

**Report of the Trustees and  
Unaudited Financial Statements for the Year Ended  
31 December 2017  
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 2017**

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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 2017**

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The trustees present their annual report and financial statements of the charity for the year ended 31 December 2017. 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**

##### **Churchwarden's Report**

Due to the interregnum the Rector's Report has been replaced by the Churchwarden's report. As we review 2017 it can be seen that St Martin's continues to offer a comprehensive number of activities and outreach to serve the wider community and the city of Birmingham. We have been able to fulfil all of our financial commitments but only by drawing down some of our reserves. This is a situation that is unsustainable in the long term. Our commercial rooms have been refurbished and feedback from this has been positive. Our thanks goes to all the staff and volunteers who throughout the year have worked hard to control costs and positively live out the vision of 'Discovering the Heart of God in the Heart of the City through welcome, care and discipleship' in many ways throughout the year. This is particularly evident in the growth of our Place of Welcome, food pantry and work with vulnerable people. We continue to work with the aims of our vision document through the forums (Finance, Welcome and Care and Discipleship) which report to the PCC. These sub groups of the Church Council take on the responsibility of ensuring we work towards achieving our objectives. Our thanks also go to all who have served on the PCC and these forums during the year. Much effort and prayer has been invested in writing the Parish Profile and person specification for the next Rector. A full description of the activities of the year can be found in our Annual Reports 2017 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.

Jo Murgatroyd  
Stephen Blair-Chappell

Churchwardens



**THE PAROCHIAL CHURCH COUNCIL  
OF THE ECCLESIASTICAL PARISH  
OF BIRMINGHAM PARISH CHURCH  
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**Report of the Trustees  
for the year ended 31 December 2017**

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**FINANCIAL REVIEW**

**Financial review**

During the year the Charity secured recognised revenue funding of £428,661 (2016 - £479,891). £293,991 (2016 - £329,895) relates to collection of donations and grant for regular activities. £131,546 (2016 - £146,495) relates to revenue from commercial activities. The costs defrayed in the year in delivering the charitable activities and support costs were £467,452 (2016 - £487,685). The Charity's investments unrealised a gain of £2,231 (2016 £9,214) during the year, leaving a deficit of £36,560 (2016 - surplus of £1,420). Total reserve funds are £165,497 (2016 - £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.

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**Report of the Trustees  
for the year ended 31 December 2017**

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**FINANCIAL REVIEW**

**Chair of Financial Forum Report**

The last twelve months have presented St Martins with a number of challenges financially. The staff, volunteers and community have worked hard to address areas of weakness within our finances and I thank them for their efforts. Despite this we were unable to break even this year with a substantial loss, higher than anticipated when setting the budget, being reported.

Firstly, the positives; the lettings within the church have remained a positive source of income and the response from clients to the refurbished rooms which have included upgraded IT systems has been very encouraging. Alongside this the lettings of the church space itself have proved to be a valuable income stream that we hope to develop further into 2018. The Tea Lounge staff have worked hard to provide a quality offering and to grow their customer base in what were, and continue to be, difficult trading conditions. I would like to personally thank the staff who have delivered a quality service throughout the tea lounge and lettings, their work has ensured that the delivery of pastoral and spiritual services throughout the year was maintained. The increases in trade and return customers within the lettings has had a particularly positive financial impact. 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. Alongside this we have a challenge as a congregation and community as giving to the church has been in significant decline over the last three years. We look forward to welcoming a new rector during 2018 and exploring ways of invigorating giving and service within the church. This will be important as we move forward as without community and congregation support our ability to deliver services and pastoral support will be curtailed. We thank all those who were able to give to the church during 2017. Alongside these challenges we need to meet the ever-growing challenges of the maintenance and repair of the beautiful church building we are lucky enough to be guardians of.

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 navigate the continuing financial challenges presented to us. Finally, I would like to thank all the members of the Finance Forum who continue to provide valuable advice and support and will offer important strategic direction in 2018.



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.

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

**Report of the Trustees  
for the year ended 31 December 2017**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**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 was delegated to the Rector and Chairman of Trustees Canon Stewart W. Jones until he resigned on 12 October 2017. This is now under the control of the Church Wardens Stephen Blair-Chappell and Jo Murgatroyd.

**Induction and training of new trustees**

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

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

**Report of the Trustees  
for the year ended 31 December 2017**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

Revd Canon Stewart Jones	Rector and Chairman	- resigned 12.10.17
Revd Elsie Blair-Chappell	Self Supporting Minister	
Revd Dr Mike Branscombe	Director of Care & Discipleship	
Dr Rachel Jepson	General Synod	
Mr Stephen Blair-Chappell	Deanery Synod	
Mrs Bridget Cameron	Deanery Synod	
Mrs Jean Jepson	Deanery Synod	
Miss Christine Marshall	Deanery Synod	
Mr Martyn Ursell	Deanery Synod	
Mr Clive Bevan	Churchwarden	- resigned 9.1.17
Ms Jo Murgatroyd	Churchwarden	
Mr Alan Sherrin	Reader	
Mrs Marion Woodward	Reader	
Mr Derek O'Dowd	Elected	- appointed 20.4.17
Ms Emma Atkins	Assistant Churchwarden	- appointed 20.4.17
Mrs Linda Cooper	Elected	- appointed 20.4.17
Miss Nazali Yacoob	Elected	- appointed 20.4.17
Mr Ian Baker	Assistant Churchwarden	
Ms Katie Day	Elected	
Mrs Nellie Gerighty	Elected	
Ms Gwen Olive Hares	Elected	
Ms Alison Haywood	Elected	
Mrs Lorna Honick	Elected	
Mr Paul Honick	Assistant Churchwarden	
Mr Femi Oladunjoye	Co-opted	

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

Report of the Trustees  
for the year ended 31 December 2017

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**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

Approved by order of the board of trustees on 9 March 2018 and signed on its behalf by:



Mr 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)**

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**Independent examiner's report to the trustees of The Parochial Church Council of the Ecclesiastical Parish of Birmingham Parish Church**

I report to the charity trustees on my examination of the accounts of the The Parochial Church Council of the Ecclesiastical Parish of Birmingham Parish Church (the Trust) for the year ended 31 December 2017.

**Responsibilities and basis of report**

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

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

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCCA ACA which is one of the listed bodies

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the 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 confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

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

9 March 2018

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

**Statement of Financial Activities  
for the year ended 31 December 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	185,930	106,873	292,803	329,894
Other trading activities	3	131,546	1,187	132,733	146,495
Investment income	4	3,125	-	3,125	3,302
Other income		-	-	-	200
<b>Total</b>		<b>320,601</b>	<b>108,060</b>	<b>428,661</b>	<b>479,891</b>
<b>EXPENDITURE ON</b>					
Raising funds	5	81,981	-	81,981	80,276
<b>Charitable activities</b>	6				
Home Giving		150	-	150	3,900
International committee		200	-	200	3,900
From other collections and activities		-	918	918	848
Birmingham Diocesan Common Fund		88,536	-	88,536	87,838
The Ministry Team		3,297	-	3,297	9,245
Church and services		87,150	2,218	89,368	90,446
New stained glass window		-	-	-	4,340
Other		105,459	97,543	203,002	206,892
<b>Total</b>		<b>366,773</b>	<b>100,679</b>	<b>467,452</b>	<b>487,685</b>
Net gains/(losses) on investments		2,231	-	2,231	9,214
<b>NET INCOME/(EXPENDITURE)</b>		<b>(43,941)</b>	<b>7,381</b>	<b>(36,560)</b>	<b>1,420</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		193,019	9,038	202,057	200,637
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>149,078</b>	<b>16,419</b>	<b>165,497</b>	<b>202,057</b>

**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 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	18,355	-	18,355	22,002
Investments	14	66,691	-	66,691	64,460
		<u>85,046</u>	-	<u>85,046</u>	<u>86,462</u>
<b>CURRENT ASSETS</b>					
Stocks	15	1,469	-	1,469	1,469
Debtors	16	19,787	-	19,787	17,378
Cash at bank		70,730	16,419	87,149	133,953
		<u>91,986</u>	<u>16,419</u>	<u>108,405</u>	<u>152,800</u>
<b>CREDITORS</b>					
Amounts falling due within one year	17	(27,954)	-	(27,954)	(37,205)
<b>NET CURRENT ASSETS</b>		<u>64,032</u>	<u>16,419</u>	<u>80,451</u>	<u>115,595</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>149,078</u>	<u>16,419</u>	<u>165,497</u>	<u>202,057</u>
<b>NET ASSETS</b>		<u>149,078</u>	<u>16,419</u>	<u>165,497</u>	<u>202,057</u>
<b>FUNDS</b>					
Unrestricted funds	18			149,078	193,019
Restricted funds				16,419	9,038
<b>TOTAL FUNDS</b>				<u>165,497</u>	<u>202,057</u>

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)

Balance Sheet - continued  
At 31 December 2017

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The financial statements were approved by The Parochial Church Council - the Board of Trustees on 9 March 2018 and were signed on its behalf by:



Mr Ian Baker -Trustee

Ms 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 2017**

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**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  
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**Notes to the Financial Statements - continued  
for the year ended 31 December 2017**

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**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 2017

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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.

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**Notes to the Financial Statements - continued  
for the year ended 31 December 2017**

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**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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**Notes to the Financial Statements - continued  
for the year ended 31 December 2017**

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

**Notes to the Financial Statements - continued  
for the year ended 31 December 2017**

**2. DONATIONS AND LEGACIES**

	<b>2017</b>	2016
	<b>£</b>	£
Donations	<b>11,379</b>	26,150
Legacies	-	5,000
Grants (see below)	<b>111,610</b>	116,160
Regular giving	<b>81,386</b>	90,142
Creative Arts	<b>1,793</b>	2,262
Giving at services and other voluntary donations	<b>60,976</b>	62,048
Tax recovered	<b>25,659</b>	28,132
	<u><b>292,803</b></u>	<u>329,894</u>

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

	<b>2017</b>	2016
	<b>£</b>	£
Bell Rope Croft	<b>13,250</b>	12,500
Birmingham Diocesan Board of Finance	-	4,300
St Martin's Trustees - grant for administration salaries	<b>84,360</b>	84,360
St Martin's Sunday School Fund	<b>14,000</b>	14,000
Deritend Chapel	-	1,000
	<u><b>111,610</b></u>	<u>116,160</u>

**3. OTHER TRADING ACTIVITIES**

	<b>2017</b>	2016
	<b>£</b>	£
Church shop takings	-	301
Tea lounge takings	<b>62,237</b>	66,810
After service refreshments	<b>39</b>	265
Church fees	<b>1,187</b>	1,119
Room hire and food	<b>39,122</b>	53,040
Corporate hire	<b>9,988</b>	4,800
St Martin's Centre for Health & Healing Lease	<b>20,160</b>	20,160
	<u><b>132,733</b></u>	<u>146,495</u>

**THE PAROCHIAL CHURCH COUNCIL  
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**Notes to the Financial Statements - continued  
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**4. INVESTMENT INCOME**

	2017	2016
	£	£
Special reserve fund income	2,846	2,900
Bank interest	11	41
Central Board of Finance deposit interest	268	361
	3,125	3,302

**5. RAISING FUNDS**

**Other trading activities**

	2017	2016
	£	£
Tea lounge cost of sales	21,401	20,864
Tea lounge wages	43,658	41,286
Tea lounge overheads	2,589	3,055
Room hire costs	8,108	7,551
Depreciation	6,225	7,520
	81,981	80,276

**6. CHARITABLE ACTIVITIES COSTS**

	Direct costs (See note 7)	Grant funding of activities (See note 8)	Totals
	£	£	£
Birmingham Diocesan Common Fund	88,536	-	88,536
The Ministry Team	3,297	-	3,297
Church and services	87,150	2,218	89,368
Home Giving	-	150	150
International committee	-	200	200
From other collections and activities	-	918	918
	178,983	3,486	182,469

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Notes to the Financial Statements - continued  
for the year ended 31 December 2017

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	<b>2017</b>	2016
	£	£
Utilities and insurance	<b>45,280</b>	49,926
Common fund contribution	<b>88,536</b>	87,838
Parochial fees	<b>490</b>	518
Ministry team expenses	<b>3,297</b>	9,245
Music and Worship	<b>22,140</b>	23,033
Other church service costs	<b>9,756</b>	6,992
Irrecoverable VAT	<b>6,287</b>	5,728
Outreach	<b>3,197</b>	3,253
Creative Arts	-	109
New stained glass window	-	4,340
	<u><b>178,983</b></u>	<u>190,982</u>

**8. GRANTS PAYABLE**

	<b>2017</b>	2016
	£	£
Home Giving	<b>150</b>	3,900
International committee	<b>200</b>	3,900
From other collections and activities	<b>918</b>	848
Church and services	<b>2,218</b>	887
	<u><b>3,486</b></u>	<u>9,535</u>

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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:

	<b>2017</b>	2016
	<b>£</b>	£
Angel Tree	<b>621</b>	620
Christian Aid	<b>208</b>	-
Christian International Peace Society	-	500
Church Missionary Society	-	1,000
Diocesan link Malawi fund	-	400
Friends of Asha GB	-	800
Gideons International	-	400
Karis Neighbour Scheme	-	400
Open Doors	-	500
Restore	-	1,000
St Basil's Centre	-	500
St Martin's Youth & Community Centre	-	2,000
Other grants to institutions under £500	<b>258</b>	894
Winter Night Shelter	<b>301</b>	-
Hearing Dogs for Deaf People	<b>302</b>	-
Methodist Church Fund	<b>787</b>	-
	<u><b>2,477</b></u>	<u>9,014</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**

	<b>Management</b>	<b>Finance</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Other resources expended	<u>202,376</u>	<u>626</u>	<u>203,002</u>

**Governance Costs:**

Independent Examination	<u>£</u> <u>1,000</u>	<u>£</u> <u>1,000</u>
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Support costs, included in the above, are as follows:

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**Notes to the Financial Statements - continued  
for the year ended 31 December 2017**

**9. SUPPORT COSTS - continued**

**Management**

	<b>2017</b>	2016
	<b>Other</b>	
	<b>resources</b>	Total activities
	<b>expended</b>	£
	£	£
Wages and other staff costs	161,563	159,901
Church telephone	1,990	1,814
Postage	231	396
Repairs and renewals	28,974	31,349
Staff training & clergy conference	897	759
Photocopying	3,310	1,796
Printing and stationery	1,358	2,203
IT support & maintenance	1,090	1,850
Subscriptions	1,563	749
Accountancy costs - other	400	4,450
Independent Examination	1,000	1,000
	<u>202,376</u>	<u>206,267</u>

**Finance**

	<b>2017</b>	2016
	<b>Other</b>	
	<b>resources</b>	Total activities
	<b>expended</b>	£
	£	£
Bank interest & charges	626	625
	<u>626</u>	<u>625</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 £4,018 (2016 £5,810).

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2017 nor for the year ended 31 December 2016.

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**Notes to the Financial Statements - continued  
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**11. STAFF COSTS**

	31.12.17	31.12.16
	£	£
Wages and salaries	205,605	209,369
Social security costs	12,019	11,526
Other pension costs	1,264	735
	218,888	221,630
	218,888	221,630

No employee was paid £60,000 or more.

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

	31.12.17	31.12.16
Administration and financial	3	3
Building	4	4
Commercial	4	6
Community ministry	1	1
Family & Schools ministry	1	1
Worship and music	1	2
	14	17
	14	17

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
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	<b>219,072</b>	<b>110,822</b>	329,894
Other trading activities	<b>146,495</b>	-	146,495
Investment income	<b>3,302</b>	-	3,302
Other income	<b>200</b>	-	200
<b>Total</b>	<b>369,069</b>	<b>110,822</b>	479,891
<b>EXPENDITURE ON</b>			
Raising funds	<b>80,276</b>	-	80,276
<b>Charitable activities</b>			
Carried forward			

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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 £
<b>Charitable activities</b>			
Brought forward			
Home Giving	3,900	-	3,900
International committee	3,900	-	3,900
From other collections and activities	-	848	848
Birmingham Diocesan Common Fund	87,838	-	87,838
The Ministry Team	4,945	4,300	9,245
Church and services	88,909	1,537	90,446
New stained glass window	4,340	-	4,340
Other	101,566	105,326	206,892
<b>Total</b>	<b>375,674</b>	<b>112,011</b>	<b>487,685</b>
<b>Net gains/(losses) on investments</b>	<b>9,214</b>	<b>-</b>	<b>9,214</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>2,609</b>	<b>(1,189)</b>	<b>1,420</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>190,410</b>	<b>10,227</b>	<b>200,637</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>193,019</b>	<b>9,038</b>	<b>202,057</b>



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

	<b>Fixtures and fittings £</b>
<b>COST</b>	
At 1 January 2017	160,519
Additions	2,578
	163,097
At 31 December 2017	163,097
 <b>DEPRECIATION</b>	
At 1 January 2017	138,517
Charge for year	6,225
	144,742
At 31 December 2017	144,742
 <b>NET BOOK VALUE</b>	
At 31 December 2017	18,355
	18,355
At 31 December 2016	22,002
	22,002

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**

	<b>Listed investments £</b>
<b>MARKET VALUE</b>	
At 1 January 2017	64,460
Revaluations	2,231
	66,691
At 31 December 2017	66,691
 <b>NET BOOK VALUE</b>	
At 31 December 2017	66,691
	66,691
At 31 December 2016	64,460
	64,460

There were no investment assets outside the UK.

**THE PAROCHIAL CHURCH COUNCIL  
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**Notes to the Financial Statements - continued  
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**14. FIXED ASSET INVESTMENTS - continued**

	31.12.17	31.12.17	31.12.16	31.12.16
	£	£	£	£
2000 Charifund Units	10,050	32,828	10,050	30,708
UK listed investments	13,288	33,863	13,288	33,752
	<u>23,338</u>	<u>66,691</u>	<u>23,338</u>	<u>64,460</u>

**15. STOCKS**

	2017	2016
	£	£
Tea lounge stock	<u>1,469</u>	<u>1,469</u>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade debtors	12,954	5,571
Associated charities	1,286	991
Gift Aid Tax Recoverable	5,547	6,974
Prepayments and accrued income	-	3,842
	<u>19,787</u>	<u>17,378</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade creditors	5,495	15,813
PAYE & National Insurance	2,905	3,940
VAT	4,931	5,252
Other creditors	6,697	-
Accrued expenses & deferred income	7,926	12,200
	<u>27,954</u>	<u>37,205</u>

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

	At 1.1.17 £	Net movement in funds £	At 31.12.17 £
<b>Unrestricted funds</b>			
General fund	123,653	(45,470)	78,183
Special Reserve Fund	65,190	2,231	67,421
Choir robes	2,000	(502)	1,498
Music and Worship	397	(200)	197
Website development	1,779	-	1,779
	<u>193,019</u>	<u>(43,941)</u>	<u>149,078</u>
<b>Restricted funds</b>			
Community Ministry	3,574	(3,183)	391
Creative Arts	1,561	-	1,561
Other funds	3,903	564	4,467
Memorial Boards	-	10,000	10,000
	<u>9,038</u>	<u>7,381</u>	<u>16,419</u>
<b>TOTAL FUNDS</b>	<u>202,057</u>	<u>(36,560)</u>	<u>165,497</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	320,601	(366,071)	-	(45,470)
Music and Worship	-	(200)	-	(200)
Choir robes	-	(502)	-	(502)
Special Reserve Fund	-	-	2,231	2,231
	<u>320,601</u>	<u>(366,773)</u>	<u>2,231</u>	<u>(43,941)</u>
<b>Restricted funds</b>				
Community Ministry	-	(3,183)	-	(3,183)
St Martin's Trustees re salaries	84,360	(84,360)	-	-
Other funds	3,700	(3,136)	-	564
Families Missioner	10,000	(10,000)	-	-
Memorial Boards	10,000	-	-	10,000
	<u>108,060</u>	<u>(100,679)</u>	<u>-</u>	<u>7,381</u>
<b>TOTAL FUNDS</b>	<u>428,661</u>	<u>(467,452)</u>	<u>2,231</u>	<u>(36,560)</u>

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

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 £1,264 (2016 £735).

**20. RELATED PARTY DISCLOSURES**

The charity received donations from Trustees of £31,864 (2016 £42,666).

During the year the charity paid salary of £4,018 (2016 £5,810) 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:

	<b>2017</b>	2016
	<b>£</b>	£
Rent	<b>20,160</b>	20,160
Shared overheads	<b>15,531</b>	12,995

At the end of the year £1,286 (2016- £991) was due from St Martin's Centre for Health and Healing: