



The Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull

Charity number 1127404

Report and Accounts

Year ended 31 December 2020

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**2020 Annual Report and Accounts for
the Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull
(Charity number 1127404)**

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st December 2020.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

1. Aim and purposes

Knowle PCC has the responsibility of cooperating with the incumbent in promoting in the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical. The PCC is also specifically responsible for the maintenance of the Church and nearby buildings – the Guild House, St John's Hall and St Lawrence House – and two residential properties: St Anne's Cottage and 46 Crabmill Close.

2. Objectives and activities

The statement of purpose of Knowle Parish Church (KPC), agreed by the PCC and endorsed by the 2015 APCM, is: *'We are here to help people become lifelong followers of Jesus Christ'*.

The PCC is committed to enabling as many people as possible to worship at our church and to become part of our church community to help resource their discipleship and equip them for service in the world. The PCC maintains an overview of worship in the church and in groups throughout the parish and beyond and makes suggestions on how our services and other activities can be for the benefit of everyone of whatever background. Our services and worship put faith into practice through prayer, scripture reading, teaching, music and sacrament.

When planning our activities for the year, we have considered the Charity Commission's guidance on public benefit and, in particular, the supplementary guidance on charities for the advancement of religion. We seek to enable people to find and live out their faith in Jesus Christ in our community and beyond, and we also organise a number of activities that benefit the whole community of Knowle such as pre-school groups and a friendship club for senior citizens. We also promote practical and financial support to Christian mission beyond Knowle in the UK and overseas. To facilitate our work, it is important that we maintain the fabric of the Church and related buildings.

3. Achievements and performance

Effect of Covid-19

In the early part of the year, services and activities continued in the pattern of the previous year. With 'lockdown' due to Covid-19 from Sunday 22nd March, we had to adapt to a completely new environment – restricted mainly to meetings and worship by electronic means.

Worship and prayer

On Sundays up to mid-March, five services were held with differing styles of worship and preaching, focused on 'Exploring Worship'.

From late March, thanks to a fast learning curve on electronic communications, a recorded service was broadcast on YouTube each Sunday. These were watched and appreciated by large numbers of church members and others. In the week leading up to Easter, there were also worship and prayer events using Zoom. From the end of March, a pastoral letter from the Vicar was posted most weeks on the KPC website and in the newssheet; these were greatly appreciated.

Themes of sermons after Easter were 'Our God is here' and 'Hope in uncertain times'. A week of prayer was held in late May based on 'Thy Kingdom Come', with resources on the KPC website. This included 48 hours of continuous prayer and a prayer event by Zoom on Easter Sunday. Prayer evenings by Zoom were held in most of the following months.

In the summer and autumn, sermon themes were successively: 'Re-discover Church in the Book Acts', 'Gideon the unlikely leader' and 'Unmasking hidden idols'.

It became possible in late July to re-open the church building and have services with limited numbers, subject to Covid-19 controls, but with the majority of people still accessing a recorded version of each service on YouTube. By October, thanks to a new internet connection into church and other technical developments by a dedicated team, live-streaming of services began. A further lockdown closed the church to worshippers in November, but congregations with limited numbers resumed in December. A series of special Christmas events took place in Church and online by Zoom and YouTube.

3. Achievements and performance (continued)

Ministry and evangelism

The Church continued with its aim of serving and reaching out to people in Knowle and beyond. On Saturday mornings until lockdown in mid-March, 'Cobbles' served coffee and cake in the Guild House, giving opportunity for people to meet with us in an informal setting. After careful planning, Cobbles reopened for 6 Saturdays in August and September, serving people socially-distanced in the church grounds. Friendship Club ran on Thursdays providing coffee and lunches until mid-March. Since then, leaders have kept in touch with members by various appropriate means.

Events to which friends and colleagues were invited included a men's breakfast in St John's Hall in January and, following lockdown two events by Zoom with engaging speakers on relevant current issues. These events were well attended and received.

The Alpha course at the start of 2020 was attended by 25 people and led to a new discovery group (by Zoom) being formed at its conclusion. In the Autumn, a Christianity Explored course was held by Zoom with 30 participants logging in.

The Knowle branch of Mothers' Union (MU) met monthly until March, then later in the year by Zoom.

More than 300 people met in 26 home groups in various ways throughout 2020. Generally fortnightly meetings, on a variety of days midweek, daytime or evening, for bible study, prayer and mutual support took place until March. Thereafter, various means of keeping in contact happened – Zoom meetings, regular phone calls, distributions of study materials (physically or by email) and gatherings in smaller groups in gardens in summer. The home group leaders perform an important role in discipleship and pastoral care. We are grateful for their ongoing and innovative commitment to the groups.

Connect groups for under 5s and their parents and carers – Rainbow Tots, Bumps & Babies, Dads & Toddlers and Stepping Stones Pre-school – all functioned successfully until 20th March, when they had to close due to lockdown. Stepping Stones re-opened in September on a Covid-secure basis, in line with schools. The other Connect groups had to remain suspended.

Children's work under the leadership of Sarah Covington continued until lockdown in March with KPC Kids on Sundays, operating crèche, Toddlers and Scramblers for 0-5s and 'Initi8, Gener8 and Reson8' for 5-11s. Throughout lockdown and various levels of Covid restrictions, support was given to families to nurture the faith of their children at home. Following feedback, a 3-weekly cycle on Sundays was established with one live Zoom service, one pre-recorded YouTube service and one week sending material home. In place of the various lunchtime clubs run at Knowle Academy (covering years 1-4), a weekly collective Worship on YouTube was delivered, which is then used in each class 'bubble'. The relationship with the school remains strong.

Penny's Youth Café – opened in September 2019 – is a place which is intended for young people from the local area to come and find out more about the Christian faith in a relaxed context. It remained open for young people Monday to Thursday from 3.30 to 6pm, with evening groups and events also held there, until lockdown in March. During lockdown the relationships developed with young people were sustained by offering daily Instagram video recordings as well as a Sunday evening service on YouTube. Penny's Youth Café re-opened as a Covid-secure café in July 2020 with an amended timetable to support the work of Arden Academy in limiting the contact young people have with students from different year groups. Two discipleship groups were run, which took place in both the Youth Café and on Zoom while young people are needing to self-isolate. On Sundays a Youth Alpha course was run in the morning and a Youth Service in the evening – both well attended.

Pastoral care

The pastoral care teams, led by David Pickering – covering prayer ministry, bereavement counselling and support and visiting the sick and elderly at home and in care and nursing homes – continued to serve people until lockdown in March. In lockdown, a pastoral care helpline was established and operated. Contacts with vulnerable people were maintained by telephone and in other ways, and there was ongoing support via home groups.

Church attendance and membership

Attendances at Sunday services pre-lockdown continued at the previous level of 350-400 adults and about 50 children and young people. When church attendance was again possible later in the year, maximum attendance allowed was 70. Large numbers of people logged into YouTube services – average 'views' were around 500. Zoom events were also well attended. At the time of the (postponed due to Covid) 2020 Annual Meeting in October, the Church Roll was 528, of whom 309 lived in the parish and the remaining 219 outside the parish. Many additional people have links with the church in a less formal way.

During 2020, 6 Baptisms, 4 marriages and 8 funerals took place in the church. A further 29 funeral services took place at the crematorium and 13 interments in the KPC Garden of Remembrance.

Ecumenical relationships

Our clergy met in the early part of the year with the clergy and leaders of other churches in Knowle and Dorridge. A 'churches together' service was held in January at KPC.

3. Achievements and performance (continued)

Christian mission beyond Knowle

Our church continues to support and participate in Christian ministry beyond Knowle through its support of various programmes at home and overseas with both prayer and finance. All grants and donations made are specifically approved by the PCC.

During 2020, we contributed to Tearfund 'where the need is greatest'. Our previous involvement in Kenya continued with support and prayer for the IcFEM project in Kimilili in West Kenya and Education for Life in Timbawani. We also gave to International Needs, the Malawi Task Force of the Diocese of Birmingham; also to the Diocese of Bolivia to support church pastors during the Covid emergency. In the UK, we gave to Reachout Network Ministries, Chaplaincy Plus, Urban Saints, and Scripture Union. In the Birmingham area, we supported links with St Christopher's, Springfield and with St John's, Sparkhill and the Narthex project, including food collections for their foodbank in co-operation with Tesco in Knowle. Gifts were also made to a total of 8 other churches in Birmingham to meet the needs of people there. We continue to provide significant financial support to the Diocese of Birmingham.

Fabric

During 2020, necessary general maintenance to church buildings and grounds was carried out. A quinquennial inspection of the church was carried out by the church architect and a report thereon was received. Plans for necessary work were formulated to begin in 2021.

4. People

The work of the Church was undertaken by a wide group of people including Clergy, Staff, Readers and very many members of the Church. The principle of 'every member ministry' remains strong in the life of the church.

In June, our Curate Ann Peachey completed her curacy at Knowle and left to take up a new post in the Coventry Diocese. In September, our Associate Vicar Matt Simpson left Knowle to take up a new post in Dorset. We expressed our thanks to both Ann and Matt for their ministries at Knowle.

Following vacancies that had arisen in the previous Parish Office team in 2019, a new church management team was put in place during 2020. Helen Allen took up the new post of Operations Manager in March. Gareth Roberts-Davis transitioned from his former role to Facilities and Systems Manager. Natalie Smith and Catherine Robinson joined the office team in January and November respectively.

In the Youth team, Anna Holden was on maternity leave for the year. Natasha Godfrey joined and served as part-time Youth Assistant from January until May.

Our grateful thanks are due to all these people and to many others for time, energy, care and prayer in all that has been contributed. Volunteers continue to play a central role in the work of the Church and are at the heart of most activities.

5. Financial review

The PCC is pleased to report that despite the effect of the pandemic, General Fund reserves have been maintained at a healthy level.

The curtailment of activities because of the Covid-19 pandemic has resulted in substantial reductions in income. The PCC is very grateful that regular giving by standing order from church members has been maintained throughout; but receipts such as donations at church services, fees for weddings and funerals and contributions towards activities are much reduced. However, operating expenses have also been contained to fully offset the loss in income.

In addition, in 2020 the church has become entitled to an unrestricted legacy from a former parishioner of £53,000. The PCC has transferred this to a Designated Legacies Fund until it is allocated to a specific purpose.

The General Fund, which covers the normal running expenditures of the church, showed a surplus of £28k in the year, compared to a deficit of £3k in 2019. The £28k surplus for the year is after charging depreciation of £39k, but before transferring £53k to the Designated Legacies Fund and £10k to the Designated Property Repair Fund and investing £3k in capital equipment; so net current assets, or reserves, have increased from £96k to £97k. This level of reserves is above the policy level of £60k and provides a level of flexibility in readiness for an uncertain 2021.

The Treasurer and the PCC as a whole warmly thank church members and others for their continued financial support, without which we would not be able to carry forward the ministry of Christ in Knowle.

5. Financial review (continued)

Going concern

The trustees have considered the ongoing consequences of Covid-19 and other events and conditions. Despite the curtailment of activities in 2020, reserves have been maintained; and while costs are expected to increase in 2021 because of increased staff levels, the PCC considers that reserves will continue to be maintained at or above the policy level of £60k for a further 12 months, notwithstanding the effects of Covid-19.

Accordingly, the PCC has determined that the current conditions do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern for at least twelve months following the date of signature of the balance sheet.

Income

Total income decreased by £22k to £688k, due to large decreases in donations and income from activities as a result of the Covid-19 restrictions, offset by a significant bequest and the timing of a grant towards children's and young people's work.

Income to General Funds decreased by £1k to £584k. The large increase of £46k in legacy income to £53k (2019: £7k) was offset by reductions in income that are all attributable to reduced availability of the church buildings because of the Covid restrictions; hall lettings were down by £4k, income from church activities such as fees for weddings and funerals were down by £24k and donations were down by £19k, principally because of reduced collections at church services. Planned regular giving, which represents over 80% of general fund income, was maintained at about the same level as in 2019 and is of great benefit in financial planning. The legacy income of £53k has been transferred to a Designated Legacies Fund until the PCC allocates it for specific purposes.

Income to Designated Funds decreased by £37k to £64k, again as a result of much-reduced activity in those groups which operate their own finances as listed in Note 6 to the accounts. The Youth Department had reduced income of £17k and the Stepping Stones pre-school group saw an income reduction of £10k despite continued support from the local education authority and a grant of £10k from the government's Coronavirus Job Retention Scheme which covered the costs of staff who were furloughed when the group was closed for part of the Easter term and the whole of the Summer Term.

Income to Restricted Funds increased by £16k to £40k. In 2020, grants were received towards youth and children's work totalling £39k compared to £23k in 2019. The principal reason for the increase is that grants towards youth and children's workers' salaries from Knowle United Charity (KUC) were received for both for 2020 and 2021 and in addition, KUC made a grant of £2,700 towards Penny's Youth Café. The PCC is very grateful for KUC's ongoing support over many years. A grant of £4,400 was also received from Solihull Metropolitan Borough Council towards equipment purchases for Penny's and the PCC thanks the Council for its support.

Expenditure

Contributions to the Diocesan Common Fund of £169k (2019 £167k) were in line with the amount requested; of this, about £50k is used to support other parishes. The PCC also made contributions to the Church's wider ministry by continuing the policy of giving 5% of voluntary General Fund income to outside organisations, which amounted to £34k (2019: £32k), making a total of £84k (2019: £95k) towards mission and ministry work beyond Knowle. In 2019, retiring collections and other mission payments not included in the main church accounts totalled £13k, but there were no such collections in 2020 because of the Covid restrictions.

Total expenditure in 2020 decreased by £100k to £648k.

General Fund expenditure decreased by £32k to £556k. Salaries of youth and children's workers charged to general fund decreased by £19k; of this, £9k was because one of the youth workers was on maternity leave and £10k was due to increased funding from restricted funds. There was a £23k saving in general expenses across a range of activities and a £6k saving in clergy housing costs as Matt Simpson vacated the property leased from Pickering Fields Trust. Parish Office salary costs increased by £12k as we strengthened the team, principally by the recruitment of a full-time Operations Manager, and giving to other charities including the Diocese increased by £4k.

Designated Fund expenditure decreased by £64k to £69k. The majority of this decrease is because of exceptional expenditure items in 2019, namely a special gift to the Diocesan Common Fund (£25k) and improvements to the choir vestry (£14k). The remainder of the decrease is due to Covid-related reduced activity levels in a range of associated groups, such as Stepping Stones and Friendship Club.

Restricted Fund expenditure reduced by £4k to £23k. Because of the timing of the grant funding from Knowle United Charity, there was a £10k increase in the costs of youth and children's workers' salaries that were paid from restricted grants, and £6k of expenditure on Penny's Youth Café was funded from restricted grants. By comparison, 2019 expenditure from restricted funds included £5k for the choir vestry improvements and £15k for the Moldova mission trip.

5. Financial review (continued)

Principal risks and uncertainties

The principal area of risk and uncertainty is the responsibility for the upkeep of an ancient listed building, which can give rise to large and sometimes unexpected expenditure. This risk is mitigated by the maintenance of a Designated Property Repair Fund.

6. Reserves policy

The PCC has reconfirmed its policy to maintain a balance on General Fund of a least 10%, or 5 weeks, of annual payments from the Fund. This is equivalent to £60,000 and is as low as is prudent bearing in the mind the time taken to obtain tax refunds, and the amount of income that still comes as one-off donations. This does, however, mean that any money given to the Church will be put to good use immediately! The actual balances of net current assets in the General Fund at the year-end of £97,515 are therefore in line with PCC policy. The funds held by designated organisations such as Stepping Stones are proportionately larger because their income is less certain than that of the church.

The PCC also maintains a Designated Property Repair Fund to cover the costs of major repairs; the balance on this fund of £76,684 is expected to be sufficient for any works necessary in 2021.

The Designated Legacies Fund, created to hold the balances of legacies received but not yet allocated to specific purposes by PCC, stands at £53,000.

7. Fundraising practices

The church invites voluntary donations from the public which, together with the associated Gift Aid, comprise the majority of the church's income. The PCC has reviewed its fundraising activity to ensure compliance with the latest Charity Commission guidance. The church does not use any commercial fundraiser or commercial participator. Although the church does not subscribe to particular fundraising standards or to any scheme for fundraising regulation, it follows guidelines for fundraising set by the Church of England. Fundraising activities are normally limited to invitations by the Clergy and/or Treasurer for church members to prayerfully review their giving to charitable activities including the church, and supported by information leaflets and presentations which set out the financial position of the church, normally given on "Stewardship Sunday". Particular care is taken to ensure the protection of vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on a person's privacy, is unreasonably persistent, or places undue pressure on a person to give money or other property. No complaints have been received by the church related to its fundraising activity.

8. Plans for future periods

Our aim and purpose will remain as stated in 1 above. We will continue to run and develop our programme of worship services, groups, activities and special events, with changes depending on the Covid-19 situation, to meet needs and initiatives as they arise. In 2021 we are seeking to recruit a new Associate Vicar and look ahead to the arrival of a new Curate in July. Our motivation continues to be that, as KPC, 'We are here to help people become lifelong followers of Jesus Christ'. The Trustees regularly consider issues of direction and furtherance of our mission at PCC meetings, with renewal of our vision for the years ahead a specific focus in the first part of the year.

9. Structure, governance and management

The PCC is a corporate body established by the Church of England governed by the Parochial Church Council (Powers) Measure 1956 and the Church Representation Rules. It is a registered charity with the Charity Commission (no. 1127404).

The trustees of the charity are the PCC members. The method of appointment of PCC members is set out in the Church Representation Rules. At KPC, the membership of the PCC consists of the incumbent and other appointed clergy, members (including a Reader and churchwardens) elected by members of the congregation who are on the Electoral Roll of the church.

Those who regularly attend services and participate in church activities are encouraged to register on the Electoral Roll and may also stand for election to the PCC.

Members of the PCC are one of (i) co-opted, (ii) directly elected by the APCM, or (iii) members of our church who have been elected to Diocesan Synod to represent our Deanery.

As at the year-end, following the APCM on 14th October (*postponed from March due to Covid-19*), there were:

6 elected members with Deanery Synod membership and

9 elected members without Deanery Synod membership.

Any member of the Church may offer themselves for election to PCC at the APCM provided they qualify under the Church Representation Rules. Appropriate nomination forms may be obtained from the PCC Secretary via the Parish Office. Nominees to PCC can obtain appropriate information on both the role of the PCC and the role of members from the PCC Secretary.

9. Structure, governance and management (continued)

The policies and procedures for the induction and training of trustees are as follows:

Prior to the PCC elections, prospective PCC members receive an information leaflet setting out the role of the trustees and particularly drawing attention to conflicts of interest. After election, PCC members receive the Charity Commission's "Essential Trustee" booklet, the Church of England booklet "Trusteeship – An Introduction for PCC Members" and an internally-produced document setting out the constraints on payments to PCC members or connected persons. Part of the PCC meeting which follows the PCC election is dedicated to trustee training.

The PCC members are responsible for making decisions on all matters of general concern and importance to the parish including deciding on how the funds of the PCC are to be spent.

The PCC held 7 business meetings during the year. There are 6 permanent Sub-committees: – Standing, Fabric, Finance, Health & Safety (who undertake risk reviews on behalf of the PCC), Human Resources (Paid Staff), and Stepping Stones Pre-school Management.

The key management personnel of the charity is the Standing Committee, made up of the senior clergy, churchwardens, the secretary, the treasurer and the operations manager (from April 2020). The Standing Committee may conduct urgent PCC business that arises from time to time between PCC meetings, in accordance with the Church Representation Rules. Of the key management personnel, only the operations manager (being an employee) receives remuneration from the charity.

All Sub-committees report to the PCC on a regular basis and provide recommendations to the PCC. All matters of policy and finance are determined by the PCC, and are not delegated to Sub-committees; however, detailed implementation of PCC decisions may be delegated to specific Sub-committees from time to time as determined by the PCC. Membership of the Sub-committees is approved by the PCC. Other groups exist on an ad hoc basis to deal with specific matters. Effort was again put into monitoring the balance between spending and income, so as to achieve a balanced budget, with appropriate provision for forthcoming fabric expenditure.

The council has complied with its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 to have due regard to House of Bishops' guidance on safeguarding children and vulnerable adults.

10. Reference and Administrative details

The registered name of the charity is The Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull, registered charity no. 1127404. In this report, for ease of reading, the charity is also referred to as "the PCC", "Knowle Parochial Church Council", "the Council", "Knowle Parish Church" and "KPC".

Knowle Parish Church is situated beside High Street and Kenilworth Road, Knowle. It is part of the Diocese of Birmingham in the Church of England. The correspondence address is Knowle Parish Office, St Lawrence House, 1717 High Street, Knowle, Solihull, B93 0LN.

The following members served on the council for all or part of the year; those serving in more than one capacity may appear more than once:

Incumbent:	Revd Geoffrey Lanham (Chairman)	
Associate Vicars:	Revd Matt Simpson (<i>until September</i>)	
Curate:	Revd Ann Peachey (<i>until June</i>)	
Churchwardens:	Matt Baggott (lay deputy chair)	Bill Wilson (<i>until October</i>)
Member of Diocesan Synod:	Julian Phillips (Reader)	

Elected Representatives to Deanery Synod:

Nick Brown	Roy Carr (Secretary)	Nick Humby
Carol Kay (<i>from October</i>)	Lindsay Melvin (<i>until October</i>)	Julian Phillips
David Pickering (<i>from October</i>)	Derek Sheldon (<i>until October</i>)	

Elected members to PCC:

Lynn Brown	Sarah Chapman (<i>from October</i>)	Nick Houghton (<i>from October</i>)
Margaret Johnson (<i>until July</i>)	Steve Mort (Treasurer)	Benjamin Neudorfer (<i>from October</i>)
Lucy Saunders (<i>until October</i>)	Anne Smith (<i>from October</i>)	Carol Street (<i>until October</i>)
Rod Street (<i>from October</i>)	Kay Todman	Liz Welton
Zoe Wilbourne (<i>until October</i>)		

No co-opted members.

Helen Allen, Sarah Covington and Paul Holden attended PCC meetings in a non-voting capacity.

10. Reference and Administrative details (continued)

Bank: HSBC Bank plc, 34 Poplar Road, Solihull, B91 3AF
Auditors: Azets Audit Services
First Floor, Copthall House, 1 New Road, Stourbridge, West Midlands, DY8 1PH

11. Statement of trustees' responsibilities

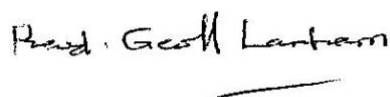
The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees 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. 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.

Report approved by the PCC and signed on its behalf by



Revd Geoffrey Lanham (incumbent)

**Statement of financial activities
for the year ended 31 December 2020**

Funds		Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
		General	Designated			General	Designated		
		2020	2020	2020	2020	2019	2019	2019	2019
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	1.a	545,508	1,823	40,116	587,447	518,483	5,688	16,758	540,929
Charitable activities	1.b	35,951	61,295	-	97,246	59,819	91,556	3,954	155,329
Other trading activities	1.c	1,985	971	-	2,956	5,574	3,915	3,091	12,580
Investments and deposits	1.d	580	-	205	785	994	-	314	1,308
Total income		584,024	64,089	40,321	688,434	584,870	101,159	24,117	710,146
Expenditure on:									
Raising funds	2a	2,459	478	-	2,937	5,388	617	-	6,005
Charitable activities	2b 2c	553,727	68,147	23,285	645,159	582,437	132,154	26,993	741,584
Total expenditure		556,186	68,625	23,285	648,096	587,825	132,771	26,993	747,589
Net income/(expenditure)		27,838	(4,536)	17,036	40,338	(2,955)	(31,612)	(2,876)	(37,443)
Transfer General Funds to Designated Funds	6	(63,000)	63,000	-	-	(10,000)	10,000	-	-
Transfer Restricted Funds to General Fund	6	-	-	-	-	-	-	-	-
Net movement in funds		(35,162)	58,464	17,036	40,338	(12,955)	(21,612)	(2,876)	(37,443)
Reconciliation of Funds:									
Funds brought forward		1,468,422	130,231	45,043	1,643,696	1,481,377	151,843	47,919	1,681,139
Funds carried forward		1,433,260	188,695	62,079	1,684,034	1,468,422	130,231	45,043	1,643,696

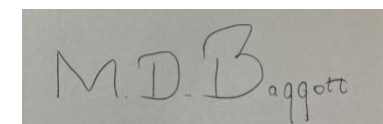
Balance sheet at 31 December 2020

Funds	Note	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
		General	Designated			General	Designated		
		2020	2020	2020	2020	2019	2019	2019	2019
		£	£	£	£	£	£	£	£
Fixed Assets									
Tangible fixed assets	4.1	1,335,745	-	-	1,335,745	1,372,209	-	-	1,372,209
Investment assets	4.2	-	-	1,482	1,482	-	-	1,346	1,346
Sub Total - Fixed Assets		1,335,745	-	1,482	1,337,227	1,372,209	-	1,346	1,373,555
Current assets									
Debtors - HMRC gift aid tax recoverable		8,053	-	-	8,053	21,797	-	-	21,797
- Legacy - outstanding settlement		23,000	-	-	23,000	-	-	-	-
- Prepayments		1,782	1,357	-	3,139	1,081	1,218	-	2,299
Cash and cash equivalents									
- Bank accounts		78,963	99,736	42,720	221,419	52,657	79,631	31,246	163,534
- Deposit accounts		2,706	90,000	18,000	110,706	42,238	50,000	18,000	110,238
- Cash		501	265	-	766	442	575	-	1,017
Sub Total - Current Assets		115,005	191,358	60,720	367,083	118,215	131,424	49,246	298,885
Liabilities: Falling due within one year					-				-
Creditors and accruals in respect of parochial activity		14,756	2,663	-	17,419	18,462	1,193	-	19,655
Charity collections not paid over		-	-	123	123	-	-	5,549	5,549
Deferred Income (rentals and mag adverts paid in advance)		2,734	-	-	2,734	3,540	-	-	3,540
Sub Total - Liabilities		17,490	2,663	123	20,276	22,002	1,193	5,549	28,744
Sub Total - Net Current Assets		97,515	188,695	60,597	346,807	96,213	130,231	43,697	270,141
Total Net Assets		1,433,260	188,695	62,079	1,684,034	1,468,422	130,231	45,043	1,643,696
Funds					-				-
Unrestricted (General Fund)		1,433,260	-	-	1,433,260	1,468,422	-	-	1,468,422
Designated	6	-	188,695	-	188,695	-	130,231	-	130,231
Restricted	6	-	-	62,079	62,079	-	-	45,043	45,043
					-				-
Total		1,433,260	188,695	62,079	1,684,034	1,468,422	130,231	45,043	1,643,696

Approved by the Parochial Church Council on 24th February 2021 and signed on its behalf by:


Revd Geoff Lanham: Chairman

Matt Baggott: Vice Chairman



Statement of Cash Flows
for the year ended 31 December 2020

Funds <i>Note</i>	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total
	2020 £	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £	2019 £
Cash flows from operating activities:								
Net movement in funds per SOFA	(35,162)	58,464	17,036	40,338	(12,955)	(21,612)	(2,876)	(37,443)
Adjustments for:								
Depreciation charges	39,365	-	-	39,365	39,401	-	-	39,401
(Increase)/decrease in debtors	(9,956)	(139)	-	(10,095)	3,091	(206)	-	2,885
Increase/(decrease) in creditors	(4,512)	1,470	(5,426)	(8,468)	5,058	(259)	607	5,406
Net cash provided by (used in) operating activities	(10,265)	59,795	11,610	61,140	34,595	(22,077)	(2,269)	10,249
Cash flows from investing activities:								
Purchases of fixed assets	(2,902)	-	-	(2,902)	(1,262)	-	-	(1,262)
Purchases of investments	-	-	(136)	(136)	-	-	(246)	(246)
Net cash provided by (used in) investing activities	(2,902)	-	(136)	(3,038)	(1,262)	-	(246)	(1,508)
Change in cash and cash equivalents in the reporting period	(13,167)	59,795	11,474	58,102	33,333	(22,077)	(2,515)	8,741
Changes in cash and cash equivalents:								
Opening balances:								
Current account	52,657	79,631	31,246	163,534	20,188	112,022	23,761	155,971
Deposit account	42,238	50,000	18,000	110,238	41,415	40,000	28,000	109,415
Cash	442	575	-	1,017	401	261	-	662
Total opening balances	95,337	130,206	49,246	274,789	62,004	152,283	51,761	266,048
Closing balances								
Current account	78,963	99,736	42,720	221,419	52,657	79,631	31,246	163,534
Deposit account	2,706	90,000	18,000	110,706	42,238	50,000	18,000	110,238
Cash	501	265	-	766	442	575	-	1,017
Total closing balances	82,170	190,001	60,720	332,891	95,337	130,206	49,246	274,789
Increase/(decrease) in net cash holdings (equals A)	(13,167)	59,795	11,474	58,102	33,333	(22,077)	(2,515)	8,741

I. Income analysis

Funds	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
	General	Designated			General	Designated		
	2020 £	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £	2019 £
1a Donations and legacies:								
Envelope scheme	2,121	-	-	2,121	5,355	-	-	5,355
Regular Standing orders	360,155	-	-	360,155	355,787	-	-	355,787
One-off donations	15,985	-	-	15,985	18,250	-	-	18,250
Other Stewardship & CAF	22,200	-	-	22,200	28,260	-	-	28,260
Gift Aid Tax recoverable (GAT)	88,600	440	135	89,175	88,890	-	-	88,890
Cash collections	3,085	-	-	3,085	11,526	-	-	11,526
Other income	140	-	-	140	524	-	-	524
Collections for charities	-	-	-	-	-	-	-	-
Grants/donations for young people's work	-	1,021	39,281	40,302	-	4,812	11,072	15,884
Donations, appeals, etc.	141	362	700	1,203	3,034	876	5,686	9,596
Legacies	53,081	-	-	53,081	6,857	-	-	6,857
Total	545,508	1,823	40,116	587,447	518,483	5,688	16,758	540,929
1b Income from Church Activities:								
Parish magazine	19,423	-	-	19,423	19,742	-	-	19,742
Bookstall	618	-	-	618	1,320	-	-	1,320
Ministry group contributions	5,098	-	-	5,098	15,889	-	-	15,889
Church and hall lettings	3,589	-	-	3,589	10,450	-	-	10,450
Wedding and Funeral Fees	7,183	-	-	7,183	12,269	-	-	12,269
Other Group Activities	40	61,295	-	61,335	149	91,556	3,954	95,659
Total	35,951	61,295	-	97,246	59,819	91,556	3,954	155,329
1c Other trading activities (incl. rentals)	1,985	971	-	2,956	5,574	3,915	3,091	12,580
1d Investment dividends and interest	580	-	205	785	994	-	314	1,308
Total income	584,024	64,089	40,321	688,434	584,870	101,159	24,117	710,146

2. Expenditure analysis

Funds	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
	General	Designated			General	Designated		
	2020 £	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £	2019 £
2a Raising funds								
Costs attributable (mainly to rents received)	2,459	478	-	2,937	5,388	617	-	6,005
Sub-total	2,459	478	-	2,937	5,388	617	-	6,005
2b Charitable activities: Mission								
Outside giving to charities (see note 7)	33,062	507	-	33,569	30,446	1,233	-	31,679
2c Charitable activities: Ministry:								
Diocesan Common Fund	169,335	-	-	169,335	167,002	25,000	-	192,002
Clergy expenses	3,777	-	-	3,777	6,497	-	-	6,497
Clergy and youth worker housing costs	29,720	-	-	29,720	36,196	-	-	36,196
Ministry groups	2,557	-	-	2,557	4,761	-	-	4,761
Ministry services incl. books and sundries	5,609	-	-	5,609	9,645	-	-	9,645
Pastoral care expenses	-	-	200	200	328	-	-	328
Other Group Activities	-	945	-	945	357	5,516	-	5,873
Children's ministry	55,633	61,995	8,278	125,906	59,717	67,897	3,375	130,989
Youth ministry	42,141	4,305	14,807	61,253	60,739	14,981	18,566	94,286
Church running expenses	34,949	-	-	34,949	25,273	13,713	4,495	43,481
Parish magazine costs	22,452	-	-	22,452	22,362	-	-	22,362
Bookstall expenditure	428	-	-	428	1,411	-	-	1,411
Churchyard upkeep	11,660	-	-	11,660	10,876	-	-	10,876
St John's Hall expenses	39,275	-	-	39,275	45,137	-	-	45,137
Guild House expenses	7,826	-	-	7,826	9,587	-	-	9,587
Music & Choir expenses	16,802	-	-	16,802	17,746	1,988	-	19,734
Parish Office and Admin costs	61,825	-	-	61,825	58,010	-	-	58,010
Insurance	11,921	-	-	11,921	10,653	-	557	11,210
Other Expenses	855	395	-	1,250	1,739	1,826	-	3,565
Governance/audit/accounts costs	3,900	-	-	3,900	3,955	-	-	3,955
Sub-total	553,727	68,147	23,285	645,159	582,437	132,154	26,993	741,584
Total expenditure	556,186	68,625	23,285	648,096	587,825	132,771	26,993	747,589

3. Accounting Policies

3.1 Basis of Preparation

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members. The accounts include a number of church organisations that operate their own finances, as required by the Charities Act 2011; these organisations are listed at Note 6.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Knowle PCC meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in GBP, which is the functional currency of the charity, and are rounded to the nearest £1.

Going concern - the trustees have considered the ongoing consequences of Covid-19 and other events and conditions. Despite the curtailment of activities in 2020, reserves have been maintained; and while costs are expected to increase in 2021 because of increased staff levels, the PCC considers that reserves will continue to be maintained at or above the policy level of £60k for a further 12 months, notwithstanding the effects of Covid-19. Accordingly, the PCC has determined that the current conditions do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern for at least twelve months following the date of signature of the balance sheet.

3.2 Funds

Unrestricted funds represent the funds of the PCC that are not subject to any restrictions regarding their use. The PCC at its discretion has elected to designate certain unrestricted funds for a particular purpose. The practical operation of the funds is as follows:

The Parish General Fund

The PCC is responsible for all church funds, but this is the fund where income is received for the PCC to decide how it is best deployed to achieve the church's Christian charitable objectives. The General Fund balance is effectively unspent income and is retained as a cushion against uncertainties.

Designated Funds

Designated funds for Property and Churchyard repairs and renovation are maintained by the PCC to separately manage the high and irregular costs involved. Gifts for fabric repairs or renovation are taken to the designated Property Fund if they can be related to costs incurred during the year. If a gift is for a specific fabric related purpose which is not carried out in the current year, then they are allocated to the restricted Property Repair Fund. A Designated Legacy Fund has been established to hold the balance of unrestricted legacies received until the PCC allocates them to a specific purpose. Designated funds also include the funds of the church organisations that operate their own finances; most of the income of these funds is payment for the provision of charitable activities. The designated funds are listed at Note 6.

Restricted Funds

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 specific purposes. The restricted funds are listed at Note 6.

3.3 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, the amount can be measured reliably and it is probable that the income will be received.

Voluntary income and planned giving, including covenants, are recognised when received by or on behalf of the PCC. Income tax recoverable on gift aid donations is recognised when the donations are received.

Most non-donation income is treated as income from charitable activities as the income derives from the provision of charitable (or Christian) services to local parishioners in pursuit of the Christian objectives of the church.

The amount of purely fundraising activity is small and normally consists of rental income from church facilities and residential property when these are not needed for church purposes.

Sales of books and other material from the bookstall and sales of the Parish Magazine are accounted for gross.

Rental income is recognised according to the period to which it relates and is shown gross, even though some of the rental income comes from other PCC funds such as the Stepping Stones pre-school.

3. Accounting Policies (continued)

Dividends and interest from investments are accounted for when receivable except that interest on deposits with the Central Board of Finance for the Church of England are accrued.

Grants, legacies and donations to the PCC are accounted for as soon as the PCC is notified of its legal entitlement and the amount can be reliably estimated.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the year the company has received support from the HMRC scheme, known as the Coronavirus Job Retention Scheme (CJRS), which has been used to pay the wages of furloughed Stepping Stones staff.

Realised gains or losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at 31 December.

3.4 Expenditure

Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that the amount will be paid and the amount can be measured reliably. The charity is not registered for VAT purposes and expenditure is shown inclusive of VAT. Grants and donations by the PCC are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC. The Diocesan Common Fund is accounted for when paid.

Expenditure on Raising Funds is the directly attributable cost of renting out church facilities and residential property when these are not required for church purposes, plus an allocation of costs associated with administration. In practice for church facilities, this involves estimating the variable costs per session of operating the facilities and expressing this as a percentage of the average rental charge. For residential property that is normally held for clergy or staff housing, only those outgoings specifically related to the rental activity are identified as fundraising costs.

3.5 Fixed Assets

Consecrated and beneficed property

Consecrated and beneficed property is excluded from the accounts by Charities Act 2011 s.10 (2)(a). No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property.

Land and Buildings

Land and buildings are stated at cost (or deemed cost) less accumulated depreciation. Straight line depreciation lives are applied to components as follows:

- Building and roof structures 100 years
- Roof surfaces 70 to 80 years
- Windows, doors plumbing and cabling 40 to 50 years
- Internal facilities and integral equipment 15 years
- Land is not depreciated
- Grade II Listed buildings 900 years

Fittings, Furnishings and Equipment

- Furnishings and equipment are capitalized where the cost is above £1,500. However, lower value items, of immaterial value in total, may also be capitalized where the related records provide a control over the use and deployment of the assets (e.g., laptops). Straight-line depreciation is applied, with lives determined specifically to each type of asset, up to 10 years with computer equipment and related software at 5 years.

3.6 Investments

Investments are valued at market value at 31 December. Realised and unrealised gains or losses on investments are dealt with in the Statement of Financial Activities.

3. Accounting Policies (continued)

3.7 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Amounts owing to the PCC as at 31 December in respect of fees, rents or other income are shown as other debtors, net of any provision for amounts that may prove uncollectible. Short-term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank or small balances of petty cash.

Creditors and accruals in respect of parochial activity comprise Trade Creditors of £1,943 (2019 - £4,154) and Accruals of £12,813 (2019 - £15,501).

3.8 Pension Schemes

The church contributes to defined contribution pensions for one longer standing employee and also provides pension arrangements for auto-enrolment of staff via the Diocesan Scheme set up in compliance with current pension legislation. The assets of the schemes are held separately from those of the charity. The contributions payable are charged to the statement of financial activities.

4. Fixed Assets and Investments for use by the PCC

4.1 Fixed Assets

The majority of the fixed assets by value comprise the five properties beneficially owned by the PCC as follows:

- Residential properties – St Anne's Cottage and 46 Crabmill Close
- Offices and meeting places – St John's Hall, St Lawrence House and the Guild House

Title to all the land on which the buildings are situated is held by Birmingham Diocesan Trustees Registered as custodian trustees, on behalf of the PCC because the PCC is not permitted by law to be the registered owner of land.

On the implementation of FRS102 the residential properties were valued at open market prices and the offices/meeting places at depreciated current replacement cost. The valuation of the Guild House included an impairment appraisal that wrote down to zero the structure of this medieval building that is very expensive to maintain and where the NPV of the related excess costs over a modern equivalent is equal to or greater than the undepreciated replacement cost of a modern equivalent.

	Land and buildings	Fittings, Furnishings and equipment	Projects in progress	Total
	£	£	£	£
Cost or deemed cost				
At beginning of the year	1,403,697	142,051	-	1,545,749
Additions	2,040	862	-	2,902
Disposals	-	(2,857)	-	(2,857)
Revaluations	-	-	-	-
Transfers	-	-	-	-
<i>At end of the year</i>	1,405,737	140,056	-	1,545,794
Depreciation and impairments				
At beginning of the year	(106,933)	(66,607)	-	(173,540)
Disposals	-	2,857	-	2,857
Depreciation	(23,901)	(15,465)	-	(39,366)
Impairment	-	-	-	-
Transfers	-	-	-	-
<i>At end of the year</i>	(130,834)	(79,215)	-	(210,049)
Net book value at beginning of year	1,296,764	75,444	-	1,372,209
Net book value at end of year	1,274,903	60,841	-	1,335,745

4. Fixed Assets and Investments for use by the PCC (continued)

4.1 Fixed Assets (continued)

Land and Buildings

Included within Land and buildings is £300,000 (2019 - £300,000) of freehold land which is not depreciated.

Fittings, Furnishings and Equipment

The additions comprised a replacement boiler in St Lawrence House and a replacement staff computer.

4.2 Investments

Investments of £1,482 represent shares in the CBF's Investment Fund at market value as at 31 December 2020 (2019 - £1,346). The historic cost of these shares was £813 (2019 - £771).

5. Staff Costs and Numbers Employed

	2020 £	Average Numbers Employed	2019 £	Average Numbers Employed
Youth & children's leadership	91,514	4	100,629	4
Parish Office staff	80,371	5	68,251	6
Stepping Stones	53,836	7	50,063	7
National insurance	10,645		10,155	
Pension	4,079		3,854	
Total	240,444	16	232,952	17

(Note: Facilities & Systems Manager and Music Minister are included in Parish Office staff)

During 2020, one of the youth leaders was on maternity leave and the full-time Operations Manager replaced a part-time post. Stepping Stones costs include those for staff who were furloughed during the Covid shutdown; grants totalling £10,042 were received from the Coronavirus Job Retention Scheme for 80% of these costs.

Parish workers and clergy received £2,168 (2019: £10,025) by way of reimbursement of expenses whilst on PCC business. The large reduction is because of the Covid-related travel restrictions in 2020. In addition, clergy housing costs amounted to £20,134 (2019: £26,875) and accommodation was also provided for a member of the Youth team to carry out his duties effectively. The reduction in clergy housing costs this year was mainly due to the Associate Vicar Matt Simpson leaving for a new post in September. £16,200 (2019: £21,600) of the clergy accommodation costs was paid to Pickering Fields Trust for the rental of a property on Newton Road which normally houses the Associate Vicar.

The average head count during the year was 16 (2019: 17). No employees received employee benefits of more than £60,000.

The key management personnel of the charity is the Standing Committee, made up of the senior clergy, churchwardens, the secretary, the treasurer and the operations manager who was appointed in March 2020. Of the key management personnel, only the operations manager (being an employee) receives remuneration from the charity and their employee benefits in 2020 totalled £27,063 (2019: £nil) including pension contributions of £648 (2019: £nil); note that clergy are not employees of the charity.

6. Fund Details

Restricted Funds

The restricted funds arise where donations have been made for a specific purpose and funds are retained awaiting disbursement.

Restricted Funds	Balance 01-Jan 2020 £	Movement in resources			Balance 31-Dec 2020 £
		Incoming £	Gains and losses £	Outgoing £	
R.A.C.K. Roof Fund	1,346	41	95	-	1,482
Restricted Legacies and Donations Fund	24,020	500	-	(200)	24,320
Property Repair/Renovation Fund	551	-	-	-	551
Pontifex Clock Fund	1,703	69	-	-	1,772
Organ Fund	576	-	-	-	576
Soldiers' Chapel	7,535	-	-	-	7,535
Choir Fund	340	335	-	-	675
Grants to employ Children and Youth Workers	-	31,781	-	(16,556)	15,225
Restricted Gifts and Grants for Youth Activities	8,972	7,500	-	(6,529)	9,943
Totals	45,043	40,226	95	(23,285)	62,079

6. Fund Details (continued)

Restricted Funds (continued)

The RACK Roof Fund consists of donations received many (30+) years ago towards major roof repairs which are being held for the future. The income and gains/losses arise from investments related to the fund.

The Restricted Legacies and Donations Fund consists of various gifts and legacies where the donor has specified a specific use. The balance on the fund now consists mainly of the remainder of a 2018 grant from a legacy trust, given with a bias towards youth work.

The Property Repair and Renovation Fund consists of restricted donations received in the past towards major property repairs which are being held for the future.

The Pontifex Clock Fund consists of accumulated donations from the Knowle Church Clock Trust (a separate charity), also known as the Pontifex Clock Trust, towards repair and maintenance of the Knowle Parish Church clock and weathervane and for their eventual replacement.

The Organ Fund consists of restricted donations received towards major renovation and repairs to the organ which are being held for the future.

The Choir Fund consists of restricted donations received for the Choir, and also monies received from weddings in excess of the amounts distributed to choir members, and is available for choir activities.

The Soldiers Chapel Fund arose from a major project in c.2010 to restore the decorated plasterwork in the Soldiers Chapel, situated at the north-east corner of the nave in the church. Generous donations were gratefully received towards this project from a number of sources including the Royal British Legion. The fund now consists of the excess of donations received over the cost of the project and is being held over to fund any further restoration work that may be required in the future.

Grants to employ Children and Youth workers include two grants totalling £29k by Knowle United Charities towards payment of salaries; of this, £15k has been retained in the fund towards salaries in 2021.

The Restricted Gifts and Grants for Youth Activities Fund, formerly called the Youth Charity Fund, has been used to account for the dedicated gifts and fundraising income, and the costs incurred, for the mission trips which occurred in previous years; the remaining balance from these trips of £7,849 (which includes a new donation in 2020 of £400) is being held over towards future trips, by agreement with the donors. This fund also holds restricted grants towards Penny's Youth Café; during 2020, grants of £2,700 and £4,400 were received from Knowle United Charity and Solihull Metropolitan Borough Council respectively. The grant from SMBC was spent in 2020 and £2,094 of the KUC grant remains available for use in 2021.

Designated Funds

Designated Funds	Balance	Movement in resources			Balance
	01-Jan	Incoming	Transfers	Outgoing	31-Dec
	2020				2020
	£	£	£	£	£
Organisations which operate their own finances*					
Stepping Stones	22,930	59,137		(62,438)	19,629
Others	24,509	4,952		(6,187)	23,274
Funds maintained within church finances:					
Church Away Weekend	1,198	-	-	-	1,198
Property Repair Fund	66,684	-	10,000	-	76,684
Churchyard Fund	14,910	-	-	-	14,910
Designated Legacies Fund	-	-	53,000	-	53,000
Totals	130,231	64,089	63,000	(68,625)	188,695

*There are a number of church organisations that operate their own finances. The Charities Act 2011 requires their figures to be included and they include Rainbow Tots, Stepping Stones, Bell Ringers, Friendship Club, Youth, Wedding & Funeral Fees, and the Flower Guild.

Church Away Weekend – this is the surplus arising from the last church away weekend in 2018, which is being carried forward to be used for the next church away weekend.

The Property Repair Fund has been designated by the PCC for any major work to the church's properties. Over recent years, £10k annually has been transferred from General Funds and the PCC keeps this level under review. There have been no other incomings or outgoings in 2020, but major works will be undertaken in 2021 resulting from the quinquennial inspection of the church building which took place in 2020.

The Churchyard Fund has been designated by the PCC for any major work that may be required in the churchyard.

6. Fund Details (continued)

Designated Funds (continued)

The Designated Legacies Fund has been created to hold the balances of legacies received but not yet allocated to specific purposes by PCC, and holds the value of a legacy of £53,000 to which the church became entitled in 2020.

Unrestricted Funds

Included with unrestricted funds is £386,923 of non-distributable reserves which arose on the revaluation of land and buildings on the implementation of FRS102.

7. Outside Giving & Retiring Collections

This year the church supported other charities, mission work and individuals to a total of £34k, with £300 of this being a share of the gross receipts of the “Cobbles” Saturday morning informal café, where the Cobbles leadership nominate a different charity every few months. In 2019, £13k was given directly to other charities and mission work through the organisation of retiring collections and fundraising events for specific charities. This latter income was excluded from the accounts but included here to provide a more complete picture of the fundraising activity of the church; however, the Covid restrictions on church services and other events has meant that there have been very few such collections in 2020, amounting to £447. Details of these payments are shown below.

Charity	Gen/Desig Funds £	Restricted Funds £	Total 2020 £	Gen/Desig Funds £	Restricted Funds £	Total 2019 £
Diocese of Bolivia	6,025		6,025			
Kenya Mission Initiatives	3,000		3,000	3,000		3,000
St Johns Sparkhill	3,000		3,000	3,000		3,000
St Christophers Springfield	3,000		3,000	3,000		3,000
Tearfund	2,180		2,180	2,240	657	2,897
Reachout Network Ministries	2,000	93	2,093	2,000		2,000
Malawi Task Group, CofE Birmingham	2,000		2,000	1,000		1,000
St Philips & St James Dorridge - Building Project	2,000		2,000			
St Andrews Chelmsley Wood	1,500		1,500	3,500		3,500
Urban Saints	1,310		1,310	1,240		1,240
International Needs	1,000		1,000	1,000		1,000
Scripture Union	1,000		1,000	1,000		1,000
Compassion	654		654	540		540
Aston Parish Church	500		500			
Chaplaincy Plus - Birmingham	500		500	1,000		1,000
Holy Trinity Smethwick	500		500			
Matt Roberts-Davies	500		500	700		700
St Germain's Edgbaston	500		500			
St Gabriel Weoley Castle	500		500			
St Johns Ladywood	500		500			
St. Margaret Short Heath	500		500			
St.Thomas Garretts Green	500		500			
Mad Hatters Tea Party for disabled children - Cobbles	300		300	225		225
Springfield Project		229	229		472	472
Knowle & Dorridge Churches Together		125	125		203	203
Christian Aid	100		100	100	2,591	2,691
Christians Against Poverty (Carol services)					1,857	1,857
The Feast (Carol services)					1,847	1,847
This Way Up				1,500		1,500
Outreach Angels				565	835	1,400
Agape				1,250		1,250
LEADS Sri Lankan Christian Charity				521	657	1,178
Urban Devotion					1,012	1,012
Royal British Legion					790	790
Shine (from Cobbles)				645		645
Solihull Mind				608		608
KPC Youth Mission				595		595
Betel (UK)					523	523
Restore- Birmingham Churches Together					523	523
CPAS				500		500
Fusion				500		500
Solihull Welcome				500		500
UCCF				500		500
Others				450	1,191	1,641
Total	33,569	447	34,016	31,679	13,158	44,837
Less collections made specifically for other charities		(447)	(447)		(13,158)	(13,158)
Total giving by KPC (per accounts note 2)	33,569		33,569	31,679		31,679

8. Contingent Liabilities

No contingent liabilities have been identified.

9. Related Parties (as required by Charities Act 2011 and FRS 102 Section 33)

At each meeting of the PCC the council members are required to declare any conflicts of interest that may arise or have arisen and where there is such a conflict then that member will not vote on any proposal involving the related party. There are three related parties of significance in 2020:

- Pickering Fields Trust (PFT) which, with the Church, shares the vicar and two churchwardens as trustees. However, as Knowle PCC has approximately 20 members, there is not common control, as defined in the legislation.
- Knowle Church Clock Trust (also known as Pontifex Clock Trust - Registered Charity Number 514954) which, with the Church, shares the vicar and two churchwardens as trustees. However, as Knowle PCC has approximately 20 members, there is not common control, as defined in the legislation.
- Knowle United Charity which, with the Church, shares a member of clergy as a trustee.

Pickering Fields Trust has the official name 'Charities for Ecclesiastical and Other Purposes' - charity number 238492. Apart from a small amount of investment income, it derives all its income from the rental of its house to Knowle Parish Church for clergy use (see note 5) which amounted to £16,200 in 2020 (2019 £21,600). It, in turn, at the discretion of its 3 trustees and within its objectives, generally pays all its donations to the church, in support of renovation and fabric repair projects and the charitable work of the church. There were no payments from the Trust to the church in 2020 or 2019. Group accounts have not been prepared since neither the trustees of Knowle Parish Church nor the electorate of Knowle Parish Church have powers (i) to direct the decisions of the PFT trustees or (ii) to appoint or dismiss the PFT trustees.

Knowle Church Clock Trust's principal activity and achievement is the donation of the whole of the annual income from its investment funds to Knowle Parochial Church Council, which has the legal obligation of the upkeep of the church clock and weathervane. In 2019, the Trust made a donation to Knowle Parish Church of £69 (2019 £68).

Knowle United Charity makes grants to Knowle Parish Church towards children's' and youth work.

Independent Auditors Report

To the Trustees of The Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull

Opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull (the 'charity') for the year ended 31 December 2020 which comprise Trustees Report, Statement of Financial Activities, Balance Sheet, Statement of Cashflows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020, and of its incoming resources and application of resources, 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 charity 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve 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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent Auditors Report

To the Trustees of The Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;

Independent Auditors Report

To the Trustees of The Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Use of our report

This report is made solely to the charity's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Dawn Owen BA (Hons) BFP FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Statutory Auditor

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1st Floor, Copthall House
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West Midlands
DY8 1PH

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.