

**ANNUAL REPORT of the Parochial Church Council of St Philip's, Dorridge with St James',
Bentley Heath, in the Benefice of Dorridge and Bentley Heath.**

for the year ended 31 December 2019

The Parochial Church Council ("PCC") is pleased to present its report and financial statements for the year ended 31st December 2019.

Reference and Administrative Information

**Charity Name: Parochial Church Council of St Philip's, Dorridge with St James', Bentley Heath,
in the Benefice of Dorridge and Bentley Heath.**

Charity Registration Number 1133831

Office St Philip's Church Centre
Manor Road
Dorridge
Solihull
B93 8DX

PCC

Members of the PCC who are trustees for the purposes of charity law and who served during the year and up to the date of this report (unless indicated otherwise) are set out below:

Ex Officio Members of the PCC

Rev'd Duncan Hill-Brown (Vicar and Chair)
Jon Tattersall (Curate to 30th June 2019)
Jon Hall (Youth Minister - Non-Voting member)
Derek Timms (Church Warden)
Heather Tomson (Church Warden)

Elected Members

Colin Revans (Lay Chair)
David Archer (Hon Treasurer)
Pamela Lawrence (Hon Secretary)
Fiona Fowles
Stephen Street
Raymond Hobby
Lisa Maines
Emma Hughes
Andrew Cowan (from 13th May 2019)

Elected Members of the Deanery Synod

Carol Linfield
Amanda Cowan (from 13th May 2019)
Anthony Rich (to 7th April 2019)
Steven Skakel (to 8th July 2019)

Co-opted Members of the PCC

Richard Arbuthnot (Building for the Future Project)
Ashleigh Lawrence (Non-Voting Youth Representative from 13th May 2019)

Independent Examiner

Jeremy Kitson FCA
Prime Accountants Group
Corner Oak
1 Homer Road
Solihull
West Midlands, B91 3QG

Bankers

HSBC
34 Poplar Road
Solihull
B91 3AF

Solicitors

SGH Martineau
1 Colmore Square
Birmingham
B4 6AA

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Structure, Governance and Management

Governing Document

The constitution and rules for the proceedings of the PCC are set out in the Parochial Church Council Powers Measure (1956) as amended and in the Church Representation Rules. The PCC was registered with the Charity Commission on 28th January 2010.

Governance

At the APCM on Sunday 7th April 2019 the meeting resolved to reappoint Prime Accountants Group, 1 Homer Road, Solihull as our Independent Examiners for the current year.

Recruitment and Appointment of PCC

There are certain statutory ex officio members of the PCC, i.e. the Vicar and any other clerk in Holy Orders beneficed in or licensed to the parish; any deaconess or lay worker licensed to the parish; the two churchwardens; and persons on the electoral roll of the parish who are also members of the deanery synod, diocesan synod or General Synod. In addition, there are elected members of PCC who are chosen at the annual parochial church meeting. Those elected must be on the electoral roll; be over 16; and be confirmed. Also, members can be co-opted by the PCC.

PCC Induction and Training

On appointment, PCC members are given documents covering background information relating to the workings of the PCC. Otherwise there is no formal induction or training.

Risk Management

Members of the PCC have examined the major strategic and operational risks which the church faces, in order to be satisfied that systems have been established to enable regular reports to be produced and that all necessary steps have been taken to minimise the effects of all such risks as may exist.

Organisational Structure

The PCC normally meets eight to ten times per annum with an agenda and supporting documents circulated to PCC members in advance of each meeting. As required under the Church Representation Rules, the PCC each year appoints a Standing Committee of five or more members including the Vicar, the churchwardens, treasurer and secretary, which meets as required to make recommendations and reports to and is accountable to the PCC. The PCC appoints several reporting committees and working parties to be responsible for particular functions.

The churchwardens are PCC members and inter alia form a link between the bishop and the parish. They see that the PCC carries out its responsibilities for the care, maintenance and insurance of the church, its contents, the churchyard and other buildings owned by the PCC, and arrange to inspect the fabric of the church each year and report to the annual parochial church meeting.

In 2019 the PCC employed a Youth Minister, a Parish Operations Manager (25 hrs a week), a Parish Communications Manager (25 hrs a week) and part-time Receptionists working in the Parish Office. From 1st September 2019 the two Receptionists very generously offered until further notice to continue their role unpaid. The Receptionists report to the Operations Manager who, in turn, reports to the PCC.

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Structure, Governance and Management (continued)

Remuneration Policy

For the posts of Youth Minister, Parish Operations Manager and Parish Communications Manager, salaries are determined by the PCC after taking advice on comparable posts in the area, and the positions filled by open advertisement.

Objectives and Activities

The PCC's objective is to promote and to carry out Christian Ministry in the Parish of Dorridge and Bentley Heath. It is responsible for co-operating with the Vicar, Rev'd Duncan Hill-Brown, in promoting the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also responsible for maintenance of the Churches of St Philip's and St James, for the church hall, the church flat, and (until its sale on 23rd October 2019) the Associate Vicar's house (2 Hurst Green Road). The PCC has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aim and objectives of the PCC and in planning its future activities.

Review of the Year and Future Plans

With the closure of St Philip's Church on Manor Road on Easter Sunday 2019, we have changed the pattern of Sunday and weekday Services with which we serve the Parish of Dorridge and Bentley Heath.

- **Sunday 8.30am Holy Communion.** Shared with the congregation at St Giles Packwood
- **1st Sunday 8.45am Breakfast Church** at St James' an All Age gathering for worship, Bible teaching, fellowship, and prayer beginning with breakfast
- **1st Sunday 10.15am Morning Worship** at St. James'
- **Sunday 10am Worship** at St James' an alternating pattern of Holy Communion and Morning Worship with Children's groups for Children aged 3 to 14 2nd 3rd 4th and 5th Sundays.
- **2nd Sunday Messy Church** 3.30pm at St James' has continued to grow and it is still very popular with families with children aged 8 and under.
- **Sunday 6.30pm** at St James' Bentley Heath alternating Holy Communion with Evening Worship.
- **Wednesday at 10.45am** Service of Holy Communion at St George and Theresa's Catholic Church.

The Parish is served by a stipendiary Vicar and Curate (until June 2019), a Self-supporting Minister - (Revd. Rachel Hill-Brown), a retired Priest (Revd. Meg Guillebaud) who has Bishop's permission to Officiate, Youth Minister (Jon Hall), a team of licensed Lay Readers, a Lay Reader in Training, and a Commissioned Pastoral Care Team. We are indebted to Revd. Stephen Mayes who has continued to assist in the Parish covering a variety of Services, especially Wednesday 10.45am.

Our Curate, the Revd. Jon Tattersall, left us in June 2019 at the end of his curacy to take up the post of Associate Vicar of St. John's Harborne. Revd. Rachel Hill-Brown, who served creatively and energetically as our Children's and Families Missioner, left her post with us to take up a chaplaincy role at UHB NHS Trust, primarily based at our local Solihull Hospital. Following Rachel's departure, the PCC are undertaking a full review of our under 25's ministry and mission to families, children and young people. It is hoped that this review will enable us to reimagine how we best resource this ongoing and vital element of our Church life in a sustainable way.

With Jon's departure and Rachel's change of role, Thirst men's ministry continues to thrive, and Breakfast Church has been resourced as part of our monthly pattern of worship. Messy Church continues under Rachel's leadership, supported by Andy Carswell, one of our Lay Readers, but has been reduced to just nine services this year. The closure of St Philip's Church saw the initial move of our AllSorts Parents and Toddler Group from St Philip's to St James' but, with significant decline in numbers and being unable to find a leader to oversee this group, AllSorts closed in December 2019. TotStop, our Parent and Toddler Group which has always been based at St James', continues to thrive with good numbers and a committed and faithful team of leaders and helpers.

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Jon Hall continues as our Youth Minister, heading up our ministry and mission to young people. This includes Lazer on Sunday mornings for young people aged 11-14, Cell Groups for school years 7-9 and 10+. From September 2019 a significant development in youth ministry and mission has been the opening of Penny's Café in Knowle, where Jon partners with the Youth Team based at Knowle Parish Church. Together, through Penny's Café, they run a programme which includes open drop-in from 3-6 pm on School days, followed by age-specific groups from 6pm for young people from both our Parishes, the vast majority of whom attend Arden School. This work, shared with Knowle, is a significant development in how we do ministry and mission to young people in Knowle, Dorridge, and Bentley Heath, and will be a significant factor in the PCC's review of our work with the under 25's.

We are very grateful for the hard work and faithful service of our Parish Administration Team, Ruth Bradshaw (Parish Operation Manager), and Richard Couzens (Parish Communications Manager). With the closure of St Philip's, in preparation for the redevelopment, we have said farewell and thank you to our Parish Receptionists, Barbara Coates and Sally Jones, both having served more than 10 years as the friendly face or voice that greets those approaching the Parish Office. We are very thankful to the team who manage our finances so well; David Archer our Treasurer, supported by David Walker, Peter Hunt, Millie Majurey and Susan Cunliffe.

The Parish continues to enjoy a very close relationship with Bentley Heath Church of England Primary School and Nursery. In September 2019 Ofsted inspected the school, which was a gruelling experience especially as their judgement was that the school requires improvement. This felt harsh as the inspection team seemed to fail to notice many of the good and outstanding elements of the School, including its ethos and the results that the children achieve. From this experience the School Leadership Team and the Trustees are determined to move on, knowing what we do well and seeking to work on areas for development. We are very grateful to the Diocesan Board of Education for all the support and affirmation they have offered us through this difficult time. The Vicar leads Collective Worship with the whole school every Monday morning, and the school is served by five members of the Church on the Governing Body. Again this year, the Church has shared worship with the School to mark both Education Sunday and the St James' Bentley Heath Carol Service. In April 2020 Bentley Heath School and St James' Church are celebrating 150 years of Church of England worship, witness, mission and service through the Church School. We are thankful to Mr Andrew Williams, the Head Teacher, for the welcome he gives the Church, and for his distinctively Christian leadership of the School.

All our main Sunday services continue at St James' Bentley Heath, which means that our strong partnership with the school is vital. We are also grateful to our ecumenical partners in Knowle, Dorridge and Bentley Heath Churches Together for the help and hospitality they have offered us for Church Services, events and activities that we would normally have hosted at St Philip's. Attendance on a 'normal' Sunday in 2019 was 157 (2018: 299). The number on the Electoral Roll in April 2019 was 201 (2018: 243). Our Worshipping Community in 2019 was 658 (2018: 730).

Due to hard work on the part of both our Finance Team and our Parish Office Team we ended 2019 with a smaller deficit than originally predicted. All our numbers, both financial and attendance at Church Services and activities, have taken an inevitable hit as a result of the closure of St Philip's Church. Therefore, the long-awaited demolition and rebuild of St Philip's needs to begin as soon as possible if we are to see a significant turn-around in these numbers in the coming year. As I write we are awaiting just one final element of pre-conditions to be signed off by Solihull Borough Council in order to fulfil the Faculty requirements, enabling us to sign contracts to begin the Phase 1 of the rebuild. In the meantime, the revised focus of our vision is to make the Church visible and present in Dorridge and Bentley Heath; through '*Church on the Streets*' offering prayer, promoting what St Philip's and St James' has to offer our friends and neighbours, inviting others in our community to partner with us as Future Builders, and taking literally Jesus' command to "love our *neighbours* as we love ourselves!" As we make the Church visible and present, we seek Jesus to be made visible and present to us, in us and through us.

Our Mission Statement remains that we are St Philip's Dorridge with St James' Bentley Heath, Together, Committed to Growth, Rooted in Jesus, and Fruitful in Mission and Service. We are grateful to every member of our Church who shares with us in ministry and mission, to grow the Church in Dorridge, Bentley Heath, and beyond. We recognise that we can do nothing without God's great faithfulness, and the generous offerings of time, money, and talents that many individuals and families give to partner with us as *Future Builders*.

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Financial Review

Our financial priorities are:

- to meet our contribution to the Diocesan Common Fund, our giving to Mission Beyond the Parish and meeting our day to day running & administration costs;
- to maintain the funding of our Youth Minister and, when able, to restore the ministry of our Children's and Families' Missioner, and to develop primary school age support;
- the development of the wider Church site as part of our "Building For the Future" project.

The Incumbent and PCC are very grateful that the ministry of the Church continues to be supported by the sacrificial giving of money, time, talents and prayers of many supporters and volunteers. During the year under review the congregation once again responded generously to a programme of engagement to raise levels of regular giving, and this is discussed further below.

The financial resources managed by the PCC are split into 3 Fund types - the General Fund (which comprises unencumbered gifts for the general purposes of the church, and related expenditures, including our Parish contribution to the Diocesan Common Fund); a number of Designated Funds (representing monies given for specific purposes, and where the PCC is expressly given the ability to apply unused funds for general purposes); and Restricted Funds (where monies are given for specific purposes and can be used for those purposes only).

The General Fund

The largest of these funds is the General Fund, and its principal sources of income are Parishioners' giving (the majority being gift aided), lettings for use of buildings, and sundry grants. Total income in 2019 was £210.9K compared to £444.5K in 2018, an apparent decrease of £233.6K. However, £194.4K of our 2018 income was as a result of two legacies (£0K in 2019); excluding these legacies our 2019 total income decreased by £39.2K from £250.1K (15.7%). Total Planned Giving was also down by £30.5K to £194.2K (2018 - £224.7K), a decrease of 13.6%. Open Plate collections were down £1.1K at £5.4K (£6.5K in 2018).

Lettings and fees at £7.4K continued to decline from £14.5K in 2018, principally as a result of the loss of availability of St Philip's church hall and the very limited availability at St James', which has required most previous users to find alternative premises for their activities.

Income from the Diocese for the use of 2 Hurst Green Road by our Curate (in lieu of rent) ceased at the end of June 2019 following the departure of Jon Tattersall and was £3.8K, half of the previous year's full year's income (£7.5K).

Other sources of income from grants, outreach and other events at £3.5K were up compared with £2.9K last year, mainly due to the men's away weekend. We did not hold a Parish Away Weekend in 2019.

Total expenditures on General Fund activities were £231.7K in 2019 compared with £247.6 in 2018, a decrease of £15.9K (6.4%).

Most cost headings have remained reasonably stable although our contribution to the Diocesan Common Fund was reduced from £126.6K in 2018 to £117.1K in 2019 as a result of a new 'People & Places' funding methodology that relates contributions more closely to costs attributable to each parish and, for the first time, taking into account the availability of a curate. In 2019 we had budgeted for only 9 months availability compared with 12 months in 2018.

There are a number of other items worthy of note. In 2017 the PCC was obliged to reduce the church's contribution to Mission Beyond the Parish from 10% of our Voluntary Giving to 5%, as a temporary cost-saving measure, and this measure continued in 2018. In 2019 the PCC resolved to increase this to 7.5% as a first step towards restoring the full 10% commitment. This led to an increase in expenditure to 14.0K compared with the £11.5K donated in 2018.

In 2019 our Youth Minister Jon Hall, completed his first full year following his re-appointment in early 2018 and, as a result his salary & expenses were £29.6K in 2019 compared with £28.2K in 2018 (11 months), met

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partly, in both years, by much-appreciated grants of £4.2K from Knowle United Charity. Youth & Children Activities expenses was £2.7K (total) compared with £3.3K for 2018.

No legacies were received in 2019 compared with £194.4K in 2018. As reported last year, in 2018 the PCC resolved to transfer £25K of these legacies into the Children & Family Ministry designated fund plus £120K into the Building for the Future (designated) fund, with the residue (£49.4K) being retained in the General fund. In May 2019 the PCC resolved to transfer this residue, rounded up to £50K, into the Building for the Future fund.

In 2019, before allowing for the £50K transfer to the Building fund, the General Fund showed a deficit of £20.8K in 2019 compared with a comparable surplus of £1.8K in 2018 (i.e. ignoring legacies). The principle reasons for this are the £30.5K net loss (i.e. not made up by giving from new worshippers) of regular income from parishioners who have either left the parish or sadly passed away; further reductions in rental income following the closure of St Philip's church hall (£1.5K; reduced income from the Diocese for the use of 2 Hurst Green Road (£3.8K); and £3.4K reduction in other income. This was partially offset by £15.9K reduction in expenditure, including the £9.5K reduction in our contribution to the Diocesan Common Fund.

Designated Funds

Our two designated funds are the Children & Family Ministry Fund and the Building for the Future (designated) Fund. In early 2019, following the end of 3 years of part-funding from the Diocese, the Revd. Rachel Hill-Brown gave notice that she wished to terminate her role as Children's and Families Missioner in order to take up a new post as Chaplain at Solihull Hospital. Rachel relinquished this role in May 2019 and no replacement has been appointed at the present time. Consequently, the Child & Family Minister designated fund contains a residue of £23.4K attributable to the transfer mentioned above.

At the end of December 2019, the Building for the Future (designated) fund has a balance of £854,651. More detail on the 'Building for the Future' project is provided in the following section.

'Building for the Future'

The 'Building for the Future' (restricted) fund was launched in 2013 with purposes which included the repayment of the (then) remaining loans on 6 MR. Pledges from fund-raising appeals made in 2013, 2015, 2016 & 2018, together with legacies, grants, other gifts and fund-raising activities, have raised a total of £1,491K, including Gift-Aid, by the end of 2019. Including the balance of the Building for the Future (designated) fund (mainly the 2016 sale of 6MR), but excluding the £120K of new loans procured in 2019, the total raised so far is £3,183.1K (2018 - £2,280.5K).

During 2019 income (to both funds) from events, appeals and both pledged & non-pledged donations was £312.0K, with a further £541.6K realised from the sale of 2 Hurst Green Road (2HGR) and £50K transferred from the General Fund, making the total income for the year £903.6K (£321.3K in 2018)

Expenditure during 2019, excluding the £56.7K provision for detail design and planning fees brought forward from 2018, totalled £25.2K, bringing the total expenditure at the end of the year to £258.1K (2018 - £286.4K).

Overall, including the £151K remaining pledges for future years to 2025 the Building for the Future project has identified (monies received plus pledges) of over £3.34M.

In 2018 the PCC submitted a revised Faculty application to the Chancellor of the Diocese of Birmingham to allow construction of the new church as a two-phase project, with Phase 1 limited to the physical construction of the building, externally complete and fully landscaped, but with only the church area fully fitted out to enable the building to be consecrated and used for worship. This Faculty was granted in early 2019, subject to satisfying the Chancellor with regard to a number of pre-conditions, one of which was to demonstrate the financial viability of the project.

In the summer of 2019, the PCC concluded that we now had visibility of the required funds to commence & complete Phase 1 of the construction, albeit only by including expected income from future pledges

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scheduled to be received during the anticipated Phase 1 construction (i.e. to end Q3 2020). A financial document was prepared and submitted to the Diocesan Registrar who acts on behalf of the Chancellor). This was declined on the grounds that pledges are not legally binding and could be withdrawn at any time, potentially putting the PCC at financial risk. The Registrar also advised that, before recommending her approval to the Chancellor, she would want to see of all of the necessary funds, either in our bank account or on deposit. Accordingly, an appeal was made to members of the congregation to provide short-term interest-free loans to provide additional liquidity for the Phase 1 construction, repayable either as soon as new funds become available, or by 31st December 2020 at the latest. We are extremely grateful to these members who have provided a total of £120K in loans. This includes £40K made by the PCC from the General Fund reserves and £40K from parishioners on a longer 3-year term.

In August 2019 the PCC applied to Solihull Metropolitan Borough Council for 'Prior to Commencement' planning approval. As part of this process the planners requested clarification on our proposals for avoiding damage to the root structure of a giant (protected) Redwood tree which is adjacent to the proposed development. This necessitated us engaging a tree expert to carry out a 'ground-radar' survey of the tree roots. His report was submitted to SMBC in December 2019 but, at 31st December 2019, no response had been received. Our concern is that further delay could lead to an inevitable increase in costs.

'Building for the Future' – post Balance Sheet events

In early February 2020 we received notification from our main contractors, Kier Construction Ltd, that they had been obliged to increase the costs of the project as a result of an annual increase in the cost of steel, a revision to the design as a result of an earlier error, and other related inflationary pressures. The proposed changes are being reviewed and assessed by our Employers Agent, RPS Consulting Services Ltd.

We have also received formal a 'Discharge of Conditions' certificate from Solihull Metropolitan Borough Council advising that our plans for dealing with their remaining concerns are acceptable. This includes the protection of the root structure of the giant Redwood tree, subject to the presence of the arborist on site when the roots are uncovered during the initial groundworks. This was notified to the Chancellor of the Diocese of Birmingham and shortly afterwards we received the welcome news that the Chancellor had stated that he is happy to confirm his satisfaction of the Faculty conditions – so work on our new church could finally commence.

On 10th March 2020 the PCC approved the signing of a contract with Kier Construction Limited trading as Kier Construction Central to provide the first phase of the Building for the Future at a contract sum of £3,269,681.

Other Restricted Funds

Other restricted funds, shown in items 15 & 17 of the 'Notes to the Financial Statements'. The annual Fun Run was not held in 2019.

Property Disposals & Revaluations

2 Hurst Green Road (2HGR) was purchased as a Curate's residence in 1990 for £140,000, partly funded by the proceeds of an appeal for this purpose which started in 1989 and realised £43,312 including gift aid, partly by the sale of a previous property in Widney Road, partly from property reserves, and partly from a Diocesan loan that was repaid from unrestricted giving. In the 1997 accounts, the (then) Hon Treasurer's interpretation of new Charity Commission regulations was that £43,312 of the 2HGR fixed asset should be classed as a Restricted fund, with the balance (£96,688) classed as a General fund. At the beginning of 2019, after an interim revaluation, the proportions between the Restricted Fund and General Fund were £112,921 and £252,079 respectively.

In 2018 the PCC came to the conclusion that the only realistic way of raising sufficient funds to complete Phase 1 of the 'Building for the Future' project would be to include the sale of 2HGR. Advice from our Independent Inspector, Mike Jellicoe of Prime Accountants Group, was that the purpose of the 1989 appeal

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(viz. for funds to buy a residence for the curate) had been fulfilled by the purchase of the residence and its occupation by the curate, and this made it unnecessary to classify £43,312 as a restricted fund in 1997.

Having taken this advice, the PCC voted to dispose of the property with the sale completion taking place in October 2019 (gross sale value £550K, net proceeds after sale costs £541.6K).

The 9m strip of land retained from the 2016 sale of 6 Manor Road, valued for accounting purposes at £65K, was written down in the 2018 accounts but retained on our books with a notional value of £1.

No other property disposals or revaluations occurred in 2019.

Reserves Policy

Excluding the short-term loan of £40K to the BFTF fund the previously mentioned £20.8K deficit leaves the General Fund with net current reserves of £76.2K (2018 - £147.0K). Allowing for the £40K loan the reserves are temporarily reduced to £36.2K, a figure which is less than the £60K minimum reserves policy endorsed by the PCC in 2019 (N.B. reduced to £50K by PCC resolution in January 2020). However, it is the PCC's stated policy that this loan be repaid as quickly as possible using funds raised from 2020 pledged income to the BFTF fund, in order to restore our reserves to an appropriate level at the earliest opportunity.

The other funds (Designated and Restricted) continue to operate and hold assets for the purposes for which they were established, including the Building for the Future Project. Total Church reserves across all funds are £3,031K (2018 - £2,612K), the majority of fund assets being in cash & cash deposits.

Outlook for 2020 and beyond

In common with the world at large the PCC face income and cost pressures which we will continue to address. We aspire to growth and this growth has to be supported and resourced. Development of the St Philip's site is a wonderful and exciting opportunity and we have made very significant progress during the past year, such that we will hopefully see Phase 1 construction commencing early in the coming year. Of course, the project still requires considerable additional funds, both to pay off any loans taken out for Phase 1, and also to continue with Phase 2, so much further fund-raising efforts and prayer will be required.

We must acknowledge that commitments by our church congregation to regular giving to the Building for the Future fund is a factor in restricting their ability to increase their giving to the General Fund, and there could also be some further short-term loss of income from the regular congregation whilst the development is taking place. For this reason it is important to continue to address and prayerfully consider regular giving (as well as rising to the on-going challenge of raising the remaining funds for the project itself) to ensure that we return to either a General Fund surplus or break-even as a minimum..

Summary

We end the year with a deficit in the General Fund. This has reduced the safety cushion in reserves that we hold in line with our Reserves Policy which is important because our current projections forecast that we will make a further deficit about £8.4K in 2020. Furthermore, we anticipate that we may need to draw on our remaining reserves during the development of the St Philip's site. However, the PCC are excited by the opportunities to work towards the aims of our Prayer for Growth, and are thankful for the generosity of donors and the firm financial platform that has been built.

Annual Accounts

The Accounts have been prepared by David Archer, (Honorary Treasurer), with continued invaluable support from David Walker (Honorary Bookkeeper). They have been prepared in accordance with format recommended by Central Board of Finance of the Church of England to comply with the Charities Act. Peter Hunt continues to deal with all regular giving and Gift Aid matters, for which many thanks. The Hon.

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Treasurer is also indebted to Fiona Fowles and Steven Skakel who deputised for him during his leave of absence during early 2019.

Others who have helped in the many important administration roles include Barbara Coates (responsible for payroll tax until 31 August 2019), Jill Curtis (Hon. Treasurer for the Fun Run), Margaret Wright (Hon. Treasurer of the Friendship Club), Millie Majurey and Susan Cunliffe who do the counting and banking of cash and cheques received, and all the staff in the Parish Office who look after the administration of events, hall lettings, incoming post, and deal cheerfully with a variety of enquiries from all directions. To all these and any not included on this list or mentioned elsewhere, many thanks and apologies for any omission.

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

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue.

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 and the provisions of the governing document. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Independent Examiner

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

Approved by the PCC on 10th February 2020 and signed on its behalf by:



Reverend D Hill-Brown
Chairman of the PCC



David Archer
Honorary Treasurer

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**Independent examiner's report to the trustees of the Parochial Church Council of St Philip,
with St James, Bentley Heath**

I report to the charity trustees on my examination of the accounts of the Parochial Church Council of St Philip, with St James, Bentley Heath for the year ended 31 December 2019.

Responsibilities and basis of report

As the charity trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

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

1. accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
2. the accounts do not accord with such records; or
3. the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities, the Charities SORP (FRS102).

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.



Jeremy Kitson FCA
ICAEW
Prime Chartered Accountants
Corner Oak
1 Homer Road
Solihull
B91 3QG

Date: 03 April 2020

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2019

	Notes	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds	2019 Total £	2018 Total £
Income and endowments from:							
Donations and legacies	2a	199,585	980	294,853	-	495,418	616,858
Charitable activities	2b	3,529	-	2,718	-	6,247	6,038
Other trading activities	2c	7,439	-	7,892	-	15,331	58,808
Investments	2d	313	-	16,667	-	16,980	6,813
Other	2e	-	-	-	-	-	868
Total Income and Endowments		210,866	980	322,130	-	533,976	689,384
Expenditure on:							
Raising funds	3a	13,077	-	414	-	13,491	24,926
Charitable activities	3b & 19	215,920	11,512	49,825	-	277,257	270,472
Other	3c	2,700	-	-	-	2,700	1,380
Total Expenditure		231,697	11,512	50,239	-	293,448	296,777
Net income/(expenditure) before transfers		(20,830)	(10,532)	271,891	-	240,529	392,607
Transfers between funds		(464,011)	90,000	374,011	-	-	-
Net income / (expenditure)		(484,841)	79,468	645,902	-	240,529	392,607
Other recognised gains (+) /losses (-)							
Endowment fund	11 & 16	-	-	-	1,731	1,731	-137
Strip of land written down		-	-	-	-	-	(64,999)
Gain on sale of 2 Hurst Green Road	11	121,932	-	54,620	-	176,552	-
Net movements in funds		(362,909)	79,468	700,522	1,731	418,812	327,471
Total funds brought forward 1 January	16, 17 & 18	399,807	798,565	1,404,528	9,054	2,611,954	2,284,483
Total funds carried forward 31 December		36,897	878,033	2,105,051	10,785	3,030,765	2,611,954

All income and expenditure relates to continuing operations.

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

Amounts are shown rounded to nearest pound
(and so may appear not precisely to add across or down).

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

BALANCE SHEET AS AT 31 DECEMBER 2019

		2019	2019	2018	2018
		£	£	£	£
	Notes				
Fixed assets					
Tangible fixed assets	11		1		365,001
Endowment Fund held by Diocese			10,785		9,054
Current assets					
Debtors	12	22,381		19,356	
Deposit Accounts					
General - CBF Deposit		2,920,000		2,180,000	
General - HSBC Deposit		97,061		55,268	
Bank Deposits		3,017,061		2,235,268	
Diocesan Decoration Fund		377		377	
		<u>3,017,438</u>		<u>2,235,645</u>	
Current Accounts					
Church General		9,353		10,328	
Church Expenditure		5,271		44,231	
Friendship Club		473		328	
Building		80,293		1,070	
Bank Accounts		95,391		55,957	
Cash in Hand		9		56	
		<u>95,400</u>		<u>56,013</u>	
Total current assets		<u>3,135,219</u>		<u>2,311,014</u>	
Creditors:					
amounts falling due within one year	13	(75,239)		(69,115)	
Net current assets			<u>3,059,980</u>		<u>2,241,899</u>
Total assets less current liabilities			<u>3,070,765</u>		<u>2,615,954</u>
Creditors:					
amounts falling due after more than one year	14	(40,000)		(4,000)	
Net assets			<u><u>3,030,765</u></u>		<u><u>2,611,954</u></u>
Funds					
Unrestricted (General and Designated)	16 & 17		914,930		1,198,372
Restricted	16 to 18		2,105,051		1,404,528
Endowment	4,11 & 16		10,785		9,054
Total Funds			<u><u>3,030,765</u></u>		<u><u>2,611,954</u></u>

Approved by the Parochial Church Council on 10th February 2020 and signed on its behalf by:



David Archer
Hon Treasurer



Reverend Duncan Hill-Brown
Chairman

The notes on pages A4 to A17 form part of these financial statements.

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

STATEMENT OF CASH FLOWS
for the year ended 31 December 2019

	<i>Note</i>	2019 £	2018 £
Net cash flow from operating activities	<i>20</i>	222,898	427,052
Rents received from investment properties		3,750	7,500
Interest receivable		16,980	6,813
Receipts from sales of investments		-	-
Net cash flow from investing activities		20,730	14,313
Sale of 2 Hurst Green Road (net)		541,552	-
Long term loans received (net)		36,000	(1,000)
Net cash flow from financing activities		577,552	(1,000)
Net increase / (decrease) in cash and cash equivalents		821,180	440,364
Cash and cash equivalents at start of year		2,291,658	1,851,294
Cash and cash equivalents at end of year		<u>3,112,838</u>	<u>2,291,658</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		95,400	56,013
Short term deposits		3,017,438	2,235,645
Cash and cash equivalents at end date 2019 (2018)		<u>3,112,838</u>	<u>2,291,658</u>

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. Summary of significant accounting policies

(a) General information and basis of preparation

The Parochial Church Council of St Philip's, Dorridge with St James, Bentley Heath is a registered unincorporated charity in the United Kingdom. The address of the registered office is given in the charity information on page 1 of this Report and Accounts. The nature of the charity's operations and principal activities are to promote and to carry out Christian Ministry in the Parish of Dorridge and Bentley Heath. It is responsible for co-operating with the Vicar, Rev'd Duncan Hill-Brown, in promoting the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It is also responsible for maintenance of the churches of St Philip's and St James, for the church hall, the church flat, the Curate's house and the strip of land that remains at 6 Manor Road (the former vicarage).

The charity constitutes a public benefit entity as defined by FRS102. 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 (Charities SORP FRS 102) issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Funds

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

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

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

c) Income recognition

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

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

Summary of significant accounting policies - cont'd

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

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

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

d) Expenditure recognition

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

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

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

e) Support cost allocation

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

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

f) Tangible Fixed Assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the financial statements by s.10(2)(a) of the Charities Act 2011.

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

Summary of significant accounting policies - cont'd

No value is placed on movable church furnishings held by the churchwardens on special trust for the PCC and which requires a faculty for disposal since the PCC considers this to be an inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed. This includes planning and design costs for the St Philip's Building for the Future project.

Freehold land and buildings

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

g) Debtors and creditors receivable / payable within one year

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

h) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

i) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

j) Tax

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

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

2 Income and endowments from:

	2019			Total £	2018			Total £
	General fund £	Desig- nated £	Restr- icted £		General fund £	Desig- nated £	Restr- icted £	
(a) Donations and Legacies								
Planned giving:								
Gift Aided - standing orders and envelopes	120,703	-	-	120,703	136,198	-	-	136,198
Gift Aided - annual and occasional gifts	6,605	-	-	6,605	8,163	-	-	8,163
Gift Aid recoverable on the above	31,577	-	-	31,577	36,117	-	-	36,117
Payroll and CAF Giving	25,161	-	-	25,161	34,654	-	-	34,654
Giving not Gift Aided	10,183	-	-	10,183	9,550	-	-	9,550
	194,229	-	-	194,229	224,682	-	-	224,682
Other voluntary giving								
Collections (open plate) including GASDS	5,356	-	-	5,356	6,527	-	-	6,527
Building for the Future appeal	-	-	268,217	268,217	-	-	157,490	157,490
Youth Team appeal	-	-	840	840	-	-	1,060	1,060
Child & Family Ministry appeal	-	780	-	780	-	1,478	-	1,478
Gift Aid recoverable (on above appeals)	-	200	25,596	25,796	-	273	22,907	23,180
Grants (Building for the Future project)	-	-	200	200	-	-	-	-
Other grants and sundry donations	-	-	-	-	-	-	8,050	8,050
Legacies received	-	-	-	-	194,391	-	-	194,391
	199,585	980	294,853	495,418	425,600	1,751	189,507	616,858
(b) Charitable activities								
Youth Events	480	-	-	480	526	-	-	526
Parish & outreach events	2,159	-	1,471	3,630	1,346	-	1,599	2,945
Nominated gifts & external appeals	-	-	1,038	1,038	-	-	1,361	1,361
Gift Aid recoverable on nominated gifts	-	-	208	208	-	-	204	204
Friendship Club	891	-	-	891	1,003	-	-	1,003
	3,529	-	2,718	6,247	2,875	-	3,163	6,038
(c) Other trading activities								
Building for the Future project events	-	-	7,577	7,577	-	-	5,833	5,833
Fun Run (including Gift Aid recoverable)	-	-	95	95	-	-	38,145	38,145
St Philip's Church Hall letting	2,427	-	-	2,427	3,713	-	-	3,713
St James Church Hall letting	1,104	-	-	1,104	1,272	-	-	1,272
2 Hurst Green letting (to Diocese)	3,750	-	-	3,750	7,500	-	-	7,500
Fees Charged (net)	126	-	-	126	1,984	-	-	1,984
Items & Services including card sales	32	-	220	252	46	-	315	361
	7,439	-	7,892	15,331	14,515	-	44,293	58,808
(d) Investments (see Note 4)								
Interest from Bank Deposits	-	0	16,667	16,667	365	2,273	3,869	6,507
Interest from Endowment Fund	313	-	-	313	305	-	-	305
	313	0	16,667	16,980	670	2,273	3,869	6,813
(e) Other								
Insurance claim	-	-	-	-	868	-	-	868
Total Income and Endowments	210,866	980	322,130	533,976	444,529	4,024	240,832	689,384
(f) Revaluation of Endowment Fund (Note 11)	-	-	-	1,731	-	-	-	(137)
Total Income and Recognised Gains	210,866	980	322,130	535,707	444,529	4,024	240,832	689,247

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

3 Expenditure:

	2019			Total	2018			Total
	General fund	Desig-nated	Restr-icted		General fund	Desig-nated	Restr-icted	
	£	£	£	£	£	£	£	
(a) Raising funds								
Building for the Future project - fund raising	-	-	180	180	-	-	87	87
Fun Run expenses	-	-	234	234	-	-	11,508	11,508
2 Hurst Green Road repairs	918	-	-	918	125	-	-	125
Allocated support costs (see Note 5):								
St Philip's upkeep	1,278	-	-	1,278	1,814	-	-	1,814
St Philip's running costs (incl insurance)	1,358	-	-	1,358	1,492	-	-	1,492
St James's upkeep & running costs	2,748	-	-	2,748	2,816	-	-	2,816
Administrative salaries etc	6,358	-	-	6,358	6,598	-	-	6,598
General office expenses	416	-	-	416	485	-	-	485
	13,077	-	414	13,491	13,331	-	11,595	24,926
(b) Charitable activities								
Mission, worship and pastoral care								
Common Fund	117,124	-	-	117,124	126,624	-	-	126,624
Clergy Expenses	3,318	-	-	3,318	4,007	-	-	4,007
Clergy Housing costs	902	-	-	902	1,220	-	-	1,220
Youth Minister salary etc & expenses	23,198	-	6,350	29,548	23,500	-	4,743	28,242
Child & Family Missioner contrib. to Diocese	-	11,512	-	11,512	-	6,764	-	6,764
Youth & Children Activities (gross)	1,168	-	1,550	2,718	3,061	254	-	3,315
Growth groups & Lay Team expenses	690	-	-	690	707	-	-	707
Local Mission costs	3,294	-	-	3,294	4,082	-	-	4,082
Music and worship	1,844	-	-	1,844	2,914	-	-	2,914
Parish & outreach events (gross)	821	-	273	1,094	637	-	-	637
Friendship Club	880	-	-	880	1,187	-	-	1,187
Building for the Future - project costs	-	-	36,528	36,528	-	-	4,158	4,158
Allocated support costs (see Note 5):								
St Philip's upkeep	5,113	-	-	5,113	7,257	-	-	7,257
St Philip's running costs (incl insurance)	5,432	-	-	5,432	5,968	-	-	5,968
St James's upkeep & running costs	10,992	-	-	10,992	11,266	-	-	11,266
Administrative salaries etc	25,434	-	-	25,434	26,393	-	-	26,393
General office expenses	1,663	-	-	1,663	1,941	-	-	1,941
	201,873	11,512	44,701	258,086	220,761	7,018	8,901	236,680
Grants (see note 19)								
Missionary & charitable giving:								
Mission & Church Overseas	6,947	-	88	7,035	4,900	-	97	4,997
Relief & Development	4,983	-	3,417	8,400	4,900	-	2,063	6,963
Home Missions &c	3,025	-	588	3,613	1,800	-	1,137	2,937
Change in MBP reserve	(907)	-	-	(907)	-	-	-	(907)
Other nominated gifts & hardship grants	-	-	1,030	1,030	514	-	133	646
Fun Run Charities (external gifts)	-	-	-	-	-	-	18,249	18,249
	14,048	-	5,124	19,171	12,114	-	21,678	33,792
(c) Other								
Governance (fee for independent examination)	2,700	-	-	2,700	1,380	-	-	1,380
Total Expenditure	231,697	11,512	50,239	293,448	247,586	7,018	42,173	296,777

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

4	Interest from endowment fund	2019	2018
		£	£
		313	305

This arises from a holding of 562 CBF income shares given by a parishioner in 1957. The capital has to be retained as a permanent endowment fund held by the Diocese on behalf of the PCC, which is entitled only to use the income. This income may be used for unrestricted purposes.

5 Support Costs

Of the support costs shown in Note 3, building upkeep and running costs are allocated by estimated usage, and office and governance costs by estimated office time input, as follows:.

		2019	2018
Raising funds	St Philip's upkeep & running costs	20%	20%
	St James's upkeep & running costs	20%	20%
	Administration, office costs & governance	20%	20%
Charitable activities	St Philip's upkeep & running costs	80%	80%
	St James's upkeep & running costs	80%	80%
	Administration, office costs & governance	80%	80%

6 Staff costs

	2019	2018
	£	£
Wages and salaries	53,268	53,991
Social security costs (before small business relief of £1,260 (nil in 2018)).	3,800	3,561
Pension costs	2,663	2,508
	<u>59,732</u>	<u>60,060</u>

7 Staff numbers and information

	2019	2018
Head count (average over the year)	4.33	5.92
Full time equivalents (average over the year)	2.60	2.67

The PCC employed a Parish Operations Manager and a Parish Communications Manager, both for 25 hours a week; a full-time Youth Minister; and two part time receptionists for 8 months. None of these earned over £60,000 per annum.

8 Trustee remuneration, expenses and related party transactions

Trustee remuneration and expenses

Revd Duncan Hill-Brown is and Revd Jon Tattersall for 6 months was a member of the PCC. They were reimbursed £3,338 (2018: £4,007) for the clergy operating expenses reported in Note 3.

The Youth Minister, Mr Jon Hall, is a non-voting member of the PCC and was paid a salary of £25,846 per annum with pension contributions of £1,292 (2018: £23,580 for 49 weeks with pension contributions of £1,177) included in Note 6 and expenses of £716 (2018: £492).

During the year three (2018: seven) members of the PCC or their wives were reimbursed £412 (2018: £1,572 on the same basis) for expenditures on behalf of the PCC for flowers and catering supplies.

The PCC (for 5 months) reimbursed the salary costs and reimbursed expenditures incurred on behalf of the PCC for the Child and Family Missioner, Revd Rachel Hill-Brown. She was employed in the parish by the Diocese and is the wife of the Vicar.

Related party transactions

One member of the PCC was for a baptism service paid a musician fee at the normal rate applicable.

Three members of the PCC provided interest-free loans included in Notes 13 and 14.

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

8 Related party transactions (continued)

Aggregate contributions to the principal church funds from all PCC members (and their immediate family members) were as follows.

	2019	2018
	£	£
General Fund contributions	32,450	41,051
'Building for the Future' contributions	27,947	48,524
	<u>60,397</u>	<u>89,575</u>

9 Taxation

As a charity the Parochial Church Council of St Philips, Dorridge with St James, Bentley Heath is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the PCC.

10 Transfers from General Fund to Building Fund

As explained in the PCC's Annual Report, the PCC in 2019 made a transfer of £50,000 and a loan of £40,000 from the general fund to the BFTF designated fund, as shown in Note 17. It is intended that the loan will be repaid from pledges from the congregation receivable after the project is completed.

11 Tangible fixed assets

Freehold Land and Buildings plus Endowment Fund

	2019	2018
	£	£
Book value at 1 January	374,055	439,191
Revaluation of Endowment Fund	1,731	(137)
Revaluation of 9 metre strip of land	-	(64,999)
Sale of 2 Hurst Green Road	(365,000)	-
Depreciation Charge	-	-
Book value at 31 December	10,786	374,055

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

On 23 October 2019 the property of 2 Hurst Green Road was sold by auction for £550,000 (£185,000 in excess of its £365,000 book value) less £8,448 sale costs.

The net proceeds of this sale have been transferred to the BFTF (Building for the Future) funds as shown in Notes 17 and 18 .

The '9 metre strip' of residual land excluded from the 2016 sale of 6 Manor Road was valued for accounting purposes at £65,000, as explained in the 2015 Annual Report. As this has been incorporated in the church site, and there is no realistic chance of this valuation ever being realised, the PCC resolved to reduce its valuation to one pound at 31 December 2018.

The costs of the St James Church building have been written off as incurred, as the PCC does not own the asset, only the right to use it until 2200. Other major building works have been written off as incurred against the St Philip's Building Project Fund, in line with the accounting policy.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

12 Debtors	2019	2018
	£	£
Gift aid and GASDS due (general fund)	8,084	9,700
End year gifts, interest and gift aid due (designated funds)	43	53
End year gifts and gift aid due (restricted funds)	8,070	3,540
Prepayments (insurance etc)	6,185	6,064
	<u>22,381</u>	<u>19,356</u>

The PCC on 19 Jun 2017 registered a claim with the Insolvency Service for a debt of £168 due from the Dyslexia Institute Ltd. This has not been included above as its substantial recovery appears unlikely.

13 Creditors: amounts falling due within one year	2019	2018
	£	£
Provision for BFTF expenses (building fund)	(12,489)	(56,730)
Giving for Mission Beyond the Parish (balance carried forward)	(3,459)	(4,366)
Restricted gifts to be passed on (including GASDS)	(717)	(88)
Other creditors and accruals	(18,573)	(6,931)
	<u>(35,239)</u>	<u>(68,115)</u>

Concessionary loan from members of the congregation, repayable by instalments to 30 September 2023. The repayment due in 2019 and the balance of £4,000 shown in Note 14 was gifted to the BFTF fund in 2019.

Concessionary loans from members of the congregation repayable by 31 December 2020.	(40,000)	-
	<u>(75,239)</u>	<u>(69,115)</u>

14 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Concessionary loans from members of the congregation: repayable by 30 September 2023 (see Note 13)	-	(4,000)
repayable by 31 December 2023	(40,000)	-
	<u>(40,000)</u>	<u>(4,000)</u>

15 Capital and other commitments - on 27 September 2016 the PCC entered into a contract for £47,275 plus VAT (if applicable) with Kier Construction Group Ltd in preparation for the provision of new church buildings. This was discharged in 2019.

16 ANALYSIS OF NET ASSETS BY FUND
at 31 Dec 2019 (see Note 11)

	General Fund £	Designat -ed Funds £	Restricted Funds £	Endowm -ent Funds £	Total £
Fixed Assets					
Endowment Fund (held by Diocese)		-	-	10,785	-
2 Hurst Green Road (sold in 2019)	-	-	-	-	-
Residual land next 6 Manor Rd	-	1	-	-	1
	-	1	-	10,785	10,786
Current Assets					
Debtors (Note 12)	14,269	43	8,070	-	22,381
Bank Balances	44,661	877,990	2,190,187	-	3,112,838
Current Liabilities (Note 13)	(22,033)	-	(53,206)	-	(75,239)
Net Current Assets	36,897	878,032	2,145,051	-	3,059,980
Creditors:(amounts falling due after more than one year)	-	-	(40,000)	-	(40,000)
Total Funds	<u>36,897</u>	<u>878,033</u>	<u>2,105,051</u>	<u>10,785</u>	<u>3,030,765</u>

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

16A ANALYSIS OF NET ASSETS BY FUND (continued)

Comparative Figures at 31 December 2018

	<i>General Fund</i>	<i>Designat -ed Funds</i>	<i>Restricted Funds</i>	<i>Endowm -ent Funds</i>	<i>Total</i>
	£	£	£	£	£
Fixed Assets					
Endowment Fund (held by Diocese)		-	-	9,054	-
2 Hurst Green Road	252,079	-	112,921	-	365,000
Residual land next 6 Manor Rd	-	1	-	-	1
	<u>252,079</u>	<u>1</u>	<u>112,921</u>	<u>9,054</u>	<u>374,055</u>
Current Assets					
Debtors (Note 12)	15,764	53	3,540	-	19,356
Bank Balances	143,261	798,512	1,353,885	-	2,291,658
Current Liabilities (Note 13)	(11,297)	-	(57,818)	-	(69,115)
Net Current Assets	<u>147,728</u>	<u>798,564</u>	<u>1,295,607</u>	<u>-</u>	<u>2,241,899</u>
Creditors:(amounts falling due after more than one year)	-	-	(4,000)	-	(4,000)
Total Funds	<u>399,807</u>	<u>798,565</u>	<u>1,404,528</u>	<u>9,054</u>	<u>2,611,954</u>

General Fund - The Church General fund represents the accumulated difference between income and expenditure over the life of this parish, excluding any money given for specific causes. The money in this fund is not restricted or designated and is used for the general running of the church.

Buiding for the Future (designated) Fund - When the PCC in 2008 acquired the former vicarage (adjacent to the church site) for future use or disposal within the PCC's vision, it invited gifts designated for its purchase, on the declared intention that if the property was sold the proceeds (after repaying any debt) would be placed into the general funds. The PCC expected these proceeds to be used for the St Philip's building fund, but could not be tied to this use at that time. In October 2018 the PCC resolved to rename this fund as the Building for the Future (designated) Fund, more accurately to describe its current purpose..

Designated Fund (Child and Family Ministry) - When the PCC in 2009 expressed an aspiration of appointing a Child and Family Minister, gifts were made designated for this purpose, on the written understanding that the PCC could transfer any of these to the General Fund. On 22 November 2017 the PCC resolved to change the title of this fund to the Child and Family Ministry Fund (from 'Minister' to 'Ministry') to include associated expenditure on child and family ministry activities.

Restricted Funds - Expenditure from funds shown in Note 18 and 18A is restricted to the purposes shown, comprising PCC Funds for St Philip's Building Project and Youth Ministry; special appeals for use outside the parish; and other Restricted Funds for use within the parish.

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

NOTES TO THE FINANCIAL STATEMENTS

Fund Movements for the year ended 31 December 2019

17 Unrestricted funds	31 Dec 2018	2019			31 Dec 2019
		Income	Expenditure	Transfers	
General fund:					
Current Assets	159,025				58,930
Current Liabilities	(11,297)				(22,033)
Net Current Assets	147,728	210,866	231,697	(90,000)	36,897
Fixed Asset	252,079	-	-	(252,079)	-
Total General Fund	399,807	210,866	231,697	(342,079)	36,897
Designated funds					
Building Project (designated)	764,651	-	-	90,000	854,651
Child and Family Ministry	33,913	980	11,512	-	23,381
Current Assets	798,564	980	11,512	90,000	878,032
Current Liabilities	-	-	-	-	-
Net Current Assets	798,564	980	11,512	90,000	878,032
Creditors: amounts falling due after more than one year	-	-	-	-	-
Fixed Asset (see Note 11)	1	-	-	-	1
Total Designated funds	798,565	980	11,512	90,000	878,033
Total Unrestricted Funds	1,198,372	211,846	243,209	- 252,079	914,930
18 Restricted funds	31 Dec 2018	2019			31 Dec 2019
		Income	Expenditure	Transfers	
PCC funds					
St Philip's Building Project	1,283,046	318,047	36,708	616,552	2,180,937
Loans Fund	(5,000)	-	-	75,000	(80,000)
Youth Ministry	5,300	1,050	6,350	-	-
Sub-total	1,283,346	319,097	43,058	541,552	2,100,937
Special appeal funds					
Byumba cards	88	60	88	-	60
Christian Aid lunches	1,457	1,471	2,773	-	155
Goodwill children's homes	106	160	250	-	16
St Basils	1	91	-	-	92
Sub-total	1,652	1,782	3,111	-	323
Other restricted funds					
Church furnishing	109	-	-	-	109
Diocesan decoration fund	377	-	-	-	377
Fair Trade	858	-	-	-	858
Fun Run	1,070	95	234	0	931
Hardship fund	1,739	-	1,030	-	709
Children's Activities	2,102	-	1,550	-	552
Nominated gifts	354	1,155	1,256	-	254
Sub-total	6,609	1,250	4,069	0	3,790
Total Restricted Funds					
Net Current Assets	1,291,607	322,130	50,239	541,552	2,105,051
Fixed Asset	112,921	-	-	112,921	-
Total Restricted Funds	1,404,528	322,130	50,239	428,631	2,105,051
Endowment Fund	31 Dec 2018	Revaluation			31 Dec 2019
CBF Income Shares	9,054				10,785

Note: Transfers shown in column G include funds arising from the sale of 2 Hurst Green Road.

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH

NOTES TO THE FINANCIAL STATEMENTS

Fund Movements: Comparative figures for the year ended 31 December 2018

17A Unrestricted funds	31 Dec 2017	2018			31 Dec 2018
		Income	Expenditure	Transfers	
General fund:					
Current Assets	105,546				0
Current Liabilities	(9,761)				147,728
Net Current Assets	95,785	444,529	247,586	(145,000)	147,728
Fixed Asset	252,079	-	-	-	252,079
Total General Fund	347,864	444,529	247,586	(145,000)	399,807
Designated funds					
*6 Manor Road	642,378	2,273	-	120,000	764,651
Child and Family Ministry	14,181	1,751	7,018	25,000	33,913
Current Assets	656,559	4,024	7,018	145,000	798,564
Current Liabilities	-	-	-	-	-
Net Current Assets	656,559	4,024	7,018	145,000	798,564
Creditors: amounts falling due after more than one year	-	-	-	-	-
Fixed Asset (see Note 11)	65,000	-	-	-	1
Total Designated funds	721,559	4,024	7,018	145,000	798,565
Total Unrestricted Funds	1,069,423	448,552	254,604	-	1,198,372
18A Restricted funds					
	31 Dec 2017	2018			31 Dec 2018
		Income	Expenditure	Transfers	
PCC funds					
St Philip's Building Project	1,086,707	189,834	4,245	10,751	1,283,046
Loans Fund	(6,000)	-	-	1,000	(5,000)
Youth Ministry	668	9,375	4,743	-	5,300
Sub-total	1,081,374	199,209	8,987	11,751	1,283,346
Special appeal funds					
Byumba cards	55	130	97	-	88
Christian Aid lunches	859	1,599	1,000	-	1,457
Goodwill children's homes	121	185	200	-	106
St Basils	282	18	299	-	1
Sub-total	1,316	1,932	1,596	-	1,652
Other restricted funds					
Church furnishing	109	-	-	-	109
Diocesan decoration fund	377	-	-	-	377
Fair Trade	858	-	-	-	858
Fun Run	4,433	38,145	29,757	(11,751)	1,070
Hardship fund	1,872	-	133	-	1,739
Children's Activities	2,102	-	-	-	2,102
Nominated gifts	508	1,547	1,701	-	354
Sub-total	10,258	39,691	31,590	(11,751)	6,609
Total Restricted Funds					
Net Current Assets	1,092,948	240,832	42,173	-	1,291,607
Fixed Asset	112,921	-	-	-	112,921
Total Restricted Funds	1,205,869	240,832	42,173	-	1,404,528
Endowment Fund	31 Dec 2017	Revaluation			31 Dec 2018
CBF Income Shares	9,191	(137)			9,054

* The 6MR fund has been renamed as the Building for the Future (designated) Fund - see Note 16.

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH
 NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

19 Analysis of grants

	Mission and Church Overseas	Overseas Relief	Home Missions	Other	Total
	£	£	£	£	£
GIVING FROM GENERAL FUNDS					
Mission Beyond the Parish					
Christians Against Poverty	-	-	1,057	-	1,057
Church Mission Society (support for Yanez)	3,322	-	-	-	3,322
CPAS Falcon Camps	-	-	1,359	-	1,359
Grassroots Rwanda (David Dale Shyogwe Trust)	2,718	-	-	-	2,718
Fund for the Needy (Widows of Dornakel)	-	2,265	-	-	2,265
Reach Beyond (HCJB UK - Sheila Leech)	-	2,718	-	-	2,718
St Michael,s, Hall Grrn	-	-	500	-	500
The Children's Society (Christingle costs)	-	-	109	-	109
Youth Minister Visit to Rwanda	907	-	-	-	907
Total Payments 2019- General funds	6,947	4,983	3,025	0	14,048
RESTRICTED GIFTS					
Friends of Byumba Trust (cards)	88	-	-	-	88
Christian Aid lunches	-	2,500	-	-	2,500
Goodwill Children's Homes (cards)	-	250	-	-	250
Friends of the Holy Land (Carol Service)	-	467	-	-	467
Widows of Dornakal	-	200	-	-	200
Salvation Army	-	-	338	-	338
Order of St Leonards	-	-	250	-	250
Support from Hardship Fund	-	-	-	1,030	1,030
Total Payments 2019 - Restricted funds	88	3,417	588	1,030	5,124
Change in MPB reserve					(907)
Total Grants - 2019	7,035	8,400	3,613	1,030	19,171

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH
Analysis of Grants: Comparative figures for the year ended 31 December 2018

19A Analysis of grants

GIVING FROM GENERAL FUNDS	Mission and Church Overseas	Overseas Relief	Home Missions	Other	Total
	£	£	£	£	£
Mission Beyond the Parish					
Christians Against Poverty	-	-	800	-	800
Church Mission Society (support for Yanez)	2,400	-	-	-	2,400
CPAS Falcon Camps	-	-	1,000	-	1,000
Grassroots Rwanda (David Dale Shyogwe Trust)	2,000	-	-	-	2,000
Fund for the Needy (Widows of Dornakel)	-	1,600	-	-	1,600
Reach Beyond (HCJB UK - Sheila Leech)	-	2,000	-	-	2,000
Support for Oscar Hughes (YWAM)	500	-	-	-	500
Support for Alice Roberts (Arab World Ministries)	-	1,300	-	-	1,300
Total Payments- Mission Beyond the Parish	4,900	4,900	1,800	-	11,600
Hands at Work in Africa UK	-	514	-	-	514
Total Payments 2018- General funds	4,900	5,414	1,800	-	12,114
*RESTRICTED GIFTS					
Friends of Byumba Trust (cards)	97	-	-	-	97
Christian Aid lunches	-	1,000	-	-	1,000
Goodwill Children's Homes (cards)	-	200	-	-	200
Friends of the Holy Land (Carol Service)	-	438	-	-	438
Widows of Dornakel	-	425	-	-	425
Salvation Army	-	-	244	-	244
St Basil's	-	-	299	-	299
Order of St Leonards	-	-	313	-	313
Parish Outreach	-	-	282	-	282
Support from Hardship Fund	-	-	-	133	133
Reach Out Network (from Fun Run)	-	-	-	5,230	5,230
This Way Up (from Fun Run)	-	-	-	5,374	5,374
Dorridge Scouts (from Fun Run)	-	-	-	250	250
Solihull Life Opportunites (from Fun Run)	-	-	-	5,645	5,645
First Response (from Fun Run)	-	-	-	250	250
Lapworth Council re Playground (from Fun Run)	-	-	-	250	250
Lapworth Parish Magazine (from Fun Run)	-	-	-	250	250
Army Cadets, Sparkhill (from Fun Run)	-	-	-	1,000	1,000
Total Payments 2018 - Restricted funds	97	2,063	1,137	18,382	21,678
Total Grants - 2018	4,997	7,477	2,937	18,382	33,792

*In addition, £11,751 was transferred to the Building for the Future Fund from the proceeds of the Fun Run.

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH
NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2019**

20 RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<i>Note</i>	2019	2018
		£	£
Net income / (expenditure) for 2019 (2018)	SOFA	240,529	392,607
	<i>(page 1)</i>		
<i>Less: Non-operating income</i>			
Rents received from investment properties		(3,750)	(7,500)
Interest receivable		(16,980)	(6,813)
Net operating income / (expenditure) for 2019 (2018)		(20,730)	(14,313)
(Increase) / decrease in debtors		(3,024)	47,133
Increase / (decrease) in creditors		6,124	1,624
Net cash flow from operating activities	SOCF	222,898	427,052
	<i>(Page 3)</i>		

21 CHURCH WORKERS PENSION FUND

The PCC participates in the Pension Builder 2014 section of this Fund for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending on the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. Pensions costs shown in Note 6 include £2,663 in respect of employer's contributions in 2019, and £2,508 in 2018.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, the PCC could become responsible for paying a share of that employer's pension liabilities.