

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

**(Charity number 1131647)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

# **The Parochial Church Council of the Ecclesiastical Parish of Solihull**

## **Annual Report of the Parochial Church Council for 2020**

### **Reference and Administrative Information**

#### **Charity Registration:**

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

#### **Team Rector:**

**[Position currently vacant]**

#### **Operational Address:**

**Parish Office, Church Hill Road, Solihull, B91 3RQ**

#### **Bankers:**

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

#### **Auditors:**

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

#### **Investment Advisors**

**CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET**

## **Structure, governance and management**

### **Governance**

The parish of St Alphege, Solihull, comprises three churches which were formed into a Team Ministry by Pastoral Order in 1979. The Parish is part of the Diocese of Birmingham.

St Alphege, St Helen's and St Michael's Churches are governed by District Church Councils (DCC's) to which the PCC has delegated many of its functions. The PCC retains responsibility for certain reserved matters including those of a parish wide nature. The rules for the proceedings of the PCC are set out in the Church Representation Rules and the same rules apply, as far as may be, to the DCC's

## **Objectives and Activities**

### **Object of the Church**

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

### **Public Benefit**

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

# **The Parochial Church Council of the Ecclesiastical Parish of Solihull**

*Annual Report 2020 (continued)*

## **Trustees and Management Committee**

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

	<b><u>St Alphege</u></b>	<b><u>St Helen</u></b>	<b><u>St Michael</u></b>
<b>Clergy</b>		The Rev. H Greenham	The Rev. S Marshall
	The Rev. S Chandler		
<b>Parish Churchwardens</b>	Mrs P Price Mr A Williams		
<b>Deputy Churchwardens</b>	Mrs S Gomm Mrs S Sayers	Mr P Godfrey Mrs J Fewins	Mr K Wilson Mrs M Flood
<b>Deanery Synod Representatives 2020-2023</b>	Mrs D Moll Mrs R Linstead Mr M Owens Mrs R Owens	Mrs B Moppett	Mr K Wilson
<b>Church Centre Representatives</b>	Mrs J Ladbrooke Mr T Drakeford	Mr C Carrington Mrs P Gates	Mr N Evans Mr P Smith
<b>Lay members of Diocesan Synod</b>	Mr M Owens Mrs D Moll	Mrs B Moppett	
<b>Co-options</b>	Mrs V Dobson		Mr R Crowdy
<b>Readers</b>		Mrs B Moppett Mr C Carrington	
<b>Elected Lay Reps (5)</b>	Mrs R Marshall Mr J Momi		
	Others who served during 2020 Mrs J Carrington Mr R Curtis The Rev J Kenchington		

# **The Parochial Church Council of the Ecclesiastical Parish of Solihull**

*Annual Report 2020 (continued)*

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

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

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

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

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

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

## **Appointment of Trustees**

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

## **Committees**

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

## **Risk Management**

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

## **Achievements and Performance**

### **Church Attendance**

As required, a new electoral roll was produced for the Parish during 2019. As of the Annual Parochial Church Meeting held on 18 May 2021, there were 503 names on the new electoral roll comprising:

- St Alphege's Section: 336 (2020: 334)
- St Helen's Section: 89 (2020: 94)
- St Michael's Section: 78 (2020: 79)

*Annual Report 2020 (continued)*

# **The Parochial Church Council of the Ecclesiastical Parish of Solihull**

## **Review of the year ending 31st December 2020**

After the first two months, the year was dominated by the Covid-19 Pandemic which has resulted in dramatic changes to the functioning and activities of the Parish.

Lockdown occurred on 23<sup>rd</sup> March which closed the church buildings completely so that all services, activities and the Pre-school were closed for the second quarter.

This has resulted in a loss of revenue as reported elsewhere.

But the Parish has responded well in utilising technology to keep people in touch and able to worship through emails, zoom sessions and online services over Youtube, Facebook and other social media. There has been a steep learning curve and the PCC is very grateful to those who have devoted much time and effort in developing these skills as well as everyone who has continued with their hard work and imagination in so many other ways. The Parish has worked hard to communicate and give pastoral care, worship and learning opportunities to as many as possible. The summer and autumn allowed some opening up of facilities and the Pre-school, but at a very limited level.

Unfortunately, after a good start, the commemoration of 800 years of Christianity in Solihull had to be curtailed due to the Pandemic, which was sad as so much effort and imagination had been put into it.

PCC meetings were reduced considerably during the year too, but vital business was continued using zoom and email, and more regular meetings on zoom were held towards the end of the year, together with the belated APCM delayed from April.

## **Plans for the future**

Since the beginning of 2021, the PCC has begun to review the structure and workings of the Parish, especially in the light of the considerable impact of the Pandemic, and the sad news of the early retirement of Jane Kenchington, the Rector, to whom are due grateful thanks for her leadership and hard work in the Parish. The Parish needs to pray and listen well to God for guidance for the future.

## **The Parochial Church Council of the Ecclesiastical Parish of Solihull**

*Annual Report 2020 (continued)*

### **Financial Report of the Parochial Church Council for 2020**

Overall, the parish had an operating deficit of £ (172,009) on total funds, although this was reduced by £90,832 of unrealised investment gains. Nevertheless, we actually had to spend £ (246,666) of our cash resources to continue to fund all our activities, although we did recoup £81,486, in cash terms, from investment income.

There continued to be an operating deficit, of £ (101,958) this year, £ (78,331) in 2019, on the St Francis Parish Fund, where our expenditure on Youth Work, Children's Work, Parish Support and Outreach activities in recent years has consistently exceeded income – a situation now exacerbated by a full year's costs arising from the appointments in late 2019 of a Pioneer Minister and a Director of Operations.

We are now completely reliant on income from investment gains (the so called "total income" concept) to fund all the outgoings from the St Francis Parish Fund, more so because our "regular" investment income falls every time we realise some of our investment assets.

As a result of the Coronavirus situation, many things have changed – some probably permanently-, and it is still not certain what the future holds. Hall lettings for the OBH and St Helens were badly affected in 2020 (and this continues to be the case in early 2021): Pre-school closed for periods of time, and many of their staff were furloughed; fees from weddings and funerals ceased; and all three churches suffered reductions in congregational giving and loss of other income. Despite all this, we continued to pay all our staff their full salaries throughout the year.

All fund holders do have adequate reserves at present to ensure that they can continue to fund known outgoings, but the ongoing situation is now becoming serious and financially "challenging", so some difficult decisions will need to be made soon as to what we can, and cannot, afford to fund.

### **Investment Policy**

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

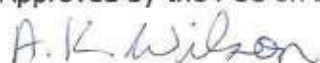
### **Reserves Policy**

The general reserves of the PCC are mainly represented by equity investments, property, including houses for clergy and the parish hall (Oliver Bird Hall) and cash balances. The 'free reserves' (excluding designate funds) are represented by General Fund net current assets, which at the end of the year amounted to £367,951 which equates to the sum required to meet about 5 months regular on-going costs. Whilst this is higher than the Charity Commissions recommended amount of 3 to 4 months, in view of the age of St Alphege church and the parish hall –both of which could incur substantial expenditure at relatively short notice-, the uncertainties arising from ongoing Coronavirus situation, and the need for the St Francis fund to hold sufficient monies at the end of the financial year to fund its projected budget deficit for the following year - the PCC considers that its free reserves are reasonable under all the circumstances.

### **Auditors**

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

Approved by the PCC on 27 July 2021 and signed on its behalf by:



A. K. Wilson (Chairman)

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

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**Opinion**

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of Solihull ('the PCC') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31st December 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

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

**Matters on which we are required to report by exception**

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

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

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**Matters on which we are required to report by exception (continued)**

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

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

**Responsibilities of trustees**

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

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

**Our responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

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

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



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

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and other relevant parties.

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

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

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

### **Use of our report**

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



Prime  
Chartered Accountants  
Statutory Auditor  
Corner Oak  
1 Homer Road  
Solihull  
B91 3QG

Date: 02/08/2021.....

**The Parochial Church Council of the Ecclesiastical Parish of Solihull**
**Year ended 31st December 2020**

## Statement of Financial Activities (SOFA)

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2020 £	2019 £
<b>Income and endowments from:</b>						
Donations and Legacies	2(a)	364,260	-	-	364,260	567,064
Charitable Activities	2(b)	153,774	-	-	153,774	214,218
Other Trading Activities	2(c)	44,169	-	-	44,169	100,349
Investments	2(d)	77,680	3,806	-	81,486	95,420
<b>Total income and endowments</b>		<b>639,883</b>	<b>3,806</b>	<b>-</b>	<b>643,689</b>	<b>977,051</b>
<b>Expenditure on:</b>						
Raising funds	3(a)	70,070	-	-	70,070	71,053
Charitable activities:	3(b)	745,628	-	-	745,628	786,380
<b>Total expenditure</b>		<b>815,698</b>	<b>-</b>	<b>-</b>	<b>815,698</b>	<b>857,433</b>
<b>Net (Expenditure) / income</b>		<b>(175,815)</b>	<b>3,806</b>	<b>-</b>	<b>(172,009)</b>	<b>119,618</b>
Net gains on revaluation of investments		78,132	8,393	4,307	90,832	254,376
Net gains on disposal of investments		780	-	-	780	61,821
<b>Net movement in funds</b>		<b>(96,903)</b>	<b>12,199</b>	<b>4,307</b>	<b>(80,397)</b>	<b>435,815</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward as 1 January 2020		3,503,744	279,507	71,165	3,854,416	3,418,601
<b>Total funds carried forward at 31 December 2020</b>		<b>£3,406,841</b>	<b>£291,706</b>	<b>£75,472</b>	<b>£3,774,019</b>	<b>£3,854,416</b>

There were no recognised gains or losses for 2020 or 2019 other than those recognised in the Statements of Financial Activities.

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

**The Parochial Church Council of the Ecclesiastical Parish of Solihull**
**Year ended 31st December 2019**

## Statement of Financial Activities (SOFA)

**[Comparative figures for 2019]**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2019 £
<b>Income and endowments from:</b>					
Donations and Legacies	2(a)	566,685	379	-	567,064
Charitable Activities	2(b)	214,218	-	-	214,218
Other Trading Activities	2(c)	100,349	-	-	100,349
Investments	2(d)	91,624	3,796	-	95,420
<b>Total income and endowments</b>		<b>972,876</b>	<b>4,175</b>	<b>-</b>	<b>977,051</b>
<b>Expenditure on:</b>					
Raising funds	3(a)	71,053	-	-	71,053
Charitable activities:	3(b)	786,115	265	-	786,380
<b>Total expenditure</b>		<b>857,168</b>	<b>265</b>	<b>-</b>	<b>857,433</b>
<b>Net income</b>		<b>115,708</b>	<b>3,910</b>	<b>-</b>	<b>119,618</b>
Net gains on revaluation of investments		225,371	19,168	9,837	254,376
Net gains on disposal of investments		61,821	-	-	61,821
<b>Net movement in funds</b>		<b>402,900</b>	<b>23,078</b>	<b>9,837</b>	<b>435,815</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward as 1 January 2019		3,100,844	256,429	61,328	3,418,601
<b>Total funds carried forward at 31 December 2019</b>		<b>£3,503,744</b>	<b>£279,507</b>	<b>£71,165</b>	<b>£3,854,416</b>

There were no recognised gains or losses for 2019 or 2018 other than those recognised in the Statements of Financial Activities.

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

The Parochial Church Council of the Ecclesiastical Parish of Solihull

31st December 2020

Balance Sheet

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	10	918,695	918,695
Investment assets	11	2,130,261	2,113,649
		<u>3,048,956</u>	<u>3,032,344</u>
<b>Current assets</b>			
Stocks		2,245	1,550
Debtors	12	21,419	24,481
Short-term deposits		439,520	442,034
Cash at bank and in hand		376,805	464,471
		<u>839,989</u>	<u>932,536</u>
<b>Liabilities: amounts falling due within one year</b>			
Creditors	13	(114,926)	(110,464)
<b>Net current assets</b>		<u>725,063</u>	<u>822,072</u>
<b>Total assets</b>	14	<u>£3,774,019</u>	<u>£3,854,416</u>
<b>Funds</b>			
Endowment funds	15(a)	75,472	71,165
Restricted funds	15(b)	291,706	279,507
Unrestricted and designated funds	15(c)	3,406,841	3,503,744
		<u>£3,774,019</u>	<u>£3,854,416</u>

Approved by the Parochial Church Council on 27th July 2021 and signed on its behalf by:

A. K. Wilson

Chairman

*A.K. Wilson*

R.A. Crowdy

Treasurer

*R.A. Crowdy*

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

The Parochial Church Council of the Ecclesiastical Parish of Solihull

Year ended 31st December 2020

Statement of cash flows

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
<i>Net cash (used in) provided by operating activities</i>	17	<u>(246,666)</u>	<u>6,324</u>
<b>Cash flows from investing activities</b>			
Investment income		81,486	95,420
Sale of investments		75,000	450,000
(Purchase) of Tangible Fixed Assets		-	(313,144)
		<u>156,486</u>	<u>232,276</u>
<i>Change in cash and cash equivalents in the reporting period</i>		<u>(90,180)</u>	<u>238,600</u>
Cash and cash equivalents at the beginning of the reporting period		906,505	667,905
<i>Cash and cash equivalents at the end of the reporting period</i>	18	<u>816,325</u>	<u>906,505</u>

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

## Notes to the financial statements

**(1) Accounting policies****a) Basis of preparation**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£)

**b) Going concern**

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

**c) Funds**

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

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

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

**d) Income recognition**

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

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

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

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

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

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

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

**e) Expenditure recognition**

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

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

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

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

Notes to the financial statements (continued)

**f) Support cost allocation**

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

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

**g) Tangible fixed assets**

**Consecrated land and buildings and movable church furnishings**

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

**Freehold land and buildings**

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

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

**Equipment**

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

**h) Investments**

Investments are valued at market value at 31st December 2020

**i) Debtors and creditors receivable / payable within one year**

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

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

**j) Taxation**

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

**k) Stocks**

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

**l) Cash and cash equivalent**

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

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

**The Parochial Church Council of the Ecclesiastical Parish of Solihull**
**Year ended 31st December 2020**

Notes to the financial statements (continued)

**Statement of Financial Activities (SOFA)**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS	
				2020 £	2019 £
<b>(2) Income and endowments from:</b>					
(a) Donations and Legacies					
Planned giving	251,138	-	-	251,138	280,371
Income tax refunds	63,365	-	-	63,365	68,349
Cash collections	19,352	-	-	19,352	18,778
General purpose donations	16,270	-	-	16,270	30,772
Grants received	4,618	-	-	4,618	22,325
Donations and appeals	3,767	-	-	3,767	4,505
Legacies	5,750	-	-	5,750	141,964
<i>Total</i>	<u>364,260</u>	<u>-</u>	<u>-</u>	<u>364,260</u>	<u>567,064</u>
(b) Charitable Activities					
Bookstall	598	-	-	598	496
Magazine sales	1,709	-	-	1,709	1,850
Fees (Statutory)	9,703	-	-	9,703	24,592
Fees (Other - Pre-school)	121,314	-	-	121,314	187,280
Furlough claims	20,450	-	-	20,450	-
<i>Total</i>	<u>153,774</u>	<u>-</u>	<u>-</u>	<u>153,774</u>	<u>214,218</u>
(c) Other Trading Activities					
Bookstall	1,106	-	-	1,106	4,729
Magazine advertising	5,481	-	-	5,481	7,091
Church/Hall lettings	33,528	-	-	33,528	77,392
Social and similar events	4,054	-	-	4,054	11,137
<i>Total</i>	<u>44,169</u>	<u>-</u>	<u>-</u>	<u>44,169</u>	<u>100,349</u>
(d) Investments					
Dividends	67,307	3,647	-	70,954	86,222
Deposit account interest	1,102	159	-	1,261	1,698
Rent received	9,271	-	-	9,271	7,500
<i>Total</i>	<u>77,680</u>	<u>3,806</u>	<u>-</u>	<u>81,486</u>	<u>95,420</u>
<i>Total income and endowments from:</i>	<u>£639,883</u>	<u>£3,806</u>	<u>-</u>	<u>£643,689</u>	<u>£977,051</u>

Included in the 2019 total income of £977,051 was £972,876 unrestricted and £4,175 restricted fund.

**The Parochial Church Council of the Ecclesiastical Parish of Solihull**
**Year ended 31st December 2020**
**Statement of Financial Activities (SOFA) (continued)**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS	
				2020 £	2019 £
<b>(3) Expenditure on:</b>					
(a) Raising funds					
Bookstall	1,033	-	-	1,033	3,819
Magazine	2,600	-	-	2,600	5,292
Hall running costs	64,195	-	-	64,195	57,219
Costs of fundraising events	1,279	-	-	1,279	4,723
Property management costs	963	-	-	963	-
<i>Total</i>	<u>70,070</u>	<u>-</u>	<u>-</u>	<u>70,070</u>	<u>71,053</u>
(b) Charitable activities:					
Ministry:					
Diocesan Common Fund	224,781	-	-	224,781	255,276
Clergy working expenses	4,812	-	-	4,812	7,307
Clergy housing	17,415	-	-	17,415	23,878
Charity - running expenses	54,333	-	-	54,333	69,363
Church maintenance	21,912	-	-	21,912	35,221
Upkeep of services	2,787	-	-	2,787	7,287
Upkeep of churchyard	5,762	-	-	5,762	4,895
Cost of sales	1,709	-	-	1,709	1,850
Support costs	7,883	-	-	7,883	14,946
Salaries and wages	368,601	-	-	368,601	320,778
Administration	21,267	-	-	21,267	21,443
Missionary & charitable giving					
Church overseas	4,223	-	-	4,223	6,277
Relief & dev't agencies	100	-	-	100	1,150
Home missions &c	7,302	-	-	7,302	8,290
Secular charities	2,741	-	-	2,741	8,419
<i>Total</i>	<u>745,628</u>	<u>-</u>	<u>-</u>	<u>745,628</u>	<u>786,380</u>
<i>Total expenditure on:</i>	<u>£815,698</u>	<u>-</u>	<u>-</u>	<u>£815,698</u>	<u>£857,433</u>

Included in the 2019 total expenditure of £857,433 was £857,168 unrestricted and £265 restricted fund.

Notes to the financial statements (continued)

**Statement of Financial Activities (SOFA) (continued)**

Statement of Financial Activities (SFA) (continued)					
	Activities directly undertaken £	Grant funding of activities £	Support Costs £	TOTAL 2020 £	
<hr/>					
(4) <b>Analysis of expenditure including allocation of support costs (2020)</b>					
Raising funds	70,070	-	-	70,070	
Charitable activities					
<i>Resourcing Ministry</i>	702,112	-	29,150	731,262	
<i>Resourcing Mission</i>	-	14,366	-	14,366	
	<hr/>	<hr/>	<hr/>	<hr/>	
	772,182	14,366	29,150	815,698	
	<hr/>	<hr/>	<hr/>	<hr/>	
	Activities directly undertaken £	Grant funding of activities £	Support Costs £	TOTAL 2019 £	
	<hr/>	<hr/>	<hr/>	<hr/>	
<b>Analysis of expenditure including allocation of support costs (2019)</b>					
Raising funds	71,053	-	-	71,053	
Charitable activities					
<i>Resourcing Ministry</i>	725,855	-	36,389	762,244	
<i>Resourcing Mission</i>	-	24,136	-	24,136	
	<hr/>	<hr/>	<hr/>	<hr/>	
	796,908	24,136	36,389	857,433	
	<hr/>	<hr/>	<hr/>	<hr/>	
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS 2020 £	
	<hr/>	<hr/>	<hr/>	<hr/>	
(5) <b>Analysis of support costs</b>					
Resourcing Ministry	7,883	-	-	7,883	14,946
Administration costs	15,987	-	-	15,987	16,163
Audit fee	5,280	-	-	5,280	5,280
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	29,150	-	-	29,150	36,389

**(6) Auditors remuneration**

The auditors remuneration amounts to an audit fee of £5,280 (2019: £5,280), which is included in administration costs.

**(7) Trustees, key management personnel and related parties**

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

Aggregate contributions to the charity's funds from all trustees amounted to £44,707 (2019: £48,425)

**(8) Staff costs**

	£	£
Wages and salaries	337,414	299,414
Social security costs	22,440	15,589
Pension costs	8,747	5,775
	<u>£368,601</u>	<u>£320,778</u>

During the year the PCC employed an average of 3 youth and children's workers (2019 -3), 13 pre-school staff (2019-15), 9 administration and support staff (2019-10) and 1 other (2019-1), the majority of whom worked part-time.

No Employee received remuneration in excess of £60,000.

**(9) Pension**

The PCC operates defined contribution pension schemes for eligible employees, making payments into the National Employment Savings Trust (NEST). The amount recognised as an expense in the period was £8,747 (2019: £5,775).

**Balance Sheet****Fixed assets**

## (10) Tangible fixed assets

*Cost*

At 1 January 2020

At 31 December 2020

*Depreciation*

At 1 January 2020

At 31 December 2020

*Net book value*

At 31 December 2020

At 31 December 2019

Freehold property comprises:

Oliver Bird Hall, Solihull at cost

Church Hill Close, Solihull at cost

Middlewood Drive, Solihull at cost

**Investment Assets**

## (11) Quoted investments

*Market value*

At 1 January 2020

Disposals

Gains on realisations and revaluations

At 31 December 2020

Quoted investments comprise:

Central Board of Finance of the Church of England (CBF):

- 83,237.99 Investment Fund income shares (Cost £837,970)

- 316,986.92 Property Fund shares (Cost £346,000)

COIF Charities:

- 4,427.52 Ethical Investment Fund shares (Cost £10,000)

- 2,820.23 Global Equity Fund shares ((Cost £5,000)

- 3,709.92 Fixed Interest Fund shares (Cost £5,000)

Total quoted investments

## (12) Debtors

Income tax recoverable

Prepayments

Other debtors

## (13) Creditors: amounts falling due within one year

Accruals

Trade creditors

Other creditors

## (14) Analysis of net assets by type of fund

Tangible fixed assets

Investment assets

Current assets

Current liabilities

(14) Analysis of net assets by type of fund  
[Comparative figures for 2019]

Tangible fixed assets

Investment assets

Current assets

Current liabilities

**At 31st December 2020**Freehold  
property  
£Total  
2020  
£

918,695

918,695

918,695

918,695

-

-

-

-

£918,695

£918,695

£918,695

£918,695

230,551

375,000

313,144

£ 918,695

2020

£

2,113,649

(75,000)

2,038,649

91,612

£2,130,261

2020

£

2019

£

1,701,942

1,666,230

403,873

424,984

12,212

11,489

6,961

5,844

5,273

5,102

2,130,261

2,113,649

2020

£

2019

£

10,122

13,770

4,096

1,512

7,201

9,199

£21,419

£24,481

2020

£

2019

£

15,361

14,418

17,457

9,348

82,108

86,698

£114,926

£110,464

Unrestricted

Funds

Restricted

Funds

Endowment

Funds

TOTAL FUNDS

2020

£

2019

£

£

£

£

918,695

918,695

1,933,653

129,931

66,677

2,130,261

2,113,649

789,419

41,775

8,795

839,989

932,536

(114,926)

-

-

(114,926)

(110,464)

£3,406,841

£291,706

£75,472

£3,774,019

£3,854,416

Unrestricted

Funds

Restricted

Funds

Endowment

Funds

TOTAL FUNDS

2019

£

£

£

£

£

£

918,695

2,113,649

1,929,741

121,538

62,370

2,113,649

932,536

885,772

37,969

8,795

932,536

(110,464)

(110,464)

-

-

(110,464)

£3,854,416

£3,503,744

£279,507

£71,165

£3,854,416



## Notes to the financial statements (continued)

**Balance Sheet**

	Opening balance £	Incoming £	Gains and Losses £	Fund transfers £	Outgoing	Closing balance £
(15) Movement in Funds						
(a) Endowment funds						
St Alphege:						
PW Harrison Bequest	71,165	-	4,307	-	-	75,472
Total endowment funds	71,165	-	4,307	-	-	75,472
Two Percy Harrison capital <b>endowment funds</b> arose from his 1967 legacies for non-routine maintenance of the churchyard. They were merged into a single fund in 1998.						
(b) Restricted funds						
St Alphege:						
Fabric Fund	156,639	3,802	8,393	-	-	168,834
Small Restricted Funds	2,868	4	-	-	-	2,872
SMBC Grant Fund	120,000	-	-	-	-	120,000
Total restricted funds	279,507	3,806	8,393	-	-	291,706

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

(c) Unrestricted and designated funds						
Parish:						
St Francis Parish Fund	1,986,820	53,226	60,802	-	(155,184)	1,945,664
Parish News	24,892	7,284	-	-	(7,642)	24,534
Elizabeth Newton Fund	4,249	18	-	-	-	4,267
Staff Housing Fund	645,947	18,080	9,093	-	(13,243)	659,877
St Alphege Pre-School	130,817	143,641	1,026	(7,787)	(155,284)	112,413
St Alphege:						
Oliver Bird Hall	129,638	11,034	-	7,787	(50,185)	98,274
St Alphege Bookstall	5,869	1,712	-	-	(1,106)	6,475
Organ Repair Fund	14,196	4,786	-	(4,000)	(13,930)	1,052
PW Harrison Bequest	5,506	1,936	-	-	-	7,442
General Fund(consolidated)	350,032	257,339	-	4,000	(275,729)	335,642
St Helen's:						
General Fund (consolidated)	93,235	83,916	2,011	-	(85,918)	93,244
St Michael's:						
General Fund (consolidated)	112,543	56,911	5,980	-	(57,477)	117,957
Total unrestricted and designated	3,503,744	639,883	78,912	-	(815,698)	3,406,841
<b>Total Funds</b>	<b>£3,854,416</b>	<b>£643,689</b>	<b>£91,612</b>	<b>-</b>	<b>(£815,698)</b>	<b>£3,774,019</b>

**Unrestricted funds** can be used for any of the PCC's general purposes.

The **St Francis Parish Fund** represents the original net proceeds arising from the sale of the St Francis site and their subsequent investment. It is primarily to be used for parish mission purposes, including youth and childrens work.

The **Parish News** represents the operating fund of the Parish News, the monthly parish magazine.

The **Elizabeth Newton Fund** results from a legacy which has been used to support work with children, families, and young people from the parish.

The **Staff Housing Fund** generates income which is used to contribute towards the cost of running and maintaining clergy housing. Its assets are represented by various investments and the cost of Church Hill Close, Solihull.

The **St Alphege Pre-School Fund** represents the operating fund of the St Alphege Pre-School group.

The **General Funds** of each of the three churches are used for running their day-to-day affairs, as are the **Oliver Bird Hall** and the **St Alphege Bookstall** funds.

The **Organ Repair Fund** is designated for specific purposes.

Notes to the financial statements (continued)

**Balance Sheet**

	Opening balance £	Incoming £	Gains and Losses £	Fund transfers £	Outgoing	Closing balance £
(16) Movement in Funds <b>(Comparative figures for 2019)</b>						
(a) Endowment funds						
St Alphege:						
PW Harrison Bequest	61,328	-	9,837	-	-	71,165
	<u>61,328</u>	<u>-</u>	<u>9,837</u>	<u>-</u>	<u>-</u>	<u>71,165</u>
Two Percy Harrison capital <b>endowment funds</b> arose from his 1967 legacies for non-routine maintenance of the churchyard. They were merged into a single fund in 1998.						
(b) Restricted funds						
St Alphege:						
Fabric Fund	133,683	3,788	19,168	-	-	156,639
Small Restricted Funds	2,746	387	-	-	(265)	2,868
SMBC Grant Fund	120,000	-	-	-	-	120,000
	<u>256,429</u>	<u>4,175</u>	<u>19,168</u>	<u>-</u>	<u>(265)</u>	<u>279,507</u>

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

(c) Unrestricted and designated funds						
Parish:						
St Francis Parish Fund	1,823,606	68,751	241,545	-	(147,082)	1,986,820
Parish News	24,242	9,101	-	-	(8,451)	24,892
Elizabeth Newton Fund	4,217	32	-	-	-	4,249
Staff Housing Fund	620,381	16,670	26,611	-	(17,715)	645,947
St Alphege Pre-School	94,581	191,334	2,344	(12,709)	(144,733)	130,817
St Alphege:						
Oliver Bird Hall	118,492	38,788	-	12,709	(40,351)	129,638
St Alphege Bookstall	7,479	5,246	-	-	(6,856)	5,869
Organ Repair Fund	7,657	-	-	6,539	-	14,196
PW Harrison Benefit	3,590	1,916	-	-	-	5,506
General Fund(consolidated)	211,735	473,715	-	(6,539)	(328,879)	350,032
St Helen's:						
General Fund (consolidated)	88,939	102,659	3,034	-	(101,397)	93,235
St Michael's:						
General Fund (consolidated)	95,925	64,664	13,658	-	(61,704)	112,543
	<u>3,100,844</u>	<u>972,876</u>	<u>287,192</u>	<u>-</u>	<u>(857,168)</u>	<u>3,503,744</u>
<b>Total funds(for 2019)</b>	<u>£3,418,601</u>	<u>£977,051</u>	<u>£316,197</u>	<u>-</u>	<u>(£857,433)</u>	<u>£3,854,416</u>

**Unrestricted funds** can be used for any of the PCC's purposes.

The **St Francis Parish Fund** represents the original net proceeds arising from the sale of the St Francis site and their subsequent investment. It is primarily to be used for parish mission purposes, including youth and childrens work.

The **Parish News** represents the operating fund of the Parish News, the monthly parish magazine.

The **Elizabeth Newton Fund** results from a legacy which has been used to work with children, families, and young people from the parish.

The **Staff Housing Fund** generates income which is used to contribute towards the cost of running and maintaining clergy housing. Its assets are represented by various investments and the cost of Church Hill Close, Solihull.

The **St Alphege Pre-School Fund** represents the operating fund of the St Alphege Pre-School group.

The **General Funds** of each of the three churches are used for running their day-to-day affairs, as are the **Oliver Bird Hall** and the **St Alphege Bookstall** funds.

The **Organ Repair Fund** is designated for specific purposes.

(17) Reconciliation of net income to net cash flow from operating activities	2020 £	2019 £
<b>Net (expenditure) / income for the period (as per the SOFA)</b>	(80,397)	435,815
<b>Adjustments for</b>		
(Gains) on investments	(91,612)	(316,197)
Income from investments	(81,486)	(95,420)
(Increase) / Decrease in stocks	(695)	370
Decrease / (Increase) in debtors	3,062	(224)
Increase / (Decrease) in creditors	4,462	(18,020)
<b>Net cash (used in) provided by operating activities</b>	<u>(246,666)</u>	<u>6,324</u>
(18) Analysis of cash and cash equivalents	2020 £	2019 £
Short term deposits	439,520	442,034
Cash at bank and in hand	376,805	464,471
<b>Total cash and cash equivalents</b>	<u>816,325</u>	<u>906,505</u>