

Statement of Financial Activities (SOFA)

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2023 £	2022 £
Income and endowments from:						
Donations and Legacies	2(a)	453,991	23	-	454,014	417,928
Charitable Activities	2(b)	178,636	-	-	178,636	201,373
Other Trading Activities	2(c)	98,289	-	-	98,289	85,198
Investments	2(d)	96,866	4,384	-	101,250	89,514
Other	2(e)	-	-	-	-	143,160
Total income and endowments		827,782	4,407	-	832,189	937,173
Expenditure on:						
Raising funds	3(a)	87,364	-	-	87,364	95,722
Charitable activities:	3(b)	754,104	124	-	754,228	868,711
Total expenditure		841,468	124	-	841,592	964,433
Net (expenditure) / income		(13,686)	4,283	-	(9,403)	(27,260)
Net (losses)/gains on revaluation of investments		171,484	12,451	6,390	190,325	(293,849)
Net (losses)/gains on disposal of investments		-	-	-	-	(320)
Net transfers (out)/in between funds		8,795	-	(8,795)	-	-
Net movement in funds		166,593	16,734	(2,405)	180,922	(321,429)
Reconciliation of funds:						
Total funds brought forward as 1 January 2023		3,373,823	300,700	76,121	3,750,644	4,072,073
Total funds carried forward at 31 December 2023		£3,540,416	£317,434	£73,716	£3,931,566	£3,750,644

There were no recognised gains or losses for 2023 or 2022 other than those recognised in the Statements of Financial Activities.

The Notes on pages 11 to 17 form part of this account

Statement of Financial Activities (SOFA)
[Comparative figures for 2022]

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2022 £
Income and endowments from:					
Donations and Legacies	2(a)	417,848	80	-	417,928
Charitable Activities	2(b)	201,373	-	-	201,373
Other Trading Activities	2(c)	85,198	-	-	85,198
Investments	2(d)	85,458	4,056	-	89,514
Other	2(e)	143,160	-	-	143,160
Total income and endowments		933,037	4,136	-	937,173
Expenditure on:					
Raising funds	3(a)	95,722	-	-	95,722
Charitable activities:	3(b)	868,584	127	-	868,711
Total expenditure		964,306	127	-	964,433
Net (expenditure) / income		(31,269)	4,009	-	(27,260)
Net gains on revaluation of investments		(267,495)	(17,416)	(8,938)	(293,849)
Net gains on disposal of investments		(320)	-	-	(320)
Net transfers (out)/in between funds		-	-	-	-
Net movement in funds		(299,084)	(13,407)	(8,938)	(321,429)
Reconciliation of funds:					
Total funds brought forward as 1 January 2022		3,672,907	314,107	85,059	4,072,073
Total funds carried forward at 31 December 2022		£3,373,823	£300,700	£76,121	£3,750,644

There were no recognised gains or losses for 2023 or 2022 other than those recognised in the Statements of Financial Activities.

The Notes on pages 11 to 17 form part of this account

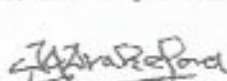
Balance Sheet

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	10	543,695	543,695
Investment assets	11	2,797,721	2,607,396
		<u>3,341,416</u>	<u>3,151,091</u>
Current assets			
Stocks		2,702	1,990
Debtors	12	43,852	228,874
Short-term deposits		305,160	259,637
Cash at bank and in hand		407,806	261,643
		<u>759,520</u>	<u>752,144</u>
Liabilities: amounts falling due within one year			
Creditors	13	(169,370)	(152,591)
		<u>590,150</u>	<u>599,553</u>
Net assets		<u>3,931,566</u>	<u>3,750,644</u>
<i>Total assets less current liabilities</i>			
Liabilities: amounts falling due after more than one year			
Loans to/from Parish/Funds		-	-
Total assets	14	<u>£3,931,566</u>	<u>£3,750,644</u>
Funds			
Endowment funds	15(a)	73,716	76,121
Restricted funds	15(b)	317,434	300,700
Unrestricted and designated funds	15(c)	3,540,416	3,373,823
		<u>£3,931,566</u>	<u>£3,750,644</u>

Approved by the Parochial Church Council on 16th September 2024 and signed on its behalf by:



Revd R. N. Parker
Chairman



T. J. Drakeford
Acting Parish Treasurer

The Notes on pages 11 to 17 form part of this account

Statement of cash flows

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in) operating activities	17	90,436	(136,508)
Cash flows from investing activities			
Investment income		101,250	89,514
Proceeds from sale of properties		-	-
Purchase of property		-	-
(Purchase) / Sale of investments		-	(550,000)
Sale of Tangible Fixed Assets		-	518,160
		<u>101,250</u>	<u>57,674</u>
Change in cash and cash equivalents in the reporting period		<u>191,686</u>	<u>(78,834)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>521,280</u>	<u>600,114</u>
Cash and cash equivalents at the end of the reporting period	18	<u>712,966</u>	<u>521,280</u>

The Notes on pages 11 to 17 form part of this account

Notes to the financial statements

(1) Accounting policies

a) Basis of preparation

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.

The financial statements are presented in Sterling (£)

b) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Collections and planned giving is only recognised when received, although any income tax recoverable on Gift Aid donations is accrued for the period ended 31st December.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity where it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

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

Income from investments includes dividends and interest, and is accounted for when receivable.

Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation at 31st December each year.

e) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

The Diocesan Common Fund is accounted for when paid and other expenditure is generally recognised when it is incurred and is accounted for gross.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Notes to the financial statements (continued)

f) Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

g) Tangible fixed assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property (of St Alphege and St Helen's) is excluded from the financial statements by s.10(2)(a) of the Charities Act 2011. No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which requires a faculty for disposal since the PCC considers this to be an inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

Freehold land and buildings

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

No depreciation is provided on freehold properties on the grounds that, in the opinion of the PCC, given the high residual value of properties, the depreciation charge and accumulated depreciation would be immaterial to these accounts. The PCC has taken advice on the carrying value of the properties and a provision is not considered necessary.

Equipment

Equipment used within church buildings is written off when the asset is acquired.

h) Investments

Investments are valued at market value at 31st December.

i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

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

j) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

k) Stocks

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

l) Cash and cash equivalent

Cash for the purpose of the cash flow statement comprises cash in hand and deposits which may be accessed within 24 hours or without notice and penalty.

Liquid resources comprise term deposits of less than one year, other than cash and balances held by investment portfolio managers for reinvestment.

Notes to the financial statements (continued)
Statement of Financial Activities (SOFA)

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS	
	£	£	£	2023	2022
	£	£	£	£	£
(2) Income and endowments from:					
(a) Donations and Legacies					
Planned giving	201,310	-	-	201,310	211,739
Income tax refunds	49,142	-	-	49,142	49,224
Cash collections	14,248	23	-	14,271	13,550
General purpose donations	4,532	-	-	4,532	9,285
Grants received	157,451	-	-	157,451	-
Donations and appeals	8,687	-	-	8,687	3,931
Legacies	18,621	-	-	18,621	130,199
Total	453,991	23	-	454,014	417,928
(b) Charitable Activities					
Bookstall	279	-	-	279	457
Magazine sales	3,329	-	-	3,329	3,462
Fees (Statutory)	13,295	-	-	13,295	25,158
Fees (Other - Pre-school)	161,733	-	-	161,733	172,296
Furlough claims	-	-	-	-	-
Total	178,636	-	-	178,636	201,373
(c) Other Trading Activities					
Bookstall	2,163	-	-	2,163	1,826
Magazine advertising	9,337	-	-	9,337	8,323
Church/Hall lettings	81,446	-	-	81,446	69,652
Social and similar events	5,343	-	-	5,343	5,397
Total	98,289	-	-	98,289	85,198
(d) Investments					
Dividends	82,578	3,926	-	86,504	81,040
Interest received	14,288	458	-	14,746	8,474
Rent received	-	-	-	-	-
Total	96,866	4,384	-	101,250	89,514
(e) Other					
Profit on sale of property	-	-	-	-	143,160
Total	-	-	-	-	143,160
Total income and endowments from:	£832,782	£4,407	-	£832,189	£937,173

Included in the 2022 total income of £937,173 was £933,037 unrestricted and £4,136 restricted fund.

Statement of Financial Activities (SOFA) (continued)

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS	
	£	£	£	2023	2022
	£	£	£	£	£
(3) Expenditure on:					
(a) Raising funds					
Bookstall	1,374	-	-	1,374	1,604
Magazine	3,329	-	-	3,329	3,462
Hall running costs	79,225	-	-	79,225	86,998
Costs of fundraising events	3,436	-	-	3,436	3,658
Property management costs	-	-	-	-	-
Total	87,364	-	-	87,364	95,722
(b) Charitable activities:					
Ministry:					
Diocesan Common Fund	130,287	-	-	130,287	176,071
Clergy working expenses	5,447	-	-	5,447	5,040
Clergy housing	15,966	-	-	15,966	13,914
Charity - running expenses	60,144	26	-	60,170	52,709
Church maintenance	32,074	-	-	32,074	23,840
Upkeep of services	4,226	-	-	4,226	3,554
Upkeep of churchyard	9,193	-	-	9,193	10,229
Cost of sales	2,951	-	-	2,951	2,497
Support costs	9,040	-	-	9,040	5,328
Major repairs	140,596	-	-	140,596	232,359
Repairs & installations	1,587	-	-	1,587	-
Salaries and wages	297,006	-	-	297,006	302,944
Administration	25,197	98	-	25,295	17,396
Missionary & charitable giving					
Church overseas	1,200	-	-	1,200	2,689
Relief & dev't agencies	-	-	-	-	-
Home missions &c	17,093	-	-	17,093	15,926
Secular charities	2,097	-	-	2,097	4,215
Other activities	-	-	-	-	-
Total	754,104	124	-	754,228	868,711
Total expenditure on:	£841,468	£124	-	£841,592	£964,433

Included in the 2022 total expenditure of £964,433 was £964,306 unrestricted and £127 restricted fund.

Notes to the financial statements (continued)

Statement of Financial Activities (SOFA) (continued)

	Activities directly undertaken £	Grant funding of activities £	Support Costs £	TOTAL 2023 £	
(4) Analysis of expenditure including allocation of support costs (2023)					
Raising funds	87,364			87,364	
Charitable activities					
Resourcing Ministry	699,503		34,335	733,838	
Resourcing Mission		20,390		20,390	
	<u>786,867</u>	<u>20,390</u>	<u>34,335</u>	<u>841,592</u>	
	Activities directly undertaken £	Grant funding of activities £	Support Costs £	TOTAL 2022 £	
Analysis of expenditure including allocation of support costs (2022)					
Raising funds	95,722			95,722	
Charitable activities					
Resourcing Ministry	823,157		22,724	845,881	
Resourcing Mission		22,830		22,830	
	<u>918,879</u>	<u>22,830</u>	<u>22,724</u>	<u>964,433</u>	
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2023 £	2022 £
(5) Analysis of support costs					
Resourcing Ministry	9,040			9,040	5,328
Administration costs	18,897	98	-	18,995	12,116
Audit fee	6,300			6,300	5,280
	<u>34,237</u>	<u>98</u>	<u>-</u>	<u>34,335</u>	<u>22,724</u>

(6) Auditors remuneration

The auditors remuneration amounts to an audit fee of £6,300 (2022: £5,280), which is included in administration costs.

(7) Trustees, key management personnel and related parties

Although there are a number of different funds, there is no one body or committee, other than the PCC itself, which has significant control or influence, financial or otherwise, over the running of the charity. There are, therefore, no key personnel, other than the trustees as a body.

Aggregate contributions to the charity's funds from all trustees amounted to £48,379 (2022: £46,268)

(8) Staff costs

	£	£
Wages and salaries	274,831	279,501
Social security costs	15,969	16,991
Pension costs	6,206	6,452
	<u>£297,006</u>	<u>£302,944</u>

During the year the PCC employed an average of 1 pioneer minister (2022: 1), 2 youth and children's workers (2022: 2), 8 pre-school staff (2022: 10), 7 administration and support staff (2022: 6), and 1 other (2022: 1), the majority of whom worked part-time.

No Employee received remuneration in excess of £50,000.

(9) Pension

The PCC operates defined contribution pension schemes for eligible employees, making payments into the National Employment Savings Trust (NEST). The amount recognised as an expense in the period was £6,206 (2022: £6,452).

Notes to the financial statements (continued)

Balance Sheet

Notes to the financial statements (continued)

Balance Sheet

At 31st December 2023

	Freehold property	Total			
	£	2023			
	£	£			
Fixed assets					
(10) Tangible fixed assets					
Cost					
At 1 January 2023	543,695	543,695			
At 31 December 2023	543,695	543,695			
Depreciation					
At 1 January 2023	-	-			
At 31 December 2023	-	-			
Net book value					
At 31 December 2023	543,695	543,695			
At 31 December 2022	543,695	543,695			
Freehold property comprises:					
Oliver Bird Hall, Solihull at cost		230,551			
Middlewood Close, Solihull at cost		313,144			
		<u>£ 543,695</u>			
Investment Assets		2023			
(11) Quoted investments		£			
Market value					
At 1 January 2023		2,607,396			
Purchases		-			
		2,607,396			
Gains/(losses) on realisations and revaluations		190,325			
At 31 December 2023		<u>£2,797,721</u>			
	2023	2022			
	£	£			
Quoted investments comprise:					
Central Board of Finance of the Church of England (CBF):					
- 105,432.80 Investment Fund Income shares (Cost £1,313,462)	2,383,340	2,176,755			
- 316,986.92 Property Fund shares (Cost £346,000)	388,340	407,329			
COIF Charities:					
- 4,427.52 Ethical Investment Fund shares (Cost £10,000)	13,327	12,135			
- 4,556.56 Global Equity Fund shares ((Cost £9,606)	12,714	11,177			
Total quoted investments	<u>£2,797,721</u>	<u>£2,607,396</u>			
(12) Debtors: amounts falling due within one year	2023	2022			
	£	£			
Income tax recoverable	9,246	8,093			
Prepayments	5,155	662			
Other debtors	29,451	20,119			
Loan (repayable, with interest, by 31st December)	-	70,000			
	<u>£43,852</u>	<u>£98,874</u>			
	2023	2022			
	£	£			
Debtors: amounts falling due after one year					
Loan (repayable, with interest, by 31st December 2026)	-	130,000			
	-	<u>130,000</u>			
Total Debtors	<u>£43,852</u>	<u>£228,874</u>			
(13) Creditors: amounts falling due within one year	2023	2022			
	£	£			
Accruals	21,185	19,036			
Trade creditors	15,464	22,648			
Other creditors	132,721	110,907			
	<u>£169,370</u>	<u>£152,591</u>			
(14) Analysis of net assets by type of fund	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS	
	£	£	£	2023	2022
				£	£
Tangible fixed assets	423,695	120,000	-	543,695	543,695
Investment assets	2,580,357	143,648	73,716	2,797,721	2,607,396
Current assets	705,734	53,786	-	759,520	752,144
Current liabilities	(169,370)	-	-	(169,370)	(152,591)
	<u>£3,540,416</u>	<u>£317,434</u>	<u>£73,716</u>	<u>£3,931,566</u>	<u>£3,750,644</u>
(14) Analysis of net assets by type of fund	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS	
[Comparative figures for 2022]	£	£	£	2022	
				£	
Tangible fixed assets	423,695	120,000	-	543,695	
Investment assets	2,408,873	131,197	67,326	2,607,396	
Current assets	728,846	14,503	8,795	752,144	
Current liabilities	(167,591)	35,000	-	(152,591)	
	<u>£3,773,823</u>	<u>£280,700</u>	<u>£76,121</u>	<u>£3,750,644</u>	

Notes to the financial statements (continued)

(15) Movement in Funds	Opening balance £	Incoming £	Gains and Losses £	Fund transfers £	Outgoing £	Closing balance £
(a) Endowment funds						
St Alphege:						
PW Harrison Bequest	76,121	-	6,390	(8,795)	-	73,716
Total endowment funds	76,121	-	6,390	(8,795)	-	73,716

Two Percy Harrison capital endowment funds arose from his 1967 bequests for non-routine maintenance of the churchyard. They were merged into a single fund in 1998.

(b) Restricted funds						
St Alphege:						
Fabric Fund	177,932	4,348	12,451	-	-	194,731
Small Restricted Funds	2,768	59	-	-	(124)	2,703
SMBC Grant Fund	120,000	-	-	-	-	120,000
Total restricted funds	300,700	4,407	12,451	-	(124)	317,434

Restricted funds have been set up to meet a specific purpose. The Fabric Fund exists for the repair and maintenance of the fabric of the Parish Church. The Small Restricted Funds consolidate the New Door and the long-established Holbeche Memorial Fund. The SMBC Grant Fund represents a grant received from Solihull Metropolitan Borough Council towards the cost of the Oliver Bird Hall extension.

(c) Unrestricted and designated funds						
Parish:						
St Francis Parish Fund	2,322,651	65,526	142,912	5,325	(111,188)	2,425,226
Parish News	33,537	14,109	-	-	(9,815)	37,831
Elizabeth Newton Fund	4,075	139	-	-	-	4,214
Staff Housing Fund	291,095	10,507	15,449	(5,325)	-	311,726
St Alphege Pre-School	85,102	165,870	1,522	(12,107)	(161,403)	78,984
St Alphege:						
Oliver Bird Hall	59,233	45,205	-	12,107	(60,822)	55,723
St Alphege Bookstall	8,181	2,506	-	-	(1,429)	9,258
Organ Repair Fund	3,870	1,026	-	84,388	(1,587)	87,697
PW Harrison Bequest	11,649	2,694	-	8,795	-	23,138
General Fund (consolidated)	305,953	372,345	-	(84,388)	(368,287)	225,623
St Helen's:						
General Fund (consolidated)	124,088	96,798	2,730	-	(83,914)	139,702
St Michael's:						
General Fund (consolidated)	124,389	51,057	8,872	-	(43,024)	141,294
Total unrestricted and designa	3,373,823	827,782	173,485	8,795	(841,469)	3,540,416
Total Funds	£3,750,644	£832,189	£190,326	-	£(841,593)	£3,931,566

NB: Unrestricted funds can be used for any of the PCC's purposes; Designated funds only to the purpose set by the PCC.

Unrestricted funds: -

The Parish News fund is the operating account of the Parish News, the monthly parish magazine.

The St Alphege Pre-School fund is the operating account of the St Alphege Pre-School group.

The General Funds are used for running their day-to-day affairs of the three churches.

The Oliver Bird Hall fund is the operating account of the parish centre.

The St Alphege Bookstall fund is the operating account of the bookstall in St Alphege Church.

Designated funds: -

The St Francis Parish Fund originates from the net proceeds of the sale of the St Francis site. The PCC has designated the fund for parish mission, primarily the children's, youth and pioneer work.

The Elizabeth Newton Fund results from a legacy which has been designated for the benefit of children, families, and young people from the parish.

The Staff Housing Fund generates income which is designated to provide accommodation for ministers and other staff.

The Organ Repair Fund is designated for the maintenance and repair of the organ in St Alphege Church.

Notes to the financial statements (continued)

(16) Movement in Funds (Comparative figures for 2022)	Opening balance £	Incoming £	Gains and Losses £	Fund transfers £	Outgoing £	Closing balance £
(a) Endowment funds						
St Alphege:						
PW Harrison Bequest	85,059	-	(8,938)	-	-	76,121
Total endowment funds	85,059	-	(8,938)	-	-	76,121

Two Percy Harrison capital endowment funds arose from his 1967 legacies for non-routine maintenance of the churchyard. They were merged into a single fund in 1998.

(b) Restricted funds						
St Alphege:						
Fabric Fund	191,308	4,040	(17,416)	-	-	177,932
Small Restricted Funds	2,799	96	-	-	(127)	2,768
SMBC Grant Fund	120,000	-	-	-	-	120,000
Total restricted funds	314,107	4,136	(17,416)	-	(127)	300,700

Restricted funds have been set up to meet a specific purpose. The Fabric Fund exists for the repair and maintenance of the fabric of the Parish Church. The Small Restricted Funds consolidate the New Door, the long-established Holbeche Memorial Fund. The SMBC Grant Fund represents a grant received from Solihull Metropolitan Borough Council towards the cost of the Oliver Bird Hall extension.

(c) Unrestricted and designated funds						
Parish:						
St Francis Parish Fund	2,060,576	61,214	(215,308)	518,160	(101,991)	2,322,651
Parish News	28,108	12,178	-	-	(6,749)	33,537
Elizabeth Newton Fund	4,019	56	-	-	-	4,075
Staff Housing Fund	700,383	152,716	(34,435)	(518,160)	(9,409)	291,095
St Alphege Pre-School	86,564	176,140	(2,130)	(11,723)	(163,749)	85,102
St Alphege:						
Oliver Bird Hall	81,961	29,010	-	11,723	(63,461)	59,233
St Alphege Bookstall	7,523	2,309	-	-	(1,651)	8,181
Organ Repair Fund	2,788	82	-	1,000	-	3,870
PW Harrison Bequest	9,389	2,260	-	-	-	11,649
General Fund (consolidated)	446,534	326,747	-	(1,000)	(466,328)	305,953
St Helen's:						
General Fund (consolidated)	106,909	120,189	(3,532)	-	(99,478)	124,088
St Michael's:						
General Fund (consolidated)	138,153	50,136	(12,410)	-	(51,490)	124,389
	3,672,907	933,037	(267,815)	-	(964,306)	3,373,823
Total funds (for 2022)	£4,072,073	£937,173	£(294,169)	-	£(964,433)	£3,750,644

NB: Unrestricted funds can be used for any of the PCC's purposes; Designated funds only to the purpose set by the PCC.

Unrestricted funds: -

The Parish News fund is the operating account of the Parish News, the monthly parish magazine.

The St Alphege Pre-School fund is the operating account of the St Alphege Pre-School group.

The General Funds are used for running their day-to-day affairs of the three churches.

The Oliver Bird Hall fund is the operating account of the parish centre.

The St Alphege Bookstall fund is the operating account of the bookstall in St Alphege Church.

Designated funds: -

The St Francis Parish Fund originates from the net proceeds of the sale of the St Francis site. The PCC has designated the fund for parish mission, primarily the children's, youth and pioneer work.

The Elizabeth Newton Fund results from a legacy which has been designated for the benefit of children, families, and young people from the parish.

The Staff Housing Fund generates income which is designated to provide accommodation for ministers and other staff.

The Organ Repair Fund is designated for the maintenance and repair of the organ in St Alphege Church.

(17) Reconciliation of net income to net cash flow from operating activities	2023 £	2022 £
Net (expenditure) / income for the period (as per the statement of financial activities)	180,922	(321,429)
Adjustments for		
Losses / (Gains) on investments	(190,325)	294,169
Income from investments	(101,250)	(89,514)
Profit on sale of property	-	(143,160)
Decrease / (Increase) in stocks	(712)	211
Decrease / (Increase) in debtors	185,022	93,475
Increase in creditors	16,779	29,740
Net cash (used in) provided by operating activities	£90,436	£(136,506)
(18) Analysis of cash and cash equivalents	2023 £	2022 £
Short term deposits	305,160	259,637
Cash at bank and in hand	407,806	261,643
Total cash and cash equivalents	£712,966	£521,280

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF SOLIHULL

Opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of Solihull ('the PCC') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31st December 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on work we have performed, we have not identified any material uncertainties relating to the events or conditions that, individually or collectively, may cast significant doubt on the PCC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF SOLIHULL (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the PCC and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the PCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the PCC or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management and from our commercial knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the PCC; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF THE
ECCLESIASTICAL PARISH OF SOLIHULL (continued)

We assessed the susceptibility of the PCC's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and other relevant parties.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors

Use of our report

This report is made solely to the PCC, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and the charity's trustees as a body, or for the opinions we have formed.



Jeremy Kitson BA FCA
Prime
Chartered Accountants
Statutory Auditor
Corner Oak
1 Homer Road
Solihull
B91 3QG

Date:

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

(Charity number 1131647)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Parochial Church Council of the Ecclesiastical Parish of Solihull

Annual Report of the Parochial Church Council for 2023

Reference and Administrative Information

Charity Registration:

The Parochial Church Council of the Ecclesiastical Parish of Solihull (the PCC) is registered with the Charity Commission under registered charity number 1131647

Priest-in-Charge (Rector Designate):

Rev Nick Parker

Operational Address:

Parish Office, Oliver Bird Hall, Church Hill Road, Solihull B91 3RQ

Bankers:

Lloyds Bank, 9/14 Poplar Road, Solihull B91 3AN

Auditors:

Prime Accountants Group, Corner Oak, 1 Homer Road, Solihull, B91 3QG

Investment Advisors

OCLA, One Angel Lane, London EC4R 3AB

Structure, governance and management

Governance

The parish of St Alphege, Solihull, is part of the Diocese of Birmingham. It comprises three churches which were formed into a Team Ministry by Pastoral Order in 1979. The churches, St Alphege, St Helen's and St Michael's, are governed by District Church Councils (DCCs) to which the PCC has delegated many of its functions. The PCC retains responsibility for certain reserved matters including those of a parish-wide nature. The rules for the proceedings of the PCC are set out in the Church Representation Rules and the same rules apply, as far as may be, to the DCCs.

Objectives and Activities

Object of the Church

The Parochial Church Council of the Ecclesiastical Parish of Solihull, (the PCC) has the responsibility of co-operating with the Team Rector in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. Other duties include ultimate responsibility for a wide range of matters affecting the Parish, including compliance with health and safety, disability discrimination legislation, data protection and safeguarding, and arranging appropriate training for members and staff. It also has certain responsibilities for each of the churches within the parish, and other major fund holders, such as the Oliver Bird Hall and St Alphege Pre-School, although many of these responsibilities are delegated to the DCC's of each church and the committees of other fund holders.

Public Benefit

The PCC has referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the aim and objectives of the PCC and in planning its future activities.

The Parochial Church Council of the Ecclesiastical Parish of Solihull

Annual Report 2023 (continued)

Trustees and Management Committee

The members of the PCC (who are trustees for the purposes of Charity Law) who served during the year until the date this report was approved were:

	<u>St Alphege</u>	<u>St Helen's</u>	<u>St Michael's</u>
Clergy	Rev Nick Parker	Rev S Chandler	Rev S Marshall
Parish Churchwardens	Mrs P Price Mr A Williams		
Deputy Churchwardens	Mrs S Gomm Mrs S Sayers	Mr P Godfrey	Mr K Wilson
Deanery Synod Representatives 2020-2023	Mrs D Moll Mrs R Linstead		Mr K Wilson
Church Centre Representatives	Mrs J Ladbrooke Mr T Drakeford	Mr C Carrington Mrs P Gates	
Lay members of Diocesan Synod	Mrs D Moll		
Co-options	Mrs V Dobson		
Readers		Mr C Carrington	
Elected Lay Reps (max 5)	Mr J Somi Mrs C Southworth		
<u>Also served during the year</u>	Mrs A Cloney Mr R Crowdy Mr N Evans Mrs J Fewins Mrs M Flood Rev H Greenham Mrs R Marshall Mrs L Naughton Mr M Owens Mrs R Owens Mr P Smith		

The Parochial Church Council of the Ecclesiastical Parish of Solihull

Annual Report 2023 (continued)

Statement of responsibilities of the members of the PCC (the trustees)

The trustees of the PCC are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees of the PCC to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period.

In preparing the financial statements the trustees of the PCC are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice 2015 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The trustees of the PCC are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Appointment of Trustees

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

Committees

The PCC operates through a number of committees which meet between full meetings of the Council. These include the **Parish Standing Committee**, which is the only Committee required by law. It has the power to transact the business of the PCC between its meetings subject to any directions given by the PCC. Other committees include the **Employment and Safeguarding Group**; the **Finance Group**; the **Buildings and Plant Group**; and the **Communications Group**; and the **District Church Councils (DCCs)** of St Alphege, St Helen's and St Michael's to which the PCC has delegated many of its functions.

Risk Management

The major risks to which the PCC are exposed, which include financial risk, reputational risk, statutory risk and legal requirements and operational risk have been identified by PCC, are regularly reviewed, and systems and procedures have been established to manage those risks. Similar risk assessments and management of risks are regularly reviewed by DCCs and other fund holding committees.

Achievements and Performance

Church Attendance

As of the Annual Parochial Church Meeting held on 25 April 2023, there were 480 (2022: 488) names on the electoral roll comprising:

- St Alphege's Section: 330 (2022: 330)
- St Helen's Section: 78 (2022: 83)
- St Michael's Section: 72 (2022: 75)

The Parochial Church Council of the Ecclesiastical Parish of Solihull

Annual Report 2023 (continued)

Review of the year ending 31st December 2023

The great news of 2023 is that we have a new Priest-in-Charge (Rector Designate). The Revd Nick Parker was installed in this role in a wonderful service at St Alphege Church on 5th September 2023. His title stems from the fact that a review of the legal structure of the Parish is currently in progress but it is hoped and intended that at the end of that process he will be installed as Rector of Solihull.

Throughout 2023 our three church centres, the Junction (meeting in Oliver Bird Hall), and our Pioneer Minister (working in community spaces), have continued to serve the people of Solihull with enthusiasm and joy. Our clergy, lay ministers and volunteers have worked hard to maintain our programme of services and activities both online and face-to-face.

The PCC Committees cover all aspects of the Parish work and have continued to be effective in taking forward our policies and strategies, in particular those for Mission, Safeguarding, Employment, the Environment, and Buildings Maintenance.

Project Turnaround has progressed with the aim of maximising the community benefit of our two main physical assets: St Alphege Church and the Oliver Bird Hall. To this end, feasibility studies and initial concept proposals have been received in 2023, with the first tangible result, a new lighting scheme, to be installed in St Alphege Church in the summer of 2024.

Financial Report of the Parochial Church Council for 2023

In 2023 total funds rose £180,922 from £3,750,644 to £3,931,566 and thereby achieved a partial recovery in the 2022 fall from 2021's total of £4,072,073.

While this is a very satisfactory result it was helped by some peculiar events. Of prime importance, the Guardians (a separately registered charity) contributed £124,800 in the year to offset the cost of the major repairs. The repair programme as defined in 2022 is now complete and the Guardians grants for these repairs, including those received after 31-Dec-2023, will exceed £225,000. The PCC is extremely grateful to the Guardians for their support and recognises that without it the repairs could not have been carried out.

The results also benefitted from a revival in the stock markets. In 2022 the capital value of the Parish's investments recorded a loss £(293,849) but in 2023 the investments achieved a capital gain of £190,325.

Removing from the total these plus the legacy income (£18,621), VAT recovery and other grants (£32,651) and adding back the major repairs (£140,596) reveals that the Parish lost £(44,879) on its day-to-day operations. While this was an improvement on the 2022 result £(68,260) there is no doubt that the parish has not yet recovered from the impacts of the COVID pandemic. Church attendance is still down, there are significantly fewer weddings and funerals, the hirers of our church halls have been slow to resume their activities, and working-from-home has reduced the demand for places in our Pre-School.

The 2023 operating loss joins a history of such losses. There are two major contributors to covering this loss: St Alphege Church and the St Francis Parish Fund (which covers the expenses of the Parish, such as the Pioneer Minister, which are not attributable to any other part of the Parish). The desire to invest in ministry and buildings puts significant pressure on the reserves held by both. The parish therefore faces significant strategic decisions regarding their future use and this in turn may affect our ability to subsidise such operating losses. The aim must be to grow our membership and income through such investment, but such a strategy is not without risk. A further risk is our over-dependence on investment income bearing in mind that stock markets can throw unhealthy surprises as in 2022.

The Parochial Church Council of the Ecclesiastical Parish of Solihull

Investment Policy

The PCC holds the vast majority of its investments with the CCLA and considers that its investment policy in all material respects meets the Charity Commission's recommendations. The PCC's general policy is, whenever possible, to invest in collective investment funds with an acceptable social, environmental and ethical policy, producing a regular income together with an element of capital growth. Other investments with similar characteristics may be considered.

Reserves Policy

The general reserves of the PCC are, in the main, represented by equity investments, property, including a house for our pioneer minister and the parish hall (Oliver Bird Hall), and cash balances. The 'free reserves' (excluding designated funds) are represented by net current assets, which at the end of the year amounted to £590,150, which equates to the sum required at current rates of spend to meet about ten months of on-going costs. This is higher than the Charity Commission's recommended cover of three to four months but the PCC considers this level to be prudent and reasonable given the Parish's on-going history of deficits, the imminent development of St Alphege church, the probable need for further repairs to the parish hall, the impact of the recent surge in inflation on all costs, and a desire to limit the frequency with which we draw down from the reserves.

Auditors

Prime Accountants and Business Advisors Limited have expressed their willingness to continue in office and will be proposed for re-appointment at the Annual Parish Church Meeting.

Approved by the PCC on 16th September 2024 and signed on its behalf by:



Revd R.N. Parker (Chairman)