

Trustees' Annual Report

for year ended 31 December 2023

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

CHARITY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Members of the Parochial Church Council	See PCC Annual Report appended to these accounts for member details
Charity Registration Number	1128770
Principal Address	St James' Church Centre Kingfisher Drive Woodley Reading RG5 3LH
Independent Examiner	Sarah Crispin ACA Stewardship 1 Lamb's Passage London EC1Y 8AB
Bankers	Santander Bootle Merseyside L30 4GB Barclays Leicester LE87 2BB

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Church Administration & Records

The key functions of the PCC include:

- consulting with the minister on matters of general concern and importance to the parish
- co-operation with the minister in promoting in the parish the whole mission of the Church, including pastoral, evangelistic, social and ecumenical matters.

(Summarised from Synodical Government Measure 1969.)

These are the guiding principles under which the PCC operates.

The PCC also has a responsibility to:

- maintain the building,
- set an appropriate budget,
- present independently examined accounts to the church.

Membership

The PCC is a corporate body established by the Church of England. It operates under the Parochial Church Council Powers Measure. The PCC is a Registered Charity.

Members of the PCC are elected by the Annual Parochial Church Meeting in accordance with the Church Representation Rules. During 2023 the following people served as members of the PCC:

Ex officio members

Revd. Laurence Smith Vicar and Chair
Dr David Fulford Licensed Lay Minister
Mr Pete Clarke Licensed Lay Minister

Church Wardens

Mrs Alison Mullens
Mr Pete Clarke

Elected lay members

Mrs Folake Olatunji – Treasurer (until Dec 2023)
Mrs Nicola Tivey - Pre-School link
Mrs Mary Holmes (until May 2023)
Dr Janet Penny
Mrs Elaine Hawkes
Miss Catharine Turton - PCC Secretary
Mr Douglas Findlay (until January 2024)
Ms Yvonne le Croisette (until January 2024)
Mrs Christine Clarke (from May 2023)
Mrs Brenda Lord (from May 2023)
Mrs Fiona Litchfield (from May 2023)

Dr Sukha Debnath (from May 2023)

Elected Deanery Synod members

Mrs Jane Fulford - Safeguarding Officer
Mr Douglas Findlay (until January 2024)

Standing Committee

This is the only committee required by law. It has the power to transact the business of the PCC between meetings, subject to directions given by the PCC. The members were: the two Church Wardens, the Treasurer, the PCC Secretary and Laurence our vicar as chairperson.

The Mission Support Group (MSG)

This group, chaired by Jane Fulford, is appointed by the PCC and is responsible for advising the PCC on the distribution of the mission giving from St James' to mission partners.

Summary of PCC business

January (conducted in person)

- Planning for the APCM
- Deanery Synod update
- Annual staff pay review

February (conducted via Zoom)

- Summary of 2022 accounts and 2023 budget
- Expansion of Preschool hours
- Health and Safety update

March (conducted in person)

- Review of Financial/Reputational Risk Assessment
- Deanery Synod update
- Land Management Plan
- Review of culture discussion from August 2022

April (conducted via Zoom)

- REInspired update
- Review of Church Terrier and Logbook
- Review and adoption of Annual Report 2022
- creation of new after school youth club

June (conducted in person)

- PCC officers appointed and roles confirmed
- Reflection and follow up on PCC away morning – how we meet the needs of a growing church

July (conducted via Zoom)

- Deanery Synod report

- Safeguarding update regarding DBS

August (in person)

- This was not a formal meeting, but a meal and discussion around growing our church team

September (conducted in person)

- Update on The Difference Course and discussion about sexuality and the church
- Follow up to August discussion
- Approval for youth bonfire
- Parish Share update from Deanery Synod

October (conducted in person)

- Update on the introduction of Prayers of Love and Faith
- Discussion about the use of ChurchSuite
- Land Management Plan

November (conducted in person)

- Update on Vicar's Discretionary Fund
- Review of rental rates
- Review of Mission Partners
- Safeguarding review

All PCC meetings start and end with prayer.

Summary of Standing Committee business

Standing Committee met monthly to agree business to be raised at the next PCC meeting and progress any urgent business. Business was also conducted via email.

The Standing Committee:

- Approved items of expenditure that fall within the spending limit set by PCC.
- Assessed and prioritised our expenditure
- Progressed a number of building maintenance tasks
- Reviewed staff contracts and made recommendations to PCC on staff pay
- Made recommendations to PCC on key items of expenditure
- Discussions and plans around REInspired funding.

Church finance

During the year January – December 2023, the total income to the church was £170,776, of which £155,092 relate to unrestricted funds. The restricted funds amount of £15,684 was primarily to fund employment of a part-time Children and Families Worker. The charity's funds were raised through

voluntary donations, associated Gift Aid claims, and other activities such as hall lettings and running the CAFÉ.

Expenditure in 2023 amounted to £178,086.

The largest single item of expenditure was the Parish Share of £60,736. Other authorised grant payments amounted to £16,697 for the year and a further £12,000 committed for future years. Generous financial support was given to a range of projects and external bodies like CMS, JAC, Congo Children Trust, the Fletcher family, Lamb Hospital, and Yeldall Manor to name our key mission partners.

The net result for the year was a net deficit of £7,310.

The PCC reserve policy states that the charity should aim to hold unrestricted cash of no less than 6 months employment costs plus 3 months of other unrestricted costs, which at the end of 2023 equate to ~£50,000; and with a ceiling of the higher of £20,000 or 20% of the lower limit. The amount of unrestricted cash carried forward at the end of the year, £91,216, is well above the parameters set out in the reserve policy. PCC believe that these funds will be needed in the medium-term to finance core projects such as employing another member of staff or additional facilities works currently being considered.

Church Maintenance

Maintenance work carried out in 2023 included:

- Replacement of the Consumer Unit and other essential electrical work.
- Refurbishment of the cloakroom space.
- A clear out of the loft space.
- Continued work to keep the roof and drains clear of leaves, etc.

The majority of issues identified in the 2019 Quinquennial Review have now been addressed, and those remaining will be dealt with in advance of the next review in 2024.

Risk Management

The operational, financial and reputational risks were reviewed in February 2023. Measures to manage the outstanding risks were identified and procedures put in place. The next review will take place in February 2024.

Safeguarding

The PCC promotes a safer church for all in the church community, and ensures that there is a plan in place to raise awareness of, promote training, and ensure that safeguarding is taken seriously by all those in the church community. The church's safeguarding policy is reviewed on a regular basis, and updates are provided at each PCC meeting. The members of the PCC confirm that they have complied with their duties under section 5 of the Safeguarding and Clergy Discipline Measure 2016.

We continue to recruit volunteers working with children and vulnerable adults in line with the Safer Recruitment process laid out by the Diocese of Oxford.

Sermon Themes

The following sermon themes were preached on during the year:

- The Child Jesus (January)
- Jesus Begins His Ministry (February)
- The Heart of Worship (Creed, Confession, Blessing, Praise) (March to April)
- The Gospel of Mark (Chapters 1-8) (May to August)
- The Book of Nehemiah (September to October)
- Beyond the Wall (preparing for Advent) (November)
- Advent (The Greatest Gift) (December)

Electoral Roll

There were 135 people on the electoral roll at St James as at May 2023.

Average weekly attendance

Sunday – 10:00am:

96 adults

16 children under the age of 16

15 devices joining online

Wednesday – 10:00am:

10 adults

Average Messy Church attendance

41 adults and 30 children (under the age of 16)

Church Activities

In planning the activities, the Trustees have applied the guidance on public benefit issued by the Charity Commission.

Focus on Mission

Mission Links

The Church continues to maintain links with mission partners and organisations both at home and overseas:

- LAMB hospital in Bangladesh
- Just around the Corner (JAC) in Woodley
- Ben & Katy Ray working at Neema Craft in Tanzania for Church Mission Society
- Jon and Elise Fletcher working in the slums of Bangkok, Thailand
- The Kimbilio project working with street children in the Congo.
- Yeldall Manor, a local charity helping men with addictions.
- REInspired Woodley, bringing RE lessons and assemblies to local primary schools.

Home Mission and Outreach

Outreach to the community continued through Toddlers and St James' Cafe. In addition, a group meets regularly to meet the needs of those arriving in the area from Hong Kong.

Work with children, young people, and families continued through Messy Church, Toddlers, Sunday morning groups and puppets. Groups for children and young people run on the first and third Sundays of each month, and a "drop-in" for young people was run on Monday afternoons during the Summer term of 2023. St James' employs Linda Galpin (our Children and Families Worker) for her REInspired work in the local primary schools, delivering RE lessons and assemblies. A Hero Party for families and children was held on 31 October. Youth groups for those over the age of 14 were run by Laurie-Ann at Emmanuel Church.

St James Pre-school (now a separate CIO) continues to serve local families and is a much valued and respected service. Learning through play following the 'Early Years Foundation Stage' curriculum is provided for children from the age of 2 years up to school

age. The service runs on five days a week in term time, offering 8 sessions each week, a lunch club and an early drop-off option.

Baptism Preparation

Baptism preparation was held at the end of April for three families.

Church family events - worship and social

Regular Sunday Services:

10:00am (all services also live-streamed)

- 1st Sunday - Holy Communion
- 2nd Sunday - Morning Worship
- 3rd Sunday - Morning Worship
- 4th Sunday – Oasis Service (may include Baptism)
- 5th Sunday - Morning Worship

4pm on 2nd Sunday - Messy Church

Other

A service of Holy Communion was held at 10am every Wednesday with an average weekly attendance of 10.

Thank You

Thanks go to all those who have lead and preached at St James: members of St James clergy and staff and members of St James congregation.

Thanks also go to:

- the music group and singers for their part in leading our worship.
- those on the flower rota and the prayer ministry team
- those who run our children's and youth groups
- those on the sound team and the laptop operators team
- those who run our live stream
- our Church Wardens and deputy Church Wardens who do so much both on a Sunday morning and also behind the scenes throughout the week
- our Welcome Team who support the Church Wardens to ensure our services run smoothly
- our verger
- those who count, verify and bank the offering each week
- those who serve the refreshments.

Regular opportunities for Prayer and Reflection

Prayer and Compline – our regular prayer time was divided between Sunday evenings and Monday mornings, either on Zoom or in person.

Small groups continued to meet both online and in person during 2023.

Messy Church

An expression of Church for people of all ages, who are at any stage in their faith journey. It is held monthly on the 2nd Sunday 4pm - 6pm and includes creativity, celebration and hospitality.

Advent and Christmas Services

Our Sunday services during Advent focused on the Greatest Gift, and the special Christmas services were very well attended. These services included a carol service for the local Oddfellows group, Carols by Candlelight, three Christingle services (one for Brownies, Rainbows and Guides, and two on Christmas Eve), Midnight Communion and our Christmas morning service.

Easter Events

We held our usual 10am worship at St James' on Good Friday, and there was an ecumenical act of witness in Woodley town centre as well. On Easter Sunday we held a sunrise walk around Southlake followed by breakfast at church, and a service of Holy Communion at 10am.

Social Events

A number of social events took place during 2023, including: a Coronation Big Lunch Barbecue; Chinese Evening; Afternoon Tea at the Vicarage; Harvest Bring and Share Lunch; Christmas Preparation Evening.

Eco Church

St James is continuing to work towards the Silver Eco Church award.

A number of litter-picks were held over the year and an Eco Church Climate and Environment afternoon was held in July, with guest speaker Bishop Olivia. A photo competition was held to coincide with this event, and the prizes given out by Bishop Olivia.

A "who recycles what" sheet was created to advertise local recycling facilities, and a LOAF (Local, Organic, Animal friendly, and

Fairtrade) poster was created for display in the church during Lent.

New information signs were created and put up in the church grounds displaying the variety of flowers and grasses in our flower meadows and trees.

The Eco Church Land Management Plan was conceived and presented to the PCC.

Special services

Baptisms

Five children were baptised as part of Morning Worship on a Sunday morning.

Confirmations

One Confirmation service on a Sunday morning, with 11 candidates from three different congregations.

Weddings

None

Renewal of Marriage Vows

None

Funerals


Two

Other activities in church

The church was also used by the following groups/activities during 2023

- Guides
- Brownies
- Rainbows

This report was approved by the PCC and signed on their behalf by:


[Laurence Smith \(May 22, 2024 12:34 GMT+1\)](#)

Rev Laurence Smith

Chair of PCC

Date: May 22, 2024

Statement of Responsibilities of the Members of the Parochial Church Council

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

Charity law requires the PCC to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources for the financial year. In preparing these financial statements, the PCC are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The PCC is 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 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT EXAMINER'S REPORT
TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF
The Parochial Church Council of the Ecclesiastical Parish of Southlake St James
('the Charity')

I report to the members of the PCC (who are also the charity's trustees) on my examination of the accounts of the Charity for the year ended 31 December 2023 on pages 8 to 18 following, which have been prepared on the basis of the accounting policies set out on pages 10 and 11.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

Sarah Crispin
Sarah Crispin (Jun 6, 2024 08:41 GMT+1)

Sarah Crispin ACA
The Institute of Chartered Accountants in England and Wales
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: Jun 6, 2024

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	131,178	15,322	146,500	130,322
Charitable activities	4	10,340	362	10,702	12,648
Other trading activities		-	-	-	22,522
Investments	5	13,574	-	13,574	7,297
Total income and endowments		155,092	15,684	170,776	172,790
EXPENDITURE ON:					
Charitable activities	6	146,636	31,450	178,086	209,618
Other		-	-	-	16,944
Total expenditure		146,636	31,450	178,086	226,563
Net income/(expenditure)		8,457	(15,767)	(7,310)	(53,773)
Transfers between funds	13	(17,947)	17,947	-	-
Net movement in funds		(9,490)	2,181	(7,310)	(53,773)
Reconciliation of funds:					
Total funds brought forward		109,654	58,973	168,627	222,400
Total funds carried forward	13	100,164	61,154	161,318	168,627

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operations.

The notes on page 10-17 form part of these accounts.

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
FIXED ASSETS					
Tangible assets	8	18,611	-	18,611	22,604
		<u>18,611</u>	<u>-</u>	<u>18,611</u>	<u>22,604</u>
CURRENT ASSETS					
Debtors	9	6,103	-	6,103	1,822
Cash at bank and in hand	10	91,216	61,154	152,370	150,334
		97,319	61,154	158,473	152,156
CREDITORS: Amounts falling due within one year	11	(15,766)	-	(15,766)	(6,133)
Net current assets / (liabilities)		<u>81,553</u>	<u>61,154</u>	<u>142,707</u>	<u>146,023</u>
Total assets less current liabilities		<u>100,164</u>	<u>61,154</u>	<u>161,318</u>	<u>168,627</u>
TOTAL NET ASSETS		<u>100,164</u>	<u>61,154</u>	<u>161,318</u>	<u>168,627</u>
FUND BALANCES					
Unrestricted Funds	13				
General funds		95,662	-	95,662	107,212
Designated funds		4,502	-	4,502	2,442
		<u>100,164</u>	<u>-</u>	<u>100,164</u>	<u>109,654</u>
Restricted Funds		<u>-</u>	<u>61,154</u>	<u>61,154</u>	<u>58,973</u>
		<u>100,164</u>	<u>61,154</u>	<u>161,318</u>	<u>168,627</u>

The financial statements were approved by the members of the PCC and were signed on its behalf by:

Laurence Smith
Laurence Smith (May 22, 2024 12:34 GMT+1)

Laurence Smith, Vicar and Trustee

Date: May 22, 2024

Charity number: 1128770

The notes on page 10-17 form part of these accounts.

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Statutory Information

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James is a charity registered with the Charity Commission in England & Wales.

2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historical cost convention [as modified by the revaluation of certain assets, which are measured at fair value through the Statement of Financial Activities]. The financial statements include all activities for which the PCC is legally responsible; the activities of informal gatherings of church members and groups that owe their main affiliation to another body and are excluded.

These financial statements have been prepared in accordance with The Church Accounting Regulations 2006, the 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' ('the Charities SORP'), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The Charities (Accounts and Reports) Regulations 2008 (the '2008 Regulations') requires charities to prepare their accounts in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005' but this accounting standard has since been withdrawn and has been replaced by the Charities SORP mentioned in the preceding paragraph. The charity has prepared these financial statements in accordance with the new Charities SORP; this departure from the 2008 Regulations is believed to be necessary for these financial statements to give a 'true and fair view'.

The principles adopted in the preparation of the financial statements are set out below.

a) Going concern

The PCC have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The PCC have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the PCC have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The PCC have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b) Income

Income (which includes planned giving, collections and other donations) is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part income is generally recognised when it is received by, or on behalf of, the PCC. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes:

- i) Recoverable gift aid. This is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.

The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from the café, and church activities.

c) Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Contributions in respect of the diocesan parish share are included in the Statement of Financial Activities for all amounts agreed to being payable for the financial year. Any contributions that have not been paid over by the year end are included as a creditor.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

The cost of raising funds is not significant and has not been separately disclosed.

Governance costs, which are included in expenditure on charitable activities but are identified separately in the notes to the accounts, includes costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting Policies (cont.)

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the PCC in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the PCC for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

e) Tangible fixed assets

Consecrated and beneficed property is not included in these financial statements by virtue of s.10(2) of the Charities Act 2011. All expenditure on consecrated or beneficed buildings is written off in the year in which it is incurred.

Movable church furnishings held by the incumbent and Churchwardens on special trust for the PCC and which require a faculty for disposal are capitalised in accordance with the policy set out below. These items are regarded as inalienable property and are listed in the church's inventory which can be inspected at any reasonable time. Inalienable property acquired prior to 2000 has not been capitalised as there is insufficient cost information available.

Clergy accommodation are held in trust by the Diocese on behalf of the PCC. These properties are essential for the mission of the church and have been in use for many years but they have not been included in these financial statements as there is insufficient cost information and their depreciated cost is unlikely to be material.

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £1,000 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Freehold land	Is not depreciated (because it is not consumed by use)
Freehold buildings	Over 50 years after taking account of the building's residual value
Leasehold improvements	Over the lease term or, if shorter, expected useful life
Equipment	Over 3 to 7 years

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable.

f) Pension scheme arrangements

The charity contributes to the Church Workers Pension Fund, which is a multi-employer defined benefits pension scheme as described in Section 28 of FRS 102. The charity is not able to identify its share of the Scheme's assets and liabilities and, therefore, as permitted by FRS 102, the Scheme is accounted for as if it were a defined contribution pension scheme. Contributions to the Scheme are charged to the Statement of Financial Activities as they become payable. Further information about the Scheme is disclosed in note 12 'Pension Commitments'.

g) Taxation

The charity has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

h) Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Except for loans, creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive).

i) Exemption from preparing a cashflow statement

The charity has taken advantage of an exemption conferred by the Charities SORP and has not prepared a cash flow statement.

j) Critical accounting estimates and areas of judgement

In preparing financial statements certain judgements, estimates and assumptions have to be made that affect the amounts recognised in the financial statements. The members of the PCC consider the following to be significant:

- i) The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimates for useful economic life and residual value. These estimates are reassessed annually and, when necessary, adjusted to reflect current circumstances.
- ii) The constructive obligation for grants payable is based on an assessment of the likely duration of the supported activity. Again this estimate is re-assessed annually and the obligation is adjusted to reflect current expectations.

3 Donations and legacies

	2023	2022
	£	£
Donations of cash and similar	115,452	101,960
Other grants receivable	7,853	6,870
Income tax recoverable	23,195	21,492
	<u>146,500</u>	<u>130,322</u>

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Income from charitable activities

	2023	2022
	£	£
Café income	5,948	6,717
Other activities & events	4,005	4,746
PCC fee income	749	1,185
	<u>10,702</u>	<u>12,648</u>

5 Investment income

	2023	2022
	£	£
Property letting	10,347	6,347
Bank interest	3,227	951
	<u>13,574</u>	<u>7,297</u>

6 Charitable expenditure

	2023	2022
	£	£
a Costs incurred directly on specific activities		
Ministry expenses:		
Parish share	60,736	60,559
Ministry staff employment costs	27,385	26,947
Clergy expenses	1,171	333
Other ministry expenses	5,952	5,645
Upkeep of services	6,399	5,905
	<u>101,642</u>	<u>99,389</u>
Property expenses:		
Operational costs for church	11,997	5,480
Maintenance of church	9,440	3,432
Major repairs to church	237	3,866
Upkeep of churchyard	-	299
	<u>21,674</u>	<u>13,078</u>
Grants payable (note 6c)	28,698	73,552
	<u>152,014</u>	<u>186,019</u>
b Costs incurred on support & administration		
Governance costs		
Independent examiner's fee	1,860	1,302
Other	-	630
	<u>1,860</u>	<u>1,932</u>
Administrative staff employment costs	11,652	10,431
Other admin costs	6,479	7,261
Depreciation of tangible fixed assets	3,994	2,060
Insurance	2,086	1,915
	<u>26,072</u>	<u>23,599</u>
Total expenditure	<u>178,086</u>	<u>209,618</u>

c Grants payable

	Institutions	Individuals	2023
	£	£	£
Grants for UK and overseas mission	24,898	3,800	28,698
	<u>24,898</u>	<u>3,800</u>	<u>28,698</u>

The comparatives for the previous year are as follows:

	Institutions	Individuals	2022
	£	£	£
Grants for UK and overseas mission	71,752	1,800	73,552
	<u>71,752</u>	<u>1,800</u>	<u>73,552</u>

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Charitable expenditure (cont.)

The charity's principal grants to institutions comprised:

	2023	2022
	£	£
St James' Pre-school CIO	-	60,000
CMS	2,800	2,700
Just Around the Corner 'JAC'	4,800	1,800
Lamb Hospital	2,800	1,800
Yeldall Manor	4,820	1,800
Churches Together in Woodley	-	1,200
Congo Children's Trust	3,800	-
Pilot Light Trust	1,800	-
DEC Turkey/Syria earthquake appeal	2,113	-
Grants to institutions for less than £1,000 each	1,965	2,452
	<u>24,898</u>	<u>71,752</u>

Following the successful application by the St James Pre-school to be a Charitable Incorporated Organisation (CIO), a full transfer of the activities, assets and liabilities of the Pre-School was executed in the form of a grant from the Pre-school restricted funds from this charity to the new CIO under a Transfer Agreement effective 1 April 2022.

7 Analysis of staff costs, the cost of key management personnel and trustee remuneration

The average monthly number of employees during the year was 2 (2022: 4). Most of the charity's activities are carried out by volunteers.

No staff received salaries at a rate of more than £60,000 per annum.

The charity's key management comprise the members of the PCC and the key staff named on the Charity Information page. No member of the PCC received employment benefits in the current year.

Total employment benefits payable to key management for the previous year were as follows:

	Wages & salaries	Other employment benefits	Employer pension contributions	2022
				£
Members of the PCC				
Elaine Hawkes	5,003	-	103	5,106
				<u>5,106</u>

Elaine Hawkes served as Pre-school Manager and received the above payments for serving in that capacity, not for serving as a member of the PCC; these payments are permitted by the charity's governing document. These payments are for the period prior to St James Pre-school becoming a CIO during 2022.

Laurence Smith (who is a clergy member of the PCC) receives a stipend from the Diocese and so is not an employee; some of the Parish Share paid to the Diocese is used to help meet the cost of this stipend. Laurence Smith was provided with accommodation (which is customary for clergy) and there is no cost to the PCC for this accommodation as the property is beneficed. The charity also reimbursed expenses to Laurence Smith; these costs are disclosed in note 6 'Charitable Expenditure' under the heading 'Clergy expenses'.

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Tangible fixed assets

	Fixtures, fittings and equipment £	Total 2023 £
Cost		
At 1 January 2023	36,546	36,546
Additions	-	-
Disposals	-	-
At 31 December 2023	<u>36,546</u>	<u>36,546</u>
Accumulated depreciation		
At 1 January 2023	13,942	13,942
Charge for the year	3,994	3,994
Eliminated on disposal	-	-
At 31 December 2023	<u>17,935</u>	<u>17,935</u>
Net book value		
At 31 December 2023	<u>18,611</u>	<u>18,611</u>
At 31 December 2022	<u>22,604</u>	<u>22,604</u>

9 Debtors

	2023 £	2022 £
Falling due within one year:		
Tax recoverable	5,641	1,822
Other debtors	463	-
	<u>6,103</u>	<u>1,822</u>

10 Cash at Bank and in Hand

	2023 £	2022 £
Cash at bank with immediate access	151,492	149,457
Petty cash	877	877
	<u>152,370</u>	<u>150,334</u>

11 Creditors: liabilities falling due within one year

	2023 £	2022 £
Taxation and social security	-	200
Other creditors	-	20
Accruals	3,766	5,913
Grant obligations	12,000	-
	<u>15,766</u>	<u>6,133</u>

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Pension commitments

The Church Workers Pension Fund (CWPF)

The PCC participates in the Pension Builder Scheme 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 PCC and the other participating employers.

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

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. Discretionary increases may be added before retirement, depending on 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. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced, from age 65.

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 contributions are accounted for as if the Scheme were a defined contribution scheme.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. [At the most recent annual review, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m 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.

Summary of pension contributions payable for year:

The charity's pension contributions were as follows

	2023	2022
	£	£
Church Worker's Pension Fund (see above)		
contributions payable for year	1,342	911
	<u>1,342</u>	<u>911</u>

Summary of pension liabilities at the year end:

The charity's pension liabilities at the end of the year were as follows:

	2023	2022
	£	£
in respect of defined benefit pension arrangements:		
Church Workers' Pension Fund	266	-
	<u>-</u>	<u>-</u>

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Funds

During the year the movements in the charity's funds were as follows:

	Opening balance 2023 £	Incoming resources 2023 £	Outgoing resources 2023 £	Transfers in the year 2023 £	Gains and losses 2023 £	Closing balance 2023 £
<i>Designated Funds</i>						
Designated Fund: St James CAFE	2,442	5,948	(3,888)	-	-	4,502
	<u>2,442</u>	<u>5,948</u>	<u>(3,888)</u>	<u>-</u>	<u>-</u>	<u>4,502</u>
<i>General Unrestricted Funds</i>	107,212	149,144	(142,747)	(17,947)		95,662
	<u>107,212</u>	<u>149,144</u>	<u>(142,747)</u>	<u>(17,947)</u>		<u>95,662</u>
Total Unrestricted Funds	109,654	155,092	(146,636)	(17,947)	-	100,164
	<u>109,654</u>	<u>155,092</u>	<u>(146,636)</u>	<u>(17,947)</u>	<u>-</u>	<u>100,164</u>
<i>Restricted Funds</i>						
Youth Work	18,004	2,605	(425)	-	-	20,185
Children & Families Work	-	11,723	(29,013)	17,291	-	-
Building Fund	1,016	-	-	-	-	1,016
Sinking Fund	39,953	-	-	-	-	39,953
Mission Giving	-	1,356	(2,013)	657	-	-
	<u>58,973</u>	<u>15,684</u>	<u>(31,450)</u>	<u>17,947</u>	<u>-</u>	<u>61,154</u>
Aggregate of funds	168,627	170,776	(178,086)	-	-	161,318
	<u>168,627</u>	<u>170,776</u>	<u>(178,086)</u>	<u>-</u>	<u>-</u>	<u>161,318</u>

Analysis of net assets by fund

The assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>		Restricted funds £	2023 £
	General funds £	Designated funds £		
Tangible fixed assets	18,611	-	-	18,611
Debtors	6,103	-	-	6,103
Cash at bank and in hand	86,714	4,502	61,154	152,370
Creditors falling due within one year	(15,766)	-	-	(15,766)
	<u>95,662</u>	<u>4,502</u>	<u>61,154</u>	<u>161,318</u>

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Funds (cont.)

In the previous year the movements in the charity's funds were as follows:

	Opening balance 2022 £	Incoming resources 2022 £	Outgoing resources 2022 £	Transfers in the year 2022 £	Gains and losses 2022 £	Closing balance 2022 £
<i>Designated Funds</i>						
Designated Fund: St James CAFE	4,515	6,717	(8,790)	-	-	2,442
	4,515	6,717	(8,790)	-	-	2,442
<i>General Unrestricted Funds</i>	106,714	129,361	(112,836)	(16,027)	-	107,212
Total Unrestricted Funds	111,229	136,078	(121,626)	(16,027)	-	109,654
<i>Restricted Funds</i>						
Youth Work	15,816	3,188	(1,000)	-	-	18,004
Children & Families Work	-	11,002	(26,992)	15,990	-	-
Pre-school	56,795	22,522	(76,944)	(2,373)	-	-
Building Fund	4,491	-	-	(3,474)	-	1,016
Sinking Fund	34,069	-	-	5,884	-	39,953
	111,171	36,712	(104,937)	16,027	-	58,973
Aggregate of funds	222,400	172,790	(226,563)	-	-	168,627

Analysis of net assets by fund

In the previous year, the assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>		Restricted funds	2022
	General funds £	Designated funds £	funds £	£
Tangible fixed assets	22,604	-	-	22,604
Debtors	1,716	-	105	1,822
Cash at bank and in hand	88,237	2,921	59,176	150,334
Creditors falling due within one year	(5,345)	(479)	(308)	(6,133)
	107,212	2,442	58,973	168,627

Designated Funds

The St James CAFE fund is designated for cafe ministry in the community.

Restricted Funds

The Youth Work fund and Children's work fund are restricted to salary and other costs incurred specifically in these areas of ministry

The Building Fund can only be spent on building works, including fixtures and equipment within the Church building

The Sinking Fund was created to set aside funds for the replacement of assets based on the expected useful life of the existing fixed assets (e.g. building and equipment).

The Mission Fund is for specific appeals and collections towards missions and other charitable activities.

14 Transactions with related parties

During the year the charity:

- received donations totalling £24,430 (2022: £28,155) from related parties (which includes members of the PCC, any other members of key management and anyone closely connected to them).
- No expenses (2022: £nil) were paid to, or for members of the PCC.

During the year the charity also made the following payments to, or for, related parties:

- J & E Fletcher, who are closely related to Pete Clarke (a member of the PCC), received grants totalling £1,800 (2022: £1,800) for mission activities overseas.

The Parochial Church Council of the Ecclesiastical Parish of Southlake St James

DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds				Unrestricted funds			
		General	Designated	Restricted	Total	General	Designated	Restricted	Total
		2023	2023	2023	2023	2022	2022	2022	2022
		£	£	£	£	£	£	£	
INCOME AND ENDOWMENTS FROM:									
Donations and legacies	3	131,178	-	15,322	146,500	117,386	-	12,937	130,322
Charitable activities	4	4,392	5,948	362	10,702	5,931	6,717	-	12,648
Pre-school income		-	-	-	-	-	-	22,522	22,522
Investments	5	13,574	-	-	13,574	6,044	-	1,253	7,297
Total income and endowments		149,144	5,948	15,684	170,776	129,361	6,717	36,712	172,790
EXPENDITURE ON:									
Charitable activities:	6	142,747	3,888	31,450	178,086	112,836	8,790	87,992	209,618
Preschool costs		-			-	-	-	16,944	16,944
Total Expenditure		142,747	3,888	31,450	178,086	112,836	8,790	104,937	226,563
Net gains/(losses) on investments		-			-	-			-
Net income/(expenditure)		6,397	2,060	(15,767)	(7,310)	16,525	(2,072)	(68,225)	(53,773)
Transfers between funds	13	(17,947)	-	17,947	-	(16,027)	-	16,027	-
Net movement in funds		(11,550)	2,060	2,181	(7,310)	498	(2,072)	(52,198)	(53,773)
Reconciliation of funds:									
Total funds brought forward		107,212	2,442	58,973	168,627	106,714	4,515	111,171	222,400
Total funds carried forward	13	95,662	4,502	61,154	161,318	107,212	2,442	58,973	168,627