

St Luke's

MAIDSTONE

LIVE • LOVE • LEAD

The Parochial Church Council of the Ecclesiastical Parish of
St. Luke the Evangelist, Maidstone

Registered Charity Number 1133938

Financial Statements

31 December 2021

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Administrative Information

Secretary to the PCC: Wendy Suffield (until September 2021)
Mandy Parris (from September 2021)

Hon Treasurer: Susan Ghinn

Assistant to the Hon Treasurer: Trevor Oakley

Trustees

Incumbent: Revd. Gareth Dickinson

Co-opted: Rev.d Robin Williamson
Brad Cook (from September 2021)

Wardens: Anthony Chadwick
Melanie Williams

Elected Members: Anne Cole (from June 2021)
Sarah Fisher (resigned April 2021)
David Hitch (resigned May 2021)
Dorcas Kingsford (from June 2021)
Graeme Levett
Geoff Licence
Wendy Licence (resigned May 2021)
Donella McGill
Cantor Mocke
Mandy Parris (from June 2021)
Neil Sinclair
Jacqui Taylor (resigned May 2021)

Representative on the Diocesan Synod: Clare Torrens

Representatives on the Deanery Synod: Heather May
Susan Ghinn
Wendy Suffield

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Maidstone
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Independent Examiner Paul Baker
Applied Accountancy Limited
50a Clifford Way
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Kent
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25 Kings Hill Avenue
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Kent
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Trustees' Annual Report for the year ended 31 December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The PCC is a registered charity and is governed by the PCC Powers Measure 1956 (as amended) and Church Representation Rules.

The method of appointment of PCC members is governed by and set out in the Church Representation Rules. PCC membership is sought from the fellowship. New trustees are provided with a guide to the principles of the PCC.

The PCC operates through a number of groups and committees covering many aspects of church life, which report to the full trustee board.

The Standing Committee has the power to transact business of the PCC between meetings, subject to the direction of the full PCC.

There is an officer for mission who considers which societies, organisations or individual missionaries should be supported by the church and raises the profile of mission in the congregation. All recommendations for the distribution of funds given by the church for that purpose are agreed annually by the PCC.

The Site development group looks at the needs of the church in respect of accommodation and future development of the buildings.

Two members of staff were appointed in 2021, a part-time administrator and a full time Children's and Families pastor. These, together with a number of key volunteers and clergy form a core team who meet together each week to manage the ongoing work of the church. The PCC has also made the decision to recruit additional staff in 2022 (a Worship and Creative pastor and a Finance and Bookings Manager) to develop new areas of ministry and relieve the burden on volunteers.

The vicar has worked with the church wardens, site group and PCC, following consultation with the congregation to establish a new vision for the church under the banner of 'Live – Love – Lead'. establish a statement of needs and commission a feasibility study and plans for the development of the site.

OBJECTS, AIM AND PURPOSES

Under the PCC Powers Measure 1956 (as amended), St. Luke's Parochial Church Council (PCC) has the responsibility of co-operating with the incumbent vicar and the churchwardens in promoting in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

The PCC is also specifically responsible for the maintenance of the church complex of St Luke's, Maidstone.

The trustees have complied with the duty in section 4 of the 2011 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

OBJECTIVES AND ACTIVITIES

When planning our activities for the year, the incumbent vicar, the churchwardens and the PCC have considered the Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In particular, we try to enable ordinary people to live out their faith as part of our parish community through:-

- Regular worship open to all, and the teaching of Christianity through sermons and small groups.
- Provision of the Forefront youth groups and children's groups with a Christian ethos, as well as taking assemblies in schools.
- Pastoral work, including visiting the sick and the bereaved, and the St. Luke's Barnabas Fund (emergency funding for Church Members).
- The provision of sacred space for personal prayer and contemplation, as well as ministry teams available to pray with individuals at Sunday services.
- Evangelism, communicating and seeking to demonstrate the message of God's forgiveness and love for all human beings.
- Promoting the whole mission of the Church through numerous groups.
- Supporting other charities in the UK and overseas.
- Supporting the community via provision of activities for parents and preschool children, a coffee and cake club for elderly people.
- Working in partnership with other local churches to support mission in Maidstone.

To facilitate this work, it is important that we maintain the fabric of the Church of St. Luke's and the church complex. Minor maintenance work is organised and carried out by our 'in house' Property team. Major repair work is commissioned from professional firms according to the recommendations of the Quinquennial Survey, which took place in Autumn 2017. A number of projects in 2021 have improved areas of the church complex, making them more suitable for use.

ACHIEVEMENTS AND PERFORMANCE

Regular worship open to all, and the teaching of Christianity through sermons and small groups

Throughout 2021, St Luke's has offered one Sunday morning service which is live-streamed and uploaded to YouTube. At various points in the year the church had to close its doors to manage Covid-19 restrictions, however services have been available online throughout the year. Online viewing figures have continued to be strong with people watching at their convenience throughout the week. Morning services include well-attended groups for children and young people. In addition, new monthly evening celebrations have been introduced. These include guest speakers and allow an extended time of worship, teaching, prayer and ministry.

In 2021 there has been a return to a more normal pattern of services reflecting seasons of the Church calendar. Our Christmas services are particularly appreciated by hundreds of people in the town, especially the service of Carols by Candlelight and a Christingle service for families. Eastborough school also held a carol service in the church this year. A harvest festival was held with donations to the Salvation Army Foodbank.

Seating in the church has frequently been re-organised to allow as many social 'bubbles' as possible to gather while maintaining social distancing. Sanitiser stations, information posters, cleaning procedures and a booking system have been used in accordance with the regulations in place at the time to enable the premises to be as Covid-19 safe as possible.

As well as our regular services, we enable our community to celebrate and thank God at the milestones of their journey through life: through baptisms, marriages and funerals. Baptisms and marriages that had been postponed by the pandemic due to the very limited numbers allowed to attend, have now resumed. Funerals have taken place at the Maidstone crematorium, often led by our non-stipendiary minister.

Normally We also hold an annual Remembrance Sunday service called 'Candle in the Wind': an opportunity for those who wish to remember the death of a loved one. This is especially valued by those who have lost someone during the previous year, enabling them to mourn their loved one, commend them into God's presence and receive the comfort of other people's prayers.

The PCC recognises that God made us all as unique individuals, who desire to worship him in our own way and we try to provide space to recognise and encourage this, not least by the provision of beautiful visual displays of flowers created by our Design Team. Worship Teams provide music and sung worship led in a variety of ways by small groups of musicians and singers, who are supported by the Technical Team, who manage the sound and project words and other data onto the screen at the front of the church.

Lifegroups

Lifegroups are small midweek groups mainly meeting in homes in and around Maidstone. They are safe places to meet, make friends and be encouraged in the Christian faith. They are the initial point for pastoral care. Pastoral links are made to support those who for one reason or another are not able to attend a Lifegroup. Lifegroups continued during the pandemic, mostly via on-line meeting platforms, but also increasingly in person.

Youth and Children

In 2021 St Luke's invested in employing a Children and Families Pastor. This has enabled growth in this area of church life with a significant rise in the numbers of children and young people attending each week. Sessions for children are run every week and are lively and engaging and deeper relationships with families are being built and maintained. Special events such as a Pancake party and Light Trail have also been well-received.

Our young people have Sunday sessions on three weeks a month. On the fourth week, they are encouraged to support other ministries, working with children or helping with sound, vision, worship and refreshments. Additionally, they meet on a Friday evening with a programme that includes spiritual and social content.

Pastoral Work

Pastoral Care consists of visiting people in their homes and in hospital, ministering to the dying and comforting the bereaved, which is done by teams of laity and clergy. During the pandemic, a buddy system was set up to ensure that the most vulnerable members of the congregation have had regular contact, usually via phone calls or by delivering shopping.

The St. Luke's Barnabas fund is supported by the PCC and provides financial support for those facing emergency difficulties. The fund is administered by a small group who ensure confidentiality is maintained.

On Sundays Pastoral Care is also provided by our Ministry Team, who pray with those who are struggling with life's situations; especially where issues may have been raised during the preaching

The Parochial Church Council of the Ecclesiastical Parish of St. Luke the Evangelist, Maidstone

or worship. Those who require counselling are advised to go to the Crossline Christian Counselling Service, an inter-church scheme which operates in the centre of Maidstone.

Because of the size of the church membership, much simple pastoral care is provided both within Life Groups and the huge variety of other groups (such as those described below).

The church appoints safe-guarding officers for vulnerable adults and children, working in partnership with the Diocese and other agencies as appropriate. This work has been recognised by social services and the diocese as an example of excellent practice.

The provision of sacred space for personal prayer and contemplation

There is a regular monthly prayer evening for the congregation.

Evangelism

We believe that promoting the Gospel to the community is vital. We seek to communicate this through targeting invitations to special services and events such as comedy nights, quiz nights etc.

A weekly and monthly newsletter has been distributed to everyone on our Churchsuite database. This has provided a point of contact each week and enabled the promotion of on-line services and increasingly been a source of information and encouragement. On-line services are reaching a wider audience than in-church services had before the pandemic. The church has also held an on-line Alpha course which has drawn in new people.

St. Luke's also has close links with 'Street Pastors', a national initiative where Christians go out to offer practical and pastoral help to young people enjoying the night-life in towns and city centres. Several of our members are involved with this venture in Maidstone, having trained as 'Street Pastors' or as part of their prayer support teams.

St. Luke's also provides volunteers for the Maidstone Churches' Winter Shelter where up to 15 Homeless people were provided with a hot meal, bed overnight and breakfast during the 12 weeks of Winter. During the pandemic, many homeless people have been housed by the council to reduce the potential impact of Covid-19 on vulnerable people.

Technology/ Website / Social media

The website and our social media pages are an important part of our ministry at St. Luke's as we continue to build the church of the 21st century. A 'Whatsapp' group has been established to help people to connect and share information with one another. The church has invested in Churchsuite and G-Suite software as a means of maintaining office functions and improving communication without the need to always be based in a physical office. Use of 'Churchsuite' has allowed us to operate a booking system for in-person events and allow for social-distancing in the building. G-Suite software has allowed staff and key volunteers to work from home, share documents and provide a platform to store and access media files.

A new up-to-date church website has been developed as an initial point of contact for new people. Social media is being utilised more consistently and effectively. The Whatsapp connect group continues to be an important link.

We have invested in new technology to replace audio-visual equipment in the church which had come to the end of its life. This has enabled live-streaming from the church.

Promoting the whole mission of the Church

In normal times, numerous groups operate throughout St. Luke's offering support for those in the local community. All of the groups and activities listed in this section had to be suspended during the pandemic, but many are now up and running again.

There is a "Cafe n' Tots" group for pre-school age children and their carers which has continued to flourish. There are 162 families registered and the two weekly sessions are usually full to capacity. Some of these families have begun to attend other events and services occasionally.

The 60s+ club continues to thrive and attract new members. There are regular activities such as keep fit and quizzes as well as services which are held six times a year.

A gardening team meets weekly to maintain the church garden and grounds.

A men's group called the Journeymen enjoy breakfasts, suppers and walking weekends away.

Refresh, a Ladies Group holds successful Breakfast meetings and social events – not yet restarted.

Company, a group to support adults with learning difficulties group meet regularly on church premises – not yet restarted.

Supporting other Charities in the UK and overseas

St Luke's has continued its commitment to give 10% of its income away to various charities and organisations both within the UK and abroad. In 2021 the PCC distributed the tithe from 2020. This continued during the pandemic and as giving to St Luke's has increased, so in turn, we have been able to increase our giving to other churches and organisations.

Fabric and Buildings

A feasibility study has been carried out and proposals drafted for works to improve the site for our own ministry and community use. A topographical survey has been completed to enable detailed plans and costings to be developed. These plans will require approval from the Diocese and Maidstone Borough Council.

The church vestry has been converted into an office as a base for staff. This required decoration and upgrades to the heating, lighting and computer systems.

The Miss Coppin Room, a small hall, has been redecorated with the addition of new blinds. The replacement of heating and lighting systems, and the introduction of wifi, have made the space more functional and attractive. External funding was obtained to allow this to happen.

The church foyer has been decorated, making it a much more welcoming space. A new electronic screen has been installed so that events and information can be promoted. A new book shop has also been created in the foyer.

Two rooms in the old pre-fabricated hall have been brought back into use and given a face lift, to provide more accommodation for children's groups.

A storage area for toys and equipment has been created in the main church, allowing the space to be used by our group for mums and pre-school children. This in turn allows the church halls to be hired out by other groups.

FINANCIAL REVIEW

Income in 2021 was £246,445 compared with £175,918 in 2020. The increase is due to in part new families joining St Luke's and contributing to the church finances. When Covid (and government restrictions) allowed, services were once again held in church and cash donations were given. The church halls have been hired out this last year and this has helped our finances.

The total income for the year was higher than the expenditure by £20,421, against a deficit of £8,405 in 2020.

Income increased overall, planned giving increased in 2021 by £21,863 and consequently tax recovered also increased by £7,371; cash collections saw a decrease of £716 in the year. Other donations income totalled £64,004 (an increase of £41,091 from 2020). Of this income, £41,408 was in restricted funds and given and received for specific purposes.

Total income from other trading activities was £14,470 (2020: £16,859) of which the largest parts were income of £9,465 from the rental of St Luke's flat (2020: £9,465) and income of £4,817 for the hire of the church halls (2020: £6,716).

Total unrestricted expenditure was £178,761 (2020: £144,702).

"Costs of generating donations" (which is basically the cost of running church activities) was £56,548 (2020: £38,010).

Costs of trading activities was £16,385 (2020: £12,863), an increase which is due to new members joining the church, increased regular giving and the halls and premises being hired out once Covid restrictions were lifted.

Grants to external missions were £38,618 (2020: £32,324), an increase of £6,294 due to new families joining the church and setting up regular Standing Orders, which increased the amount we could allocate to our Mission Giving fund.

PCC Review of Finances

Our Budget for 2021 was a challenging but realistic budget. Our income increased, as new members joined the church and our halls were once again let out on a regular basis. We were able to pay our full Parish Share to the Diocese.

As new families with children joined the church the PCC agreed to appoint a full time Children and Families Pastor, who joined the team in September. The PCC also agreed to the appointment of a part time Church Administrator who also joined the team in September. The PCC along with the Treasurer has continued to keep the finances under regular review throughout the year. St Luke's is an old church and as such the buildings are constantly needing repairs and maintenance of heating systems and repairs in general have been a regular occurrence.

The series of actions we carried out in 2021 included:

- A teaching series on giving and a gift day which raised over £32,000
- A sum up machine to enable easy card payments and gifts
- New programmers for some heating systems, enabling remote control and better efficiency
- New LED lighting in some areas to reduce energy costs.

Reserves Policy

We employed two staff in September 2021 and the PCC agreed to increase the free unrestricted reserves to £17,600. Free reserves at 31 December 2021 were £57,513 (2020: £42,681) representing investments held and unrestricted/undesignated net current assets of the charity.

RISK MANAGEMENT

The board of Trustees continues to assess, identify and address areas of risk and to put controls in place to minimise these. Key controls include;

- Formal agendas and minutes for all Board and subcommittee meetings;
- Comprehensive budgeting, management reporting and accounting;
- Development of written policies and procedures;
- Development of strategic plans.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

FUTURE DEVELOPMENTS

In 2021, emphasis was placed on establishing and taking forward a vision for the church. This led us to the strategic appointment of key staff and reviewing and planning the use and development of the church site in order to support the vision and mission of St Luke's Church in a sustainable way. The church premises extend over a large site which includes St Luke's House and garden, the car park and a number of halls with land around them. These represent assets that, if necessary, could be sold to support redevelopment to enable more extensive use of the site by church and community groups. Growing areas of ministry and the increased size of the congregation also potentially boosts revenue, and the need for usable space.

In 2021, the church has been able to recruit talented staff who have worked alongside the vicar and volunteers, creating a core team to carry out the business of the church.

The last year has seen a significant growth in church membership with many new people giving regularly. Technology has continued to be used extensively for administration, communication and the live-streaming of services, enabling the church to stay connected and engaged despite covid-19 regulations. Giving by standing order remained strong throughout the lockdowns. Moving our own activities into the main church has increased the opportunity to raise income from letting our premises. Income from hall hire has gradually picked up with groups returning or starting new enterprises. Some people have recommenced giving through cash collections in services and others have made use of a new sum-up card machine facility. St Luke's continue to receive income from letting St Luke's House flat which helps cover the costs of maintaining the building.

This report was approved by the Trustees on 25 April 2022

Susan Ghinn
Hon. Treasurer



Revd. Gareth Dickinson
Vicar

Independent examiner's report to the trustees of the Parochial Church Council of the Ecclesiastical Parish of St Luke the Evangelist, Maidstone.

I report to the trustees on my examination of the accounts of the Parochial Church Council of the Ecclesiastical Parish of St Luke the Evangelist, Maidstone ('the charity') for the year ended 31 December 2021, which are set out on pages 12 to 23.

Responsibilities and basis of report

As the trustees of the charity 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 charity's accounts carried out under section 145 of the 2011 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 2011 Act.

Independent examiner's statement

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 Trust 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.

Paul Baker FAIA
Applied Accountancy Limited
50a Clifford Way
Maidstone
Kent ME16 8GD

Dated: 25th April 2022



Statement of Financial Activities For the year ending 31 December 2021

	Notes	Restricted £	Unrestricted £	Endowment £	Total 2021 £	Total 2020 £
Income and endowments						
Donations:						
Donations from church members		-	164,567	-	164,567	136,049
Other donations		41,408	22,596	-	64,004	22,913
Other trading activities		-	14,470	-	14,470	16,859
Investment income		-	6	6	12	97
Other income		-	3,392	-	3,392	-
Total income	2	<u>41,408</u>	<u>205,031</u>	<u>6</u>	<u>246,445</u>	<u>175,918</u>
Expenditure						
Costs of raising funds:						
Costs of generating donations		4,533	52,015	-	56,548	38,010
Costs of trading activities		4,694	11,691	-	16,385	12,863
Total costs of raising funds		<u>9,227</u>	<u>63,706</u>	<u>-</u>	<u>72,933</u>	<u>50,873</u>
Charitable activities:						
Ministry		400	114,073	-	114,473	101,126
Grants		37,636	982	-	38,618	32,324
Total expenditure on charitable activities		<u>38,036</u>	<u>115,055</u>	<u>-</u>	<u>153,091</u>	<u>133,450</u>
Total expenditure	3	<u>47,263</u>	<u>178,761</u>	<u>-</u>	<u>226,024</u>	<u>184,323</u>
Net income/(expenditure)		<u>(5,855)</u>	<u>26,270</u>	<u>6</u>	<u>20,421</u>	<u>(8,405)</u>
Transfers between funds		<u>24,190</u>	<u>(24,190)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>18,335</u>	<u>2,080</u>	<u>6</u>	<u>20,421</u>	<u>(8,405)</u>
Total Funds Brought Forward		156,423	140,036	12,116	308,575	316,980
Total Funds Carried Forward		<u>174,758</u>	<u>142,116</u>	<u>12,122</u>	<u>328,996</u>	<u>308,575</u>

Balance Sheet
As at 31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed Assets					
Tangible assets	5		206,252		211,185
Investments	7		<u>12,047</u>		<u>12,041</u>
			218,299		223,226
Current Assets					
Debtors	8		2,683	2,817	
Cash at bank and in hand			<u>117,327</u>	<u>86,288</u>	
			120,010	89,105	
Creditors: amounts falling due within one year	9		<u>(9,313)</u>	<u>(3,756)</u>	
Net Current Assets			<u>110,697</u>	<u>85,349</u>	
Total assets less current liabilities			328,996	308,575	
Net Assets			<u>328,996</u>	<u>308,575</u>	
The funds of the church					
Restricted Funds	15		174,758	156,423	
Endowment Funds	10		12,122	12,116	
Unrestricted Funds	11		117,191	103,092	
Designated Funds	11		<u>24,925</u>	<u>36,944</u>	
			<u>328,996</u>	<u>308,575</u>	

Susan Ghinn
Hon. Treasurer



Rev. Gareth Dickinson
Vicar



Approved by the Trustees on 25 April 2022

Statement of Cash Flows
For the year ending 31 December 2021

	Notes	2021		2020	
		£	£	£	£
Cash generated/(used) by operating activities	18		33,015		(1,117)
Cash flows from investing activities					
Interest income		6		46	
Proceeds from sale of tangible fixed assets		3,392		-	
Purchase of tangible fixed assets		(5,374)		(11,583)	
Cash used by investing activities			(1,976)		(11,537)
Increase/(decrease) in cash and cash equivalents in the year			31,039		(12,654)
Cash and cash equivalents at the beginning of the year			86,288		98,942
Cash and cash equivalents at the end of the year			<u>117,327</u>		<u>86,288</u>

**Notes to the Accounts
For the year ended 31 December 2021**

1. Accounting Policies

Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention, with the exception that investments are included at market value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

The charity is an Anglican church based in Maidstone but called to reach out to the world with the good news of Jesus Christ, in the power of the Spirit, so that others may know the love of their Heavenly Father. This mission is continuous. Its work is financed by member donations and fund raising activities, such as letting rooms for community use. Finances are carefully managed to ensure all aspects of this mission are carried out including mission both inside the parish and more widely. Free unrestricted reserves were £57,513 at 31 December 2021.

In the light of Covid-19, the treasurer and trustees continue to review its financial status each month. Despite the church not being open at the beginning of the year, church members continued to give their regular monthly gifts to the church and by April with Covid restrictions being downgraded we were able to begin hiring out our halls. Services in church resumed in May 2021 and we began to receive some income from cash collections. Expenditure increased as the church and halls began to be used regularly, and so utility bills were higher and the cleaning contract was re-instated.

The PCC has assets which can be drawn on:

- St Luke's House is a property held by the Diocese of Canterbury of which St Luke's is the sole beneficiary if it were to be sold. It is worth in excess of £500,000.
- A large site with various pieces of land that could be sold to fund other development.

2021 saw many positive changes. The church was open for services from April, alongside the live-streamed services, which proved a great success, particularly for those who were vulnerable and felt unable to attend a service in church. The new website was up and running and our social media presence was active and very well received. In September we appointed a full time Children and Families Pastor, who has come to us full of enthusiasm and vitality and through her ministry the children's work has thrived and the number of families and children has increased. In September we also appointed a part time Church Administrator who has brought her skills and talents to help the church and administration processes move forward. Both staff work in the new office, which was once the church vestry.

A recent Gift Day in February 2021 raised over £32,000 in one-off gifts, which was ring-fenced and set aside for the appointment of our new staff. With both regular church members and new families joining the church having confidence in the vision (Live: Love: Lead) our monthly giving by standing order increased. Repairs and maintenance are a constant battle with an older church and some work both in the MCR and the halls has been completed.

Feasibility studies have been concluded on ideas for the site and buildings to best support the mission of the church and provide facilities for community use. No firm decision has been made whether to sell off buildings or areas of the site for development. This could help to fund other improvements.

The trustees are resolved to carry forward plans that will ensure the charity's ability to continue in the foreseeable future and that there are no material uncertainties surrounding its ability to do so.

**Notes to the Accounts
For the year ended 31 December 2021**

1. Accounting Policies (cont)

Income

Income, including income tax recovered on amounts received by way of Gift Aid is recognised in the Statement of Financial Activities once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Resources Expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings which aggregate all costs related to the category.

Total resources expended include the allocation of support costs to the various expenditure categories set out in the Statement of Financial Activities. Support costs have been allocated to activities on a basis consistent with the use of resources as shown in note 14.

Costs of generating donations consist of costs associated with the day to day running of the church building and services as well as costs associated with church family activities. Costs of trading activities are costs generally associated with activities where there is associated fee income.

Costs of charitable activities are costs associated with activities to meet the needs of the community and are part of church outreach.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the independent examination and other statutory costs.

Grants

Grants are recognised in the Financial Statements when they are paid. Grants are not normally received from external sources.

Value added Tax

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

Tangible fixed assets

Assets are reviewed on an individual basis and capitalised when an ongoing benefit will be provided to the charity. Depreciation has been provided at the following rates in order to write off the assets over their estimate useful lives.

St Luke's House & Improvements	2% Straight line
Equipment	20% Straight line

A full year's charge has been made for depreciation in the year of an asset's purchase and no depreciation is charged in its year of disposal.

Impairment losses are recognised when there is an indication of impairment and the asset's recoverable amount is less than its carrying amount.

Notes to the Accounts For the year ended 31 December 2021

1. Accounting Policies (cont)

Fixed Asset Investments

Investments are stated at market value as at balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals during the year.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the charity 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

Employees of the charity are entitled to join the Church Workers Pension Fund (see note 20). The charity contribution is restricted to the contributions disclosed in note 13.

Restricted and Unrestricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to that fund. Unrestricted funds are donations and other income received or generated for the objectives of the Church without further specified purpose and are available as general funds.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Rentals paid under operating leases are charged to the statement of financial activities as incurred.

The Parochial Church Council of the Ecclesiastical Parish of St. Luke the Evangelist, Maidstone

Notes to the Accounts For the year ended 31 December 2021

2. Income and endowments	Restricted £	Unrestricted £	Endowment £	Total 2021 £	Restricted £	Unrestricted £	Endowment £	Total 2020 £
Donations from church members								
Planned Giving	-	130,110	-	130,110	-	108,247	-	108,247
Tax recovered on Planned Giving	-	33,237	-	33,237	-	25,866	-	25,866
Cash Collections	-	1,220	-	1,220	-	1,936	-	1,936
Church Events	-	-	-	-	-	-	-	-
	-	164,567	-	164,567	-	136,049	-	136,049
Other donations								
Donations, appeals etc	35,406	22,596	-	58,002	7,768	2,093	-	9,861
Other Income	6,002	-	-	6,002	3,052	-	-	3,052
Grants	-	-	-	-	-	10,000	-	10,000
	41,408	22,596	-	64,004	10,820	12,093	-	22,913
Other trading activities								
St. Luke's Flat Rent	-	9,465	-	9,465	-	9,465	-	9,465
Fees	-	188	-	188	-	678	-	678
Church Hall	-	4,817	-	4,817	-	6,716	-	6,716
Other Income	-	-	-	-	-	-	-	-
	-	14,470	-	14,470	-	16,859	-	16,859
Investment income								
Dividends and Interest	-	6	-	6	-	46	-	46
Interest from Endowments	-	-	6	6	-	-	51	51
	-	6	6	12	-	46	51	97
Other income								
Proceeds from sale of fixed assets	-	3,392	-	3,392	-	-	-	-
Total income	41,408	205,031	6	246,445	10,820	165,047	51	175,918
3. Expenditure								
Costs of generating donations								
Church maintenance and running expenses	2,250	35,539	-	37,789	231	23,697	-	23,928
Church Family	-	3,539	-	3,539	-	2,482	-	2,482
Church groups	658	-	-	658	1,947	-	-	1,947
Leadership Costs	-	826	-	826	-	317	-	317
Worship Costs	1,625	3,860	-	5,485	978	3,716	-	4,694
Support Costs	-	8,251	-	8,251	-	4,642	-	4,642
	4,533	52,015	-	56,548	3,156	34,854	-	38,010
Costs of trading activities								
St. Luke's House Running costs	4,694	3,939	-	8,633	4,694	3,097	-	7,791
Church Hall Running Costs	-	2,883	-	2,883	-	3,856	-	3,856
Rental Properties	-	2,708	-	2,708	-	-	-	-
Support Costs	-	2,161	-	2,161	-	1,216	-	1,216
	4,694	11,691	-	16,385	4,694	8,169	-	12,863
Charitable Activities								
Ministry: Diocesan Quota	-	91,088	-	91,088	-	94,948	-	94,948
Clergy Expenses	-	1,946	-	1,946	-	556	-	556
Children and Youth	-	1,643	-	1,643	-	820	-	820
Church Outreach Events	400	1,897	-	2,297	-	160	-	160
Direct Salary Costs	-	9,248	-	9,248	-	-	-	-
Support Costs	-	8,251	-	8,251	-	4,642	-	4,642
	400	114,073	-	114,473	-	101,126	-	101,126
Grants								
Missionary and Charitable Giving:								
Church Overseas	27,769	-	-	27,769	12,532	-	-	12,532
Mission Giving	-	-	-	-	5,715	-	-	5,715
Home Mission and other Church Societies	9,697	-	-	9,697	10,386	-	-	10,386
Special Collections	170	-	-	170	3,138	-	-	3,138
Support Costs	-	982	-	982	-	553	-	553
	37,636	982	-	38,618	31,771	553	-	32,324
Total Expenditure	47,263	178,761	-	226,024	39,621	144,702	-	184,323

Notes to the Accounts For the year ended 31 December 2021

4. Net movement in funds

	2021 £	2020 £
Is stated after charging:		
Depreciation of owned fixed assets	10,307	7,879
Amounts payable to Independent Examiner:		
Independent Examination	720	720
Accountancy	1,200	1,200
Operating lease - equipment	<u>1,100</u>	<u>1,032</u>

5. Tangible Fixed Assets

	2021			2020		
	Equipment £	Buildings and Improvements £	Total £	Equipment £	Buildings and Improvements £	Total £
Costs						
At 1st January	56,495	365,004	421,499	105,881	365,004	470,885
Additions	5,374	-	5,374	11,583	-	11,583
Disposals	(4,105)	-	(4,105)	(60,969)	-	(60,969)
At 31st December	<u>57,764</u>	<u>365,004</u>	<u>422,768</u>	<u>56,495</u>	<u>365,004</u>	<u>421,499</u>
Depreciation						
At 1st January	45,491	164,823	210,314	105,881	157,523	263,404
Charge for the Year	3,007	7,300	10,307	579	7,300	7,879
Disposals	(4,105)	-	(4,105)	(60,969)	-	(60,969)
At 31st December	<u>44,393</u>	<u>172,123</u>	<u>216,516</u>	<u>45,491</u>	<u>164,823</u>	<u>210,314</u>
Net Book Value						
At 31st December	<u>13,371</u>	<u>192,881</u>	<u>206,252</u>	<u>11,004</u>	<u>200,181</u>	<u>211,185</u>
At 1st January	<u>11,004</u>	<u>200,181</u>	<u>211,185</u>	<u>-</u>	<u>207,481</u>	<u>207,481</u>

6. St. Luke's House and St Luke's Centre

The title deeds of St. Luke's House are vested in the name of the Diocese of Canterbury's Board of Finance Limited. The beneficial interest however is vested in The Parochial Church Council of St. Luke the Evangelist, Maidstone. The property can only be sold with the approval of the Diocese of Canterbury's Board of Finance Limited at which time the charity would be entitled to the full sale proceeds.

7. Investments

	2021 £	2020 £
Costs		
At 1st January	12,041	11,990
Interest received	6	51
At 31st December	<u>12,047</u>	<u>12,041</u>

	2021 £	2020 £
Analysis of investments:		
Cash deposits	<u>12,047</u>	<u>12,041</u>

8. Debtors

	2021 £	2020 £
Gift Aid Tax recoverable	2,533	2,816
Prepayments and Accrued Income	<u>150</u>	<u>-</u>
	<u>2,683</u>	<u>2,816</u>

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and Deferred Income	<u>9,313</u>	<u>3,756</u>
	<u>9,313</u>	<u>3,756</u>

10. Endowment funds

	2021 £	2020 £
Balance brought forward	12,116	12,065
Investment income	6	51
Balance Carried forward	<u>12,122</u>	<u>12,116</u>

Notes to the Accounts For the year ended 31 December 2021

11. Unrestricted funds

	2021 £	2020 £
Balance brought forward	103,092	93,150
Excess of income over expenditure	31,485	24,041
Transfer	(17,386)	(14,099)
Balance Carried forward	<u>117,191</u>	<u>103,092</u>

Designated funds

	2021 £	2020 £
Balance brought forward	36,944	42,140
Excess of income over expenditure	(5,215)	(3,696)
Transfers	(6,804)	(1,500)
Balance Carried forward	<u>24,925</u>	<u>36,944</u>

Designated funds relate to:

- 1) £7,236 (2020: £7,236) The proceeds remaining after the sale of St Luke's Centre in January 2016, this had been designated to be used towards church maintenance costs.
- 2) £4,900 (2020: £8,800) - a legacy was received during 2018 which has been set aside by the trustees. During the year £3,900 was released from this designated fund to pay for expenditure on new audio visual equipment.
- 3) £nil (2020: £2,904) - funds set aside by the trustees during 2019 for quinquennial costs were released during the year to spend on church maintenance.
- 4) £710 (2020: £7,000) - funds set aside by the trustees during 2020 for professional advice on the use of buildings and property of which £6,290 was spent during the year.
- 5) £8,687 (2020: £11,004) - the value of this designated fund at the year end relates to the net book value of the capital equipment purchased from a release from the legacy designated fund above in 2020.
- 6) £3,392 (2020: £nil) - funds set aside in 2021 from the sale of tangible fixed assets to be used for media equipment.

12. Related Party transactions

During the current or previous financial year, no trustee received any remuneration. All Trustees were reimbursed for out of pocket expenses relating to either travel, the PCC away day or expenses related to other ministries within the church with which they are involved.

13. Staff Costs

	2021 £	2020 £
Wages and salaries	12,449	-
Social security costs	-	-
Pensions	1,201	-
	<u>13,650</u>	<u>-</u>

The average number of employees during the period was 2 (2020: 0).

In the current or previous financial year, no members of staff received a salary which fell into the 'over £60,000' higher level as defined in the Charities Statement of Recommended Practice.

14. Support Costs

The Support Costs of the charity have been allocated as follows;

		2021 £	2020 £
42%	Costs of generating donations	8,251	4,642
11%	Costs of trading activities	2,161	1,216
42%	Charitable activities	8,251	4,642
5%	Grants	982	553
100%	Total support costs	<u>19,645</u>	<u>11,053</u>

The support costs were made up as follows

Staff Costs	5,821	432
Print, Postage and Stationery	1,369	2,480
IT Costs	5,941	1,781
Telephone	1,596	1,769
Bank charges	99	65
Depreciation	2,899	2,606
Governance costs	1,920	1,920
	<u>19,645</u>	<u>11,053</u>

Governance costs were made up as follows

Accountancy & external scrutiny	<u>1,920</u>	<u>1,920</u>
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Notes to the Accounts For the year ended 31 December 2021

15. Restricted Funds	At 1st January 2021	Income	Expenditure	Transfer	At 31st December 2021
	£	£	£	£	£
Minor Funds and Special Collections	5,557	9,209	(10,246)	786	5,306
Cellar/Media Fund	5,189	-	(1,759)	3,900	7,330
St. Luke's Barnabas	5,134	25	-	-	5,159
St. Luke's House	124,043	-	(4,560)	-	119,483
Gift Day 2021	-	32,174	-	-	32,174
Mission Giving 2020	16,500	-	(14,698)	(1,802)	-
Mission Giving 2021	-	-	(16,000)	21,306	5,306
	<u>156,423</u>	<u>41,408</u>	<u>(47,263)</u>	<u>24,190</u>	<u>174,758</u>
	At 1st January 2020	Income	Expenditure	Transfer	At 31st December 2020
	£	£	£	£	£
Minor Funds and Special Collections	10,053	7,572	(10,767)	(1,301)	5,557
Mission Trip Fund	5,716	-	(5,716)	-	-
Cellar/Media Fund	5,837	63	(1,111)	400	5,189
St. Luke's Barnabas	2,449	3,185	(500)	-	5,134
St. Luke's House	128,603	-	(4,560)	-	124,043
Mission Giving 2019	16,967	-	(16,967)	-	-
Mission Giving 2020	-	-	-	16,500	16,500
	<u>169,625</u>	<u>10,820</u>	<u>(39,621)</u>	<u>15,599</u>	<u>156,423</u>

Special Collections and Minor Funds- These represent the sum of all funds which were less than £2,000 at the start and end of the Financial Year.

Cellar/Media Fund represents gifts received for the conversion of the church cellar into a studio. Permission was subsequently received from the Charity Commission to use these funds towards expenditure on media in the church. This fund also includes amounts transferred from designated funds to spend on new media equipment.

St. Luke's Barnabas is a fund set up to help St. Luke's members with 'one off' financial difficulties.

St. Luke's House represents the money donated by the congregation when St. Luke's House was purchased. This used to purchase and improve the house and the balance represents this rather than actual cash. This amount is reduced annually by a charge for depreciation

The Gift Day 2021 funds relate to donations received from an appeal towards staffing costs.

2022.

16. Analysis of Net Assets between Funds

	Tangible Fixed Assets	Investments	Net Current Assets	At 31 December 2021
	£	£	£	£
Restricted Funds	125,764	-	48,994	174,758
Designated Funds	8,688	-	16,237	24,925
Unrestricted Funds	71,800	-	45,391	117,191
Endowment Funds	-	12,047	75	12,122
	<u>206,252</u>	<u>12,047</u>	<u>110,697</u>	<u>328,996</u>
	Tangible Fixed Assets	Investments	Net Current Assets	At 31 December 2020
	£	£	£	£
Restricted Funds	127,654	-	28,769	156,423
Designated Funds	11,004	-	25,940	36,944
Unrestricted Funds	72,527	-	30,565	103,092
Endowment Funds	-	12,041	75	12,116
	<u>211,185</u>	<u>12,041</u>	<u>85,349</u>	<u>308,575</u>

The Parochial Church Council of the Ecclesiastical Parish of St. Luke the Evangelist, Maidstone

Notes to the Accounts For the year ended 31 December 2021

17. Financial commitments

There were no capital commitments at the end of the year (2020: £nil).

Total future minimum lease payments under non-cancellable operating equipment leases are as follows:

	2021 £	2020 £
Within one year	500	600
Between one and five years	-	-
	<u>500</u>	<u>600</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	20,421	(8,405)
Add back depreciation charge	10,307	7,879
Deduct profit on sale of tangible fixed assets	(3,392)	-
Deduct interest income	(12)	(97)
Decrease in debtors	134	1,463
Increase/(decrease) in creditors	<u>5,557</u>	<u>(1,957)</u>
	<u>33,015</u>	<u>(1,117)</u>

19. Analysis of grants

	2021 Institutional Grants £	2021 Grants to Individuals £	2020 Institutional Grants £	2020 Grants to Individuals £
Church Overseas	27,769	-	12,532	-
Mission Giving	-	-	5,715	-
Home Mission and other Church Societies	9,697	-	9,886	500
Special collections	-	170	-	3,138
	<u>37,466</u>	<u>170</u>	<u>28,133</u>	<u>3,638</u>

Recipients of institutional grants

A Rocha	1,400	700
Bible Society	2,200	1,300
Canterbury Diocese Bishop Rose's Justice Appeal	-	500
CMS	3,100	1,000
Compassion	2,000	1,200
CPAS	1,500	1,336
Crossline	-	1,000
Family Trust	1,500	750
Friends of Tollara	1,100	-
International Justice Mission	2,000	-
Kampala Children's Centre	2,400	1,300
Lawrence Barham Memorial Trust	2,200	1,300
Maidstone Christian Counselling Service	1,447	-
Maidstone Street Pastors	1,250	500
Maidstone Winter Shelter	1,500	953
Mike Campbell Foundation	2,000	1,200
People Reaching People	-	1,400
Princess Project	1,500	1,000
Salvation Army	1,000	500
Soteria Trust	2,200	1,300
St Faith's	-	5,715
Tearfund	4,935	1,832
Waypoint	-	3,347
Welcome Churches	<u>2,234</u>	<u>-</u>
	<u>37,466</u>	<u>28,133</u>

Recipients of grants to individuals

Gifts - retiring & new vicars	-	3,088
Leavers gifts	170	50
Barnabus fund grants made to members with financial difficulties	-	500
	<u>170</u>	<u>3,638</u>

Notes to the Accounts For the year ended 31 December 2021

20. Church Workers Pension Fund (CWPF)

St Luke's (Maidstone) PCC participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of St Luke's (Maidstone) PCC and other participating employers.

CWPF has two sections:

- 1) the Defined Benefits Scheme
- 2) the Pension Builder Scheme, which has two subsections;
 - a) a deferred annuity section known as Pension Builder Classic, and,
 - b) a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added by the before retirement, depending on investment experience and other factors. The account, plus any bonuses declared, is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2021: £1,201, 2020: £nil).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, St Luke's (Maidstone) PCC could become responsible for paying a share of the failed employer's pension liabilities.