



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

Charity number 1127404

Report and Accounts

Year ended 31 December 2019

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**2019 Annual Report and Accounts for
the Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull
(Charity number 1127404)**

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st December 2019.

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

1. Aim and purposes

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

*The position of incumbent was vacant until the installation of Revd Geoffrey Lanham on 9th September.

2. Objectives and activities

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

The PCC is committed to enabling as many people as possible to worship at our church and to become part of our church community. 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

Key themes

2019 was a year of positive development at Knowle Parish Church. Notably, following prayer for the appointment of a new incumbent, a two day discernment process took place on 6th and 7th March, in which a large number of church leaders and members were positively engaged. The appointment of Revd Geoffrey Lanham was announced to the church on 24th March.

Also, during the first part of the year, and reflecting our statement of purpose, we had series of teaching on unity in Christ, stories by Jesus in Luke's Gospel, God's grace as seen in the Book of Jonah and images of God's mercy.

Worship and prayer

On most Sundays throughout the year, five services were held with differing styles of worship and preaching or teaching, but focused on similar themes. During the period of vacancy, we were grateful for the spiritual leadership of our associate vicar Matt Simpson and our Curate Ann Peachey. Stewart Wallace continued as our Music Minister, leading the choir and music groups.

Through the summer period, we had series of teaching on questions Jesus asks and the armour of God. In the autumn, Geoff Lanham led a series on 'our calling: life with God' - also followed in many home groups. Further teaching was based on questions God asks and the Beatitudes in Matthew 5.

A week of prayer was held in early June alongside teaching on 'Thy Kingdom Come', as well as evenings of prayer in most months. There were further opportunities to pray together in church on two weekday mornings each week, as well as prayer at home groups.

3. Achievements and performance (continued)

Ministry and evangelism

The Church continued with its aim of serving and reaching out to people in Knowle and beyond. On Saturday mornings, 'Cobbles' served coffee and cake in the Guild House, giving opportunity for people to meet with us in an informal setting. Friendship Club continued to run successfully on Thursdays providing coffee and lunches. Other events to which friends and colleagues were invited included five breakfasts in St John's Hall and three curry nights at Lloyds Restaurant – all with speakers on relevant current issues. These events were well attended and received.

The Alpha course at the start of 2019 was attended by 18 people and led to a new discovery group being formed at its conclusion. A further 15 came to Christianity Explored in the autumn.

The Knowle branch of Mothers' Union (MU) met each month during the year.

More than 300 people met in 26 home groups (including New Horizon) throughout 2019. The groups generally meet once a fortnight, 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, and we are very grateful for their ongoing commitment to the groups.

Connect groups for under 5s and their parents and carers – Rainbow Tots, Bumps & Babies, Dads & Toddlers and Stepping Stones Pre-school – have all functioned successfully, with continuing strong demand for what they offer.

Children's work under the leadership of Sarah Covington has continued with KPC Kids on Sundays, operating crèche, Toddlers and Scramblers for 0-5s and 'Initi8, Gener8 and Reson8' for 5-11s. A series of one-off events took place at KPC on weekday evenings throughout the year. Jaffa lunchtime clubs for years 1 and 2 at Knowle Academy have continued to be well subscribed as has the corresponding KPOW for years 3 and 4. Prayer workshops were again held for pupils in the junior school years. Two assemblies at Knowle Academy were taken each week, along with two services in church each term. The relationship between the church and the school continues to be extremely strong and is providing many opportunities. There is an area of work being developed on how we can encourage families to nurture the faith of their children at home in partnership with church.

The Youth strategy in 2019 continued to focus on Discipleship, Outreach and Leadership Development. The youth leadership team continued to run Discipleship groups for 11-16s on Sunday mornings and midweek small groups on Mondays for years 11 to 13 and, Tuesdays for year 7 and Wednesdays for years 8 to 10. Youth services took place on the first Sunday evening of most months. In July we took a group of 9 young people to Moldova to work in partnership with Mission Direct to build a fence around a home for disabled children; they also ran events for the children. In August, over 100 people went to Soul Survivor from KPC and other churches in the Solihull area. KPC and Dorridge staff and clergy gave input to assemblies at Arden Academy throughout the year, and services in church for students of all school years took place in the church in September and December.

A major development was the opening of Penny's Youth Café in September. This is open for young people Monday to Thursday from 3.30 to 6pm and evening groups and events are also held there, including the Thursday Evening Games night. Penny's Café is a place which allows young people from the local area to come and find out more about the Christian faith in a relaxed context. Leadership development has been facilitated by a discipleship programme. The youth band leads worship at Youth services and at some 6.30 evening services.

Pastoral care

The pastoral care teams, led by David Pickering – covering prayer ministry, bereavement counselling and support and visiting the sick and elderly at home and in care and nursing homes – continued to develop and serve people throughout the year. The team members received training in listening skills and safeguarding vulnerable adults, and met together for quiet mornings on prayer. The prayer team also held monthly evenings of prayer.

Church attendance and membership

The annual 'headcount' in October 2019 showed average Sunday attendance figures of 375 adults and 48 children and young people. Informal counts showed that 2,553 people attended the church over the Christmas period (plus students from Arden and Knowle Academies at their services in church). Large numbers of adults, children and young people participate regularly in our comprehensive range of midweek activities. At December 2019 the Electoral Roll was 527, of whom 311 lived in the parish and the remaining 216 outside the parish. Many additional people have links with the church in a less formal way.

During 2019, 19 baptisms and 1 thanksgiving, 13 marriages and 23 funerals took place in the church (plus a further 18 funeral services at a crematorium or cemetery).

Ecumenical relationships

Our clergy met three times during the year with the clergy and leaders of other churches in Knowle and Dorridge. Two 'churches together' services were held during the year.

3. Achievements and performance (continued)

Christian mission beyond Knowle

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

During 2019, we again contributed to the 'No Child Taken' initiative by Tearfund. Our previous involvement in Kenya continued with support, prayer and practical help related to continuing contacts by church members with the IcFEM project in Kimilili in West Kenya and Education for Life in Timbwani. We also gave to International Needs, Readout Network Ministries, Urban Saints, and LEADS Sri Lanka with whom the church has contacts. In the Birmingham area, we supported links with St Christopher's, Springfield and with St John's, Sparkhill and the Narthex project, including food collections for their foodbank in co-operation with Tesco in Knowle. Financial and prayer support for other mission organisations continued – details are shown in note 7 to the accounts.

We continue to be a significant financial supporter of the Diocese of Birmingham, including its project in Malawi. We have a particular link with St Andrew's Chelmsley Wood and the vicar Mike Harmon, who came from Knowle. Members from Knowle offer both prayer and practical support and we provide finance for specific projects and needs.

Fabric

During 2019, necessary general maintenance to church buildings and grounds was carried out. A major project to refurbish the choir and clergy vestries was undertaken in August.

4. People

The work of the Church continues to be 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 September, we welcomed Geoff Lanham as our new incumbent. We also express our thanks for the work carried out by the clergy team – Matt Simpson and Ann Peachey – throughout the year.

In December we thanked Judith Adam as she left the church after many years' service as a Reader

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 General Fund, which covers the normal running expenditures of the church, showed a deficit of £3k in the year, compared to a deficit of £35k in 2018. This dramatic improvement resulted from increased levels of giving, both regular and one-off, in response to the appeals made in November 2018 and March 2019 for church members to review their ongoing levels of giving to the church's work in view of the deficit in 2018.

The £3k deficit for the year is after charging depreciation of £39k, and so net current assets, or reserves, have increased from £71k to £96k, after transferring £10k to the designated Property Repair Fund. This level of reserves is above the policy level of £60k and provides a level of flexibility in the event that the one-off gifts in 2019 are not repeated.

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.

Income

Total income decreased by £66k to £710k, due to large decreases in Designated and Restricted Fund income which were partially offset by a very encouraging increase in General Fund Income.

Income to General Funds increased by £36k to £585k. Income from donations and legacies increased by £39k (8%) to £518k, which included a 6% increase in regular planned giving. Rental income from hall lettings was lower than in 2018, and fees from weddings and funerals were again lower, reflecting lower numbers of services. The high proportion (77%) of income which is planned and regular is of great benefit in financial planning.

Income to Designated Funds decreased by £22k to £101k. The 2018 income included a gift of £20k from Pickering Fields Trust and a grant of £7k from the Listed Places of Worship Scheme, both towards the restoration work on the clerestory windows which had been funded from the Designated Repair Fund in 2017. We were very encouraged by donations from church members and the public of £4k towards the setting up of Penny's Youth Café, and also by a generous grant of £995 from West Midlands Police towards this project.

5. Financial review (continued)

Income to Restricted Funds decreased by £80k to £24k. In 2018, there was restricted grant from a legacy trust of £23k to be used with a bias towards youth work, and gifts totalling £45k including related Gift Aid towards the cost of upgrading the church's property at 46 Crabmill Close and towards improvements to the Choir Vestry. 2019 income included a number of donations towards the youth mission trip to Moldova and the setting up of Penny's Youth Café, and a grant of £4k (2018 £13k) from Knowle United Charity to support our work with children and young people; a further grant of £14k has since been received from Knowle United Charity in 2020. Of particular note is a grant of £1,523 from Birmingham Airport for Penny's Youth Café, received in December 2019, which is expected to be expended in early 2020.

Expenditure

Contributions to the Diocesan Common Fund of £167k (2018 £170k) were in line with the amount requested, and in addition a £25k gift from designated funds was made to the Diocese in January 2019 in order to help with the transition to the new method of apportioning the Common Fund across the parishes.

Of the £167k paid to the Diocese, 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; in addition, retiring collections and other mission payments not included in the main church accounts totalled a further £13k, making a total of £95k towards mission and ministry work beyond Knowle.

General Fund expenditure on youth ministry rose from £49k to £61k, as a result of increased staffing levels, with the Assistant Youth Minister moving to a full-time basis for the whole of 2019.

There was a major project to improve the choir vestry, costing a total of £19k, £5k of which was met from a restricted gift made in 2018 and the balance from the Designated Property Fund.

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 £96,213 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 £66,684 is expected to be sufficient for any works necessary in 2020.

7. Fundraising practices

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

8. Plans for future periods

Our aim and purpose will remain as stated in 1 above. We will continue to run and develop our programme of worship services, groups, activities and special events, with changes to meet needs and initiatives as they arise. In 2020 we look forward to developments under the leadership of our new incumbent. Our motivation continues to be that, as KPC, 'We are here to help people become lifelong followers of Jesus Christ'. The Trustees regularly consider issues of direction and furtherance of our mission at PCC meetings.

9. Structure, governance and management

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

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

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

Members of the Council are determined by the Church Representation Rules and members 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 there were:

6 elected members with Deanery Synod responsibilities (all of whom retire at the 2020 APCM)..

8 elected members without Deanery Synod responsibilities (3 of whom retire at the 2020 APCM).

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

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. As begun in 2017, we dedicate part of the PCC meeting which follows the PCC elections) 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 9 business meetings during the year. There are 6 permanent Sub-committees: – Standing, Fabric, Finance, Health & Safety (who undertake risk reviews on behalf of the PCC), Human Resources (Paid Staff), and Stepping Stones Pre-school Management.

The key management personnel of the charity is the Standing Committee, made up of the senior clergy, churchwardens, the secretary and the treasurer (plus an additional member during the vacancy). The Standing Committee may conduct urgent PCC business that arises from time to time between PCC meetings, in accordance with the Church Representation Rules. The key management personnel receive no remuneration from the charity.

The Appointment Team – set up by the PCC in September 2018 – continued its work until March 2019 in co-operation with the CofE Birmingham Diocese.

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

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

10. Reference and Administrative details

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

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

10. Reference and Administrative details (continued)

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) (from September)

Associate Vicars: Revd Matt Simpson

Curate: Revd Ann Peachey

Churchwardens: Matt Baggott and Bill Wilson (lay deputy chair)

Member of Diocesan Synod: Julian Phillips (Reader)

Elected Representatives to Deanery Synod:

Nick Brown	Roy Carr (Secretary)	Nick Humby
Lindsay Melvin	Julian Phillips	Derek Sheldon

Elected members to PCC:

James Baden (resigned July 2019)	Lynn Brown	Margaret Johnson
Steve Mort (Treasurer)	Lucy Saunders	Carol Street
Kay Todman	Liz Welton	Zoe Wilbourne

No co-opted members,

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

Bank: HSBC Bank plc, 34 Poplar Road, Solihull, B91 3AF

Auditors: Baldwins Audit Services
First Floor, Copthall House, 1 New Road, Stourbridge, West Midlands, DY8 1PH

11. Statement of trustees' responsibilities

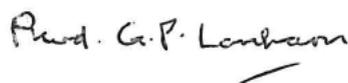
The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2019**

Funds	Note	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
		General 2019 £	Designated 2019 £	2019 £	2019 £	General 2018 £	Designated 2018 £	2018 £	2018 £
Income from:									
Donations and legacies	1.a	518,483	5,688	16,758	540,929	479,269	33,938	95,177	608,384
Charitable activities	1.b	59,819	91,556	3,954	155,329	61,540	87,414	-	148,954
Other trading activities	1.c	5,574	3,915	3,091	12,580	7,426	2,042	8,993	18,461
Investments and deposits	1.d	994	-	314	1,308	731	-	85	816
Total income		584,870	101,159	24,117	710,146	548,966	123,394	104,255	776,615
Expenditure on:									
Raising funds	2a	5,388	617	-	6,005	6,281	471	263	7,015
Charitable activities	2b 2c	582,437	132,154	26,993	741,584	577,560	102,746	35,069	715,375
Total expenditure		587,825	132,771	26,993	747,589	583,841	103,217	35,332	722,390
Net income/(expenditure)		(2,955)	(31,612)	(2,876)	(37,443)	(34,875)	20,177	68,923	54,225
Transfer General Funds to Designated Funds	6	(10,000)	10,000	-	-	(32,301)	32,301	-	-
Transfer Restricted Funds to General Fund	6	-	-	-	-	64,751	-	(64,751)	-
Net movement in funds		(12,955)	(21,612)	(2,876)	(37,443)	(2,425)	52,478	4,172	54,225
Reconciliation of Funds:									
Funds brought forward		1,481,377	151,843	47,919	1,681,139	1,483,802	99,365	43,747	1,626,914
Funds carried forward		1,468,422	130,231	45,043	1,643,696	1,481,377	151,843	47,919	1,681,139

Balance sheet at 31 December 2019

Funds	Note	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
		General	Designated			General	Designated		
		2019	2019	2019	2019	2018	2018	2018	2018
		£	£	£	£	£	£	£	£
Fixed Assets									
Tangible fixed assets	4.1	1,372,209	-	-	1,372,209	1,410,348	-	-	1,410,348
Investment assets	4.2	-	-	1,346	1,346	-	-	1,100	1,100
Sub Total - Fixed Assets		1,372,209	-	1,346	1,373,555	1,410,348	-	1,100	1,411,448
Current assets									
Debtors - HMRC gift aid tax recoverable		21,797	-	-	21,797	24,308	-	-	24,308
- Prepayments of insurance		882	-	-	882	861	-	-	861
- Other debtors		199	1,218	-	1,417	801	1,012	-	1,813
Cash and cash equivalents									
- Bank accounts		52,657	79,631	31,246	163,534	20,188	112,022	23,761	155,971
- Deposit accounts		42,238	50,000	18,000	110,238	41,415	40,000	28,000	109,415
- Cash		442	575	-	1,017	401	261	-	662
Sub Total - Current Assets		118,215	131,424	49,246	298,885	87,974	153,295	51,761	293,030
Liabilities: Falling due within one year									
Creditors and accruals in respect of parochial activity		18,462	1,193.00	-	19,655	14,612	1,452	-	16,064
Charity collections not paid over		-	-	5,549	5,549	-	-	4,942	4,942
Deferred Income (rentals and mag adverts paid in advance)		3,540	-	-	3,540	2,333	-	-	2,333
Sub Total - Liabilities		22,002	1,193	5,549	28,744	16,945	1,452	4,942	23,339
Sub Total - Net Current Assets		96,213	130,231	43,697	270,141	71,029	151,843	46,819	269,691
Total Net Assets		1,468,422	130,231	45,043	1,643,696	1,481,377	151,843	47,919	1,681,139
Funds									
Unrestricted (General Fund)		1,468,422	-	-	1,468,422	1,481,377	-	-	1,481,377
Designated	6	-	130,231	-	130,231	-	151,843	-	151,843
Restricted	6	-	-	45,043	45,043	-	-	47,919	47,919
Total		1,468,422	130,231	45,043	1,643,696	1,481,377	151,843	47,919	1,681,139

Approved by the Parochial Church Council on 26th February 2020 and signed on its behalf by:

Rev Geoff Lanham: Chairman

Rev. G. P. Lanham

Bill Wilson: Vice Chairman

Bill Wilson

Statement of Cash Flows
for the year ended 31 December 2019

Funds <i>Note</i>	Unrestricted Designated Restricted Total				Unrestricted Designated Restricted Total			
	2019 £	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £	2018 £
Cash flows from operating activities:								
Net movement in funds per SOFA	(12,955)	(21,612)	(2,876)	(37,443)	(2,425)	52,478	4,172	54,225
Adjustments for:								
Depreciation charges	39,401	-	-	39,401	39,990	-	-	39,990
(Increase)/decrease in debtors	3,091	(206)	-	2,885	(3,765)	(120)	-	(3,885)
Increase/(decrease) in creditors	5,058	(259)	607	5,406	(3,470)	(19,558)	(159)	(23,187)
Net cash provided by (used in) operating activities	34,595	(22,077)	(2,269)	10,249	30,330	32,800	4,013	67,143
Cash flows from investing activities:								
Purchases of fixed assets	(1,262)	-	-	(1,262)	(68,008)	-	-	(68,008)
Purchases of investments	-	-	(246)	(246)	-	-	(19)	(19)
Net cash provided by (used in) investing activities	(1,262)	-	(246)	(1,508)	(68,008)	-	(19)	(68,027)
Change in cash and cash equivalents in the reporting period	33,333	(22,077)	(2,515)	8,741	(37,678)	32,800	3,994	(884)
Changes in cash and cash equivalents:								
Opening balances:								
Current account	20,188	112,022	23,761	155,971	38,434	79,384	9,767	127,585
Deposit account	41,415	40,000	28,000	109,415	60,744	40,000	38,000	138,744
Cash	401	261	-	662	504	99	-	603
Total opening balances	62,004	152,283	51,761	266,048	99,682	119,483	47,767	266,932
Closing balances								
Current account	52,657	79,631	31,246	163,534	20,188	112,022	23,761	155,971
Deposit account	42,238	50,000	18,000	110,238	41,415	40,000	28,000	109,415
Cash	442	575	-	1,017	401	261	-	662
Total closing balances	95,337	130,206	49,246	274,789	62,004	152,283	51,761	266,048
Increase/(decrease) in net cash holdings (equals A)	33,333	(22,077)	(2,515)	8,741	(37,678)	32,800	3,994	(884)

I. Income analysis

Funds	Unrestricted			Restricted	Total	Unrestricted			Restricted	Total
	General	Designated			General	Designated				
	2019	2019	2019	2019	2018	2018	2018	2018	2018	
	£	£	£	£	£	£	£	£	£	
1a Donations and legacies:										
Envelope scheme	5,355	-	-	5,355	7,231	-	-	7,231		
Regular Standing orders	355,787	-	-	355,787	333,865	-	-	333,865		
One-off donations	18,250	-	-	18,250	12,540	-	-	12,540		
Other Stewardship & CAF	28,260	-	-	28,260	29,909	-	-	29,909		
Gift Aid Tax recoverable (GAT)	88,890	-	-	88,890	83,104	1,150	9,000	93,254		
Cash collections	11,526	-	-	11,526	10,713	-	-	10,713		
Other income	524	-	-	524	727	-	-	727		
Collections for charities	-	-	-	-	-	-	-	-		
Grants/donations for young people's work	-	4,812	11,072	15,884	-	-	14,146	14,146		
Donations, appeals, etc.	3,034	876	5,686	9,596	1,180	32,788	49,531	83,499		
Legacies	6,857	-	-	6,857	-	-	22,500	22,500		
Total	518,483	5,688	16,758	540,929	479,269	33,938	95,177	608,384		
1b Income from Church Activities:										
Parish magazine	19,742	-	-	19,742	17,944	-	-	17,944		
Bookstall	1,320	-	-	1,320	1,653	-	-	1,653		
Ministry group contributions	15,889	-	-	15,889	14,305	-	-	14,305		
Church and hall lettings	10,450	-	-	10,450	12,868	-	-	12,868		
Wedding and Funeral Fees	12,269	-	-	12,269	14,770	-	-	14,770		
Other Group Activities	149	91,556	3,954	95,659	-	87,414	-	87,414		
Total	59,819	91,556	3,954	155,329	61,540	87,414	-	148,954		
1c Other trading activities (incl. rentals)	5,574	3,915	3,091	12,580	7,426	2,042	8,993	18,461		
1d Investment dividends and interest	994	-	314	1,308	731	-	85	816		
Total income	584,870	101,159	24,117	710,146	548,966	123,394	104,255	776,615		

2. Expenditure analysis

Funds	Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
	General	Designated			General	Designated		
	2019	2019	2019	2019	2018	2018	2018	2018
	£	£	£	£	£	£	£	£
2a Raising funds								
Costs attributable (mainly to rents received)	5,388	617	-	6,005	5,281	471	263	6,015
Sub-total	5,388	617	-	6,005	5,281	471	263	6,015
2b Charitable activities: Mission								
Outside giving to charities (see note 7)	30,446	1,233	-	31,679	30,792	1,995	-	32,787
2c Charitable activities: Ministry:								
Diocesan Common Fund	167,002	25,000	-	192,002	170,432	-	-	170,432
Clergy expenses	6,497	-	-	6,497	10,656	-	-	10,656
Clergy and youth worker housing costs	36,196	-	-	36,196	32,946	-	-	32,946
Ministry groups	4,761	-	-	4,761	6,720	-	-	6,720
Ministry services incl. books and sundries	9,645	-	-	9,645	6,562	-	-	6,562
Pastoral care expenses	328	-	-	328	306	-	-	306
Other Group Activities	357	5,516	-	5,873	282	9,453	-	9,735
Children's ministry	59,717	67,897	3,375	130,989	53,438	70,018	9,078	132,534
Youth ministry	60,739	14,981	18,566	94,286	48,497	10,289	25,131	83,917
Church running expenses	25,273	13,713	4,495	43,481	31,153	1,006	860	33,019
Parish magazine costs	22,362	-	-	22,362	23,275	-	-	23,275
Bookstall expenditure	1,411	-	-	1,411	1,791	-	-	1,791
Churchyard upkeep	10,876	-	-	10,876	8,132	-	-	8,132
St John's Hall expenses	45,137	-	-	45,137	45,861	7,483	-	53,344
Guild House expenses	9,587	-	-	9,587	11,617	-	-	11,617
Music & Choir expenses	17,746	1,988	-	19,734	17,047	167	-	17,214
Parish Office and Admin costs	58,010	-	-	58,010	61,938	-	-	61,938
Insurance	10,653	-	557	11,210	11,011	-	-	11,011
Other Expenses	1,739	1,826	-	3,565	2,129	2,335	-	4,464
Governance/audit/accounts costs	3,955	-	-	3,955	3,975	-	-	3,975
Sub-total	582,437	132,154	26,993	741,584	578,560	102,746	35,069	716,375
Total expenditure	587,825	132,771	26,993	747,589	583,841	103,217	35,332	722,390

3. Accounting Policies

3.1 Basis of Preparation

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

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

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

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

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. Designated funds also include the funds of the church organisations that operate their own finances; most of the income of these funds is payment for the provision of charitable activities. The designated funds are listed at Note 6.

Restricted Funds

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for specific purposes. The restricted funds are listed at Note 6.

3.3 Income

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

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

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

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

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

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

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.

3. Accounting Policies (continued)

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.

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.

3.7 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 £4,154 (2018 - £5,822) and Accruals of £15,501 (2018 - £10,242). The higher level of accruals at 31 December 2019 mainly relates to work undertaken by contractors that remained unbilled at the time of accounts preparation.

3. Accounting Policies (continued)

3.8 Pension Schemes

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

4. Fixed Assets and Investments for use by the PCC

4.1 Fixed Assets

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

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

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

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

	Land and buildings	Fittings, Furnishings and equipment	Projects in progress	Total
	£	£	£	£
Cost or deemed cost				
At beginning of the year	1,403,697	140,790	-	1,544,487
Additions	-	1,262	-	1,262
Disposals	-	-	-	-
Revaluations	-	-	-	-
Transfers	-	-	-	-
<i>At end of the year</i>	1,403,697	142,052	-	1,545,749
Depreciation and impairments				
At beginning of the year	(84,262)	(49,877)	-	(134,139)
Disposals	-	-	-	-
Depreciation	(22,671)	(16,730)	-	(39,401)
Impairment	-	-	-	-
Transfers	-	-	-	-
<i>At end of the year</i>	(106,933)	(66,607)	-	(173,540)
Net book value at beginning of year	1,319,435	90,913	-	1,410,348
Net book value at end of year	1,296,764	75,445	-	1,372,209

Land and Buildings

Included within Land and buildings is £300,000 (2018 - £300,000) of freehold land which is not depreciated.

Fittings, Furnishings and Equipment

The additions comprised replacement staff computers.

4.2 Investments

Investments of £1,346 represent shares in the CBF's Investment Fund at market value as at 31 December 2019 (2018 - £1,100). The historic cost of these shares was £771 (2018 - £733).

5. Staff Costs and Numbers Employed

	2019	Average	2018	Average
	£	Numbers	£	Numbers
		Employed		Employed
Youth & children's leadership	100,629	4	87,704	4
Parish Office staff	68,251	5	74,715	6
Stepping Stones	50,063	6	47,785	7
National insurance	10,155		12,123	
Pension	3,854		2,692	
Total	232,952	15	225,019	17

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

Parish workers and clergy received £10,025 (2018 £10,994) by way of reimbursement of expenses whilst on PCC business. In addition, clergy housing costs amounted to £26,875 (2018 £22,931) and accommodation was also provided for a member of the Youth team to carry out his duties effectively. The increase in clergy housing costs this year was due to minor improvements made at the vicarage on the arrival of the new vicar. £21,600 of the clergy accommodation costs was paid to Pickering Fields Trust for rental of a property on Newton Road.

The average head count during the year was 15 (2018: 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 and the treasurer. No employee benefits were received by trustees or the charity's key management personnel for their services to the charity; note that clergy are not employees of the charity.

6. Fund Details

Restricted Funds

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

Restricted Funds	Balance	Movement in resources			Balance
	01-Jan	Incoming	Gains and	Outgoing	31-Dec
	2019		losses		2019
	£	£	£	£	£
R.A.C.K. Roof Fund	1,100	38	208	-	1,346
Restricted Legacies and Donations Fund	28,520	1,495	-	(5,995)	24,020
Property Repair/Renovation Fund	551	-	-	-	551
Pontifex Clock Fund	1,635	68	-	-	1,703
Organ Fund	476	100	-	-	576
Soldiers' Chapel	7,535	-	-	-	7,535
Choir Fund	240	100	-	-	340
Grants to employ Children and Youth Workers	-	6,750	-	(6,750)	-
Restricted Gifts and Grants for Youth Activities	7,862	15,358	-	(14,248)	8,972
Totals	47,919	23,909	208	(26,993)	45,043

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. During 2019, £5k was expended from this fund as a contribution to the costs of improvements to the choir vestry from a gift received in 2018 for this purpose, with the balance being funded from the Designated Property Fund. The balance on the fund now consists mainly of the remainder of a 2018 grant from a legacy trust, given with a bias towards youth work, of which £1k was expended on start-up costs for Penny's Youth Café during 2019.

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

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

6. Fund Details (continued)

Restricted Funds (continued)

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 gift of £4k by Knowle United Charities towards payment of salaries.

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 trip to Moldova in 2019; the remaining balance is being held over towards future trips, by agreement with the donors. This fund also holds a restricted grant of £1,523 from Birmingham Airport for Penny's Youth Café, received in December 2019, which is expected to be expended in early 2020.

Designated Funds

Designated Funds	Balance	Movement in resources			Balance
	01-Jan 2019	Incoming	Transfers	Outgoing	31-Dec 2019
	£	£	£	£	£
Organisations which operate their own finances*	40,956	100,541	-	(94,058)	47,439
Funds maintained within church finances:					
Reserve for 2019 gift to Diocese	25,000	-	-	(25,000)	-
Church Away Weekend	1,198	-	-	-	1,198
Property Repair Fund	69,779	618	10,000	(13,713)	66,684
Churchyard Fund	14,910	-	-	-	14,910
Totals	151,843	101,159	10,000	(132,771)	130,231

*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.

Reserve for 2019 gift to Diocese – a gift of £25,000 was made to the Diocese of Birmingham in January 2019 in order to help with the transition to the new method of apportioning the Common Fund across the parishes. The PCC designated funds from the General Fund in 2018 to provide for this gift.

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. Income comprised a £618 grant from the Listed Places of Worship Scheme, mainly towards the choir vestry improvements and £10k was transferred from General Funds. Outgoings consisted of the choir vestry improvements, which cost £19k in total, of which £5k was met from the Restricted Legacies and Donations Fund.

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

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 as whole supported other charities, mission work and individuals to a total of £45k. Of this, £32k came from the PCC's own income and is included in the accounts; of this, £2k is a share of the gross receipts of the "Cobbles" Saturday morning informal café, where the Cobbles leadership nominate a different charity every few months. £13k was given directly to other charities and mission work through the organisation of retiring collections and fundraising events for specific charities; this latter income is excluded from the accounts but included here to provide a more complete picture of the fund raising activity of the church. Details of these payments are shown below.

Charity	Gen/Desig	Restricted	Total	Gen/Desig	Restricted	Total
	Funds	Funds	2019	Funds	Funds	2018
	£	£	£	£	£	£
St Andrews Chelmsley Wood	3,500		3,500	3,500		3,500
Kenya Mission Initiatives	3,000		3,000	3,000	647	3,647
St Christophers Springfield and related	3,000		3,000	3,000		3,000
St Johns Sparkhill	3,000		3,000	3,000		3,000
Tearfund	2,240	657	2,897	2,240	4,790	7,030
Christian Aid	100	2,591	2,691	100	647	747
Reachout Network Ministries	2,000		2,000	2,000		2,000
Christians Against Poverty (Carol services)		1,857	1,857			
The Feast		1,847	1,847			
This Way Up	1,500		1,500	3,000		3,000
Outreach Angels	565	835	1,400			
Agape (Helen Allen)	1,250		1,250	1,250		1,250
Urban Saints	1,240		1,240	1,240		1,240
Leads Sri Lankan Christian Charity	521	657	1,178			
Urban Devotion		1,012	1,012			
Chaplaincy Plus - Birmingham	1,000		1,000			
International Needs	1,000		1,000	1,000		1,000
Malawi schools	1,000		1,000	1,000		1,000
Scripture Union	1,000		1,000	1,000		1,000
Royal British Legion		790	790		1,386	1,386
Matt Roberts-Davies	700		700	700		700
Shine (from Cobbles)	645		645			
Solihull Mind	608		608			
KPC Youth Mission	595		595	627	4,475	5,102
Compassion	540		540	540		540
Betel (UK)		523	523			
Restore- Birmingham Churches Together		523	523			
CPAS	500		500	500		500
Fusion	500		500			
Solihull Welcome	500		500			
UCCF	500		500			
Springfield Project		472	472		650	650
British Heart Foundation		357	357			
Cancer Research		357	357			
Wet Feet Fund	300		300	600		600
Evangelical Alliance		295	295			
Churches Together (Knowle & Dorridge)		203	203			
Birmingham City Mission		100	100		1,633	1,633
Mission Direct				500	1,633	2,133
Knowle Village Hall				715	927	1,642
Anawim Outreach Service				1,000		1,000
Marie Curie Cancer Care (incl chaplaincy)				975		975
The Haven					604	604
Lighthouse (West Yorkshire) - ex Away Weekend worker				500		500
M 10 Missions				500		500
London Institute of Contemporary Christianity				300		300
Others	375	82	457		188	188
Total	31,679	13,158	44,837	32,787	17,580	50,367
Less collections made specifically for other charities		(13,158)	(13,158)		(17,580)	(17,580)
Total giving by KPC (per accounts note 2)	31,679		31,679	32,787		32,787

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 two related parties of significance in 2019:

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

Pickering Fields Trust has the official name 'Charities for Ecclesiastical and Other Purposes' - charity number 238492. Apart from a small amount of investment income, it derives all its income from the rental of its house to Knowle Parish Church for clergy use (see note 5) which amounted to £21,600 in 2019 (2018 £21,600). It, in turn, at the discretion of its 3 trustees and within its objectives, generally pays all its donations to the church, in support of renovation and fabric repair projects and the charitable work of the church. There were no payments from the Trust to the church in 2019; in 2018, the Trust made a gift of £20k to the church towards the costs incurred in restoring the clerestory windows. Group accounts have not been prepared since neither the trustees of Knowle Parish Church nor the electorate of Knowle Parish Church have powers (i) to direct the decisions of the PFT trustees or (ii) to appoint or dismiss the PFT trustees.

Knowle Church Clock Trust's principal activity and achievement is the donation of the whole of the annual income from its investment funds to Knowle Parochial Church Council, which has the legal obligation of the upkeep of the church clock and weathervane. In 2019, the Trust made a donation to Knowle Parish Church of £68 (2018 £66).

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

Opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of Knowle, Solihull (the 'charity') for the year ended 31 December 2019 which comprise Trustees Report, Statement of Financial Activities, Balance Sheet, Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors Report

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Baldwins Audit Services

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

Statutory Auditor

13 March 2020

1st Floor, Copthall House
1 New Road
Stourbridge
West Midlands
DY8 1PH

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