

# St Luke's Church Great Ilford



## Annual Report and Financial Statements of the Parochial Church Council

for the year ended  
31 December 2003

**St Luke's Church Great Ilford**  
**Baxter Road, Ilford, Essex, IG1 2HN**

**Priest in Charge**

The Revd John Brown BA (Hons)  
St Luke's Vicarage  
Baxter Road  
Ilford  
Essex IG1 2HN

**Reader (Lay Minister)**

Jean Andrews BSc  
3 Swards End  
Wickford  
Essex SS12 9PB

**Treasurer**

Robert W Andrews ACIB, Cert Mgmt (Open), MACIE  
3 Swards End  
Wickford  
Essex SS12 9PB

**Secretary**

Ms Caroline Leonard  
20 Church Road  
Ilford  
Essex IG2 7ES

**Bankers**

National Westminster Bank  
50 Ilford Hill  
Ilford  
Essex IG1 2DX

**Independent Examiner**

Revd Alan Clements MA, ACIB, MACIE  
3 Woodkirk Close  
Seghill  
Cramlington  
NE23 7TZ

# Parochial Church Council of St Luke Great Ilford

## Background

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

## Membership

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules.

During the year the following served as members of the PCC:

Priest in Charge:       Revd John Brown  
Reader:                 Mrs Jean Andrews  
Wardens:                John Cannon  
                              Clayton Hope

Representatives on the Deanery Synod:  
Robert Andrews (also Treasurer)  
Jean Andrews

Elected members

David Belgrave  
Mrs Heather Jordon  
Ms Caroline Leonard - from APCM 2003 (also Secretary)  
Anthony Merriman - to APCM 2003  
Mrs Barbara Nnaemeka  
Mrs Jacqueline Perry - from APCM 2003  
Sudhakar Rajamanickam - from APCM 2003 (resigned December 2003)  
Nevine Ratnanayagam  
Lorraine Stiles - from APCM 2003

## Committees

### *Standing Committee:*

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council. Members of the Standing Committee are the Priest in Charge, Reader, Wardens, Secretary and Treasurer.

There are no other formal committees, although ad hoc committees are formed from time to time for specific purposes and act within powers delegated by the Council.

## Church attendance

There were 68 members on the Church Electoral Roll when it was revised in April 2003, of whom 54 reside in the parish. 4 new members were added during the year and 1 removed because she had moved out of the area. The average Sunday attendance counted during October was 48 adults and 9 children (2002 = 42 adults and 9 children). The average Sunday attendance during the year was 43 adults and 7 children (2002 = 44 adults and 10 children)

# Parochial Church Council of St Luke Great Ilford

## Parish details

Information from the 2001 census was published during the year and showed the following profile of the parish.

	St Luke's parish	Average for Redbridge Deanery	Average for England
Population	12424	10297	-
Children 0-15 years	29%	21%	20%
People of retirement age	14%	20%	21%
People of working age in full time or part time work	55%	68%	61%
Managers & professionals	7%	11%	-
Average no of persons per household	2.89	2.56	-
Average number of rooms available per household	4.67	5.16	-
People who claim to be Christian	34%	50%	72%
Ethnic mix			
White	29%	64%	91%
Asian/Asian British	48%	25%	5%
Black/Black British	18%	8%	2%
Mixed race	3%	2%	1%
Chinese and others	2%	1%	1%

## Review of the year

The full PCC met six times during the year. The Standing Committee did not meet during the year and no other committees were formed.

The main business of the year was the proposed development of the church site. During 2002 the PCC agreed in principle to allow Loxford Surestart (a government funded body) to build a fifty place nursery on the site of the former tennis court between the church and the hall.

Outline planning permission was obtained during 2002 but the London Borough of Redbridge initially refused full planning permission on the grounds that the proposed modular building was not in keeping with the adjacent church buildings. The PCC, along with other interested parties appealed to the local Area 6 committee of Redbridge Council and planning permission was eventually given. Some £0.75M of central government funding has been earmarked for this project. In December 2003 the Chelmsford Diocesan Board of Finance, acting as custodian trustee of the land, executed a twenty-five year lease to Dr Barnardos who will run the nursery. Building work commenced in January 2004 and is expected to be completed by April 2004. The PCC will receive rental income from the site, based on a valuation undertaken during 2002 by Messrs Glenn the diocesan valuers.



*Work commences on the nursery site (January 2004). The church hall and 1950s annexe are shown on the left of the picture*

## Parochial Church Council of St Luke Great Ilford

Coupled with the development of the nursery, the PCC intends to upgrade the hall accommodation by demolishing the 1950s prefabricated extension and replacing it with a two storey development which will be matched as far as possible to the main hall that was built in 1908 as the original church. The upgraded hall will be used by the nursery during the day but will be available for hire to other community groups in the evening and at weekends. Messrs Ronald Wylde and Associates, the church architect, estimates the cost will be in the region of £450,000 and this will be financed as follows:

### Cash available

Church funds – balance of the Audrey Letcher bequest	£50,000
Awards For All	£3,000
O-Regen	£1,500
London North East Community Fund	£2,241
Allchurches Trust	£1,000
The Mulberry Trust	£1,000
Charles French Charitable Trust	£1,000
Garfield Weston Foundation	£25,000
Ford of Great Britain	£3,000
Scarman Trust	£1,000
	<hr/>
	£88,741

### Grants committed

Grant from City Church Fund/London Over the Border Church Fund	£150,000
Grant from Loxford Surestart	£100,000
Grant from Henry Smith Foundation	£70,000
Grant from Bridge House Trust	£40,000
	<hr/>
	£360,000

### Loans available if required

Loan from City Church Fund/London Over the Border Church Fund	£75,000
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### Total funds available for project

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**£523,741**

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Planning permission for the hall extension was given in January 2004 and our architects are now seeking tenders for the work. We anticipate that building work will commence around April 2004 and be completed within six months.

The PCC is indebted to the Revd John Brown who had the vision to develop the site and who has worked single-handedly to obtain funding for the project.

## Financial review

The finances of St Luke's have been in a parlous state for many years and the church has only survived in recent years because it received approximately £170,000 from the estate of the late Audrey Letcher. The parish is one of the poorest in the Borough of Redbridge and it will be noted from the census statistics above that the parish has a very diverse ethnic mix with only 34% claiming to be nominally Christian. When our previous Vicar, the Revd Mark Judge, resigned in 2001 it was decided that the parish could not support a full-time priest therefore the Bishop suspended the Living and appointed the Revd John Brown as Priest in Charge on a half-time basis. Fr John combines the role of Priest in Charge of St Luke's with being a member of the Barking Episcopal Area team where he runs the Barking Programme, a Christian education project for lay people.

## Parochial Church Council of St Luke Great Ilford

A little less than 50% of the PCC's income (£14,200) was donated by members of the congregation. This represents about £280 per year per member which is substantially less than the Chelmsford diocesan average of £365 but is probably in line with income in similar parishes elsewhere in the diocese. It should be noted that approximately half of this income is donated by about six families and given the peripatetic nature of the population in the parish the church income is vulnerable should one or more of those families move away.

A further £13,000 of income was generated by letting the church hall to various local community groups, by allowing a black led Church, The Brethren in Christ, to worship in the church and by letting the parish office to Solidarity & Community Action, a registered charity organised by a local Roman Catholic priest that works with the Congolese community living in East London.

Several years ago the PCC decided not to engage in fund raising activities such as bazaars, gift days etc. The location of the church on a housing estate away from the main shopping areas of Ilford, and the increasingly Asian population meant that such events were not well supported and did not warrant the time and effort needed to organise them. During the year members of the congregation together with friends and family have engaged in various social functions such as a Burns night supper and pancakes on Shrove Tuesday that have shown a small profit.

Revd John Brown has chosen not take any expenses of office from the parish and any expenses payments he receives from Funeral Directors for taking funerals are paid direct to the parish and accounted for under Sundry Donations. The previous incumbent incurred expenses averaging £3,000 pa.

Unfortunately expenditure exceeded income by £5,894. This can be attributed mainly to the following items:

- £3,000 depreciation on capital improvements to the church hall
- £1,500 purchase of a photocopier jointly with the Barking Programme and the Bishop of Barking's office. (£1,500 share of a copier costing £4,500)
- £1,200 repairs to the church heating system, including a new programmer and a replacement heater in the Lady Chapel.
- £1,000 damage to the hall roof by vandalism. The church incurred several incidents of vandalism during the period of the school summer holidays. On the first occasion several hundred roof tiles were damaged. Before the damage could be repaired about 200 further tiles were broken and guttering was ripped off. The total cost of repairs to the hall roof was £2,525. The Ecclesiastical Insurance Group (EIG) has reimbursed the church for the first incident but has so far failed to meet our claim for the additional £1,000 because each separate incident of vandalism was not reported to the police. The PCC is hopeful that EIG will eventually meet at least part of this cost.

As mentioned above grants totalling nearly £40,000 have been received during the year towards the redevelopment of the hall annexe and have been recorded as restricted funds.

Hopefully once the redevelopment has taken place opportunities for vandalism will be reduced because the waste ground around the church buildings that has become a children's playground will have been built on to accommodate the nursery and there will be many more people on site for a large proportion of each day. The rental income from the nursery site and from increased use of the hall accommodation should ensure that the church has a steady income to support its work for the foreseeable future.

### ***Policy on reserves***

The PCC currently has a general reserve of nearly £80,000 available as the result of the legacy received from the estate of the late Audrey Letcher. At least £50,000 of this has been earmarked for the redevelopment of the hall annexe. The remainder is needed for working capital purposes.

### ***Investment policy***

The majority of the PCC's reserves are held on a deposit account with the Church of England Central Board of Finance. This pays interest gross at money market rates, which are generally higher than can be achieved in high street financial institutions. The treasurer reviews this arrangement with the PCC at least once a year. Sufficient funds to finance day to day cash flow needs are held with NatWest Bank. The PCC has an arrangement with NatWest to automatically transfer cleared funds in excess of £500 to an interest bearing account.

## Parochial Church Council of St Luke Great Ilford

### ***Identification of and action to mitigate major risks***

Day to day control of the church finances is the responsibility of the treasurer although the churchwardens authorise expenditure items by way of a second signature on all cheques. A standard commercially available computer package is used to record transactions and a backup copy of the file is updated weekly and held in a fireproof safe. Detailed management accounts are produced monthly and reviewed at each meeting of the PCC.

The church and hall sites have been assessed for compliance with the Disability Discrimination Act. Facilities in the church are generally acceptable although some improvements have been identified and will be put in place when practically possible. The redevelopment of the hall site gives us an opportunity to make the hall compliant and the grant from Bridge House Trust has been given specifically for the provision of disabled access.

The PCC has appointed a member of the congregation, Mrs Kirsi Simpson, to be responsible for child protection matters.

### **Reflections on the year by the Revd John Brown – Priest in Charge**

It has been yet another busy year at St Luke's. We have had the usual ups and downs in the life of a community. One of the high points was our Confirmation at which we presented six candidates to our new Area Bishop David.



*Confirmation candidates with Bishop David and Fr John*

We acquitted ourselves well and the service was a great celebration. It was good for the Bishop to meet with and get to know something of our community. I know that he was amazed at the diversity of our Church and it is something we should be happy to take pride in.

There have been some down sides to the year too. It was sad to say goodbye to two couples who have moved on. Joyce and Tony Merriman have been at St Luke's for a number of years. Tony was secretary to the PCC and halls manager whilst Joyce was responsible for organising our flower arrangers and helped with the church cleaning. They decided to move back to their roots in the West Country and we wish them many happy years there. We also said goodbye to one of our newest couples Sudhakar and Julie

Rajamanickam. Sudhakar was with us for a little over a year, having recently arrived from Bangalore. He was a computer programmer who has worked in a number of different countries. Julie joined him in the UK towards the end of the year and they moved to West London to be closer to Julie's place of work.

Both couples say something about the nature of St Luke's. They reveal something of the joy and frustration of churches like us. Both couples indicate the fluidity of population that has always been a mark of a city like London. The mobile population is becoming more mobile as our lives become more fragmented. It takes a lot of energy to welcome and get to know new members, knowing that they may stay a matter of weeks, or months, or, if lucky, years. With that said it is absolutely right that we do exactly that, what else is a church expected to do?

One important way of making people feel welcome is the support of our younger members. We now have a Deanery Youth Officer in Andy Campbell who visited us towards the end of the year. He is now working with Barbara Nnaemeka to establish a club for our young people. I wish them every success in this and hope that it really takes off.

## Parochial Church Council of St Luke Great Ilford

The most recent news is that the PCC has agreed to join The East London Community Organising Foundation (TELCO) for a year to explore how we might develop community organisation in Redbridge. This is an organisation committed to social justice and is at present working on campaigns to ensure a living wage for all in London, and the care and support of the elderly in East London. This is not a party political group but it enables communities like our own to engage in social issues at a deeper level. We hope that this will become an important part of our mission and outreach in Ilford.

The hall redevelopment has moved on quite apace. At the time of writing (January 2004) we have planning permission for both buildings and indeed the nursery is already underway. Work on the hall annexe should begin around April 2004 and I hope that this is another resource that will raise our profile and enable us to continue a great ministry of service to our community.

Finally I would like to say a big thank you to all those who make the life and work of St Luke's possible. To Clayton Hope and John Cannon our Churchwardens for their work, to Jean Andrews our Reader who enriches our worship alongside her husband Robert, our organist and treasurer. We thank Barbara Nnaemeka and her team for their support of our younger members.

There is a story that I am reminded of from my youth that tells of one incident in the construction of St Paul's cathedral after the great fire. Charles II arrived one day to view the progress of the work and, as monarchs do, began to chat to those at work on the building. After conversations with the stone masons, the carpenters and the blacksmiths he turned to a man holding a broom. He rather pompously asked the question "so what do you do?". The man looked round at all the construction then looked at his broom and said quite simply: "I'm helping to build a cathedral".

We aren't building a cathedral but we are called to build something much more complex and exciting. We are called to help build the Kingdom of God. We do that in our daily lives and as a community when we come together for worship and when we collaborate with our neighbouring Christians, but equally when we collaborate with Loxford Sure Start, Redbridge Council for Voluntary Service, the Cardinal Heenan Centre, Eton Road Centre, the Punjabi Centre, our hall user groups and the other churches that use our buildings. If we play a part in bringing the diverse groups of people that make up St Luke's parish together, as we do on a Sunday at the Eucharist, then we are contributing to what God wants human society to be.

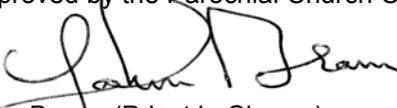
*John Brown*  
Priest in Charge

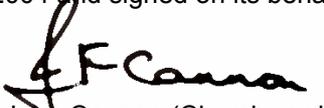
# Parochial Church Council of St Luke Great Ilford

## STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2003

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	2003 £	2002 £
<b>INCOMING RESOURCES</b>						
Incoming resources from donors	2(a)	14,193	185	-	14,378	14,262
Other voluntary incoming resources	2(b)	750	39,741	-	40,491	3,430
Income from operating activities:						
to further the Council's objects	2(c)	13,114	-	-	13,114	10,186
to generate funds	2(d)	57	-	-	57	151
Income from investments	2(e)	3,085	-	-	3,085	3,099
Other ordinary incoming resources	2(f)	1,395	-	-	1,395	1,992
<b>TOTAL INCOMING RESOURCES</b>		<b>32,594</b>	<b>39,926</b>	-	<b>72,520</b>	<b>33,120</b>
<b>RESOURCES EXPENDED</b>						
Cost of generating funds	3(d)	-	-	-	-	-
Grants	3(a)	180	114	-	294	251
Activities directly relating to the work of the Church	3(b)	33,234	-	-	33,234	30,370
Church management and administration	3(c)	1,987	71	-	2,058	994
Major capital expenditure	3(e)	3,087	220	-	3,307	13,656
<b>TOTAL RESOURCES EXPENDED</b>		<b>38,488</b>	<b>405</b>	-	<b>38,893</b>	<b>45,271</b>
NET INCOMING/(OUTGOING) RESOURCES		(5,894)	39,521	-	33,627	(12,151)
GAINS AND LOSSES ON INVESTMENTS - unrealised				(71)	(71)	56
NET MOVEMENT IN FUNDS		(5,894)	39,521	(71)	33,556	(12,095)
BALANCES BROUGHT FORWARD AT 1 JANUARY 2003		84,559	-	2,302	86,861	98,956
<b>BALANCES CARRIED FORWARD AT 31 DECEMBER 2003</b>		<b>78,665</b>	<b>39,521</b>	<b>2,231</b>	<b>120,417</b>	<b>86,861</b>

Approved by the Parochial Church Council on 24 March 2004 and signed on its behalf by:

  
John Brown (Priest in Charge)

  
John Cannon (Churchwarden)

The notes on pages 9 to 12 form part of these accounts

# Parochial Church Council of St Luke Great Ilford

## BALANCE SHEET As at 31 December 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible fixed assets	5	9,261	12,347
Investment assets		2,231	2,302
CURRENT ASSETS			
Debtors	7	4,648	3,993
Cash at bank and in hand		105,405	68,984
		<u>110,053</u>	<u>72,977</u>
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	8	<u>(1,128)</u>	<u>(766)</u>
NET CURRENT ASSETS		<u>108,925</u>	<u>72,211</u>
NET ASSETS		<u>120,417</u>	<u>86,860</u>
FUNDS			
Unrestricted	6	78,665	84,558
Restricted		39,521	-
Endowment		2,231	2,302
		<u>120,417</u>	<u>86,860</u>

# Parochial Church Council of St Luke Great Ilford

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2003

### 1 ACCOUNTING POLICIES

Refer to appendix 1 on page 14

### 2 INCOMING RESOURCES

	Unrestricted	Restricted	TOTAL FUNDS	
	funds	funds	2003	2002
	£	£	£	£
2(a) <i>Incoming resources from donors</i>				
Planned giving:				
Gift Aid donations	6,671	-	6,671	5,482
Income tax recoverable	1,988	-	1,988	2,252
Other planned giving	2,769	-	2,769	2,966
Collections (open plate) at all services	1,775	114	1,889	1,953
Sundry donations	958	71	1,029	1,160
Sundry donations (Gift Aid)	25	-	25	350
Income tax recoverable on Gift Aid donations	7	-	7	99
	<u>14,193</u>	<u>185</u>	<u>14,378</u>	<u>14,262</u>
2(b) <i>Other voluntary incoming resources</i>				
Grants	-	39,741	39,741	-
Intangible income	750	-	750	750
Legacies	-	-	-	2,680
	<u>750</u>	<u>39,741</u>	<u>40,491</u>	<u>3,430</u>
2(c) <i>Income from operating activities: to further the Council's objects</i>				
Bookstall	79	-	79	-
Magazines	277	-	277	385
Income from church buildings	12,719	-	12,719	9,678
Fees	39	-	39	123
	<u>13,114</u>	<u>-</u>	<u>13,114</u>	<u>10,186</u>
2(d) <i>Income from operating activities: to generate funds</i>				
Fund raising events	57	-	57	151
	<u>57</u>	<u>-</u>	<u>57</u>	<u>151</u>
2(e) <i>Income from investments</i>				
Interest	3,085	-	3,085	3,099
	<u>3,085</u>	<u>-</u>	<u>3,085</u>	<u>3,099</u>
2(f) <i>Other ordinary incoming resources</i>				
Insurance claims	1,395	-	1,395	1,992
	<u>1,395</u>	<u>-</u>	<u>1,395</u>	<u>1,992</u>
<b>TOTAL INCOMING RESOURCES</b>	<b><u>32,594</u></b>	<b><u>39,926</u></b>	<b><u>72,520</u></b>	<b><u>33,120</u></b>

# Parochial Church Council of St Luke Great Ilford

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2003

### 3 RESOURCES EXPENDED

	Unrestricted funds £	Restricted funds £	TOTAL FUNDS	
			2003 £	2002 £
<b>3(a) Grants</b>				
Missionary and charitable giving:				
Church overseas:				
- missionary societies	-	114	114	71
- relief and development agencies	-	-	-	-
Home missions and other Church societies	-	-	-	-
Secular charities	180	-	180	180
	<u>180</u>	<u>114</u>	<u>294</u>	<u>251</u>
<b>3(b) Activities directly relating to the work of the Church</b>				
Ministry:				
Diocesan parish share	17,384	-	17,384	16,811
Clergy expenses	-	-	-	-
Locum fees	40	-	40	-
Reader's expenses	-	-	-	46
Training	-	-	-	49
Church - running expenses	3,823	-	3,823	3,793
Church maintenance	1,474	-	1,474	116
Upkeep of services	1,327	-	1,327	1,260
Expenditure on parish magazine & bookstall	551	-	551	463
Church hall - running expenses	7,885	-	7,885	7,082
Notional salary of organist	750	-	750	750
	<u>33,234</u>	<u>-</u>	<u>33,234</u>	<u>30,370</u>
<b>3(c) Church management and administration</b>				
Administration				
Printing and stationery	1,658	-	1,658	156
Subscriptions	69	-	69	144
Sundry expenditure	260	71	331	694
	<u>1,987</u>	<u>71</u>	<u>2,058</u>	<u>994</u>
<b>3(d) Cost of generating funds</b>				
Fund raising events	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3(e) Major capital expenditure</b>				
Church				
Hall	3,087	220	3,307	13,656
	<u>3,087</u>	<u>220</u>	<u>3,307</u>	<u>13,656</u>
<b>TOTAL RESOURCES EXPENDED</b>	<u><b>38,488</b></u>	<u><b>405</b></u>	<u><b>38,893</b></u>	<u><b>45,271</b></u>

# Parochial Church Council of St Luke Great Ilford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 4 STAFF COSTS

The organist gave his services free but a notional salary of £750 has been charged to the accounts and is shown as intangible income

### 5 FIXED ASSETS

Gross book value			
Hall refurbishment 1998	23,621		
Hall floor 2002	15,433		
			39,054
Accumulated depreciation			
Hall refurbishment 1998	23,621		
Hall floor 2002	3,086		
Depreciation during the year	3,086		
			29,793
Net book value at 31 December 2003			9,261

Church hall - The church hall was built in 1908 as the original St Luke's Church at a cost of £1,650. A small prefabricated annexe was added in the 1950s. The halls have not been capitalised in the accounts.

The current insurance valuation of both buildings is £556,200, based on a survey by the Ecclesiastical Insurance Group in 2000.

### 6 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds	Restricted funds	Endowment funds	Total
Fixed assets	9,261	-	2,231	11,492
Current assets	70,532	39,521	-	110,053
less Current liabilities	(1,128)	-	-	(1,128)
	78,665	39,521	2,231	120,417

### 7 DEBTORS

	2003	2002
	£	£
Prepayments	1,651	1,204
Accrued interest	297	203
Trade debtors	1,308	1,300
I/Tax recoverable on Gift Aid donations	1,392	1,286
	4,648	3,993

# Parochial Church Council of St Luke Great Ilford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 8 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Deposits received from church hall users	15	15
Creditors for goods and services	138	-
Fees for occasional offices due to Chelmsford Diocesan Board of Finance	975	751
	<u>1,128</u>	<u>766</u>

### 9 FUND DETAILS

#### Restricted funds

Restricted funds relate to grants received for the redevelopment of the small hall. Work is scheduled to start during 2004.

#### Endowment funds

The endowment fund arose from the sale of the Curate's house at 63 Mortlake Road in the 1960s. This is a permanent endowment and the income is available for the general funds of the church.

## Parochial Church Council of St Luke Great Ilford

Independent Examiner's Report to the PCC of St Luke, Great Ilford

This report on the accounts of the PCC for the year ended 31 December 2003, which are set out on pages 7 to 12, is in respect of an examination carried out under Regulation 3(3) of the Church Accounting Regulations 1997 to 2000 (the regulations) and s.43 of the Charities Act 1993 (the Act).

Respective responsibilities of trustees and examiner

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

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission under section 43(7)(b) of the Act and to be found in the Church guidance, 2001 edition, issued by the Finance Division of the Archbishops' Council. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 41 of the Act; and
- to prepare accounts which accord with the accounting records and to comply with the requirements of the Act, and the Regulations have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Alan Clements MA, ACIB, MACIE

15 March 2004

# Parochial Church Council of St Luke Great Ilford

## Appendix 1 – Accounting policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 1997 as amended by the Church Accounting (Amendment) Regulations 2001 together with applicable accounting standards and the Charities SORP (2000).

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value.

### Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

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

### Incoming Resources

#### *Voluntary income and capital sources*

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 income is recognised

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

Funds raised by events are accounted for gross.

Sales of books and magazines from the church bookstall are accounted for gross.

#### *Other ordinary income*

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

#### *Income from investments*

Dividends and interest are accounted for when receivable. Interest entitlements are accounted for as they accrue.

Tax recoverable on such income is recognised in the same accounting year.

#### *Gains and losses on investments*

Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on valuation of investments at 31 December.

### Resources used

#### *Grants*

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

#### *Activities directly relating to the work of the Church*

The Diocesan Family Purse is accounted for when payable. Any share unpaid at 31 December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the Balance Sheet.

# Parochial Church Council of St Luke Great Ilford

## **Fixed assets**

### *Consecrated land and buildings and movable church furnishings*

Consecrated and beneficed property is excluded from the accounts by s.96(2)(a) of the Charities Act 1993.

No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. They are listed in the church's Inventory which can be inspected (at any reasonable time). For inalienable property acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the accounts.

All expenditure incurred in the year on consecrated or beneficed buildings, individual items under £1,000 or the repair of movable church furnishings acquired before 1 January 2000 is written off.

### *Other fixtures, fittings and office equipment*

Equipment used within the church premises is depreciated on a straight line basis over 5 years. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired.

## **Investments**

Investments are valued at market value at 31 December.

## **Current assets**

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove un-collectible.

Short-term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.