

The Church of St Mary Magdalen, Knighton



Statutory Accounts 2021

***Presented to the Annual Church meeting (APCM)
on 15th May 2022***

Statutory Accounts 2021

Financial review

Comments on the Statement of Financial Activities and analysis of income & expenditure

“2021 was another challenging year for our Church finances. Although we saw a gradual return to something like ‘normal’ life, the pandemic has highlighted weaknesses in our overall accounts. Chiefly, we see that the annual accounts of the church, over many years now, only remain balanced because of the income received by the Parish Centre. This is because the aggregated regular giving of the congregation remains low and does not cover the regular activities of the church. We have some significant reserves, but these also obscure the reality that we are not giving enough to sustain the life of the church.” (AJ)

Total income and endowments 2021

Total income in the year was £173,802, which was £24,394 higher than in 2020, reflecting a turn towards the pre-pandemic situation.

Total donations and legacies at £122,361 were £10,886 higher than 2020 due to:

- £28,529 increase in grants & legacies
- Offset by £7682 fall in furlough grants, and
- Reduction of Spire donations by £12,294

Total income from fees was £1,509 higher in the year at £5,724

Total other trading activities at £43,571 was £17,146 higher than 2020. This is mostly explained by increases in Centre lettings and fundraising events.

Total expenditure 2021

Total expenditure in the year was £220,746 which was £49,016 higher than 2020

This is mainly attributed to

- £41,603 increase in Spire Project restricted & designated major maintenance costs
- £2,970 extra towards the restoration of our contribution to the Diocese
- £1,844 increase in administration costs due to the cost of posting copies of the newsletter.

Net income /(expenditure) before transfers for 2021 was expenditure of (£46,944)

Transfers in the year relate chiefly to work on the Spire Project.

Gains/losses on investment assets – Gains on investments total £11,026.

Unrestricted Reserves Policy

The PCC reserve policy for 2021 is:

- 1) To hold an operational reserve equal to: working capital, 3 months of routine operating costs and employee notice periods.
- 2) To hold building maintenance reserve totalling £75000 for maintenance of the Church and Parish Centre. As all major building maintenance projects are authorised by the PCC from total reserves, only a reasonable level of funds will be held in the Centre bank account as working capital with excesses transferred to PCC main bank account enabling efficient investment.
- 3) To hold any reasonable level of surplus reserves as a contingency against annual deficit and reduction in investment valuations.
- 4) To review the policy and the level of reserves annually.
- 5) To undertake fundraising if actual reserves fall below the required levels.

The reserve policy was reviewed and in the light of the continuing covid financial uncertainties and work on the Spire Project, it was decided to retain the current policy and review it and planned use of reserves when finances were clearer, hopefully in 2022.

At 31/12/21, the total unrestricted reserves required and held was in accordance with the current policy.

Financial control policies

Management accounts and budgets are produced during the year to manage and control finances. All Groups/committees have clear guidance on their delegated authority and when they must refer to the Standing Committee or PCC for approval. The Building Group, who are responsible for maintenance of all buildings and the churchyard, have authority to spend up to £2000 on individual items of major maintenance or capital above which they are required to obtain approval of the Standing Committee or PCC.

Risk management

The PCC manages risk through a number of mechanisms including the following specific policies and practices:

- Children and vulnerable adults – adoption and annual review of diocesan templates.
- Charitable giving policy.
- Health and safety – a H&S policy, including fire risk assessment, routine inspection and testing of high risk items, monthly safety inspections of Church and Parish Centre and appointment of a Church Architect.
- Decision making – clearly defined committees/groups for management and delegation.
- Parish Centre and Church hire policies.
- Finance – clear control policies with regular review of management accounts, budgets and investments.

Volunteers

Thanks are due to all volunteers who work so hard to make our church the lively and vibrant community it is.

Structure, governance and management

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and is a Registered Charity.

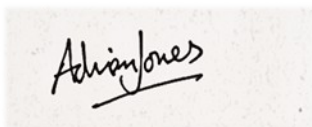
The method of appointment of PCC members is set out in the Church Representation Rules. At St Mary Magdalen's, the membership of the PCC consists of the incumbent (the vicar), churchwardens, the assistant curate, representatives on the Deanery and Diocesan Synods and members elected by those members of the congregation who are on the electoral roll of the church. All those who attend our services are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish including deciding on how funds of the PCC are to be spent. New members receive training into the workings of the PCC.

Given its wide responsibilities, the PCC has a number of committees and groups, each dealing with a particular aspect of parish life. These committees and groups, which include Social & fundraising, Giving, Worship & Outreach Development and Buildings, in addition to the statutory Standing Committee, are all responsible to the PCC and report back to it regularly, minutes of their decisions being received by the full PCC and discussed as necessary. Detailed terms of reference and a scheme of delegation have been operating during the year.

Report approved by the PCC on 3rd March 2022 and signed on their behalf by the

Red Adrian Jones (PCC Chairperson)

A handwritten signature in black ink on a light-colored rectangular background. The signature is written in a cursive style and reads "Adrian Jones".

Administrative Information

St Mary Magdalen's Church is situated in Brinsmead Road, Knighton, Leicester LE2 3WD. With the Parish of St Guthlac's, it comprises the Benefice of Knighton in the Diocese of Leicester, within the Church of England. The correspondence address is The Parish Office, Knighton Parish Centre, Church Lane, Knighton, Leicester LE2 3WG. Registered charity number 1130923.

PCC members who served during 2021 are:

Ex Officio members:

Incumbent:	The Revd Adrian Jones (Chair)
Assistant Curate:	The Revd Matthew Gough
Wardens:	Mrs Beryl Bonfield (from May 2021) Ms Sian Howard (Vice Chair)

Elected members:

Mr Bob Rutland	representative on Deanery Synod	(to APCM 2023)
Mr David Stanyer	representative on Deanery Synod (Treasurer)	(to APCM 2023)
Vacancy	representative on Deanery Synod	
Mrs Angelica Amoroso		(to APCM 2021)
Mr Joshua Crick de Boom		(APCM 2021 to 2024)
Mr Michael Kirk		(to APCM 2022)

Mr Andrew Oldershaw	(to APCM 2022)
Mr David Palmer	(from APCM 2020 to 23)
Mrs Lorna Pollard	(from APCM 2020 to 23)
Mrs Judith Rudd	(from APCM 2020 to 23)
Mr Nigel Siesage	(to APCM 2022)
Mrs Ida Stanyer	(APCM 2021 to 2024)
Vacancy	

Co-opted members

Mrs Amanda Beck	(from APCM 2021)
Mr Joshua Crick de Boom	(from Nov. 2020 to APCM 2021)

Knighton PCC
Statement of Financial Activities
For the period from 01 January 2021 to 31 December 2021

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds	Prior year total funds
<i>Income and endowments from:</i>						
Donations and legacies	71,473	45,838	5,049	—	122,361	111,475
Income from charitable activities	5,724	—	—	—	5,724	4,215
Other trading activities	32,730	290	10,550	—	43,571	26,425
Investments	2,145	—	0	—	2,146	4,523
Other income	—	—	—	—	—	2,769
Total income	112,074	46,128	15,600	—	173,802	149,408
<i>Expenditure on:</i>						
Raising funds	101	—	—	—	101	563
Expenditure on charitable activities	107,611	94,845	18,187	—	220,645	171,166
Total expenditure	107,712	94,845	18,187	—	220,746	171,730
Net income / (expenditure) resources before transfer	4,361	(48,717)	(2,587)	—	(46,943)	(22,321)
<i>Transfers</i>						
Gross transfers between funds - in	37,880	274	0	—	38,155	101,449
Gross transfers between funds - out	(274)	(37,541)	(339)	—	(38,155)	(101,449)
<i>Other recognised gains / losses</i>						
Gains / losses on investment assets	11,026	—	—	—	11,026	16,263
Net movement in funds	52,993	(85,984)	(2,927)	—	(35,917)	(6,058)
<i>Reconciliation of funds</i>						
Total funds brought forward	689,418	109,435	7,486	—	806,340	812,398
Total funds carried forward	742,412	23,451	4,559	—	770,423	806,340
<i>Represented by</i>						
Unrestricted						
General fund	742,412	—	—	—	742,412	689,418
Designated						
Choir Fund	—	172	—	—	172	—
Christmas Tree Festival	—	4,093	—	—	4,093	—
Flower Guild	—	247	—	—	247	—
Friends of St Mary Magdalen	—	16,724	—	—	16,724	—
Music and Worship Fund	—	2,213	—	—	2,213	—
Spire Fund	—	—	—	—	—	109,435
Restricted						
Building Appeal Fund	—	—	1	—	1	1
Churchyard Fund	—	—	1,000	—	1,000	7,481
Education & Training Fund	—	—	1	—	1	1
Fabric Fund	—	—	0	—	0	0
Spire Fund	—	—	3,555	—	3,555	1
Vestments and altar covers	—	—	0	—	0	0

There may be minor discrepancies in the totals if the pence are not being shown

Knighton PCC
Balance sheet (Summary)
As at: 31 December 2021

	As at 31/12/2021	As at 31/12/2020
	£	£
Fixed assets		
Tangible assets	555,116	551,962
	<u>555,116</u>	<u>551,962</u>
Current assets		
Debtors	5,012	4,652
Investments	82,932	71,906
Cash at bank and in hand	128,897	180,873
	<u>216,843</u>	<u>257,432</u>
Liabilities		
Creditors: Amounts falling due in one year	1,536	3,054
Net current assets less current liabilities	<u>215,306</u>	<u>254,377</u>
Total assets less current liabilities	<u>770,423</u>	<u>806,340</u>
Total net assets less liabilities	<u>770,423</u>	<u>806,340</u>
Represented by		
Unrestricted		
Unrestricted - General fund	742,412	689,418
Designated		
Designated - Christmas Tree Festival	4,093	—
Designated - Parish Centre Fund	—	—
Designated - Choir Fund	172	—
Designated - Flower Guild	247	—
Designated - Friends of St Mary Magdalen	16,724	—
Designated - Music and Worship Fund	2,213	—
Designated - Spire Fund	—	109,435
Restricted		
Restricted - Building Appeal Fund	1	1
Restricted - Churchyard Fund	1,000	7,481
Restricted - Fabric Fund	0	0
Restricted - Restricted	—	—
Restricted - Vestments and altar covers	0	0
Restricted - Spire Fund	3,555	1
Restricted - Education & Training Fund	1	1
Restricted - Agency collection	—	—
Funds of the church	<u>770,423</u>	<u>806,340</u>

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Designated - Parish Centre Fund	—	—
Designated - Choir Fund	172	—
Designated - Flower Guild	247	—
Designated - Friends of St Mary Magdalen	16,724	—
Designated - Music and Worship Fund	2,213	—
Designated - Spire Fund	—	109,435
Restricted		
Restricted - Building Appeal Fund	1	1
Restricted - Churchyard Fund	1,000	7,481
Restricted - Fabric Fund	0	0
Restricted - Restricted	—	—
Restricted - Vestments and altar covers	0	0
Restricted - Spire Fund	3,555	1
Restricted - Education & Training Fund	1	1
Restricted - Agency collection	—	—
Funds of the church	<u>770,423</u>	<u>806,340</u>

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Knighton PCC

Analysis of income and expenditure Selected period: 01 January 2021 to 31 December 2021

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
Income and endowments						
<i>Donations and legacies</i>						
0101 - Giving gift-aided - bank	32,147	—	—	—	32,147	31,356
0105 - Giving gift aided - cheques	300	—	—	—	300	2,540
0110 - Giving gift-aided - envelopes	6,474	—	—	—	6,474	9,140
0115 - Spire Fund - donations	—	—	4,379	—	4,379	16,673
0116 - Friends of Knighton Church	—	4,183	—	—	4,183	—
0201 - Giving - not gift aided	6,206	—	—	—	6,206	3,878
0301 - Loose plate collections	1,236	—	—	—	1,236	936
0550 - Donations appeals etc	4,848	1,213	—	—	6,062	3,482
0601 - Tax recovered-gift aided giving	9,823	—	669	—	10,493	14,401
0602 - Tax recovered-gift aided dons.	705	—	—	—	705	—
0603 - Tax recovered-small dons. sch.	766	—	—	—	766	508
0701 - Legacies	—	17,650	—	—	17,650	5,500
08A1 - Non-recurring one-off grants	5,000	22,790	—	—	27,790	11,411
08A2 - non-recurring furlough grants	3,965	—	—	—	3,965	11,647
Donations and legacies Totals	71,473	45,838	5,049	—	122,361	111,475
<i>Income from charitable activities</i>						
1101 - Fees - weddings and funerals	5,724	—	—	—	5,724	4,215
Income from charitable activities Totals	5,724	—	—	—	5,724	4,215
<i>Other trading activities</i>						
0910 - Social & fund raising events	2,117	—	—	—	2,117	261
0911 - Votive candles income	—	—	—	—	—	9
0912 - miscellaneous income	1,791	290	—	—	2,081	1,118
0915 - Spire Fund - fund raising events	—	—	10,550	—	10,550	1,581
1240 - Centre lettings	27,045	—	—	—	27,045	22,163
1241 - Church lettings	—	—	—	—	—	700
1260 - Parish magazine sales	396	—	—	—	396	20
1261 - Printing re-charges	1,379	—	—	—	1,379	570
Other trading activities Totals	32,730	290	10,550	—	43,571	26,425
<i>Investments</i>						
1001 - Dividends	2,041	—	—	—	2,041	4,407
1020 - Bank & building soc. interest	104	—	0	—	105	87
1225 - Spire fund interest	—	—	—	—	—	27
Investments Totals	2,145	—	0	—	2,146	4,523
<i>Other income</i>						
1310 - Insurance claims	—	—	—	—	—	2,769
Other income Totals	—	—	—	—	—	2,769
Income and endowments Grand totals	112,074	46,128	15,600	—	173,802	149,408

There may be minor discrepancies in the totals if the pence are not being shown

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
Expenditure						
<i>Raising funds</i>						
1715 - Spire Fund - fund raising expenditure	—	—	—	—	—	384
1720 - Costs of Giving Scheme	101	—	—	—	101	179
<i>Raising funds Totals</i>	101	—	—	—	101	563
<i>Expenditure on charitable activities</i>						
1910 - Contribution to Diocese	40,000	—	—	—	40,000	37,030
2050 - Salary of parish administrator	12,042	—	—	—	12,042	11,790
2060 - Muscian fees	1,196	—	—	—	1,196	729
2101 - Expenses of incumbent	436	—	—	—	436	273
2102 - Curate's expenses	859	—	—	—	859	885
2201 - Mission outreach	3,149	1,064	—	—	4,214	1,122
2301 - Church insurances	4,445	—	—	—	4,445	4,368
2304 - Insurance claims	—	—	—	—	—	2,850
2330 - Church routine maintenance	1,818	—	—	—	1,818	2,396
2331 - Church cleaning	—	—	—	—	—	293
2340 - Sacristy costs	163	42	—	—	205	528
2341 - Other music costs	586	—	—	—	586	301
2350 - Churchyard maintenance	664	—	600	—	1,264	324
2360 - Administration costs	8,271	—	—	—	8,271	6,427
2401 - Church electricity	618	—	—	—	618	806
2410 - Church gas	2,479	—	—	—	2,479	2,326
2420 - Church water	106	—	—	—	106	99
2520 - Centre wages	16,276	—	—	—	16,276	17,512
2530 - Centre electricity	1,669	—	—	—	1,669	1,194
2540 - Centre gas	1,839	—	—	—	1,839	2,572
2550 - Centre insurance	1,328	—	—	—	1,328	1,305
2560 - Centre routine maintenance	3,233	—	—	—	3,233	3,068
2570 - Centre licences	176	—	—	—	176	296
2580 - Centre water	647	—	—	—	647	773
2590 - Centre other costs	1,404	—	—	—	1,404	1,924
2702 - Churchyard major maintenance	—	—	5,541	—	5,541	3,859
2801 - Centre major maintenance	1,957	—	—	—	1,957	—
2815 - Spire Fund - - major maintenance	—	93,738	12,045	—	105,784	64,181
3000 - Depreciation - Church & office	314	—	—	—	314	—
3001 - Depreciation - Centre	1,925	—	—	—	1,925	1,925
<i>Expenditure on charitable activities Totals</i>	107,611	94,845	18,187	—	220,645	171,166
Expenditure Grand totals	107,712	94,845	18,187	—	220,746	171,730

There may be minor discrepancies in the totals if the pence are not being shown

THESE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021							
FORM PART OF THE ACCOUNTS							
1 ASSETS AND LIABILITIES							
FIXED ASSETS							
TANGIBLE ASSETS		Freehold land and buildings		Other		Total	
		1	2	3			
GROSS BOOK VALUE	At 31 December 2020	£316,152	£231,424	£42,749		£590,325	
	Additions	£0	£0	£5,393		£5,393	
	Disposals			-£4,301		-£4,301	
	At 31 December 2021	<u>£316,152</u>	<u>£231,424</u>	<u>£43,841</u>		<u>£591,417</u>	
DEPRECIATION	At 31 December 2020	£0	£0	£38,362		£38,362	
	Disposals	£0	£0	-£4,301		-£4,301	
	Charge for year	£0	£0	£2,239		£2,239	
	At 31 December 2021	<u>£0</u>	<u>£0</u>	<u>£36,300</u>		<u>£36,300</u>	
NET BOOK VALUE	At 31 December 2021	<u>£316,152</u>	<u>£231,424</u>	<u>£7,541</u>		<u>£555,117</u>	
	1 Parish Centre, Brinsmead Road		3 Fixtures and fittings in the Centre and office				
	2 Holbrook Hall, Holbrook Road						
The gross book value of the land and buildings included in the accounts is as estimated for insurance purposes at 1 October 1998 .							
The estimated insurance valuations at 28/09/21 are: Centre - £994k; Holbrook Hall - £608k							
CURRENT ASSETS							
		Unrestricted	Restricted	2021 Total		2020 Total	
DEBTORS							
Interest /dividend accrued		-		-		506	
Prepayment		482		482		657	
Furlough grant		-		-		1,599	
Sundries		1,817		1,817		1,891	
Gift Aid due		2,714		2,714		-	
Total debtors		<u>£5,013</u>	<u>£0</u>	<u>£5,013</u>		<u>£4,653</u>	
INVESTMENTS	Use						
CCLA Church of England Investment fund- units 1487	General reserve	£37,175		37,175		32,522	
CCLA Church of England Global Investment fund- units 1493	General reserve	<u>£45,758</u>		<u>45,758</u>		<u>39,384</u>	
Total investments		<u>£82,933</u>		<u>£82,933</u>		<u>£71,906</u>	
CASH AT BANK AND IN HAND							
Account							
Lloyds/TSB Deposit	General Reserve	1		1		1	
Virgin Money Deposit	General Reserve	-		-		17,280	
CCLA C of E Deposit	Education & Training		1	1		1	
CCLA C of E Deposit	General Reserve	50,548		50,548		100,548	
CCLA C of E Deposit	specific grave maintenance		1,000	1,000		7,142	
CCLA C of E Deposit	Fabric Fund		1	1		1	
CCLA C of E Deposit	Buildings Appeal		1	1		1	
HSBC Community account	Choir bank account	176		176		399	
HSBC Community account	Sunday club bank account	30		30		30	
Nat West current account	Social Group bank account	2,268		2,268		982	
Lloyds current account	Centre bank & petty cash	<u>29,125</u>	<u>-</u>	<u>29,125</u>		<u>17,362</u>	
Total short term deposits		<u>£82,148</u>	<u>£1,003</u>	<u>£83,151</u>		<u>£143,747</u>	
Barclays deposit account	Spire/Friends account	4,185	3,555	7,740		1	
Barclays current account	main bank account	<u>38,006</u>	<u>-</u>	<u>38,006</u>		<u>37,125</u>	
		<u>£42,191</u>	<u>£3,555</u>	<u>£45,746</u>		<u>£37,126</u>	
Total cash at bank and in hand		<u>£124,339</u>	<u>£4,558</u>	<u>£128,897</u>		<u>£180,873</u>	
TOTAL CURRENT ASSETS		<u>£212,285</u>	<u>£4,558</u>	<u>£216,843</u>		<u>£257,432</u>	
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR							
Sundry creditors		<u>£1,537</u>	<u>£0</u>	<u>£1,537</u>		<u>£3,055</u>	
NET CURRENT ASSETS		<u>£210,748</u>	<u>£4,558</u>	<u>£215,306</u>		<u>£254,377</u>	
ANALYSIS OF NET ASSETS BY FUND							
		Unrestricted	Restricted	2021 Total		2020 Total	
Tangible fixed assets		555,117	-	555,117		551,963	
Current assets		212,285	4,558	216,843		257,432	
Current liabilities		<u>- 1,537</u>	<u>-</u>	<u>- 1,537</u>		<u>- 3,055</u>	
Fund balance		<u>£765,865</u>	<u>£4,558</u>	<u>£770,423</u>		<u>£806,340</u>	

**THESE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021 FORM PART OF THE ACCOUNTS continued**

1 Asset and liabilities

See detailed schedule

2 Accounting policies

Basis of the financial statements

The financial statements have been prepared under the Church Accounting Regulations 2006 in accordance with applicable accounting standards and the current Statement of Recommended Practice Accounting and Reporting by Charities and applicable accounting standard FRS 102.

The financial statements have been prepared under the historical cost convention except for investment assets, which are shown at market value. The financial statements 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 affiliation to another body, nor those that are informal gatherings of church members.

Fund accounting

Endowment funds are funds, the capital of which must be retained either permanently or at the PCC's discretion; the income derived from the endowment is to be used either as restricted or unrestricted income funds depending upon the purpose for which the endowment was established in the first place.

Restricted funds comprise (a) income from endowments which is to be expended only on the restricted purposes intended by the donor and (b) revenue donations or grants for a specific PCC activity intended by the donor. Where these funds have unspent balances, interest or dividends on their pooled investment is apportioned to the individual funds on an average balance basis.

Unrestricted funds are income funds which are to be spent on the PCC's general purposes.

Designated funds are general funds set aside by the PCC for use in the future. Project funds are designated for particular projects for administration purposes only. Funds designated as invested in fixed assets for the PCC's own use abated in line with assets' annual depreciation charges in the SOFA. Designated funds remain unrestricted and the PCC will move any surplus to other general funds.

Income and resources

Planned giving, collections and similar donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate are received. Grants and legacies are accounted for when the PCC is entitled to the use of the resources, their ultimate receipt is considered reasonably certain and the amounts due are reliably quantifiable.

Dividends are accounted for when declared receivable, interest as and when accrued by the payer. All incoming resources are accounted for gross.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The PCC agreed contribution to the Diocese is accounted for when due. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with s10 (2) (a) and (c) of the Charities Act 2011.

Movable church furnishings held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property and are listed in the church's inventory, which can be inspected (at any reasonable time). These assets should be capitalised as fixtures, fittings and equipment and depreciated.

For anything acquired prior to 2002, there is insufficient cost information available and therefore such assets are not valued in the financial statements. Individual assets with a cost of less than £1000 are not capitalised and are included as expenditure not in the balance sheet.

Fixtures, fittings and equipment assets within Church and Centre premises are depreciated on a straight line basis over 10 years. Equipment in the Office is depreciated over 5 years.

3 Staff costs 2020

2021

Office	£12042	£11790
Parish Centre	£16276	£ 14960

The above costs relate to a part-time administrator employed in St Mary's Office and the share of a part-time letting secretary and caretaker employed in St Mary's Centre. The Centre staff also provide a similar service to St Guthlac PCC for Holbrook Hall and their related costs have been recharged to St Guthlac PCC together with their share of furlough grants.

4 Payments to PCC members

No payments or expenses were paid to any PCC member or persons closely connected to them or related parties.

5 Investments

The agreed policy of the PCC is to maintain a balance between cash and investments, maximise income while not taking undue risks and to invest in ethical investments by using CCLA investments which are managed and operate under the Church of England ethical investment policy. Investments

are valued at market value at 31st December and gains and losses are realised when investments are sold. There were no sales or purchases in the year. The existing holdings increased in value in the year by £11026.

6 Restricted funds

Education & Training, Building Appeal, Fabric, Vestments & Alter cover Funds

These Fund accounts are retained for future use. There was no movement during the year.

Churchyard Maintenance Fund

The fund is used to hold various donations made over a long period of time for the maintenance of graves. Following a detailed review in 2016-17 to identify any known liabilities, the balance of this Fund was designated to be used to contribute to the cost of any general maintenance in the churchyard which was the responsibility of the PCC.

	£	
Known liabilities		1000
For graveyard maintenance	<u>6143</u>	
Balance b/f at 1/1/21		7143
Expenditure on lighting project	(5541)	
Expenditure on ground maintenance	<u>(602)</u>	<u>(6143)</u>
Balance at 31/12/21 - known liabilities		<u>1000</u>

Donations are now only accepted for unrestricted general churchyard maintenance and no longer for individual grave maintenance. This can be done by donating to the The Friends of St Mary Magdalen.

Spire project

Work on the Project commenced on 19/10/20 and was completed mid- April 2021 on time and to budget.

As fundraising had been severely restricted due to covid, it was decided to continue fundraising until 31/10/21 when the project would finally close subject only to the contract retention of net £3558, which is due in March 2022.

Spire project finance summary

Costs

£	
Pre - contract costs re detailed specifications	11584
Total contract cost of spire repair project including Vat	174302
	185886

Funding

From reserves	91590
Grants - Garfield Weston £5000 +	
- £28983 Listed Places of Worship re VAT	33983
Donations & fundraising	60313

185886

Friends of St Mary Magdalen

Following completion of the Spire project, the PCC decided to introduce a Friends of St Mary Magdalen Scheme to encourage community support for our beautiful church fabric and grounds. This scheme will continue the CAF giving facility and utilise the Barclays deposit account used for the Spire project. The fund will be a designated fund.

7 Designated Funds

Designated funds are unrestricted funds set aside by the PCC for use in the future for specific purposes. A number of funds have been set up during the year as shown in the statement of financial activities at 31/12/21.

The Choir and Flower Guild bank accounts were closed during the year. Therefore designated funds were set up for their expenses - Current balances: Choir £172; Flower Guild £247.

The Christmas Tree Festival was again very successful and generated a net surplus of £4093 which is held in a designated fund at year end. This will be shared equally between the Headway Leicester brain injury charity and the Friends of St Mary Magdalen.

In line with the PCC legacies policy, certain legacies received were designated to funds which the PCC felt appropriate to the benefactors: Music and Worship Fund £2213 and Friends of St Mary Magdalen £16724.

7 (i) Analysis of designated receipts and payments in the year

Income		£	
Friends of St Mary Magdalen fundraising	4185		Christmas Tree Festival (CTF)
Donations in memory of AS	1213		Music & Worship fund
Legacies & Donations	17650		Friends of St Mary Magdalen & Music & Worship fund
Non-recurring one off grants	22790		£1000 Council grant re CTF & balance Listed
repair project			Places of Worship grants - Spire
Miscellaneous income	<u>290</u>		Transfer in of Flower Guild bank balance
	<u>46128</u>		
Expenditure			
Mission Outreach	1064		Christmas Tree Festival costs
Sacristy costs	42		Flower Guild costs
Spire Fund Major maintenance	<u>93739</u>		Spire repair costs including VAT
	<u>94845</u>		

7 (ii) Analysis of restricted receipts and payments in the year

Income	£	
Spire fund donations	4379	various donations
Tax recovered – gift aid giving	669	gift aid on Spire donations
Spire fund – fund raising events	<u>10552</u>	Including auction - £9700
	<u>15600</u>	

Expenditure

Churchyard maintenance	600	see note 6
Churchyard major maintenance project	5541	Expenditure to complete the lighting project
Spire Fund Major maintenance	<u>12046</u>	Spire repair costs including VAT
	<u>18186</u>	

8 Unrestricted reserves

The reviewed and revised PCC unrestricted reserves policy at 31/12/21 is as follows:

- 1) To hold an operational reserve equal to working capital plus 3 months of routine operating costs and employee notice periods.
- 2) To hold a building major maintenance (repair costs over £1000) reserve totalling £75000 for maintenance of the Church and Parish Centre. As all major building maintenance projects are authorised by the PCC from total reserves, only a reasonable level of funds will be held in the Centre bank account as working capital, with excess transferred to PCC main bank account enabling efficient investment.
- 3) To review the policy and the level of reserves annually.
- 4) To undertake fundraising if actual reserves fall below the required levels.

At 31/12/21, the total unrestricted reserves required in accordance with the policy is £127800.

Actual total unrestricted reserves (general and designated) at 31/12/21 totalled £210748

Use of unrestricted reserves

Over a number of years, the PCC has had several projects identified to consider, but the Spire Project has dominated our time and efforts.

Detailed preparations started in 2019 together with fundraising, but in early 2020, plans were disrupted by covid. The PCC reviewed its options and decided to go ahead with the project and work started on 19/10/20 with planned completion April 21.

In view of the uncertainties of income and possible overspends on building work, the PCC decided that it was prudent to suspend consideration of any other projects and to hold contingencies in case of overspend until the project was complete.

The Spire building work was completed on time in April 21 and to budget.

The completion of the Spire project to budget released some contingencies which together with increases in investment valuations, some major legacies, release of working capital required by the review in the reserve policy and fund raising in September before the spire project closed on 31/10/21, resulted in an increase in unrestricted reserves to £210748. In March 2022, the PCC will now carry out a review of proposed other projects.

**Independent Examiner's Report to the trustees of St Mary Magdalen Church,
Knighton Parochial Church Council.**

I report on the accounts for the year ended 31st December 2021

Respective responsibilities of the Trustees and Independent Examiner

As trustees of the charity, the members of the PCC are responsible for the preparation of the accounts. They 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 needed.

It is my responsibility to:

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

Basis of Independent Examiner's Statement

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 the management committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner's Statement

In connection with my examination, no matters have come to my attention:

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

- to keep accounting records in accordance with s.130 of the 2011 Act; or
- to prepare accounts which accord with these accounting records 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.

S.A Rankine



17/2/2022

Corner Thatch,
Bell Lane,
Burton Overy Leicestershire LE8 9DB
Dated: 17 February 2022



Faith for Life

“I have come that they may have life; life in all its fullness” – Jesus (John 10.10)