



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

**Charity number 1127404**

# **Report and Accounts**

## **Year ended 31 December 2021**

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## 2021 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 31<sup>st</sup> December 2021.

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 2016).

### 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'*. During 2021, PCC worked to build on this mission statement by engaging in an exercise to establish a fresh vision for KPC with related goals – more detail on page 3.

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

#### ***Continuing effect of Covid-19***

Services and activities remained constrained by Covid restrictions particularly in the early part of the year. By mid-year, social distancing rules were relaxed and singing at services became permissible. Some other activities recommenced in suitable formats. By the autumn, a wider range of services, without pre-booking, and other events became possible. However, the surge in Covid cases at the end of the year caused some of our planned Christmas activities to be curtailed.

#### ***Worship and prayer***

On each Sunday up to August, a Sunday morning service with limited numbers was held in church and livestreamed with the majority of people accessing this on YouTube live or later in the day or week. The theme followed up to March was 'Taking a fresh look at Church'. The focus was then on Easter, followed by a series on Prayer, then a theme of The Kingdom of God through until early autumn.

A weekly service on Wednesday mornings with Holy Communion restarted in January and continued throughout the year. An online Lent course with four sessions was held in March by Zoom. A monthly 8am Sunday Holy Communion service took place in St John's Hall from May to August. Occasional Sunday evening services were held outside in the church grounds, weather permitting, between June and August. These were well attended and appreciated.

From September, with a considerable effort to re-establish the necessary support teams, a new pattern of four Sunday services began – 7.45am Holy Communion, 9.30am family service (also live-streamed), 11.15am morning prayer and 6.30pm evening service. At the 9.30 am service, under 5s and children's groups re-commenced, with a new format of an All-In service on the fourth Sunday of each month; this had half an hour all together followed by a further half hour in zones – worship, discuss, reflect, creative – all well received. Initial All-In services had been trialled on Sunday afternoons on Zoom in April and May and in-person in June.

In the summer and autumn, sermon themes at morning services were: 'The Kingdom of God' and 'Giving' with special services around Harvest, Remembrance and Christmas. At evening services, themes were Paul's 2<sup>nd</sup> letter to Timothy and 'Friendship'.

### 3. Achievements and performance (continued)

Church prayer meetings took place most months – by Zoom until the summer and in St John's Hall from September. Many other smaller groups also met to pray at various times throughout the year.

#### **Ministry and evangelism**

The Church maintained its aim of serving and reaching out to people in Knowle and beyond, seeking to rebuild as Covid constraints eased. On Saturday mornings from April to early September, Cobbles reopened (weather permitting), serving people socially-distanced in the church grounds with coffee, tea and cake. From September, they restarted serving in the Guild House as well as outside. Cobbles gives opportunity for people to meet with us in an informal setting. Friendship Club leaders kept in touch with members by various appropriate means throughout the year and re-commenced providing coffee and lunches from September.

Events to which friends and colleagues were invited included a virtual event by Zoom in March, a men's breakfast in St John's Hall in September and a men's Curry night in November with engaging speakers on relevant current issues. These events were well attended and received.

An Alpha course was held by Zoom at the start of 2021 with 18 participants logging in.

In the Autumn, a Christianity Explored course was held at the Red Lion pub in Knowle attended by 20 participants.

The Knowle branch of Mothers' Union (MU) met monthly by Zoom until in-person meetings were restarted in the Autumn.

Up to 250 people 'met' in 26 home groups in various ways in the first half of 2021 – Zoom meetings, regular phone calls, distributions of study materials (physically or by email). From September onwards, an increasing number of groups re-started meeting – generally fortnightly – on a variety of days midweek (daytime or evening) for bible study, prayer and mutual support. 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.

Stepping Stones operated in every term throughout 2021 on a Covid-secure basis (in line with other early years pre-schools). Of the other Connect groups for under 5s and their parents and carers, Bumps & Babies restarted in June and a new Tots @ Penny's began operating at Penny's Cafe. Rainbow Tots and Dads & Toddlers restarted in September.

Children's ministry continued under the leadership of Sarah Covington. Online children's ministry continued until the end of August – with Zoom services, pre-recorded YouTube services and other material to support families in nurturing the faith of their children at home. Online Collective Worship for Knowle C of E Primary Academy was also delivered. During the summer months some outdoor church gatherings were held to encourage families to meet together again. On site children's ministry restarted in September. Collective Worship also returned to being delivered on site. We supported various Key Stage 2 RE lessons and continue to work closely with the school, supporting the children and families of our community.

Youth ministry at KPC continued in 2021 based mainly at Penny's Youth Cafe – with due regard to Covid guidance in the café environment. Young people met on weekday evenings for courses including Youth Alpha, SOUL and Awesome on the Inside. Good numbers engaged in the Youth Church events on Sunday mornings and evenings at Penny's Café, which included Bible studies and videos about Jesus and His disciples. A well-attended Lit Residential took place in the summer. Support was given to Church on the Wood (a pioneering church project at St Andrews in Chelmsley Wood) by helping lead their monthly church services. Penny's Youth Cafe was open Monday to Thursday during the week and 3 sixth form lunches were held, which enable outreach to young people outside of the church community. Thanks are due to the committed team of volunteers who keep all our KPC Youth activities running, as well as the young people, parents and guardians who diligently support what we do.

#### **Pastoral care**

The ministry of the pastoral care team, led by David Pickering – covering prayer ministry, bereavement support and visiting the sick and elderly at home and in care and nursing homes – was affected by the restrictions imposed by Covid, but contacts with vulnerable people were maintained by telephone and in other ways, and there was ongoing support via home groups. The special Service of Thanksgiving and Celebration of Life for the relatives of people who have had funerals at church in the past year took place on Sunday 21st November 2021.

#### **KPC Vision and goals**

Starting in January 2021, the PCC met to pray and develop a vision and related goals for KPC over the years immediately ahead, starting from the base of our Mission Statement: *'We are here to help people become lifelong followers of Jesus Christ'*.

Following consultations with various groups across KPC, the following Vision was presented to the Church in October:

Letting our light shine at the village centre as  
**A house of God's light for all peoples and generations.**  
 A beating heart of worship to God;  
 generously serving Knowle, the deanery and wider world,  
 to help transform lives and neighbourhoods for Jesus.

Four groups were set up to develop specific 'Goals' in each of the areas of: Worship, Discipleship, Evangelism and Mission.

### **3. Achievements and performance (continued)**

#### ***Church attendance and membership***

Attendances at Sunday services up to August were limited to a maximum of 70 to 90. Many more logged into KPC YouTube (live-streamed or recorded) – average 'views' were around 400. Zoom events were also well attended. When four Sunday services started in September, attendances built up rapidly with weekly averages of just under 300 adults and about 50 children and young people. In addition there were around 200 'views' of live-streamed or recorded services.

At the time of the 2021 Annual Meeting in April, the Church Roll was 532, of whom 312 lived in the parish and the remaining 220 outside the parish. Many additional people have links with the church in a less formal way.

During 2021, 13 Baptisms, 7 marriages and 16 funerals took place in the church. A further 20 funeral services took place at the crematorium and 22 interments in the KPC Garden of Remembrance.

#### ***Ecumenical relationships***

Our clergy met during the year – virtually or in-person – with the clergy and leaders of other churches in Knowle and Dorridge.

#### ***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 2021, we contributed to Tearfund 'where the need is greatest' and to relief in Afghanistan. Our previous involvement in Kenya continued with support and prayer for the IcfEM project in Kimilili in West Kenya and Education for Life in Timbuni. We also gave to International Needs, the Malawi Task Force of the Diocese of Birmingham and to the Diocese of Bolivia to support church pastors. In the UK, we gave to Reachout Network Ministries, Urban Saints, and Scripture Union. In the Birmingham area, we supported links with St Christopher's, Springfield, St Andrews, Chelmsley Wood and St John's, Sparkhill and the Narthex project, including food collections for their foodbank in co-operation with Tesco in Knowle. We continue to provide significant financial support to the Diocese of Birmingham.

#### ***Fabric***

During 2021, necessary general maintenance to church buildings and grounds was carried out. Planned repair works to the church building following the quinquennial inspection of the church building by the church architect in 2020 were carried out and completed.

### **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, we welcomed Emily Spencer as our Curate. In September, our Clergy team was completed when we welcomed Steve Johnson as our new Associate Vicar.

In the Youth team, Anna Holden returned in January from maternity leave as part-time Assistant Youth Minister until the summer, when she transitioned to Family and Children's Missioner. Jon Wilton joined as Assistant Youth Minister in September. In the Children's team, in July, we thanked and said farewell to Lizzie Goodall after her 6 years' of service as Assistant Children's Minister. From September, Sarah Chapman took on the role of part-time Assistant Children's Minister.

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 continued effect of the Covid-19 pandemic in 2021, General Fund reserves remain at a healthy level, ending the year at £85k compared to the policy level of £60k.

The Covid-19 pandemic continued to result in depressed levels of income related to curtailed church activities, but this improved towards the end of 2021 and is expected to improve further as things return to normal. An appeal for increased giving at the end of October resulted in substantial one-off gifts and in pledges to increase regular giving, which will help to meet the increased costs that will be faced in 2022, caused by inflation and the full-year costs of our Curate who joined us in June 2021. The PCC is very grateful that regular giving by standing order from church members has largely been maintained throughout a very difficult time.

Further, in 2021 restricted gifts were received totalling £28k which will be used for special projects in the future.

The General Fund, which covers the normal running expenditures of the church, showed a deficit of £24k in the year, compared to a surplus of £28k in 2020, which included a legacy of £53k. The £24k deficit for the year is after charging depreciation of £36k, but before transferring £20k to the Designated Property Repair Fund and investing £4k in capital equipment; so net

## 5. Financial review (continued)

current assets, or reserves, reduced from £97k to £85k. This level of reserves is above the policy level of £60k and provides a level of flexibility in readiness for increased costs in 2022.

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.

### Going concern

The trustees have considered the ongoing financial situation of the church, particularly in the light of the consequences of Covid-19 and other events and conditions. Despite the curtailment of activities in 2021 relative to pre-pandemic conditions, general fund reserves remain at a healthy level; and while costs are expected to increase in 2022 because of inflation and the full-year costs of our Curate who joined us in June 2021, the PCC considers that reserves will continue to be maintained at or above the policy level of £60k for a further 12 months.

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 £666k. Large reductions in legacy income (£46k) and grant income (£20k) were offset by increases in one-off donations (£27k) and income from church activities (£17k) as activities restarted in the later part of the year.

Income to General Funds decreased by £47k to £537k, principally because of the reduction in legacy income of £53k; the £53k received in 2020 was included in the General Fund whereas income of £7k in 2021 was included in Designated Funds. Further, other donations reduced by £6k although it was encouraging that regular standing orders increased in November and December following a giving appeal at the end of October. These reductions were offset by increases in income arising from gradually increasing activity levels; hall lettings increased by £5k, income from church activities such as fees for weddings and funerals and the Cobbles café increased by £7k. Planned regular giving, which represents over 80% of general fund income, was maintained at about the same level as in 2020 and is of great benefit in financial planning.

Income to Designated Funds increased by £17k to £81k. Legacy income of £7k was included in Designated Funds in 2021, whereas the £53k received in 2020 was included in the General Fund. Grant income of £5k (2020: £0) was received government's Listed Places of Worship Scheme, Stepping Stones income increased by £3k and other group activity income increased by £2k.

Income to Restricted Funds increased by £8k to £48k. Restricted donations from church members totalled £28k (2020: £11k) and these have been placed in the Restricted Legacies and Donations Fund. Knowle United Charity (KUC) made a grant of £17k (2020: £29k, covering two years) towards youth and children's workers' salaries and a further grant of £200 (2020: £2,700) towards Penny's Youth Café. The PCC is very grateful for KUC's ongoing support over many years. In 2020, Solihull Metropolitan Borough Council kindly made a grant of £4,400 towards Penny's Youth Café.

### Expenditure

Contributions to the Diocesan Common Fund of £170k (2020 £169k) 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 £32k (2020: £33k), making a total of £82k (2020: £84k) towards mission and ministry work beyond Knowle. In 2021, retiring collections and other mission payments not included in the main church accounts totalled £3k, but there were no such collections in 2020 because of the Covid restrictions.

Total expenditure in 2021 increased by £46k to £694k.

General Fund expenditure increased by £5k to £561k. Parish Office costs increased by £19k as the strengthened team was in place for a full year, having been recruited in stages during 2020. This was offset by a reduction in clergy housing costs of £10k because we only accommodated the new Associate Vicar for 3 months and a £4k reduction in buildings maintenance and running costs.

Designated Fund expenditure increased by £44k to £113k. The cost of church repairs (£27k) and exceptional churchyard maintenance (£3k) following the quinquennial inspection, and of preparing the interior of St Anne's Cottage for occupation by the new Curate (£7k) were met from designated funds. Stepping Stones costs were £5k higher because it was possible to open for a full year.

## 5. Financial review (continued)

### **Expenditure (continued)**

Restricted Fund expenditure reduced by £3k to £20k. The vacancy for a Youth Assistant for part of the year resulted in a lower amount of youth department salary costs being charge against restricted income.

### **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 £85,895 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 £67,143 is expected to be sufficient for any works necessary in 2022.

The Designated Legacies Fund, created to hold the balances of legacies received but not yet allocated to specific purposes by PCC, stands at £60,432.

## 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. The Trustees will work to develop and implement our goals under our 2021 vision statement. We will continue to run and develop our programme of worship services, groups, activities and special events, with changes to meet needs and initiatives as they arise. Our motivation remains that, as KPC, 'We are here to help people become lifelong followers of Jesus Christ'.

## 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 to 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 28<sup>th</sup> April, there were:

- 6 elected members with Deanery Synod membership and
- 9 elected members without Deanery Synod membership.
- 1 co-opted member was appointed from June

## 9. Structure, governance and management (continued)

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 from the PCC Secretary on both the role of the PCC and the role of members.

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 8 business meetings during the year plus 2 consultation meetings about vision and goals. 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. A vision Co-ordinating Group was set up in September and subsequently four groups to address each of the vision goal areas.

The key management personnel of the charity is the Standing Committee, made up of the senior clergy, the churchwardens, the secretary, the treasurer and the operations manager. 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.

### Safeguarding

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. The PCC has appointed a Parish Safeguarding Co-ordinator. Safeguarding is a standing item on the agenda at every PCC business meeting. Time was spent in 2021 considering the implementation of new procedures announced during the year.

## 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 Steve Johnson ( <i>from September</i> )	
Curate:	Revd Emily Spencer ( <i>from July</i> )	
Churchwardens:	Matt Baggott (lay deputy chair)	Liz Welton ( <i>from February</i> )
Member of Diocesan Synod:	Julian Phillips (Reader)	

Elected Representatives to Deanery Synod:

Nick Brown	Roy Carr (Secretary)	Nick Humby
Carol Kay	Julian Phillips	David Pickering

Elected members to PCC:

Lynn Brown	Sarah Chapman	Nick Houghton
Victor Hu ( <i>from April</i> )	Steve Mort (Treasurer)	Benjamin Neudorfer

**10. Reference and Administrative details (continued)**

Anne Smith

Rod Street

Kay Todman

Liz Welton (*until February*)

Co-opted member:

Claire Carter (*from June*)

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

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**

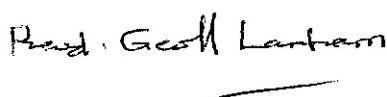
The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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)

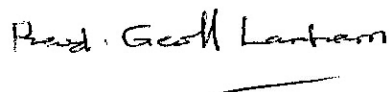


**Statement of financial activities  
for the year ended 31 December 2021**

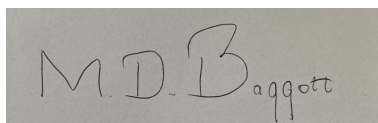
Funds		Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
		General	Designated			General	Designated		
		2021	2021	2021	2021	2020	2020	2020	2020
		£	£	£	£	£	£	£	£
		<i>Note</i>							
<b>Income from:</b>									
Donations and legacies	1.a	486,086	13,398	48,280	547,764	545,508	1,823	40,116	587,447
Charitable activities	1.b	49,149	65,926	-	115,075	35,951	61,295	-	97,246
Other trading activities	1.c	1,976	1,308	-	3,284	1,985	971	-	2,956
Investments and deposits	1.d	74	-	330	404	580	-	205	785
<b>Total income</b>		<b>537,285</b>	<b>80,632</b>	<b>48,610</b>	<b>666,527</b>	<b>584,024</b>	<b>64,089</b>	<b>40,321</b>	<b>688,434</b>
<b>Expenditure on:</b>									
Raising funds	2a	2,707	198	-	2,905	2,459	478	-	2,937
Charitable activities	2b 2c	558,710	112,453	19,988	691,151	553,727	68,147	23,285	645,159
<b>Total expenditure</b>		<b>561,417</b>	<b>112,651</b>	<b>19,988</b>	<b>694,056</b>	<b>556,186</b>	<b>68,625</b>	<b>23,285</b>	<b>648,096</b>
<b>Net income/(expenditure)</b>		<b>(24,132)</b>	<b>(32,019)</b>	<b>28,622</b>	<b>(27,529)</b>	<b>27,838</b>	<b>(4,536)</b>	<b>17,036</b>	<b>40,338</b>
Transfer General Funds to Designated Funds	6	(20,000)	20,000	-	-	(63,000)	63,000	-	-
Transfer Restricted Funds to General Fund	6	-	-	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(44,132)</b>	<b>(12,019)</b>	<b>28,622</b>	<b>(27,529)</b>	<b>(35,162)</b>	<b>58,464</b>	<b>17,036</b>	<b>40,338</b>
<b>Reconciliation of Funds:</b>									
Funds brought forward		1,433,260	188,695	62,079	1,684,034	1,468,422	130,231	45,043	1,643,696
<b>Funds carried forward</b>		<b>1,389,128</b>	<b>176,676</b>	<b>90,701</b>	<b>1,656,505</b>	<b>1,433,260</b>	<b>188,695</b>	<b>62,079</b>	<b>1,684,034</b>

**Balance sheet at 31 December 2021**

Funds	Note	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
		General	Designated			General	Designated		
		2021	2021	2021	2021	2020	2020	2020	2020
		£	£	£	£	£	£	£	£
<b>Fixed Assets</b>									
Tangible fixed assets	4.1	1,303,233	-	-	1,303,233	1,335,745	-	-	1,335,745
Investment assets	4.2	-	-	1,742	1,742	-	-	1,482	1,482
<b>Sub Total - Fixed Assets</b>		<b>1,303,233</b>	<b>-</b>	<b>1,742</b>	<b>1,304,975</b>	<b>1,335,745</b>	<b>-</b>	<b>1,482</b>	<b>1,337,227</b>
<b>Current assets</b>									
Debtors - HMRC gift aid tax recoverable		7,190	-	-	7,190	8,053	-	-	8,053
- Legacy - outstanding settlement		13,177	-	-	13,177	23,000	-	-	23,000
- Prepayments of insurance and other minor items		1,782	4,852	-	6,634	1,782	1,357	-	3,139
Cash and cash equivalents									
- Bank accounts		64,865	129,795	44,083	238,743	78,963	99,736	42,720	221,419
- Deposit accounts		23,058	42,706	45,000	110,764	2,706	90,000	18,000	110,706
- Cash		276	265	-	541	501	265	-	766
<b>Sub Total - Current Assets</b>		<b>110,348</b>	<b>177,618</b>	<b>89,083</b>	<b>377,049</b>	<b>115,005</b>	<b>191,358</b>	<b>60,720</b>	<b>367,083</b>
<b>Liabilities: Falling due within one year</b>					-				-
Creditors and accruals in respect of parochial activity		21,472	942	-	22,414	14,756	2,663	-	17,419
Charity collections not paid over		-	-	124	124	-	-	123	123
Deferred Income (rentals and mag adverts paid in advance)		2,981	-	-	2,981	2,734	-	-	2,734
<b>Sub Total - Liabilities</b>		<b>24,453</b>	<b>942</b>	<b>124</b>	<b>25,519</b>	<b>17,490</b>	<b>2,663</b>	<b>123</b>	<b>20,276</b>
<b>Sub Total - Net Current Assets</b>		<b>85,895</b>	<b>176,676</b>	<b>88,959</b>	<b>351,530</b>	<b>97,515</b>	<b>188,695</b>	<b>60,597</b>	<b>346,807</b>
<b>Total Net Assets</b>		<b>1,389,128</b>	<b>176,676</b>	<b>90,701</b>	<b>1,656,505</b>	<b>1,433,260</b>	<b>188,695</b>	<b>62,079</b>	<b>1,684,034</b>
<b>Funds</b>									-
Unrestricted (General Fund)		1,389,128	-	-	1,389,128	1,433,260	-	-	1,433,260
Designated	6	-	176,676	-	176,676	-	188,695	-	188,695
Restricted	6	-	-	90,701	90,701	-	-	62,079	62,079
					-				-
<b>Total</b>		<b>1,389,128</b>	<b>176,676</b>	<b>90,701</b>	<b>1,656,505</b>	<b>1,433,260</b>	<b>188,695</b>	<b>62,079</b>	<b>1,684,034</b>

Approved by the Parochial Church Council on 23<sup>rd</sup> February 2022 and signed on its behalf by:


Revd Geoff Lanham: Chairman



Matt Baggott: Vice Chairman

**Statement of Cash Flows**  
**for the year ended 31 December 2021**

Funds  Note	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
	General	Designated			General	Designated		
	2021 £	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £	2020 £
<b>Cash flows from operating activities:</b>								
Net movement in funds per SOFA	(44,132)	(12,019)	28,622	(27,529)	(35,162)	58,464	17,036	40,338
<b>Adjustments for:</b>								
Depreciation charges	36,073	-	-	36,073	39,365	-	-	39,365
(Increase)/decrease in debtors	10,686	(3,495)	-	7,191	(9,956)	(139)	-	(10,095)
Increase/(decrease) in creditors	6,963	(1,721)	1	5,243	(4,512)	1,470	(5,426)	(8,468)
<b>Net cash provided by (used in) operating activities</b>	<b>9,590</b>	<b>(17,235)</b>	<b>28,623</b>	<b>20,978</b>	<b>(10,265)</b>	<b>59,795</b>	<b>11,610</b>	<b>61,140</b>
<b>Cash flows from investing activities:</b>								
Purchases of fixed assets	(3,561)	-	-	(3,561)	(2,902)	-	-	(2,902)
Purchases of investments	-	-	(260)	(260)	-	-	(136)	(136)
<b>Net cash provided by (used in) investing activities</b>	<b>(3,561)</b>	<b>-</b>	<b>(260)</b>	<b>(3,821)</b>	<b>(2,902)</b>	<b>-</b>	<b>(136)</b>	<b>(3,038)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>6,029</b>	<b>(17,235)</b>	<b>28,363</b>	<b>17,157</b>	<b>(13,167)</b>	<b>59,795</b>	<b>11,474</b>	<b>58,102</b>
<b>Changes in cash and cash equivalents:</b>								
<b>Opening balances:</b>								
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 opening balances	82,170	190,001	60,720	332,891	95,337	130,206	49,246	274,789
<b>Closing balances</b>								
Current account	64,865	129,795	44,083	238,743	78,963	99,736	42,720	221,419
Deposit account	23,058	42,706	45,000	110,764	2,706	90,000	18,000	110,706
Cash	276	265	-	541	501	265	-	766
Total closing balances	88,199	172,766	89,083	350,048	82,170	190,001	60,720	332,891
<b>Increase/(decrease) in net cash holdings</b>	<b>6,029</b>	<b>(17,235)</b>	<b>28,363</b>	<b>17,157</b>	<b>(13,167)</b>	<b>59,795</b>	<b>11,474</b>	<b>58,102</b>

**I. Income analysis**

Funds	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
	General	Designated			General	Designated		
	2021 £	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £	2020 £
<b>1a Donations and legacies:</b>								
Envelope scheme	1,982	-	-	1,982	2,121	-	-	2,121
Regular Standing orders	354,751	-	-	354,751	360,155	-	-	360,155
One-off donations	20,551	-	23,000	43,551	15,985	-	-	15,985
Other Stewardship & CAF	21,456	-	-	21,456	22,200	-	-	22,200
Gift Aid Tax recoverable (GAT)	84,614	305	5,750	90,669	88,600	440	135	89,175
Cash collections	1,892	-	-	1,892	3,085	-	-	3,085
Other income	120	-	-	120	140	-	-	140
Collections for charities	-	-	-	-	-	-	-	-
Grants/donations for young people's work	-	1,100	19,480	20,580	-	1,021	39,281	40,302
Donations, appeals, etc.	720	4,561	50	5,331	141	362	700	1,203
Legacies	-	7,432	-	7,432	53,081	-	-	53,081
<b>Total</b>	<b>486,086</b>	<b>13,398</b>	<b>48,280</b>	<b>547,764</b>	<b>545,508</b>	<b>1,823</b>	<b>40,116</b>	<b>587,447</b>
<b>1b Income from Church Activities:</b>								
Parish magazine	19,884	-	-	19,884	19,423	-	-	19,423
Bookstall	-	-	-	-	618	-	-	618
Ministry group contributions	8,439	-	-	8,439	5,098	-	-	5,098
Church and hall lettings	9,333	-	-	9,333	3,589	-	-	3,589
Wedding and Funeral Fees	11,256	-	-	11,256	7,183	-	-	7,183
Other Group Activities	237	65,926	-	66,163	40	61,295	-	61,335
<b>Total</b>	<b>49,149</b>	<b>65,926</b>	<b>-</b>	<b>115,075</b>	<b>35,951</b>	<b>61,295</b>	<b>-</b>	<b>97,246</b>
<b>1c Other trading activities (incl. rentals)</b>	1,976	1,308	-	3,284	1,985	971	-	2,956
<b>1d Investment dividends and interest</b>	74	-	330	404	580	-	205	785
<b>Total income</b>	<b>537,285</b>	<b>80,632</b>	<b>48,610</b>	<b>666,527</b>	<b>584,024</b>	<b>64,089</b>	<b>40,321</b>	<b>688,434</b>

**2. Expenditure analysis**

Funds	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
	General	Designated			General	Designated		
	2021 £	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £	2020 £
<b>2a Raising funds</b>								
Costs attributable (mainly to rents received)	2,707	198	-	2,905	2,459	478	-	2,937
<b>Sub-total</b>	<b>2,707</b>	<b>198</b>	<b>-</b>	<b>2,905</b>	<b>2,459</b>	<b>478</b>	<b>-</b>	<b>2,937</b>
<b>2b Charitable activities: Mission</b>								
Outside giving to charities (see note 7)	31,685	816	-	32,501	33,062	507	-	33,569
<b>2c Charitable activities: Ministry:</b>								
Diocesan Common Fund	170,160	-	-	170,160	169,335	-	-	169,335
Clergy expenses	3,433	-	-	3,433	3,777	-	-	3,777
Clergy and youth worker housing costs	20,106	6,767	-	26,873	29,720	-	-	29,720
Ministry groups	2,882	-	-	2,882	2,557	-	-	2,557
Ministry services incl. books and sundries	3,273	-	-	3,273	5,609	-	-	5,609
Pastoral care expenses	-	-	-	-	-	-	200	200
Other Group Activities	-	1,654	-	1,654	-	945	-	945
Children's ministry	51,496	69,374	8,863	129,733	55,633	61,995	8,278	125,906
Youth ministry	47,353	2,338	10,574	60,265	42,141	4,305	14,807	61,253
Church running expenses	26,476	27,235	551	54,262	34,949	-	-	34,949
Parish magazine costs	22,595	-	-	22,595	22,452	-	-	22,452
Bookstall expenditure	-	-	-	-	428	-	-	428
Churchyard upkeep	10,025	3,114	-	13,139	11,660	-	-	11,660
St John's Hall expenses	45,412	-	-	45,412	39,275	-	-	39,275
Guild House expenses	7,534	-	-	7,534	7,826	-	-	7,826
Music & Choir expenses	17,420	563	-	17,983	16,802	-	-	16,802
Parish Office and Admin costs	80,975	-	-	80,975	61,825	-	-	61,825
Insurance	12,759	-	-	12,759	11,921	-	-	11,921
Other Expenses	996	592	-	1,588	855	395	-	1,250
Governance/audit/accounts costs	4,130	-	-	4,130	3,900	-	-	3,900
<b>Sub-total</b>	<b>558,710</b>	<b>112,453</b>	<b>19,988</b>	<b>691,151</b>	<b>553,727</b>	<b>68,147</b>	<b>23,285</b>	<b>645,159</b>
<b>Total expenditure</b>	<b>561,417</b>	<b>112,651</b>	<b>19,988</b>	<b>694,056</b>	<b>556,186</b>	<b>68,625</b>	<b>23,285</b>	<b>648,096</b>

### **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 the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' 'true and fair view' provisions, together with FRS 102 (2019) as the applicable accounting standards and the 2019 version of the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (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 continued curtailment of activities in 2021, reserves have been maintained above the charity's approved policy level of £60k; and while costs are expected to increase in 2022 because of increased clergy 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 ongoing 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.

### **3. Accounting Policies (continued)**

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.

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.

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 £2,558 (2020 - £1,943) and Accruals of £18,914 (2020 - £12,813).

#### 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
	£	£	£	£
<b>Cost or deemed cost</b>				
At beginning of the year	1,403,737	142,057	-	1,545,794
Additions	-	3,561	-	3,561
Disposals	-	(543)	-	(543)
Revaluations	-	-	-	-
Transfers	-	-	-	-
<i>At end of the year</i>	1,403,737	145,075	-	1,548,812
<b>Depreciation and impairments</b>				
At beginning of the year	(128,834)	(81,215)	-	(210,049)
Disposals	-	543	-	543
Depreciation	(21,067)	(15,006)	-	(36,073)
Impairment	-	-	-	-
Transfers	-	-	-	-
<i>At end of the year</i>	(149,901)	(95,678)	-	(245,579)
<b>Net book value at beginning of year</b>	1,274,903	60,842	-	1,335,745
<b>Net book value at end of year</b>	1,253,836	49,397	-	1,303,233



#### 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 (2020 - £300,000) of freehold land which is not depreciated.

###### Fittings, Furnishings and Equipment

The additions comprised three computers.

##### 4.2 Investments

Investments of £1,742 represent shares in the CBF's Investment Fund at market value as at 31 December 2021 (2020 - £1,482). The historic cost of these shares was £856 (2020 - £813).

#### 5. Staff Costs and Numbers Employed

	2021	Average Numbers Employed	2020	Average Numbers Employed
	£		£	
Youth & children's leadership	96,339	4	91,514	4
Parish Office staff	94,722	6	80,371	5
Stepping Stones	52,304	7	53,836	7
National insurance	10,734		10,645	
Pension	4,550		4,079	
<b>Total</b>	<b>258,650</b>	<b>17</b>	<b>240,444</b>	<b>16</b>

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

Youth and Children's leadership costs include redundancy costs of £2,833 (2020: nil) following the reorganisation of the team. The part-time Assistant Youth Minister returned from maternity leave at the beginning of the year. The Parish Office was fully staffed for the whole of 2021, having been only partly staffed for a significant part of 2020.

Parish workers and clergy received £2,289 (2020: £2,168) by way of reimbursement of expenses whilst on PCC business. In addition, clergy housing costs amounted to £14,923 (2020: £20,134) and accommodation was also provided for a member of the Youth team to carry out his duties effectively. £7,200 (2020: £16,200) 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 lower level is because the new Associate Vicar, Steve Johnson, arrived in August 2021 whereas his predecessor was in place for the period January to September 2020.

The average head count during the year was 17 (2020: 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. Of the key management personnel, only the operations manager (being an employee) receives remuneration from the charity and their employee benefits in 2021 totalled £35,095 (2020: £26,901) including employers pension contributions of £841 (2020: £486) but not including employers National Insurance contributions of £3,509 (2020: £2,635). The operations manager commenced employment with the charity on 23<sup>rd</sup> March 2020, so the 2020 comparative figures represent about 9 months' employee benefits.

One trustee, Sarah Chapman, is employed as Assistant Children's Minister and, until 31.12.21, as a member of Stepping Stones staff. Her employee benefits in 2021 totalled £6,042 (2020: £5,765) including employers pension contributions of £0 (2020: £0) but not including employers National Insurance contributions of £7 (2020: £0).

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	Movement in resources			Balance
	01-Jan 2021	Incoming	Gains and losses	Outgoing	31-Dec 2021
	£	£	£	£	£
R.A.C.K. Roof Fund	1,482	43	216	-	1,741
Restricted Legacies and Donations Fund	24,320	28,750	-	-	53,070
Property Repair/Renovation Fund	551	-	-	(551)	-
Pontifex Clock Fund	1,772	70	-	-	1,842
Organ Fund	576	-	-	-	576
Soldiers' Chapel	7,535	-	-	-	7,535
Choir Fund	675	50	-	-	725
Grants to employ Children and Youth Workers	15,225	19,281	-	(17,725)	16,781
Restricted Gifts and Grants for Youth Activities	9,943	200	-	(1,712)	8,431
<b>Totals</b>	<b>62,079</b>	<b>48,394</b>	<b>216</b>	<b>(19,988)</b>	<b>90,701</b>

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 comprises:

	£
A 2021 gift not to be used to meet regular expenditure, but to be held at the discretion of the PCC for identifiable projects	22,500
Remainder of a 2018 grant from a legacy trust, given with a bias towards youth work	21,000
A 2021 gift towards the Vision project	6,250
Others	3,320

The Property Repair and Renovation Fund consists of restricted donations received in the past towards major property repairs. In 2021, some of the costs arising from the quinquennial inspection of the church building by the church architect were met from this fund, with the balance being met from the Designated Property Repair Fund.

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 a grant of £17k by Knowle United Charities towards payment of salaries which has been retained in the fund towards salaries in 2022.

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 is being held over towards future trips, by agreement with the donors. This fund also holds restricted grants towards Penny's Youth Café; during 2021, café expenditure of £1,712 was met from a prior grant from Knowle United Charity, which kindly made a further grant of £200, leaving £582 available to help with costs in 2022.

## 6. Fund Details (continued)

### Designated Funds

Designated Funds	Balance 01-Jan 2021	Movement in resources			Balance 31-Dec 2021
	£	Incoming £	Transfers £	Outgoing £	£
Organisations which operate their own finances*					
Stepping Stones	19,629	62,304		(68,046)	13,887
Others	23,274	6,436		(7,490)	22,220
Funds maintained within church finances:					-
Church Away Weekend	1,198	-	-	-	1,198
Property Repair Fund	76,684	4,460	20,000	(34,001)	67,143
Churchyard Fund	14,910	-	-	(3,114)	11,796
Designated Legacies Fund	53,000	7,432	-	-	60,432
<b>Totals</b>	<b>188,695</b>	<b>80,632</b>	<b>20,000</b>	<b>(112,651)</b>	<b>176,676</b>

\*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. Grant income of £4,460 was received into this fund from the government's Listed Places of Worship Scheme, and most of the costs arising from the quinquennial inspection of the church building by the church architect were met from this fund. In view of further work that is planned for the coming years and the need to maintain the fund at a level which can sustain unexpected costs, the PCC has transferred £20k (2020: £10K) from General Fund into this fund expects to make transfers of a similar amount in the future.

The Churchyard Fund has been designated by the PCC for any non-routine work that may be required in the churchyard. During 2021, a tree survey has been carried out; the costs of the survey and the resultant remedial work were met from this fund.

The Designated Legacies Fund was created in 2021 to hold the balances of legacies received but not yet allocated to specific purposes by PCC. During 2021, legacy income of £7,432 has been added to this fund.

### 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 £33k, with £1,020 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 addition, £2.7k was given directly to other charities and mission work through the organisation of retiring collections and fundraising events for specific charities. This latter “pass-through” income was excluded from the accounts but included here to provide a more complete picture of the fundraising activity of the church. Details of these payments are shown below.

Charity	Gen/Desig Funds £	Pass through £	Total 2021 £	Gen/Desig Funds £	Pass through £	Total 2020 £
Tearfund (including £2000 for Yemen Appeal)	4,336	452	4,788	2,180		2,180
Diocese of Bolivia	4,029		4,029	6,025		6,025
International Assistance Mission - Afghanistan	3,500		3,500			
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
Reachout Network Ministries	3,000		3,000	2,000	93	2,093
Malawi Task Group, CoFE Birmingham	2,000		2,000	2,000		2,000
St Andrews Chelmsley Wood	1,500		1,500	1,500		1,500
St Basils		1,428	1,428			
Urban Saints	1,300		1,300	1,310		1,310
Narthex Food Bank	1,020		1,020			
International Needs	1,000		1,000	1,000		1,000
Scripture Union	1,000		1,000	1,000		1,000
Christian Aid	100	789	889	100		100
Compassion	516		516	654		654
Royal Voluntary Service (dementia support)	200		200			
St Philips & St James Dorridge - Building Project				2,000		2,000
Aston Parish Church				500		500
Holy Trinity Smethwick				500		500
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
Chaplaincy Plus - Birmingham				500		500
Matt Roberts-Davies (Kenya)				500		500
Others				300	354	654
<b>Total</b>	<b>32,501</b>	<b>2,669</b>	<b>35,170</b>	<b>33,569</b>	<b>447</b>	<b>34,016</b>
Less collections made specifically for other charities		(2,669)	(2,669)		(447)	(447)
<b>Total giving by KPC (per accounts note 2)</b>	<b>32,501</b>		<b>32,501</b>	<b>33,569</b>		<b>33,569</b>

## 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 2021:

- 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.

## **9. Related Parties (continued)**

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 £7,200 in 2021 (2020 £16,200). 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 2021 or 2020. 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 2021, the Trust made a donation to Knowle Parish Church of £70 (2020 £69).

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

**Independent Examiner's Report to the Trustees of the Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2021, which are set out on pages 8 to 20.

**Responsibilities and basis of report**

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

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jane Swann BA(Hons) BFP FCA

ICAEW

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Dated: 25 August 2022