

THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF
EMMANUEL LOUGHBOROUGH

PAROCHIAL CHURCH COUNCIL'S
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF EMMANUEL LOUGHBOROUGH

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THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF EMMANUEL LOUGHBOROUGH

LEGAL AND ADMINISTRATIVE INFORMATION

Charity number 1132853 (registered in England & Wales)

Address Emmanuel Church Centre
 Forest Road
 Loughborough
 Leicestershire, LE11 3NW

PCC Membership

Rev M.J. Broadley	Incumbent and Chairman
Rev S Harvey	Associate Rector (seconded to St David's Broom Leys for 6 months from 15 th November 2020)
Rev B.J. Gardner	Curate (until resignation on 26 th February 2020 following ordination as Associate Priest of the Benefice of Loughborough The Good Shepherd (effective from 15 th September 2019))
L. Collins	Church Warden
E.M. Featonby	Church Warden
J.H. Walker	Representative on Deanery Synod, elected member of Diocesan Synod and, from 21 st November 2020, elected member of General Synod
S.G Barney	Reader, Chair of the Diocesan Board of Finance Representative on Diocesan and Deanery Synods
C.J. Sheldon	Representative on Diocesan and Deanery Synods
J.M. Burnard	Representative on Deanery Synod
N.J. Revell	Representative on Deanery Synod
Dr C.T. Spencer	Reader, Lay Chair of Deanery Synod, Lay Canon of Leicester Cathedral and PCC Safeguarding Lead
Dr P.E. Pullan	Representative on Deanery Synod (until resignation from the PCC 31 st May 2020)
H.R. Smith	Reader (resigned from the PCC 13 th October 2020)
A. Howlett	Elected Member (from 13 th October 2020) and (from 23 rd January 2021) Reader
M. Billage	Elected Member (resigned 13 th October 2020)
S. Collins	Elected Member (resigned 13 th October 2020)
B. Crew	Elected Member (resigned 13 th October 2020)
C. Rowles	Elected Member (resigned 13 th October 2020)
R. Faulconbridge	Elected Member (resigned 13 th October 2020)
P. Oxbrough	Elected Member (resigned 13 th October 2020)
M.B. Riddleston	Elected Member
E.J Hassall	Elected Member
A.J. Overton-Brown	Elected Member
S.E. Reynolds	Elected Member
F. Monsuur	Elected Member (from 13 th October 2020)
Dr T Marjoribanks	Elected Member (from 13 th October 2020)
D. Ninan	Elected Member (from 13 th October 2020)
Dr A. Leishman	Elected Member (from 13 th October 2020)
K. A. Leishman	Co-opted Member and Treasurer
C. Threlfall-Rogers	PCC Secretary and Co-opted Member (until 13 th October 2020)

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S. Crewe	PCC Secretary and Co-opted Member (from 13 th October 2020)
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**Independent
examiner**

R Buckby FCA
Fortus Midlands Limited
Hamilton Office Park
31 High View Close
Leicester, LE4 9LJ

Bank

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill, West Malling
Kent, ME19 4JQ

THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF EMMANUEL, LOUGHBOROUGH

REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2020

The Parochial Church Council presents its report and the financial statements for the year ended 31 December 2020. The Parochial Church Council which served during the year and up to the date of this report is set out on pages 1-2.

Objectives

The primary objective of the PCC is the promotion of the Gospel of our Lord Jesus Christ according to the doctrines and practices of the Church of England and to co-operate with the Rector in promoting the whole mission of the Church in this ecclesiastical parish.

Administrative information and compliance with prevailing laws and regulations

The Parochial Church Council (PCC) is a corporate body established by the Church of England. The PCC operates under The Parochial Church Council Powers Measure and is registered with the Charities' Commission in line with the requirements of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102.

Structure, governance and management

All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC. The PCC aims to meet a minimum of 6 times a year. Committees are established to examine and develop certain areas of activity but report back to the PCC for decisions to be approved.

The PCC continues to identify major risks to which it is exposed and has established policies to manage these risks which are reviewed on a regular basis – these include, but are not limited to, safeguarding, health and safety and employment issues. Where diocesan and other training opportunities arise, members are encouraged to attend.

Activities (including Public Benefit)

When planning our activities for the year the PCC considered the Charity Commission's guidance on public benefit and in particular, the specific guidance on charities for the advancement of religion. The PCC Trustees believe that, by promoting the work of the Church of England in the Parish, we promote the whole mission of the Church (pastoral, evangelistic, social, and ecumenical) effectively, and that, in doing so, we provide a benefit to the public by:

- Providing facilities for public worship, pastoral care, and spiritual, moral, and intellectual development, both for our members and for anyone who wishes to benefit from what the Church offers; and
- Promoting Christian values and service by members of the Church in and to their communities, to the benefit of both individuals and society as a whole.

The PCC encourages a vibrant life within the church, with every effort made to reach all ages in the parish through a wide variety of worship opportunities, social activities and Christian fellowship. We focus on outreach work through regular Alpha Courses, the Lunchtime Concerts, through youth and children's work, student mission and senior citizens' ministry. We reach out into the community to welcome people and other charitable organisations to share and use our resources. We offer pastoral support through our pastoral teams, prayer teams and prayer chains, listeners, bereavement visitors and communities. The many and varied groups and activities are detailed on our website www.emmanuel-loughborough.org.

While the nature of many of our activities have had to change during 2020 as a result of the coronavirus pandemic, almost all of them have continued for example through the use of online platforms.

THE PAROCHIAL CHURCH COUNCIL OF **THE ECCLESIASTICAL PARISH OF EMMANUEL LOUGHBOROUGH**

The Parish is part of the Loughborough Anglican Mission Partnership (LAMP) and is fully committed to the Loughborough Churches Partnership (LCP) which works to support the Loughborough Street Pastors' scheme and other town-wide mission and outreach projects.

In all areas the PCC has been blessed by the contribution of many volunteers, who share the leadership of many of the programmes and work with churches across the town, as well as helping in the administration of our parish. It is impossible to quantify or put a value on the amount of work done by volunteers.

Donations income of the PCC is tithed, to give to charitable causes and in addition collections from special services and events during the year were also donated to good causes. Church attendees are asked to suggest potential recipients to the tithe committee who then make recommendations to the PCC. Most tithe recipients also have an advocate in church helping to explain their work and convey prayer requests. Details of grants made in 2020 can be found in Note 7a of the accounts.

Achievements and performance

As a parish we have had a very eventful year due to the COVID 19 pandemic. Until 23 March 2020 we continued to offer a full range and variety of services at different times and different days. Sermons and talks are accessible on podcasts via the website and the services continued to have a distinct feel and flavour offering musical worship styles from the traditional organ, to simple acoustic guitar led worship, to a full worship band. The strength of our worship and other ministry is evidenced in the number of volunteers we have who serve in the church. All our worship services are structured around an Anglican form with varying amounts of liturgy depending on the context of the service.

However, in March, due to the lockdown all of our services and much other ministry moved online almost overnight. We pre-recorded one service which we broadcast from 8am each Sunday Morning. The viewing figures have been consistently good. Aligned to that we also developed a daily Thought for the Day as well as gave opportunities to interact with the sermon via Zoom. We also increased our online presence for Holy Week and Easter. In the summer of 2020 we launched an online pre-recorded Family Worship Service which has also proven to be very popular for all ages.

When lockdown was eased, we began to worship "in-person" from August 2020 whilst keeping our online presence. Initially we had one service of Holy Communion in the Morning however we soon introduced an Evening Service. These were quite popular given that we were not permitted to sing.

During the pandemic we have also developed our Children's, Youth and Family Ministry online as well as enhanced our pastoral contacts.

In 2020 we undertook a staff restructure at Emmanuel and in April 2020 we employed Katie Fletcher as our first Operations Director, followed a few months later by Simone Crew as our Office Administrator. Revd Steve Harvey was seconded, by the Bishop of Leicester, to St David's Broom Leys for a 6 month period. In September 2020 Kat Marjoribanks rejoined the staff team following her maternity leave. She will recommence her training at St Melitus College in Nottingham.

In 2020 we hosted an Alpha Course online as well as a Prayer Course online. About 20-25 people completed the Prayer Course.

Christine Harrison has continued to oversee as well as develop our Youth, Children and Young Families Ministry, embedding a new vision statement for this ministry. Christine rejoined the Staff Team in early May 2020 following her maternity leave, during which her ministry was overseen by Sneha Ninan who did an excellent job, including initiating several new areas of ministry. Goda Girdenyte is now in her second year of a three year placement and continues to have a positive impact on our Youth Work.

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Our volunteers at Project 5000 have continued to work with the homeless and disadvantaged, offering regular Monday evening hot meals and food parcels. This is particularly needed especially during the pandemic, and the offer was again extended over the Christmas period. We are most grateful for the prayer and financial support which has come from other local churches and for all our wonderful volunteers in this field.

We also have continued to develop our links with the church in this country as well as overseas, through the Loughborough Churches Partnership, the Diocese and Mission Agencies. We have a particular link with the Dioceses of Kiteto and Mount Kilimanjaro in Tanzania and the Rector continues to liaise with Bishop Stanley there on a regular basis.

Plans for future periods

As a parish we are very dependent on the giving of our congregation and there is always a level of uncertainty arising from the wider economic situation. The importance of the response to God for His gifts and our stewardship of the church and its ministry has always been emphasized in our thanksgiving process. We are mindful of the effects that the pandemic has had and will have on our financial giving and a team has been established to ensure that we remain financially secure during the uncertain nature of our current situation.

The PCC aims to run on a stable footing and aims to balance expenditure on the church buildings and fabric with the mission and objectives of the church.

As part of being designated as a Resourcing Church we now have to look beyond our first church plant to our second plant in the Beacon Academy Area of the Good Shepherd Parish. We need to identify a "planting curate" as well as begin to form a team to form a new worshipping community. We will be doing this in partnership with the Good Shepherd and St Barnabas. We are also beginning to look at other areas where we might plant after the Beacon Academy Plant.

We continue to work closely with the Leadership of both the Good Shepherd and St Barnabas. We have also had a change request accepted by the Resource Church Programme Board to employ a Student Lead for a 3 year period.

We have convened two groups to explore how we can recover well from the pandemic as well as reconstruct our ministry. We will look to focus on prayer as well as see how we can address key areas in the life of our ministry including Welcome, Leadership and Discipleship.

During January 2021 one of our freehold properties was put onto the open market: at the date of signing the accounts, an offer has been accepted and the sale is expected to complete imminently. The intention of the PCC is for these proceeds to be used towards longer term and larger projects, particularly of a capital nature, which will enhance the development and growth of the church, rather than simply to cover regular running costs.

Financial review

During 2020 we have generated a net deficit (before transfers and revaluations) of £7,851 compared to a net surplus last year of £25,292. This year's deficit (before transfers and revaluations) includes £3,817 on unrestricted (including designated) funds and £4,034 on restricted funds.

Total income has decreased by just under £33,000 compared to 2019, whilst expenditure has remained almost unchanged (increasing by less than £200). All income sources were impacted by the coronavirus pandemic and lockdown resulting in a total decrease of just over £46,500, from income excluding grants, which was offset by an increase of just over £13,500 in grants income, largely towards the additional staff costs mentioned below.

Our (unrestricted) parish contribution appears to be lower in 2020 than 2019 (see Note 7) however this is due to us having given an extra gift of just over £7,000 at the end of 2019 from that year's surplus, which has not been possible at the end of 2020. In addition, this year's parish contribution includes £2,196 of restricted funds, which is from St Barnabas Grange Park – it is noteworthy that they have been able to give this during their first year since being planted.

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Staff expenditure (Note 8) is substantially higher this year than last for two main reasons. Firstly, our Director of Youth, Children & Young Families returned from maternity leave in April 2020, and in addition, following a staff reorganisation, we now have two new members of staff whose costs are supported by grants received from the Diocese.

The fact that our total expenditure for the year is only marginally higher than last despite the increased staff costs is a measure of the savings made on the cost of activities which have not been able to go ahead due to the coronavirus pandemic and lockdown. Despite this, the clergy and staff team, ably assisted by many volunteers, have adapted many of our activities to be run online. As a result, despite the reduction in the cost of activities, we have found many ways to continue engaging with the congregation and wider parish, as detailed above in Achievements and Performance.

During the year, we asked individuals to consider whether they were able to give a one-off donation to assist our finances as we were significantly impacted by the loss of lettings income from the church and church hall during lockdown. We are extremely grateful for the generous financial response, as a result of which our deficit for the year is around a third of what we were anticipating it could have been.

Principal risks and uncertainties

The principal risks and uncertainties facing us as a church are the potential for volatility in our income from donations (which is our principal source of funding); as well as the potential need for unexpected repairs to our buildings. Growing into and fulfilling our role as a Resource Church will also continue to be a source of potential financial risk. These risks and uncertainties are the main factors which could affect our future financial performance and position.

The former risk is mitigated by our Thanksgiving programme, which takes place each October – through this we encourage the congregation to consider individually their annual giving and whether they could commit to giving by standing order. This has now become an established part of Emmanuel's church calendar and assists us with budgeting throughout the year.

The risk regarding unexpected repairs is mitigated through the valuable work of the BAT team who perform regular and careful reviews of the buildings, grounds and premises. This ensures that any minor repairs can be undertaken before they get worse and quotes can be obtained for any more significant repairs or works so that they can be planned for before they become essential. Our buildings and contents are fully insured.

In order to minimise the risk around our development as a Resource Church, we continue to carefully balance additional costs incurred in order to fulfil increased expectations against our resources available at any one point in time. In addition, we are taking advantage of grant funding available from the Diocese to assist with the increased staffing requirements which we trust will facilitate our growth.

During 2019 we planted our first church, St Barnabas Grange Park (STB). As STB is not yet a separate legal entity in its own right, its income, expenditure and financial position are shown as a restricted fund in these accounts (Note 14). We anticipate that they will gain CIO (Charitable Incorporated Organisation) status during 2021 at which point they will become a separate legal entity and the restricted fund will be transferred over to them.

Reserves policy and review

The policy of the Trustees is to keep a minimum of £60,000 in the general reserve. This ensures that we have good cover for significant unplanned items of emergency expenditure. We will continue to endeavour to maintain this reserve whenever possible, whilst recognising that we may have to use some of it as an interim measure as we grow and develop as a Resource Church. Should this be required, our aim will always be to reinstate it back again as soon as is possible. Despite the impact of the coronavirus pandemic this year, we have been able to retain our full level of reserves.

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The PCC regularly reviews levels of reserves, including free reserves over and above our designated reserve fund, as part of the budgeting procedure. The PCC believes current levels of reserves are adequate but need to be maintained at a similar level to allow the PCC to maintain its properties to a high standard, to fund works going forward and to guarantee proper payment of salaries. Free reserves are used to grow our mission and ministry in line with priorities determined by the PCC and Emmanuel invests its funds balances with the CBF Church of England Deposit Fund.

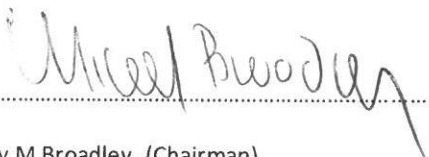
Total reserves at the end of year amount to £676,077. This includes restricted reserves of £19,805, as detailed in Note 14, and designated reserves of £83,330 as detailed in Note 15. We have continued to maintain a designated reserve fund of £60,000, which is in line with our reserves policy and represents approximately three months' expenditure to cover cash flow fluctuations and emergencies. During the year we received a refund of £1,330 relating to overcharged electricity and gas – as this was unexpected it was agreed to transfer it to the designated redecoration fund.

The designated books fund has again been used during the year to offer assistance to trainee lay readers with the purchase of books required for their training, as well as towards some of the books required by the clergy.

The church planting designated fund continues to be built up with the aim of having a sizeable fund available to assist our next church plant arising from our Resource Church designation.

Undesignated general reserves, including the revaluation reserve, amount to £572,942. These include the value of the church hall (regarded as an inalienable asset) and the house previously used by curates. As £568,669 of unrestricted funds could only be released through the disposal of fixed assets, this leaves a surplus on readily available funds ("free reserves") that are neither restricted nor designated of just under £4,300 at the year end.

Approved by the PCC on 23rd March 2021 and signed on their behalf by:


.....

Rev M Broadley, (Chairman)

THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF EMMANUEL, LOUGHBOROUGH

**Independent examiner's report to the Parochial Church Council of the Ecclesiastical Parish of Emmanuel,
Loughborough**

I report to the charity's trustees on my examination of the financial statements of The Parochial Church Council of the Ecclesiastical Parish of Emmanuel, Loughborough for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and related notes.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 charity as required by section 130 of the 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.


.....

R Buckby FCA
Fortus Midlands Limited
Hamilton Office Park
31 High View Close
Leicester, LE4 9LJ

Date: 23rd March 2021

THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF EMMANUEL LOUGHBOROUGH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds			Restricted funds	2020	2019
		General	Designated	Total		Total	Total
		£	£	£	£	£	£
Income from:	Notes						
Donations and legacies	2	245,398	904	246,302	31,954	278,256	288,438
Charitable activities	3	32,637	749	33,386	23,289	56,675	65,560
Other activities	4	22,798	-	22,798	105	22,903	36,673
Investments	5	494	-	494	-	494	621
Total		301,327	1,653	302,980	55,348	358,328	391,292
Expenditure on:							
Raising funds	6	29,139	-	29,139	-	29,139	15,936
Charitable activities	7	276,682	976	277,658	59,382	337,040	350,064
Total		305,821	976	306,797	59,382	366,179	366,000
Net income/ (expenditure)		(4,494)	677	(3,817)	(4,034)	(7,851)	25,292
Transfers between funds	17	(1,330)	1,330	-	-	-	-
Revaluation gains	16	5,000		5,000		5,000	
Net movement in funds		(824)	2,007	1,183	(4,034)	(2,851)	25,292
Reconciliation of funds:							
Total funds							
brought forward		573,766	81,323	655,089	23,839	678,928	653,636
Total funds							
carried forward	14 & 15	572,942	83,330	656,272	19,805	676,077	678,928

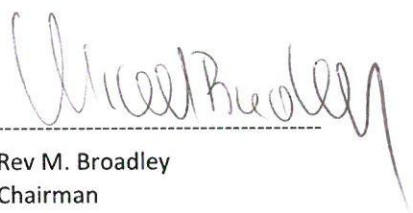
The notes on pages 11 to 22 form an integral part of these financial statements

THE PAROCHIAL CHURCH COUNCIL OF
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BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		573,262		575,471
Current assets					
Debtors	10	12,107		37,628	
Cash at bank and in hand	11	152,770		128,492	
		164,877		166,120	
Creditors falling due within one year	12	(62,062)		(62,663)	
Net current assets			102,815		103,457
Net assets			676,077		678,928
Funds of the charity					
Restricted funds	14		19,805		23,839
General fund	15	235,252		241,076	
Designated funds	15	83,330		81,323	
Revaluation reserve	16	337,690		332,690	
Total unrestricted funds			656,272		655,089
Total funds			676,077		678,928

The financial statements were approved by the Parochial Church Council on 23rd March 2021 and signed on its behalf by:



Rev M. Broadley
Chairman

The notes on pages 11 to 22 form an integral part of these financial statements

THE PAROCHIAL CHURCH COUNCIL OF
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting Policies

The main accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1 Basis of accounting

The PCC constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Church Accounting Regulations 2017, the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

1.2 Fund accounting

Funds shown in these accounts include:

- the general funds of the Parochial Church Council (PCC) that are not subject to any restrictions regarding their use and are available for application to the general purposes of the PCC;
- Designated funds which have been set aside by the PCC for a specific purpose but are not subject to any restriction; and
- Restricted funds which can only be used for specific purposes.

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 are informal gatherings of church members.

1.3 Cashflow exemption

The PCC has taken advantage of the exemption available to smaller charities such that no statement of cashflows has been prepared.

1.4 Income

All income is included in the statement of financial activities when the church is entitled to the income and the amount can be quantified with reasonable accuracy. The following **specific policies are applied to particular categories of income:**

Income from donations and legacies:

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

Planned giving receivable under gift aid is recognised only when received;

Income tax recoverable on gift aid donations is recognised when the donation is recognised;

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

Income from other activities:

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Income from investments:

Interest is accounted for when receivable.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, which is reported as part of the expenditure to which it relates.

1.6 Taxation

The PCC is exempt from tax on its charitable activities.

1.7 Going concern

There are no material uncertainties in respect to the PCC's ability to continue as a going concern.

1.8 Tangible fixed assets and depreciation

Freehold land & buildings are stated at market value and are not depreciated as the PCC consider that any depreciation charge would be insignificant taking into account the useful economic life of the buildings and the fact that they are maintained in good condition.

- Fixtures and equipment are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold land and buildings	- not depreciated
Fixtures and equipment	- 3 to 5 years straight line

- Consecrated land and buildings and moveable church furnishings:
Consecrated and beneficiary property is excluded from the accounts by virtue of s.10 (2) (a) of the Charities Act 2011.

No value is placed on historic movable church furnishings held by churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers these to be inalienable assets. All expenditure incurred during the year on consecrated or beneficed buildings, whether maintenance or improvement, is written off as expenditure in the statement of financial activities.

- Individual items of equipment with a purchase price of £1,000 or less are written off in the year of purchase.

1.9 Defined contribution pension schemes

The pension costs charged in the financial statements represent the contributions payable by the charity during the year.

THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF EMMANUEL LOUGHBOROUGH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 Income from donations and legacies

	Unrestricted Funds			Restricted	2020	2019
	General	Designated	Total	funds	Total	Total
	£	£	£	£	£	£
Planned giving	167,729	330	168,059	9,090	177,149	194,627
Gift aid	42,947	474	43,421	6,116	49,537	52,098
Plate collections	1,844	-	1,844	-	1,844	8,790
Sundry donations	28,172	100	28,272	13,167	41,439	24,706
Interest from HMRC	6	-	6	-	6	1
Legacies	4,700	-	4,700	300	5,000	5,000
Project 5000	-	-	-	3,281	3,281	3,216
	<u>245,398</u>	<u>904</u>	<u>246,302</u>	<u>31,954</u>	<u>278,256</u>	<u>288,438</u>

Income from donations and legacies in the prior year included £13,885 to designated funds income and £14,126 to restricted funds income.

3 Income from charitable activities

	Unrestricted Funds			Restricted	2020	2019
	General	Designated	Total	funds	Total	Total
	£	£	£	£	£	£
Fees	801	-	801	-	801	3,633
Kitchen	256	-	256	-	256	1,214
Grants	27,271	749	28,020	7,269	35,289	21,732
Concerts	2,090	-	2,090	-	2,090	6,689
Bookstall	72	-	72	-	72	222
Church weekend	-	-	-	-	-	3,540
Social events	589	-	589	-	589	5,401
Youth work	496	-	496	-	496	1,928
Youth football team	-	-	-	16,020	16,020	20,349
Sundry income	1,062	-	1,062	-	1,062	852
	<u>32,637</u>	<u>749</u>	<u>33,386</u>	<u>23,289</u>	<u>56,675</u>	<u>65,560</u>

Income from charitable activities in the prior year included: £606 designated grant income, £19,253 restricted grant income and £20,349 restricted youth football team income.

4 Income from other activities

	Unrestricted Funds			Restricted	2020	2019
	General	Designated	Total	funds	Total	Total
	£	£	£	£	£	£
Church Centre lettings	4,265	-	4,265	80	4,345	10,208
Church Hall lettings	8,791	-	8,791	25	8,816	20,083
Other lettings	7,279	-	7,279	-	7,279	4,250
Office & other income	2,463	-	2,463	-	2,463	2,132
	<u>22,798</u>	<u>-</u>	<u>22,798</u>	<u>105</u>	<u>22,903</u>	<u>36,673</u>

All income from other activities in the prior year was unrestricted and undesignated.

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5 Income from investments

	Unrestricted Funds			Restricted funds	2020	2019
	General	Designated	Total		Total	Total
	£	£	£	£	£	£
Bank interest receivable	494	-	494	-	494	621

All income from investments in the prior year was unrestricted and undesignated.

6 Expenditure on raising funds

	Unrestricted Funds			Restricted funds	2020	2019
	General	Designated	Total		Total	Total
	£	£	£	£	£	£
Stewardship and appeal costs	89	-	89	-	89	537
Church Hall running costs	4,923	-	4,923	-	4,923	5,481
Church Hall maintenance	573	-	573	-	573	385
Office and management costs	23,554	-	23,554	-	23,554	9,533
	29,139	-	29,139	-	29,139	15,936

All expenditure on raising funds in the prior year was unrestricted and undesignated.

7 Expenditure on charitable activities

	Unrestricted Funds			Restricted funds	2020	2019
	General	Designated	Total		Total	Total
	£	£	£	£	£	£
Missionary and charitable giving (note 7a)	24,540	-	24,540	3,156	27,696	30,453
Parish gift	114,900	-	114,900	2,196	117,096	123,048
Church weekend	-	-	-	-	-	3,494
Clergy expenses	3,933	214	4,147	528	4,675	6,462
Clergy houses	467	-	467	-	467	1,904
Church running (light, heat, insurance etc)	28,960	762	29,722	5,462	35,184	38,615
Repairs and other costs	4,269	-	4,269	39	4,308	2,260
Church Hall running costs	5,249	-	5,249	-	5,249	5,481
Church Hall maintenance	574	-	574	-	574	384
Youth and children's work	28,730	-	28,730	289	29,019	25,044
Youth football team	-	-	-	18,382	18,382	18,022
Music team	21,504	-	21,504	1,035	22,539	20,745
Outreach & Alpha	913	-	913	729	1,642	3,198
Internship costs	900	-	900	-	900	2,410
Project 5000	-	-	-	782	782	3,163
Social	75	-	75	145	220	4,954
Concerts	1,604	-	1,604	-	1,604	5,250
Publicity	845	-	845	1,078	1,923	3,575
C/fwd to next page	237,463	976	238,439	33,821	272,260	298,462

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7 Expenditure on charitable activities (continued)

	Unrestricted Funds			Restricted funds	2020	2019
	General	Designated	Total		Total	Total
	£	£	£	£	£	£
B/fwd from previous page	237,463	976	238,439	33,821	272,260	298,462
Office & administrative costs	29,518	-	29,518	23,821	53,339	37,788
Kitchen	846	-	846	204	1,050	4,564
Depreciation	7,280	-	7,280	1,097	8,377	7,560
Bank charges	555	-	555	439	994	670
Independent examination fees	1,020	-	1,020	-	1,020	1,020
	<u>276,682</u>	<u>976</u>	<u>277,658</u>	<u>59,382</u>	<u>337,040</u>	<u>350,064</u>

All expenditure on charitable activities in the prior year was unrestricted and undesignated apart from the following:

	Designated	Restricted
	£	£
Missionary & charitable giving	2,072	2,338
Clergy expenses	691	482
Clergy houses	-	380
Church running (light, heat, insurance etc)	1,150	4,893
Youth & childrens' work	-	130
Youth football team	-	18,022
Music team	-	1,866
Outreach & Alpha	-	107
Project 5000	-	3,163
Social	-	70
Publicity	144	2,321
Office & Administrative costs	-	8,760
Kitchen	62	1,463
Depreciation	-	280
Bank charges	144	101
	<u>4,263</u>	<u>44,376</u>

The majority of the current and prior year restricted fund expenditure (other than Youth football and Project 5000) relates to the running costs of STB Grange Park

7a Missionary and charitable giving

	General	Designated	Restricted	2020	2019
	£	£	£	Total	Total
	£	£	£	£	£
SOAR Project	3,500	-	-	3,500	3,543
Church Missionary Society	4,252	-	-	4,252	4,252
The Bible Society	1,300	-	-	1,300	1,418
TearFund	1,300	-	-	1,300	1,418
Diocese of Kiteto	1,200	-	-	1,200	1,200
C/fwd to next page	<u>11,552</u>	<u>-</u>	<u>-</u>	<u>11,552</u>	<u>11,831</u>

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7a Missionary and charitable giving (continued)

B/fwd from previous page	11,552	-	-	11,552	11,831
Diocese of Mount Kilimanjaro	1,350	-	-	1,350	1,350
Child Contact Centre	-	-	-	-	1,418
Project 5000	1,400	-	-	1,400	1,418
Christian Solidarity Worldwide	1,418	-	-	1,418	1,418
Belgian Evangelical Mission	-	-	-	-	1,418
Street Pastors - Loughborough	1,000	-	-	1,000	1,000
Loughborough Churches Partnership	-	-	-	-	1,750
Crosslinks	1,400	-	-	1,400	
STB Grange Park	-	-	-	-	2,072
Give to Give Away	-	-	486	486	1,571
Grants less than £1,000/not yet allocated	6,420	-	2,670	9,090	5,207
	<u>24,540</u>	<u>-</u>	<u>3,156</u>	<u>27,696</u>	<u>30,453</u>

(i) The prior year figures include £2,072 from designated funds and £2,338 from restricted funds.

(ii) In the current year, more gifts of under £1,000 have been given than usual.

8 Employees

Included within the expenditure in Notes 6 and 7 are the following employment costs:

				2020	2019
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Staff costs					
Wages and salaries	98,131	-	19,402	117,533	79,598
Social security costs	2,107	-	757	2,864	1,368
Pension costs (DC scheme)	5,337	-	1,180	6,517	5,206
	<u>105,575</u>	<u>-</u>	<u>21,339</u>	<u>126,914</u>	<u>86,172</u>

The average monthly number of employees (full and part time) during the year was as follows:

	2020	2019
	Number	Number
Office	4	2
Cleaners	2	2
Youth, children and young families ministries	1	2
	<u>7</u>	<u>6</u>

(i) C Threlfall- Rogers, the Church & Centre manager until August 2020, served as Secretary to the PCC until 13th October 2020.

(ii) S Crewe, the Office Administrator was appointed as Secretary to the PCC on 13th October 2020.

(iii) The Church operates a defined contribution pension scheme. At the year end £1,080 (2019: £815) of contributions are due to be paid over, as contributions are paid monthly in arrears.

(iv) No employee received employment benefits for the reporting period of more than £60,000.

(v) During the year, an Operations Director and Office Administrator have been employed - the increased costs compared to our previous structure are being funded by a grant from the Church of England Structural Development Fund (SDF), the income from which is included within grant income in Note 3 above. The full increase was funded during 2020 and the funding will gradually taper off over the next two years.

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8 Employees (continued)

(vi) Restricted fund staff costs relate to STB Grange Park. In the prior year, these amounted to £7,274 and were in relation to September - December 2019 only.

(vii) During the year a statutory redundancy payment of £9,425 was paid to one employee. The full amount due was paid as part of the individual's last wages payment, and there was no liability remaining at the year end.

9 Tangible fixed assets

	Freehold Land and Buildings	Fixtures and Equipment	Total
	£	£	£
Cost or Valuation			
At 1st January 2020	555,000	77,263	632,263
Additions	-	1,168	1,168
Revaluation (Note 16)	5,000	-	5,000
At 31st December 2020	<u>560,000</u>	<u>78,431</u>	<u>638,431</u>
Depreciation			
At 1st January 2020	-	56,792	56,792
Charge for the year	-	8,377	8,377
At 31st December 2020	<u>-</u>	<u>65,169</u>	<u>65,169</u>
Net Book Values			
At 1st January 2020	<u>555,000</u>	<u>20,471</u>	<u>575,471</u>
At 31st December 2020	<u>560,000</u>	<u>13,262</u>	<u>573,262</u>

Both of the properties were professionally valued on 11th January 2018 by Rupert C Harrison on an open market basis assuming vacant possession. One was further revalued on 11th December 2020 by Rupert C Harrison. At the date of the 2018 valuation, Rupert Harrison's qualifications were: FRICS, FAAV, and at the date of the 2020 valuation his qualifications were: Dip. Surv, Dip CPA FRICS, FAAV. In the opinion of the trustees, the value of both properties has not changed materially since their most recent valuations.

10 Debtors

	2020	2019
	£	£
Accounts receivable	2,538	5,450
Gift aid recoverable	4,537	22,009
Prepayments and accrued income	4,476	7,496
Other debtors	556	2,673
	<u>12,107</u>	<u>37,628</u>

11 Cash at bank and in hand

	2020	2019
	£	£
PCC reserve fund bank account	128,707	113,213
PCC general current bank accounts	23,858	15,048
Senior football team cash and bank	75	75
Cash balance	130	156
	<u>152,770</u>	<u>128,492</u>

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12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Accounts payable	3,063	1,648
Accruals and deferred income	48,885	58,960
Unpaid tithe	6,049	2,480
Taxation and social security	2,165	(1,652)
Collections to be paid over to others	488	80
Sundry creditors	1,412	1,147
	<u>62,062</u>	<u>62,663</u>

13 Deferred Income

Deferred income, included within Accruals and deferred income above, relates mainly to grants received. The majority of these are being held as a restricted fund on behalf of the St Barnabas Grange Park church plant until they become a separate legal entity, and are released as required to meet expenditure (excluding grants expended) in excess of income. In the current year, general fund grants have been received to assist with staff costs, from both the Church of England (Structural Development Fund and Growth Fund) and the government Coronavirus Job Retention Scheme (CJRS). In addition, reimbursement of training, development and clergy expenses relating to us being a Resource Church has also been reimbursed by the Diocese.

	2020	2019
	£	£
Balance brought forward	47,495	1,200
Grants added in current period		
- SDF funding (restricted St Barnabas Grange Park)	-	50,000
- Other grant funding (restricted St Baranabas Grange Park)	-	16,088
- SDF & Growth Fund funding (general fund staff costs)	25,250	-
- SDF reimbursement of expenditure	3,290	-
- CJRS reimbursement	3,113	-
Other income invoiced in advance	520	660
Amounts released to income from previous & current periods	(35,835)	(20,453)
Balance carried forward	<u>43,833</u>	<u>47,495</u>

14 Restricted funds

a. Analysis of movements during the CURRENT reporting period

	At 1st Jan 2020	Incoming resources	Outgoing resources	At 31st Dec 2020
	£	£	£	£
Project 5000	6,678	3,667	(782)	9,563
Youth football	9,153	16,788	(18,482)	7,459
St Barnabas Grange Park	6,348	34,593	(39,722)	1,219
Other restricted donations	1,660	300	(396)	1,564
	<u>23,839</u>	<u>55,348</u>	<u>(59,382)</u>	<u>19,805</u>

All Incoming and outgoing resources relate to income and expenditure included in the SOFA

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14 Restricted funds (continued)

b. Analysis of movements during the PREVIOUS reporting period

	At 1st Jan 2019 £	Incoming resources £	Outgoing resources £	At 31st Dec 2019 £
Project 5000	6,428	3,421	(3,171)	6,678
Youth football	6,016	21,224	(18,087)	9,153
St Barnabas Grange Park	-	28,208	(21,860)	6,348
Other restricted donations	2,043	875	(1,258)	1,660
	<u>14,487</u>	<u>53,728</u>	<u>(44,376)</u>	<u>23,839</u>

All incoming and outgoing resources relate to income and expenditure noted included in the SOFA.

c. Purpose of restricted funds

Project 5000: this fund is restricted to donations and other income received in support of Project 5000, which is entirely run by volunteers and provides hot meals and other support to the homeless and others in need throughout the year. Outgoing resources on this fund represent the cost of providing the support.

Youth football: this fund is restricted to income (including voluntary subscriptions, payments for kit and other donations) received by the Emmanuel FC youth football teams, and the associated expenditure. The teams are run entirely by volunteers.

St Barnabas Grange Park: this fund is restricted to income and expenditure from our church plant, St Barnabas Grange Park (STB). This fund will only remain in existence until STB become a separate entity in their own right, which is expected to happen during 2021. At that point, the balance of this fund will be transferred over to STB.

Other restricted donations: these are various small donations given for various specific purposes, which are retained until expenditure for those purposes is incurred.

15 Unrestricted funds

a. Analysis of movements during the CURRENT reporting period

	At 1st Jan 2020 £	Incoming resources £	Outgoing resources £	At 31st Dec 2020 £
Designated Reserve fund	60,000	-	-	60,000
Designated Appeal fund	544	-	(544)	-
Designated Books fund	364	-	(364)	-
Designated Redecoration fund	10,000	1,874	-	11,874
Designated Church planting fund	10,415	1,653	(612)	11,456
Total designated funds	<u>81,323</u>	<u>3,527</u>	<u>(1,520)</u>	<u>83,330</u>
General fund	241,076	301,327	(307,151)	235,252
Revaluation reserve (note 16)	332,690	5,000	-	337,690
Total unrestricted funds	<u>655,089</u>	<u>309,854</u>	<u>(308,671)</u>	<u>656,272</u>

All Incoming and outgoing resources relate to income and expenditure either noted on the SOFA or transferred between funds (as detailed in Note 17 below).

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15 Unrestricted funds (continued)

b. Analysis of movements during the PREVIOUS reporting period

	At 1st Jan 2019	Incoming resources	Outgoing resources	At 31st Dec 2019
	£	£	£	£
Designated Reserve fund	60,000	-	-	60,000
Designated Appeal fund	544	-	-	544
Designated Books fund	514	-	(150)	364
Designated Redecoration fund	5,000	5,000	-	10,000
Designated Church planting fund	37	14,491	(4,113)	10,415
Total designated funds	66,095	19,491	(4,263)	81,323
General fund	240,364	323,073	(322,361)	241,076
Revaluation reserve (note 16)	332,690	-	-	332,690
Total unrestricted funds	639,149	342,564	(326,624)	655,089

All Incoming and outgoing resources relate to income and expenditure noted on the SOFA other than:

- General reserve outgoing resources included £5,000 transfers to other reserves as detailed in Note 17.
- Designated Redecoration fund incoming resources related to a transfer from general funds.

c. Purpose of designated funds

Designated Reserve fund: this fund has been designated to ensure that reserves of £60,000 are maintained at all times (this equates to approximately three months' running costs)

Designated Appeal fund: this fund was designated following a "Worship in the 21st century" appeal several years ago. The terms of the appeal did not require it to be a restricted fund, or for the items for which it was used to remain designated. During 2020, its small remaining balance has been transferred to the Designated Redecoration fund.

Designated Books fund: this fund was set up with the bank balance remaining after closing down the bookstall. It is designated for use to purchase books as required, and its remaining balance has been fully utilised during 2020.

Designated Redecoration fund: this fund has been designated to set aside funds required for the redecoration of the Church, centre and hall, as and when required.

Designated Church planting fund: this fund has been designated to set aside funds to be used for church planting and related expenditure.

16 Revaluation Reserve (unrestricted)

a. Analysis of movements during the CURRENT reporting period

	At 1st Jan 2020	Revaluation in year	At 31st Dec 2020
	£	£	£
Land and Buildings	332,690	5,000	337,690

The revaluation in the year, as detailed in Note 9, is included in the SOFA and has then been transferred to the revaluation reserve (both of which are unrestricted funds).

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16 Revaluation Reserve (unrestricted) (continued)

b. Analysis of movements during the PREVIOUS reporting period

	At 1st Jan 2019	Revaluation in year	At 31st Dec 2019
	£	£	£
Land and Buildings	332,690	-	332,690

17 Transfers between funds

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Transfer from general fund to designated redecoration fund	(1,330)	1,330	-	-
Transfer from designated appeal fund to designated redecoration fund		-	-	-
Transfer from general fund to revaluation reserve	-	-	-	-
	(1,330)	1,330	-	-

Included in transfers are above are £544 of transfers between designated funds (appeal to redecoration) and £5,000 between unrestricted funds (general to revaluation)

18 Balance sheet analysis

a. Balance sheet analysis by fund type (CURRENT YEAR)

	General	Designated	Restricted	Total
	£	£	£	£
Fixed assets	568,669	-	4,593	573,262
Current assets	9,527	6	2,574	12,107
Cash at bank	11,008	83,324	58,438	152,770
Creditors	(16,262)	-	(45,800)	(62,062)
Net assets	572,942	83,330	19,805	676,077

b. Balance sheet analysis by fund type (PREVIOUS YEAR)

	General	Designated	Restricted	Total
	£	£	£	£
Fixed assets	570,949	-	4,522	575,471
Current assets	31,868	2,007	3,753	37,628
Cash at bank	(15,375)	79,316	64,551	128,492
Creditors	(13,676)	-	(48,987)	(62,663)
Net assets	573,766	81,323	23,839	678,928

19 Transactions with members of the PCC and related parties

- (i) Reimbursement of expenses to the following clergy who were trustees for all or part of the year amounted to: Rev M Broadley £2,284 (2019:£3,593); Rev B Gardner £2528 (2019: £2,754) and Rev S Harvey £595 (2019: £864).
- (ii) Since September 2019, expenses of Rev B Gardner relate to the restricted STB Grange Park fund.
- (iii) Expenses of Rev S Harvey, while he is not seconded elsewhere, are all reclaimable from the Diocese.
- (iv) One of our employees is the spouse of a trustee. The trustee resigned during the year while the spouse continues to be employed, receiving a market rate salary for work undertaken for the St Barnabas Grange Park restricted fund.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19 Transactions with members of the PCC and related parties (continued)

(v) During the prior year, Andrew Overton-Brown, a trustee, took up employment which continued throughout the current year and into 2021. He is being paid a market rate salary for the work undertaken.

(vi) During the current year, Simone Crewe took up employment and became a co-opted member of the PCC from October 2020. She is paid a market rate salary for the work undertaken.

(vii) No other person connected with the PCC has received any remuneration.

(viii) PCC members from time to time receive monies in respect of valid expense claims, supported by relevant documentation.

(ix) Substantial amounts of voluntary help were received, the value of which cannot be quantified.