

ST JOHN THE BAPTIST CHURCH
KNUTSFORD
2020 ANNUAL REPORT



St John the Baptist Church, Knutsford

ANNUAL REPORT 2020

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CHARITY INFORMATION

INCUMBENT

Revd Nigel Atkinson

INDEPENDENT EXAMINER

Lourens Du Plessis
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

BANKERS

Barclays Bank plc
87 King Street
Knutsford
Cheshire
WA16 6EL

PRINCIPAL OFFICE

St John the Baptist Church
Church Office
Church Hill
Knutsford
Cheshire
WA16 6DH

Charity Registration Number 1131500

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The Revd Nigel Atkinson is the Vicar of St John the Baptist Church, Knutsford. Until 31st July 2020 Mr Chris Johnson was the Youth Minister and Mr Richard Reeve was the Associate Minister for Knutsford. Revd Dan Young was Associate Minister for Toft until April 2020 with some responsibilities for Knutsford. In September 2020 Revd Tom Hollingsbee became Associate Vicar for Knutsford and Toft, and Miss Hannah Dobson became Youth Worker. Revd Helen Eccles, deacon for Toft, also took on some duties for Knutsford.

BACKGROUND

St John's PCC has the responsibility of co-operating with the Incumbent and the Ministry Team for Knutsford in promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. In particular it aims to encourage the Church family towards the vision of a Church which:

- Worships joyfully
- Prays faithfully
- Proclaims boldly
- Serves enthusiastically
- Learns diligently
- Uses God's gifts wisely
- Shares lovingly

It also has maintenance responsibilities for the Church and the Church Centre, 92 Grove Park and 6 Lilac Avenue.

MEMBERSHIP

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

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

Incumbent: Revd Nigel Atkinson
Associate Vicar: Revd Tom Hollingsbee (from September 2020)

Readers: Dr Thain Flowers – Reader Emeritus
Deacon: Revd Helen Eccles

Wardens: Stephen Watson
Debbie Woods (until October 2020)
Andy Worth (from October 2020)

Assistant Curate: Revd Mel Lacy

Representative on General Synod: Debbie Woods

Representatives on Deanery Synod: Neil Wall
Sue Broadbent
John Lee
Debbie Woods (ex-officio)

Elected Members:	Steve Kitcher	Ian Robertson (2018-2021)
	Jane Cartmel (2018-2021)	Bill Tamkin (2018-2021)
	Terrence Austin (2017-2020)	Andy Lynes (co-opted 2017)
	Candace Jackson (2018-2021)	Emily Pegg (2019-2022)

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Charlotte Blakemore (2018-2021)
Annette Kayes (2017-2020)
Ken McPhail (2020-2023)
Stewart Dally (2020-2023)
Sue Broadbent (2013)
John Lee (2016)

Andrew Worth (2017-2020)
Nick Parratt (2017-2020)
Rowena Nixon (2020-2023)
Hannah Waller (2020-2023)
Neil Wall (2009)

In attendance: Until July 2020 Dr Richard Reeve (Associate Minister) Mr Chris Johnson (Youth Minister)
Mrs Chris Hogg (PCC Secretary)
From October 2020: Hannah Dobson

COMMITTEES

The PCC operates through a number of Committees, which meet regularly and report to full meetings of the PCC.

STANDING COMMITTEE

This is the only committee required by law.

Terms of reference

- a) To deal with emergency matters on behalf of the PCC.
- b) To consider matters of general pastoral and public policy, reporting to Council as appropriate.

Members: Revd Nigel Atkinson (Vicar), Andy Keeble, Debbie Woods and Stephen Watson, Andy Worth (Churchwardens).

FINANCE COMMITTEE

Terms of reference

- a) To keep under review the financial position of the Church.
- b) To formulate the financial policy of the parish (subject to the approval of Council).

Members: Revd Nigel Atkinson (Vicar), Debbie Woods (Churchwarden), Stephen Watson, Andy Worth (Churchwardens), Steve Kitcher (Treasurer), Andy Keeble, In attendance: Chris Hogg (minutes)

MISSION COMMITTEE

Terms of reference

To recommend ways in which the PCC should apply resources to:

- support Bible based witness, teaching and evangelism; and
- encourage interest, understanding, prayer and action in mission amongst all ages of our church family locally, nationally and globally.

Members: Revd Nigel Atkinson, Dan Young, Beki Parratt, Bill Tamkin and Debbie Woods.

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BUILDINGS AND MAINTENANCE

2020 has generally been another quiet year with regard to improvement works but we were able to undertake the damp rectification works which so far have proven to be successful.

Other areas that still need to be assessed include upgrading office furniture with better use of space in various areas and possible improvements to the generally tired Church Centre.

The number of maintenance tasks carried out are too numerous to detail within this report, but the most important elements are tabulated below.

Church Internal

1. A heating problem in the Vestry and Sanctuary was rectified in the autumn.
2. Regular cleaning has been undertaken to comply with Covid-19 recommendations and to ensure that the building could be used whenever possible.
3. New floodlighting was fitted in the tower to illuminate the clock face.
4. Coat of Arms was remounted after restoration.

Church External

1. Church entrance and all paths treated with anti-algae fluid.
2. All gully and drains cleared of leaves.
3. Areas of external brickwork were repointed as part of the remedial damp works.

Church Centre

1. Leak fixed in Kitchen roof.
2. Toilets and basins flushed weekly during lockdown.
3. New siphon unit fitted to men's toilet.
4. Annual portable appliance test carried out.

Throughout 2020, the willing members of the maintenance team have cheerfully carried out any tasks presented to them, and grateful thanks are given for their ministry especially during the lockdown periods.

Quinquennial Inspection

Internal plaster repairs and external brickwork repointing were recently completed for a total cost of around £17,000 (including architect fees).

The next quinquennial inspection for the church building is due in 2021.

ELECTORAL ROLL

There are 183 names on the Electoral Roll, 15 new names have been added and 9 removed.

REVIEW OF ACTIVITIES

In planning the activities the Trustees have applied the guidance on public benefit issued by the Charity Commission.

TEACHING OBJECTIVES

The year began with a sermon series on the Prophet Jonah. This was followed by a series during Lent on Ephesians 6. This was for the 8:45 and 10:15 Service. In the Evening 6:30 Service we had a series on the Gospel of Mark. This continued until Lockdown on March 16th. We pre-recorded our services on YouTube on March 22, and began a

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series in the Gospel of Matthew. From September to November we turned to the Gospel of Mark. During the month of August parishioners were directed to a series of Sermons produced by the Church Society. The speakers were George Crowder, Rod Thomas, Mark Wallace and Wallace Benn.

We began to Livestream our services on Sunday 1st November.

YOUTH AND CHILDREN'S MINISTRY

As one would expect, the pandemic has had a significant impact on the Youth and Children's work over the last year.

Oasis, Junior Church, Pathfinders and Little Nutters, Eureka and TGI all ran as normal until the first national lockdown. Thanks to technology the team were able to continue Eureka and TGI over Zoom and put a weekly all-age service together for streaming over YouTube. This continued up until the summer holidays.

When Church opened up in September, we put on a 'Families Special' for families with primary age children where up to 8 families could all meet to worship and learn together during the main service. We had an average of 6 families at these sessions, and it was encouraging to see whole families learning together. After a few weeks we were also able to put pathfinders back on. Overall Numbers were lower than normal, but this is understandable as many families preferred to watch church from home.

We were also to run two-weekly discipleship groups for the youth on a Thursday. An average of 18 children from year 6 (age 10) to year 13 (age 18) came together to look at Mark's Gospel together.

We went back online for the second national lockdown with a Family Zoom and a breakfast group for Pathfinders on Sunday, and the Thursday groups went online.

We were really grateful to be able to open up in the build-up to Christmas. The Youth had a great time comparing Christmas adverts to the true Christmas story on a Thursday. We were also really grateful to be able to put on a small all-age service for our Church family on Christmas Eve.

It's been a strange time for both Tom and Hannah as they've settled into a stunted form of church life. They're both really grateful for God's grace in these trying times and look forward (we pray) for the opening up of ministry opportunities for in 2021.

SAFEGUARDING

The PCC has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016, fully recognising its duty to have due regard to House of Bishops' guidance on safeguarding children and vulnerable adults. There were no safeguarding referrals during 2020.

HOME GROUPS (Small Groups)

When the first national Lockdown struck, the small groups were unable to meet in person. Four were able to continue over Zoom and the leaders did a sterling job of supporting and encouraging their groups. However, it was difficult to replicate the same sort of group experience over Zoom.

In the Autumn we incorporated the existing small groups into the Service Station on a Tuesday night. We gathered together as a large group online over Zoom, and we sing together, listen to a Bible talk and split into groups to discuss and pray. There were on average about 60 people in attendance. It has been far from perfect, but has been well received and has proven a blessing to many over these difficult months. It has also been a great encouragement to see some of the church family attend Service Station who previously were not part of a small group.

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MISSION REPORT

Due to the Covid-19 pandemic, normal mission activities were/are suspended. However it has been a blessing to be able to welcome our mission partners to the St John's prayer gatherings via zoom and to hear from them in person and to pray with and for them. During the year we have been able to support the following: Zablon Kihara (Kenya); Wanyeki and Mary Mahiaini (Kenya); the Kravoli family (Czech Republic); Crosslinks; Christ Church Stockport; Tom Dally (Titus Trust); Newcastle University Christian Union; St Peters Rock Ferry and Growing Young Disciples. Cornerstone have supported St Peters Rock Ferry, the SPUC and Growing Young Disciples.

PCC

The full PCC met six times during the year to deal with normal business. The PCC Committees met as and when necessary and their deliberations were received by the full PCC and fully discussed when appropriate.

Statement of PCC Responsibilities

Under the Charities Act 2011, the PCC are required to prepare a statement of accounts for each accounting year.

They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and to ensure that such accounts comply with the Statements of Recommended Practice and the Regulations made under the Charities Act 2011. They also have a responsibility to safeguard the assets of the church and to take reasonable steps for the prevention of fraud and other irregularities and to provide reasonable assurances that:

1. The church is operating efficiently and effectively
2. Its assets are safeguarded against unauthorised use or disposition
3. Financial information used within the church or for publication is reliable
4. The church complies with relevant laws and regulations

FUNERALS

There were a number of funerals towards the end of the year. Two were held in SJK under COVID restrictions. Twelve were members of the Church Family.

STAFF CHANGES

During the year Richard Reeve and Chris Johnson left our employment. Richard was accepted as an Ordinand in the Church of England. Chris went back to teaching. Rev Dan Young also retired. We welcomed Tom Hollingsbee as Associate Vicar and Hannah Dobson as Youth Worker. We also welcomed Helen Eccles who joined us as Curate. Helen is a Permanent Deacon.

CHURCH HILL CAFÉ

2020 began well with loyal support from our volunteers and customers alike. On the 4th of February we had a theft in church when someone stole £85 from the cafe float. 12 days later we were advised by wardens and Nigel to close the cafe as, due to the spread of Covid 19, we could not guarantee the safety of either volunteer or customers. We then set about clearing the cafe, checking the stock and donating perishables to Hope Central. We were able to use all fresh produce in soup for distribution around the parish. All the staff were furloughed. In September, as lockdown eased, we followed government Covid 19 stipulations in order to open again. Also that month, our third member of staff announced she would be leaving (other job opportunity) and we proceeded with two staff members, a smaller group of volunteers, a smaller menu and shorter opening hours.

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At the second lockdown in November we went through the same cycle of clearing the cafe and then opened again on 2nd Dec, until closing for Christmas on 18th Dec. We were greatly encouraged at that time still to be receiving new customers, one of whom, following a visit, wrote to the church office: "I had the pleasure of using your Cafe today. What a welcome! Warm, helpful and friendly. Nothing was too much trouble. I would definitely come again. The food was excellent. What a find, it's everything a church should be, informative, welcoming and knowledgeable..." (The last part being a reference to a loyal volunteer who showed the visitors round the main building.)

We thank God that, albeit this year in much more challenging circumstances, the cafe has served still as an interface with the town. Most of the time the church itself was open, we served as a window into a living, active community of Jesus' followers. We thank God for that opportunity and the volunteers who helped make it happen. Our prayer now is we will soon be in a position to receive people again.

PLANS FOR THE YEAR AHEAD

St Johns Knutsford is looking forward to serving and developing our community as we emerge from Lockdown. God willing, we will seek once more to reach out to the community through Oasis, Young At Heart, Cornerstone and Church Hill Café. We will need to give careful thought to the nature of the 6:30 Evening Service. We will continue to run Marriage Preparation Courses and Christianity Explored Courses.

FINANCE

In 2020 expenditure exceeded income. At year-end unrestricted general cash reserves amounted to £86,594, designated cash reserves were £37,311 and restricted cash reserves were £1,209. Full details of the various funds are set out in notes 15 to the accounts.

The PCC set aside 10% of regular and unrestricted giving for mission purposes in the unrestricted Mission Giving Fund. Each month 10% of appropriate giving is transferred from the General Fund to the Mission Giving Fund. These transfers totalled £22,064 during 2020. Mission giving is detailed in note 7c to the financial statements.

The Parish Share paid in 2020 was £77,141 (2019:£64,855). The increase followed the appointment of an Associate Vicar.

INVESTMENT POLICY

The Church's funds were held as cash and deposits at Barclays Bank plc. The Church does not invest in equity funds.

RESERVES

The church reserves policy is to hold in reserves the equivalent of three months' general running costs and an additional one month's salary costs. This equates to approximately £85,000. At year-end the total unrestricted general cash reserves were £86,594. An analysis of all Church funds is included in the Financial Statements note 15.

FIXED ASSETS

In the opinion of the PCC, the market value of the land and buildings exceeds the amount at which they are stated in the accounts but they are unable to quantify the excess.

RISK ASSESSMENT

The financial stability of the Church depends to a significant extent on the giving of the church family and our ability to balance this and other sources of income in line with Church expenditure.

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With a historical church building, unexpected repair costs will arise from time to time. However, it is relevant to note that a Maintenance Group assists the Church and the PCC to maintain the buildings which the Church owns and for which it is responsible. These are the Church, Church Centre, 92 Grove Park (formerly the Curate's/Associate Minister's house) and 6 Lilac Avenue (formerly the Youth Minister's house). This enables necessary work to be highlighted and planned and the appropriate budgets raised rather than operating in an emergency mode. This is working well, with a group of church members assisting in the required work.

CONCLUSION

St Johns has had another busy year, even though the church buildings were unavailable for significant periods. Finding alternative ways to engage remotely with various groups and establish live streamed services required a lot of work behind the scenes and through to the delivery of events in different formats. The efforts of everyone involved through these challenges have been particularly appreciated.

In March 2020 we took steps to help contain the outbreak of Covid-19. The trustees closely monitored our income and expenditure and tracked the financial impact of the pandemic on the charity's free cash reserves.

Over the course of the year we achieved a resilient financial performance in the circumstances. Continued strong one-off donations more than offset lower collections and standing orders. And although income was 25% lower than last year, expenditure was more than 30% lower. This gave an overall result for the year £3,800 ahead of budget. The balance in the General Fund at year-end was more than £79,000. St Johns maintains its ambition to build a six-month reserve in the general fund, however we recognise that it will take several years to attain that position and further gift day appeals are likely to be needed.

Overall the church can only sustain itself if income matches or exceeds expenditure. We have continued to pay close attention to discretionary spending wherever possible to ensure a balance is maintained. Whilst we had a satisfactory outcome for the year, we are facing another uncertain year as we plan for the lifting of lockdown restrictions during 2021. Unfortunately, the trustees are unable to reliably estimate the on-going financial impact of Covid-19 at the present time.

Nigel Atkinson

26 May 2021

INDEPENDENT EXAMINER'S REPORT
TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF
PCC OF ST JOHN THE BAPTIST KNUTSFORD
('the Charity')

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2020 on pages 11 to 22 following, which have been prepared on the basis of the accounting policies set out on pages 13 to 15.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Lourens du Plessis ACA CA(SA)
Institute of Chartered Accountants in England and Wales

4 June 2021

Stewardship
1 Lamb's Passage
London
EC1Y 8AB

PCC OF ST JOHN THE BAPTIST KNUTSFORD
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	221,458	-	221,458	262,844
Charitable activities	4	16,587	1,674	18,262	35,905
Other trading activities	5	47,076	-	47,076	65,346
Investments	6	78	-	78	138
Total income and endowments		285,198	1,674	286,873	364,234
EXPENDITURE ON:					
Charitable activities	7	250,891	18,936	269,827	315,420
Other trading activities	8	31,277	-	31,277	40,806
Total expenditure		282,168	18,936	301,104	356,226
Net income/(expenditure)		3,031	(17,262)	(14,231)	8,008
Transfers between funds	15	-	-	-	-
Net movement in funds		3,031	(17,262)	(14,231)	8,008
Reconciliation of funds:					
Total funds brought forward		488,203	18,471	506,674	498,666
Total funds carried forward	15	491,233	1,209	492,443	506,674

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operations.

The notes on page 13-21 form part of these accounts.

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BALANCE SHEET

AS AT 31 DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds Restated 2019 £
FIXED ASSETS					
Tangible assets	10	376,500	-	376,500	380,500
		<u>376,500</u>	<u>-</u>	<u>376,500</u>	<u>380,500</u>
CURRENT ASSETS					
Debtors	11	13,657	-	13,657	22,240
Cash at bank and in hand	12	123,905	1,209	125,115	123,394
		137,563	1,209	138,772	145,634
CREDITORS: Amounts falling due within one year	13	(22,829)	-	(22,829)	(19,460)
Net current assets / (liabilities)		<u>114,733</u>	<u>1,209</u>	<u>115,943</u>	<u>126,174</u>
TOTAL NET ASSETS		<u><u>491,233</u></u>	<u><u>1,209</u></u>	<u><u>492,443</u></u>	<u><u>506,674</u></u>
FUND BALANCES	15				
Unrestricted Funds					
General funds		90,922	-	90,922	77,364
Designated funds		400,311	-	400,311	410,839
		<u>491,233</u>	<u>-</u>	<u>491,233</u>	<u>488,203</u>
Restricted Funds		<u>-</u>	<u>1,209</u>	<u>1,209</u>	<u>18,471</u>
		<u><u>491,233</u></u>	<u><u>1,209</u></u>	<u><u>492,443</u></u>	<u><u>506,674</u></u>

The financial statements were approved by the Board of Directors on 26 May 2021 and were signed on its behalf by:

REV. NIGEL ATKINSON

Charity number: 1131500

The notes on page 13-21 form part of these accounts.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Statutory Information

The Parochial Church Council of St John the Baptist Knutsford is a charity registered with the Charity Commission in England & Wales. The charity's registered number and principal address can be found on the Charity Information page.

2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historical cost convention. The financial statements include all activities for which the PCC is legally responsible; the activities of informal gatherings of church members and groups that owe their main affiliation to another body and are excluded.

These financial statements have been prepared in accordance with The Church Accounting Regulations 2006, the 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' ('the Charities SORP'), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The Charities (Accounts and Reports) Regulations 2008 (the '2008 Regulations') requires charities to prepare their accounts in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005' but this accounting standard has since been withdrawn and has been replaced by the Charities SORP mentioned in the preceding paragraph. The charity has prepared these financial statements in accordance with the new Charities SORP; this departure from the 2008 Regulations is believed to be necessary for these financial statements to give a 'true and fair view'.

The previous year's balance sheet been restated to reflect the substance of an arrangement with the Church Commissioners (known as a *Value Linked Loan*) whereby if the property at 92 Grove Park is sold, 25.6% of the proceeds will become payable to the Church Commissioners.

The restatement has reduced the cost of fixed assets by £33,000 (representing 25.6% of the original cost of the relevant asset) and has removed the long term creditor of £33,000 previously included in the balance sheet.

This balance sheet restatement has no effect on the reserves of the charity during 2019.

The principles adopted in the preparation of the financial statements are set out below.

a) Going concern

The PCC have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The PCC have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the PCC have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The PCC have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements. In making this assessment the trustees have considered the impact of Covid-19 and have concluded that its impact on net income will not be material.

b) Income

Income (which includes planned giving, collections and other donations) is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part income is generally recognised when it is received by, or on behalf of, the PCC. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes:

- i) Recoverable gift aid. This is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.
- ii) The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.
- iii) Legacies. Income from legacies is recognised when a distribution is received from the estate or, if earlier, when the charity has been notified that a distribution will be made and the amount receivable can be measured reliably.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from church retreats and other events and courses.

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FOR THE YEAR ENDED 31 DECEMBER 2020

Income from other trading activities represents income receivable from activities undertaken to generate funds for the charity. It includes income from the Church Hill Café and from lettings of the Church Centre.

Investment income represents income generated by the charity's assets and includes bank interest.

c) Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Contributions in respect of the diocesan parish share are included in the Statement of Financial Activities for all amounts agreed to being payable for the financial year. Any contributions that have not been paid over by the year end are included as a creditor.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

The cost of raising funds is not significant and has not been separately disclosed.

Governance costs, which are included in expenditure on charitable activities but are identified separately in the notes to the accounts, includes costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the PCC in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the PCC for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

e) Tangible fixed assets

Consecrated and beneficed property is not included in these financial statements by virtue of s.10(2) of the Charities Act 2011. All expenditure on consecrated or beneficed buildings is written off in the year in which it is incurred.

Movable church furnishings held by the incumbent and Churchwardens on special trust for the PCC and which require a faculty for disposal are capitalised in accordance with the policy set out below. These items are regarded as inalienable property and are listed in the church's inventory which can be inspected at any reasonable time. Inalienable property acquired prior to 2000 has not been capitalised as there is insufficient cost information available.

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £5,000 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Freehold land	Is not depreciated (because it is not consumed by use)
Freehold buildings	Over 75 years after taking account of the building's residual value
Equipment	Over 3 to 7 years

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable.

f) Stocks

Stocks of goods purchased for re-sale or for use by the church are stated at the lower of cost and net realisable value.

g) Pension scheme arrangements

The charity operates defined contribution pension schemes for its employees. Obligations for contributions to these schemes are recognised as an expense when the liability arises. The assets of these schemes are held separately from those of the charity in independently administered funds.

h) Taxation

The charity has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

PCC OF ST JOHN THE BAPTIST KNUTSFORD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

i) Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Except for loans, creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive). The charity recognises liabilities for the principal of those loans that remains outstanding at the year end (i.e. the liabilities exclude any interest chargeable on the loans in future years).

j) Exemption from preparing a cashflow statement

The charity has taken advantage of an exemption conferred by the Charities SORP and has not prepared a cash flow statement.

k) Critical accounting estimates and areas of judgement

The members of the PCC do not consider that there are any material sources of estimation or uncertainty at the balance sheet date that could result in a material adjustment to the carrying values of assets and liabilities in the next reporting period.

3 Donations and legacies

	2020	2019
	£	£
Donations of cash and similar	186,165	217,938
Legacies receivable	2,000	-
Income tax recoverable	33,293	44,907
	<u>221,458</u>	<u>262,844</u>

4 Income from charitable activities

	2020	2019
	£	£
Church retreats and events	1,694	5,700
After service refreshments	65	348
Book sales	-	38
Fees	3,599	6,503
St John's Toft	4,857	5,665
Church organisations	8,046	17,652
	<u>18,262</u>	<u>35,905</u>

5 Income from other trading activities

	2020	2019
	£	£
Church Hill Café	16,851	38,083
Job retention scheme grants for Café	13,304	-
Church and centre hire	4,712	17,681
Rental of Lilac Avenue	12,209	9,582
	<u>47,076</u>	<u>65,346</u>

6 Investment income

	2020	2019
	£	£
Bank interest	78	138
	<u>78</u>	<u>138</u>

PCC OF ST JOHN THE BAPTIST KNUTSFORD
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7 Charitable expenditure

	2020 £	2019 £
a Costs incurred directly on specific activities		
Ministry expenses:		
Parish share	77,141	64,855
Staff costs	78,392	99,013
Vicar's expenses	3,644	4,074
Other staff expenses	2,667	4,292
Verger and organist fees	479	2,411
Church organisations	3,743	16,051
Music fund	-	1,070
Youth and children's work	3,620	3,000
Home groups and church courses	154	787
Church events	970	1,771
Fees payable to the diocese	2,236	1,740
Other ministry costs	1,535	1,843
	<u>174,582</u>	<u>200,906</u>
Property expenses:		
Church running expenses	13,113	16,363
Gas and electricity for church and centre	9,385	10,404
Centre maintenance and costs	379	804
Decreciation of church centre	4,000	4,000
Vicar's housing costs	6,403	6,466
Associate Minister's housing costs	9,654	-
Grove Park costs	5,302	5,476
Interest on Grove Park value linked loan	2,163	2,117
Lilac Avenue	737	825
Major maintenance costs	16,970	2,472
	<u>68,107</u>	<u>48,926</u>
Grants and donations payable (note 7c)	20,183	55,129
	<u>262,873</u>	<u>304,961</u>
b Costs incurred on support & administration		
Governance costs		
Accounts preparation and independent examination	3,120	2,640
	<u>3,120</u>	<u>2,640</u>
Office expenses	3,663	6,960
Publications and publicity	171	858
	<u>6,954</u>	<u>10,458</u>
Total expenditure	<u>269,827</u>	<u>315,420</u>

The fee payable to the independent examiner for preparing and examining the accounts was £3,120 (2019: £2,640); in addition the charity paid £1,051 (2019: £1,008) to Stewardship for payroll bureau services.

c Grants payable

	Institutions £	Individuals £	2020 £
Grant payments for UK mission	8,171	-	8,171
Grant payments for overseas mission	12,012	-	12,012
	<u>20,183</u>	<u>-</u>	<u>20,183</u>

PCC OF ST JOHN THE BAPTIST KNUTSFORD
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The comparatives for the previous year are as follows:

	Institutions £	Individuals £	2019 £
Grant payments for UK mission	25,100	2,415	27,515
Grant payments for overseas mission	26,167	1,080	27,247
Other donations	366	-	366
	<u>51,634</u>	<u>3,495</u>	<u>55,129</u>

The charity's principal grant payments to institutions comprised:

	2020 £	2019 £
Crosslinks	13,512	26,988
Growing Young Disciples	2,321	6,500
St Peter's Church Rock Ferry	3,400	4,000
Hope Central	-	4,500
UCCF	-	2,000
Christ Church Stockport	-	3,000
North West Partnership	-	1,500
St Anna	-	1,000
Grants to institutions for less than £1,000 each	950	2,146
	<u>20,183</u>	<u>51,634</u>

8 Other expenditure

	2020 £	2019 £
Church Hill Café expenditure	6,556	13,373
Church Hill Café salaries	24,721	27,433
	<u>31,277</u>	<u>40,806</u>

9 Analysis of staff costs, the cost of key management personnel and trustee remuneration and expenses

The average monthly number of employees during the year was 6.5 (2019: 8). Most of the charity's activities are carried out by volunteers.

No staff received salaries at a rate of more than £60,000 per annum.

The charity's key management comprise the members of the PCC and the key staff named on the Charity Information page. No employment benefits were payable to key management by the PCC.

Rev. Nigel Atkinson and Rev. Tom Hollingsbee (clergy members of the PCC) receive stipends from the Diocese and so are not employees of the PCC; some of the Parish Share paid to the Diocese is used to help meet the cost of these stipends. These clergy are provided with accommodation (which is customary for clergy) and the cost of this accommodation to the PCC is disclosed in note 7 'Charitable expenditure'. The charity also reimbursed expenses to these clergy; again these costs are disclosed in note 7 'Charitable expenditure' under the heading 'Clergy expenses'.

Terrence Austin, who is a member of the PCC, received £409 (2019: £1,790) for providing the services of a verger to the charity. The legal authority for these payments is within the Parochial Church Councils (Powers) Measure 1956.

Staff costs included redundancy and termination payments totalling £11,737 (2019: £nil) and comprise only statutory redundancy payments. Redundancy and termination payments are charged when the liability or obligation arises.

No other member of the PCC received employment benefits in either the current or preceding year.

PCC OF ST JOHN THE BAPTIST KNUTSFORD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

	Freehold Property £	Fixtures, fittings and equipment £	Total 2020 £
Cost			
At 1 January 2020	492,500	-	492,500
At 31 December 2020	<u>492,500</u>	<u>-</u>	<u>492,500</u>
Accumulated depreciation			
At 1 January 2020	112,000	-	112,000
Charge for the year	4,000	-	4,000
At 31 December 2020	<u>116,000</u>	<u>-</u>	<u>116,000</u>
Net book value			
At 31 December 2020	<u>376,500</u>	<u>-</u>	<u>376,500</u>
At 1 January 2020	<u>380,500</u>	<u>-</u>	<u>380,500</u>

Freehold properties are stated at historic cost and comprise residential properties at 92 Grove Park (rented by the former Associate Minister) and at 6 Lilac Avenue (used by the Youth Minister) and also the Church Centre attached to the Church. The property at 92 Grove Park is included at 74.4% of historic cost as this property is subject to an arrangement with the Church Commissioners (known as a *Value Linked Loan*) whereby if the property is sold 25.6% of the proceeds will be payable to the Church Commissioners. While this arrangement represents an equity share of 25.6% of the ownership, interest is also payable on the original Church Commissioners investment. This interest is shown in note 7a above.

11 Debtors

	2020 £	2019 £
Falling due within one year:		
Tax recoverable	8,824	17,975
Other debtors	<u>4,834</u>	<u>4,265</u>
Total debtors	<u>13,657</u>	<u>22,240</u>

12 Cash at bank and in hand

	2020 £	2019 £
Cash at bank with immediate access	<u>125,115</u>	<u>123,394</u>
	<u>125,115</u>	<u>123,394</u>

13 Creditors: liabilities falling due within one year

	2020 £	2019 £
Trade and other creditors	5,995	442
Pension contributions	214	1,030
Accruals	3,120	2,640
Grant obligations	<u>13,500</u>	<u>15,348</u>
	<u>22,829</u>	<u>19,460</u>

PCC OF ST JOHN THE BAPTIST KNUTSFORD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Pension commitments

During the year employer's pension contributions totalling £5,939 (2019: £10,164) were payable to defined contribution personal pension schemes. Pension contributions of £214 were owing at the balance sheet date (2019: £1,030).

15 Funds

During the year the movements in the charity's funds were as follows:

	Opening balance 2020 £	Incoming resources 2020 £	Outgoing resources 2020 £	Transfers in the year 2020 £	Gains and losses 2020 £	Closing balance 2020 £
<i>Designated Funds</i>						
Mission giving	20,555	-	(33,910)	22,064	-	8,709
Evangelism	665	-	(195)	-	-	470
Café	-	30,155	(31,277)	1,123	-	-
Bell restoration	1,661	17	-	-	-	1,678
ACF	307	645	(493)	-	-	459
Young at heart	101	299	(300)	-	-	100
OASIS	7,995	1,353	(1,119)	-	-	8,229
Youth work	265	5,732	(1,831)	-	-	4,166
Fixed assets	380,500	-	(4,000)	-	-	376,500
	412,049	38,201	(73,125)	23,187	-	400,311
<i>General Unrestricted Funds</i>	76,154	246,998	(209,043)	(23,187)	-	90,922
Total Unrestricted Funds	488,203	285,198	(282,168)	-	-	491,233
<i>Restricted Funds</i>						
Music fund	1,251	-	(345)	-	-	906
Reordering fund	17,221	-	(16,970)	-	-	251
Coffee morning mission fund	-	1,674	(1,621)	-	-	53
	18,471	1,674	(18,936)	-	-	1,209
Aggregate of funds	506,674	286,873	(301,104)	-	-	492,443

Analysis of net assets by fund

The assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>			
	General funds £	Designated funds £	Restricted funds £	2020 £
Tangible fixed assets	-	376,500	-	376,500
Debtors	13,657	-	-	13,657
Cash at bank and in hand	86,594	37,311	1,209	125,115
Creditors falling due within one year	(9,329)	(13,500)	-	(22,829)
	90,922	400,311	1,209	492,443

PCC OF ST JOHN THE BAPTIST KNUTSFORD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

In the previous year the movements in the charity's funds were as follows:

	Opening balance 2019 £	Incoming resources 2019 £	Outgoing resources 2019 £	Transfers in the year 2019 £	Gains and losses 2019 £	Closing balance 2019 £
<i>Designated Funds</i>						
Mission giving	40,351	4,375	(50,429)	26,258	-	20,555
Evangelism	1,807	1,053	(2,195)	-	-	665
Café	1,005	38,083	(40,806)	1,718	-	-
Bell restoration	1,475	196	(10)	-	-	1,661
ACF	404	2,113	(2,210)	-	-	307
Young at heart	107	296	(302)	-	-	101
OASIS	5,492	3,222	(719)	-	-	7,995
Youth work	1,250	11,825	(12,810)	-	-	265
Fixed assets	384,500	-	-	(4,000)	-	380,500
	<u>436,392</u>	<u>61,162</u>	<u>(109,481)</u>	<u>23,976</u>	<u>-</u>	<u>412,049</u>
<i>General Unrestricted Funds</i>	<u>40,080</u>	<u>298,576</u>	<u>(238,526)</u>	<u>(23,976)</u>	<u>-</u>	<u>76,154</u>
Total Unrestricted Funds	<u>476,471</u>	<u>359,739</u>	<u>(348,007)</u>	<u>-</u>	<u>-</u>	<u>488,203</u>
<i>Restricted Funds</i>						
Music fund	2,320	-	(1,070)	-	-	1,251
Reordering fund	19,693	-	(2,472)	-	-	17,221
Coffee morning mission fund	-	4,495	(4,495)	-	-	-
Joan Hunt Junior Church Bequest	182	-	(182)	-	-	-
	<u>22,195</u>	<u>4,495</u>	<u>(8,219)</u>	<u>-</u>	<u>-</u>	<u>18,471</u>
Aggregate of funds	<u>498,666</u>	<u>364,234</u>	<u>(356,226)</u>	<u>-</u>	<u>-</u>	<u>506,674</u>

Analysis of net assets by fund

In the previous year, the assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>			
	General funds £	Designated funds £	Restricted funds £	2019 £
Tangible fixed assets	-	380,500	-	380,500
Debtors	22,240	-	-	22,240
Cash at bank and in hand	59,235	45,687	18,471	123,394
Creditors falling due within one year	(4,112)	(15,348)	-	(19,460)
	<u>77,363</u>	<u>410,839</u>	<u>18,471</u>	<u>506,674</u>

Annually the members of the PCC set aside some of the charity's income for grant giving to institutions and individuals who undertake activities that further the charity's own objects. It is anticipated that all of the mission funds designated for this purpose will be distributed in the new financial year.

PCC OF ST JOHN THE BAPTIST KNUTSFORD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16 Operating lease commitments

The charity has an operating lease for its photocopier. The minimum amount payable (until the next break clause and ignoring the potential effect of future rent reviews) in respect of this lease is as follows:

	2020	2019
	£	£
Payments falling due:		
Within one year	1,148	1,148
Between one and five years	-	1,148
	<u>1,148</u>	<u>2,296</u>

During the year the charity was charged £1,148 (2019: £1,148) for its operating lease.

17 Transactions with related parties

During the year the charity:

received donations totalling £47,416 (2019: £48,338) from related parties (which includes members of the PCC, any other members of key management and anyone closely connected to them).

During the year the charity also made the following payments to, or for, related parties:

£2,321 (2019: £6,500) in grants to Growing Young Disciples, a charity over which PCC member Debbie Woods has significant influence as a trustee.

Except as disclosed in note 9 'Analysis of staff costs', there have been no other transactions with related parties during the year.

PCC OF ST JOHN THE BAPTIST KNUTSFORD
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds				Unrestricted funds			
		General	Designated	Restricted	Total	General	Designated	Restricted	Total
		2020	2020	2020	2020	2019	2019	2019	2019
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:									
Donations and legacies	3	221,458	-	-	221,458	262,844	-	-	262,844
Charitable activities	4	8,541	8,046	1,674	18,262	8,331	23,080	4,495	35,905
Other trading activities	5	16,921	30,155	-	47,076	27,263	38,083	-	65,346
Investments	6	78	-	-	78	138	-	-	138
Total income and endowments		246,998	38,201	1,674	286,873	298,576	61,162	4,495	364,234
EXPENDITURE ON:									
Charitable activities	7	209,043	41,848	18,936	269,827	238,526	68,676	8,219	315,420
Other trading activities	8	-	31,277	-	31,277	-	40,806	-	40,806
Total Expenditure		209,043	73,125	18,936	301,104	238,526	109,481	8,219	356,226
Net income/(expenditure)		37,955	(34,924)	(17,262)	(14,231)	60,051	(48,319)	(3,724)	8,008
Transfers between funds	15	(23,187)	23,187	-	-	(23,976)	23,976	-	-
Net movement in funds		14,768	(11,738)	(17,262)	(14,231)	36,074	(24,343)	(3,724)	8,008
Reconciliation of funds:									
Total funds brought forward		76,154	412,049	18,471	506,674	40,080	436,392	22,195	498,666
Total funds carried forward	15	90,922	400,311	1,209	492,443	76,154	412,049	18,471	506,674