

**The Parochial Church
Council of Penny Lane
St Barnabas**

**Annual Report
For the Year Ended
31 December 2021**

Penny Lane St Barnabas

Annual Report for the year ended 31 December 2021

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CHARITY INFORMATION

OPERATING NAME

Penny Lane Church

INCUMBENT

Revd Alex Rayment

INDEPENDENT EXAMINER

Ajay Rajani FCIE
Stewardship, 1 Lamb's Passage, London, EC1Y 8AB

BANKERS

Barclays Bank plc
LIVERPOOL SOUTH,
Leicestershire, Leicester
LE87 2BB

PRINCIPAL OFFICE

St Barnabas Penny
Lane
1 Carsdale Road
Liverpool
Merseyside
L18 1LZ

Charity Registration Number 1194669

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The Members of the Parochial Church Council (the 'PCC'), who are the charity's trustees for the purposes of charity law, have pleasure in presenting their report together with the financial statements for the year.

AIMS AND OBJECTIVES

St Barnabas Penny Lane's PCC has the responsibility of co-operating with the Incumbent and the Leadership Team 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:

01 — CREATES

All people have creativity in their bones, it is what makes us human. We want to be a place where the creative is nurtured and nourished and where art is made and displayed.

02 — HOPES

Hope is being bold enough to long for a future nothing like our present. We need to be a community that longs for the things not yet seen, prays for the shaping of things to come and longs to see heaven invade earth.

03 — BELONGS

This church will be one where any one can come and feel at home. The first Jesus-inspired communities met in homes and grew out of love and care for one another. We are longing to be a people that puts its efforts into calling everyone into belonging to a community that cares, challenges and encourages us to be more than we could be alone.

It also has maintenance responsibilities for the Church and the Church Vicarage, 1 Carsdale Road, Liverpool L18 1LZ

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity registered with the Charity Commission on 3 June 2021 and operates under the Charities Act 2011. Prior to 3 June 2021 the charity was an excepted from the obligation to register. The governing documents for the charity are the Parochial Church Councils (Powers) Measure 1956 (as amended) and the Church Representation Rules.

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

Responsibility for setting policy and for determining the parameters within which the PCC should operate rests with the PCC who meet regularly to monitor the activities of the charity. Responsibility for the day to day operation of the charity has been delegated to a management team led by the incumbent.

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

Incumbent: Revd Alex Rayment

Curate: Revd Kirsty White (appointed 27 June 2021)

Warden: David Lever (appointed 17 May 2021)

Representatives on Deanery Synod: Eliot Rice (ex-officio)
Ben Hyde (ex-officio)

Elected Members:

Jeff Hall (resigned 28 March 2022) Carys Anderson (appointed 17 May 2021)
Andres Florez (appointed 17 May 2021) Matt Lee (appointed 17 May 2021)
Daisy Sutton (appointed 17 May 2021) Peter Franklin (appointed 17 May 2021)
Caroline Fox (appointed 17 May 2021) Liz Kaddour (appointed 17 May 2021)
Harvey Leese (appointed 17 May 2021)

In attendance: Emily Nelson (PCC Secretary)

Dominic Knower was appointed as a member after the year end on 28 March 2022.

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 Alex Rayment (Vicar), David Lever (Churchwarden), Andres Florez (Treasurer), Emily Nelson (Operations Director),

BUILDINGS AND MAINTENANCE

2021 has been a quiet year with regard to improvement works after the full refurbishment of the church in 2020. Snagging was finished by the contractors as part of the building works but no major repairs were needed. The main activities are noted below.

Church Internal

1. The Organ was repaired, updating and restoring the electrics. It is now in good working condition.
2. Boilers were serviced in December 2021

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Church External

1. CCTV was installed in the back alley/car park along with new lighting for enhanced security.

Church Vicarage

1. Internal doors replaced with vision panels for safeguarding.
2. One room repainted and new flooring put down.
3. New external door to the car park installed.

Outstanding Works to be Completed

1. Rainwater Goods maintenance needed.
2. Evidence of a leak in the tower roof to be assessed and repaired as necessary.

Quinquennial Inspection

The next quinquennial inspection for the church building is due in 2024.

ELECTORAL ROLL

There are 83 names on the Electoral Roll, 15 new names have been added and 2 removed.

REVIEW OF ACTIVITIES

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

WORSHIP AND CREATIVE

We have had an amazing year with the Penny Lane Worship Team. It has been a privilege to lead the church in worship each week. The team has grown in many ways this year and we now have full bands at both morning and evening services on Sundays, we have over 20 wonderful volunteers that serve each week on worship/production team, bringing so much life to what we do on Penny Lane.

A Big win for us this year has been hearing stories of people experiencing the Holy Spirit for the first-time during worship here at Penny Lane. This is what we are here for, and we long for more of these stories as we move forward into this next season. We have members of the team who have been burnt out and who have now found a home and a loving community. We want to be a team that are for each other and encourage one another to succeed and fulfil potential.

Going forward we want to grow in number, to be a team that doesn't settle, but one that strives to be where God is and involved in how he is working. We want to invest in the team more as we grow together and build on the community that we have formed.

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WORSHIP AND CREATIVE continued

On the creative side, we have been setting up the brand of Penny Lane Church this year and have been giving what we do our own unique aesthetic through colours/fonts/design for social media, posters, promo materials, so that we are recognisable in the city, this will only help us as we seek to book more gigs and creative events.

We have seen success in this area as a good number of people who join us each Sunday have initially found Penny Lane Church through social media, or seeing the posters out the front, affirming this as a great first point of contact/interest. We are looking to build on what we can do creatively going forward by introducing a creative team including photographers/videographers/artists etc that will work together to bring on the creative vision of the church.

KIDS AND FAMILIES' MINISTRY

Over the last year we have seen growth in all areas of Penny Lane Kids – it's been a very exciting year! Highlights have been our What I Wanna Be Party in October, where we invited both parents and kids to come and party with us and seeing Penny Lane Play Café grow every week. On average we've been seeing around 22 adults attending with a similar number of children, and every week we get to welcome in new people. It is one of the most exciting parts of our week at Penny Lane Kids as the majority are people that we don't know.

We're looking forward to creating a new age group in the next year, as we're outgrowing our space on Sundays... very exciting! We will be creating a 7-9 age group which means growing our kids team by 8 people, if you're interested come and chat to me. We're also looking at starting a morning Alpha, where we will be specifically inviting carers who have been attending Play Café and Penny Lane Kids will be hosting an Alpha Creche. This would allow parents and carers who want to do Alpha to come along, where they wouldn't be able to for evening Alpha and not worry about their little one!

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 2021.

Current number of DBS's

- Awaiting Clearance: 5
- Cleared: 41
- Total: 46

Safeguarding Training

- 4 PCC members still need to complete basic safeguarding training
- We currently have 22 people who have been trained in safeguarding with another 14 that need to complete the training

Contact with Diocese

- Team have been in contact with the safeguarding team at the diocese to discuss situations when they have arisen
- The Diocese is happy with how we are conducting safeguarding here at Penny Lane Church.

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YOUTH

Over this past year we've been reaching out to young people (aged 11 to 17) through schools work and our youth group on a Sunday at 4pm. We've seen the number of young people in this age category who engage regularly with our church grow from 2 to 6 in just the last 4 or 5 months as well as supporting the youth group from another local church and inviting 5 of their young people to come along too.

In schools, Alex and I have been going into Liverpool college for a week around once a month delivering chapel talks (as well as Abby going in to speak to the younger ones). We hope to continue to build this relationship in a way that will enable more missional opportunities and a chance for the young people to get to know us in a less formal setting than the current chapel set up. I also took some of the staff team into St Hilda's school a few weeks ago to lead their worship- leading team of students (aged 11 to 16) in worship and a prayer workshop.

On Sundays at 4, we've had lots of fun, learnt loads of new games and become experts at Mario Kart! Of course we've also been learning a lot about Jesus through running Youth Alpha and the young people have come up with amazing questions including: "What is God saying to us right now?" Which gave us the opportunity to practice listening to God together.

After Easter we're looking to move our youth work from afternoons to fortnightly during the 11am service, engaging our young people in some meaningful discipleship – and fun – whilst allowing them to serve in any area they may feel they want to such as Kids, Worship or Welcome team on the alternate weeks.

Our team of volunteers have been amazing! They are incredible role models who are full of the joyful, loving presence of God and I just want to take this opportunity to thank them for all they've done this year and will continue to do. I'm so excited to see how Jesus wants to meet with young people here and looking forward to be a part of it.

STUDENTS

It's been an awesome couple of terms with the Penny Lane bunch. I had taken over from James Mitchell who had done a stellar job leading our students through lockdown 2020-2021. Many zoom meetings were had, and he kept them all going. Since August last year, we have more than doubled in size, welcoming back our second years and adopting many more first years. And we are still getting new people joining our student group which is so exciting. In our first term, we enjoyed getting to know each other and had some great hang outs which also allowed our students to bring their housemates and course mates who haven't yet been to church or have little experience of church to come and experience Penny Lane. At our Christmas meal at the end of last term, we had over 40 people, including around 15 new students. In our second term, we have enjoyed deepening friendships with each other as we have intentionally created smaller groups to help build consistency and depth at our gatherings. We spend time connecting with one another, then have some time for worship and reflection and then time for discussion within these groups. We have also been looking at the fruits of the spirit, taking one a week to unpack and understand how we can apply them to our everyday lives.

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SOCIAL TRANSFORMATION

This past year we have really seen the generosity of the church come to the fore. Thank you ever so much to all those who have given to the various appeals and collections we have done, including the Afghan refugee response, Love Your Neighbour: Love Christmas, and the Ukraine crisis. We have been able to help hundreds of people. Thank you also to those who kindly gave their time to help logistically with delivering food parcels and moving donations.

In February 2022 we launched our Asylum Seeker & Refugee Café (ARC). The café runs every term time Tuesday, from 12pm – 3pm. We offer a hot meal, English lessons, IT/web access, and a warm, welcoming environment where people can relax and find community. Almost every week so far we have seen new people coming along, with a very high proportion of those attending keen to get involved with the wider church community and coming along to our Sunday services, as well as attending Alpha. Thank you to everyone who has been so welcoming and for helping people to feel as though they belong and have community here. We have also seen the café be something that has led to opportunities to collaborate with other churches and organisations in Liverpool; with volunteers from Freedom Church and All Hallows being involved and support being given from the British Red Cross and Bridge2.

As well as continuing to see ARC grow and responding to any situations that may arise, I'm hoping in the coming year to focus on equipping and enabling the wider church body to be more involved in social transformation on a daily/weekly basis. This will involve helping people to have a greater understanding of what social transformation is, why it's important for all Christians to be involved, and how we can all play a part. There will be more information regarding this coming out soon!

PCC

The full PCC met six times during the year to deal with normal business. The Standing Committee 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

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STAFF CHANGES

During the year Joy Mumford-Rice left our employment, who shared a role with Jack Ellison. Jack took over this role. James Mitchell finished his Diocesan role with Students at Penny Lane Church and Tim Anderson took over at the start of the September term. We also welcomed Kirsty White who joined us as Curate.

PLANS FOR THE YEAR AHEAD

Sundays

We want to continue to make the Sunday gathering a great space for all people. We are looking at how we continue to grow our teams on a Sunday to extend our capacity. We are looking at developing a new kids group for Sunday mornings, offering Youth provision (11-16) on a Sunday morning, improve systems for people who are new to faith and new to church.

Groups

We have been experimenting with midweek groups and after Easter we are going to be launching around 20 new groups for you to join. Some of these will be midweek in the evening at people's homes where you will eat together, study the bible together and pray for one another. Some of the groups will be family focussed for days out so kids get to make friends and parents can support one another. Some of the groups will be hobby based or interest based for you to get to know people from church and invite your mates along too! All of the groups will be led by people who have been trained and have accountability with the leadership team at Penny Lane and will be continually reviewed and developed. This is going to be a step change for us as a church as it will create smaller pockets of community as we continue to grow on a Sunday.

Community

We want to create lots of opportunity for us to get to know each other and have loads of fun. The church of God has to be a community that is attractive to the world and one of the ways we achieve that is by having the most fun!

New Congregations

As we grow we want to be mindful of capacity. We are looking at where we can add more services in the near future. Watch this space as we grow we will have more and more opportunity for serving at church. It is such an encouraging time and we couldn't do it without you.

FINANCE

During the year, income increased by £37,945 to £297,907, and expenditure increased by £111,074 to £220,806. As a result the PCC has reported a surplus of £77,100 (2020: £150,231) and the PCC's net assets increased by £77,100 to £240,767. Net assets comprises fixed assets of £125,389 and net current assets (principally cash) of £115,378, of which £35,381 is restricted.

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FINANCE continued

In summary, the increase in this year's income comprises:

- an increase in income from members (which includes gift aid on donations made in previous years), which rose by £56,000.
- an increase in income from church activities (£5,000) and from the placement of telecommunications equipment (£10,000).
- this was offset by a reduction in grant income, which fell by £33,000.

For the time being the PCC continues to rely on the grant funding it receives from the Diocese and, to a lesser extent, the Church Revitalisation Trust. This grant funding is due to come to an end in 2025 and the goal is to become self-funding by that date.

This year's increase in expenditure is largely due to an increase in staff costs with this being the first full year of employment for some staff and the recruitment of some other staff during the year. Other notable variances were an increase in clergy costs following the appointment of a curate, an increase in ministry related expenses as the PCC expanded its activities and an increase in the charge for depreciation, which followed the previous year's significant investment in audio visual equipment.

The goal of the PCC is to set aside 10% of regular and unrestricted giving for charitable giving in 2022.

The Parish Share paid in 2021 was £20,500. There will be a significant increase in 2022 as we work towards being able to pay the full parish share in 2025.

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 PCC aims to hold unrestricted cash of no less than £50,000, which equates to about three month's expenditure, so that it could continue to operate should income and / or expenditure vary adversely. At the year-end the PCC held unrestricted cash of £81,437 and the PCC is complying with its reserves policy.

RISK ASSESSMENT

The financial stability of the Church depends to an extent on the giving of the church family and our ability to balance this and other sources of income in line with Church expenditure. All of our salary costs and clergy housing and expenses are covered by a Strategic Development Fund, which will last until 2025.

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CONCLUSION

To summarise the past year in brief words is a difficult task indeed. But I think it could be summed up in two words: Obstacles and Opportunities. We have never felt more in step with what God is doing through our lives and in our church and yet there are very real moments of challenge that are important to address. We have great vision for where we may be headed as a church but to know what roadblocks we may encounter enables us to divert and grow rather than simply press on and be faced with predictable battles.

Obstacles

We are still counting the cost due to the COVID-19 pandemic. This for us does not come in financial terms, we have grown financially. It doesn't come numerically, we have grown in number. Where we are bearing the cost mostly is in terms of culture. Kellie Wong writes, "Organizational culture is the collection of values, expectations, and practices that guide and inform the actions of all members." Culture is so important in church as it is the primary link between a very diverse people group. If we want to grow in number but also in depth, culture is so important. We can have all the plans in the world but if culture isn't strong, it is somewhat meaningless. Or as Peter Drucker says, "Culture eats strategy for breakfast".

The main reason we have lost out in terms of culture is because the pandemic meant we attended church but did not get to meet each other. Where music is a huge part of our church life, when we gathered last Easter, we were not allowed to sing together. Where culture is shared so often over meals together, in each other's homes, that was simply not allowed due to Government guidelines. Praying for one another is such a key part of a healthy growing church and yet that was impossible to do in a world where we had to stay 2 meters away from one another.

Other obstacles come in the shape of people's relationship with church has shifted due to the pandemic. With fear of mingling in large person gatherings, the option of staying at home and watching the live-stream was sometimes preferable. Also, throughout the pandemic the nationwide Church became a service provider through the delivery of essential food parcels and aid during lockdowns. Whilst this is such an important testimony of part of what the Church is, it is also a community of believers, a family of the faithful, a people on a mission.

Opportunities

One the biggest lessons throughout 'lockdown' is teaching us what actually is the church for? I would summarise it this way: anything that felt slightly odd whilst doing 'church online', is probably what the church is called to: Praying for one another. Singing of God's goodness together. Spending time encouraging one another. Serving the poor. Gathering to hear God's word preached. Planting new congregations. Baptising new believers.

This is not an exhaustive list by any stretch, but it gives us a glimpse of where we are headed. As we exercise our regained liberty to be a church together, we have to recapture what it is that we are called to be.

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A church for those who don't go to church

It is our hope that we are continually developing the Sunday experience that church-going folk are blessed and encouraged, their faith strengthened and their lives Spirit filled but also filled with confidence that any given Sunday they can invite their best friend, their colleague or family member who doesn't go to church and they will also have a great time.

Focussing on the Missing Generation

We were given funding for the building refurbishment and our staff team for the first 5 years to become a church that is growing particularly in the age category 11-30. For this to be achievable we need to have great Kids Ministry, so they grow up to be 11 year olds who know and love Jesus. We also need the 30+ age to help us mentor, encourage and bless the younger generations.

Filled with the Spirit to bless the world

We want to create space at every event we do for people to encounter the Spirit of God. If we just do good stuff but people don't meet with God in a way that is meaningful, deep, and personal, nothing we do will last beyond our own efforts. We need God to move in our church, in our ideas, and our movements to be a blessing to the wider city of Liverpool and beyond.

God is faithful. He has been making all things new around us and it such a privilege to join in with His mission as we see what He has called us to come to fruition.

So, thank you for praying, serving and giving as we seek to be a church that seeks to see creativity flourish, hopes for things not yet seen and a space where all people can truly belong.

APPROVAL

This report was approved by the PCC and signed on their behalf by:

Alex Rayment

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Alex Rayment
Church Leader

Date: 7 September 2022

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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INDEPENDENT EXAMINER'S REPORT
TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF
PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS
('the Charity')

I report to the members of the PCC (who are also the charity's trustees) on my examination of the accounts of the Charity for the year ended 31 December 2021 on pages 16 to 25 following, which have been prepared on the basis of the accounting policies set out on pages 18 and 19.

Responsibilities and basis of report

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

I report in respect of my examination of the 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 Fellow of the Association of Charity Independent Examiners, 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.

Ajay Rajani

Ajay Rajani FCIE
Fellow of the Association of Charity Independent Examiners
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: 15 September 2022

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 (restated) £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	79,070	190,318	269,388	246,073
Charitable activities	4	6,155	-	6,155	1,600
Other trading activities	5	22,363	-	22,363	12,289
Investments		-	-	-	1
Total income and endowments		107,588	190,318	297,906	259,962
EXPENDITURE ON:					
Charitable activities	6	52,985	167,821	220,806	109,732
Total expenditure		52,985	167,821	220,806	109,732
Net income/(expenditure)		54,603	22,497	77,100	150,231
Transfers between funds	13	6,467	(6,467)	-	-
Net movement in funds		61,070	16,030	77,100	150,231
Reconciliation of funds:					
Total funds brought forward		144,316	19,351	163,667	13,436
Total funds carried forward	13	205,386	35,381	240,767	163,667

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 pages 18 to 25 form part of these accounts.

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 (restated) £
FIXED ASSETS					
Tangible assets	8	125,389	-	125,389	133,126
		<u>125,389</u>	<u>-</u>	<u>125,389</u>	<u>133,126</u>
CURRENT ASSETS					
Debtors	9	3,627	981	4,608	-
Cash at bank and in hand	10	81,437	39,041	120,478	31,593
		85,064	40,022	125,086	31,593
CREDITORS: Amounts falling due within one year	11	(5,067)	(4,641)	(9,708)	(1,052)
Net current assets / (liabilities)		<u>79,997</u>	<u>35,381</u>	<u>115,378</u>	<u>30,541</u>
TOTAL NET ASSETS		<u>205,386</u>	<u>35,381</u>	<u>240,767</u>	<u>163,667</u>
FUND BALANCES	13				
Unrestricted General Funds		205,386	-	205,386	144,316
Restricted Funds		-	35,381	35,381	19,351
		<u>205,386</u>	<u>35,381</u>	<u>240,767</u>	<u>163,667</u>

The financial statements were approved by the members of the PCC and were signed on its behalf by:

Alex Rayment

 Alex Rayment - Church Leader

Date: 7 September 2022

Charity number: 1194669

The notes on pages 18 to 25 form part of these accounts.

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Statutory Information

The Parochial Church Council of St Barnabas Penny Lane 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 results have been restated to correct an error made in the previous year. Details of the restatement are given in note 16.

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.

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 recoverable gift aid, which 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.

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.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It comprises income from church events and courses, community outreach programs, weddings and funerals and letting of facilities for community use.

Income from other trading activities represents income receivable from activities undertaken to generate funds for the charity. It comprises income from permitting the placement of telecommunications equipment on the church building.

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.

From time to time, 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.

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

c) Expenditure continued

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 £1,000 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:

Computers	Over 3 years
Furniture and equipment	Over 5 to 10 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) Leased assets

Leases which do not transfer substantially all the risks and rewards of ownership to the charity are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

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.

i) Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive).

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

	2021	2020
	£	£
Donations of cash and similar	51,451	22,299
Grants receivable		
Diocese: Strategic Development Fund	156,106	212,580
Diocese: for clergy accommodation	2,625	-
Other grants	31,587	10,489
Gift aid recoverable	27,619	706
	<u>269,388</u>	<u>246,073</u>

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Income from charitable activities

	2021	2020
	£	£
Church events and courses	1,410	-
Community outreach programs	2,768	-
Weddings and funerals	1,928	1,526
Facilities hire	49	74
	<u>6,155</u>	<u>1,600</u>

5 Income from other trading activities

	2021	2020
	£	£
Placement of telecommunications equipment	22,363	12,289
	<u>22,363</u>	<u>12,289</u>

6 Charitable expenditure

	2021	2020
	£	£
a Costs incurred directly on specific activities		
Ministry expenses:		
Parish share	20,500	21,134
Staff costs	108,050	30,731
Clergy accommodation, council tax and utilities	11,575	1,853
Church events and courses	3,419	132
Community outreach programs	5,527	717
Catering and kitchen expenses	2,230	588
Worship ministry expenses	4,319	3,763
Youth and children's ministry	8,986	1,324
Media and audio visual expenses	2,191	8,064
Other ministry expenses	8,824	9,061
Weddings and funerals	631	62
Grants payable (note 8c)	84	327
	<u>176,335</u>	<u>77,755</u>
Property expenses:		
Repairs, maintenance and cleaning	5,203	3,455
Utilities	9,855	8,993
	<u>15,058</u>	<u>12,447</u>
	<u>191,394</u>	<u>90,203</u>
b Costs incurred on support & administration		
Governance costs		
Independent examiner's fee for preparing and examining the accounts	3,000	-
Administrative expenses	975	4,499
Subscriptions	3,500	1,523
Insurance	6,563	6,788
Depreciation of tangible fixed assets	15,374	6,720
	<u>29,412</u>	<u>19,529</u>
Total expenditure	<u>220,806</u>	<u>109,732</u>

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

The average monthly number of employees during the year was 5 (2020: 1). 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. Total employment benefits payable to key management for the year were as follows:

	Wages & salaries	Employer pension contributions	2021 £
Ben Hyde, who is a member of the PCC	<u>14,480</u>	<u>1,209</u>	<u>15,689</u>

The following amounts were payable in the previous year:

	Wages & salaries	Employer pension contributions	2020 £
Ben Hyde, who is a member of the PCC	<u>7,000</u>	<u>394</u>	<u>7,394</u>

Benjamin Hyde served as a ministry co-ordinator and received the above payments for serving in that capacity, not for serving as a member of the PCC; these payments are permitted by the charity's governing document.

Alex Rayment and Kirsty White (who are clergy members of the PCC) receive a stipend from the Diocese and so they are not employees; some of the Parish Share paid to the Diocese is used to help meet the cost of these stipends. They were provided with accommodation (which is customary for clergy) and the cost of this accommodation (and related expenses) to the PCC was £11,575 (2020: £1,853).

8 Tangible fixed assets

	Furniture and equipment £	Computers £	Total 2021 £
Cost			
At 1 January 2021	136,245	3,601	139,846
Additions	<u>7,637</u>	<u>-</u>	<u>7,637</u>
At 31 December 2021	<u>143,882</u>	<u>3,601</u>	<u>147,483</u>
Accumulated depreciation			
At 1 January 2021	6,577	143	6,720
Charge for the year	<u>14,516</u>	<u>858</u>	<u>15,374</u>
At 31 December 2021	<u>21,092</u>	<u>1,001</u>	<u>22,093</u>
Net book value			
At 31 December 2021	<u>122,789</u>	<u>2,600</u>	<u>125,389</u>
At 31 December 2020	<u>129,668</u>	<u>3,458</u>	<u>133,126</u>

9 Debtors

	2021 £	2020 £
Gift aid recoverable	3,627	-
Other debtors	<u>981</u>	<u>-</u>
	<u>4,608</u>	<u>-</u>

10 Cash at Bank and in Hand

	2021 £	2020 £
Cash at bank	118,666	31,548
Payment processing accounts (e.g. Gocardless, Stripe)	<u>1,777</u>	<u>-</u>
Petty cash	<u>35</u>	<u>45</u>
	<u>120,478</u>	<u>31,593</u>

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Creditors: liabilities falling due within one year

	2021 £	2020 £
Taxation and social security	873	605
Other creditors	5,836	447
Accruals	3,000	-
	<u>9,708</u>	<u>1,052</u>

12 Pension commitments

During the year employer's pension contributions totalling £3,624 (2020: £867) were payable to defined contribution personal pension schemes. At the balance sheet date pension contributions totalling £312 (2020: £217) had not been paid over.

13 Funds

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

	Opening balance 2021 £	Incoming resources 2021 £	Outgoing resources 2021 £	Transfers in the year 2021 £	Closing balance 2021 £
<i>General Unrestricted Funds</i>	<u>144,316</u>	<u>107,588</u>	<u>(52,985)</u>	<u>6,467</u>	<u>205,386</u>
<i>Restricted Funds</i>					
Organ fund	1,223	-	(480)	-	743
Choir fund	879	-	-	-	879
Bells fund	429	-	-	-	429
Music fund	6,781	-	(2,567)	(3,835)	379
Strategic Development fund	10,039	156,106	(153,975)	-	12,170
Vicar's fund	-	18,537	-	-	18,537
Youth and Children's fund	-	13,050	(8,174)	(2,632)	2,244
Clergy Housing fund	-	2,625	(2,625)	-	-
	<u>19,351</u>	<u>190,318</u>	<u>(167,821)</u>	<u>(6,467)</u>	<u>35,381</u>
Aggregate of funds	<u>163,667</u>	<u>297,906</u>	<u>(220,806)</u>	<u>-</u>	<u>240,767</u>

During the year the charity incurred capital expenditure of £6,467 (2020: £136,094) from the restricted grants and donations it had received and, as this expenditure satisfied the restrictions placed on this income, a transfer for that amount was made from restricted funds to general unrestricted funds.

Analysis of net assets by fund

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

	<u>Unrestricted Funds</u>		Restricted funds	2021 £
	General funds £	Designated funds £	£	
Tangible fixed assets	125,389	-	-	125,389
Debtors	3,627	-	981	4,608
Cash at bank and in hand	81,437	-	39,041	120,478
Creditors falling due within one year	(5,067)	-	(4,641)	(9,708)
	<u>205,386</u>	<u>-</u>	<u>35,381</u>	<u>240,767</u>

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Funds continued

In the previous 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 £	Closing balance 2020 £
<i>General Unrestricted Funds</i>	10,905	37,383	(40,066)	136,094	144,316
<i>Restricted Funds</i>					
Bells fund	429	-	-	-	429
Choir fund	879	-	-	-	879
Organ fund	1,223	-	-	-	1,223
Music fund	-	10,000	-	(3,219)	6,781
Strategic Development fund	-	212,580	(69,666)	(132,875)	10,039
	2,531	222,580	(69,666)	(136,094)	19,351
Aggregate of funds	13,436	259,963	(109,732)	-	163,667

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>		Restricted funds	2020
	General funds £	Designated funds £	funds £	£
Tangible fixed assets	133,126	-	-	133,126
Debtors	-	-	-	-
Cash at bank and in hand	12,242	-	19,351	31,593
Creditors falling due within one year	(1,052)	-	-	(1,052)
	144,316	-	19,351	163,667

The **Bells fund**, the **Choir fund** and the **Organ fund** were created from donations received to maintain the bells and organ in the church and to help meet choir related expenses.

The **Music fund** was created from a grant received from the Church Revitalisation Trust to help purchase music equipment.

The **Strategic Development fund** was created from grants received from the Diocese to help develop the activities of the church. This included funding to help purchase audio visual equipment, pay staff and pay clergy expenses and pay set up and operational expenses.

The **Vicar's fund** was created from a grant received from the Church Revitalisation Trust to help fund specific projects and initiatives identified by the Vicar.

The **Youth and Children's fund** was created from a grant received from All Churches Trust to help develop the church's work with children and young people in the local community.

The **Clergy Housing fund** was created from a grant received from the Diocese to help meet the cost of accommodation provided to the Curate.

14 Operating lease commitments

The charity has an operating lease for a manse provide to it's curate. 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:

	2021 £	2020 £
Payments falling due:		
Within one year	10,200	-
Between one and five years	4,250	-
	14,450	-

During the year the charity was charged £5,950 (2020: £nil) for its operating lease.

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Transactions with related parties

During the year the charity:

- a) received donations totalling £15,800 from related parties (which includes members of the PCC, any other members of key management and anyone closely connected to them).
- b) employed the husband of a member of the PCC (Carys Anderson) to work with students and paid him employment benefits totalling £1,355 (2020: £nil).

Except for the reimbursement of expenses incurred when acting as agent for the charity, or incurred when undertaking clergy or employment duties, no expenses were paid to (or for) the members of the PCC.

Except as disclosed in note 7 'Analysis of staff costs', there have been no other transactions with related parties during the year.

16 Reconciliation with previously reported funds

During the year it came to light that, in the previous year, the PCC had not properly accounted for audio visual equipment that the Diocese had purchased for the PCC out of money held in it's Strategic Development Fund. This error has been corrected in these accounts and the comparatives for the previous year have been restated. A reconciliation with the reserves and results reported previously follows:

Reconciliation of reserves

	2020
	£
Previously reported reserves, at 31 December	37,205
Adjustments arising from correction of an error in the previous period:	
An increase in the carrying value of fixed assets owned by the charity	126,462
Re-stated reserves, at 31 December	<u>163,667</u>

Reconciliation of results

	2020
	£
Previously reported results	23,769
Adjustments arising from the correction of an error in the previous period:	
An increase in the grant income recognised as received from the Diocesan Strategic Development Fund	132,875
An increase in the charge for depreciation	(6,413)
Re-stated results	<u>150,231</u>

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds				Unrestricted funds			
		General 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £	General 2020 £	Designated 2020 £	Restricted 2020 £	Total 2020 £
INCOME AND ENDOWMENTS FROM:									
Donations and legacies	3	79,070	-	190,318	269,388	23,493	-	222,580	246,073
Charitable activities	4	6,155	-	-	6,155	1,600	-	-	1,600
Other trading activities	5	22,363	-	-	22,363	12,289	-	-	12,289
Investments		-	-	-	-	1	-	-	1
Total income and endowments		107,588	-	190,318	297,906	37,383	-	222,580	259,963
EXPENDITURE ON:									
Charitable activities:	6	52,985	-	167,821	220,806	40,066	-	69,666	109,732
Total Expenditure		52,985	-	167,821	220,806	40,066	-	69,666	109,732
Net income/(expenditure)		54,603	-	22,497	77,100	(2,683)	-	152,914	150,231
Transfers between funds	13	6,467	-	(6,467)	-	136,094	-	(136,094)	-
Net movement in funds		61,070	-	16,030	77,100	133,411	-	16,820	150,231
Reconciliation of funds:									
Total funds brought forward		144,316	-	19,351	163,667	10,905	-	2,531	13,436
Total funds carried forward	13	205,386	-	35,381	240,767	144,316	-	19,351	163,667