

St Anne's, Highgate

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Financial Report
of the
Parochial Church Council
Registered Charity 1130501

for the year ended 31 December **2024**

supplementing the Annual Report

Priest:

The Revd Andrew Meldrum
106 Highgate West Hill
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Treasurer:

Mike Harris

Bank:

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Sort code 40 11 58, account no 6012 3064

Independent Examiner:

Thomas Middleton

Independent Examiner's Report to the Trustees (P.C.C.)

Respective responsibilities of Trustees and Independent Examiner

The *Parochial Church Council* ('PCC') are responsible as Trustees for the preparation of these accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an **independent examination** is needed.

As *Independent Examiner* my responsibility is to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission and with the *Church Accounting Regulations 2006*, in line with the guidance in *PCC Accountability: The Charities Act 2011 and the PCC*, 5th edition issued by the Church of England in 2016. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees (the PCC) concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements to keep accounting records in accordance with section 130 of the Charities Act, and to prepare accounts which agree with the accounting records and comply with the accounting requirements of the Charities Act, have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed



Thomas Middleton CPFA
Date: 28/04/2025

Financial Review

This year St Anne's reported a surplus of income over expenditure of **£42,015**. However, this included an estimated **£30,000** of restricted interest income that should be fully allocated to the Millfield fund, implying a net operating surplus of **£12,000**. Among the positives there was a rise in church shop takings, and a fall in electricity costs. This all countered a £7,670 rise in expenditure on Music, a £2,400 rise in the common fund contribution, and a £3,500 fall in regular gift aid standing orders.

INCOME

Gift Aided giving through Standing Orders was some **£25,364**, down from **£28,807 in 2023**. This is now significantly below the levels achieved in 2020 even excluding the impact of inflation.

Including 4 non-gift aid givers, there were 30 **regular givers in 2024, unchanged from 2023, but down from 34 in both 2022 and 2021**.

Giving via Gift Aid envelopes and Loose plate collections rose 6x to £3,682 vs 2023 thanks to the resumption of loose plate collections in late 2023. This figure may also include some cash associated with events that was difficult to segregate.

Total Giving in 2024 fell to £56,779, down from £58,905 (adjusted for accounting income from the Millfield fund that was subsequently paid out). This compares to £65,604 in 2022. These figures include tax recoverable from HMRC. As some of the giving reflected one off donations for both the 25th anniversary of the Vicar and a machine to help a longstanding member of the congregation read, the implied total sustained giving was overstated by upwards of £3,000.

We continued to benefit from a substantial historic **grant** from the *St Pancras Church Lands Trust*, however the cash income fell to £10,500 from £12,000 in recent years.

Estimated shop takings rose to nearly £7,000 from £2079 in 2023. This represents a significant uplift and now means the shop is net source of revenue of over £3,200 after costs.

Church lettings look to have fallen from £53,650 to £30,176. However the 2023 is distorted by the accounting for Shared Access payments for electricity which nets out to zero as St Annes pays for this electricity and is reimbursed by Shared Access. In 2024, the electricity reimbursements have been removed for the Church Letting category, giving a true reflection of funds raised for lettings of church resources. This includes Just Park £7,653 (down from £8,994 in 2023 which may reflect a volume impact post higher pricing), revenues from Shared Access for mast rental £17,993, with the remainder being for use of the church.

Church Fair: The church fair income is reported as £1,063 in 2024, less than half the 2023 figure. With a £600 fee for printing and delivery of leaflets, and incremental charges of £250, the church fair was only modestly profitable.

Interest Income rose substantially again in 2024 to £33,479 from £20,553 in 2023 and £8382 in 2022. This reflects higher interest rates at CCLA managed accounts, and comes despite a reduced value of the Millfield fund by £50,000 post a 2023 donation. Note while the

restricted amount is reported is just shy of £20,000, the issue from 2023 remains as some £245,000 of Millfield restricted monies are sitting in the CCLA General Reserve and CCLA Churchwardens accounts. This means about 75% of the £13,400 of unrestricted interest income should in fact be restricted and attributable to the Millfield accounts. Applying that ratio to total interest income means that total restricted income should be circa £30,000 with the unrestricted amount being about £3,500 vs the current reported. The Treasurer, with the support of the PCC, endeavours to transfer circa £245,000 back to the CCLA Millfield account from the General Reserve and Church Warden CCLA accounts as soon as possible.

EXPENDITURE

In 2024, our contribution to the **Diocesan Common Fund**, rose from £48,000 to £50,400 to pay for the training and provision of priests (including our own), clergy housing and other central services and ministry. The Common Fund rate for a Parish in London currently stands in excess of £80,000, but in agreement with the PCC St Anne's reduced this in recent years to assist with both the impact of Covid and the solvency of the church. Having reached a low of £40,000 in 2021, it has consistently risen and will rise further to £55,000 in 2025.

Electricity costs reported figures fell sharply in 2024 due to reclassification

Church electricity and gas costs were combined in 2023, and included electricity costs payable on behalf of shared access for the phone mast. This led to £43,535 of total utility charges in 2023 and hence is not comparable to the costs of £2,249 and for electricity used by the Church and Vestry, and £2,135 for gas. Including the £21,203 electricity costs for the phone mast in 2024, the more comparable figure for 2023 would be £25,587. The reduction is due to the fall in electricity and gas prices.

Music related rose to £15,150 in 2024 from £7,479 in 2023. This reflected greater use of cantors (circa £7,000). As wages have risen within 2024, similar usage of cantors in 2025 will lead to higher costs. 2024 music costs also included nearly £3,000 in higher but presumably one off expenditures for organ and piano maintenance and new cassocks.

Cashflow Reconciliation Significant Adjustments: From a cashflow perspective the situation was similar, although an application has yet to be made for recoverable gift aid from 2022, 2023 and now 2024 reducing cash on hand accordingly. For 2024, this equates to £7,261 booked as income that is yet to be claimed. In total receivables from HMRC surpass £20,000 and this will be reclaimed upon updated gift aid statement still as a receivable from HMRC.

Additionally 2024 proved complicated after a dispute with shared access over the meter readings for billing. After an audit of the meter system from Total Energies, the situation looks to be resolved with pending receipts from shared access of just of £20,396. All told, cash balances are understated by circa £43,000, which should be rectified in early 2025. This will significantly bolster cash balances at HSBC which fell from £

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Analysis of income and expenditure Selected period: 01 January 2024 to 31 December 2024

	Unrestricted	Designated	Restricted	Endowment	This year	Total Last year
Income and endowments						
Donations and legacies						
0101 - Gift Aid (Standing Orders)	25,364	—	—	—	25,364	28,807
0110 - Gift Aid (Envelopes)	—	—	—	—	—	—
0201 - Other planned giving	1,290	—	677	—	1,967	4,070
0301 - Loose plate collections	3,682	—	—	—	3,682	525
0410 - Giving through church boxes	—	—	—	—	—	2,240
0501 - One-off Gift Aid gifts	—	—	50	—	50	1,160
0550 - Other donations	3,215	—	1,738	—	4,953	1,116
0601 - Tax recoverable on Gift Aid	7,261	—	—	—	7,261	7,787
0801 - Recurring grants	—	—	10,500	—	10,500	12,000
08A1 - One-off grants	3,000	—	—	—	3,000	52,000
Donations and legacies Totals	43,813	—	12,965	—	56,779	109,707
Income from charitable activities						
1101 - Fees for weddings, funerals etc	1,099	—	—	—	1,099	1,670
Income from charitable activities Totals	1,099	—	—	—	1,099	1,670
Other trading activities						
0910 - Shop	6,940	—	—	—	6,940	2,079
0911 - Fund raising events	1,229	—	1,175	—	2,404	2,711
1240 - Church lettings (fund raising)	30,176	—	—	—	30,176	48,052
Other trading activities Totals	38,345	—	1,175	—	39,520	52,842
Investments						
1020 - Interest	13,523	—	19,955	—	33,479	20,553
Investments Totals	13,523	—	19,955	—	33,479	20,553
Other income						
1241 - Electricity Payment from Shared Access f	26,541	—	—	—	26,541	5,598
Other income Totals	26,541	—	—	—	26,541	5,598
Income and endowments Grand totals	123,324	—	34,096	—	157,420	190,371

Expenditure

Raising funds

1730 - Cost of fund-raising events	455	—	1,515	—	1,970	2,176
1735 - Shop expenses	3,716	—	—	—	3,716	2,850
Raising funds Totals	4,171	—	1,515	—	5,686	5,026

	Unrestricted	Designated	Restricted	Endowment	Total	
					This year	Last year
<i>Expenditure on charitable activities</i>						
1800 - Charities	—	—	—	—	—	100,060
1910 - Diocesan Common Fund	50,400	—	—	—	50,400	48,000
2101 - Priest's expenses	—	—	1,722	—	1,722	206
2130 - Parsonage house	988	—	—	—	988	562
2201 - Pilgrimage, study, parish events	1,548	—	—	—	1,548	2,272
2210 - Children's church	388	—	—	—	388	—
2216 - Lunches	—	—	—	—	—	—
2301 - Church insurance	6,842	—	—	—	6,842	6,419
2330 - Church maintenance	1,125	—	61	—	1,187	4,415
2340 - Upkeep of services	383	—	2,411	—	2,794	945
2345 - Music	1,002	—	14,147	—	15,150	7,479
2350 - Upkeep of churchyard	600	—	—	—	600	800
2360 - Administration	162	—	—	—	162	77
2370 - Visiting priests	—	—	—	—	—	—
2380 - Flowers	—	—	657	—	657	534
2401 - Church running - electricity	2,249	—	—	—	2,249	43,535
2410 - Church running - gas	2,135	—	—	—	2,135	—
2445 - Church running - other	1,686	—	—	—	1,686	1,506
2601 - Governance costs	—	—	—	—	—	—
2701 - Church major repairs	—	—	—	—	—	2,408
<i>Expenditure on charitable activities Totals</i>	69,513	—	19,000	—	88,514	219,222
<i>Other expenditure</i>						
2802 - Electricity Payments for Phone Mast shar	21,203	—	—	—	21,203	—
2801 - Church Letting Refund	—	—	—	—	—	6,145
<i>Other expenditure Totals</i>	21,203	—	—	—	21,203	6,145
Expenditure Grand totals	94,888	—	20,516	—	115,405	230,393

Notes to 'Analysis of income & expenditure' table

For explanation of the split between 'Unrestricted', 'Designated', 'Restricted' and 'Endowment' Funds, see the notes on 'Funds' at the end of this report.

INCOME

Gift Aid Standing Orders is the mainstay of the church's income, it has been declining gradually but consistently with the number of regular givers falling to just 30.

Other planned giving is regular giving via the Charities Aid Foundation or regular donors whose donations do not qualify for Gift Aid.

Loose plate collections are non-attributable (non "envelope") money placed on the collection plate during church services. Recent changes in regulation allow us to claim gift aid on these donations within an ample limit, even though they are not supported by gift aid mandates.

One-off Gift Aid gifts are as implied. These are often designated or restricted for specific purposes or "appeals" such as restoration works, and can vary substantially from one year to the next

Tax recoverable on Gift Aid comprises (a) tax refunded under the Gift Aid scheme plus (b) Gift Aid allowed under the Small Donations scheme including gifts analogous to “loose plate collections”.

Recurring grants comprises the grant from the St Pancras Church Lands Trust: see the Financial Review above and Notes on the Churchwardens Fund on page 11.

The income of the **shop, fund raising events and lettings** is described in the Financial Review above

The ‘restricted’ column in **interest** principally includes interest on our Millfield grant.

EXPENDITURE

Shop expenses were mostly rent. After over a decade at £175 a month, the rent increased to £300 a month from August 2022. There is an expectation the rent will need to rise further. Incremental costs were for goods purchased.

For **Charities**, since 2017 the PCC judged that with its current financial difficulties, it was no longer appropriate to continue the practice of making fixed monthly donations to different charities unconnected with St Anne’s and chosen on behalf of the congregation. As observed in the closing paragraph on page 4, disbursements were made from the Millfield Fund for charitable purposes in 2023, but not 2024. Millfield Fund disbursements for landscaping to facilitate allotments for local schools are underway in 2025.

Diocesan Common Fund: see Financial Review on pages 3 & 4.

Parsonage house in 2022, is the maintenance of the vicarage burglar alarm and its water rates.

Pilgrimage, study & parish events. The main item is usually the cost of the annual pilgrimage to the Walsingham shrine. Each pilgrim meets their own cost but the church pays for the cost of the clergy and any shortfall in overall costs.

Upkeep of services includes communion wine, candles, service books, service sheets and publicity.

Music is the Music Director’s and cantors’ fees and other spending on music.

All spending (£657) on flowers in 2024 was met by donations, largely from two individuals. Expectations are that the flower float will need to be funded by either dedicated fund raising or transfers from the general fund.

Church running other comprises mainly hospitality, kitchen and toilet materials, the website fee and the water rate.

BALANCE SHEET COMMENTARY

Overall reserves rose to £785,941 from £743,925. Notably cash balances at HSBC fell from £102,640 to £66,854 due to the outstanding receivables from Shared Access and HMRC of £43,000. The CCLA accounts all reported gains due to the accrual of income.

For 2025, pressures will exist due to a rise in common fund contributions, the likelihood that interest income has peaked, and the real reduction in ongoing giving in recent years.

In 2009 St Anne's received a £500,000 grant from the Millfield Foundation plus £100,000 in January 2016. The money is to be used "for the benefit of those aged 22 years or below, with their families, living in the south-east of England" in ways specified by the grant. In 2018 two payments of £5,000 each were made for the development of the building for use in youth-related projects called for by the grant. In 2019 the PCC agreed to fund, in conjunction with HNCC, a woodwork grant to support young people. A further sum of £7,500 of the Millfield money was used for this purpose. After continuing to receive interest and no disbursements from 2020-2022, a grant of £50,000 was provided from the Millfield Fund to the Highgate Newtown Centre in 2023. There were no donations made in 2024 leading to a rise in the value of the fund.

Millfield Fund Bank account commentary and changes:

As noted in previous years, there remains a significant discrepancy between the £593,411 figure shown on the fund movement table, and the cash balance of £339,730 balance of the Millfield CCLA account as of the end of 2024. This looks to have been due to an approach many years ago to optimise interest income by moving funds to the CCLA PPC General reserve account. The Treasurer, with the approval of the PCC, will transfer those funds back so that the balance of the Millfield CCLA account is identical to the £593,411 value of the Millfield Fund balance.

Accounts Payable

Note accounts payable in the reported 2023 accounts showed a payable liability of £7,063.96. The majority of this was for a £6,145 overpayment from shared access in 2023 that was compensated for in 2025 by an underpayment vs actual electricity outlays for shared access (net of their outstanding receivable).

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Balance Sheet detailed

		As at 31/12/2024	As at 31/12/2023
Fixed assets			
	6430: Anne Barnett endowment	—	—
	6432: PUNL shares	650.00	650.00
	Total Fixed assets	650.00	650.00
Current assets			
	6501: Current account (HSBC)	66,853.98	102,640.24
	6507: PayPal	1,462.03	1,462.03
	6510: Reserve account (CCLA)	212,826.87	202,099.75
	6514: Reserve account (Nationwide)	—	—
	6516: Reserve account (Santander)	—	—
	6530: Anne Barnett account (CCLA)	288.60	274.06
	6540: Churchwardens account (CCLA)	121,940.78	105,826.36
	6550: Millfield account (CCLA)	339,730.34	322,606.89
	6555: Millfield account (Nationwide)	—	—
	6590: Cashbook	(42.29)	(42.29)
	6594: Flowers float	19.50	—
	6596: Music float	80.00	80.00
	6597: Electricity Receivable Phone Mast	20,396.10	—
	Z05: Accounts Receivable	22,654.23	15,392.48
	Total Current assets	786,210.14	750,339.52
Liabilities			
	6699: Agency collections	—	—
	Z04: Accounts Payable	918.96	7,063.96
	Total Liabilities	918.96	7,063.96
	Net Asset surplus (deficit)	785,941.18	743,925.56
Reserves			
	Excess / (deficit) to date	42,015.62	(40,022.18)
	Z01: Starting balances	743,925.56	783,947.74
	Total Reserves	785,941.18	743,925.56

	As at 31/12/2024	As at 31/12/2023
Represented by Funds		
Unrestricted	158,846.50	137,355.23
Designated	10,000.64	10,000.64
Restricted	617,093.30	596,568.95
Endowment	0.74	0.74
Total	785,941.18	743,925.56

Notes on Balance Sheet and ‘Funds’, and accounting policies

Balance Sheet

Fixed assets

The **Anne Barnett Fund endowment** was capital given by the church’s founder to provide income for ‘repairs or improvement’ (her Will Oct 1853) or for ‘making any necessary additions’ to the church, excluding the purchase of additional land (the second of two Codicils of Nov 1854). The amount has been estimated as the £1,000 in the Will plus £1,000 as the maximum likely amount resultant from the Codicil (which added £200 plus any legacies which lapsed before Anne Barnett’s death four years later). Following the closure of the Anne Barnett Endowment in 2023 due to immateriality, the PCC has determined to elevate the use of Anne Barnett’s name in the finances of the church by renaming the actively used music float in her honour.

Consecrated land and beneficed property and any improvements to property, fixtures and fittings are excluded from the accounts as assets by the Charities Act. The insurance valuation of **the church building and contents** is currently £17,035,200. Movable church **furnishings** are vested in the churchwardens; they cannot be disposed of without a Faculty (legal permission from the Diocese). **Other items which are not fixtures and fittings** coming into the possession of the PCC valued over £1,000 will normally be written off in equal parts over four years; those valued at £1,000 or less will be written off in the period in which they were acquired.

Current assets

During 2023 we had a **chequing account** at HSBC, a largely dormant PayPal account, and a Sum Up account (enabling people to pay to the church via the website and churchwardens to make small purchases of maintenance materials online). Our aim is to keep only sufficient balances for working purposes in the HSBC account, as the interest rate is zero. Additionally, we have 4 **instant-access accounts** in the **CBF (Church of England Central Board of Finance) Deposit Fund** managed by CCLA Investment Management. These funds were the source of the large rise in interest income in 2024, the vast majority of which is restricted.

Income in cash and cheques (collections, donations, income from the shop, etc) is held in the ‘**Cashbook**’ until banking, or cash disbursement (mainly into the Music Float) takes place. Other cash amounts (the **Flowers** and **Music Floats**) are held by individuals who maintain cashbooks for providing flowers in the church and paying singers.

Accounts receivable at the end of 2024 is an estimated provision for a gift-aid claim to be submitted to HMRC for donations received in the year, as well as just over £20,000 of receivables from shared access which will shortly be invoiced.

Liabilities

Accounts payable are cheques drawn in 2024 but not cleared by 31st.

Funds': analysis of Net Assets by function

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Fund movement summary
Selected period: 01 January 2024 to 31 December 2024

Fund	Fund Balances brought forward	Incoming Resources	Outgoing Resources	Transfers	Gains and Losses	Journal Entries	Fund balances Carried forward
GiftAndrew - F Andrew	—	1,223	1,722	499	—	—	0
Gift 25 years							
BRoss - Reading Machine	200	565	1,515	750	—	—	—
Barbara							
Flower - Flower Fund	0	677	657	—	—	—	20
General - General fund	137,355	123,324	94,888	(6,944)	—	—	158,846
Lavinia - Lavinia Mural Fund	500	1,175	—	695	—	—	2,370
BarbaraCar - Barbara Taxi Fund	835	—	—	—	—	—	835
Restor - Restoration Fund designated	10,000	—	—	—	—	—	10,000
RestorRes - Restoration Fund restricted	79	—	—	—	—	—	79
Barnett - Anne Barnett Fund	15	7	—	—	—	—	22
CWardens - Churchwardens Fund	1,929	13,325	16,620	5,000	—	—	3,634
Worship - Worship Fund	5,473	—	—	—	—	—	5,473
Lunches - Lunches Fund	—	—	—	—	—	—	—
Millfield - Millfield Fund	576,287	17,123	—	—	—	—	593,411
Developmnt - Development Fund	11,250	—	—	—	—	—	11,250
Bell - Bell Fund	0	—	—	—	—	—	0
Totals	743,925	157,420	115,405	—	—	—	785,941

Restricted funds can be used only for a specified purpose. **Designated** funds are amounts allocated by the PCC for a specific purpose; this allocation is not binding and can be changed by the PCC. **Endowment** funds are investments held in trust so that the PCC can benefit from the interest but cannot spend the capital.

General Fund holds assets that are not subject to any restriction or designation.

Restoration Fund comprises a donation (plus Gift Aid) restricted for repair of the chancel mural and other amounts designated by the PCC for restoration (at end 2016 essentially completion of the repairs to the vestry and preparatory stabilisation of the mural beyond that financed by the restricted donation).

Anne Barnett Fund was set up by the church's founder so that the interest generated could cover the cost of church maintenance. The amount in the Fund comprises the endowment capital (estimated at £2,000):-and net accumulated earnings on it (which, like the Restoration Fund, are usable for repairs and improvements). Due to the immaterial size of the fund and the 2008

blending of the monies in non-restricted accounts, the decision was made to close the fund at the end of 2023.

Churchwardens Fund receives the regular grants from the St Pancras Church Lands Trust (Registered Charity 212006). Under the terms of the Trust (the St Pancras Ecclesiastical Regulation Act 1868, as amended by the scheme effective 24 March 1965) the use of the grants is restricted to repair of the church and the expenses of performing divine worship (and was interpreted in a note written by a Trustee in April 2007, as excluding use for donations to charity or payment of clergy stipends). If too much qualifying expenditure is allocated to this Fund during the year, a transfer is made from the General Fund to bring the Churchwardens Fund back to zero at the year-end, rather than individual items being reclassified out of this Fund in retrospect.

Worship Fund holds a donation to support worship and the upkeep of services.

Lunches Fund comprises the expenditure on the Community Lunches and its financing, see page 8 ‘lunches’ and the last para of the Financial Review on page 4.. but is no longer used

Millfield Fund holds the St Pancras Foundation grant described in the Financial Review and the interest on it net of expenditure from it. The Fund is distributed over several accounts in the Balance Sheet, not only those with ‘Millfield’ in their title.

Development Fund holds a donation restricted for the Development Plan.

Bell Fund is a restricted fund for maintenance of the bells. After substantial work on bells and belfry over recent years the fund ended last year exhausted.

Flower Fund is for the floral decoration of the church. When spending on flowers is not met by financial donations for flowers (including the tax recoverable on Gift Aided donations), the deficit is made up by transfers from the General Fund.

Barbara Ross Fund was set up to facilitate mobility and a an electronic reader for long-serving parishioner and reader Barbar Ross. This fund has now served its purpose.

Lavinia Mural Fund was set up in honour of the 100th birthday of a cherished parishioner. The fund is dedicated to the replacement of a water damaged mural and associated redecoration. The fund currently has £2,370 in donations.

Accounting Policies

These accounts have been prepared in accordance with the Church of England’s Accounting Regulations, applicable accounting standards and the Charities Statement of Recommended Practice (‘SORP’). Receipts and payments are in principle entered on an ‘**accruals**’ basis (see notes on ‘Accounts receivable’ and ‘Accounts payable’ above).
