

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

**Annual Report
For the Year Ended
31 December 2022**

Penny Lane St Barnabas

Annual Report for the year ended 31 December 2022

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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

Warden: David Lever

Representatives on Deanery Synod: Eliot Rice (ex-officio, resigned 9 February 2023)
Ben Hyde (ex-officio, resigned 1 February 2023)

Elected Members:

Jeff Hall (resigned 28 March 2022)	Carys Anderson
Dominic Knowler (appointed 28 March 2022)	Andres Florez
Matt Lee (resigned 14 November 2022)	Daisy Sutton
Peter Franklin	Caroline Fox
Liz Kaddour	Harvey Leese (resigned 9 February 2023)

In attendance: Emily Nelson (PCC Secretary)

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)

PCC

The full PCC met five 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.

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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.

STAFF CHANGES

During the year Abby, who was the Kids and Families Pastor, left our employment. This role was revised slightly and filled by Jennie, who officially joined the team in January 2023.

ELECTORAL ROLL

There were 83 names on the Electoral Roll in 2022.

BUILDINGS AND MAINTENANCE

2022 was a quiet year with regard to improvement works as no major repairs were needed. The main activities are noted below.

Church Internal

No works were done in the church

Church External

1. The fence panels separating the church gardens from the alley were rebuilt.

Church Vicarage

1. Two rooms were re-decorated.
2. Estimates for upgrade to the fire alarm system were received.
3. Boilers were serviced.

Outstanding Works to be Completed

1. Rainwater gutters maintenance needed.
2. Evidence of a leak in the tower roof to be assessed and repaired as necessary.
3. Upgrade to the fire alarm system in the Vicarage.

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Quinquennial Inspection

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

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! We have over 35 volunteers that serve each week on worship/production team, this has grown by around 15 people since last year which is super exciting! Each member of the team bringing so much life to what we do on Penny Lane.

We held our annual 'Penny Lane Carols' in December, an event which saw the church packed full of people discovering the Christmas story in a new and creative way through music/art & performance involving local artists from across Liverpool into our space. We love encouraging what is going on in the Liverpool music and creative scene and hope to grow our ministry and connection in this!

We have held multiple worship nights and have seen God move powerfully at these evenings, some people experiencing the Holy Spirit for the first time!

Looking ahead we want to keep growing the team, to increase our capacity and reach, we are in chats about the potential of taking a worship team into a local prison and are so excited about what this could look like for us at Penny Lane to be involved with!

On the creative side, we have grown our social media presence quite considerably over the last year and are seeing people find out more about church and faith through this platform which is resulting in more and more visitors through our doors.

We will be holding a Good Friday creative space, which will have the building full of art which will be open for the public to come and walk through the space as we re-imagine how we tell the Easter story, revealing Jesus to those that may not know him yet. Plus we have an exciting new art exhibition booked in for the later end of the year which will bring in people and families of all different backgrounds, to experience church in a completely new way.

We know God is building His Kingdom here on Penny Lane and what a privilege it is to be involved!

KIDS AND FAMILIES' MINISTRY

It has been another very exciting year for Penny Lane Kids! An annual highlight is always our Family Light Party in October, where we invite both parents and kids to come and party with us and we saw over 60 kids come along, including many who don't come to church.

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We've also seen really incredible growth at the Penny Lane Play Café. On average we've been seeing around 30 adults attending with a similar number of children, and every week we get to welcome in new people. It continues to be a wonderful space where we get to connect with and serve the community. We were also able to run a morning Alpha in the last term of the year where we offered an Alpha Creche to allow parents of young children a chance to come along.

Our kids' groups continue to grow and put many of our rooms at capacity. We are looking at creative ways to change and grow these spaces and groups to continue to allow for more kids to be welcomed at Penny Lane Church.

2022 also saw Abby leaving the role as Kids and Families Pastor. We are so grateful for all the work and life that Abby poured into the ministry during her time with us and look forward to what is next for the Kids at Penny Lane. Jennie was appointed at the end of 2022 and started in the new role of Rising Generation Pastor in January 2023. We can't wait to see what creativity, energy and enthusiasm Jennie brings to both the team and the wider church.

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 2022.

Current number of DBS's

- Awaiting Clearance: 5
- Cleared: 49
- Total: 54

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.

YOUTH

It is so exciting that our youth work has grown to the point where we felt it was time to employ a Youth Pastor. I can't wait to see what is going to happen!

Seeing the young people at Penny Lane grow is amazing. This year, on Sundays, we have been exploring who Jesus is, trying out some creative prayer and bible reading and generally getting to know each other a bit better! We now have a group of 12 young people who regularly attend our Sunday youth group as well as a few visitors most weeks.

We have continued to build a relationship with Liverpool college over the last year too. Last term, a team of us ran Youth Alpha after school and we saw 10 young people come along and most of them have continued to meet and explore faith. We hope to get involved more with this group once our new youth pastor arrives. We have also been going in once a term to lead chapel services and offer a different view of Jesus and church to the more traditional, formal services they are used to. We've also maintained our relationship with St Hilda's through leading communion services there and we are hoping to see how we can be more engaged with their sixth form pupils too.

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Our volunteer team are such a blessing to us, our young people and the wider church and we could not be prouder of the work that they are doing to see God's kingdom come amongst our young people. In the next year we hope to develop our youthwork to include something more missional midweek and be able to mentor some of our young people more intentionally too. There's always room for more helpers on our team, so please give us a shout if you'd like to join us!

STUDENTS

We have had an incredible first term (and a bit) of students. We sadly said goodbye to some of our third years last year but have adopted some lovely new freshers. We have grown to around 40 students "on the books". We still get many new students coming to visit church on a Sunday evening and very much enjoying our gatherings together on a Monday night. Last term, we had the incredible opportunity take 19 students on a weekend away where we spent time in worship, prayer and the word as well as a great time to have fun and build deeper community with one another. We also had over 40 students come to our Christmas party, many who had not been to church before. One of the most exciting things for us is their engagement and growth in their relationship with the Holy Spirit. Many of them learning how to hear from God for the first time and being able to share their faith with others. Most recently, we were blown away with an event called Collective which was thought up by a couple of our students here at Penny Lane, of who we are super proud. The event aimed to gather students from all different churches around Liverpool to come together in unity to worship and pray for ourselves and the city. On the 9th of Feb we saw over 80 students in this building. It was a marking night where the Spirit of God was very present and moving amongst the student generation. These events will be once a month until the end of term. We are so genuinely excited for what God is doing in our students and the students of this city. God is on the move.

SOCIAL TRANSFORMATION

Our biggest social transformation project so far is ARC, our Asylum Seeker & Refugee Café. ARC has been running for a year now and has seen almost 50 people from many different countries come through the doors. ARC runs weekly on a Wednesday afternoon during term time and is a space for people to come and be refreshed with tea, coffee, cake and great community. There are lots of activities for people to join in with: games, crafts, table tennis and also the opportunity for people to join in with an English lesson too.

As a team, this year has been a painful process of learning more about the asylum system and experiencing the grief of losing friends that we have made at the café as they are moved to different housing far away. We have seen and heard stories of trauma and pain that are too difficult to relay **but** we have also seen some incredible joy!!

This year, through the contacts made at ARC and the incredible commitment of one of our super-volunteers, Mark, we were able to have a Farsi-speaking Alpha. As a result of this we saw 3 of our ARC guys be baptised in our Sunday service (take a look at their photos on the wall) and they are now exploring how they can serve on teams to support *their* church – they are such a delight!

Of course we want to see ARC grow and flourish even more this year but there are also other social transformation projects to come... but we'll leave that to our new Community Engagement Leader to tell you about once they've gotten started.

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PLANS FOR THE YEAR AHEAD

Sundays

This time last year we said '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. Because of a generous grant from the Jerusalem Trust we have acquired funds to employ a youth worker who starts in May. This will be such a blessing as we are able to invest more into the lives of our 11-18 year olds at church. We have introduced a multi-sensory space for our kids on a Sunday, making the church experience more accessible and we continue to plug people into our groups and teams.

We would love to continue to grow and by the end of 2023 plant a new service at Penny Lane to create capacity for growth.

We are thoroughly enjoying our extended times of sung worship and going deeper in worship and prayer corporately, it is our intention to continue in this direction (don't worry we aren't about to make services longer) as we seek what the Holy Spirit wants to do in our times together.

We also intend on inviting more guest speakers to Penny Lane to feed into our church life together.

Groups

Our midweek groups continue to grow. Some of these are midweek in the evening at people's homes where you eat together, study the bible together and pray for one another. Some of the groups are family focussed for days out so kids get to make friends and parents can support one another. Some of the groups are hobby based or interest based for you to get to know people from church and invite your mates along too! All of the groups are led by people who have been trained and have accountability with the leadership team at Penny Lane and are continually reviewed and developed. We intend to grow these by at least twofold to create space for new people to join and more people find out about life at Penny Lane and be pastored by small groups and find a different style of fellowship there than what they may experience 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! We have assigned a few members of the PCC to spearhead some of these events so watch this space!

We also are doubling down our efforts to engage with the local community in all kinds of ways from continuing our work with Asylum Seekers and Refugees but also developing our links to the cultural side of the city (we are currently looking at hosting an art exhibition exploring the interaction of faith and art), engaging the congregation in local mission and seeing how we can be a blessing to our city.

We are so encouraged and we couldn't do it without you.

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FINANCIAL REVIEW

During the year income increased by £41,304 to £339,211, and expenditure increased by £65,610 to £286,416. As a result the PCC has reported a surplus of £52,793 (2021: £77,100) and the PCC's net assets increased by £52,793 to £293,560. Net assets comprise fixed assets of £109,632 and net current assets of £183,928. Net current assets includes cash of £236,096 of which £109,931 is unrestricted.

This year's increase in income (which was just over £41,000) was largely due to an increase of £38,000 in donations from members (including related gift aid). For the time being the PCC also continues to rely on the grant funding it receives from the Diocese and, to a lesser extent, the Jerusalem Trust. This grant funding is due to come to an end in 2025 and the goal is to become self-funding by that date.

PCC is very grateful to the members of the church and to those other organisations who have supported the church's work so generously during the year.

This year's increase in expenditure (which was just under £66,000) was largely due to:

- an increase of £19,000 in the Parish Share. The Parish Share paid in 2022 was £39,733. There will continue to be significant increases in the following years as we work towards being able to pay the full parish share in 2025.
- an increase of £17,000 in staff costs and clergy accommodation expenses.
- an increase of £14,000 in grants payable. The goal of the PCC is to continue to give 10% of regular and unrestricted giving for charitable giving in 2023.
- an increase of £10,000 in utility costs.

INVESTMENT POLICY

The Church's funds were held as cash 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 £75,000, 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 £109,931 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. Most of our salary costs and all clergy housing and expenses are covered by a Strategic Development Fund, which will last until 2025.

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CONCLUSION

What else?

We consider it a privilege every year to listen to God and our church as to what kind of direction we are going to be travelling in and we feel this could be summed in a few ways.

New Life

We see new people coming to our church and events every single week and it is so exciting. We feel that our welcome team and the general friendly atmosphere, kids ministry, worship and teaching makes all this possible. We have a desire to see more baptisms and continue to offer the opportunity for individuals to find new life in Jesus. We feel we are at a time where biblical literacy is at an all-time low and never have we needed a fresh encounter of the Holy Spirit more than right now. Therefore amidst the new life we will see, our teaching will continue to deepen our faith and we will continue to push into encounter in our gatherings, groups and worship nights.

New Family

With new life comes the need for landing pads for those people and this is where we all come in. We need to work at growing our midweek Groups as this is where great pastoral care happens, where friendships are made and opportunities for leadership arise. We have never been in a more exciting church where we can, with full confidence, trust that every Sunday people will meet people here and want to come back. We would love to see this move to the next step where there is also a Group for every person.

New Opportunities

As a church plant in 2020, as we grow, we have to be careful not to lose the pioneering spirit that so many of us hold. We will continue to explore new opportunities from church plants, service plants, local and international mission opportunities, community engagement possibilities, new youth and kids programmes and ways we can say to Liverpool, 'We are here for you and what we have to show you is exactly what you need!'

Thank you for all that you do, give, pray for and hope for. We couldn't do any of it without you!

APPROVAL

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

Alex Rayment

Alex Rayment
Church Leader

Date 25 April 2023

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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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 2022 on pages 15 to 24 following, which have been prepared on the basis of the accounting policies set out on pages 17 and 18.

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: 9 May 2023

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	117,077	193,836	310,912	269,389
Charitable activities	4	12,151	-	12,151	6,155
Other trading activities	5	16,147	-	16,147	22,363
Total income and endowments		145,374	193,836	339,211	297,906
EXPENDITURE ON:					
Charitable activities	6	136,061	150,356	286,416	220,806
Total expenditure		136,061	150,356	286,416	220,806
Net income/(expenditure)		9,313	43,481	52,793	77,100
Transfers between funds	13	(171)	171	-	-
Net movement in funds		9,142	43,651	52,793	77,100
Reconciliation of funds:					
Total funds brought forward		205,386	35,381	240,767	163,667
Total funds carried forward	13	214,528	79,032	293,560	240,767

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 17 to 24 form part of these accounts.

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
FIXED ASSETS					
Tangible assets	8	109,632	-	109,632	125,389
		<u>109,632</u>	<u>-</u>	<u>109,632</u>	<u>125,389</u>
CURRENT ASSETS					
Debtors	9	3,256	981	4,237	4,608
Cash at bank and in hand	10	109,931	126,165	236,096	120,478
		113,187	127,146	240,333	125,086
CREDITORS: Amounts falling due within one year	11	(8,291)	(48,114)	(56,405)	(9,708)
Net current assets / (liabilities)		<u>104,896</u>	<u>79,032</u>	<u>183,928</u>	<u>115,379</u>
TOTAL NET ASSETS		<u>214,528</u>	<u>79,032</u>	<u>293,560</u>	<u>240,767</u>
FUND BALANCES	13				
Unrestricted General Funds		184,225	-	184,225	205,386
Designated funds		30,303	-	30,303	-
		<u>214,528</u>	<u>-</u>	<u>214,528</u>	<u>205,386</u>
Restricted Funds		-	79,032	79,032	35,381
		<u>214,528</u>	<u>79,032</u>	<u>293,560</u>	<u>240,767</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: 25 April 2023

Charity number: 1194669

The notes on pages 17 to 24 form part of these accounts.

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 2022

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

	2022	2021
	£	£
Donations of cash and similar	97,419	51,451
Grants receivable		
Diocese: Strategic Development Fund	129,461	156,106
Diocese: for clergy accommodation	3,375	2,625
Diocese: for heating	1,000	
Other grants	60,000	31,587
Gift aid recoverable	19,656	27,619
	<u>310,912</u>	<u>269,389</u>

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Income from charitable activities

	2022	2021
	£	£
Church events and courses	3,125	1,410
Community outreach programs	6,041	2,768
Weddings and funerals	985	1,928
Facilities hire	2,000	49
	<u>12,151</u>	<u>6,155</u>

5 Income from other trading activities

	2022	2021
	£	£
Placement of telecommunications equipment	16,147	22,363
	<u>16,147</u>	<u>22,363</u>

6 Charitable expenditure

		2022	2021
		£	£
a	Costs incurred directly on specific activities		
	Ministry expenses:		
	Parish share	39,733	20,500
	Staff costs	117,927	108,050
	Clergy accommodation, council tax and utilities	19,148	11,575
	Church events and courses	9,706	3,419
	Community outreach programs	10,426	5,527
	Catering and kitchen expenses	4,448	2,230
	Worship ministry expenses	653	4,319
	Youth and children's ministry	3,158	8,986
	Media and audio visual expenses	999	2,191
	Other ministry expenses	10,537	8,824
	Weddings and funerals	79	631
	Grants payable (note 6c)	13,828	84
		<u>230,642</u>	<u>176,335</u>
	Property expenses:		
	Repairs, maintenance and cleaning	5,421	5,203
	Utilities and council tax	19,511	9,855
		<u>24,932</u>	<u>15,058</u>
		<u>255,574</u>	<u>191,394</u>
b	Costs incurred on support & administration		
	Governance costs		
	Independent examiner's fee for preparing and examining the accounts	3,120	3,000
	Administrative expenses	1,477	975
	Subscriptions	4,162	3,500
	Insurance	6,326	6,563
	Depreciation of tangible fixed assets	15,757	15,374
		<u>30,842</u>	<u>29,412</u>
	Total expenditure	<u>286,416</u>	<u>220,806</u>
c	Grants payable		
		Institutions	Individuals
		£	£
	Grants for UK and overseas mission		
	Herald Vineyard Church	6,920	-
	True Hope	6,908	-
		<u>13,828</u>	<u>-</u>
		<u>13,828</u>	<u>13,828</u>

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

The average monthly number of employees during the year was 6 (2021: 5). 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	2022 £
Ben Hyde, who is a member of the PCC	<u>21,848</u>	<u>1,249</u>	<u>23,097</u>

The following amounts were payable in the previous year:

	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>

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 £19,148 (2021: £11,575).

8 Tangible fixed assets

	Furniture and equipment £	Computers £	Total 2022 £
Cost			
At 1 January 2022	143,882	3,601	147,483
Additions	-	-	-
At 31 December 2022	<u>143,882</u>	<u>3,601</u>	<u>147,483</u>
Accumulated depreciation			
At 1 January 2022	21,092	1,001	22,093
Charge for the year	14,899	858	15,757
At 31 December 2022	<u>35,992</u>	<u>1,859</u>	<u>37,851</u>
Net book value			
At 31 December 2022	<u>107,890</u>	<u>1,742</u>	<u>109,632</u>
At 31 December 2021	<u>122,789</u>	<u>2,600</u>	<u>125,389</u>

9 Debtors

	2022 £	2021 £
Gift aid recoverable	1,158	3,627
Other debtors	981	981
Prepayments and accrued income	<u>2,098</u>	<u>-</u>
	<u>4,237</u>	<u>4,608</u>

10 Cash at Bank and in Hand

	2022 £	2021 £
Cash at bank	235,786	118,666
Payment processing accounts (e.g. GoCardless, Stripe)	260	1,777
Petty cash	<u>50</u>	<u>35</u>
	<u>236,096</u>	<u>120,478</u>

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Creditors: liabilities falling due within one year

	2022	2021
	£	£
Taxation and social security	17,345	873
Other creditors	5,646	5,836
Accruals	3,060	3,000
Deferred income	30,354	-
	<u>56,405</u>	<u>9,708</u>

Deferred income comprises a grant received in advance from the Diocese's Strategic Development Fund to help fund the PCC's activities in 2023 when it will be released to income.

12 Pension commitments

During the year employer's pension contributions totalling £5,246 (2021: £3,624) were payable to defined contribution personal pension schemes. At the balance sheet date pension contributions totalling £415 (2021: £312) had not been paid over.

13 Funds

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

	Opening balance 2022 £	Incoming resources 2022 £	Outgoing resources 2022 £	Transfers in the year 2022 £	Closing balance 2022 £
<i>Unrestricted funds</i>					
Designated church planting and reserve fund	-	-	-	30,303	30,303
General unrestricted funds	205,386	145,374	(136,061)	(30,475)	184,225
	<u>205,386</u>	<u>145,374</u>	<u>(136,061)</u>	<u>(171)</u>	<u>214,528</u>
<i>Restricted Funds</i>					
Organ fund	743	-	-	-	743
Choir fund	879	-	-	-	879
Bells fund	429	-	-	-	429
Music fund	379	-	-	-	379
Strategic Development fund	12,170	129,461	(128,782)	-	12,849
Vicar's fund	18,537	-	(2,908)	-	15,629
Youth and Children's fund	2,245	-	(2,416)	171	-
Clergy Housing fund	-	3,375	(3,375)	-	-
Heating fund	-	1,000	(1,000)	-	-
The Jerusalem Trust fund	-	60,000	(11,875)	-	48,125
	<u>35,381</u>	<u>193,836</u>	<u>(150,356)</u>	<u>171</u>	<u>79,032</u>
Aggregate of funds	<u>240,767</u>	<u>339,211</u>	<u>(286,416)</u>	<u>-</u>	<u>293,560</u>

Analysis of net assets by fund

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

	<u>Unrestricted Funds</u>		Restricted funds	2022 £
	General funds £	Designated funds £	£	
Tangible fixed assets	109,632	-	-	109,632
Debtors	3,256	-	981	4,237
Cash at bank and in hand	79,628	30,303	126,165	236,096
Creditors falling due within one year	(8,291)	-	(48,114)	(56,405)
	<u>184,225</u>	<u>30,303</u>	<u>79,032</u>	<u>293,560</u>

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Funds continued

In the previous 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>	144,316	107,588	(52,985)	6,467	205,386
<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)	2,245
Clergy Housing fund	-	2,625	(2,625)	-	-
	19,351	190,318	(167,821)	(6,467)	35,381
Aggregate of funds	163,667	297,906	(220,806)	-	240,767

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	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)
	205,386	-	35,381	240,767

Designated funds

The **Church planting and reserve fund** represents funds set aside by the PCC to help plant, or revitalise, other churches. This fund can also be used to help meet any out of the ordinary major expenditure (such as repairs to the church building).

Restricted funds

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.

The **Heating fund** was created from a grant received from the Diocese to help meet heating costs.

The **Jerusalem Trust fund** was created from a grant received from this Trust to help meet the costs of the PCC's operations and projects as a resource church.

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Operating lease commitments

The charity has an operating lease for a manse provided 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:

	2022 £	2021 £
Payments falling due:		
Within one year	4,250	10,200
Between one and five years	-	4,250
	<u>4,250</u>	<u>14,450</u>

During the year the charity was charged £10,200 (2021: £5,950) for its operating lease.

15 Transactions with related parties

During the year the charity:

- a) received donations totalling £20,032 (2021: £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 £7,132 (2021: £1,355).

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.

PAROCHIAL CHURCH COUNCIL OF PENNY LANE ST BARNABAS
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds				Unrestricted funds			
		General	Designated	Restricted	Total	General	Designated	Restricted	Total
		2022	2022	2022	2022	2021	2021	2021	2021
		£	£	£	£	£	£	£	
INCOME AND ENDOWMENTS FROM:									
Donations and legacies	3	117,077	-	193,836	310,912	79,070	-	190,318	269,389
Charitable activities	4	12,151	-	-	12,151	6,155	-	-	6,155
Other trading activities	5	16,147	-	-	16,147	22,363	-	-	22,363
Total income and endowments		145,374	-	193,836	339,211	107,588	-	190,318	297,906
EXPENDITURE ON:									
Charitable activities:	6	136,061	-	150,356	286,416	52,985	-	167,821	220,806
Total Expenditure		136,061	-	150,356	286,416	52,985	-	167,821	220,806
Net income/(expenditure)		9,313	-	43,481	52,793	54,603	-	22,497	77,100
Transfers between funds	13	(30,475)	30,303	171	-	6,467	-	(6,467)	-
Net movement in funds		(21,161)	30,303	43,651	52,793	61,070	-	16,030	77,100
Reconciliation of funds:									
Total funds brought forward		205,386	-	35,381	240,767	144,316	-	19,351	163,667
Total funds carried forward	13	184,225	30,303	79,032	293,560	205,386	-	35,381	240,767