

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2016
for**

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
OF BIRMINGHAM PARISH CHURCH**

(st martin in the bull ring)

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
OF BIRMINGHAM PARISH CHURCH
(ST MARTIN IN THE BULL RING)**

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for the year ended 31 December 2016**

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**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
OF BIRMINGHAM PARISH CHURCH
(ST MARTIN IN THE BULL RING)**

**Report of the Trustees
for the year ended 31 December 2016**

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting 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 (FRS102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives

The Parochial Church Council's objective is promoting, in the ecclesiastical parish, the whole mission of the Church.

Public benefit

The public benefit is served by the provision of public worship to which all are welcome, providing pastoral care, teaching and carrying out the work of evangelism empowered by **Discovering the Heart of God in the Heart of the City**.

When planning its charitable activities for the year, the Trustees have considered the Commission's guidance on public benefit.

Grantmaking

A provisional list of Charities is discussed by the church council with input from the congregation. The final decision lies with the PCC.

Volunteers

The organisation is reliant on substantial voluntary contributions in the form of time. Because of the difficulties in quantifying these gifts their financial effect has not been quantified.

ACHIEVEMENT AND PERFORMANCE

Rector's Report

As I look back over the twelve months of 2016 I am pleased to report that St Martin's continues to offer a comprehensive number of activities and outreach to serve the wider community and the city of Birmingham. Our finances remain tight but we were able to fulfil all our commitments. We have had a particularly strong year with lettings which has been good to see. Thanks goes to all the staff and volunteers who throughout the year have worked hard to ensure this has been the case.

The main strategic development in 2016 was the revision and re-launch of our vision document, 'Discovering the Heart of God in the Heart of the City through welcome, care and discipleship'. The overall thrust of what we do has not changed as the review conducted by staff, the PCC and the wider church concluded that a re-focus was required and not a major rewrite. Hence we have the same strapline. Our new document was launched in October 16. To oversee the work the PCC set up the following forums: Finance, Welcome, Care and Discipleship, and Fabric. These sub groups of the Church Council have taken on the responsibility of ensuring we work towards achieving our objectives. Thanks to all who have served on the PCC and these forums during the year.

A full description of the activities of the year can be found in our Annual Reports 2016 and this document should be read in conjunction with these accounts. Copies are available from the church. These reports include details of public worship, electoral roll numbers, mission activities and all other activities of the church in the past year.

Stewart Jones
Rector

**THE PAROCHIAL CHURCH COUNCIL
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(ST MARTIN IN THE BULL RING)**

**Report of the Trustees
for the year ended 31 December 2016**

FINANCIAL REVIEW

Financial review

During the year the Charity secured recognised revenue funding of £479,892. £329,895 relates to collection of donations and grant for regular activities. £146,495 relates to revenue from commercial activities. The costs defrayed in the year in delivering the charitable activities and support costs were £478,472, leaving a surplus of £1,420. Total reserve funds are £202,057, which the Trustees consider adequate to support the charity's ongoing objectives.

Principal funding sources

The Charity's funding comes primarily from regular church giving and donations. The Charity also generates revenue from commercial activities such as room hire and tea lounge takings. The Charity receives a regular grant for the administration of salaries, £84,360 from St Martin's Trustees.

Investment policy and objectives

Investments are made with a view to maintaining the underlying value of the capital.

Reserves policy

It is the intention of the PCC to retain sufficient reserves to maintain the activities of the church allowing for the income on which they can reasonably rely. The Special Reserve Fund is a Fund designated by the PCC to provide income for the payments for staff housing. Funds are invested in a portfolio of stocks and shares. Other cash is deposited with the Central Board of Finance of the Church of England and CAF Bank. Some of these Funds are restricted in their use and are designated as such. The balance is part of the General Fund and is drawn down when necessary as the cash flow requires.

Going concern

The accounts have been prepared on the basis of being a going concern. The Trustees confirm that they have taken into account all available information about the future for at least 12 months from the date the accounts were approved and conclude that there is no uncertainty relating to going concern.

**THE PAROCHIAL CHURCH COUNCIL
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**Report of the Trustees
for the year ended 31 December 2016**

FINANCIAL REVIEW

Chair of Financial Forum Report

The last twelve months have presented St Martins with a number of challenges financially but I am pleased to be able to report that through hard work by staff, volunteers and the community as a whole we have exceeded some of the expectations that we had at the start of the year. We had budgeted for a small surplus on the basis that conditions were expected to be difficult. I'm pleased to say that we ended the year with a small surplus.

The last year has seen significant improvements in the performance of letting activities of the church which has enabled the delivery of more pastoral and spiritual services and support throughout the year. The increases in trade and return customers within the lettings has had a positive financial impact. The staff working as part of these services have exceeded expectations during what has been at times a difficult year. Their ability to encourage and sustain return business from several clients is a credit to them.

Whilst there have been good news stories financially we remain acutely aware that the environment in which we operate remains challenging. We will need to strive to improve commercial profitability further over the next year whilst also looking at ways in which we can minimise outgoings, building on recent efforts to review service contracts and utility bills. One of the key challenges we face is to continue to revitalise our tea lounge offer to meet changing customer needs and the regeneration taking place in the markets around us. Alongside this we need to meet the ever growing challenges of the maintenance and repair of the beautiful church building we are lucky enough to occupy. We will, as always, rely on the generosity of those who are members of the congregation and are able to donate funds to support the ongoing work of the church and we thank them all for their support.

Whether you are new to St Martins or have been part of the church community for a long time you will have played a crucial role in the life of the church and this has helped us to improve our financial stability and is enabling us to build a strong platform for the future.

Lachlan Smith
Chair

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Parochial Church Council of the Ecclesiastical Parish of Birmingham Parish Church (St Martin in the Bull Ring), otherwise referred to as the PCC in this document, is registered with the Charity Commissioners (Registration No. 1127338). The Charity is governed by the Parochial Church Council Powers Measure (1956) as amended and Church Representation Rules.

Recruitment and appointment of new trustees

Members of the Parochial Church Council (Trustees) are elected at the Annual Parochial Church Meeting. They hold office for a period of up to three years and are eligible for re-election for a further three years.

Organisational structure

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish including deciding on how the funds of the PCC are spent. The day to day management of the charity is delegated to the Rector and Chairman of Trustees Canon Stewart W. Jones.

Induction and training of new trustees

New members receive initial training into the workings of the PCC.

**THE PAROCHIAL CHURCH COUNCIL
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**Report of the Trustees
for the year ended 31 December 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Pay policy for senior staff

The directors consider the board of directors, who are the Trust's trustees, and the senior management team comprise the key management personnel of the charity of directing and controlling, running and operating the Trust on a day to day basis. All directors give of their time freely and no director received remuneration in the year.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings

Related parties

St Martin's Centre for Health & Healing is an associated charity.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate any significant risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1127338

Principal address
St Martin in the Bull Ring
Edgbaston Street
Birmingham
B5 5BB

**THE PAROCHIAL CHURCH COUNCIL
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**Report of the Trustees
for the year ended 31 December 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Canon Stewart Jones	Rector and Chairman	
Revd Dominic Wright	Curate	- resigned 3.8.16
Revd Elsie Blair-Chappell	Self Supporting Minister	
Mike Branscombe	Director of Care & Discipleship	
Dr Rachel Jepson	General Synod	
Stuart Ainslie	Deanery Synod	- resigned 24.4.16
Stephen Blair-Chappell	Deanery Synod	
Bridget Cameron	Deanery Synod	
Jean Jepson	Deanery Synod	
Christine Marshall	Deanery Synod	
Martyn Ursell	Deanery Synod	
Clive Bevan	Churchwarden	- resigned 9.1.17
Jo Murgatroyd	Churchwarden	
Alan Sherrin	Reader	
Marion Woodward	Reader	
Felix Azige	Elected	- resigned 26.4.16
Ian Baker	Elected / Lay Vice Chair	
Katie Day	Elected	
Nellie Gerighty	Elected	
Gwen Olive Hares	Elected	
Alison Haywood	Elected	
Ann Harvey	Elected / Secretary	- resigned 26.4.16
Lorna Honick	Elected	
Paul Honick	Elected	
Helen Hughes	Elected	- resigned 3.2.16
Clover Kelly	Co-opted	- resigned 26.4.16
Femi Oladunjoye	Co-opted	
Colin Walker	Elected	- resigned 20.7.16

Independent examiner

Birgitt Saunders
FCCA ACA
Stanley Yule Chartered Accountants
Waterside House
Waterside Business Park
1649 Pershore Road
Birmingham
West Midlands
B30 3DR

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
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**Report of the Trustees
for the year ended 31 December 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
New Street
Birmingham
B2 4QZ

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

CCLA Investment Management Ltd
80 Cheapside
London
EC2V 6DZ

TRUSTEES RESPONSIBILITY STATEMENT

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 14 March 2017 and signed on its behalf by:


Ian Baker - Trustee

**Independent Examiner's Report to the Trustees of
The Parochial Church Council
of the Ecclesiastical Parish
of Birmingham Parish Church
(St Martin in the Bull Ring)**

I report on the accounts for the year ended 31 December 2016 set out on pages nine to twenty eight.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of FCCA ACA.

It is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

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 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

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.

**Independent Examiner's Report to the Trustees of
THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
OF BIRMINGHAM PARISH CHURCH
(ST MARTIN IN THE BULL RING)**

Birgitt Saunders
FCCA ACA
Stanley Yule Chartered Accountants
Waterside House
Waterside Business Park
1649 Pershore Road
Birmingham
West Midlands
B30 3DR

14 March 2017

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
OF BIRMINGHAM PARISH CHURCH
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**Statement of Financial Activities
for the year ended 31 December 2016**

		Unrestricted funds	Restricted funds	Total	2016 funds	Total	2015 funds
	Notes	£	£		£		£
INCOME AND ENDOWMENTS FROM							
Donations and legacies	2	219,073	110,822		329,895		302,412
Other trading activities	3	146,495	-		146,495		157,894
Investment income	4	3,302	-		3,302		3,310
Other income		<u>200</u>	<u>-</u>		<u>200</u>		<u>-</u>
Total		369,070	110,822		479,892		463,616
EXPENDITURE ON							
Raising funds	5	80,277	-		80,277		80,094
Charitable activities	6						
Home Giving		3,900	-		3,900		4,000
International committee		3,900	-		3,900		3,500
From other collections and activities		-	848		848		2,565
Birmingham Diocesan Common Fund		87,838	-		87,838		86,785
The Ministry Team		4,945	4,300		9,245		9,432
Church and services		88,909	1,537		90,446		92,624
New stained glass window		4,340	-		4,340		27,308
Other		<u>101,566</u>	<u>105,326</u>		<u>206,892</u>		<u>187,613</u>
Total		375,675	112,011		487,686		493,921
Net gains/(losses) on investments		<u>9,214</u>	<u>-</u>		<u>9,214</u>		<u>(3,015)</u>
NET INCOME/(EXPENDITURE)		2,609	(1,189)		1,420		(33,320)
RECONCILIATION OF FUNDS							
Total funds brought forward		<u>190,410</u>	<u>10,227</u>		<u>200,637</u>		<u>233,957</u>
TOTAL FUNDS CARRIED FORWARD		<u>193,019</u>	<u>9,038</u>		<u>202,057</u>		<u>200,637</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
OF BIRMINGHAM PARISH CHURCH
(ST MARTIN IN THE BULL RING)**

**Balance Sheet
At 31 December 2016**

		Unrestricted funds £	Restricted funds £	Total 2016 funds £	Total 2015 funds £
FIXED ASSETS					
Tangible assets	13	22,002	-	22,002	27,249
Investments	14	<u>64,460</u>	-	<u>64,460</u>	<u>55,246</u>
		86,462	-	86,462	82,495
CURRENT ASSETS					
Stocks	15	1,469	-	1,469	1,461
Debtors	16	17,378	-	17,378	25,836
Cash at bank		<u>124,915</u>	<u>9,038</u>	<u>133,953</u>	<u>117,236</u>
		143,762	9,038	152,800	144,533
CREDITORS					
Amounts falling due within one year	17	<u>(37,205)</u>	-	<u>(37,205)</u>	<u>(26,391)</u>
NET CURRENT ASSETS		<u>106,557</u>	<u>9,038</u>	<u>115,595</u>	<u>118,142</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>193,019</u>	<u>9,038</u>	<u>202,057</u>	<u>200,637</u>
NET ASSETS		<u>193,019</u>	<u>9,038</u>	<u>202,057</u>	<u>200,637</u>
FUNDS	18				
Unrestricted funds				193,019	190,410
Restricted funds				<u>9,038</u>	<u>10,227</u>
TOTAL FUNDS				<u>202,057</u>	<u>200,637</u>

The notes form part of these financial statements

THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
OF BIRMINGHAM PARISH CHURCH
(ST MARTIN IN THE BULL RING)

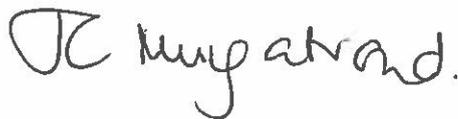
Balance Sheet - continued
At 31 December 2016

The financial statements were approved by The Parochial Church Council - the Board of Trustees on 14 March 2017 and were signed on its behalf by:



Ian Baker -Trustee

Jo Murgatroyd -Trustee



The notes form part of these financial statements

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
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(ST MARTIN IN THE BULL RING)**

**Notes to the Financial Statements
for the year ended 31 December 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Reconciliation with previous generally accepted accounting practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS 102 a restatement of comparatives items was needed. No restatements were required.

**THE PAROCHIAL CHURCH COUNCIL
OF THE ECCLESIASTICAL PARISH
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**Notes to the Financial Statements - continued
for the year ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Income

All income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income and capital sources

Planned giving, collections and donations are recognised when received. In the event that a donation is subject to conditions that require a level of programme before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Tax refunds are recognised when the incoming resource to which they relate is received.

Legacy gifts are recognised on a case by case following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date and the PCC is legally entitled to the amounts due.

Grants are recognised under the performance model and recognised when received or receivable where there are no performance-related conditions.

The organisation is reliant on substantial voluntary contributions in the form of time. Because of the difficulties in quantifying these gifts their financial effect has not been quantified.

Income from trading activities

Sales from the Tea lounge are accounted for at the point of delivery and are stated net of applicable VAT.

Room and church hire is credited in the period to which the hire relates.

Income from Investments

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Gains and losses on investments

Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at balance sheet date.

**THE PAROCHIAL CHURCH COUNCIL
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**Notes to the Financial Statements - continued
for the year ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is accounted for net of VAT. Irrecoverable VAT is charged to the Statement of Financial Activities in the period in which it is incurred.

Cost of raising funds

The cost of generating funds includes the direct costs of the shop and tea lounge and other occasional events.

Grants payable

Grants and donations are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award and is accounted for when paid over, or when awarded, if that award creates a constructively binding obligation on the PCC.

Charitable activities

The costs of charitable activities includes the direct costs of the ministry of the parish excluding clergy salaries which are not a charge on the PCC.

Contributions to the Birmingham Diocesan Common Fund are accounted for when due. Any part unpaid at the balance sheet date and which is to be paid in a later period is provided for in the accounts as an operational (though not a legal) liability and is shown as a creditor in the balance sheet.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**THE PAROCHIAL CHURCH COUNCIL
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**Notes to the Financial Statements - continued
for the year ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by s.10 of the Charities Act 2011.

Moveable church furnishings held by the incumbent and churchwardens on special trust for the PCC and which require a faculty for disposal are accounted for as inalienable property unless consecrated. They are listed in the Church's inventory, which can be inspected (at any reasonable time). For inalienable property acquired prior to 1 January 1998 there is insufficient cost information available and therefore such assets are not valued in the financial statements. Items acquired since 1 January 1998 have been capitalised and depreciated in the financial statements over their currently anticipated useful economic life.

Fixtures and Equipment

Fixtures and equipment, other than moveable church furnishings, are depreciated so as to write off the cost of each asset over its expected useful life.

The rates currently in use are:

25% per annum for information technology equipment

15% on the reducing balance or 15% per annum for other equipment.

Individual items of fixtures and equipment with a purchase price of £500 are capitalised and valued at historical cost.

Fixed Assets Investments

Investments are a form of basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposal throughout the year.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent on the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

**THE PAROCHIAL CHURCH COUNCIL
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(ST MARTIN IN THE BULL RING)**

**Notes to the Financial Statements - continued
for the year ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Fund accounting

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.

Restricted funds are those funds that must be spent on restricted purposes and details of the funds held and restrictions are provided in note 18. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund.

The financial statements include all the 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 allegiance to another body, nor those of informal gatherings of church members.

Donated services

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met and the receipt of economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), the general volunteer time of Volunteers is not recognised and refer to the trustee's annual report for more information about their contribution.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised costs using the effective interest method.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit and loss account.

Pensions

The charity makes contributions to money purchase pension schemes for eligible employees. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

General information

These financial statements are presented in UK Sterling (£) because that is the currency of the primary economic environment in which the company operates.

**THE PAROCHIAL CHURCH COUNCIL
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**Notes to the Financial Statements - continued
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2. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations	26,150	-
Legacies	5,000	-
Grants (see below)	116,160	107,845
Regular giving	90,142	82,554
Creative Arts	2,263	2,891
Giving at services and other voluntary donations	62,048	80,616
Tax recovered	<u>28,132</u>	<u>28,506</u>
	<u>329,895</u>	<u>302,412</u>

Grants received, included in the above, are as follows:

	2016	2015
	£	£
Bell Rope Croft	12,500	12,500
Birmingham Diocesan Board of Finance	4,300	5,110
St Martin's Trustees - grant for administration salaries	84,360	84,360
St Martin's Sunday School Fund	14,000	4,000
Transforming Church	-	1,875
Deritend Chapel	<u>1,000</u>	<u>-</u>
	<u>116,160</u>	<u>107,845</u>

3. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Church shop takings	301	373
Tea lounge takings	66,810	80,642
After service refreshments	265	1,873
Church fees	1,119	2,001
Room hire and food	53,040	47,597
Corporate hire	4,800	5,248
St Martin's Centre for Health & Healing Lease	<u>20,160</u>	<u>20,160</u>
	<u>146,495</u>	<u>157,894</u>

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4. INVESTMENT INCOME

	2016	2015
	£	£
Special reserve fund income	2,900	2,673
Bank interest	41	28
Central Board of Finance deposit interest	<u>361</u>	<u>609</u>
	<u>3,302</u>	<u>3,310</u>

5. RAISING FUNDS

Other trading activities

	2016	2015
	£	£
Tea lounge cost of sales	20,864	22,696
Tea lounge wages	41,286	39,153
Tea lounge overheads	3,056	3,206
Room hire costs	7,551	6,582
Depreciation	<u>7,520</u>	<u>8,457</u>
	<u>80,277</u>	<u>80,094</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7)	Grant funding of activities (See note 8)	Totals
	£	£	£
From other collections and activities	-	848	848
Birmingham Diocesan Common Fund	87,838	-	87,838
The Ministry Team	9,245	-	9,245
Church and services	89,559	887	90,446
New stained glass window	4,340	-	4,340
Home Giving	-	3,900	3,900
International committee	<u>-</u>	<u>3,900</u>	<u>3,900</u>
	<u>190,982</u>	<u>9,535</u>	<u>200,517</u>

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**Notes to the Financial Statements - continued
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7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2016	2015
	£	£
Utilities and insurance	49,926	42,756
Common fund contribution	87,838	86,785
Parochial fees	518	1,114
Ministry team expenses	9,245	9,432
Music and Worship	23,033	22,792
Other church service costs	6,992	9,457
Irrecoverable VAT	5,728	13,999
Outreach	3,253	4,286
Creative Arts	109	109
New stained glass window	<u>4,340</u>	<u>27,308</u>
	<u>190,982</u>	<u>218,038</u>

8. GRANTS PAYABLE

	2016	2015
	£	£
Home Giving	3,900	4,000
International committee	3,900	3,500
From other collections and activities	848	676
Church and services	<u>887</u>	<u>-</u>
	<u>9,535</u>	<u>8,176</u>

**THE PAROCHIAL CHURCH COUNCIL
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**Notes to the Financial Statements - continued
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8. GRANTS PAYABLE - continued

The total grants paid to institutions during the year was as follows:

	2016	2015
	£	£
Angel Tree	620	-
Christian International Peace Society	500	500
Church Missionary Society	1,000	500
Diocesan link Malawi fund	400	500
Friends of Asha GB	800	1,000
Gideons International	400	500
Karis Neighbour Scheme	400	500
Open Doors	500	500
Restore	1,000	1,000
St Basil's Centre	500	500
St Martin's Youth & Community Centre	2,000	2,000
Other grants to institutions under £500	<u>894</u>	<u>676</u>
	<u>9,014</u>	<u>8,176</u>

All grants are recommended by the Care Forum to the Parochial Church Council for approval as being related to the objects of the church.

9. SUPPORT COSTS

	Management	Finance	Totals
	£	£	£
Other resources expended	<u>206,267</u>	<u>625</u>	<u>206,892</u>

Governance Costs:

	£	£
Independent Examination	<u>1,000</u>	<u>1,000</u>

Support costs, included in the above, are as follows:

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**Notes to the Financial Statements - continued
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9. SUPPORT COSTS - continued

Management

	2016 Other resources expended £	2015 Total activities £
Wages and other staff costs	159,901	139,103
Church telephone	1,814	2,806
Postage	396	778
Repairs and renewals	31,349	29,367
Staff training & clergy conference	759	1,507
Photocopying	1,796	2,468
Printing and stationery	2,203	1,308
IT support & maintenance	1,850	3,553
Subscriptions	749	410
Accountancy costs - other	4,450	4,600
Independent Examination	<u>1,000</u>	<u>1,000</u>
	<u>206,267</u>	<u>186,900</u>

Finance

	2016 Other resources expended £	2015 Total activities £
Bank interest & charges	<u>625</u>	<u>713</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

No trustee or person related to them received remuneration or other benefits other than Revd E. & Mr. S Blair-Chappell's son, who was employed by the PCC during the year as Events staff and received remuneration of £5,810 (2015 £990).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2016 nor for the year ended 31 December 2015.

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11. STAFF COSTS

	31.12.16 £	31.12.15 £
Wages and salaries	209,369	184,918
Social security costs	11,526	11,160
Other pension costs	<u>735</u>	<u>728</u>
	<u><u>221,630</u></u>	<u><u>196,807</u></u>

No employee was paid £60,000 or more.

The average monthly number of employees during the year was as follows:

	31.12.16	31.12.15
Administration and financial	3	3
Building	4	2
Commercial	6	5
Community ministry	1	1
Family & Schools ministry	1	-
Worship and music	<u>2</u>	<u>2</u>
	<u><u>17</u></u>	<u><u>13</u></u>

The numbers given are based on the monthly headcount. Full time equivalent numbers would be significantly lower because of the number of part time employees.

The Charity considers its key management personnel comprise of the trustees.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	202,605	99,807	302,412
Other trading activities	157,894	-	157,894
Investment income	<u>3,310</u>	<u>-</u>	<u>3,310</u>
Total	363,809	99,807	463,616
 EXPENDITURE ON			
Raising funds	80,094	-	80,094
Charitable activities			

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Notes to the Financial Statements - continued
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12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Home Giving	4,000	-	4,000
International committee	3,500	-	3,500
From other collections and activities	-	2,565	2,565
Birmingham Diocesan Common Fund	86,785	-	86,785
The Ministry Team	4,322	5,110	9,432
Church and services	92,559	65	92,624
New stained glass window	8	27,300	27,308
Other	<u>93,839</u>	<u>93,774</u>	<u>187,613</u>
Total	365,107	128,814	493,921
Net gains/(losses) on investments	<u>(3,015)</u>	<u>-</u>	<u>(3,015)</u>
NET INCOME/(EXPENDITURE)	(4,313)	(29,007)	(33,320)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>194,723</u>	<u>39,234</u>	<u>233,957</u>
TOTAL FUNDS CARRIED FORWARD	<u>190,410</u>	<u>10,227</u>	<u>200,637</u>

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Notes to the Financial Statements - continued
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13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2016	158,246
Additions	<u>2,273</u>
At 31 December 2016	<u>160,519</u>
DEPRECIATION	
At 1 January 2016	130,997
Charge for year	<u>7,520</u>
At 31 December 2016	<u>138,517</u>
NET BOOK VALUE	
At 31 December 2016	<u>22,002</u>
At 31 December 2015	<u>27,249</u>

The Birmingham Diocesan Trustees Registered hold as bare trustees for the PCC a property in Deritend currently leased to and occupied by St Basil's Housing Association. No value has been assigned to this asset in the financial statements.

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2016	55,246
Revaluations	<u>9,214</u>
At 31 December 2016	<u>64,460</u>
NET BOOK VALUE	
At 31 December 2016	<u>64,460</u>
At 31 December 2015	<u>55,246</u>

There were no investment assets outside the UK.

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**Notes to the Financial Statements - continued
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14. FIXED ASSET INVESTMENTS - continued

	31.12.16	31.12.16	31.12.15	31.12.15
	Cost	Market value	Cost	Market Value
	£	£	£	£
2000 Charifund Units	10,050	30,708	10,050	28,678
UK listed investments	13,288	33,752	13,288	26,568
	<u>23,338</u>	<u>64,460</u>	<u>23,338</u>	<u>55,246</u>

15. STOCKS

	2016	2015
	£	£
Tea lounge stock	<u>1,469</u>	<u>1,461</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	5,571	12,865
Associated charities	991	1,195
Gift Aid Tax Recoverable	6,974	8,014
Prepayments and accrued income	<u>3,842</u>	<u>3,762</u>
	<u>17,378</u>	<u>25,836</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	15,813	7,430
PAYE & National Insurance	3,940	3,299
VAT	5,252	7,913
Accrued expenses & deferred income	<u>12,200</u>	<u>7,749</u>
	<u>37,205</u>	<u>26,391</u>

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18. MOVEMENT IN FUNDS

	At 1.1.16 £	Net movement in funds £	Transfers between funds £	At 31.12.16 £
Unrestricted funds				
General fund	120,081	(2,079)	5,651	123,653
Fund for Window	9,992	(4,341)	(5,651)	-
Special Reserve Fund	55,976	9,214	-	65,190
Choir robes	2,000	-	-	2,000
Music and Worship	582	(185)	-	397
Website development	<u>1,779</u>	<u>-</u>	<u>-</u>	<u>1,779</u>
	190,410	2,609	-	193,019
Restricted funds				
Community Ministry	7,277	(3,703)	-	3,574
Creative Arts	1,561	-	-	1,561
Other funds	<u>1,389</u>	<u>2,514</u>	<u>-</u>	<u>3,903</u>
	10,227	(1,189)	-	9,038
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>200,637</u>	<u>1,420</u>	<u>-</u>	<u>202,057</u>

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Notes to the Financial Statements - continued
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18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	369,070	(371,149)	-	(2,079)
Fund for Window	-	(4,341)	-	(4,341)
Special Reserve Fund	-	-	9,214	9,214
Music and Worship	-	(185)	-	(185)
	<u>369,070</u>	<u>(375,675)</u>	9,214	2,609
Restricted funds				
Community Ministry	413	(4,116)	-	(3,703)
St Martin's Trustees re salaries	84,360	(84,360)	-	-
Other funds	9,199	(6,685)	-	2,514
Organ repair	6,850	(6,850)	-	-
Families Missioner	10,000	(10,000)	-	-
	<u>110,822</u>	<u>(112,011)</u>	-	(1,189)
TOTAL FUNDS	<u>479,892</u>	<u>(487,686)</u>	<u>9,214</u>	<u>1,420</u>

Designated Funds

The Fund for Window is from a legacy received from Val Aslin.

The Special reserve fund was established to protect the proceeds of a property sale against inflation and to create an income from which a property could be rented.

The Choir robes, Music and worship and Website development funds were established in 2011 from the proceeds of a gift day. The various projects are continuing.

Restricted Funds

St Martin's Trustees provide funding towards the cost of staff salaries.

The Creative Arts funds arose when St Martins Arts an associated charity closed on 11/01/2012 any remaining funds have been transferred to the church and any restrictions have been carried over.

The Community Ministry has been created to finance work in this area following the closure of the help desk.

19. PENSION COMMITMENTS

The charity makes contributions to money purchase pension schemes for certain employees. There is no long term commitment. The total charge for the period was £735 (2015 £728).

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Notes to the Financial Statements - continued
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20. RELATED PARTY DISCLOSURES

The charity received donations from Trustees of £42,666 (2015 £43,017).

During the year the charity paid salary of £5,810 (2015 £990) to D Blair-Chappell the son of two of the trustees.

During the year the charity was related to St Martins Centre for Health & Healing a charitable limited company.

During the year the following income was received from St Martin's Centre for Health and Healing:

	2016	2015
	£	£
Rent	20,160	20,160
Shared overheads	12,995	10,613

At the end of the year £991 (2015- £1,195) was due from St Martin's Centre for Health and Healing: