

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	<ul style="list-style-type: none">Encountering more of God in our worship by<ul style="list-style-type: none">deepening the culture and rhythm of prayergreater freedom of expression and moving of the Holy Spiritenhancing corporate sung worship (and tech)
Growing our children, youth and family ministry through faithful Bible teaching and the outward working of our faith	<ul style="list-style-type: none">Build, train, enthuse and equip volunteer teamsGrow 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.	<ul style="list-style-type: none">Wycliffe Hall team visit for mission weekReaching out to our estate, including prayer-visiting at least half the homesTraining 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