net (losses) on investments		(3,483)	0	(3,483)	(1,805)
Revaluation of 23 Orchard Close		100,000	0	100,000	0
Net income/(expenditure)		112,364	4,293	116,657	(8,533)
Net movement in funds		112,364	4,293	116,657	(8,533)
Total funds brought forward		752,811	7,852	760,663	769,196
Total funds carried forward		865,175	12,145	877,320	760,663

*Comparative figures for Funds for 2021 are set out in Note 2

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
BALANCE SHEET
at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible	6(a)	700,000	600,000
Investments	6(b)	21,887	25,370
		721,887	625,370
Current assets			
Debtors	8	11,074	10,386
Short term deposits		142,224	122,361
Cash at bank and in hand		10,324	7,795
		163,642	140,542
Current liabilities			
(Amounts falling due within one year)	9	(8,209)	(5,249)
Net current assets		155,433	135,293
Net assets		877,320	760,663
Funds			
Unrestricted	11	865,175	752,811
Restricted	12	12,145	7,852
		877,320	760,663

Approved by the Parochial Church Council on 28 March 2023, and signed on its behalf by:

Michael Norman
Chair, St Luke's Parochial Church Council

Martin Kirk
Treasurer

The notes on pages 17 to 25 form part of these financial statements

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and the Charities Statement of Recommended Practice (SORP) FRS102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and investments. The PCC is a Public Benefit Entity as defined by FRS 102.

Critical accounting estimates and judgements

In the application of the PCC's accounting policies, the members of the PCC are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern

The members of the PCC assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the PCC to continue as a going concern. The members of the PCC make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus, the PCC continues to adopt the going concern basis of accounting in preparing the accounts.

Funds

Unrestricted funds represent funds of the PCC that are not subject to any restrictions regarding their use and are available for use for the general purposes of the PCC. The General Reserve holds the liquid funds which the PCC believes necessary to run the church in the normal course of events; the Capital Reserve represents those unrestricted funds which are tied up in the form of fixed assets; and the Designated Fund contains unrestricted liquid funds which have been designated for specific purposes by the PCC.

Earmarked Fund handles funds which have been donated for a specific purpose. These funds are restricted.

Partnership Fund (previously Thanksgiving Fund) handles funds donated by way of major appeal, to enable the Church to make specific grants to other churches and Christian organisations. This fund is also restricted.

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

Income

Voluntary income and activities for generating funds:

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

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

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

Funds raised at social and similar events are accounted for gross.

Sales of books and magazines are accounted for gross.

Activities related to church work

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

Investment income

Interest and dividends are accounted for when receivable.

Expenditure

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. The PCC has decided to make total grants in the year equal to 10% of the non-specific income to the General Fund. Grants are made to support living and other costs of other charities or individuals who have or have had a personal, established connection to St Luke's church. The grants are made in support of the primary objects of the PCC.

Activities relating to church work

The diocesan parish share is accounted for when payable.

Fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by s.10 of the Charities Act 2011. All of St Luke's premises, with the exception of the Large Hall (formerly the church), the Chapel and 23 Orchard Close, are consecrated.

No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property.

All expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings, furniture and office equipment

Fixtures and fittings are depreciated on a straight line basis over 5 years and furniture and equipment over 4 years. Individual items costing less than £1,000 are not capitalised but are fully written off in the year of acquisition.

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.

Cash and cash equivalents include cash in hand, deposits held at call with banks. Short-term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.

Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Creditors and provisions

Creditors and provisions are recognised where the PCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

Risk Management

Financial risk is managed through budgets and regular reporting of the management accounts to the PCC.

2	COMPARATIVE NUMBERS FOR 2021	Unrestricted funds	Restricted Funds	Total funds
		£	£	£
	Income from:			
	<i>Donations and legacies</i>	220,661	42,622	263,283
	<i>Charitable activities</i>	33,405	0	33,405
	<i>Other trading activities</i>	15,600	0	15,600
	<i>Investments</i>	736	0	736
	<i>Other income</i>	300	0	300
	Total income	270,702	42,622	313,324
	Expenditure on:			
	Charitable activities			
	<i>Grants</i>	26,000	44,141	70,141
	<i>Other charitable activities</i>	249,906	5	249,911
	Total expenditure	275,906	44,146	320,052
	Net (expenditure) before gains/(loss) on investments	(5,204)	(1,524)	(6,728)
	Net (losses) on investments	(1,805)	0	(1,805)
	Revaluation of 23 Orchard Close	0	0	0
	Net income/(expenditure)	(7,009)	(1,524)	(8,533)
	Net movement in funds	(7,009)	(1,524)	(8,533)
	Total funds brought forward	759,820	9,376	769,196
	Total funds carried forward	752,811	7,852	760,663

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

3 INCOME FROM:	Unrestricted Funds	Restricted Funds	Total funds	
	£	£	2022 £	2021 £
3(a) Donations and legacies				
Planned Gift Aided	127,933	0	127,933	117,487
Unplanned Gift Aided	23,640	6,820	30,460	60,440
Income tax recoverable	41,721	1,705	43,426	44,808
CAF & Stewardship	2,688	1,050	3,738	7,548
Other planned giving	15,184	0	15,184	20,390
Cash collections & donations	8,342	1,614	9,956	12,610
Legacies	5,000	0	5,000	0
Grants	1,279	0	1,279	0
	225,787	11,189	236,976	263,283
3(b) Charitable activities				
Room lettings	64,305	0	64,305	27,217
Church events	4,219	0	4,219	3,009
Fees	2,594	0	2,594	1,304
Other related to church work	1,890	0	1,890	1,270
Books and photocopies	124	0	124	605
	73,132	0	73,132	33,405
3(c) Other trading activities				
Rent received from Orchard Close	15,920	0	15,920	15,600
Fund raising	0	0	0	0
	15,920	0	15,920	15,600
3(d) Investments				
Interest and dividends	2,207	0	2,207	736
	2,207	0	2,207	736
3(e) Other income				
	300	0	300	300
Total income	317,346	11,189	328,535	313,324

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

4	EXPENDITURE ON:	Unrestricted Funds	Restricted Funds	Total funds
				2022 2021
		£	£	£ £
4(a)	Grants			
	Overseas work	16,335	4,476	20,811 39,624
	UK work	3,700	905	4,605 4,257
	Local work	10,665	(239)	10,426 26,260
		30,700	5,141	35,841 70,141
4(b)	Other charitable activities			
	Parish Share	112,985	0	112,985 112,922
	Utility costs	13,567	0	13,567 9,301
	Other premises running costs	35,493	1,755	37,248 28,906
	Youth and children	39,601	0	39,601 37,857
	Music director and music costs	30,228	0	30,228 26,180
	Administration	29,982	0	29,982 24,831
	Church events	1,533	0	1,533 2,028
	Printing and stationery	2,111	0	2,111 1,958
	Adult groups and outreach	2,055	0	2,055 1,784
	Catering	1,291	0	1,291 1,300
	Vicar's expenses	1,203	0	1,203 1,133
	Books & bible notes	0	0	0 985
	Governance costs (note 15)	750	0	750 726
		270,799	1,755	272,554 249,911
	Total expenditure	301,499	6,896	308,395 320,052

A £9,000 local grant was made from restricted funds in 2021, of which £1,171 has been returned during 2022 as the full cost hasn't been incurred as soon as originally expected.

5	STAFF COSTS			
	Salaries and allowances	65,511	0	65,511 60,662
	National Insurance	0	0	0 0
	Pensions	3,899	0	3,899 3,131
		69,410	0	69,410 63,793

During the year the PCC employed an Administrator, a Worship Leader / Administrator, a Youth Director, and a Children & Families leader. None of these earned more than £60,000 pa

No member of the PCC received remuneration or reimbursement of expenses, except as referred to in Notes 14 and 16.

The PCC contributes to a defined contribution pension scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year that they are payable. The amounts paid during the year are as shown above.

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

6	FIXED ASSETS FOR USE BY THE PCC			2022	2021
6(a)	Tangible	£	£	£	£
		Land & Building	Furniture Fittings & Equipment	Total	Total
	Cost or valuation				
	At 1 January	600,000	28,966	628,966	628,966
	Additions	0	0	0	0
	Disposals	0	(4,020)	(4,020)	0
	Revaluation adjustment	100,000	0	100,000	0
	At 31 December	700,000	24,946	724,946	628,966
	Depreciation				
	At 1 January	0	28,966	28,966	28,966
	Charge for the year	0	0	0	0
	Disposals	0	(4,020)	(4,020)	0
	At 31 December	0	24,946	24,946	28,966
	Net book value				
	At 1 January	600,000	0	600,000	600,000
	At 31 December	700,000	0	700,000	600,000

In accordance with the appropriate accounting policy (based on the Charities Act 2011 and the Charities SORP (FRS102)), the cost of the new church and associated buildings has been excluded, as the whole complex comprises Consecrated Land & Buildings.

The PCC regards all the moveable church furniture and fittings (primarily the seating, audio-visual equipment and the organ) as inalienable property which would require a faculty for disposal.

The value of 23 Orchard Close is based on the PCC's reasonable best estimate having regard to local market conditions as at 31 December 2022.

6(b)	Investments	£	£
	Market value at 1 January	25,370	27,175
	Additions at cost	0	0
	Revaluation	(3,483)	(1,805)
	Market value at 31 December	21,887	25,370

During the year an investment has been held for the Unrestricted Funds in the CBF Church of England Fixed Interest Fund. The holding throughout the year has been 16,021.53 shares and the value per share at 31 December 2022 was 136.61p (158.35p at 31 December 2021).

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

7	FINANCIAL INSTRUMENTS	2022	2021		
		£	£		
	Carrying amount of financial assets				
	Debt instruments measured at amortised cost	8,245	6,919		
	Carrying amount of financial liabilities				
	Measured at amortised cost	794	2,096		
8	DEBTORS	£	£		
	Income tax recoverable	6,945	4,461		
	Accrued income	1,300	2,458		
	Prepayments & deposits	2,829	3,467		
		11,074	10,386		
9	AMOUNTS FALLING DUE WITHIN ONE YEAR	£	£		
	Creditors for goods and services	794	2,096		
	Accrued expenses	6,247	3,153		
	Room hire deposits held	672	0		
	Other creditors	495	0		
		8,209	5,249		
10	ANALYSIS OF NET ASSETS BETWEEN FUNDS				
	Unrestricted	Restricted	Total funds		
			2022	2021	
	£	£	£	£	
	Fixed assets	721,887	0	721,887	625,370
	Current assets	151,497	12,145	163,642	140,542
	Current liabilities	(8,209)	0	(8,209)	(5,249)
	Fund balance	865,175	12,145	877,320	760,663

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

11 UNRESTRICTED FUND DETAIL	2022	2021
	£	£
General reserve	40,185	48,621
Capital reserve	700,000	600,000
Designated fund	124,990	104,190
	865,175	752,811

Designated fund represents unrestricted funds in excess of that required to operate in the normal course of events, and which is not tied up in fixed assets. The PCC need to disclose how it anticipates such funds will be used.

The current balance of £124,990 comprises:

- *£990 additional discretionary giving in respect of 2022 income, which will be distributed in 2023 (PCC seek to give away 10% of the unspecified income received)*
- *£30.0k available for maintenance over and above routine yearly maintenance*
- *£47.5k has been put aside to cover three years potential accommodation costs for a curate, if one is appointed in June 2024*
- *£27.5k has been designated for use by the energy review committee for the provision of solar panels or other changes that may be proposed. This might be spent by end 2024*
- *£19.0k is being held to cover a possible deficit in 2023. Because of high utility costs there is a budget deficit of £24.5k, although there is cause to hope it won't be quite that high*

The prior year balance of £104,190 comprises:

- *£56,690 long term maintenance fund*
- *£47,500 staff development fund*

12 RESTRICTED FUND DETAIL	2022	2021
	£	£
Earmarked Fund	9,641	5,348
Partnership Fund	2,504	2,504
	12,145	7,852

13 STATEMENT OF FUNDS

Fund name	Balance b/f	Income	Expense	Gain/loss /transfer	Balance c/f
	£	£	£	£	£
General reserve	48,621	317,346	(301,499)	(24,283)	40,185
Capital reserve	600,000	0	0	100,000	700,000
Designated fund	104,190	0	0	20,800	124,990
Earmarked	5,348	11,189	(6,896)	0	9,641
Partnership	2,504	0	0	0	2,504
TOTAL FUNDS	760,663	328,535	(308,395)	96,517	877,320

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

13 STATEMENT OF FUNDS (continued)

Fund name	Balance b/f	Income	Expense	Gain/loss /transfer	Balance c/f
	£	£	£	£	£
COMPARATIVE NUMBERS FOR 2021					
General reserve	50,260	270,672	(275,906)	3,595	48,621
Capital reserve	600,000	0	0	0	600,000
Designated fund	109,560	30	0	(5,400)	104,190
Earmarked	9,372	25,136	(29,160)	0	5,348
Partnership	4	17,486	(14,986)	0	2,504
TOTAL FUNDS	769,196	313,324	(320,052)	(1,805)	760,663

14 TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

	2022	2021
	£	£
Expenses paid to Trustees (Vicar's working expenses)	1,203	1,133
No of Trustees receiving expenses	1	1

15 GOVERNANCE COSTS

Fees for Independent Examiner	750	726
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16 RELATED PARTY TRANSACTIONS

Income

Rent received from trustee in respect 23 Orchard Close PCC consider the rent to be at an appropriate level	15,920	15,600
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Expenses

Fees paid to Music Director who is married to a trustee	20,667	20,314
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Grants

As in many churches, some members of St Luke's or their family are involved with other Christian charities and organisations. We encourage such people to serve on PCC and its sub-committees because they help keep our prayer and discussion well-informed and relevant - in particular with regards spending priorities and the financial grants or gifts we may wish to make.

No individual can make spending or giving decisions alone - and where an individual is part of a group which makes such decisions, they are not allowed to vote on any proposal involving a party to which they have a close connection. During the year, St Luke's made donations to the following organisations in which a PCC or PIM sub-committee member has a close connection.

Rafiki Thabo Foundation	1,750	16,231
Watford New Hope Trust	2,000	1,240
Friends International	2,125	2,125

STATEMENT OF PCC RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Charities Act 2011 requires the PCC to prepare financial statements for each financial year, which give a true and fair view of the PCC's financial activities during the year, and its financial position at the end of the year. In preparing financial statements, the PCC seeks to:

- Follow best practice and guidance provided by the charity commissioners, Church of England, St Albans diocese and other sources
- Use suitable accounting policies consistently
- Make judgements and estimates that are reasonable
- State and apply applicable accounting standards and statements of recommended practice, and explain any areas of concern or deviation
- Prepare financial statements on the going concern basis unless it is appropriate to assume that the PCC will not continue its operations.

PCC members have overall responsibility for ensuring the PCC has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper records which disclose and explain with reasonable accuracy at any time the financial position of the PCC and enable them to ensure that the financial statements comply with the 2011 Act. They are also responsible for safeguarding the assets of the PCC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to ensure that:

- The PCC is operating effectively and efficiently
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained
- Financial information used within the PCC or for publication complies with relevant laws and regulations

As far as the PCC is aware, there are no relevant examination information (information needed by the PCC's independent examiner ("Examiner") in connection with preparing this report) of which the Examiner is unaware. Each member of the PCC has taken all the steps that they ought to have taken as members of the PCC in order to make themselves of any relevant examination information and to establish that the Examiner is aware of that information.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ST LUKE'S PAROCHIAL CHURCH COUNCIL

I report to the trustees on my examination of the accounts of Parochial Church Council ("PCC") for the year ended 31 December 2022.

Responsibilities and basis of report

As members of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's accounts carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the PCC has prepared accounts in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

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

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford Hertfordshire WD25 0NE

Date: 29 March 2023

ADMINISTRATIVE INFORMATION

St Luke's church is situated in Langley Way, Watford. It is part of the Diocese of St Albans within the Church of England. The correspondence address is Church Office, St Luke's Church, Langley Way, Watford, WD17 3EG.

PCC members who have served at any time from 1 January 2022 until the date of this report are listed below. Where a member has served only part of that period, the relevant month of appointment or resignation is shown.

	<u>Appointed</u>	<u>Resigned</u>
Ex-officio		
Revd Michael Norman	Vicar	
Dave Clarke	Reader	
Susan Miller	Churchwarden	
John Williamson	Churchwarden	
Elected		
Helen Booth		
Mary Bowen	Deanery Synod	
Mave Clarke		
Adrienne Cooke		
Maria Cowle		May 2022
Cynthy Davies	Deanery Synod	
Helen Donnelly		
Nikki Elsmore-Cary	May 2022	
Paul Evans		Nov 2022
Jeff Gibbs		May 2022
Ben Greenstreet		May 2022
Mo Fasanya	May 2022	
James Harvey		
Martin Kirk	Nov 2022	
Katie Llewellyn		
Ann MacLeod		
Sunny Mathai	May 2022	
Erin Page	May 2022	
Pam Reynolds	May 2022	
John Sills		
Wendy Somerville	Deanery Synod	
Dean Tearle		
Emily Waddington	May 2022	
Richard Waddington		

Incumbent: Revd Michael Norman

Independent Examiner: Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford
WD25 0NE

Bank: Barclays Bank plc
High Street
Watford

Accounts

St. Luke's Church, Watford

(Charity Reg. no. 1130376)

Annual Report and Financial Statements 2021



“... the God of all grace, who called *us* to his eternal glory in Christ after *we* have suffered a little while, will himself restore *us* and make *us* strong, firm and steadfast.” 1 Peter 5:10

St Luke's Watford

Mission Action Plan November 2021

Vision

A beacon of light, a lighthouse – with small boats going out to rescue people. We are to be a place which shines God's light, safety and security into the world; reaching out in the power of the Holy Spirit; and with the gospel of Jesus Christ to rescue those who are drowning in the sea of life.

Priorities

- *Rediscovering and developing corporate worship and prayer*
 - *Growing our children, young people and families ministry*
 - *Reaching out to those on our estate and beyond with the good news of Jesus*
- There will be an over-arching theme of obedience to, and a deepening love for, God's word - both His written word and His living word.*



Goals

1. *Encountering more of God in our worship by: deepening culture and rhythm of prayer; more freedom of expression and moving of the Holy Spirit; rebuilding prayer ministry; enhancing corporate sung worship (including tech)*
2. *Train, enthuse, equip and build a volunteer team for children, youth and family ministry. Grow numbers of children through prayer, groups and schools work*
3. *Reach out to our estate, prayer-visiting at least half the homes in 2022*
4. *Wycliffe Hall team visit for a mission week in March 2022.*
5. *Train church family to be confident in sharing their faith with their neighbours*

VICAR'S INTRODUCTION

Another challenging year has passed, but there is still much to give thanks for at St Luke's. 2021 continued where 2020 left off. Lockdown hit us again and church life was not up and running in any normal way until September. Sunday worship re-started in late February – but restrictions were removed gradually and so groups and sung worship only started happening from mid-July. Even now the large number of COVID cases continues to create hesitancy for some.



However God has still been at work. In this PCC Report, you will read about our contact with families and others in the community; Alpha; and about a concerted effort to reach out to every home in the parish with the Gospel. Our new mission action plan has been prayerfully and collaboratively put together and is now starting to be implemented. Many thanks to all.

It is a privilege to be at St Luke's and to work with such a talented and united staff team. The re-starting of the Mission Advisory (Action) Group with Revd Keith Powell (Renewal Adviser to the Diocese of Bath and Wells) has been a particular joy. My thanks to the staff and to all who have served the Lord in any capacity through the ministry of St Luke's in 2021.

Looking forward to 2022, we pray it will be the year church life returns to a 'new' normal. If this is to happen, we will all need to engage with God personally and together in worship, prayer and scripture; and to reach out to the people living on our estates and local area and beyond. For this to happen:

1. We will seek to engage with God more completely in worship. This may entail some altering of our on-line provision. Sung worship will be a major aspect of this engagement; but also spontaneous contributions by members of the congregation and the re-introduction of Prayer Ministry.
2. Slowly we will engage with one another more as we meet up in person in life groups, social events and do mission activities together. The Wycliffe Hall mission in March, Easter, the Queen's Jubilee, Father's Day, New Wine United in summer and other activities will help to increase our engagement with one another.
3. We will engage with people (local and beyond) with the Gospel. We are planning many events, including the Wycliffe mission, prayer visiting in the summer months, Alpha, healing services on Sunday evenings and others to lead people to faith and to join us at St Luke's.

Implementing our Mission Action Plan in 2022 will provide an important focus on our Worship and Prayer life; Children, Youth and families; and reaching out with the good news of Jesus – all undergirded and driven by God's Word, the Bible.

A recent national survey for England noted that due to the pandemic, churches had seen a 34% decline in attendance and declines in financial giving and volunteering (serving). We trust that St Luke's will recover speedily from any which apply to us.

May the Lord continue to bless us and guide us as we move into 2022.

Yours in Christ

Michael
Vicar

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PCC REPORT

AIM AND PURPOSES

The Parochial Church Council ("PCC") has the responsibility of cooperating with the vicar, the Reverend Michael Norman, to promote the whole mission of the Church - pastoral, evangelistic, social and ecumenical - within the parish of St Luke's Watford.

The PCC is specifically responsible for the maintenance of the church complex of St Luke's, Langley Way, Watford and for the house at 23 Orchard Close, Watford.

OBJECTIVES

The PCC is committed to encouraging as many people as possible to worship Jesus Christ and to be part of our parish community. Our activities take into account the Charity Commission's guidance on public benefit including guidance on charities for the advancement of religion. We want to help ordinary people to live out their faith in Jesus every day, encouraging and supporting one another, and being led by the Holy Spirit.

At the start of 2021, the PCC decided that it was time to re-write the Mission Action Plan to reflect the impact of COVID and Michael's recent appointment as incumbent. It was important to listen to God, to discern His will and to involve as many church members as possible in that process. Following prayerful discussion with PCC, staff team, all the life groups and other groups, a new plan was approved in November.

Before the current church building was opened, the church had received a word that St Luke's was to be "a beacon of light, shining into the Cassiobury Estate". The vision we received in 2021 was similar – but with an additional element: a lighthouse perhaps in place of the beacon and then lots of small boats setting out into rough seas to bring the gospel of Jesus Christ to those in danger of drowning.

There are three priority areas in the new plan (rediscovering and developing corporate worship and prayer; growing our children, youth and family ministry; and going out of the building to reach those on the estate and beyond with the good news of Jesus). Across all activities, there is an over-arching theme of obedience to, and ever-deepening love of, God's word – both His living word and His written word.

A summary of the new Mission Action Plan has been included on the inside front cover (page 2) of this document. The priorities and goals will form the basis of our annual report for 2022 and going forward.

For this report on 2021, we will provide updates of our activities grouped into four main areas:

- Looking up - loving God: worship and prayer; learning about the Gospel; and deepening our trust in Jesus Christ
- Looking in - loving one another: caring for people who live in and near the parish
- Looking out - loving the world: mission and outreach work
- Looking forward - a special focus on working with children, young people and families.

OVERVIEW OF ACTIVITIES AND ACHIEVEMENTS

Looking up - Worship and prayer; learning about the Gospel; and deepening our trust in Jesus Christ

To many of us, the gradual lifting of restrictions during 2021 has been both a joy and a frustration. Initially, we were able to attend services together again – but couldn't really speak. Gradually we found ways to chat, hum, even sing and enjoy coffee (if we were outside in small groups). Eventually we had the great joy of being able to sing God's praise together again – even if it had to be through masks! Today we are largely back in our building, and God is helping us rebuild our life together.

There have been some helpful sermon series during this period:

- learning to trust God with Habakkuk, even when we don't understand;
- acknowledging that Christ is supreme over everything, with Colossians;
- rebuilding the church with Nehemiah; and
- understanding how God does use suffering in 1 Peter.

We have read a book by John Ortberg to help grow our personal discipleship; and a book by John Stott to prompt us to allow God to rebuild the church the way He wants it.

Sung worship is now a really special part of our corporate services – particularly when we have a drummer! God is good and it is a delight to praise Him together. The Christmas carol services were particularly uplifting. Several younger musicians have become regular members of the worship group and it is encouraging to see their gifts and ministry develop.

Although we are back in the building, it is not yet safe for all members to attend in person. 'Blended services' – using the building safely and, at the same time, live-streaming for those unable to attend in person - are critical. Our technology team have responded brilliantly in meeting the different needs of those worshipping in church and those watching from home.

Sunday service times have reverted to 10.30am and 6.30pm, and the Tuesday morning service continues to be well attended.

One highlight of the year was our weekend 'at home and away'. On Saturday at Latimer, Keith Powell led us in thinking about the Father, the Son and the Holy Spirit and how all three persons wanted us to seek and grow in God's presence. On the Sunday morning in church, we celebrated the joy that coming close to Him brings – recognising that it is a joy we want to share. After COVID, individuals were thirsty for God and, at a beautiful service in the evening, many were able to receive individual prayer for healing or personal commitment for the first time in many months. We look forward to returning to regular prayer ministry in our services in 2022.

COVID meant that New Wine United could not happen in-person this summer. Instead, members of St Luke's met in church over 5 days to share and eat together and to take part (virtually) with New Wine on-line live feeds of the worship and teaching meetings. The preaching and interviews focussed us on God, His Word and what He is doing – and were really encouraging. And God was also using that time to start building us back together as His body, here in Watford.

Most life groups have continued in one form or other throughout COVID. These are particularly important as the Holy Spirit uses the care and encouragement of others to help point us to Jesus. Some groups follow the morning or evening sermon series; others choose to study books of the Bible, allowing God to speak to their needs.

Mrs Jenni Fenton led a training morning for existing and potential life group leaders in September. This was greatly appreciated and has already enabled new people to lead life group meetings. It has kept discussions better focussed on what God is saying to us in Scripture and has encouraged wider discussion within the groups.

A new life group for men started in September, which has been helpful and encouraging for those who attend. We still need to seek God's wisdom as we look for other ways to support men (particularly commuters) who spend many of their waking hours at or on their way to/from work.

Prayer is always really important – both our daily private times with God and the times we pray together. We want to discern and obey His will, rather than just listening to our own plans. We need God's wisdom, strength and encouragement as we seek to follow Him; intercede for our brothers and sisters in special need (both at St Luke's and further afield); and trust to God the things which only He can deal with.

- Focus prayer meeting continues to meet weekly – usually on Zoom, with 12-15 loyal attenders
- A new group has started meeting in person every week to pray for our children, youth and family work
- Other groups meet on Friday mornings (in person) and early on Sunday mornings (via Zoom)
- PCC and other church business meetings have been re-structured to make prayer and seeking God's will for each issue central to all our discussions and decision-making.

We see answers to many prayers and are confident that, as we continue to emerge from COVID, we will be surprised at how God has been preparing the hearts of those around us.

Looking in - caring for people

St Luke's continues its ministry of caring for and acceptance of any around our fellowship who are struggling or alone.

Small gifts are regularly distributed to those in or connected with St Luke's who are struggling. In February a pre-Lent gift was given to every household (221) in our congregation as an encouragement.

This was then extended to everyone who lives in our parish. At Easter, over 50 members of the church knocked on nearly 1500 doors, speaking with the people who live there and giving them an Easter egg (or two if there were more children). At the end of lockdown in July we gave each household a scented candle in a glass, inviting people to take the time to lament, to think about what we have lost and perhaps to join us at a special Sunday evening service – 40 people came.

Now that the church is open again, Community Coffee is held on Tuesday mornings every week (after the service), providing an opportunity for many to meet, chat and share. And Friday Club has become a monthly tea party, giving a lifeline to many elderly people on the estate and in our congregation, providing company and enjoyment.

Although we have returned to the building, we are all aware that there are several members of our congregation ill or still needing to isolate. We praise God that we are able to provide something for them on-line and it is a great privilege to go on praying for, phoning and supporting them and the families that care for them.

We pray too for the families of those we know who have died during the year – often people who have been used by God to bring real blessing to St Luke's and to others. We are thankful for all they have meant to us and that they are now with the Lord.

And we give thanks for the joy of church family celebrations; for marriages and baptisms held in the church during the year, and for the special celebration when, after much hard study, Wendy Somerville was licensed as a reader for our church and diocese. We pray God's blessing on each family.

Looking out - mission and outreach

COVID has prompted people to become more aware and more caring of the needs of others. As previously mentioned, St Luke's has made initiatives to visit and bring gifts to every home in the parish. We want to share the love of Christ with many people who do not yet know Him – both by going out to them and by providing opportunities for people to come into church to discover and explore who Jesus is.

Alpha was run in the autumn with twelve guests taking part. Each meeting included a meal, a DVD presentation and discussion groups. The course includes one full day away learning about and seeking the Holy Spirit. This was held at Restore Hope Latimer and has been really impactful on participants. Everyone was happy to be prayed for – and many have come closer to Jesus. At the end of the course, participants might join an existing life group or take part in post-Alpha discussion group meetings.

We hold several other events which are also suitable for inviting guests or people more on the fringe of the church:

- Creative space is a series of Saturday morning meetings for women of working age with breakfast, a God-centred talk and a craft demonstration and opportunity to try. Average attendance is 18-30 including guests and the crafts have included felted bowls; paper creature collage; a drawing workshop; and Christmas crafts
- Cameo arrange regular talks, film nights and social events for women in the church – and a few Cameo plus events, to which men are also invited.
- The men's life group invite all men in the congregation to a termly meal out.
- Coffee is provided for parents of the Pre-school children once a week. This can provide real support for parents who might be struggling.

Christmas is a key time of year when we reach out to those who live in our parish. The events in early December were well attended and we sang carols at the Essex Arms twice in the weeks up to Christmas. However, after the worries about the omicron strain, attendance at the Carols by Candlelight, Nativity and Christmas Day services were lower than hoped - although these services were still well received.

Looking out - Partners in Mission

We are privileged to be involved in the extension of God's kingdom further afield than our own parish, by praying for and supporting our partners in mission and our Partnership Fund projects.

As in 2020, the main focus for PIM during 2021 has been to try to maintain our support, both financial and prayer, for our mission partners and partner organizations across the world. It is pleasing to report that, in most cases, we have been able to continue our regular giving at the same level as 2019.

Our major fund-raising project during 2021 was a new Partnership Fund Appeal for teachers' accommodation for a school in Uganda, which raised £15,000. We also raised over £4,000 for the Bishop's Harvest Appeal for the Democratic Republic of the Congo (Tearfund).

It has been encouraging to see visits from partners resume following COVID. In September we held a weekend with Open Doors, and in November, Ruth Guinness from Malawi visited. We were also able to hold the Tearfund Big Quiz in person in November.

Looking forward - children, young people and families

Children and Youth Sunday sessions have been meeting in person since the summer. Numbers have been inconsistent partly because children depend on their adults to bring them. This has improved a little in recent weeks.

Sunday creche has been going well and bonds are forming between the families.

Engaging children effectively during church services is proving difficult. This is further complicated by GDPR and live-streaming – but we do need to find ways to keep families interested and involved

The Thursday morning toddler group has grown really well, meaning that we need more volunteers to help serve coffee/tea and to chat with the adults who come. There's demand for a second parent-toddler group and so during 2022 we may look at relaunching a Saturday morning group (similar to Heroes).

We have held several outreach events during the year. A summer holiday club held over 2 days left the 16 children wanting more. The light trail with refreshments and a talk in the hall afterwards gave rise to some helpful conversations even if numbers were low. Christingle was well-attended and a beautiful service. And the Christmas Eve trail (live actors outside followed by a nativity service in church) was lively and quite well attended.

Links with schools are starting to grow; Cassiobury Junior and Infants, Lanchester and Parmiters all held Christmas events in church. Michael and Lydia have also delivered some school assemblies, although omicron did lead to one cancellation.

The Urban Saints group is happy, but small. Two children recently joined the group as a result of a parish leaflet drop. Young teenage helpers lead some sessions; otherwise the group is dependent on a few, faithful and loyal leaders.

Within the uniform organisations, the scouts in particular are flourishing with two recent church parades (Harvest and Remembrance) having very good attendance.

Three midweek youth groups are meeting each week; additional leaders are needed. A small but committed group completed Youth Alpha in the autumn – with 4 going on to baptism/confirmation in early 2022.

Facilities

The buildings at St Luke's are a real blessing and provide a focus for the community and an important resource for our ministry. As COVID restrictions have been eased, use of the building has been increasing towards pre-COVID levels but we have also maintained our ability to stream events over the Internet.

Despite COVID the church buildings have had to operate as normal which has meant that maintenance and repairs of plumbing, heating, lighting, insurance, gutters, window meters, etc have had to continue throughout the year with the church administrator coordinating and a few active Building Group members undertaking works, together with contractors.

The only major building project this year was the replacement of lights with LED lights to the ground floor toilets.

There are a number of new volunteers for the AV team helping complete all the tasks necessary to manage AV for both in-church and on-line worshippers. The team has once more done stout work continuously improving the audio visual and external transmission equipment. A second 'good' camera has been acquired to improve picture quality for on-line worshippers, and the main hall has been fitted out with a permanent projector system.

Again we make the request for some new younger volunteers to join this group and get involved to allow the remaining active members to plan the transfer of knowledge so that the group's work can continue into the future.

RISK MANAGEMENT

The PCC considers that the principal risks faced by St Luke's are:

- Keeping users of the church buildings safe during COVID
- Safeguarding children and vulnerable adults
- Managing the health, safety and well-being of staff and congregation
- Financial risk
- Use of personal data (GDPR)

COVID

As COVID regulations and guidelines about using our building have changed, it has been essential that we operate in a safe and legal way. Detailed risk assessments have been prepared and updated; special procedures were drawn up; and staff and volunteers trained to ensure the procedures work. Hand sanitisers, sprays, sign-in sheets, QR codes, etc have all been provided, and there are clear instructions about how rooms should be used and any limits to numbers. The seating in church has been moved to facilitate social-distancing and to provide those who wish to wear masks and socially distance to sit together.

The Churchwardens have taken direct responsibility for operating the building safely, with the Church Administrator and the rest of the staff team managing much of the extra day-to-day workload.

Safeguarding

The PCC is committed to doing all we can to ensure that any child or any adult at risk of harm who comes to St Luke's is kept safe and protected.

The care and protection of children, young people and adults involved in church activities is the responsibility of everyone who participates in the life of the church. The Parish Safeguarding Officer and Lead Recruiter ensure that effective and correct documentation and procedures are in place and followed. They also arrange and monitor DBS and training for individuals with any sort of involvement and ensure that accurate records are maintained. The PCC reviews all safeguarding documentation annually and regularly receives reports on safeguarding activity.

A more detailed annual Safeguarding Report will be presented at the forthcoming Annual Meeting, a copy of which can be obtained from the correspondence address.

The PCC considers it has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to the House of Bishop's guidance on safeguarding children and vulnerable adults).

Health, safety and well-being

This is a wide brief, which covers a range of risks. The Health and Safety Officer and the Church Administrator ensure that policy and procedures are in place and that people are aware of them. Health and safety inspections are carried out at least annually, enabling areas of concern to be addressed and policy to be updated where necessary. The Health & Safety Policy has been formally reviewed and updated by PCC during 2021.

Financial

The church treasurer has established a robust system of financial controls, based on budgets, proper authorisation of all payments and segregation of duties. The PCC sets the annual budget and scrutinises monthly management accounts, which analyse variances to budget and prior year. At every meeting the treasurer delivers a report.

GDPR

The GDPR Officer and Church Administrator monitor and advise on how personal data is used in church and whether it is in line with our data audit and current legislation. Care is taken to ensure individuals do not appear on live stream broadcasts without their permission. The COVID requirement to collect contact information from visitors to the building has been maintained. Personal consent forms have also been updated to allow individuals to give consent for appearance on social media and streaming.

There has been no recorded report of data breaches or data losses at St Luke's.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The PCC is a corporate body established by the Church of England. It operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity (No 1130376).

The method of appointment of PCC members is set out in the Church Representation Rules. At St Luke's the membership of the PCC consists of the incumbent (our vicar), churchwardens, one of the readers and members elected by those members of the congregation who are on the electoral roll of the church. All those who attend our services are encouraged to register on the electoral roll and stand for election to the PCC. Two of the elected places are reserved initially for youth aged 16-18, if they wish to stand.

The PCC is 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 met 6 times during the year with an average attendance of 83%. Given the breadth of its responsibilities, the PCC has sub-committees and working parties dealing with specific aspects of parish life:

- Executive (standing committee)
- Life group/Alpha coordination
- People and pastoral care
- Prayer ministry
- Children and youth
- Partners in mission
- Building and equipment group
- Communication/publicity
- Finance

The PCC has appointed individuals to be Prayer Coordinator, Health & Safety Officer, Parish Safeguarding Officer, Lead Recruiter/DBS Administrator and GDPR Officer.

All these committees and officers are responsible to the PCC and report back to it regularly. Minutes of relevant meetings are received by the full PCC and discussed as necessary.

There are two other working groups at St Luke's which report directly to the vicar:

- Leading and preaching team
- Mission advisory group

FINANCIAL REVIEW AND RESERVES POLICY

The accounts show an overall operating loss for the year of £8,500. The loss on the "Unrestricted" funds was £7,000, and the loss on "Restricted" Funds was £1,500. There were shortfalls in the Maintenance and Staff Funds of £5,400 and of £1,600 in the General Fund. There was a downwards investment revaluation of £1,800. Excluding this revaluation the **surplus of income above our operating costs amounts to £200** (budget loss £14,000) and compares with the corresponding surplus in 2020 of £1,200. This is a significant result given the fall in regular income due to the COVID-19 pandemic. General non-specific giving by church members was 2.4% lower than in 2020, but income from property letting was 43% better than 2020 but has not yet recovered to pre-COVID levels. Operating costs have increased by 3.6%. During the year the PCC has distributed a very generous £70,100 to support the Church at home and overseas, local charities and others. This amount includes the PCC's continuing commitment to give away 10% of non-specific General Fund income.

General Fund

In this fund, which handles our regular giving and operating costs, income from all sources (excluding revaluations) at £270,700 increased over 2020 by £4,700 (1.8%), and expenditure at £275,900 increased by £9,700 (3.6%). 82% of our income in this fund came from the giving of church members, which fell by £5,300 (2.4%) including tax recovery. Income from letting of premises (£27,200) was higher than in 2020 (£19,000) as the effects of lockdowns receded. The Parish Share was paid in full and the amount paid to the Diocese was £4,100 (3.5%) less than in 2020. Salaries and fees increased in particular because of some interim awards to staff during the year. Transfers of £5,400 were made to this fund from the Maintenance and Staff funds to cover unexpected expenditure.

Earmarked Fund

This fund continues to hold and distribute amounts given for specific purposes. Income during the year was £25,100 and amounts distributed were £29,200. This included giving to Tearfund at harvest; the clinic at Nireekshana in India; grants made from the COVID-19 Emergency Fund and to support parish-wide gifts; and visa assistance for a family in distress.

Partnership Fund

This fund was created in 2006 and was renamed in 2018 following the attainment of fund raising to 10% of the original building cost of the new complex. Income during the year was £17,500 and the amount distributed in the year was £15,000 for a specific project in Uganda.

Balance Sheet and Reserves

Our total net assets have decreased by £8,500 to £760,700. The PCC has re-valued the property at 23 Orchard Close in the light of current market conditions but this has not resulted in any change. The PCC has also taken account of a decrease of £1,800 in the value of the investment in the Church of England Fixed Interest Fund, although this may be temporary. Cash balances have decreased by £8,700. Of the total net assets an amount of £48,600 is held in the General Fund as available for unexpected expenditure or a significant drop in income. This is our current operational reserve, which remains in excess of the lower of 2.0 months' general expenditure or £40,000, in accordance with PCC policy. The Staff Development Fund (currently £47,500) will be used in future years to support staff numbers.

The General Reserve remains at an adequate level. The main challenge in practice was to sustain and grow regular income. However this objective has been seriously affected by the Covid-19 pandemic and the result for the year has been achieved only through additional generous giving by church members despite the continued drop in letting income. Sustaining regular giving of church members will be needed if the church is to avoid financial losses in 2022, while letting activity is restored to previous levels and church activities also are restored with a sense of normality. 81% of our operating costs remain in respect of people, as we continue to support our staff and mission partners.

STAFF AND VOLUNTEERS

The PCC is hugely appreciative of the many, many individuals who work so hard to make our church the lively and vibrant community that it is.

- Our staff team
- Those who've finished serving this year on PCC
- Our deputy wardens, stewards, the welcome team, and those who do the coffee and refreshments at services and other events
- Those who preach, lead prayers or read Scripture at services
- The musicians who play, sing, compose or record songs to help our worship
- The technology and AV team who work to help us see, hear and follow the services - whether we are in the building, or watching on-line, or receiving a pre-recorded DVD
- Those who prepare, teach and help with our toddler, children and youth groups on Sundays or during the week; including the youth leaders who are so crucial at Urban Saints
- The pastoral network team and the prayer ministry team as they continue to phone, visit and pray.
- Those who lead and support life groups, Alpha, Creative Space, Cameo and the various social and outreach activities.
- Those who provide meals for Alpha meetings and those who wash up afterwards
- The Building group and all who volunteer to do maintenance and cleaning work in the building or garden
- Those who prepare the church for services – flowers, communion laundry, cleaning silver
- Those who come back late every evening to make sure the church is locked up and lights switched off
- Those who ensure that the giving we receive is counted and banked, and that bills are paid on time and properly accounted for
- Those who give, often sacrificially, both through regular giving and in response to specific appeals
- Those responsible for making sure that we are legal and that everyone is kept safe in all we do
- People who write to our partners-in-mission, who keep us informed and prompt us to pray for them
- Those who write content, edit, print and distribute our magazine

- Those who organise and prepare door drop material and gifts; and those who together knock on every door in the parish to deliver them
- Those who design and produce our communications including website content and posters
- Those who cover everything which happens at St Luke's in prayer – at prayer meetings and privately
- Those who notice and take the time to thank and encourage people who serve and worship at St Luke's

Whenever we prepare a list such as this, we are astonished at just how much is being done, and by so many. We thank each one of you – and give thanks to God for you.

Approved by the PCC on 29 March 2022 and signed, on its behalf by Michael Norman (Chair of PCC)

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PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

		Unrestricted funds	Restricted funds	Total funds	
	Notes	£	£	2021 £	2020* £
Income from:					
Donations and legacies	3(a)	220,661	42,622	263,283	243,066
Charitable activities	3(b)	33,405	0	33,405	22,942
Other trading activities	3(c)	15,600	0	15,600	15,600
Investments	3(d)	736	0	736	1,345
Other income	3(e)	300	0	300	310
Total income		270,702	42,622	313,324	283,263
Expenditure on:					
Charitable activities					
Grants	4(a)	26,000	44,141	70,141	38,057
Other charitable activities	4(b)	249,906	5	249,911	240,224
Total expenditure		275,906	44,146	320,052	278,281
Net gains/(losses) on					
Investments		(1,805)	0	(1,805)	926
Net income/expenditure		(7,009)	(1,524)	(8,533)	5,908
Net movement in funds					
		(7,009)	(1,524)	(8,533)	5,908
Reconciliation of funds:					
Total funds brought forward		759,820	9,376	769,196	763,288
Total funds carried forward		752,811	7,852	760,663	769,196

*Comparative figures for Funds for 2020 are set out in Note 2

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
BALANCE SHEET
at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible	6(a)	600,000	600,000
Investments	6(b)	25,370	27,175
		625,370	627,175
Current assets			
Debtors	8	10,386	6,727
Short term deposits		122,361	133,721
Cash at bank and in hand		7,795	5,149
		140,542	145,597
Current liabilities			
Amounts falling due within one year	9	(5,249)	(3,576)
Net current assets		135,293	142,021
Net assets		760,663	769,196
Funds			
Unrestricted	11	752,811	759,820
Restricted	12	7,852	9,376
		760,663	769,196

Approved by the Parochial Church Council on 29 March 2022, and signed on its behalf by:

Michael Norman
Chair, St Luke's Parochial Church Council

Paul Evans
Treasurer

The notes on pages 15 to 23 form part of these financial statements

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and the Charities Statement of Recommended Practice (SORP) FRS102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and investments. The PCC is a Public Benefit Entity as defined by FRS 102.

Critical accounting estimates and judgements

In the application of the PCC's accounting policies, the members of the PCC are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern

The members of the PCC assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the PCC to continue as a going concern. The members of the PCC make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus, the PCC continues to adopt the going concern basis of accounting in preparing the accounts.

Funds

General Fund represents the funds of the PCC that are not subject to any restrictions regarding 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.

Maintenance Fund is unrestricted and designated by the PCC to fund long term maintenance of church premises.

Staff Development Fund is unrestricted and designated by the PCC to fund increases in staff numbers per the five year plan.

Earmarked Fund handles funds which have been donated for a specific purpose and are thus 'earmarked' for that purpose.

Partnership Fund (previously Thanksgiving Fund) handles funds donated by way of appeal, to enable the Church to make specific grants to other churches and Christian organisations.

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

Incoming Resources

Voluntary income and activities for generating funds

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

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

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

Funds raised at social and similar events are accounted for gross.

Sales of books and magazines are accounted for gross.

Activities related to church work

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

Investment income

Interest and dividends are accounted for when receivable.

Resources expended

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. The PCC has decided to make total grants in the year equal to 10% of the non-specific income to the General Fund. Grants are made to support living and other costs of other charities or individuals who have or have had a personal, established connection to St Luke's church. The grants are made in support of the primary objects of the PCC.

Activities relating to church work

The diocesan parish share is accounted for when payable.

Fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by s.10 of the Charities Act 2011. All of St Luke's premises, with the exception of the Large Hall (formerly the church), the Chapel and 23 Orchard Close, are consecrated.

No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property.

All expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings, furniture and office equipment

Fixtures and fittings are depreciated on a straight line basis over 5 years and furniture and equipment over 4 years. Individual items costing less than £1,000 are not capitalised but are fully written off in the year of acquisition.

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.

Cash and cash equivalents include cash in hand, deposits held at call with banks. Short-term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.

Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Creditors and provisions

Creditors and provisions are recognised where the PCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

Risk Management

Financial risk is managed through budgets and regular reporting of the management accounts to the PCC.

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021

2 COMPARATIVE NUMBERS FOR 2020	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Income from:			
<i>Donations and legacies</i>	226,005	17,061	243,066
<i>Charitable activities</i>	22,942	0	22,942
<i>Other trading activities</i>	15,600	0	15,600
<i>Investments</i>	1,345	0	1,345
<i>Other income</i>	310	0	310
Total income	266,202	17,061	283,263
Expenditure on:			
Charitable activities			
<i>Grants</i>	26,000	12,057	38,057
<i>Other charitable activities</i>	240,212	12	240,224
Total expenditure	266,212	12,069	278,281
Net gains/(losses) on investments	926	0	926
Net income/expenditure	916	4,992	5,908
Net movement in funds	916	4,992	5,908
Reconciliation of funds:			
Total funds brought forward	758,904	4,384	763,288
Total funds carried forward	759,820	9,376	769,196

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

3	INCOME FROM:	Unrestricted Funds	Restricted Funds	Total funds 2021	2020
		£	£	£	£
3(a)	<i>Donations and legacies</i>				
	Planned Gift Aided	117,487	0	117,487	124,152
	Unplanned Gift Aided	31,361	29,079	60,440	38,699
	Income tax recoverable	37,480	7,328	44,808	41,348
	CAF & Stewardship	5,023	2,525	7,548	10,197
	Cash collections, legacies & donations	29,310	3,690	33,000	28,670
		220,661	42,622	263,283	243,066
3(b)	<i>Charitable activities</i>				
	Room lettings	27,217	0	27,217	19,007
	Church events	3,009	0	3,009	332
	Fees	1,304	0	1,304	1,400
	Other related to church work	1,270	0	1,270	806
	Books and photocopies	605	0	605	1,397
		33,405	0	33,405	22,942
3(c)	<i>Other trading activities</i>				
	Rent received from Orchard Close	15,600	0	15,600	15,600
	Fund raising	0	0	0	0
		15,600	0	15,600	15,600
3(d)	<i>Investments</i>				
	Interest and dividends	736	0	736	1,345
		736	0	736	1,345
3(e)	<i>Other income</i>	300	0	300	310
	Total income	270,702	42,622	313,324	283,263

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

4	EXPENDITURE ON:	Unrestricted Funds	Restricted Funds	Total funds 2021	2020
		£	£	£	£
4(a)	Grants				
	The Church overseas	9,200	8,123	17,323	13,428
	National Charities	2,500	15,130	17,630	1,575
	The Church at home	8,750	11,348	20,098	13,468
	Local charities & others	5,550	9,540	15,090	9,586
		26,000	44,141	70,141	38,057
4(b)	Other charitable activities				
	Parish Share	112,922	0	112,922	117,019
	Premises running costs	38,207	0	38,207	36,665
	Youth and children	37,857	0	37,857	31,589
	Music director and music costs	26,180	0	26,180	25,614
	Administrator and assistant	21,387	0	21,387	18,455
	Administrative expenses	3,439	5	3,444	3,357
	Church events	2,028	0	2,028	991
	Printing and stationery	1,958	0	1,958	1,982
	Adult groups and outreach	1,784	0	1,784	329
	Catering	1,300	0	1,300	365
	Vicar's expenses	1,133	0	1,133	929
	Books & bible notes	985	0	985	2,221
	Governance costs (note 15)	726	0	726	708
		249,906	5	249,911	240,224
	Total expenditure	275,906	44,146	320,052	278,281
5	STAFF COSTS				
	Salaries and allowances	60,662	0	60,662	53,174
	National Insurance	0	0	0	0
	Pensions	3,131	0	3,131	2,046
		63,793	0	63,793	55,220

During the year the PCC employed an Administrator, an Assistant Administrator, a Youth Director, a Children & Families leader and an Associate Music Leader, none of whom earned more than £60,000 p.a. No member of the PCC received any reimbursement of expenses or remuneration from employment, except as referred to in Notes 14 and 16. The PCC contributes to a defined contribution pension scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year that they are payable. The amounts paid during the year are as shown above.

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

6	FIXED ASSETS FOR USE BY THE PCC			2021	2020
6(a)	Tangible	£	£	£	£
		Land & Buildings	Furniture, Fittings & Equipment	Total	Total
	Cost or valuation				
	At 1 January	600,000	28,966	628,966	628,966
	Additions	0	0	0	0
	Revaluation adjustment	0	0	0	0
	At 31 December	600,000	28,966	628,966	628,966
	Depreciation				
	At 1 January	0	28,966	28,966	28,576
	Charge for the year	0	0	0	390
	At 31 December	0	28,966	28,966	28,966
	Net book value				
	At 31 December	600,000	0	600,000	600,000

Notes

(a) in accordance with the appropriate accounting policy (based on the Charities Act 2011 and the Charities SORP (FRS102)), the cost of the new church and associated buildings has been excluded, as the whole complex comprises Consecrated Land & Buildings;

(b) the PCC regards all the moveable church furniture and fittings (primarily the seating, audio-visual equipment and the organ) as inalienable property which would require a faculty for disposal;

(c) the value of 23 Orchard Close is based on the PCC's reasonable best estimate having regard to local market conditions as at 31 December 2021.

6(b)	Investments	£	£
	Market value at 1 January	27,175	26,249
	Additions at cost		0
	Revaluation	(1,805)	926
	Market value at 31 December	25,370	27,175

During the year an investment has been held for the Unrestricted Funds in the CBF Church of England Fixed Interest Fund. The holding at 31 December 2021 was 16,021.53 shares and the value per share was 158.35p.

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

7	FINANCIAL INSTRUMENTS	2021	2020		
		£	£		
	Carrying amount of financial assets				
	Debt instruments measured at amortised cost	6,919	4,751		
	Carrying amount of financial liabilities				
	Measured at amortised cost	2,096	756		
8	DEBTORS	£	£		
	Income tax recoverable	4,461	3,585		
	Accrued income	2,458	1,166		
	Prepayments & deposits	3,467	1,976		
		10,386	6,727		
9	AMOUNTS FALLING DUE WITHIN ONE YEAR	£	£		
	Creditors for goods and services	2,096	756		
	Accrued expenses	3,153	2,542		
	Other creditors	0	278		
		5,249	3,576		
10	ANALYSIS OF NET ASSETS BETWEEN FUNDS				
	Unrestricted	Restricted	Total funds		
			2021	2020	
	£	£	£	£	
	Fixed assets	625,370	0	625,370	627,175
	Current assets	132,690	7,852	140,542	145,597
	Current liabilities	(5,249)	0	(5,249)	(3,576)
	Fund balance	752,811	7,852	760,663	769,196
11	UNRESTRICTED FUND DETAIL		£		£
	General Fund: Capital reserve		600,000		600,000
	General Fund: Current reserve		48,621		50,260
	Maintenance Fund		56,690		59,560
	Staff development Fund		47,500		50,000
			752,811		759,820
12	RESTRICTED FUND DETAIL		£		£
	Earmarked Fund		5,348		9,372
	Partnership Fund		2,504		4
			7,852		9,376

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

13 STATEMENT OF FUNDS

Fund name	Balance b/f	Income	Expense	Gain/loss /transfer	Balance c/f
	£	£	£	£	£
General (capital)	600,000	0	0	0	600,000
General (current)	50,260	270,672	(275,906)	3,595	48,621
Maintenance	59,560	30	0	(2,900)	56,690
Staff development	50,000	0	0	(2,500)	47,500
Earmarked	9,372	25,136	(29,160)	0	5,348
Partnership	4	17,486	(14,986)	0	2,504
TOTAL FUNDS	769,196	313,324	(320,052)	(1,805)	760,663

COMPARATIVE NUMBERS FOR 2020

Fund name	Balance b/f	Income	Expense	Gain/loss /transfer	Balance c/f
	£	£	£	£	£
General (capital)	600,000	0	0	0	600,000
General (current)	48,102	265,944	(266,212)	2,426	50,260
Maintenance	60,802	258	0	(1,500)	59,560
Staff development	50,000	0	0	0	50,000
Earmarked	4,367	15,849	(10,844)	0	9,372
Partnership	17	1,212	(1,225)	0	4
TOTAL FUNDS	763,288	283,263	(278,281)	926	769,196

14 TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

	2021 £	2020 £
Expenses paid to Trustees (Vicar's working expenses)	1,133	929
No of Trustees receiving expenses	1	1

15 GOVERNANCE COSTS

Fees for Independent Examiner	726	708
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PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2021

16 RELATED PARTY TRANSACTIONS

	2021 £	2020 £
Fees paid to a party, acting as Musical Director of the church, related to a Trustee (A Cooke) (2020 P Boxhall)	20,314	8,493
Funds received from an appeal paid to Rafiki Thabo Foundation of which a Trustee (P Evans) is a Trustee	14,981	0
Funds paid from General Funds to Rafiki Thabo Foundation of which a Trustee (P Evans) is a Trustee	1,250	750
Funds paid to New Hope, Watford of which the spouse of a Trustee (J Sills) is a Trustee	1,240	1,049
Funds paid to Friends International to support the work of the daughter of a Trustee (S Miller)	1,625	1,625
Rent received from a Trustee (A Cooke) and her spouse in respect of a PCC property.		
The PCC considers the rent to be at an appropriate level	15,600	15,600

STATEMENT OF PCC RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Charities Act 2011 requires the PCC to prepare financial statements for each financial year, which give a true and fair view of the PCC's financial activities during the year, and its financial position at the end of the year. In preparing financial statements, the PCC seeks to:

- Follow best practice and guidance provided by the charity commissioners, Church of England, St Albans diocese and other sources
- Use suitable accounting policies consistently
- Make judgements and estimates that are reasonable
- State and apply applicable accounting standards and statements of recommended practice, and explain any areas of concern or deviation
- Prepare financial statements on the going concern basis unless it is appropriate to assume that the PCC will not continue its operations.

PCC members have overall responsibility for ensuring the PCC has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper records which disclose and explain with reasonable accuracy at any time the financial position of the PCC and enable them to ensure that the financial statements comply with the 2011 Act. They are also responsible for safeguarding the assets of the PCC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to ensure that:

- The PCC is operating effectively and efficiently
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained
- Financial information used within the PCC or for publication complies with relevant laws and regulations

As far as the PCC is aware, there are no relevant examination information (information needed by the PCC's independent examiner ("Examiner") in connection with preparing this report) of which the Examiner is unaware. Each member of the PCC has taken all the steps that they ought to have taken as members of the PCC in order to make themselves of any relevant examination information and to establish that the Examiner is aware of that information.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ST LUKE'S PAROCHIAL CHURCH COUNCIL

I report to the trustees on my examination of the accounts of Parochial Church Council ("PCC") for the year ended 31 December 2021.

Responsibilities and basis of report

As members of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's accounts carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the PCC has prepared accounts in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

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

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford Hertfordshire WD25 0NE

Date: 30 March 2022

ADMINISTRATIVE INFORMATION

St Luke's church is situated in Langley Way, Watford. It is part of the Diocese of St Albans within the Church of England. The correspondence address is Church Office, St Luke's Church, Langley Way, Watford, WD17 3EG.

PCC members who have served at any time from 1 January 2021 until the date of this report are listed below. Where a member has served only part of that period, the relevant month of appointment or resignation is shown.

		<u>Appointed</u>	<u>Resigned</u>
Ex-officio			
Revd Michael Norman	Vicar		
Dave Clarke	Reader		
Susan Miller	Churchwarden		
John Williamson	Churchwarden		
Elected			
Helen Booth			
Mary Bowen	Deanery Synod		
Mave Clarke			
Adrienne Cooke			
Maria Cowle		May 2021	
Colin Davies			Apr 2021
Cynthy Davies	Deanery Synod		
Helen Donnelly			
Paul Evans			
Jeff Gibbs			
Ben Greenstreet		May 2021	
James Harvey		Apr 2021	
Joy Hobbs			Oct 2021
Steve Jenkins			Apr 2021
Jos Lawrance			Apr 2021
Katie Llewellyn		Apr 2021	
Ann MacLeod			
John Sills			
Cate Sims			Apr 2021
Wendy Somerville	Deanery Synod		
Dean Tearle		Apr 2021	
Richard Waddington		Apr 2021	

Incumbent: Revd Michael Norman

Independent Examiner: Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford
WD25 0NE

Bank: Barclays Bank plc
High Street
Watford

Accounts



St. Luke's Church, Watford

(Charity Reg. no. 1130376)

Annual Report and Financial Statements 2020



“... that we may declare the praises of Him who called *us* out of darkness into His wonderful light.” 1Peter 2:9b

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VICAR'S INTRODUCTION

2020 – What a year! One like no other in our lifetime for our country, for the whole world. St Luke's like all churches has been heavily affected by the Pandemic. Services were "online only" for 4-5 months over the year, many groups online and nearly all our community groups not able to meet.

However, there are still many things to give thanks for. We give thanks to God, for carrying us through the year, with being able to continue services with technology, with miraculously breaking even financially for the year and even in Lockdown, the Lord has been speaking to us and preparing us for the future.



A massive thank you must go to all the wonderful St Luke's staff team with new members Lydia, our children and family team leader, and Beth, our new administrator, making great contributions, and also our technology/ media team that has been wonderfully overseen by Tim and Jeremy H. Thanks also goes to our churchwardens; at the beginning of 2020, Anne and Phil, and latterly since they both moved to different parts of the country, to Susan and John. The use of so many different skills, this year and the ministry of St Luke's expressing a whole body of ministry in so many new/ extended ways has been a great cause for thanksgiving.

Looking back at the highlights of 2020

1. The Life group leaders coming together to do the course "The Circle Maker" in January/ February 2020.
2. The staff team attending the New Wine Leader's meeting in early March, a wonderful opportunity for team cohesion.
3. The Vicarage garden on Sunday for 10:30am services from April (Easter Day) to the end of June (Live-streamed) with sunshine nearly every week.
4. Life groups and prayer meetings, meeting mainly on Zoom but with some precious times together in late Summer.
5. Two family trails around the estate which proved popular with families on Halloween night (a Light trail) and the Nativity Trail on Christmas Eve.
6. The provision of sufficient finances to break even in 2020 (due to a successful gift day).
7. The increase in prayer and pastoral care.
8. The 10am Tuesday Morning Holy Communion which has been well supported since it started in August.
9. Numerous 5-minute, family slot videos in Church by Neil and Lydia.
10. The Christmas on-line events despite the sadness of having no congregation on Christmas Eve/Day.

Looking forward into 2021

We came to a New Year still heavily restricted by the pandemic. Planning has been very difficult in the last year and remains so. However, here are some broad-brush strokes for the future.

Connecting with God: January-April – a time of preparation for the future, studying the spiritual disciplines in Life Groups and morning services.

Reconnecting with Each Other: May-August – a time of recovery and a time of rediscovering family and fellowship. An opportunity to invite people to our homes and gardens again.

Helping Others make the Connection: September-December – a time to reach out to our estate, families and others.

St Luke's will have 3 emphases in 2021:

1. Prayer: continuing to create a culture of prayer, a sustainable rhythm of prayer and seeing people passionate to pray. This includes Listening to God: in prayer, through His Word, through the words and prompts of the Holy Spirit. Psalm 127 states "unless the Lord builds the house we labour in vain" and John 5:19 "Our Lord Jesus only did what the Father was doing". Our hearts' desire should be to do the same.
2. Youth, Children and families: reaching out to families, and seeing our children, youth and families ministered to.
3. Outreaching to our community: to reach out to those outside our church family living nearby.

May God continue to bless us and guide us as we move into 2021.

Yours in Christ,

Michael.

PCC REPORT

AIM AND PURPOSES

The Parochial Church Council ("PCC") has the responsibility of cooperating with the vicar, the Reverend Michael Norman, to promote the whole mission of the Church - pastoral, evangelistic, social and ecumenical - within the parish of St Luke's Watford.

The PCC is committed to encouraging as many people as possible to worship Jesus Christ and to be part of our parish community. Our activities take into account the Charity Commission's guidance on public benefit including guidance on charities for the advancement of religion. We want to help ordinary people to live out their faith in Jesus every day, encouraging and supporting one another, and being led by the Holy Spirit. Our activities comprise:

- Loving God: worship and prayer; learning about the Gospel; and deepening our trust in Jesus Christ
- Loving one another: caring for people who live in and near the parish
- Loving the world: mission and outreach work
- A special focus on working with children, young people and families.

In all these activities, we are careful to keep all children and vulnerable adults safe. As described on page 7, we ensure proper safeguarding procedures are embedded into the way we think and do things here.

These areas of activity have remained our priority even during Covid. But some individual activities have had to change as we seek to ensure that people are still cared for, and to make our services and help accessible to everyone, even those unfamiliar with technology.

We are blessed with a superb building at St Luke's, which provides a focus for the community and forms an important part of what we do. Even during Covid the buildings have been used, with an added requirement to stream events over the Internet. The PCC is specifically responsible for the maintenance of the church complex of St Luke's, Langley Way, Watford and for the house at 23 Orchard Close, Watford.

OVERVIEW OF ACTIVITIES

Worship and prayer; learning about the Gospel; and deepening our trust in Jesus Christ

A theme throughout 2020 has been developing a culture and rhythm of prayer. Honest prayer, both personal and corporate, both listening and speaking, needs to infuse every activity in our lives and in the church. At the start of the year, our sermons and Life Group studies were based on Mark Batterson's book "The Circle Maker" - and as the first lockdown started, a number of St Luke's people could be seen using their daily exercise-time to prayer-walk roads in the parish!

To many, the switch to on-line services appeared fairly seamless – but it was the result of a huge amount of work. The technology team re-purposed equipment and learned new video production skills; leaders and preachers learned how to speak to camera; and the worship team and many others created high quality, worshipful video clips – including some amazing choral and ensemble pieces. There were pre-recorded services from homes and livestream services from the vicarage garden (never interrupted by bad weather). Worship is best when shared – and with a zoom-coffee meeting straight afterwards, our Sunday services have retained their sense of community worship.

Moving in and out of lockdown means we have learned how to do 'blended services' – using the building safely and, at the same time, live-streaming for those unable to attend in person. We have changed service times - Sunday services are now at 10.30am and 7.00pm with a midweek communion service at 10.00am on Tuesdays. The Tuesday service has consistently attracted about 25 people – and provides a really safe opportunity for the more vulnerable people to worship together.

Life Groups have been able to continue over lockdown, using Zoom or WhatsApp. Most groups have been studying material based on either the morning or evening sermon series. Life Groups, of course, are particularly important at a time like this; the Holy Spirit so often uses the care and encouragement of others to help point us to Jesus. There will be a drive to encourage more members to join Life Groups in 2021.

Prayer remains really important – and is being offered up to our Heavenly Father in different ways:

- People who've struggled with prayer or Bible reading for years, are finding they have been able to establish a new rhythm of private prayer during Covid
- The monthly Focus prayer meeting is now held weekly – on Zoom every Tuesday evening
- Other groups meet on Friday mornings (one on Zoom, a second by phone) and early Sunday morning
- The church is open for private prayer every Thursday.
- St Luke's joined the archbishops' call for daily prayer during November and have encouraged times of prayer and fasting, as we seek God's mercy on our broken world.

We pray that, as we emerge from lockdown, we will be surprised at what God has been doing within us as His people, and how He has been touching the lives of those around us.

Caring for people

St Luke's has always had a ministry of caring and acceptance for those on our estate who are vulnerable or alone. Friday club has been a real lifeline for many elderly people, providing company and enjoyment. Covid-19 has stopped much of that activity happening – and so it is essential to keep in regular contact with each individual to make sure they are alright. Members of the People and Pastoral Care working party are ringing the most vulnerable every week – to listen, to pray and to offer other practical help. Members of the church are encouraged to send a card or to knock on the door when they're passing, to say a socially-distanced 'Hello'.

Covid impacts everyone's well-being, not just the most vulnerable. So a pastoral network has been set up to ensure that everyone in the church is phoned regularly. This is in addition to the support offered by Life Groups, the prayer ministry team (in person when the church building is used or by phone) and other fellowship groups.

On-line services and coffee-zoom help us keep in touch and care for one another. A weekly vicar's email has been introduced to make sure people know what's happening and how to take part. But many of those who need most help are also inexperienced in the use of technology. So the technology team, who are live-streaming events are also printing and delivering DVDs of those services for people without Internet.

Returning to the building in the summer reminded us just how important it is to still include those on-line; to still attend coffee-zoom; etc. We pray that God will have used the pandemic to make us more aware and inclusive of those unable to attend in person.

One of very hardest things during Covid has been the death of people who have been used by God to bring real blessing to St Luke's and to many others. We are thankful that they are now with the Lord. But we miss them and we really want to celebrate all that they mean to us. We want to weep, too, with their families and friends. It has been important that the church and staff have been able to hold funeral services which could be livestreamed. We continue to pray for all those who are mourning deaths – that God will lead them on from their place of grief.

We can give thanks as well for the joy of celebrating three marriages in the church during the pandemic, each very special and intimate events.

Mission and outreach

St Luke's cares and prays for all people living in the parish. With the arrival of the first lockdown, we wanted everyone to know that the church was still here and could offer help to anyone who needed it. Whilst adhering to the tight restrictions in place, we were able to deliver a communication to every home in the parish – telling people about the on-line services and providing a phone number to call if they needed specific help. There have been two further door drops later in the year.

The number watching early on-line services was way in excess of a normal congregation. They have come down a bit since – but there are probably still many watching who are not regular attenders at church. We are excited that people want to find out about Jesus and have the courage to explore on-line, even if they are perhaps not yet ready to talk. We will look to continue services on-line after the pandemic and we pray that God will reveal Himself to these people and will lead us to them.

A six session Alpha taster was run over Zoom during the summer, with our on-line congregation very much in mind. This was followed in September with an Alpha Course held in the church building – although without food and maintaining social distancing! The sessions were encouraging for the depth of interest shown – and we are planning a full Alpha course in church during Autumn 2021.

We have held social and other events suitable for inviting guests. Cameo has maintained a really good programme on Zoom and the TEAR Fund Big Quiz in November raised a fantastic £1,000.

Christmas is a key time of year when we can reach out to those who live in our parish. All our services this year had to be livestream only – but on-line Christingle, Carols at the Crib and Carols by Candlelight services were all well-received. The Christmas trail (see Children, young people and families below) attracted 150 families.

Partners in Mission

It is a real privilege that, as well as reaching out to our own parish, St Luke's is involved in the extension of God's kingdom further afield, as we pray for and support our partners in mission and our Partnership Fund projects.

An unexpected benefit of Covid has been that some of our partners have been able to join our on-line services. Despite the financial constraints of Covid, St Luke's has been able to maintain the level of giving to our partners at the 2019 level. £1,200 was also raised for the Partnership Fund towards the cost of a new church building in Hanamaki, Japan. A new appeal for the Partnership Fund is being planned for Spring 2021.

Children, young people and families

Our new Children and Family team leader, Lydia, joined us in April and has made really creative use of Zoom as she connected with St Luke's families. Somehow, everyone felt they knew her – before they had even met!

Sunday groups, the midweek clubs and Urban Saints have continued meeting throughout the year – sometimes on Zoom, sometimes in person. A whole range of 'socially-distanced' games have been invented! Leaders had to learn fast how to use Zoom effectively. Although children enjoyed the novelty, not all have found it easy to join in this way. So it has been wonderful whenever we have been able to meet in person again.

In May half-term we ran a one-day Holiday Club online, with teaching which tied in with 'Thy Kingdom Come'. Some activities were on-line; others off-line. The chalk prayer walk in Cassiobury Park was a real blessing for families who could catch-up and pray together (albeit socially-distanced!).

On October 31st, we ran a Light Trail (QR code trail). This provided a great opportunity to engage with the community, handing out 50 gift bags to children – including some who wanted to stop 'trick or treat' so they could join in. On Christmas Eve we ran a Nativity Trail – and this time over 150 people joined in. We look forward to building on these ideas in 2021.

Toddler group ran in person (when allowed) between September and December. This has been greatly appreciated as one of the few ways parents and children could get out of the house and connect with others.

Neil (our Youth Director) and Lydia have created excellent, Jesus-focussed, videos to be used for the family slots in our Sunday services and for school assemblies.

Video assemblies were prepared for both Cassiobury Infant and Cassiobury Junior schools and we were able to visit the infant school just before Christmas to share the nativity story.

Heroes, the Saturday morning group for fathers/male carers and their children has been on pause during 2020. We are praying for new leaders for this group and look forward to its relaunch in 2021.

Covid has made it more difficult to build relationships with families this year. As restrictions ease, there will need to be a time of recovery and healing for some families; a time of careful shepherding of the scattered flock and reaching out to others. But we look forward to coming back together again and seeking to bring each family to Jesus the Good Shepherd.

Facilities

Technology has taken rather a significant role in 2020. The team has learned new skills very quickly: YouTube livestreaming; recording songs and talks to play into services; assembling individuals' own recordings into ensemble pieces; producing DVD recordings for those without Internet.

Much of the equipment has been re-purposed, and we have invested in two high-definition remote-controlled cameras; a better vision mixer to insert text and graphics; and a projector in the main hall to accommodate overflow from the church.

Some building maintenance has continued during Covid whilst pre-school have been operating in the main hall and kitchen. The 'organ loft' space was cleared and timber repairs and maintenance undertaken before lockdown. Since then, regular equipment maintenance and EIRC (electrical) testing has been undertaken along with a number of ad hoc repairs. A full list of the work completed is included as an appendix to the Fabric Report.

We are always looking for new volunteers with good practical DIY or IT skills to join and help with occasional work.

RISK MANAGEMENT

The PCC considers that the principal risks faced by St Luke's currently are:

- Keeping users of the church buildings safe during Covid
- Safeguarding children and vulnerable adults
- Managing the health, safety and well-being of staff and congregation
- Financial risk
- Use of personal data (GDPR)

Covid

As regulations and guidelines change about using our building, it is essential that we operate in a safe and legal way. Detailed risk assessments have been prepared and updated; special procedures drawn up; and staff and volunteers trained to ensure the procedures work. Hand sanitisers, sprays, sign-in sheets, QR codes, etc have all been provided, and there are clear instructions about how rooms should be used and any limits to numbers. The seating in church has been moved to facilitate social-distancing and to reduce the likelihood of the same chairs being used at successive services.

The Churchwardens have taken direct responsibility for operating the building safely, with the Church Administrator and the rest of the staff team managing much of the extra day-to-day workload.

Safeguarding

The PCC is committed to doing all we can to ensure that any vulnerable person coming to St Luke's is kept safe and protected.

The care and protection of children, young people and adults involved in church activities is the responsibility of everyone who participates in the life of the church. The Parish Safeguarding Officer and Lead Recruiter ensure that effective and correct documentation and procedures are in place and followed. During the year a new document providing guidance for on-line meetings has been added. They also arrange and monitor DBS and training for individuals with any sort of involvement and ensure that accurate records are maintained. Over 130 members of the church have completed one or more levels of the safeguarding training provided by the Church of England, and we are increasing the number who complete the highest C2 level course. The PCC reviews all safeguarding documentation annually and regularly receives reports on safeguarding activity.

The PCC considers it has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to the House of Bishop's guidance on safeguarding children and vulnerable adults).

Health, safety and well-being

This is a wide brief, which covers a range of risks. The Health and Safety Officer and the Church Administrator ensure that policy and procedures are in place and that people are aware of them. These had to be updated considerably in the face of ever-changing Covid guidelines. Health and safety inspections are carried out at least annually, enabling areas of concern to be addressed and policy to be updated where necessary.

Financial

The church treasurer has established a robust system of financial controls, based on budgets, proper authorisation of all payments and segregation of duties. The PCC set the annual budget and scrutinise monthly management accounts, which analyse variances to budget and prior year. At every meeting they receive a report from the treasurer.

GDPR

The GDPR Officer and Church Administrator monitor and advise on how personal data is used in church and whether it is in line with our data audit and current legislation. Care is taken to delete personal records in accordance with our policy. The Covid requirement to collect contact information from visitors to the building has been introduced in accordance with ICO guidance. Personal consent requests have also been updated to allow individuals to give consent for appearance on social media and streaming.

There has been no recorded report of data breaches or data losses at St Luke's.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The PCC is a corporate body established by the Church of England. It operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity (No 1130376).

The method of appointment of PCC members is set out in the Church Representation Rules. At St Luke's the membership of the PCC consists of the incumbent (our vicar), churchwardens, one of the readers and members elected by those members of the congregation who are on the electoral roll of the church. All those who attend our services are encouraged to register on the electoral roll and stand for election to the PCC. Two of the elected places are reserved initially for youth aged 16-18, if they wish to stand.

The PCC 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 met 4 times during the year with an average attendance of 80%. Given the breadth of its responsibilities, the PCC has sub-committees and working parties dealing with specific aspects of parish life:

- Executive (standing committee)
- Lifegroup/Alpha coordination
- People and pastoral care
- Prayer ministry
- Children and youth
- Partners in mission
- Building group
- Communication/publicity
- Finance

The PCC has appointed individuals to be Prayer Coordinator, Health & Safety Officer, Parish Safeguarding Officer, Lead Recruiter/DBS Administrator and GDPR Officer.

All these committees and officers are responsible to the PCC and report back to it regularly. Minutes of relevant meetings are received by the full PCC and discussed as necessary.

There are three other working groups at St Luke's which report directly to the vicar:

- Leading and preaching team
- All-age service team
- Mission advisory group

FINANCIAL REVIEW AND RESERVES POLICY

The accounts show an overall operating surplus for the year of £5,900. The surplus on the "Unrestricted" funds was £900, and the surplus on "Restricted" Funds was £5,000. There was a shortfall in the Maintenance Fund of £1,200 and a surplus of £2,100 in the General Fund. Therefore the **surplus of income above our operating costs amounts to £2,100**, after an upwards investment revaluation of £900. Excluding this revaluation the General Fund surplus is £1,200 (budget surplus £1,400) and compares with the corresponding surplus in 2019 of £1,500. This is a significant result given the fall in income due to the Covid-19 pandemic. Overall giving by church members was just 1.4% lower than in 2019, after the successful Gift Day, but income from property letting fell by 43%. There were a number of cost savings, in particular because of lower church activity during the various lockdown periods. During the year the PCC has distributed £38,000 to support the Church at home and overseas, local charities and others. This amount includes the PCC's continuing commitment to give away 10% of non specific General Fund income.

General Fund

In this fund, which handles our regular giving and operating costs, income from all sources (excluding revaluations) at £265,900 fell by £18,600 (6.5%), and expenditure at £266,200 increased by £5,400 (2.1%). 85% of our income in this fund came from the giving of church members, which fell by £1,100 (0.5%) including tax recovery. Income from letting of premises (£19,000) was lower than in 2019 (£33,200) because of the effects of the pandemic. Total expenditure in the General fund was £266,200. The Parish Share was paid in full and the amount paid to the Diocese was £7,300 (6.7%) more than in 2019. There were savings on other expenditure categories because of lower church activity in the lockdowns. Salaries and fees increased due to changes in staff numbers.

Earmarked Fund

This fund continues to hold and distribute amounts given for specific purposes. Income during the year was £15,800 and amounts distributed were £10,800. This included giving to TEAR Fund at harvest and one-off grants made from the Covid-19 Emergency Fund, at the Churchwardens' discretion, to alleviate financial hardship.

Partnership Fund

This fund was created in 2006 and was renamed in 2018 following the attainment of fund raising to 10% of the original building cost of the new complex. Income during the year was £1,200 and the amount distributed in the year was £1,200 for a specific project in Japan.

Balance Sheet and Reserves

Our total net assets have increased by £5,900 to £769,200. The PCC has re-valued the property at 23 Orchard Close in the light of current market conditions but this has not resulted in an increase. The PCC has also taken account of an increase of £900 in the value of the investment in the Church of England Fixed Interest Fund, although this may be temporary. Cash balances have increased by £10,100. Of the total net assets an amount of £50,300 is held in the General Fund as available for unexpected expenditure or a significant drop in income. This is our current operational reserve, which remains in excess of the lower of 2.0 months' general expenditure or £40,000, in accordance with PCC policy. The Staff Development Fund (currently £50,000) will be used in future years to support staff numbers.

The General Reserve remains at an adequate level. The main challenge in practice was to sustain and grow regular income. However this objective has been seriously affected by the Covid-19 pandemic and the result for the year has been achieved only through additional generous giving by church members despite the fall in letting income. Sustaining regular giving of church members will be needed if the church is to avoid financial losses in 2021, until such time as lockdown is ended, letting activity can be restored to previous levels and church activities also be restored with a sense of normality. 80% of our operating costs remain in respect of people, as we continue to support our staff and mission partners.

STAFF AND VOLUNTEERS

The PCC is hugely appreciative of the many, many individuals who work so hard to make our church the lively and vibrant community that it is.

- All who have been part of our staff team during the year
- Present and previous churchwardens; those who've finished terms this year on PCC, Deanery Synod, etc
- Our deputy wardens, sidespeople and stewards, the welcome team, and those who do the coffee and refreshments at services and other events

- Those who preach, lead prayers or read Scripture at services
- The musicians who play, sing, compose or record songs to help us worship
- The technology and AV team making sure we can see and hear and follow the services, whether we are in the building, or watching on-line, or playing a DVD
- Those who prepare, teach and help with our children and youth work on Sundays or during the week; including the youth who help at Urban Saints
- Those who coordinated the children's work in the interim, before Lydia started
- The pastoral network team and the prayer ministry team as they phone, visit and pray.
- Those who lead and support Lifegroups, Alpha, Cameo and the various social and outreach activities
- The Building group and all who volunteer to do maintenance and cleaning work in the building or garden
- Those who prepare the church for services – flowers, communion laundry, cleaning silver
- Those who come back late every evening to make sure the church is locked up and lights switched off
- Those who ensure that the giving we receive is counted and banked and that bills are paid on time and properly accounted for
- Those who give, often sacrificially – both regular giving and in response to appeals and Gift Days
- Those responsible for making sure that everyone is kept safe and legal in all we do
- People who write to our partners-in-mission, who keep us informed and prompt us to pray for them
- Those who edit, write for, print and distribute our magazine.
- Those who write, prepare and deliver our door drop communications, website content and posters
- Those who cover everything going on at St Luke's in prayer – in prayer meetings and in private prayer
- Those who take the time to thank and encourage people serving and worshipping at St Luke's

Whenever we prepare a list such as this, we are astonished at just how much is being done, and by so many. We thank each one of you – and give thanks to God for you.

Approved by the PCC on 30 March 2021 and signed, on its behalf by Michael Norman (Chair of PCC)



PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

		Unrestricted funds	Restricted funds	Total funds	
				2020	2019*
		£	£	£	£
Income from:					
<i>Donations and legacies</i>	3(a)	226,005	17,061	243,066	246,414
<i>Charitable activities</i>	3(b)	22,942	0	22,942	39,907
<i>Other trading activities</i>	3(c)	15,600	0	15,600	16,214
<i>Investments</i>	3(d)	1,345	0	1,345	1,890
<i>Other income</i>	3(e)	310	0	310	440
Total income		266,202	17,061	283,263	304,865
Expenditure on:					
Charitable activities					
<i>Grants</i>	4(a)	26,000	12,057	38,057	68,017
<i>Other charitable activities</i>	4(b)	240,212	12	240,224	236,066
Total expenditure		266,212	12,069	278,281	304,083
Net gains/(losses) on investments		926	0	926	575
Net income/expenditure		916	4,992	5,908	1,357
Net movement in funds		916	4,992	5,908	1,357
Reconciliation of funds:					
Total funds brought forward		758,904	4,384	763,288	761,931
Total funds carried forward		759,820	9,376	769,196	763,288

*Comparative figures for Funds for 2019 are set out in Note 2

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
BALANCE SHEET
at 31 December 2020

		Notes	2020 £	2019 £
Fixed assets				
	Tangible	6(a)	600,000	600,000
	Investments	6(b)	27,175	26,249
			627,175	626,249
Current assets				
	Debtors	8	6,727	15,346
	Short term deposits		133,721	123,237
	Cash at bank and in hand		5,149	5,507
			145,597	144,090
Current liabilities				
	Amounts falling due within one year	9	(3,576)	(7,051)
Net current assets			142,021	137,039
Net assets			769,196	763,288
Funds				
	Unrestricted	11	759,820	758,904
	Restricted	12	9,376	4,384
			769,196	763,288

Approved by the Parochial Church Council on 30 March 2021, and signed on its behalf by:

Michael Norman
Chair, St Luke's Parochial Church Council

Paul Evans
Treasurer

The notes on pages 13 to 20 form part of these financial statements

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and the Charities Statement of Recommended Practice (SORP) FRS102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and investments. The PCC is a Public Benefit Entity as defined by FRS 102.

Critical accounting estimates and judgements

In the application of the PCC's accounting policies, the members of the PCC are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern

The members of the PCC assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the PCC to continue as a going concern. The members of the PCC make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the PCC has adequate resources to continue in operational existence for the foreseeable future. Thus, the PCC continues to adopt the going concern basis of accounting in preparing the accounts.

Funds

General Fund represents the funds of the PCC that are not subject to any restrictions regarding 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. Maintenance Fund is unrestricted and designated by the PCC to fund long term maintenance of church premises. Staff Development Fund is unrestricted and designated by the PCC to fund increases in staff numbers per the five year plan. Earmarked Fund handles funds which have been donated for a specific purpose and are thus 'earmarked' for that purpose. Partnership Fund (previously Thanksgiving Fund) handles funds donated by way of appeal, to enable the Church to make specific grants to other churches and Christian organisations.

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

Incoming Resources

Voluntary income and activities for generating funds

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

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

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

Funds raised at social and similar events are accounted for gross.

Sales of books and magazines are accounted for gross.

Activities related to church work

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

Investment income

Interest and dividends are accounted for when receivable.

Resources expended

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. The PCC has decided to make total grants in the year equal to 10% of the non-specific income to the General Fund. Grants are made to support living and other costs of other charities or individuals who have or have had a personal, established connection to St Luke's church. The grants are made in support of the primary objects of the PCC.

Activities relating to church work

The diocesan parish share is accounted for when payable.

Fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by s.10 of the Charities Act 2011. All of St Luke's premises, with the exception of the Large Hall (formerly the church), the Chapel and 23 Orchard Close, are consecrated.

No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property.

All expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings, furniture and office equipment

Fixtures and fittings are depreciated on a straight line basis over 5 years and furniture and equipment over 4 years. Individual items costing less than £1,000 are not capitalised but are fully written off in the year of acquisition.

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.

Cash and cash equivalents include cash in hand, deposits held at call with banks. Short-term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.

Financial instruments

The PCC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the PCC's balance sheet when the PCC becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Creditors and provisions

Creditors and provisions are recognised where the PCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the PCC's contractual obligations expire or are discharged or cancelled.

Risk Management

Financial risk is managed through budgets and regular reporting of the management accounts to the PCC.

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2020

2 COMPARATIVE NUMBERS FOR 2019	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Income from:			
<i>Donations and legacies</i>	227,109	19,305	246,414
<i>Charitable activities</i>	39,907	0	39,907
<i>Other trading activities</i>	15,600	614	16,214
<i>Investments</i>	1,832	58	1,890
<i>Other income</i>	440	0	440
Total income	284,888	19,977	304,865
Expenditure on:			
Charitable activities			
<i>Grants</i>	27,000	41,017	68,017
<i>Other charitable activities</i>	233,784	2,282	236,066
Total expenditure	260,784	43,299	304,083
Net gains/(losses) on investments	575	0	575
Net income/expenditure	24,679	(23,322)	1,357
Net movement in funds	24,679	(23,322)	1,357
Reconciliation of funds:			
Total funds brought forward	734,225	27,706	761,931
Total funds carried forward	758,904	4,384	763,288

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

3	INCOME FROM:	Unrestricted Funds	Restricted Funds	Total funds 2020	2019
		£	£	£	£
3(a)	<i>Donations and legacies</i>				
	Planned Gift Aided	124,152	0	124,152	136,251
	Unplanned Gift Aided	29,669	9,030	38,699	23,308
	Income tax recoverable	39,091	2,257	41,348	42,458
	CAF & Stewardship	8,047	2,150	10,197	12,074
	Cash collections, legacies & donations	25,046	3,624	28,670	32,323
		226,005	17,061	243,066	246,414
3(b)	<i>Charitable activities</i>				
	Room lettings	19,007	0	19,007	33,163
	Fees	1,400	0	1,400	665
	Books, photocopies & Traidcraft	1,397	0	1,397	942
	Other related to church work	806	0	806	2,316
	Church events	332	0	332	2,821
		22,942	0	22,942	39,907
3(c)	<i>Other trading activities</i>				
	Rent received from Orchard Close	15,600	0	15,600	15,600
	Fund raising	0	0	0	614
		15,600	0	15,600	16,214
3(d)	<i>Investments</i>				
	Interest and dividends	1,345	0	1,345	1,890
		1,345	0	1,345	1,890
3(e)	<i>Other income</i>	310	0	310	440
	Total income	266,202	17,061	283,263	304,865

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

4 EXPENDITURE ON:	Unrestricted Funds	Restricted Funds	Total funds 2020	2019
	£	£	£	£
4(a) Grants				
The Church overseas	10,200	3,228	13,428	33,407
National Charities	1,500	75	1,575	8,526
The Church at home	9,050	4,418	13,468	12,900
Local charities & others	5,250	4,336	9,586	13,184
	26,000	12,057	38,057	68,017
4(b) Other charitable activities				
Parish Share	117,019	0	117,019	109,703
Premises running costs	36,665	0	36,665	44,400
Youth and children	31,589	0	31,589	24,637
Music director and music costs	25,614	0	25,614	26,149
Administrator and assistant	18,455	0	18,455	15,603
Administrative expenses	3,345	12	3,357	3,938
Books & bible notes	2,221	0	2,221	1,276
Printing and stationery	1,982	0	1,982	3,688
Church events	991	0	991	662
Vicar and Associated Vicar's expenses	929	0	929	903
Governance costs (note 15)	708	0	708	708
Catering	365	0	365	1,677
Adult groups and outreach	329	0	329	2,332
Depreciation of fixed assets	0	0	0	390
	240,212	12	240,224	236,066
Total expenditure	266,212	12,069	278,281	304,083
5 STAFF COSTS				
Salaries and allowances	53,174	0	53,174	42,878
National Insurance	0	0	0	0
Pensions	2,046	0	2,046	1,536
	55,220	0	55,220	44,414

During the year the PCC employed an Administrator, two Assistant Administrators, a Youth Director, a Children & Families leader and an Associate Music Leader, none of whom earned more than £60,000 p.a. No member of the PCC received any reimbursement of expenses or remuneration from employment, except as referred to in Notes 14 and 16. The PCC contributes to a defined contribution pension scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year that they are payable. The amounts paid during the year are as shown above.

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

6	FIXED ASSETS FOR USE BY THE PCC			2020	2019
6(a)	Tangible	£	£	£	£
		Land & Buildings	Furniture, Fittings & Equipment	Total	Total
	Cost or valuation				
	At 1 January	600,000	28,966	628,966	628,966
	Additions	0	0	0	0
	Revaluation adjustment	0	0	0	0
	At 31 December	600,000	28,966	628,966	628,966
	Depreciation				
	At 1 January	0	28,966	28,966	28,576
	Charge for the year	0	0	0	390
	At 31 December	0	28,966	28,966	28,966
	Net book value				
	At 31 December	600,000	0	600,000	600,000

Notes

(a) in accordance with the appropriate accounting policy (based on the Charities Act 2011 and the Charities SORP (FRS102)), the cost of the new church and associated buildings has been excluded, as the whole complex comprises Consecrated Land & Buildings;

(b) the PCC regards all the moveable church furniture and fittings (primarily the seating, audio-visual equipment and the organ) as inalienable property which would require a faculty for disposal;

(c) the value of 23 Orchard Close is based on the PCC's reasonable best estimate having regard to local market conditions as at 31 December 2020.

6(b)	Investments	£	£
	Market value at 1 January	26,249	25,674
	Additions at cost	0	0
	Revaluation	926	575
	Market value at 31 December	27,175	26,249

During the year an investment has been held for the Unrestricted Funds in the CBF Church of England Fixed Interest Fund. The holding at 31 December 2020 was 16,021.53 shares and the value per share was 169.62p.

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

7	FINANCIAL INSTRUMENTS	2020	2019		
		£			
	Carrying amount of financial assets				
	Debt instruments measured at amortised cost	4,751	13,796		
	Carrying amount of financial liabilities				
	Measured at amortised cost	756	3,481		
8	DEBTORS	£	£		
	Income tax recoverable	3,585	8,112		
	Accrued income	1,166	5,684		
	Prepayments & deposits	1,976	1,550		
		6,727	15,346		
9	AMOUNTS FALLING DUE WITHIN ONE YEAR	£	£		
	Creditors for goods and services	756	3,481		
	Accrued expenses	2,542	3,282		
	Other creditors	278	288		
		3,576	7,051		
10	ANALYSIS OF NET ASSETS BETWEEN FUNDS				
	Unrestricted	Restricted	Total funds		
			2020	2019	
	£	£	£	£	
	Fixed assets	627,175	0	627,175	626,249
	Current assets	136,221	9,376	145,597	144,090
	Current liabilities	(3,576)	0	(3,576)	(7,051)
	Fund balance	759,820	9,376	769,196	763,288
11	UNRESTRICTED FUND DETAIL		£		£
	General Fund Capital reserve		600,000		600,000
	General Fund Current reserve		50,260		48,102
	Maintenance Fund		59,560		60,802
	Staff development Fund		50,000		50,000
			759,820		758,904
12	RESTRICTED FUND DETAIL		£		£
	Earmarked Fund		9,372		4,367
	Partnership Fund		4		17
			9,376		4,384

PAROCHIAL CHURCH COUNCIL OF ST LUKE'S, WATFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

13 STATEMENT OF FUNDS

Fund name	Balance b/f	Income	Expense	Gain/loss/ transfer	Balance c/f
	£	£	£	£	£
General (capital)	600,000	0	0	0	600,000
General (current)	48,102	265,944	(266,212)	2,426	50,260
Maintenance	60,802	258	0	(1,500)	59,560
Staff development	50,000	0	0	0	50,000
Earmarked	4,367	15,849	(10,844)	0	9,372
Partnership	17	1,212	(1,225)	0	4
TOTAL FUNDS	763,288	283,263	(278,281)	926	769,196

COMPARATIVE NUMBERS FOR 2019

Fund name	Balance b/f	Income	Expense	Gain/loss/ transfer	Balance c/f
	£	£	£	£	£
General (capital)	600,390	0	(390)	0	600,000
General (current)	45,630	284,491	(260,394)	(21,625)	48,102
Maintenance	53,205	397	0	7,200	60,802
Staff development	35,000	0	0	15,000	50,000
Building	970	1,276	(2,246)	0	0
Earmarked	2,856	16,084	(14,573)	0	4,367
Partnership	23,880	2,617	(26,480)	0	17
TOTAL FUNDS	761,931	304,865	(304,083)	575	763,288

14 TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

	2020	2019
	£	£
Remuneration paid to Trustee (Adrian Smith, Associate Vicar)	0	5,900
Expenses paid to Trustees (Vicar's and Associate Vicar's working expenses)	929	903
No of Trustees receiving remuneration & expenses	1	2

15 GOVERNANCE COSTS

Fees for Independent Examiner	708	708
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16 RELATED PARTY TRANSACTIONS

Remuneration paid to a party related to one Trustee (P Boxhall)	8,493	7,719
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STATEMENT OF PCC RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Charities Act 2011 requires the PCC to prepare financial statements for each financial year, which give a true and fair view of the PCC's financial activities during the year, and its financial position at the end of the year. In preparing financial statements, the PCC seeks to:

- Follow best practice and guidance provided by the charity commissioners, Church of England, St Albans diocese and other sources
- Use suitable accounting policies consistently
- Make judgements and estimates that are reasonable
- State and apply applicable accounting standards and statements of recommended practice, and explain any areas of concern or deviation
- Prepare financial statements on the going concern basis unless it is appropriate to assume that the PCC will not continue its operations.

PCC members have overall responsibility for ensuring the PCC has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper records which disclose and explain with reasonable accuracy at any time the financial position of the PCC and enable them to ensure that the financial statements comply with the 2011 Act. They are also responsible for safeguarding the assets of the PCC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to ensure that:

- The PCC is operating effectively and efficiently
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained
- Financial information used within the PCC or for publication complies with relevant laws and regulations

As far as the PCC is aware, there are no relevant examination information (information needed by the PCC's independent examiner ("Examiner") in connection with preparing this report) of which the Examiner is unaware. Each member of the PCC has taken all the steps that they ought to have taken as members of the PCC in order to make themselves of any relevant examination information and to establish that the Examiner is aware of that information.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ST LUKE'S PAROCHIAL CHURCH COUNCIL

I report to the trustees on my examination of the accounts of Parochial Church Council ("PCC") for the year ended 31 December 2020.

Responsibilities and basis of report

As members of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the PCC's accounts carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the PCC has prepared accounts in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

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

- 1 accounting records were not kept in respect of the PCC as required by section 130 of the 2011 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford
Hertfordshire WD25 0NE

Date: 31 March 2021

ADMINISTRATIVE INFORMATION

St Luke's church is situated in Langley Way, Watford. It is part of the Diocese of St Albans within the Church of England. The correspondence address is Church Office, St Luke's Church, Langley Way, Watford, WD17 3EG.

PCC members who have served at any time from 1 January 2020 until the date this report was approved are:

		<u>Appointed</u>	<u>Resigned</u>
Ex-officio			
Revd Michael Norman	Vicar		
Anne Bolton			Oct 2020
Phil Boxhall			Oct 2020
Dave Clarke	Reader		
Susan Miller	Churchwarden		
John Williamson	Churchwarden	Oct 2020	
Elected			
Helen Booth		Oct 2020	
Mary Bowen	Deanery Synod	Oct 2020	
Mave Clarke		Oct 2020	
Adrienne Cooke		Oct 2020	
Colin Davies			
Cynthy Davies	Deanery Synod		
Helen Donnelly			
Paul Evans			
Margaret Forester			Oct 2020
Jeff Gibbs			
Joy Hobbs			
Simon Huggins			Apr 2020
Steve Jenkins			
Jos Lawrance			
Ann MacLeod		Oct 2020	
Tim Odbert			Oct 2020
Jean Riley			Oct 2020
John Sills		Oct 2020	
Cate Sims			
Wendy Somerville	Deanery Synod		

Incumbent: Revd Michael Norman

Independent Examiner: Gary Howard FCA
Howard Wilson Chartered Accountants
36 Crown Rise
Watford
WD25 0NE

Bank: Barclays Bank plc
High Street
Watford