



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

**Charity number 1127404**

# **Report and Accounts**

## **Year ended 31 December 2022**

### **CONTENTS**

<b>Report</b>	<b>Page</b>
<b>Trustees Report:</b>	
1. Aim and purposes	1
2. Objectives and activities	1
3. Achievements and performance	1
4. People	4
5. Financial review	4
6. Reserves policy	6
7. Fundraising practices	6
8. Plans for future periods	6
9. Structure, governance and management	6
10. Reference and Administrative details	7
11. Statement of Trustees' responsibilities	8
<b>Accounts for the year ended 31<sup>st</sup> December 2022</b>	<b>9</b>
<b>Independent examiner's report to the trustees</b>	<b>22</b>

**2022 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 2022.

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).

## **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'*. This statement of purpose is augmented by the Vision statement which was introduced in 2021 "A house of God's light for all peoples and generations"; more detail is 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***

With the lifting of covid restrictions in February 2022, full capacity of the church could again be enjoyed and church activities have largely been restored to pre-Covid levels. However, KPC continues to offer social distancing in the side aisle in church and the outer reaches of the church hall. On occasions where the church is expected to be full, additional services have been arranged to mitigate risk and offer a level of assurance; for example, the two Crib Services at Christmas were changed to four. The Sunday morning family service continues to be live streamed.

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

The year started by looking more deeply into Colossians, followed by a "Following Jesus" series which continued until Easter. After Easter, the sermon series concentrated on "Talking about Jesus; A Trinitarian Life" and a deeper dive into Colossians. Over the summer we looked at ourselves as a church and preached on "Restore-Renew-Rebuild". "Grace, Hope and Love" then continued to be themes for the rest of the year.

A weekly service on Wednesday mornings with Holy Communion continued throughout the year. The weekly 7.45am Sunday Holy Communion service continues to be well attended.

At the 9.30 am service, under 5s and children's groups thrive, and the monthly All-In service continues; this has half an hour all together followed by a further half-hour in zones – Worship, Discuss, Reflect, Create, Move – which are all well received.

Church prayer meetings took place most months in St John's Hall. Many other smaller groups also met to pray at various times throughout the year.

### 3. Achievements and performance (continued)

#### *Ministry and evangelism*

The Church maintained its aim of serving and reaching out to people in Knowle and beyond, seeking to reconnect with the community who had not returned following the easing of Covid restrictions. On Saturday mornings, Cobbles opens, serving people in the Guild House and the church grounds (weather permitting) with coffee, tea and cake. Cobbles gives opportunity for people to meet with us in an informal setting. Friendship Club offers a cooked meal and a light lunch once a month, and coffee on the intervening Thursdays.

Events to which friends and colleagues were invited included a women's breakfast in March, men's breakfasts in January, May and October and a men's Curry nights in March and November with engaging speakers on relevant current issues. These events were well attended and received.

An Alpha course was held at the start of 2022 with 10 participants in one single group. The Saturday away group was once again held in person at the Old School in Lapworth.

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) meet monthly and have a wide variety of speakers.

Home groups continue to grow and play a vital part of church life. There are now 30 groups meeting, including two groups which have restarted this year, two large groups of church members from Hong Kong, a newly formed group led by Steve Johnson and a Discovery group with people from 2021/22 Christianity Explored and Alpha course attendees. About 50 people who are new to KPC have joined home groups this year. Most groups now meet in person although a few still use the Zoom facility. Some are using Church facilities, but most are hosted in homes. A meeting for Homegroup leaders has been held each term; our emphasis has been on equipping leaders to help group members to grow as disciples of Jesus in line with our vision goals. We thank God for the time, energy and commitment of leaders to provide a range of support and challenge to approximately 300+ group members.

Pre-school children's ministry has been encouraging. Our Connect groups – Rainbow Tots, Bumps and Babies, Dads and Toddlers and Tots at Penny's, have all been back up and running since September 2021. The aim of all these groups is to give people a space to belong, to build relationships with each other and develop an even greater sense of community, which has been even more important post pandemic. We are looking to continue to build on the work of these groups to develop further our relationships with the children and families of our community. This will involve a range of different activities – some around the significant festivals of the year and others more tailored to specific groups. For example, we were able to host a Connect BBQ in July for all those who had attended our Connect groups over the previous year and we are looking to do more of this. We were also able to provide some summer holiday events – a family event tied into the Queen's Baton Relay for the Commonwealth Games as it came through Knowle and the second a 'drop-off' event for children. Our Stepping Stones preschool received an outstanding Ofsted report in the summer, under the excellent leadership of Sue Spencer.

Children's ministry continued under the leadership of Sarah Covington. After almost 18 months of working online throughout the worst of the pandemic, we were pleased to be able to re-start all our children's ministry in person from September 2021 and they have continued throughout 2022. We have Sunday groups, 3 weeks out of 4, and in these groups, we provide age-appropriate spaces for those under 11. We have been really pleased to welcome many families from Hong Kong who have joined our church community. We have continued with our monthly All-in service, which is an intergenerational service, aimed at bringing the whole church together across every age group. There is a short 30-minute lively and engaging service section followed by 30 minutes of different zones where people can continue to explore the theme in ways that fit with different learning styles. Over the coming year, we want to continue to develop this further as a welcoming place for those who might be newer to church. We have continued to provide weekly Collective Worship for Knowle Primary Academy, in both Key Stage 1 and 2. Across the 2021-2022 school year, we were able to support the school in special Harvest, Christmas, and Easter services as well as the Year 6 Leavers service at the end of July. We will be continuing this across the next school year. We have also been able to support the school with various aspects of its RE curriculum from debates on creation and science, to looking at the day-to-day life of the church and how that impacts the community.

Youth work has benefitted greatly from the easing of all COVID-19 restrictions. Each week, we hold a Sunday morning Youth Church service at Penny's Youth Café involving breakfast, games and an accessible youth church service for young people who might not have been to church before; we are now seeing attendance of about 20 at these services. A significant number of these young people have recently arrived from Hong Kong. Penny's Youth Café is open each Tuesday to Thursday in term-time from 3.30-5pm. The emphasis is on welcome, fun and laughter, offering drinks, cakes, ice-cream, games and mentoring support to young people from the local area. The café is open to all young people, regardless of faith or background. Regular café attenders number 30+ with another 30-40 who come every so often. Discipleship Groups are held each Tuesday and Thursday, offering age-specific content and support with a focus on faith-related topics which help the young people develop their communication skills, teamwork and respect for other's views as well as creating the opportunity for the youth leader to offer pastoral support. These groups have a regular attendance of about 20 young people across the week; this is a different group from those who join us for Youth Church at Penny's on Sundays. During spring term, we held

### 3. Achievements and performance (continued)

#### **Ministry and evangelism(continued)**

a series of sixth-form lunches, providing a space for sixth formers to meet, with visiting speakers from the community sharing their work and life stories. As in previous years, our young people have gone on various trips, including an Alpha weekend away at Barston, cinema, bowling, ice skating and we also held movie nights and board game evenings. Over the summer, we took 30 young people, including some of our children from Hong Kong, to the Satellites Youth Festival for a week. A major innovation was our summer intern programme. Three young people (aged 16, 18 and 20) joined us for 6 weeks learning leadership and life lessons, taking opportunities to serve and help their peers and provide good role models for the younger children. The partnership with St Andrews Chelmsley Wood has continued apace. This has included supporting them in their vision for a youth café like Penny's, which is now up and running one day a week and is going well. Seeing another setting was a highlight for the interns during the summer.

#### **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 continued throughout the year. Home Groups, which generally meet fortnightly, offer prayer and support to their group members. The annual 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 16<sup>th</sup> October.

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

We have continued to implement the church's vision statement which was developed in 2021:

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.

Towards the end of 2021, four groups were set up to develop specific goals in each of the areas of Worship, Discipleship, Evangelism and Mission, to help organise work on the initial priorities identified as part of the vision process. As they have met and worked on these, we have already seen changes to our life together. These include changes to help us become more welcoming as a church, enhance our Christian walk, setting up a Local Support Fund to help those hit by the cost-of-living crisis and attaining the Bronze Eco Church Award, as assessed by the A Rocha charity. Further work continues in the background on longer term goals in each of four areas with more actions expected this coming year to strengthen our church life, impact and work in the Knowle area.

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

Attendances at Sunday services returned to 'normal' and increased throughout the year to an average of 325 adults and 42 children and young people. KPC YouTube (live-streamed or recorded) covers the Sunday morning family service – average 'views' were around 100.

At the time of the 2022 Annual Meeting in March, the Church Roll was 519, of whom 304 lived in the parish and the remaining 215 outside the parish. Many additional people have links with the church in a less formal way.

During 2022, 18 Baptisms and 1 thanksgiving service was held, 18 marriages and 3 services of prayer and dedication after civil marriage were held. 36 funerals took place in the church. A further 18 funeral services took place at the crematorium and 23 interments in the KPC Garden of Remembrance.

#### **Ecumenical relationships**

Our clergy met during the year 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 2022, we established a Global Mission Committee with the intention of expanding and focussing the church's activity in this important area.

### 3. Achievements and performance (continued)

#### *Christian mission beyond Knowle(continued)*

During 2022, 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 and to the Diocese of Bolivia to support church pastors. In the UK, we gave to Christians Against Poverty, Urban Saints, and Scripture Union. In the Birmingham area, we supported local church links with St Christopher's Springfield, St Andrews Chelmsley Wood and St John's Sparkhill and local charities Reachout Network Ministries, The Springfield Project and the Narthex project, including food collections for its foodbank in co-operation with Tesco in Knowle. We continue to provide significant financial support to the Diocese of Birmingham.

#### *Fabric*

During 2022, necessary general maintenance to church buildings and grounds was carried out, including a tower inspection as required following the quinquennial inspection of the church building by the church architect in 2020. Extensive repairs were carried out at the church's house at 46 Crabmill Close, formerly occupied by the Youth Minister, in preparation for commercial letting and possible future occupation by church staff. The church boiler needs replacement and was taken out of service for a time in late 2022 before temporary repairs and recertification enabled it to be brought back into temporary use; it will be replaced in 2023 and the PCC expresses thanks for many contributions to the Boiler Fund which will make this possible.

### 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.

Paul Holden, Youth Minister, and Anna Holden, Family and Children's Missioner, left KPC at the end of August so that Paul could begin training for ordained ministry in the Church of England.

In Youth Ministry, Amy Dowdy joined us in October as Youth Minister. Jon Wilton left his post of Assistant Youth Minister at the end of May and this position was still vacant at the end of 2022.

The Children and Families Ministry has been restructured with the joint appointment of Sarah Chapman (formerly Assistant Children's Minister) and Clare Fillingham to the post of Children and Families Minister. The part-time post of Assistant Children's Minister was vacant at year-end, but Barbara Carstairs was appointed to this role in January 2023.

Our Music Minister, Stewart Wallace, left KPC at the end of June after 10 years of service to the church. The recruitment process for a Worship Minister was still in progress at the end of 2022.

The Magazine Editor, Rosemary Watts, retired from her role at the end of October. Catherine Robinson's role in the Parish Office was expanded to Communications Officer, encompassing the editorship of the church magazine in addition to responsibility for all the church's communications.

Sally Soane joined the Parish Office staff in June as Administrator.

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. In particular, the PCC warmly thanks all those who have left our employment during the year for their valuable contribution to the life of the church and wishes them well in their new endeavours.

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 General Fund reserves remain at a healthy level, ending the year at £89k (2021: £86k) compared to the policy level of £60k.

There have been very substantial increases in income through donations, grants and income from church activities. In particular, the PCC welcomes the generous donations to the Local Support Fund (£15k) and the Boiler Fund (£16k). Costs have also increased because of higher clergy costs – there has been a full team, for a full year – and as church activities have expanded.

The General Fund, which covers the normal running expenditures of the church, showed a deficit of £7k in the year, compared to a deficit of £24k in 2021. The £7k deficit for the year is after charging depreciation of £35k, but before transferring £20k to the Designated Property Repair Fund and investing £5k in capital equipment; so net current assets, or reserves, increased from £85k to £88k. This level of reserves is above the policy level of £60k and provides a level of flexibility in readiness for increased costs in 2023 as staff vacancies are filled.

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 financial outlook for the charity in the context of the charity's plans and general economic conditions. While costs increased in 2022 due mainly to increased clergy costs, income also rose considerably so that reserves were maintained above the charity's approved policy level of £60k. Although costs are expected to further increase in 2023 because of increased staffing levels and inflation, 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 increased by £108k to £774k. Increases in church members' donations (£42k), grants (£28k), income from increased activities (£40k) and interest (£2k) were offset by a reduction in legacy income of £4k.

Income to General Funds increased by £72k to £609k. Donations by church members increased by £30k, mainly as a result of an appeal for increased giving at the end of 2021. A grant of £15k (2021: £0) was received from Pickering Fields Trust towards the cost of a full-time Curate. Income from church activities, such as wedding and funeral fees, hall lettings and the Cobbles café increased by £25k. Interest income rose by £2k as interest rates increased.

Income to Designated Funds increased by £17k to £98k. A £9k grant was received from the Archbishops' Council towards exceptional energy costs; since these exceptional costs will occur in 2023, the grant has been placed in a designated fund for this purpose. A grant of £4k was received for Penny's Youth Café from Solihull Metropolitan Borough Council. Legacy income placed in the Designated Legacies Fund reduced to £1k (2021: £7k). Other grant income reduced by £5k. Stepping Stones income increased by £8k and other group activity income increased by £7k.

Income to Restricted Funds increased by £19k to £67k. Donations to the Restricted Property Repair Fund of £23k (2021: £0) included £16k of donations towards the church boiler, a £2k legacy and £5k of other gifts. Other Restricted donations from church members totalling £19k (2021: £28k) included £15k towards the Local Support Fund and these have been placed in the Restricted Legacies and Donations Fund. Knowle United Charity (KUC) made a grant of £22k (2021: £17k) towards youth and children's workers' salaries. The PCC is very grateful for KUC's ongoing support over many years.

### **Expenditure**

Contributions to the Diocesan Common Fund of £194k (2021: £170k) 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 £35k (2021: £32k), making a total of £85k (2021: £82k) towards mission and ministry work beyond Knowle. In 2022, retiring collections and other mission payments not included in the main church accounts totalled £5k (2021: £3k).

Total expenditure in 2022 increased by £53k to £747k.

General Fund expenditure increased by £55k to £616k. The Common Fund contribution increased by £24k because our curate was in place for a full year in 2022 but only half of 2021. Clergy Housing costs increased by £19k principally because our Associate Vicar occupied his house for 12 months in 2022 but only 4 in 2021. The costs of running church activities increased by £17k as these returned to pre-Covid levels. Outside Giving increased by £3k as the church responded to the conditions faced by partner organisations. These increases were offset by reductions of £12k in salary costs, mainly because of positions being vacant during 2022.

Designated Fund expenditure reduced by £8k to £104k. The cost of property repairs that were met from the Designated Property Repair Fund reduced by £22k because of the cost of church repairs in 2021 following the quinquennial inspection. Stepping Stones costs were £7k higher and the cost of associated groups such as the Friendship Club and the Flower Guild increased by £7k as activities expanded following the lifting of Covid restrictions.

Restricted Fund expenditure increased by £6k to £26k. £2k of expenses related to the Jubilee activities were met from a prior restricted gift; £2k of tree maintenance expenditure at 46 Crabmill Close was funded by a gift for that purpose, and there was an increase in the amount of youth and children's staff salaries which were funded by a generous gift from Knowle United Charity.

### **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 £89,226 (2021: £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 £74,953 (2021: £67,143) is expected to be sufficient for any works necessary in 2023.

The Designated Legacies Fund, created to hold the balances of legacies received but not yet allocated to specific purposes by PCC, stands at £61,732 (2021: £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 I 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. Only those on the Electoral Roll are eligible for election to 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 20<sup>th</sup> March, there were:

- 5 elected members with Deanery Synod membership and
- 10 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 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.

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

The PCC held 9 business meetings during the year. There are 9 permanent sub-committees: – Standing, Fabric, Finance, Health & Safety (who undertake risk reviews on behalf of the PCC), Vision Coordinating Group, Environment and Climate Action, Global Mission, 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 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.

### 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 2022 considering the implementation of new procedures announced during the year. Regular safeguarding reviews are held and updating of course attendance throughout 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	
Curate:	Revd Emily Spencer	
Churchwardens:	Matt Baggott (lay deputy chair)	Liz Welton
Member of Diocesan Synod:	Julian Phillips (Reader)	

### Elected Representatives to Deanery Synod:

Nick Brown	Nick Humby	
Carol Kay	Julian Phillips	David Pickering

### Elected members to PCC:

Lynn Brown (Secretary)	Sarah Chapman	Nick Houghton
Victor Hu	Steve Mort (Treasurer)	Benjamin Neudorfer
Claire Carter (formerly co-opted)	Susi Carter	Anne Smith
Rod Street		

Helen Allen, Sarah Covington and Paul Holden (to September); Amy Dowdy (from October) attended PCC meetings in a non-voting capacity.

Bank:	HSBC Bank plc, 34 Poplar Road, Solihull, B91 3AF
Auditors:	Thomas & Young 266 - 268 Stratford Road, Solihull, B90 3AD



## 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)

22<sup>nd</sup> March 2023

**Statement of financial activities  
for the year ended 31 December 2022**

Funds	Note	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
		General	Designated			General	Designated		
		2022	2022	2022	2022	2021	2021	2021	2021
		£	£	£	£	£	£	£	£
<b>Income from:</b>									
Donations and legacies	1.a	531,170	16,195	67,235	614,600	486,086	13,398	48,280	547,764
Charitable activities	1.b	69,678	80,953	-	150,631	49,149	65,926	-	115,075
Other trading activities	1.c	6,680	558	-	7,238	1,976	1,308	-	3,284
Investments and deposits	1.d	1,769	-	(88)	1,681	74	-	330	404
<b>Total income</b>		<b>609,297</b>	<b>97,706</b>	<b>67,147</b>	<b>774,150</b>	<b>537,285</b>	<b>80,632</b>	<b>48,610</b>	<b>666,527</b>
<b>Expenditure on:</b>									
Raising funds	2a	5,797	385	-	6,182	2,707	198	-	2,905
Charitable activities	2b 2c	610,203	104,075	26,115	740,393	558,710	112,453	19,988	691,151
<b>Total expenditure</b>		<b>616,000</b>	<b>104,460</b>	<b>26,115</b>	<b>746,575</b>	<b>561,417</b>	<b>112,651</b>	<b>19,988</b>	<b>694,056</b>
<b>Net income/(expenditure)</b>		<b>(6,703)</b>	<b>(6,754)</b>	<b>41,032</b>	<b>27,575</b>	<b>(24,132)</b>	<b>(32,019)</b>	<b>28,622</b>	<b>(27,529)</b>
Transfer General Funds to Designated Funds	6	(20,000)	20,000	-	-	(20,000)	20,000	-	-
Transfer Restricted Funds to General Fund	6	-	-	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(26,703)</b>	<b>13,246</b>	<b>41,032</b>	<b>27,575</b>	<b>(44,132)</b>	<b>(12,019)</b>	<b>28,622</b>	<b>(27,529)</b>
<b>Reconciliation of Funds:</b>									
Funds brought forward		1,389,128	176,676	90,701	1,656,505	1,433,260	188,695	62,079	1,684,034
<b>Funds carried forward</b>		<b>1,362,425</b>	<b>189,922</b>	<b>131,733</b>	<b>1,684,080</b>	<b>1,389,128</b>	<b>176,676</b>	<b>90,701</b>	<b>1,656,505</b>

**Balance sheet at 31 December 2022**

Funds	Note	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
		General	Designated			General	Designated		
		2022	2022	2022	2022	2021	2021	2021	2021
		£	£	£	£	£	£	£	£
<b>Fixed Assets</b>									
Tangible fixed assets	4.1	1,273,199	-	-	1,273,199	1,303,233	-	-	1,303,233
Investment assets	4.2	-	-	1,582	1,582	-	-	1,742	1,742
<b>Sub Total - Fixed Assets</b>		<b>1,273,199</b>	<b>-</b>	<b>1,582</b>	<b>1,274,781</b>	<b>1,303,233</b>	<b>-</b>	<b>1,742</b>	<b>1,304,975</b>
<b>Current assets</b>									
Debtors - HMRC gift aid tax recoverable		6,758	-	2,503	9,261	7,190	-	-	7,190
- Legacy - outstanding settlement			-	-	-	13,177	-	-	13,177
- Prepayments of insurance and other minor items		2,020	1,409	-	3,429	1,782	4,852	-	6,634
Cash and cash equivalents									
- Bank accounts		87,015	160,679	84,976	332,670	64,865	129,795	44,083	238,743
- Deposit accounts		24,514	42,706	45,000	112,220	23,058	42,706	45,000	110,764
- Cash		276	330	-	606	276	265	-	541
<b>Sub Total - Current Assets</b>		<b>120,583</b>	<b>205,124</b>	<b>132,479</b>	<b>458,186</b>	<b>110,348</b>	<b>177,618</b>	<b>89,083</b>	<b>377,049</b>
<b>Liabilities: Falling due within one year</b>					-				-
Creditors and accruals in respect of parochial activity		28,242	905	1,730	30,877	21,472	942	-	22,414
Charity collections and weekend away deposits not paid over		-	14,297	598	14,895	-	-	124	124
Deferred Income (rentals and mag adverts paid in advance)		3,115	-	-	3,115	2,981	-	-	2,981
<b>Sub Total - Liabilities</b>		<b>31,357</b>	<b>15,202</b>	<b>2,328</b>	<b>48,887</b>	<b>24,453</b>	<b>942</b>	<b>124</b>	<b>25,519</b>
<b>Sub Total - Net Current Assets</b>		<b>89,226</b>	<b>189,922</b>	<b>130,151</b>	<b>409,299</b>	<b>85,895</b>	<b>176,676</b>	<b>88,959</b>	<b>351,530</b>
<b>Total Net Assets</b>		<b>1,362,425</b>	<b>189,922</b>	<b>131,733</b>	<b>1,684,080</b>	<b>1,389,128</b>	<b>176,676</b>	<b>90,701</b>	<b>1,656,505</b>
<b>Funds</b>									-
Unrestricted (General Fund)		1,362,425	-	-	1,362,425	1,389,128	-	-	1,389,128
Designated	6	-	189,922	-	189,922	-	176,676	-	176,676
Restricted	6	-	-	131,733	131,733	-	-	90,701	90,701
					-				-
<b>Total</b>		<b>1,362,425</b>	<b>189,922</b>	<b>131,733</b>	<b>1,684,080</b>	<b>1,389,128</b>	<b>176,676</b>	<b>90,701</b>	<b>1,656,505</b>

Approved by the Parochial Church Council on 22<sup>nd</sup> March 2023 and signed on its behalf by:


Revd Geoff Lanham: Chairman



Matt Baggott: Vice Chairman

**Statement of Cash Flows**  
**for the year ended 31 December 2022**

Funds  Note	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
	General	Designated			General	Designated		
	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
<b>Cash flows from operating activities:</b>								
Net movement in funds per SOFA	(26,703)	13,246	41,032	27,575	(44,132)	(12,019)	28,622	(27,529)
<b>Adjustments for:</b>								
Depreciation charges	34,886	-	-	34,886	36,073	-	-	36,073
(Increase)/decrease in debtors	13,371	3,443	(2,503)	14,311	10,686	(3,495)	-	7,191
Increase/(decrease) in creditors	6,904	14,260	2,204	23,368	6,963	(1,721)	1	5,243
<b>Net cash provided by (used in) operating activities</b>	<b>28,458</b>	<b>30,949</b>	<b>40,733</b>	<b>100,140</b>	<b>9,590</b>	<b>(17,235)</b>	<b>28,623</b>	<b>20,978</b>
<b>Cash flows from investing activities:</b>								
Purchases of fixed assets	(4,852)	-	-	(4,852)	(3,561)	-	-	(3,561)
Change in value of investments	-	-	160	160	-	-	(260)	(260)
<b>Net cash provided by (used in) investing activities</b>	<b>(4,852)</b>	<b>-</b>	<b>160</b>	<b>(4,692)</b>	<b>(3,561)</b>	<b>-</b>	<b>(260)</b>	<b>(3,821)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>23,606</b>	<b>30,949</b>	<b>40,893</b>	<b>95,448</b>	<b>6,029</b>	<b>(17,235)</b>	<b>28,363</b>	<b>17,157</b>
<b>Changes in cash and cash equivalents:</b>								
<b>Opening 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 opening balances	88,199	172,766	89,083	350,048	82,170	190,001	60,720	332,891
<b>Closing balances</b>								
Current account	87,015	160,679	84,976	332,670	64,865	129,795	44,083	238,743
Deposit account	24,514	42,706	45,000	112,220	23,058	42,706	45,000	110,764
Cash	276	330	-	606	276	265	-	541
Total closing balances	111,805	203,715	129,976	445,496	88,199	172,766	89,083	350,048
<b>Increase/(decrease) in net cash holdings</b>	<b>23,606</b>	<b>30,949</b>	<b>40,893</b>	<b>95,448</b>	<b>6,029</b>	<b>(17,235)</b>	<b>28,363</b>	<b>17,157</b>

**I. Income analysis**

Funds	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
	General	Designated			General	Designated		
	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
<b>1a Donations and legacies:</b>								
Envelope scheme	2,276	-	-	2,276	1,982	-	-	1,982
Regular Standing orders	381,082	-	-	381,082	354,751	-	-	354,751
One-off donations	8,550	-	600	9,150	20,551	-	23,000	43,551
Other Stewardship & CAF	26,724	-	-	26,724	21,456	-	-	21,456
Gift Aid Tax recoverable (GAT)	85,722	135	5,852	91,709	84,614	305	5,750	90,669
Cash collections	9,818	-	1,027	10,845	1,892	-	-	1,892
Other income	112	-	636	748	120	-	-	120
Collections for charities	-	-	-	-	-	-	-	-
Grants/donations towards church running costs	15,000	13,900	24,660	53,560	-	1,100	19,480	20,580
Donations, appeals, etc.	1,885	659	32,460	35,004	720	4,561	50	5,331
Legacies	-	1,501	2,000	3,501	-	7,432	-	7,432
<b>Total</b>	<b>531,169</b>	<b>16,195</b>	<b>67,235</b>	<b>614,599</b>	<b>486,086</b>	<b>13,398</b>	<b>48,280</b>	<b>547,764</b>
<b>1b Income from Church Activities:</b>								
Parish magazine	21,309	-	-	21,309	19,884	-	-	19,884
Bookstall	-	-	-	-	-	-	-	-
Ministry group contributions	15,756	-	-	15,756	8,439	-	-	8,439
Church and hall lettings	11,835	-	-	11,835	9,333	-	-	9,333
Wedding and Funeral Fees	20,186	-	-	20,186	11,256	-	-	11,256
Other Group Activities	593	80,953	-	81,546	237	65,926	-	66,163
<b>Total</b>	<b>69,679</b>	<b>80,953</b>	<b>-</b>	<b>150,632</b>	<b>49,149</b>	<b>65,926</b>	<b>-</b>	<b>115,075</b>
<b>1c Other trading activities (incl. rentals)</b>	6,680	558	-	7,238	1,976	1,308	-	3,284
<b>1d Investment dividends/valuation and interest</b>	1,769	-	(88)	1,681	74	-	330	404
<b>Total income</b>	<b>609,297</b>	<b>97,706</b>	<b>67,147</b>	<b>774,150</b>	<b>537,285</b>	<b>80,632</b>	<b>48,610</b>	<b>666,527</b>

**2. Expenditure analysis**

Funds	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
	General	Designated			General	Designated		
	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
<b>2a Raising funds</b>								
Costs attributable (mainly to rents received)	5,797	385	-	6,182	2,707	198	-	2,905
<b>Sub-total</b>	<b>5,797</b>	<b>385</b>	<b>-</b>	<b>6,182</b>	<b>2,707</b>	<b>198</b>	<b>-</b>	<b>2,905</b>
<b>2b Charitable activities: Mission</b>								
Outside giving to charities (see note 7)	35,286	1,539	989	37,814	31,685	816	-	32,501
<b>2c Charitable activities: Ministry:</b>								
Diocesan Common Fund	194,028	-	-	194,028	170,160	-	-	170,160
Clergy expenses	5,223	-	-	5,223	3,433	-	-	3,433
Clergy and youth worker housing costs	38,977	9,096	-	48,073	20,106	6,767	-	26,873
Ministry groups	4,833	-	-	4,833	2,882	-	-	2,882
Ministry services incl. books and sundries	7,797	-	-	7,797	3,273	-	-	3,273
Pastoral care expenses	30	-	-	30	-	-	-	-
Other Group Activities	-	6,163	-	6,163	-	1,654	-	1,654
Children's ministry	48,726	74,565	11,182	134,473	51,496	69,374	8,863	129,733
Youth ministry	38,192	6,796	9,583	54,571	47,353	2,338	10,574	60,265
Church running expenses	27,629	3,094	1,926	32,649	26,476	27,235	551	54,262
Parish magazine costs	23,051	-	-	23,051	22,595	-	-	22,595
Bookstall expenditure	-	-	-	-	-	-	-	-
Churchyard upkeep	9,480	-	-	9,480	10,025	3,114	-	13,139
St John's Hall expenses	50,164	-	-	50,164	45,412	-	-	45,412
Guild House expenses	10,005	-	-	10,005	7,534	-	-	7,534
Music & Choir expenses	12,448	131	390	12,969	17,420	563	-	17,983
Parish Office and Admin costs	88,220	-	-	88,220	80,975	-	-	80,975
Insurance	12,019	-	-	12,019	12,759	-	-	12,759
Other Expenses	495	2,691	2,045	5,231	996	592	-	1,588
Governance/audit/accounts costs	3,600	-	-	3,600	4,130	-	-	4,130
<b>Sub-total</b>	<b>610,203</b>	<b>104,075</b>	<b>26,115</b>	<b>740,393</b>	<b>558,710</b>	<b>112,453</b>	<b>19,988</b>	<b>691,151</b>
<b>Total expenditure</b>	<b>616,000</b>	<b>104,460</b>	<b>26,115</b>	<b>746,575</b>	<b>561,417</b>	<b>112,651</b>	<b>19,988</b>	<b>694,056</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 Accounting and Reporting by Charities: Statement of Recommended Practice - 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 financial outlook for the charity in the context of the charity's plans and general economic conditions. While costs increased in 2022 due mainly to increased clergy costs, income also rose considerably so that reserves were maintained above the charity's approved policy level of £60k. Although costs are expected to further increase in 2023 because of increased staffing levels and inflation, 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.

#### **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 £4,049 (2021 - £2,558) and Accruals of £24,193 (2021 - £18,914).

#### 3.8 Pension Schemes

The church contributed to a defined contribution pension for one longer standing employee who left during 2022 and also provides defined contribution 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 freehold 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	145,075	-	1,548,812
Additions	-	4,853	-	4,853
Disposals	-	(4,226)	-	(4,226)
Revaluations	-	-	-	-
Transfers	-	-	-	-
<i>At end of the year</i>	<b>1,403,737</b>	<b>145,702</b>	<b>-</b>	<b>1,549,439</b>
<b>Depreciation and impairments</b>				
At beginning of the year	(149,901)	(95,678)	-	(245,579)
Disposals	-	4,226	-	4,226
Depreciation	(21,067)	(13,819)	-	(34,886)
Impairment	-	-	-	-
Transfers	-	-	-	-
<i>At end of the year</i>	<b>(170,968)</b>	<b>(105,271)</b>	<b>-</b>	<b>(276,239)</b>
<b>Net book value at beginning of year</b>	<b>1,253,836</b>	<b>49,397</b>	<b>-</b>	<b>1,303,233</b>
<b>Net book value at end of year</b>	<b>1,232,769</b>	<b>40,431</b>	<b>-</b>	<b>1,273,200</b>

#### 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 (2021 - £300,000) of freehold land which is not depreciated.

###### Fittings, Furnishings and Equipment

The additions comprised a replacement dishwasher for St John's Hall.

##### 4.2 Investments

Investments of £1,582 represent shares in the CBF's Investment Fund at market value as at 31 December 2022 (2021 - £1,742). The historic cost of these shares was £903 (2021 - £856).

#### 5. Staff Costs and Numbers Employed

	2022	Average Numbers Employed	2021	Average Numbers Employed
	£		£	
Youth & children's leadership	87,648	4	96,339	4
Parish Office staff	93,012	6	94,722	6
Stepping Stones	63,191	8	52,304	7
National insurance	9,057		10,734	
Pension	4,254		4,550	
<b>Total</b>	<b>257,163</b>	<b>18</b>	<b>258,650</b>	<b>17</b>

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

Parish workers and clergy received £3,650 (2021: £2,289) by way of reimbursement of expenses whilst on PCC business. In addition, clergy housing costs amounted to £31,456 (2021: £14,923) and accommodation was also provided for the former Youth Minister to carry out his duties effectively. £23,594 (2021: £7,200) 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 higher level is because the Associate Vicar, Steve Johnson, occupied the property for a full year in 2022 but for only four months in 2021.

The average head count during the year was 18 (2021: 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 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 2022 totalled £32,831 (2021: £35,095) including employers pension contributions of £774 (2021: £841) but not including employers National Insurance contributions of £3,345 (2021: £3,509). The operations manager's employment changed from 5 days per week to 4 in July 2022.

One trustee, Sarah Chapman, is employed as Children and Families Minister and previously Assistant Children's Minister. Her employee benefits in 2022 totalled £8,186 (2021: £6,042) including employers pension contributions of £60 (2021: £0) but not including employers National Insurance contributions of £185 (2021: £7).

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 (Donor-specified funds awaiting disbursement)	Balance 01-Jan 2022	Movement in resources			Balance 31-Dec 2022
	£	Incoming £	Gains and losses £	Outgoing £	£
R.A.C.K. Roof Fund	1,741	46	(206)	-	1,581
Restricted Legacies and Donations Fund	53,070	19,102	-	(3,937)	68,235
Property Repair/Renovation Fund	-	22,573	-	(1,735)	20,838
Pontifex Clock Fund	1,842	72	-	(198)	1,716
Organ Fund	576	300	-	-	876
Soldiers' Chapel	7,535	-	-	-	7,535
Choir Fund	725	600	-	(390)	935
Grants to employ Children and Youth Workers	16,781	24,660	-	(19,279)	22,162
Restricted Gifts and Grants for Youth Activities	8,431	-	-	(576)	7,855
<b>Totals</b>	<b>90,701</b>	<b>67,353</b>	<b>(206)</b>	<b>(26,115)</b>	<b>131,733</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:

	£
Balance of a 2021 gift not to be used to meet regular expenditure, but to be held at the discretion of the PCC for identifiable projects	22,662
Remainder of a 2018 grant from a legacy trust, given with a bias towards youth work	20,011
A 2021 gift towards the Vision project	6,250
Gifts to the Local Support Fund for help with the Cost-of-Living Crisis	15,355
A gift towards Penny's Youth Café	2,500
Gifts to the Hospitality Fund for the Weekend Away	1,437
Others	20

The Property Repair and Renovation Fund consists of restricted donations received towards major property repairs. In 2022, these included £16,073 in gifts towards the replacement of the church boiler, a legacy of £2,000 and other gifts totalling £4,500.

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 £22k by Knowle United Charities towards payment of salaries which has been retained in the fund towards salaries in 2023.

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 £7,855 is being held over towards future trips, by agreement with the donors.

## 6. Fund Details (continued)

### Designated Funds

Designated Funds (PCC - Specified Funds)	Balance 01-Jan 2022	Movement in resources			Balance 31-Dec 2022
	£	Incoming £	Transfers £	Outgoing £	£
Organisations which operate their own finances*					
Stepping Stones	13,887	70,797		(74,950)	9,734
Others	22,220	16,229		(16,912)	21,537
Funds maintained within church finances:	-				-
Church Away Weekend	1,198	-	-	(208)	990
Property Repair Fund	67,143	-	20,000	(12,190)	74,953
Churchyard Fund	11,796	-	-	-	11,796
Grant for use against future energy costs	-	9,180	-	-	9,180
Designated Legacies Fund	60,432	1,500	-	(200)	61,732
<b>Totals</b>	<b>176,676</b>	<b>97,706</b>	<b>20,000</b>	<b>(104,460)</b>	<b>189,922</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 church away weekend in 2023.

The Property Repair Fund has been designated by the PCC for any major work to the church's properties. In 2022, the costs of the church tower inspection and repairs to the church's house at 46 Crabmill Close 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 (2021: £20K) 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.

In 2022, a grant of £9,180 was received from the Archbishops' Council, via Birmingham Diocese, towards exceptional energy costs. Since these exceptional costs will occur in 2023, the grant has been placed in a designated fund for this purpose.

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 2022, legacy income of £1,500 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 £38k, with £1,250 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, £5k 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	KPC Funds £	Pass through £	Total 2022 £	KPC Funds £	Pass through £	Total 2021 £
Tearfund	6,180	10	6,190	4,336	452	4,788
Narthex Food Bank	4,483		4,483	1,020		1,020
St Andrews Chelmsley Wood	3,989		3,989	1,500		1,500
Reachout Network Ministries	3,000		3,000	3,000		3,000
St Christophers Missioner	3,000		3,000	3,000		3,000
Kenya Mission Initiatives	2,000	811	2,811	3,000		3,000
Diocese of Bolivia	2,000		2,000	4,029		4,029
Christians Against Poverty	2,000		2,000			
Malawi Task Group, CofE Birmingham	2,000		2,000	2,000		2,000
St Johns Sparkhill	2,000		2,000	3,000		3,000
Urban Saints	1,500		1,500	1,300		1,300
Christian Aid		1,217	1,217	100	789	889
Scripture Union	1,200		1,200	1,000		1,000
Dreammakers	478	632	1,110			
St Basils		1,062	1,062		1,428	1,428
International Needs	1,000		1,000	1,000		1,000
Springfield Project	1,000		1,000			
Compassion	672		672	516		516
Lily Mae Foundation	627		627			
Family Care Trust - Newlands Bishop Farm	685		685			
The Royal British Legion		591	591			
Restore - Birmingham Churches Together		475	475			
The Bible Society		395	395			
IAM Afghanistan				3,500		3,500
Royal Voluntary Service (dementia support)				200		200
<b>Total</b>	<b>37,814</b>	<b>5,194</b>	<b>43,007</b>	<b>32,501</b>	<b>2,669</b>	<b>35,170</b>
Less collections made specifically for other charities		(5,194)	(5,194)		(2,669)	(2,669)
<b>Total giving by KPC (per accounts note 2)</b>	<b>37,814</b>		<b>37,814</b>	<b>32,501</b>		<b>32,501</b>

## 8. Contingent Liabilities

No contingent liabilities have been identified.

## 9. Related Parties

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 2022:

- 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 £23,594 in 2022 (2021 £7,200; the increase is because the house was occupied for 12 months in 2022 compared with 4 months in 2021, and there has been an increase in the monthly rental). 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. In 2022, the Trust made a grant of £15,000 towards the cost of the full-time curate; there were no payments from the Trust to the church in 2021. 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 2022, the Trust made a donation to Knowle Parish Church of £72 (2021 £70).

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

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31<sup>st</sup> December 2022 which are set out on pages 9 to 21

### **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 Institute of Chartered Accountants in England and Wales, 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:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the accounts do not accord with those records ; or
- 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.

Signed:



Mark McLean FCA

Thomas & Young Limited, Chartered Accountants

Carleton House, 266-268 Stratford Rd, Shirley, B90 3AD

Date:

31/5/23