

**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 2020

The Parochial Church Council ("PCC") is pleased to present its report and financial statements for the year ended 31st December 2020.

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

Revd. Duncan Hill-Brown (Vicar and Chair)
Jon Hall (Youth Minister - Non-Voting (to 31st Aug. 2020))
Derek Timms (Church Warden)
Heather Tomson (Church Warden)

Elected Members

Colin Revans (Lay Chair)
David Archer (Hon Treasurer)
Pamela Lawrence (Hon Sec to 19th October 2020)
Stephen Street
Lisa Maines
Raymond Hobby (to 19th February 2020)
Emma Hughes (to 15th May 2020)
Fiona Fowles (to 14th September 2020)
Andrew Cowan (to 13th July 2020)
Peter Marshall (from 12th October 2020)
Andrew Carswell (from 19th October 2020)

Elected Members of the Deanery Synod

Carol Linfield
Amanda Cowan (to 13th July 2020)

Co-opted Members of the PCC

Richard Arbuthnot (Building for the Future Project)
Sarah Sasse (from 14th September 2020, Hon Sec from 19th October 2020)

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 Monday 19th October 2020 (deferred from April due to the Covid-19 pandemic and held online using Zoom) 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 2020 the PCC employed a Youth Minister (to 31st August), a Parish Operations Manager (25 hrs a week) and a Parish Communications Manager (25 hrs a week).

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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, Revd. 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 and the Church Centre at St Philip's. 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

Until March 2020 we continued with the worship, ministry and mission of the Parish primarily based at St James' Church in Bentley Heath School. Following the pandemic lockdown beginning on 20th March 2020 most of our Church worship, ministry and mission moved online. This was a development, that along with many Churches, we had not anticipated, and therefore it has been, and continues to be, a steep learning curve for all!

During the first lockdown we signed the contracts with Kier Construction Ltd to begin Phase 1 of our Building for the Future Project. As a result, the redevelopment of St Philip's finally began in June 2020, during lockdown!

An ongoing consequence of the pandemic has been that, since March 2020, we have been unable to access St James' Church building in Bentley Heath School for worship, due to the school's need to use the Church end of the hall throughout the week. It has not been possible for the Church to use the building and also keep the site Covid secure for the school. Therefore, even in times when some Churches have been able to open for limited gatherings for worship, we have not had a building we could use.

Our Service pattern until 20th March 2020

- **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 3.30pm: Messy Church** 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.
- **2nd Tuesday at 8pm: Kingdom Come**, an informal act of worship with Bible Teaching and Prayer Ministry

Online Service Pattern from April 2020

- **Sunday Online Service:** a pre-recorded Service including Hymns and Songs, Bible Reading and Teaching, Prayers, and Personal Stories of faith
- **1st Sunday 9.15am: Zoom Breakfast Church**, an online live All Age gathering for worship, Bible teaching, fellowship, and prayer aimed at families with Primary School aged children.

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We are immensely grateful to all those from our Church family who have offered their gifts, talents, and skills to help us develop, resource, and enhance our worship experience online.

The Parish is served by a stipendiary Vicar, a self-supporting Minister - (Revd. Rachel Hill-Brown), a retired Priest (Revd. Meg Guillebaud) who has Bishop's permission to Officiate, a Youth Minister (Jon Hall - until August 2020), a team of licensed Lay Readers, 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 before lockdown. and offering ongoing telephone support to the members of our Wednesday 10.45am Congregation from the beginning of the first lockdown onwards.

Sadly, we had to make Jon Hall our Youth Minister redundant from August 2020. We thank Jon for all he did with our young people, and we continue to pray for him, and wish him well in his future. In the light of the rebuilding of St Philip's Church and its opening later this year, 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. In the meantime, continuing Youth Ministry in the Parish is focussed on the two youth cell groups that meet weekly: Andy Carswell leads and supports the members of the Year 7-9 Cell Group, and Greg and Stephanie Moss lead and support the members of the Year 10+ Cell Group. These groups aim to help and encourage the young people of our Church family to grow in their faith, to deepen their relationship with God, and to help them apply their Christian faith to their daily lives in the world.

Home Groups have continued as a vital source of fellowship, prayer, pastoral care and bible teaching for many members of our Church family during the difficult days of 2020. All our groups have managed to meet online, and most have moved to meeting weekly. As we emerge from lockdown and move into the new St Philip's Church Centre we want to encourage as many church members as possible to become members of Home groups to encourage and support them living their lives as Christian Disciples. We have hosted two weekly Prayer Times on Zoom: Monday at 7pm with a focus on the Building for the Future Project, and Thursday at 6pm with a focus on the ministry and mission of the Parish. The Ladies Fellowship are continuing their programme, meeting via Zoom.

With the pandemic and the rebuild we have never needed the hard work and faithful service of our Parish Administration Team more. Ruth Bradshaw (Parish Operation Manager) has taken on a huge role of enabling us to keep in touch with members of our Church who cannot easily access Church online. Richard Couzens (Parish Communications Manager) has taken a significant lead in putting together and developing our Online Worship and communications.

We are thankful that in these hard times our finances have managed so well. Led by David Archer our Treasurer, who at our APCM in October 2020 announced his wish to retire in 2021. David has throughout his time in office been supported by David Walker, Peter Hunt, Susan Cunliffe and Millie Majurey, who have all served the Church for at least the last 12 years. David Walker is retiring from his role as Church Bookkeeper from December 2020 and this role is being taken on by Liz May. Also, Millie Majurey is retiring from her banking role.

The Parish continues to enjoy a very close relationship with Bentley Heath Church of England Primary School and Nursery. Due to the pandemic and long-term absence on the Senior Leadership Team the year has been challenging for the school in many ways. We are very grateful to the Diocesan Board of Education for all the support and affirmation they have offered us throughout this time. The SIAMS Church of England inspection of the School in February 2020 found the School to be a Good Church of England School. The Vicar has continued to lead Collective Worship with the whole school (online) every Monday morning, and the school is served by five members of the Church on the Governing Body. Sadly, the celebration of the School's 150th anniversary celebrations were muted due to lockdown. We are thankful to Mr Andrew Williams, the Head Teacher, and Mr Stephen Hawke the Acting Head Teacher for the welcome they give the Church, and for the distinctively Christian leadership they give the School.

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. Online attendance on a 'normal' Sunday in 2020 was 160 (live attendance 2019: 157). The number on the Electoral Roll in April 2020 was 213 (2019: 201). Our Worshipping Community in 2020 was 642 (2019: 658).

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We thank God who has sustained us, and all the faithful members of St Philip's Dorridge with St James' Bentley Heath who in these difficult times have given their time, talents, and money so generously to support the continuing ministry of the Church. As a result of their generous giving and a significant reduction in our expenditure on ministry and mission due to the pandemic and the rebuilding of St Philip's our General Fund finished the financial year with a small surplus.

As we look towards 2021 all our energy and effort is being poured into the dedication and opening of the new St Philip's Church Centre, with all the opportunities that will bring us as a Church to put the heart of God into the heart of our community. We look forward to coming together again for public worship and prayer. We are praying for ourselves as a Church family at St Philip's and St James' to be renewed in our love for God, and for our life together to overflow with God's love to our families, our friends, and our neighbours in Dorridge and Bentley Heath.

The opening of the new St Philip's Church Centre as a Parish Church for Dorridge and Bentley Heath will encourage us to rethink and redefine how we use St James' Bentley Heath, and our relationship with the Bentley Heath School community, as God leads us outwards to work with and serve other sections of our community. With the opening of the new Church Centre, we will in the coming months seek to renew our Mission Statement for this next season our life together as a Church family in Dorridge and Bentley Heath.

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 all those who partner with us.

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,
- when possible, to maintain the funding of both our Youth Minister and 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 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 church's activities have had been severely curtailed as a result of the Covid-19 pandemic and, inevitably, this has had an impact on our income.

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 2020 was £170.0K compared to £210.9K in 2019, a decrease of £40.9K (19.4%). Total Planned Giving was also down by £26.4K to £167.8K (2019 - £194.2K), a decrease of 13.5%. Open Plate collections were down £4.2K at £1.2K (£5.4K in 2019), a massive 77.8% and is perhaps the most striking result in percentage terms of not being able to hold live services during the Covid-19 pandemic. Sadly though, all other sources of regular income have been similarly impacted by the pandemic, and are more significant in terms of actual values.

Lettings and fees at £0.5K have declined sharply from £3.7K in 2019, due to the closure of St Philip's in 2019 and also the pandemic which curtailed all activities in St James' from the first national lockdown on 23rd March 2020.

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Income from the Diocese for the use of 2 Hurst Green Road by our Curate (in lieu of rent) was zero, compared to £3.8K in 2019, following the departure of Jon Tattersall in mid-2019 and subsequent sale of the property.

Other sources of income from grants, outreach and other events were £0.14K, compared with £3.5K last year.

Total expenditures on General Fund activities were £165.9K in 2020 compared with £231.7K in 2019, a decrease of £65.8K (28.4%).

A major component of this reduction in expenditure was as a result of our contribution to the Diocesan Common Fund being reduced from £117.1K in 2019 to £82.9K because of the 'People & Places' funding methodology, introduced in 2018, which takes into account the non-availability of a curate.

There are a number of other items worthy of note. In 2019 the PCC had resolved to increase the church's contribution to Mission Beyond the Parish back to 7.5% of our Voluntary Giving, as a first step towards restoring the full 10% commitment, and this level of giving continued in 2020. However, the reduction in our voluntary giving (identified above) led to a fall in our actual contribution to MBP to 12.7K compared with the £14.0K donated in 2019. This support is provided to mission and relief activities with which the parish has a personal connection, namely Christians Against Poverty, Church Missionary Society, Church Pastoral Aid Society, Fund for the Needy and Grassroots Rwanda.

In 2020 our Youth Minister Jon Hall, continued with his mission to a declining number of young people in the parish and, regrettably, in July 2020 the PCC concluded that we could no longer justify a full-time Youth Minister. Consequently, it was obliged to take the difficult decision of making the role redundant. Jon's employment was officially terminated at the end of August, and as a result his total employment costs for 2020 (including payment in lieu of notice, holiday pay and an ex-gratia termination settlement) was £21.0K compared with £29.5K for the previous year. Youth Minister costs were partially offset by much-appreciated £4.8K grant from Knowle United Charity. Youth & Children Activities expenses were virtually zero compared with £1.2K in 2019.

In 2020 we received a single restricted legacy of £100K compared with nil in 2019. This legacy was given for the benefit of the Building for the Future project and consequently does not appear in the General Fund accounts

In 2020 the General Fund showed a surplus of £4.6K compared with a deficit of £20.8K in 2019.

Clearly 2020 has been an extremely difficult year for the entire world, and we are grateful that we managed to end the year with a small surplus, due in part to a reduction in expenditure as a result of not employing our Youth Minister for the whole of 2020 and also the curtailment of both worship and other activities at St James' during the pandemic.

Designated Funds

Our two designated funds are the Children & Family Ministry Fund and the Building for the Future (designated) Fund. In 2019, the Revd. Rachel Hill-Brown terminated her role as Children's and Families Missioner leaving a residue of £23.4K in the Child & Family Minister designated fund. In 2020 the PCC resolved to transfer this balance to the Building for the Future (designated) fund and the Child & Family Minister designated fund has since been closed.

At the end of December 2020, the Building for the Future (designated) fund has a balance of £1,020,235 compared to £854,651 at the end of the previous year. More detail on the 'Building for the Future' project is provided in the following section.

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'Building for the Future' (history)

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 about 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 it did have visibility of the required funds to commence & complete Phase 1 of the construction, albeit only by including expected income from future pledges scheduled to be received during the anticipated Phase 1 construction period. 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 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 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. All of the other loans were repaid by the 31st December deadline.

In August 2019, the PCC applied to Solihull Metropolitan Borough Council for 'Prior to Commencement' planning approval, and in early 2020 received a formal 'Discharge of Conditions' certificate from them advising that our plans for dealing with their remaining concerns were acceptable. This included 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 was happy to confirm his satisfaction of the Faculty conditions – so work on our new church could finally commence.

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, principally because of an annual increase in the cost of steel, also a revision following an earlier design error, and other related inflationary pressures. The changes were reviewed and assessed by our Employers Agent, RPS Consulting Services Ltd.

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 project at a contract sum of £3,269,681 and construction finally commenced on site on 23rd June 2020. At the same time, a major new appeal was launched with the objective of securing an additional £900K to permit Phase 2 construction to continue following the completion of Phase 1 in Spring 2021, ideally without a break to avoid additional restart costs. Notification of our intention to proceed with Phase 2 would need to be received by Kier no later than week 13 of the Phase 1 project (approximately mid-September) although this deadline was put back several times, eventually to mid-December.

By September 2020 approximately £100K had been raised and the PCC concluded that it was very unlikely that we would have secured the required Phase 2 funds by the revised deadline. However, during the interim period we had received the very generous offer of an unsecured long-term low-interest loan of £350K from a neighbouring parish in the Diocese. Accordingly, the PCC decided to explore different construction options with Kier to see what might be affordable. Two main alternatives were considered: -

- a) completion of the toilet block & kitchen area at a cost of circa £180K. This would provide us with a fully functioning church but little else,
- b) completion of the entire ground floor, at a cost of about £700K, which would meet our commitment to the neighbourhood to provide a Community centre. After taking into account Phase 2 income £132K already raised (at the year-end including Gift-Aid), the projected £69K surplus from Phase 1, £19K of pledged income expected before the projected Phase 1 completion date (Spring 2021), and the £350K neighbourhood parish loan referred to above, this would still result in a shortfall of some £130K which would necessitate securing additional unsecured loans from members of our own congregation.

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Over several meetings the PCC gave careful consideration to the arguments, both for proceeding with phase 2 and against incurring substantial unsecured loans. After a successful internal loan appeal, at an extra-ordinary Zoom meeting in November 2020 it resolved unanimously to enter into the Phase 2 contract with Kier Construction Ltd for the entire ground floor and to take up the loans outlined above. Including contract variations already agreed, the total value of the BFTF contract with Kier Construction Ltd is £3,916,383.

'Building for the Future' (financial)

The 'Building for the Future' fund was launched in 2013 with purposes which included the repayment of the (then) remaining loans taken out for the purchase of the old vicarage at 6 Manor Road from the Diocese in 2008. Including pledges from fund-raising appeals made in 2013, 2015, 2016 & 2018 and a Phase 2 appeal in 2020, together with legacies, grants, other gifts, and fund-raising activities, plus proceeds from the sale of our two properties at 6 Manor Road & the curate's residence at 2 Hurst Green Road, total identified funds of £3,738.1K has been raised by the end of 2020 (2019 - £3,183.1K). Excluding open pledges, the total cash raised to date is £3,615.4K (2019 - £3,157.7K). These figures do not include the £40K loan from the General Fund but do include loans with a promise of a future gift-conversion.

During 2020 income from events, appeals and both pledged & non-pledged donations was £69.2K to Phase 1 and £134.4K to Phase 2 which, together with additional income from Trusts, Legacies, Bank Interest & Other Income, makes the total income for the year £361.8K (£312.0K in 2019). No income was received from the sale of properties in 2020 (£541.6K in 2019).

Expenditure during 2020, including £1,020.6K of scheduled Phase 1 payments made to Kier, totalled £1,217.1K, bringing the total expenditure at the end of the year to £1,486.7K (2019 - £269.6K). Including £2,621.6K outstanding debt to Kier, £21.6K to RPS, £15.6K remaining purchase & installation of Audio-Video equipment, approximately £7.5K for other expense plus £40K loan repayment to the General Fund, our total current liability for the BFTF project is £2,706.3K. Cash-in-bank at the year-end is £2,168.7K, leaving a shortfall of £537.6K. Open pledges total £122.7K, leaving £414.9K still to be identified in terms of future fund raising. This does not include interest on any future loans.

'Building for the Future' (asset handling)

'Consecrated land/buildings and equipment are not included in the financial statements by virtue of Charities Act 2011. In law 'consecration' is not considered to be the same as 'dedication' as the latter is no more than an expression of pious intention that the building or land is given back to God. By act of consecration, property is effectively dedicated to God and set aside solely for sacred purposes. Costs associated with the maintenance or improvement of such assets will be written off in the year they are incurred.'
(ref: PCC Accountability Guide)

Consequently, and after having taken advice from the Diocese of Birmingham, all expense associated with the construction of our new building is being written off and not capitalized.

Other Restricted Funds

In November 2020 the PCC agreed to close the Fair Trade fund, to return a loan of £500 to the General fund and to donate the balance of £358 to Traidcraft. At the same meeting it agreed to close the Church furnishing fund and to transfer the balance to the Building for the Future fund.

The annual Fun Run was not held in 2020.

Property Disposals & Revaluations

No property disposals or revaluations occurred in 2020.

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Reserves Policy

Excluding the short-term loan of £40K to the BFTF fund the previously mentioned £4.6K surplus brings the General Fund with net current reserves of £81.5K (2019 - £76.9K). Allowing for the £40K loan the reserves are temporarily reduced to £41.5K, a figure which is less than the £50K minimum reserves policy endorsed by the PCC in 2020. However, it is the PCC's stated policy that the £40K loan be repaid as soon as reasonably possible, in order to restore our reserves to an appropriate level.

Total Church reserves across all funds are £2,179.4K (2019 - £3,031K), being held in cash & cash deposits.

Outlook for 2020 and beyond

In common with the world at large the PCC faces enormous 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 as we see Phase 1 construction finally commencing in 2020. Of course, the project still requires considerable additional funds to pay off the loans that will be taken out to complete 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 as a result of pressures imposed by the Covid-19 pandemic. For this reason it is important to continue to address and prayerfully consider regular giving to ensure that we continue to achieve either a General Fund surplus or a break-even as a minimum..

Summary

We end the year with a small surplus in the General Fund. This has increased the safety cushion in reserves that we hold in line with our Reserves Policy which is important because when we return to normal activities and start to meet the running costs of the new building, it may be challenging to avoid a deficit in 2021. 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 to 31st December 2020) and Liz May (Honorary Bookkeeper from 1st January 2021). 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.

Others who have helped in the many important administration roles include 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).

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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 8th February 2021 and signed on its behalf by:



**Reverend D Hill-Brown
Chairman of the PCC**



**David Archer
Honorary Treasurer**

**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 2020

**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 2020.

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: ...17.March.2021.....

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

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2020

	Notes	General Fund £	Designat -ed Funds £	Restricted Funds £	Endowm -ent Funds	2020 Total £	2019 Total £
Income and endowments from:							
Donations and legacies	2a	168,916	138,857	210,208	-	517,982	495,418
Charitable activities	2b	140	-	1,699	-	1,839	6,247
Other trading activities	2c	625	1,615.00	180	-	2,420	15,331
Investments	2d	323	-	15,848	-	16,170	16,980
Other	2e	-	-	-	-	-	-
Total Income and Endowments		170,003	140,472	227,935	-	538,410	533,976
Expenditure on:							
Raising funds	3a	9,409	3,378	-	-	12,787	13,491
Charitable activities	3b & 19	154,433	-	1,221,200	-	1,375,633	277,257
Other	3c	2,040	-	-	-	2,040	2,700
Total Expenditure		165,882	3,378	1,221,200	-	1,390,460	293,448
Net income/(expenditure) before transfers		4,121	137,094	(993,265)	-	(852,049)	240,529
Transfers between funds		500	5,109	(5,609)	-	-	-
Net income / (expenditure)		4,621	142,203	(998,874)	-	(852,049)	240,529
Other recognised gains (+) /losses (-)							
Endowment fund	11 & 16	-	-	-	704	704	1,731
Gain on sale of 2 Hurst Green Road	11	-	-	-	-	-	176,552
Net movements in funds		4,621	142,203	(998,874)	704	(851,346)	418,812
Total funds brought forward 1 January	16, 17 & 18	36,897	878,033	2,105,051	10,785	3,030,765	2,611,954
Total funds carried forward 31 December		41,518	1,020,236	1,106,177	11,488	2,179,420	3,030,765

All income and expenditure relates to continuing operations.

There were no recognised gains or losses for 2020 or 2019 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 2020

		2020	2020	2019	2019
		£	£	£	£
	Notes				
Fixed assets					
Residual land next 6 Manor Rd	11		1		1
Endowment Fund held by Diocese			11,488		10,785
Current assets					
Debtors	12	22,423		22,381	
Deposit Accounts					
General - CBF Deposit		1,560,000		2,920,000	
General - HSBC Deposit		80,151		97,061	
Bank Deposits		1,640,151		3,017,061	
Diocesan Decoration Fund		377		377	
		<u>1,640,528</u>		<u>3,017,438</u>	
Current Accounts					
Church General		18,958		9,353	
Church Expenditure		4,641		5,271	
Friendship Club		429		473	
Building		670,491		80,293	
Bank Accounts		694,519		95,391	
Cash in Hand		9		9	
		<u>694,529</u>		<u>95,400</u>	
Total current assets		<u>2,357,479</u>		<u>3,135,219</u>	
Creditors:					
amounts falling due within one year	13	(144,549)		(75,239)	
Net current assets			<u>2,212,930</u>		<u>3,059,980</u>
Total assets less current liabilities			<u>2,224,420</u>		<u>3,070,765</u>
Creditors:					
amounts falling due after more than one year	14		(45,000)		(40,000)
Net assets			<u>2,179,420</u>		<u>3,030,765</u>
Funds					
Unrestricted (General and Designated)	16 & 17		1,061,755		914,930
Restricted	16 to 18		1,106,177		2,105,051
Endowment	4,11 & 16		11,488		10,785
Total Funds			<u>2,179,420</u>		<u>3,030,765</u>

Approved by the Parochial Church Council on 8th February 2021 and signed on its behalf by:



David Archer
Hon Treasurer



Reverend Duncan Hill-Brown
Chairman

The notes on pages A4 to A16 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 2020

	<i>Note</i>	2020 £	2019 £
Net cash flow from operating activities	20	(798,952)	222,898
			-
Rents received from investment properties		-	3,750
Interest receivable		16,170	16,980
Receipts from sales of investments		-	-
			-
Net cash flow from investing activities		16,170	20,730
			-
Sale of 2 Hurst Green Road (net)			541,552
Long term loans received (net)		5,000	36,000
			-
Net cash flow from financing activities		5,000	577,552
			-
			-
Net increase / (decrease) in cash and cash equivalents		(777,782)	821,180
Cash and cash equivalents at start of year		3,112,838	2,291,658
			-
Cash and cash equivalents at end of year		<u>2,335,057</u>	<u>3,112,838</u>
 Cash and cash equivalents consists of:			
Cash at bank and in hand		694,529	615,783
Short term deposits		1,640,528	2,204,759
			-
Cash and cash equivalents at end of year		<u>2,335,057</u>	<u>2,820,542</u>

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

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, and for the church centre including the strip of land that remains adjacent to 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 2020

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020**

Summary of significant accounting policies - cont'd

f) Tangible Fixed Assets

Consecrated land and buildings and movable church furnishings

By reason of the Charities Act 2011 s10(2)(a) consecrated and beneficed property does not fall under the general requirements of the Charities Act. In consequence of this transactions that relate to such property including fundraising receipts and expenditure on the new church are recorded as income and costs in the Statement of Financial Activities as they arise and no amount has been capitalised or treated as work in progress; although the property is not yet consecrated there is no reason to believe this will not happen once building work is complete and the accounting reflects that expectation.

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.

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 2020

2 Income and endowments from:

	2020			Total £	2019			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	112,356	-	-	112,356	120,703	-	-	120,703
Gift Aided - annual and occasional gifts	5,849	-	-	5,849	6,605	-	-	6,605
Gift Aid recoverable on the above	28,604	-	-	28,604	31,577	-	-	31,577
Payroll and CAF Giving	15,164	-	-	15,164	25,161	-	-	25,161
Giving not Gift Aided	5,790	-	-	5,790	10,183	-	-	10,183
	<u>167,763</u>	-	-	<u>167,763</u>	<u>194,229</u>	-	-	<u>194,229</u>
Other voluntary giving								
Collections (open plate) including GASDS	1,153	-	-	1,153	5,356	-	-	5,356
Building for the Future appeal	-	115,922	57,781	173,703	-	-	268,217	268,217
Youth Team appeal	-	-	4,745	4,745	-	-	840	840
Child & Family Ministry appeal	-	-	-	-	-	780	-	780
Gift Aid recoverable (on above appeals)	-	16,935	11,483	28,417	-	200	25,596	25,796
Grants (Building for the Future project)	-	6,000	36,200	42,200	-	-	200	200
Other grants and sundry donations	-	-	-	-	-	-	-	-
Legacies received	-	-	100,000	100,000	-	-	-	-
	<u>168,916</u>	<u>138,857</u>	<u>210,208</u>	<u>517,982</u>	<u>199,585</u>	<u>980</u>	<u>294,853</u>	<u>495,418</u>
(b) Charitable activities								
Youth Events	-	-	-	0	480	-	-	480
Parish & outreach events	-	-	394	394	2,159	-	1,471	3,630
Nominated gifts & external appeals	-	-	1,116	1,116	-	-	815	815
Gift Aid recoverable on nominated gifts	-	-	190	190	-	-	431	431
Friendship Club	140	-	-	140	891	-	-	891
	<u>140</u>	-	<u>1,699</u>	<u>1,839</u>	<u>3,529</u>	-	<u>2,718</u>	<u>6,247</u>
(c) Other trading activities								
Building for the Future project events	-	1,615	78	1,693	-	-	7,577	7,577
Fun Run (including Gift Aid recoverable)	-	-	-	-	-	-	95	95
St Philip's Church Hall letting	-	-	-	-	2,427	-	-	2,427
St James Church Hall letting	536	-	-	536	1,104	-	-	1,104
2 Hurst Green letting (to Diocese)	-	-	-	-	3,750	-	-	3,750
Fees Charged (net)	89	-	-	89	126	-	-	126
Items & Services including card sales	-	-	102	102	32	-	220	252
	<u>625</u>	<u>1,615</u>	<u>180</u>	<u>2,420</u>	<u>7,439</u>	-	<u>7,892</u>	<u>15,331</u>
(d) Investments (see Note 4)								
Interest from Bank Deposits	-	-	15,848	15,848	-	-	16,667	16,667
Interest from Endowment Fund	323	-	-	323	313	-	-	313
	<u>323</u>	-	<u>15,848</u>	<u>16,170</u>	<u>313</u>	-	<u>16,667</u>	<u>16,980</u>
(e) Other								
Insurance claim	-	-	-	-	-	-	-	-
Total Income and Endowments	<u>170,003</u>	<u>140,472</u>	<u>227,935</u>	<u>538,410</u>	<u>210,866</u>	<u>980</u>	<u>322,130</u>	<u>533,976</u>
(f) Revaluation of Endowment Fund (Note 11)	-	-	-	704	-	-	-	1,731
Total Income and Recognised Gains	<u>170,003</u>	<u>140,472</u>	<u>227,935</u>	<u>539,114</u>	<u>210,866</u>	<u>980</u>	<u>322,130</u>	<u>535,707</u>

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

3 Expenditure:

	2020				2019			
	General fund £	Designated £	Restricted £	Total £	General fund £	Designated £	Restricted £	Total £
(a) Raising funds								
Building for the Future project - fund raising	-	3,378	-	3,378	-	-	180	180
Fun Run expenses	-	-	-	-	-	-	234	234
2 Hurst Green Road repairs	-	-	-	-	918	-	-	918
Allocated support costs (see Note 5):								
St Philip's upkeep	325	-	-	325	1,278	-	-	1,278
St Philip's running costs (incl insurance)	648	-	-	648	1,358	-	-	1,358
St James's upkeep & running costs	1,667	-	-	1,667	2,748	-	-	2,748
Administrative salaries etc	6,060	-	-	6,060	6,358	-	-	6,358
General office expenses	709	-	-	709	416	-	-	416
	9,409	3,378	-	12,787	13,077	-	414	13,491
(b) Charitable activities								
Mission, worship and pastoral care								
Common Fund	82,911	-	-	82,911	117,124	-	-	117,124
Clergy Expenses	1,447	-	-	1,447	3,318	-	-	3,318
Clergy Housing costs	528	-	-	528	902	-	-	902
Youth Minister salary etc & expenses	16,210	-	4,850	21,060	23,198	-	6,350	29,548
Child & Family Missioner contrib. to Diocese	-	-	-	-	-	11,512	-	11,512
Youth & Children Activities (gross)	27	-	552	579	1,168	1,550	-	2,718
Growth groups & Lay Team expenses	-	-	-	-	690	-	-	690
Local Mission costs	2,146	-	-	2,146	3,294	-	-	3,294
Music and worship	782	-	-	782	1,844	-	-	1,844
Parish & outreach events (gross)	-	-	-	-	821	-	-	821
Friendship Club	77	-	-	77	880	-	-	880
Building for the Future - project costs	-	-	1,213,769	1,213,769	-	-	36,528	36,528
Allocated support costs (see Note 5):								
St Philip's upkeep	1,302	-	-	1,302	5,113	-	-	5,113
St Philip's running costs (incl insurance)	2,590	-	-	2,590	5,432	-	-	5,432
St James's upkeep & running costs	6,669	-	-	6,669	10,992	-	-	10,992
Administrative salaries etc	24,241	-	-	24,241	25,434	-	-	25,434
General office expenses	2,835	-	-	2,835	1,663	-	-	1,663
	141,764	-	1,219,171	1,360,935	201,873	13,062	42,878	257,813
Grants (see note 19)								
Missionary & charitable giving:								
Mission & Church Overseas	6,875	-	-	6,875	6,947	-	88	7,035
Relief & Development	2,500	-	865	3,365	4,983	-	3,690	8,673
Home Missions &c	3,125	-	1,165	4,290	3,025	-	588	3,613
Change in MBP reserve	169	-	-	169	907	-	-	(907)
Other nominated gifts & hardship grants	-	-	-	-	-	-	1,030	1,030
Fun Run Charities (external gifts)	-	-	-	-	-	-	-	-
	12,669	-	2,030	14,698	14,048	-	5,397	19,444
(c) Other								
Governance (fee for independent examination)	2,040	-	-	2,040	2,700	-	-	2,700

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

4	Interest from endowment fund	2020	2019
		£	£
		323	313

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:.

		2020	2019
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

		2020	2019
		£	£
Wages and salaries		48,826	53,268
Social security costs (pre small business relief of £3,136 (£1,260 in 2019)).		3,136	3,800
Pension costs		2,519	2,663
		<u>54,481</u>	<u>59,732</u>

7 Staff numbers and information

		2020	2019
Head count (average over the year)		2.58	4.33
Full time equivalents (average over the year)		1.92	2.60

The PCC employed a Parish Operations Manager and a Parish Communications Manager, both normally for 25 hours a week and a full-time Youth Minister who was made redundant at the end of July. 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 a member of the PCC. He was reimbursed £1,477 (2019: £3,338) for the clergy operating expenses reported in Note 3.

The Youth Minister, Mr Jon Hall, was a non-voting member of the PCC and paid £19,191 for 8 months (including redundancy payment of £2,184) with pension contributions of £1,056 (2019: £26,846 with pension contributions of £1,292) included in Note 6 and expenses of £16 (2019: £716).

Related party transactions

A member of the PCC provided an interest-free loan included in Note 14.

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

8 Related party transactions (continued)

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

	2020	2019
	£	£
General Fund contributions	30,549	32,450
'Building for the Future' contributions	41,555	27,947
	<u>72,104</u>	<u>60,397</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 St Philip's and St James's Friendship Club

As reported in the accounts for 2015, the PCC from 1 January 2016 accepted the assets and obligations of the St Philip's and St James's Friendship Club.

11 Tangible fixed assets

Freehold Land and Buildings plus Endowment Fund

	2020	2019
	£	£
Book value at 1 January	10,786	374,055
Revaluation of Endowment Fund	704	1,731
Sale of 2 Hurst Green Road	-	(365,000)
Depreciation Charge	-	-
Book value at 31 December	11,489	10,786

Under section 10 of the Charities Act 2011, and in accordance with advice from the Diocese of Birmingham, expenditure associated with the provision of new buildings is written off as incurred and is not capitalised.

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 17A and 18A .

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. After this became part of the church site, 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 2020

12 Debtors	2020	2019
	£	£
Gift aid and GASDS due (general fund)	7,112	8,084
End year gifts, interest and gift aid due (designated funds)	7,217	43
End year gifts and gift aid due (restricted funds)	2,029	8,070
Prepayments (insurance etc)	6,065	6,185
	<u>22,423</u>	<u>22,381</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	2020	2019
	£	£
Provision for building expenses incurred in 2020 and paid in 2021	(134,413)	(12,489)
Giving for Mission Beyond the Parish (balance carried forward)	(3,628)	(3,459)
Restricted gifts to be passed on (including GASDS)	-	(717)
Other creditors and accruals	(6,508)	(18,573)
	<u>(144,549)</u>	<u>(35,239)</u>

Concessionary loans from members of the congregation repaid by 31 December 2020.

	-	(40,000)
Total	<u>(144,549)</u>	<u>(75,239)</u>

14 Creditors: amounts falling due after more than one year	2020	2019
	£	£
Concessionary loans from members of the congregation:		
repayable by 30 September 2023	(5,000)	-
repayable by 31 December 2023	(40,000)	(40,000)
	<u>(45,000)</u>	<u>(40,000)</u>

15 Capital and other commitments - on 27 November 2020 the PCC entered into a Deed of Variation of its previous contract with Kier Construction Ltd for the provision of new church buildings. Including variations agreed by that date, this was valued at £3,916,383 in total, of which £1,285,314 was incurred by 31 December 2020.

16 ANALYSIS OF NET ASSETS BY FUND
at 31 Dec 2020 (see Note 11)

	General Fund	Designat-ed Funds	Restricted Funds	Endowm-ent Funds	Total
	£	£	£	£	£
Fixed Assets					
Endowment Fund (held by Diocese)		-	-	11,488	11,488
Residual land next 6 Manor Rd	-	1	-	-	1
	<u>-</u>	<u>1</u>	<u>-</u>	<u>11,488</u>	<u>11,489</u>
Current Assets					
Debtors (Note 12)	13,177	7,217	2,029	-	22,423
Bank Balances	38,477	1,013,019	1,283,561	-	2,335,057
Current Liabilities (Note 13)	(10,136)	-	(134,413)	-	(144,549)
Net Current Assets	41,518	1,020,235	1,151,177	-	2,212,930
Creditors:(amounts falling due after more than one year)	-		(45,000)	-	(45,000)
Total Funds	<u>41,518</u>	<u>1,020,236</u>	<u>1,106,177</u>	<u>11,488</u>	<u>2,179,420</u>

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

16A ANALYSIS OF NET ASSETS BY FUND (continued)

Comparative Figures 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	-
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	36,897	878,033	2,105,051	10,785	3,030,765

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.

Building 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. In 2018 the PCC transferred £25,000 to this fund from the General Fund to cover expenditure expected in 2019. In the event the Child and Family Minister retired in 2019 and was not replaced, and in 2020 the PCC resolved to transfer the balance of £23,381 to the designated Building Fund.

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.

Fair Trade Fund - As this fund has been inactive in recent years, the PCC on 16 November 2020 resolved to return its £500 'float' to the General Fund and to give the balance of £358 to Traidcraft.

Church Furnishing Fund - As this fund has not been drawn upon in recent years, the PCC on 16 November 2020 resolved to transfer the balance of £109 to the designated Building Fund.

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 2020

17 Unrestricted funds	31 December	2020			31 December
	2019	Income	Expenditure	Transfers	2020
General fund:					
Current Assets	58,930				51,655
Current Liabilities	(22,033)				(10,136)
Net Current Assets	36,897	170,003	165,882	500	41,518
Fixed Asset	-	-	-	-	-
Total General Fund	36,897	170,003	165,882	500	41,518
Designated funds					
Building Project (designated)	854,651	140,472	3,378	28,490	1,020,235
Child and Family Ministry	23,381	-	-	(23,381)	-
Current Assets	878,032	140,472	3,378	5,109	1,020,235
Current Liabilities	-	-	-	-	-
Net Current Assets	878,032	140,472	3,378	5,109	1,020,235
Creditors: amounts falling due after more than one year	-	-	-	-	-
Fixed Asset (see Note 11)	1	-	-	-	1
Total Designated funds	878,033	140,472	3,378	5,109	1,020,236
Total Unrestricted Funds	914,930	310,475	169,260	5,609	1,061,755
18 Restricted funds					
	31 December	2020			31 December
	2019	Income	Expenditure	Transfers	2020
PCC funds					
St Philip's Building Project	2,180,937	221,284	1,213,769	(40,000)	1,148,453
Loans Fund	-80,000	-	-	35,000	(45,000)
Youth Ministry	0	4,850	4,850	-	-
Sub-total	2,100,937	226,134	1,218,619	(5,000)	1,103,453
Special appeal funds					
Byumba cards	60	-	60	-	-
Christian Aid lunches	155	394	500	-	49
Goodwill children's homes	16	102	-	-	118
St Basils	92	148	240	-	-
Sub-total	323	644	800	-	167
Other restricted funds					
Church furnishing	109	-	-	(109)	-
Diocesan decoration fund	377	-	-	-	377
Fair Trade	858	-	358	(500)	-
Fun Run	931	-	-	-	931
Hardship fund	709	-	-	-	709
Children's Activities	552	-	552	-	-
Nominated gifts	254	1,157	871	-	540
Sub-total	3,790	1,157	1,782	(609)	2,557
Total Restricted Funds					
Net Current Assets	2,105,051	227,935	1,221,200	(5,609)	1,106,177
Fixed Asset	-	-	-	-	-
Total Restricted Funds	2,105,051	227,935	1,221,200	(5,609)	1,106,177
Endowment Fund	31 December	Revaluation			31 December
CBF Income Shares	10,785	704			11,488

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 for the year ended 31 December 2019

17A 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
18A 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	-	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	1,731			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 for the year ended 31 December 2020

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	-	-	1,250	-	1,250
Church Mission Society (support for Yanez)	3,750	-	-	-	3,750
CPAS Falcon Camps	-	-	1,875	-	1,875
Grassroots Rwanda (David Dale Shyogwe Trust)	3,125	-	-	-	3,125
Fund for the Needy (Widows of Dornakel)	-	2,500	-	-	2,500
The Children's Society (Christingle costs)	-	-	-	-	0
Total Payments 2020- General funds	6,875	2,500	3,125	-	12,500
RESTRICTED GIFTS					
Friends of Byumba Trust (cards)	60	-	-	-	60
Christian Aid lunches	-	500	-	-	500
Goodwill Children's Homes (cards)	-	-	-	-	-
Friends of the Holy Land (Carol Service)	-	-	-	-	-
Widows of Dornakel	-	305	-	-	305
Aston and Nechells Food Bank	-	335	-	-	335
Traidcraft	-	358	-	-	358
St Basil's	-	240	-	-	240
Salvation Army	-	-	231	-	231
Support from Hardship Fund	-	-	-	-	-
Total Payments 2020 - Restricted funds	60	1,739	231	-	2,030
Change in MPB reserve					169
Total Grants - 2020	6,935	4,239	3,356	-	14,698

19A Analysis of grants - comparative figures for 2019

	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 Green	-	-	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	-	14,954
RESTRICTED GIFTS					
Friends of Byumba Trust (cards)	88	-	-	-	88
Christian Aid lunches	-	2,773	-	-	2,773
Friends of Byumba Trust (cards)	-	-	-	-	-
Goodwill Children's Homes (cards)	-	250	-	-	250
Friends of the Holy Land (Carol Service)	-	467	-	-	467
Widows of Dornakel	-	200	-	-	200
St Basil's	-	-	-	-	-
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	5,397
Change in MPB reserve					-907
Total Grants - 2019	7,035	8,400	3,613	1,030	19,444

PAROCHIAL CHURCH COUNCIL OF ST PHILIP, DORRIDGE WITH ST JAMES, BENTLEY HEATH
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

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

	<i>Note</i>	2020 £	2019 £
Net income / (expenditure)	SOFA <i>(page 1)</i>	(852,049)	(258,418)
<i>Less: Non-operating income</i>			
Rents received from investment properties		-	-
Interest receivable		(16,170)	(16,087)
Net operating income / (expenditure)		(16,170)	(16,087)
(Increase) / decrease in debtors		(42)	22,381
Increase / (decrease) in creditors		69,310	(61,259)
Net cash flow from operating activities	SOCF <i>(Page 3)</i>	(798,952)	(313,383)

21 CHURCH WORKERS PENSION FUND

The PCC participates in the Pension Builder 2014 section of CWPF 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 upon 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 means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2020: £2,519, 2019: £2,663).

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. A valuation as at 31 December 2019 was under way as at 31 December 2020.

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.